Preparing Adolescents for Young Adulthood (PAYA)

Module I

MONEY HOME AND FOOD MANAGEMENT

Handbook for Skill Development

Massachusetts Department of Children and Families

PAYA

MODULE I

Introduction

elcome! The topic areas you'll be working on in this booklet include such vital independent living skills as education, job seeking skills, and job maintenance skills. Each topic area includes sections for easy use: 1) Assessment; 2) Skill Plan; and 3) Activity/Resource Workbook.

The Assessment will help you determine your skill level in each topic area and target those skills in need of further development.

The Skill Plan will help you organize your efforts as you work towards each goal.

The Activity/Resource Workbook contains information and exercises for each of the topic areas to help you develop or strengthen your independent living skills.

As you move from one skill topic to the next, you will be increasing your understanding of the fundamentals of independent living and enhancing your abilities to make a successful and smooth transition to self sufficient young adulthood.

Remember, it's your future!

Good luck and enjoy yourself!

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Do you understand the value of money – necessities vs NOT NO YES luxuries & can you give an YET example of each Can you save money using coupons, comparing generic NOT vs brand name items, waiting NO YES YET for sales? Can you set up & follow a simple budget & follow a NO NOT savings plan YES YET Do you know how to research bank offers of savings YES NOT NO accounts & open a savings YET account? Can you understand how to NOT purchase & use money NO YET YES orders? Can you research different types of checking accounts & NO NOT YES open a checking account YET Can you demonstrate how to write checks, use a check NOT YES NO register, balance a checking YET account, and use online banking?

Independent Living Skills Module I Can you understand the NOT importance of paying bills on YES NO YET time (avoiding late fees and penalties?) NOT Do you understand the proper YES NO use of ATM/debit cards YET (avoiding overdrafts?) Do you understand loans and NOT NO do you know how to protect YES YET your personal information? Do you know how to file for a NOT NO tax return? YES YET Do you know how to keep a NOT clean living space, and wash YES NO YET you clothing?

Do you know how to prepare a simple meal and shop for groceries on a budget?



If you answered No or Not Yet to any of the prior questions, please do not worry. This book is designed to help you understand money, home, and food management. Your social worker, case worker, and or foster parent can also help you with these new skills.

MONEY MANAGEMENT

SKILL ASSESSMENT

The following questions will help you identify money management skills in which you excel and target those which you need to develop. By yourself or with your team try to answer each of the questions as honestly as possible. After completing this independent living skills assessment, review it with your team and identify those skills you would like to strengthen.

		I do not know how to do this	I need to know more about this	I can do/ have done this
1.	Know how to add, subtract, multiply, and divide using a calculator.			
2.	Can make purchases using the correct amount of money and can determine when I receive correct change from a purchase.			
3.	Know what the basic necessities for daily living are (food, housing, transportation, clothing, etc.) and aware of their costs.			
4.	Can set up and follow a monthly budget which includes the basic living expenses.			
5.	Can manage unexpected bills or financial emergencies and keep within my budget.			
6.	Know how to open a savings account, make deposits and withdrawals, and use mobile banking/balance statement.			
7.	Understand what a money order is and know where and how to purchase one.			
8.	Know how to open a checking account, write checks, make deposits and withdrawals, and accurately record each transaction.			
9.	Can read monthly bank statements and balance my checkbook.			

	know how to do this	know more about this	have done this
10. Am able to regularly put aside some money for savings.			
11. Know how much money I will need for independent living start-up costs and have established a savings plan accordingly.			
12. Know the meaning of the words "gross" and "net" in reference to a paycheck and understand all the deductions, i.e. federal tax, state tax, FICA, etc. that are itemized on my pay stubs.			
13. Understand that by law I must file federal and state tax forms and know how to get assistance to complete them.			
14. Know the value of using coupons and looking for sale prices when shopping.			
15. Can recognize deceptive or misleading advertising.			
16. Know the importance of comparing prices by using unit pricing when shopping.			
17. Know when and how to say "no" to friends/family wanting to borrow money.			
18. Know the basic concepts of credit, loans, and interest.			
19. Understand how to avoid late payment penalties when making purchases by credit.			
20. Know the general costs of utilities and can make informed decisions about their usage.			
21. Understand what problems are created when a bad credit rating has been established and know how to avoid one.			

