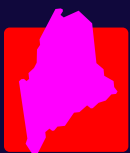


MAINE CREDIT UNIONS

# MONEY BOOK



MAINE  
CREDIT UNIONS

MIDDLE SCHOOL  
GRADES 6-8

# Monthly Budget Terms

On this page, you'll find a list of terms that are important to know and understand ahead of today's activity.



## Income

Money received during a period of time from working or other business activities.

## Expenses

Money spent during a period of time to pay for goods and services.

## Gross Pay

An individual's paid earnings before any deductions are made, such as taxes, insurance, or retirement contributions.

## Net Pay

The take-home pay or the amount an individual has earned after all deductions have been subtracted from their gross pay.

## Income Taxes

Money taken out of peoples' paychecks to pay for government jobs and services.

## Budget

A plan that estimates how much money will be spent and earned during a certain time period.

## Loan

Money, property, or other goods given to someone in exchange for future repayment of the loan, usually with interest.

## Interest

Additional money that must be repaid in addition to the original loan amount for the use of the borrowed funds.

## Debit

Something, typically money, that is owed or due.

## Emergency Fund

Money that is kept aside for no use other than an unexpected expense or financial emergency, such as job loss.

## Comparison Shopping

The act of examining the similarities and differences between items, before purchasing, to get the best value for your money.

# What Am I Doing Today?

Throughout today's activity, you'll get to experience what it's like to be a financially responsible adult. You'll choose a career, receive an income, and have to pay for expenses the average adult is faced with each month.

You'll need to pay for: housing, transportation, food, clothing, and more, and there will be a number of different pricing options for each.



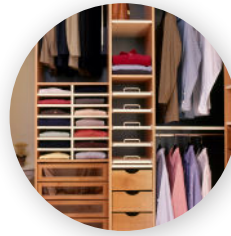
**Housing**



**Transportation**



**Food**



**Clothing**

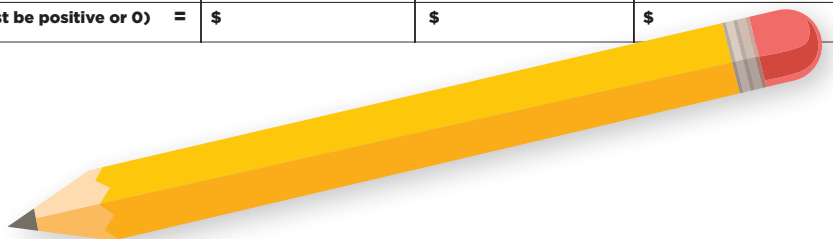


**More...**

You'll need to pay for all of these expenses without spending more than you earn each month. By completing a monthly budget sheet, you'll be adding up the total costs of your expenses to ensure you're not spending more than you earn. If you are, you'll have to choose some cheaper options.

After choosing a pricing option for an expense, you'll write it down on that page. At the end of the activity, you fill out a budget sheet by adding up all of the expenses, with a goal of spending less than you earn.

Monthly Spending Plan				
Expenses		Monthly Total		
		First Draft	2nd Draft	Final Draft
Housing				
Food	+			
Transportation	+			
Clothing	+			
Savings	+			
Extras <i>(Choose a minimum of 3)</i>				
1	+			
2	+			
3	+			
4 <i>(optional)</i>	+			
Curveball	+			
<b>Total Spending</b>	=	\$	\$	\$
Monthly Net Pay <i>(from page 3)</i>		\$	\$	\$
Total Spending <i>(from page above)</i>	-	\$	\$	\$
<b>BALANCE (must be positive or 0)</b>	=	\$	\$	\$



# Choose Your Job

On this page, you'll be choosing your career. Each career shows the average yearly income of the job, as well as the monthly gross pay. You should choose a career based on your interest in the job, rather than simply choosing the job that pays most. If the career you're actually interested in happens to pay the most, you can choose that one.



