

Mentor Manual

National PASS Center 2013



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Financial Literacy Unit 4 Mentor Manual

Lesson 1

Pgs. 4 – 6

1 93. T 0		
A. Total expenses = \$875	Monthly income	= \$ 1500
	Monthly expenses	= 875
	Money left over	= \$ 625
P. Total avnances \$1265	Monthly in some	ድ ኃሳሳሳ
B. Total expenses = \$1265	Monthly income	= \$ 2000
	Monthly expenses	= <u>1265</u>
	Money left over	= \$ 735
C. Total expenses = \$ 1005	Monthly income	= \$ 1200
'	Monthly expenses	= 1005
	Difference	= \$ 195
	Balanced Budget	
D. Total expenses = \$1230	Monthly income	= \$ 1000
	Monthly expenses	= 1230
	Difference	= \$ -230
	Unbalanced Budget	
E. Total expenses = \$1425	Monthly income	= \$ 1290
•	Monthly expenses	= 1425
	Difference	= \$ -135
	Unbalanced Budget	

Pg. 6

- 1. Car insurance = fixed
- **2.** Bus fare = fixed or variable

- **3.** Food = variable
- **4.** House payment = fixed
- **5.** Entertainment = variable
- 6. Bank loan = fixed
- 7. Household items = variable
- **8.** Clothing = variable
- **9.** Health insurance = fixed
- **10.** Personal items = variable

- **11.** Fixed expenses = \$740 Variable expenses = \$262
- **12.** Fixed expenses = \$489 Variable expenses = \$144
- **13.** Fixed expenses = \$864 Variable expenses = \$421

Pg. 8

- **14.** Heat = Need
- **15.** Designer clothes = Want
- **16.** Candy = Want
- **17.** Housing = Need
- **18.** 1Beer = Want
- **19.** Food = Need
- **20.** Comic books = Want
- 21. Income = Need
- **22.** Electricity = Need
- 23. Shoes = Need
- **24.** <u>Individual response</u>. Answer might include the idea of cutting back on expenses, getting a higher-paying job, or taking a second job.

Pg. 9

25. <u>Individual response</u>. Mentor should check for accuracy in calculations.

Pg. 10

26. <u>Sample response</u>: A budget is a plan of action for your money. It compares income with expenses.

- **27.** A budget shows you how your money is used. It helps you to save money and to have enough to pay your bills.
- 28. Variable expenses are those that change every month. For example, the money you spend on gasoline and food will not be the same from month to month.
 Gasoline and food prices change all the time. They do not stay the same.
- **29.** An unbalanced budget means there is more money spent than is earned. A person with an unbalanced budget is out of money and is in debt.
- **30.** Sample response: Needs are the basic things people require to live. Examples are food, clothing, and shelter. Wants are things that are not necessary for living, but are desired. Examples of wants are a big house with servants, a trip to Hawaii, or a Porsche sports car.

Pg. 12

1. \$1010

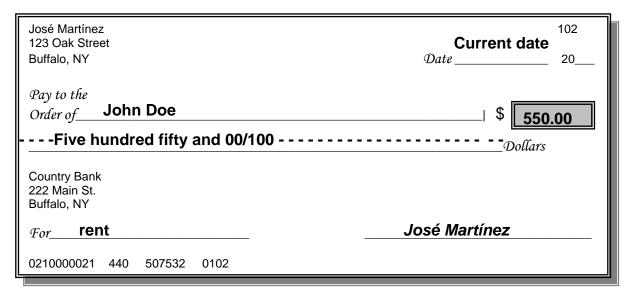
Pg. 13

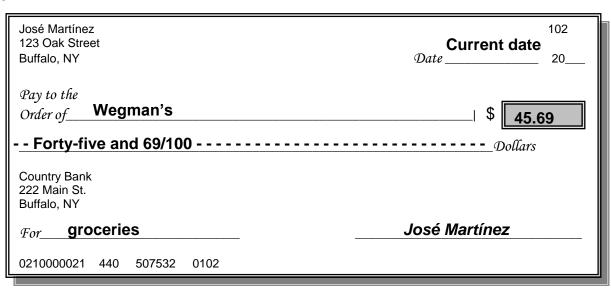
2. \$295

Pg. 14

Savings Acc	Total Amount		
		Beginning Balance	\$ 50.00
Date	Deposit	Withdrawal	
4/4	50.00		100.00
4/20	98.00		198.00
5/10	93.00		291.00
5/13		25.00	266.00

4.





6.

José Martínez 123 Oak Street Buffalo, NY	Current date Date 20
Pay to the Order of Telephone Company Twenty-six and 47/100	\$ 26.47 Dollars
Country Bank 222 Main St.	Douars
Buffalo, NY For service	José Martínez
0210000021 440 507532 0102	

7.

Date No.		Transaction	Amount of	Amount of	Balance
		Transaction	Deposit	Deposit Payment	
	101	Sample			
5/1/13	102	John Doe – rent		550.00	150.00
5/4/13	103	Wegman's – groceries		45.69	104.31
5/15/13	104	Telephone Company – bill		26.47	77.84

8. <u>Sample response</u>. Savings and checking accounts keep your money safe from loss. They offer a way to use your money when you need it. Checking accounts allow you to pay bills safely and on time. Savings accounts can earn you money in interest.