Money Management and Budgeting

Managing money appropriately is probably one of the most important independent living skills. In the following section, we will work on money management and budgeting. Even if you do not have a regular income or live independently at this point, the information will be helpful to you in planning for the future. The way you spend your money now is probably a good indicator of what you will do with your money later on. In the following exercise, evaluate your spending habits. Circle the item which best reflects the way you spend money.

Do You Usually

Save most of your money - Spend most of your money

Buy things you need - Buy things you like

Spend most of your income as - Budget your money so it will last

soon as you get it

Plan for purchases - Buy impulsively

Keep track of your money - Don't know where your money goes

Another step to evaluating your spending is to establish exactly where all your money is going. Some of you may not be aware of where all your money is going. Do you feel as if your income simply disappears? Keeping track of how you spend your money will help you to adjust your spending habits, if necessary. We can divide the things we spend our money on into two groups - necessities and luxuries.





Use the following chart to list any appropriate items you can think of in each category

Necessities	Luxuries
Necessities	Luxuries
TI 11 40°	1 (2) (4 1 1 4 4 4 1 1

The money spent on necessities are usually "fixed cost" items while the money spent on luxuries can be flexible according to income. For example, your rent will generally stay the same from month to month although it is possible for the landlord to raise your rent. Therefore, you will always require the same amount of income. On the other hand, the number of times you can go to the movies in one month or download songs depends upon how much money you have left after paying for all your necessities.



	My I	NCOME FOR T	THE WEEK:				
	Mon	TUES	WED	THUR	FRI	SAT	Su
ECESSITIES:							
UXURIES:							
	TOTAL A	MOUNT SPEN	г:	My Sav	INGS FOR THE	E WEEK:	
After review	ving the abov	e information	n, how would	you describe	your spending	habits?	
things you c	ould do righ	_	prove the ways	nding habits? s you spend yo		ight be some low could your	
My St	rategies a	re:					

Establishing and following a budget will help you develop good spending habits and will assist you in making the best use of your income. Your budget should be simple and still include all items which you will need to spend your money on.

List all the items you can think of that should be included in the budget of someone who was

living independently? List them below.			

If you included some of the following items in your list, then you're really thinking ahead:

- Rent
- Utilities (gas, electricity, cell phone)
- Food (both groceries and restaurant meals)
- Home Care (furniture, cleaning supplies, repairs)
- Personal Care (shampoo, laundry, clothing, make-up)
- Medical Care (medicine, doctor's visits, dental care, vitamins)
- Insurance (medical, car, life)
- Transportation (bus fare, car payments, gasoline, oil, repairs)
- Recreation
- Taxes
- Savings

Each of these categories are very important. There are many items within each topic in addition to those listed in parentheses. You can probably think of many more. How much money should you spend in each category? To help you decide, you need a personal budget. A budget will determine in advance where your money will go, so you won't end up with empty pockets before the end of the month.

Personal Budget

In this next section, we will work on establishing a personal budget. Each individual's personal budget will be different, reflecting his/her income, needs, lifestyle, preferences as well as where a person resides. Rents for apartments tend to be more expensive in a city or highly populated area close to the city. On the other hand, rents tend to decrease as you get farther from the city because there is less accessibility to places of entertainment as well as limited public transportation. Before beginning to work on your personal budget, take a look at two examples of financial planning -- Peter and Diana's personal budgets

Peter

Peter, 19, lives in a two bedroom apartment, which he shares with his roommate. They split the cost of rent (\$1000 per month) and utilities (hot water is included in the rent). They each pay their own cell phone bill. Peter has a cell phone and his roommate has a cell phone. Peter and his roommate go grocery shopping together and share the cost of food. Peter and his roommate take turns cooking meals. Peter works full-time (40 hours a week) at a gas station and makes \$9.00 an hour, about \$360 a week or \$1,400 a month (\$17,280 a year, before taxes). Based on the expectation that 33% of his salary will be deducted for taxes, Peter will have \$964.80 to spend each month. He enjoys taking his girlfriend to the movies and going out to dinner once in awhile. Presently, Peter is saving some of his income to purchase a car.

