Overview
In this unit, students closely examine their spending and earning habits. They learn to use online financial tools, such as a budget builder and savings calculators; they investigate where their money goes each month; and they consider the implications of using credit cards versus cash. Each lesson focuses on one tool and is accompanied by a student worksheet, allowing students to navigate the tool, record their results and be prepared for a follow-up discussion.

Day One
Thinking About Where Your Money Goes

Schema Building
1. Ask students to quickly jot down answers to the following questions:
   a. List everything you have spent money on so far today.
   b. What are some things you have spent money on this week?
   c. What are some things you have spent money on this month?
   d. What is the most expensive item you have bought recently?
2. Ask students to discuss their answers in small groups and then to identify what was a special purchase, what was a regular purchase and which purchases were necessary and unnecessary. Invite each group to report back to the whole class so that the class can discuss commonalities.
3. Introduce the class to the general topic of money, including budgeting, saving and debt. Starting with the vocabulary below, ask students to work in groups and come up with definitions (without dictionaries). As a class, check the definitions and work together to provide correct meanings. Assist with understanding the usage of unfamiliar words.

   budget | expenses | fixed
   --- | --- | ---
   debt | frugal | variable
   income | insurance | utilities
   gross | net | 

4. Tell students that they will now listen to a short commentary about one family’s strategy for saving money. Introduce the title “Family Takes Frugality to the Extreme.” Explain the meaning of frugal and frugality. Ask students to predict what they may hear.
ONLINE RESOURCES

Audio Links
“Family Takes Frugality to the Extreme”
http://marketplace.publicradio.org/display/web/2009/07/03/pm_frugality/

“Where It Pays to Make It from Scratch”

Budget Tools
Marketplace Money Toolbox
http://marketplace.publicradio.org/toolbox/

Home Budget Analysis

Bank It or Bust
http://www.thirteen.org/finance/games/bankorbust.html

Savings Goals Calculator

Lunch Savings Calculator

Credit Card Payoff

Just Charge It!
http://senseanddollars.thinkport.org/games/charge/home.html

It Costs What?!
http://www.thirteen.org/finance/games/itcostswhat.html

OTHER MATERIALS
Student Handout A: “Family Takes Frugality to the Extreme”
Listening Guide
Student Handout B: Home Budget Analysis Tool
Student Handout C: Savings Goals Calculator
Student Handout D: Just Charge It! Worksheet

5. Play the commentary (http://marketplace.publicradio.org/display/web/2009/07/03/pm_frugality/) and ask students to listen for main ideas. Check for understanding, then distribute Student Handout A. Ask students to listen again and take notes this time.

6. Suggest that students check their answers in small groups or pairs and discuss their notes. Draw out their ideas in a whole-class discussion at the end.

7. For further listening practice, ask students to listen to the commentary “Where It Pays to Make It from Scratch” (http://marketplace.publicradio.org/display/web/2009/08/07/mm-frugal-blogger/).

Homework
Money Journal or Money Blog: Instruct students to keep a journal (written) or blog (online) about their expenses this week. They should keep each and every receipt and record what they buy or spend and why they bought the item. If blogging, they may include a photo if they’d like and they may comment on each others’ posts.

DAY TWO

Creating a Budget

1. Collect or view students’ Money Journal / Money Blog. Give them five minutes to talk with a partner or in small groups about their purchases over the last 24 hours.

2. Distribute Student Handout B. Examine the sample budget together and check students’ understanding of the categories.

3. Shift to the Do It Yourself! section of Student Handout B. Ask students to use Marketplace’s Home Budget Analysis tool (http://marketplace.publicradio.org/toolbox/calculators/HomeBudget.html) to create and analyze their own budget. For additional practice with tracking expenses in specific categories, they may play the game Bank It or Bust (http://www.thirteen.org/finance/games/bankorbust.html).