Pg. 24

- 1. Yucca Valley Savings & Loan
- **2.** 6488 8112 3698 2257
- 3. Kim Lee
- **4.** March 2015
- 5. on the back of the card

Pg. 26

- **6.** \$370.97
- **7.** \$287.97
- **8.** \$267.97
- **9.** \$205.47

Pg. 29

CHECK 5.75		TRANSA	TRANSACTION		DEPOSIT		BALANCE	
NO.	DATE	DESCRIPTION	_	AMOUNT (-)		AMOUNT (+)		33
Debit	8/1	Graham's Cycles	34	50			- 34	50
		Gift for Omar					489	83
Debit	8/5	McDonalds	22	90			- 22	90
		Dinner for family					466	93
ATM	8/6	Cash	61	50			- 61	50
		Spending money					405	43
563	8/7	Galway Gas Company	114	82			- 114	82
		Monthly heating bill					290	61
ATM	8/9	Cash	81	50			- 81	50
		Groceries					209	11

Pg. 33

- 1. WalMart
- **2.** \$585.00
- 3. Moneygram Payment Systems, Inc.
- **4.** July 24, 2008
- 5. WF National Bank, South Central, Faribault, MN

Pg. 34

6.

UNITED STATES OF AMERICA MONEY ORDER								
061932748511 120629 SERIAL NUMBER YEAR MONTH			975656 BANK	\$ 159.00 U.S. DOLLARS AND CENTS				
PAY TO	PAY TO Rochester Gas & Electric FROM Your Name							
STREET				STREET				
234 Maple Street					Your Addres	ss.		
CITY		STATE	ZIP	CITY		STATE	ZIP	
	Rochester	NY	14216		Anytown	??	54321	
000:80009: 3: 375628172483 56567								

Pg. 35

UNITED STATES OF AMERICA MONEY ORDER								
439856012711 SERIAL NUMBER			120322 YEAR MONTH DAY		975656 BANK	\$ 55.00 U.S. DOLLARS AND CENTS		
PAY TO	PAY TO Sandy's Shoe Store FROM Your Name							
STREET	•			STREET	•			
	124 Hill R	oad			Your Address	<i>y</i>		
CITY		STATE	ZIP	CITY		STATE	ZIP	
	Los Angeles	CA	90034		Anytown	??	54321	
000:80009: 3: 375628172483 56567								

- **8.** \$83.29
- **9.** \$156.51
- **10.** \$90.78
- **11.** \$34.25

Lesson 5

Pg. 42 (pg. 43 in Spanish edition)

- **1. a.** whether you have a job or not
 - b. how much money you earn
 - c. whether you have any other sources of income
 - d. what bank accounts you have
 - e. how much money you already owe
- 2. Sample response. The length of time you have lived at the same address tells the bank if you have stayed in one place or moved around a lot. The length of time you have had your job tells the bank how reliable your income is. Both pieces of information tell the bank how stable you are or how much of a risk you are.

Pgs. 43 – 44 (pgs. 44 – 45 in Spanish edition)

- **3.** C
- **4**. G
- 5. Sample response. No, you should not cosign that loan for your friend. He has had three different jobs in only two months. He can't seem to keep a job for very long. He probably doesn't have very much money saved to make loan payments. \$20,000 is a lot of money to borrow. It will take years to pay off that loan. It doesn't seem likely that your friend will keep a job long enough to make the payments. If you cosign, you will probably become responsible for paying back that loan yourself.

- **6.** <u>Individual student response</u>. The answer might include reasons like:
 - You don't earn enough money to afford the loan payments, if they become your responsibility.
 - It might ruin your relationship with the person you cosign for.
 - The person who wants you to cosign is a bad credit risk.
- **7.** Pedro should ask at least the following questions:
 - What is the interest rate?
 - How many payments will I be making in total and for how long?
 - What will the amount of each monthly payment be?
 - What is the due date of each monthly payment?
 - How much is the late fee?

Pg. 48 (pg. 50 in Spanish edition)

- **1. a.** They allow you to buy things you want, but can't afford right now.
 - b. You can pay over time without paying interest fees.
 - **c.** They are a way to get popular gift items before they sell out or become unavailable.
- 2. Sample responses.
 - **a.** If you change your mind or miss a payment, items are returned to shelves. There is no refund of the money already paid.
 - **b.** There is a layaway fee and a cancellation fee.
 - **c.** The layaway period is too short. Or. . . The layaway period is too long.
- 3. <u>Individual response</u>.

Pgs. 50 – 51 (pgs. 52 – 53 in Spanish edition)

- **4. a.** \$1080
 - **b.** <u>Sample response</u>. This was not a good decision. María is paying almost twice what the refrigerator costs.

- **c.** María could have tried to get a bank loan or could have used her credit card to get a new refrigerator.
- 5. Sample response. Samuel should not try to rent a big-screen TV. He will end up paying much more for it than it is worth. A big-screen TV is something Samuel wants, not needs. He should save some money each week until he has enough to buy the television he wants.
- **6.** \$1035

ഇ End of Unit 4 • Financial Literacy • Mentor Manual ഇ