After considering each budget item individually, Peter has set up a budget for himself which looks like the following:

Peter's Monthly Budget

Income (after taxes):	\$964.80
Rent (Peter's half):	\$500
Utilities (gas, oil, electric):	\$40
Food:	\$150
Home Care	\$15
Personal Care	\$15
Medical Care (including prescriptions, etc.):	\$10
Insurance (life, auto, home, renter's):	
Transportation:	\$60
Clothing:	\$25
Recreation:	\$20
Savings:	\$10
Additional Taxes:	
*Cable (luxury):	\$35
*Internet (luxury)	\$30
*Cell Phone (luxury)	\$50
Miscellaneous	\$4.80

Diana

Diana, 18, lives in a studio apartment by herself in Spencer (a town approximately 15 miles from Worcester, MA). Her rent is \$750 a month, including all utilities except for her phone bill. Diana recently completed a Nurse's Aide Certification course. She is presently working at a nursing home full-time (40 hours a week). Diana makes \$13.02 an hour and gets paid bi-weekly. Therefore, she receives \$1040.40 every 2 weeks before taxes, which is \$2080.80 per month or \$24,960.00 a year. After taxes, her bi-weekly paycheck equals \$728.40 through her job; Diana receives benefits including medical and dental insurance as well as sick and vacation pay. Diana bought a car six months ago, which she uses to drive to and from work daily. Diana likes to buy new clothes and is a member of the local health club. She is presently saving some of her income to continue her education at the community college in order to become a nurse. Diana has set up a budget for herself which looks like the following:

Diana's Monthly Budget

~	
Income (after taxes):	\$1456
Rent:	\$750
Utilities (gas, oil, electric):	
Food:	\$200
Home Care	\$25
Personal Care	\$25
Medical Care:	
Car Insurance:	\$250
Transportation (gas):	\$60
Savings:	\$5
Taxes:	
*Cable: (luxury)	\$100
*Wi-Fi	\$50
*Cell Phone:	\$50
Miscellaneous (health club expenses):	\$20

^{*}These items are not necessities. If you can fit them into your budget, fine; if not, you might have to go without them until you can properly afford them. You can also look at prepaid cell phones as an option to a contract cell phone and buy the least expensive cable package until you can afford an upgraded one. Did you know you can purchase a digital antenna for a one-time cost of \$35.00 and get 36 free channels? Have you considered purchasing a streaming player (Apple TV, Roku, and Chromecast) which is a one-time cost and you can stream programing from your Wi-Fi? Netflix and Hulu offer very inexpensive monthly plans starting at \$8.00 for additional programing.

If you compare Peter and Diana's budgets, it becomes obvious that budgets can be flexible in order to accommodate each person's lifestyle. As stated earlier, some budgeting items like recreation, transportation, and savings are more flexible than rent and utilities. While establishing your personal budget, you need to keep in mind how your preferences and lifestyle might influence your own budget.

In the next section, we will work on establishing a personal budget using a monthly income of \$1,440.00, the approximate amount you would earn each month working 40 hours a week at \$9.00 an hour. Before you fill out the complete budget below, you will need to complete the individual item sections and place the "final amounts" in the appropriate labled box on the "My Personal Budget" page.



NOTE: It might be helpful to use a calculator on this next section. If you haven't used one before, ask your social worker, foster parent, or staff to teach you.