Homework
Encourage students to continue their Money Journal / Money Blog, looking even more carefully at daily purchases to see where those expenditures fit into their budget.
DAY THREE

Finding a Way to Save

1. Review the budget categories from the day before. Introduce the topic of savings and have students look again at the amount they have in savings based on their monthly budget analysis. Ask them to list their short-term and long-term goals for savings. Share and brainstorm savings goals and list them on the board.

2. Explain the different types of savings. Distribute Student Handout C and demonstrate how to use Marketplace's Savings Goals Calculator (http://marketplace.publicradio.org/toolbox/calculators/Savings.html). Ask students to share and discuss their results with a partner or in small groups.


Homework
Students write in their Money Journal / Money Blog about one short-term savings goal, one long-term savings goal and how they plan to achieve these goals.

DAY FOUR

Using Credit Cards Wisely

1. Warm-up
Ask students to discuss the following questions with a partner or in small groups:
- How many credit cards do you have?
- How often do you use credit cards?
- What types of items do you buy with cash versus with credit cards?
EXTENSIONS
A. Write a **Money Essay** exploring the theme of money in your life—how you value it, what you use it for and so on. Focus on a quotation about money and write about whether you agree or disagree with its meaning.

B. Create a **Spend and Save Photostory** showcasing what your daily and monthly expenses are, what you are saving for in the short and long terms, and how you are saving for those goals. In addition to photos, include text, voice and music. Share with the class in a gallery walk.

C. Develop and distribute a **Community Survey**. Question your fellow students about the cost of tuition, books and other school supplies and how these expenses affect their education.

2. **Vocabulary Exercise**
   Ask students to define the terms below working in small groups, helping each other instead of using a dictionary. After they have finished, check their definitions as a whole class, offering correct meanings where necessary.

<table>
<thead>
<tr>
<th>APR</th>
<th>annual fee</th>
<th>cash advance</th>
</tr>
</thead>
<tbody>
<tr>
<td>minimum payment</td>
<td>application fee</td>
<td>credit limit</td>
</tr>
<tr>
<td>account number</td>
<td>balance</td>
<td>interest</td>
</tr>
</tbody>
</table>

3. **Optional**
   Bring in a sample credit card statement and application and have students find and circle the vocabulary terms above. Show them a mock credit card and examine it for the account number, expiration date and other terms.

4. Distribute **Student Handout D** and demonstrate how to play the game **Just Charge It!** ([http://senseanddollars.thinkport.org/games/charge/home.html](http://senseanddollars.thinkport.org/games/charge/home.html)). Students can record their answers on the worksheet.

5. Students can learn more about the cost of credit cards by playing the game **It Costs What?!** ([http://www.thirteen.org/finance/games/itcostswhat.html](http://www.thirteen.org/finance/games/itcostswhat.html)).

**Homework**
Students write in their Money Journal / Money Blog about any credit card purchases they have made recently. Encourage them to record how they feel about using credit after seeing the results of **Just Charge It!**

**DAY FIVE**

**Putting a Financial Plan in Place**

1. Encourage students to showcase their work in a final paper or online portfolio.
2. Invite them to share with their group or the class their overall financial plan for the rest of this year and to respond to the following:
   • What did you learn about your spending habits?
   • What changes will you make?
   • What are your savings goals?

   The class or groups should listen and take notes, then discuss the financial plans that were presented.

3. Ask students to respond in writing to these questions:
   • Which tools were best for you?
   • How have your ideas about money changed?
   • Do you think you will be able to stick to your new budget? How?
   • What is still confusing?

DEVELOPED BY DENISE MADULI-WILLIAMS,
ESL INSTRUCTOR AT CITY COLLEGE OF SAN FRANCISCO

ADDITIONAL RESOURCES

Online Tool: Compound Interest Calculator
http://www.econedlink.org/interactives/interest.html

Article: “A 30-Day Challenge: Don't Spend” – Read about a family who pledged to buy nothing for 30 days.
http://articles.moneycentral.msn.com/SavingandDebt/LearnToBudget/A30DayChallengeDontSpend.aspx

Audio Podcasts from ELLLO – Also includes text and an online quiz for each topic:
   • Saving Money: Listen to six people from around the world talk about whether they are good at saving money; available at http://www.elllo.org/english/Mixer/22-SaveMoney.html.
   • Cash or Credit?: Two people discuss whether they use cash or credit to buy things; available at http://elllo.org/english/0751/T796-Anita-Credit.htm.
   • Waste of Money: Listen to six people from around the world talk about what they waste money on; available at http://www.elllo.org/english/Mixer/31-WasteMoney.html.