## Teacher

Yearly Income: **\$47,000**  
Monthly Gross Pay:  
**\$3,917**



## Police Officer

Yearly Income: **\$70,000**  
Monthly Gross Pay:  
**\$5,833**



## Veterinarian

Yearly Income: **\$98,000**  
Monthly Gross Pay:  
**\$8,167**



## Librarian

Yearly Income: **\$34,000**  
Monthly Gross Pay:  
**\$2,833**



## Graphic Designer

Yearly Income: **\$45,000**  
Monthly Gross Pay:  
**\$3,750**



## Camera Operator

Yearly Income: **\$40,000**  
Monthly Gross Pay:  
**\$3,333**



## Firefighter

Yearly Income: **\$41,000**  
Monthly Gross Pay:  
**\$3,417**



## Chef

Yearly Income: **\$50,000**  
Monthly Gross Pay:  
**\$3,189**



## Barber/Hairdresser

Yearly Income: **\$37,000**  
Monthly Gross Pay:  
**\$3,083**



## Electrician

Yearly Income: **\$55,000**  
Monthly Gross Pay:  
**\$4,583**



## Mechanic

Yearly Income: **\$51,000**  
Monthly Gross Pay:  
**\$4,250**



## Registered Nurse

Yearly Income: **\$73,000**  
Monthly Gross Pay:  
**\$6,083**



## Cashier

Yearly Income: **\$28,000**  
Monthly Gross Pay:  
**\$2,333**



## Carpenter

Yearly Income: **\$59,000**  
Monthly Gross Pay:  
**\$4,917**



## Lawyer

Yearly Income: **\$99,000**  
Monthly Gross Pay:  
**\$8,250**

## Determine Your Monthly Net Pay

$$0.2 \times \frac{\text{your monthly gross pay}}{\text{your monthly gross pay}} = \frac{\text{adjusted gross pay}}{\text{adjusted gross pay}}$$

$$\frac{\text{your monthly gross pay}}{\text{your monthly gross pay}} - \frac{\text{adjusted gross pay}}{\text{adjusted gross pay}} = \text{Monthly Net Pay}$$

# Housing *(choose one)*

Housing is one of your most important expenses to manage each month. You need to have a roof over your head. Your income will determine the type of living arrangement you can afford. The prices include the cost of your housing choice and the estimated cost of utilities, such as electricity and water.



1.

Live with your parents

\$250



2.

Rent an apartment with a roommate

\$500



3.

Rent an apartment by yourself

\$1,000



4.

Own your own home

\$1,375

What is your monthly housing cost? \_\_\_\_\_

# Food *(choose one)*

When balancing your budget, it's important to prioritize essential items. Food is essential, as you need to eat to live. When it comes to paying for food, there is a lot to choose from at the grocery store, with lots of varying prices. Further, dining out at restaurants or eating on-the-go can increase your food costs.



1.

\$200

Basic Meal Plan



2.

\$400

Average Meal Plan



3.

\$600

Organic Meal Plan



4.

\$725

Premium Meal Plan

What is your monthly food cost? \_\_\_\_\_

# Transportation

(choose one)

The prices on this page includes the cost of purchasing the vehicle, along with the estimated monthly costs of fuel, car insurance, and maintenance.



1.

\$150

Public Transportation



2.

\$325

An ol' clunker car or truck



3.

\$500

A used car



4.

\$625

A used truck



5.

\$650

A new car



6.

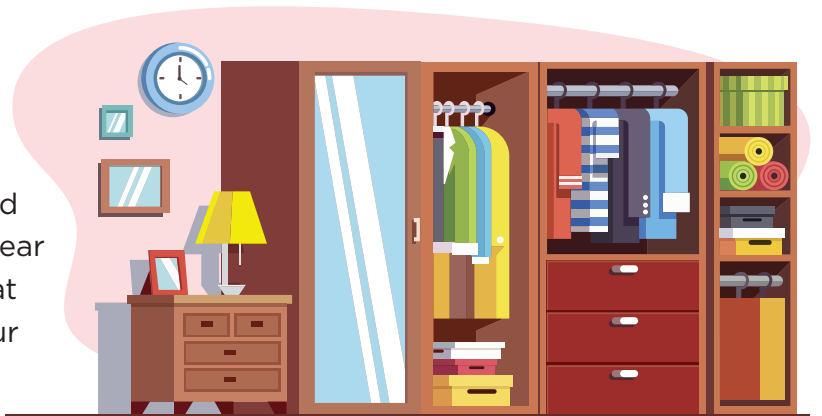
\$1,100

A new truck or sports car

What is your monthly transportation cost? \_\_\_\_\_

# Clothing *(choose one)*

People need to wear clothing to protect themselves from the heat, cold, wind, rain, and snow. Further, our culture demands people wear clothing. However, purchasing more than what you truly need can blur the lines between your clothing purchases fulfilling a need or want.



**1.** Thrift stores **\$50**



**2.** Discount retailers **\$100**



**3.** Name brands **\$200**



**4.** Premium name brands **\$400**

What is your monthly clothing cost? \_\_\_\_\_

# Savings *(choose one)*

While saving money isn't exactly an expense, it's important to treat it like it is in your budget. By regularly setting aside a set amount of money each month, it becomes a habit. Having money saved away is a great way to help you pay for specific goals, such as going on a vacation or being able to retire.