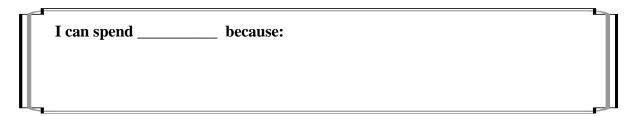
My Personal Budget

My Income:	Total:	\$
Wages:		
Public Assistance:		
Child Support/Alimony:		
Interest/dividends/Social Security:		
Other:		
My Expenses:	Total:	\$
Fixed Expenses		
Rent/Mortgage		\$
Property Taxes/Insurance		\$
Trash Collection		\$
Car Payment		\$
Car Insurance		\$
Other Loan Payments		\$
Credit Cards		\$
Health Insurance		\$
Day Care		\$
<u>Flexible Expenses</u>		
Utilities		\$
Gas:		
Oil: Electricity:		
Water:		
Telephone:		
Cable:		
Food		\$
Transportation/Gas		\$
Home Care		\$
Car Maintenance		\$
Education		\$
Personal Expenses		\$
Savings		\$
Other		\$

Rent:

The rent portion of your budget will most likely be the largest. Housing costs are rising all the time and sometimes provide severe obstacles to young people starting out. Prices may vary greatly depending on the size, amenities, and area you choose to live in.

Given your \$1,440.00 budget, how much money do you think you can spend on rent?



Living with a roommate is almost an essential consideration when someone is living on a limited budget. It is an alternative that should be discussed and carefully considered when making long-range plans. The rent of a two-bedroom apartment divided into halves is usually significantly cheaper than a comparable one-bedroom apartment. However, it is not always easy to share expenses and living space with a roommate.

NOTE: For comprehensive roommate and apartment exercises, please refer to Module IV.

Before estimating the costs of rent, it is important that you are aware of some qualities to look for in an apartment. Complete the following exercise by circling the item which reflects your preference.

I Would Like To

Live alone	-	Live with a roommate
Pay a higher rent with utilities included	-	Pay less rent with utilities excluded
Live in a big apartment in an unsafe neighborhood	-	Live in a smaller apartment in a safe neighborhood
Have a small 2-bedroom apartment	-	Have a large 1-bedroom apartment
Have a lease	-	Have no lease
Have a yard	-	Have off-street parking



In summary, I would like an apartment that:

		7
<u> </u>		

Now that you have determined what is important to you, go through the ads below, and choose the apartment you could afford and which best meets your needs.

APARTMENTS FOR RENT

Medford: 2 bdrm, 1 bath, 5	Hingham: Harbor area, great	Framingham: Large, nice 1
rm apt, 2 nd fl., off Fellsway, on	new 3 bdrm, $2-\frac{1}{2}$ baths,	bdrm condo, prime location,
bus line, w/w, w/d hookups,	walking distance to town.	great view, no pets. Available
no pets. Available 4/1. \$1400	\$2400 per month, heat & hot	4/1, \$1000 per month. 1 st , last
plus 1 st , last & \$600 security	water incl. Last month's rent	& deposit due at lease signing.
deposit. 781-987-5481	& sec. dep. required along w/	Call: 508 487-7834
	reference. Call: 508-437-8641	
Cambridge: Studio, \$1,300.	Lowell: Loft-like, 2-3 bdrm	Stoneham: Modern 2 bdrm
All utilities included. Near	apts, 1400 sq.ft, starting at	condo, 2 bath, w/d, a/c, pool,
Red Line, MIT, Harvard. Call:	\$1,300 + util. Available	tennis courts, \$1450 mo. Call
617-657-5412	immediately. 978-359-7851	realtor: 617-874-1257
Fitchburg: 2 bdrm, off Rte.	Boston: Waterfront property,	Swampscott: 3 roommates
#12. \$950, heat & hot water	2 bdrms,. \$2100 mo. Utilities	wanted, M/F, non-smoker for
incl. Only security deposit &	not included. Available	lg. 4 bedroom house near
references required.	immediately. Call:	ocean. \$600 plus util. Call
508- 579-5492	617-555-4739	Mark: 781-547-5417
Stoneham: Modern 2 bdrm	Quincy/Wollaston: Room	Worcester: College Square,
condo, 2 bath, w/d, a/c, pool,	for rent, furnished. 6 min to	3 bdrm townhouse, all util inc.
tennis courts, \$1550 per	T, only allow for single, \$750	\$1850/mo, w/w, w/d hookups,
month. Call realtor:	utils inc. Avail now.	cat OK. 1 st , last & security.
617-874-1257	617-945-7348.	Avail 4/1. 508-357-4258

Explain your choice:
ACTIVITY Research the apartments on the internet at such places as Craigslist, Roomster, Roommate.com, etc. Choose two apartments which you would be able to afford and which meet your needs. Place the ads in the box below.
Explain your choice:

Now you probably have a good idea about the approximate cost of an apartment in your area and what is available to you within your budget. How much would you budget for your apartment, excluding any utilities for which you will be responsible.