Just for Fun
   • Songs about money: http://www.businesspundit.com/30-best-songs-about-money/
   • Quotes about money: http://www.quotegarden.com/money.html
Before Listening
Look at the title and read this introduction:
“People are taking more hard-line measures as they look to drop debt. Maine-based author W. Hodding Carter and his family are taking this idea to the extreme for an entire year and documenting it all on Gourmet.com.”

Predict what you will hear in this commentary. List three things you think you will hear:

1. 

2. 

3. 

Listening for Main Ideas
Listen the first time and respond to the question: What prompted the Carter family to “get frugal”?

Listening for Details
Now listen again—take notes and answer the questions below.
• List a few of the ways in which the Carter family was overspending.
  • What had been the Carter family’s combined income per year for the last 10 years?
  • How much had they been spending per year?
  • What was left each month after their major expenses?
  • What are some things they are doing to save money?

Vocabulary
Listen for the following phrases. What do you think they mean?
• We pulled this off.
• We’re no longer afraid of the other shoe falling.
• We’re finally living within our means.

Making It Personal
Discuss your opinion with your partner or a small group.
• What do you think of the main idea of this commentary?
• Why do you think people live “beyond their means”? Do you? Explain.
• Could you do what the Carter family is doing? Why or why not?
STUDENT HANDOUT B
Home Budget Analysis Tool

View this sample online or use a printed copy.

Monthly Expenses: Click on EXPENSES CALC

Total monthly expenses $2,747.00

<table>
<thead>
<tr>
<th>Monthly house expenses</th>
<th>Monthly loan payments</th>
<th>Monthly insurance expenses</th>
<th>Monthly utilities</th>
<th>Other monthly expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>House Payment: $700.00</td>
<td>Auto Payment: $275.00</td>
<td>Auto Insurance: $95.00</td>
<td>Electric: $110.00</td>
<td>Food: $275.00</td>
</tr>
<tr>
<td>Home maintenance: $50.00</td>
<td>Credit Card Payment: $150.00</td>
<td>Health: $56.00</td>
<td>Sewer and water: $25.00</td>
<td>General Merchandise: $200.00</td>
</tr>
<tr>
<td>Auto Payment 2: $3.00</td>
<td>Bank Service Charge: $12.00</td>
<td>Life: $25.00</td>
<td>Telephone: $100.00</td>
<td>Travel and Entertainment: $50.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Home: $50.00</td>
<td></td>
<td>Child care expenses: $350.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gas: $0.00</td>
<td></td>
<td>Other expenses: $0.00</td>
</tr>
</tbody>
</table>

Examine the monthly expenses and answer the questions below.

1. How much are the combined monthly house expenses?
2. Which insurance expense costs the most?
3. How much is the Internet expense?
4. Does this family have children?
5. How much is spent on food?

Monthly Expenses: Click on PAYCHECK CALC

Total net paycheck is $3,250.00

<table>
<thead>
<tr>
<th>I am paid:</th>
<th>You</th>
<th>Your Spouse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross amount paid:</td>
<td>$1,000.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Federal tax withholding:</td>
<td>$350.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>State tax withholding:</td>
<td>$50.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Local tax withholding:</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Other taxes and withholdings:</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>FICA:</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Medicare:</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Insurance and benefits:</td>
<td>$150.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Company savings plan:</td>
<td>$200.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
Analysis: Click SHOW MY MONTHLY EXPENSES

Now view the pie chart to see the budget breakdown.
1. Where does most of the money go?
2. What is only 6 percent of the total monthly expenses?
3. How much is available for savings?