You'll be choosing what percentage of your monthly net income you want to save away for the future.



# 5%

**1.** 5% of your monthly net income

$$\underline{\hspace{2cm}} \text{ (your monthly net income)} \times 0.05 = \underline{\hspace{2cm}} \text{ **5% of your income**}$$

# 7%

**2.** 7% of your monthly net income

$$\underline{\hspace{2cm}} \text{ (your monthly net income)} \times 0.07 = \underline{\hspace{2cm}} \text{ **7% of your income**}$$

# 10%

**3.** 10% of your monthly net income

$$\underline{\hspace{2cm}} \text{ (your monthly net income)} \times 0.10 = \underline{\hspace{2cm}} \text{ **10% of your income**}$$

What is your monthly savings cost? \_\_\_\_\_

# Extras *(choose at least three)*

Whether you have a large or small budget, everybody needs a few extras. While you could splurge on just about anything, there are some common options on this page. Choose at least three options from this page and add the costs up to determine your total monthly extras expense amount. Again, you need to choose at least three. However, if you think you have enough money in your budget, you can choose as many as you want. Your options are:



**Cell Phone**



**Internet & TV**



**Video Games**



**Gym Membership**



**Going to Movies**



**Vacation Planning**



**Haircut**



**Concerts & Activities**

## Calculate Monthly Extras Cost

(Extra #1)	\$	(Cost)
(Extra #2)	+	(Cost)
(Extra #3)	+	(Cost)
(Extra #4 - Optional)	+	(Cost)
<b>MONTHLY EXTRAS COST</b>	=	<b>TOTAL</b>

What is your monthly extras cost? \_\_\_\_\_

# Curveball

Uh-oh! You've reached the curveball page. On this page, you'll be faced with making an unexpected expense. Much like in real life, sometimes you have to spend money on things you weren't expecting. After paying for your housing, transportation, food, and any extras, it's a good idea to make sure you still have some money left over. This money can help you pay for any unexpected expenses that pop up.

On this page, you see five different curveball expenses.



You fell and broke your wrist. You need to pay a deductible for your hospital visit.

**\$200**



You broke your phone and need to repair your screen.

**\$100**



You forgot to cancel a trial membership and it billed you through auto-renewal.

**\$50**



Your parking meter expired. You have to pay for a parking ticket.

**\$25**



You were driving too fast and got a speeding ticket.

**\$150**

## What is your curveball?



**If your first name has 1-4 letters:**

Your random expense is curveball #1--meaning you need to **pay \$200**.

**If your first name has 5-6 letters:**

Your random expense is curveball #2--meaning you need to **pay \$100**.

**If your first name has 7-8 letters:**

Your random expense is curveball #3--meaning you need to **pay \$50**.

**If your first name has 9-10 letters:**

Your random expense is curveball #4--meaning you need to **pay \$25**.

**If your first name has 10 or more letters:**

Your random expense is curveball #5--meaning you need to **pay \$150**.

What is your curveball cost? \_\_\_\_\_

# Balance Your Budget

Now that you've chosen all of your monthly expenses, it's time to add them up in your monthly budget sheet. Remember, in order to have successfully balanced your budget, you need to have spent less than what you earned for a monthly net income.

Enter the cost of each expense into the "first draft" section of your budget sheet. If you add up all your expenses and you still have money left over, great--you did it! If you add up all your expenses and you're spending more than you earn each month, you'll need to revisit some pages and choose some cheaper options. If you make any changes, you can enter your new expenses totals into the "second draft" section. Repeat this process until you successfully balance your budget!

Monthly Spending Plan			
Expenses		Monthly Total	
		First Draft	2nd Draft
Housing			
Food	+		
Transportation	+		
Clothing	+		
Savings	+		
Extras <i>(Choose a minimum of 3)</i>	+		
1	+		
2	+		
3	+		
4 <i>(optional)</i>	+		
Curveball	+		
<b>Total Spending</b>	<b>=</b>	<b>\$</b>	<b>\$</b>
Monthly Net Pay <i>(from page 3)</i>		\$	\$
Total Spending <i>(from page above)</i>	-	\$	\$
<b>BALANCE (must be positive or 0)</b>	<b>=</b>	<b>\$</b>	<b>\$</b>

Presented By

## Thank you!

Thank you for participating in the monthly budget simulation. We hope you found it educational, insightful, and even fun!

Do you want to learn more about money? Scan this QR to head to the Maine Credit Unions website, where you can learn more about finances and preparing for your future!



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