Discussion
- Was there anything surprising about this home budget analysis?
- How can creating a budget help?
- Do you think your budget will be similar to or different from the sample?

Do It Yourself!
Use the Home Budget Analysis Tool to create your own budget. Input data for your expenses and income, following the steps below.

2. Click on EXPENSES CALC
3. Input your expenses
4. Click on PAYCHECK CALC
5. Input your income
6. Click below the pie chart SHOW MY INCOME BREAKDOWN
7. Click below the pie chart SHOW MY MONTHLY EXPENSES

Now analyze your budget by thinking about, writing or discussing with a group the following:

- How much savings do you have available?
- What are your biggest monthly expenses?
- Which expenses are fixed?
- Which expenses do you think are variable?
- What was surprising when you looked at your budget analysis?
- Think about changes you could make to increase your available savings.
STUDENT HANDOUT C
Savings Goals Calculator

1. Look at your list of short-term and long-term savings goals. Choose two of each to calculate.

**Short-Term Goals**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Long-Term Goals**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. Go to the Savings Goals Calculator at http://marketplace.publicradio.org/toolbox/calculators/Savings.html. Input your goal, the amount you need to save to achieve your goal and how much time you want to take to save that amount. Record your results on the chart.

<table>
<thead>
<tr>
<th>Goal</th>
<th>Total Cost</th>
<th>Monthly Saving</th>
<th>Time to Save</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>

3. Reflection
   - Are you satisfied with your results?
   - Was anything surprising?
   - Share your findings with a partner or in a small group.

2. Follow the steps to select an item, type in your credit card's APR and how much you will pay each month.

3. Then click SHOW ME HOW MUCH THIS REALLY COSTS

4. Record your answers in the chart below.

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
<th>Time to Pay Off</th>
<th>Total Cost of Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>CD player</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two movie tickets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sofa</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leather jacket</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sneakers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other __________</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

**Discussion**

Share your answers with a partner or in a small group.

- What did you find?
- What was surprising?
- What did you learn?
- How do you feel about using credit cards now?
Send results to MEINHORN@KQED.ORG

Just tell us which lesson/activity you used and tally the total number of correct responses pre and post lessons/activities.

Budgeting – What to Spend and How to Save
Pre- and Post-Assessment Questionnaire

DIRECTIONS: CIRCLE THE CORRECT ANSWER

1. Which category does DVD rental go under?
   a. childcare  
   b. transportation 
   c. entertainment

2. Which of the following is an example of a long-term savings goal?
   a. buying lunch
   b. buying a house
   c. buying movie tickets

3. Which of the following is a fixed expense?
   a. travel 
   b. utilities 
   c. groceries

4. “Frugal” means
   a. the total amount of income
   b. an expense that cannot be changed
   c. careful to buy only what is necessary

5. Look at the budget below. What is the largest variable expense?

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
<th>Time to Pay Off</th>
<th>Total Cost of Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>CD player</td>
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<td>Sneakers</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total monthly expenses $2,747.00**

- **Monthly house expenses**
  - House Payment: $780.00
  - Auto Payment: $275.00
  - Credit Card Payments: $150.00

- **Monthly insurance expenses**
  - Auto Insurance: $195.00
  - Health: $59.00

- **Monthly utilities**
  - Electric: $110.00
  - Sewer and water: $25.00
  - Telephone: $130.00

- **Other monthly expenses**
  - Food: $225.00
  - General Merchandise: $200.00
  - Travel and Entertainment: $59.00
  - Child care expenses: $350.00
  - Other expenses: $1.60

- **Annual maintenance**
  - Auto Payment 2: $9.00
  - Bank Service Charge: $12.00
  - Life: $25.00
  - Home: $50.00

- **Gas, Cable, Internet**
  - Gas: $9.00
  - Cable: $35.00
  - Internet: $20.00

- **Auto gas and maintenance**
  - $76.00

- **Donations**
  - $0.00

- **Gift expenses**
  - $50.00

- **Medical**
  - $50.00