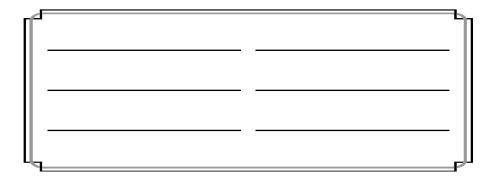
Transfer the amount into the **Rent** category on your personal budget sheet.



Utilities

Utilities can also be a substantial part of your budget. Costs of utilities may vary according to use. You need to be aware of the costs and be able to estimate your expenses in order to keep within your budget and avoid over-spending.

Can you list all the utilities you will need when living independently?

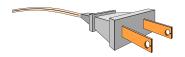


Some utilities (often water, gas, and electric) might be included in your rent. If you rent an apartment which excludes utilities, you will have to pay for them separately. Telephone utilities and additional services like cable television are never included in rent.

NOTE: For more comprehensive information on utilities and start-up costs, please refer to Module IV.



Somewhere in or around your house or apartment building, there are various types of meters (most often for electricity and gas) which detail exactly how much energy you use. Your bills are created by the services based on estimates and actual readings of these meters, which are checked every two or three months. Make sure that anyone asking to read a meter has the proper identification from the company he or she represents.



Electric

The costs of electricity may vary according to use, number of occupants, types of appliances used, and the area you live in. Before you can estimate your anticipated costs of electricity, evaluate your potentially costly habits.

Circle the item which best reflects your habits:

Turn the lights off when I leave my residence

Leave the lights on

Leave the television on, even when I am not watching it.

- Turn the television off when I am not watching a program.

Close the refrigerator door soon after I open it in order to save energy - Take a long time to decide what I want from the refrigerator, and leave the door open while I choose.

Use the dishwasher, washing machine, and dryer even when they are not filled.

- Only use the dishwasher, washing machine, and dryer when they are filled.

Do you think you are saving energy (and money) by being cautious with electricity use, or do you think you might be wasting some energy (and money) by using electricity unnecessarily?



Refrigerators need a lot of energy and are responsible for as much as 25% of your total electric bill. To save energy (money), close refrigerator doors as soon as you can. Other appliances like dryers, humidifiers, and television sets can use a lot of energy as well. Use them cautiously and always turn lights, radios, and TVs off if you are not using them.

The following chart will give you an estimated range of electric bills according to size and number of occupants. (None of the apartments in our chart are heated by electricity. Electric heat is very expensive.) With your habits and energy conservation tips in mind, utilize the chart to estimate your electricity costs according to your anticipated (or present) living situation. There are organizations that can help you cover the monthly cost of heating bills. ABCD is an organization in Boston and the surrounding areas that can help reduce heating costs depending on your income. The website is http://bostonabcd.org/fuel-assistance-liheap.aspx.

Number of Occupants	Number of Bedrooms	\$ per Month Range
1	1	\$100.00 to \$120.00
2	2	\$120.00 to \$150.00
3 or more	3 or more	\$150 to \$200.00



Given the size of your apartment and efforts in saving electricity how much do you think you will spend on your monthly electric bill. Write your estimate in the box below.



Note: Keep the weather in mind when estimating heating costs. Also, some electric companies offer a "budgeting" plan. Ask for details when you first call for service.

Water

Unless you rent an entire house or a duplex, water is usually included in your rent. However, you might have to pay for the costs of heating your water. (Refer to the heat section).

Gas

Even if you do not use natural gas as a heating fuel, many ovens and stove-top ranges use gas. Gas stoves normally require a tiny amount of gas to keep the pilot lights lit and, of course, more gas to raise or lower the temperature of the flame on your range or in your oven. If natural gas is not used to heat your apartment, but you do have a gas stove, you will pay about \$10 to \$20 per month depending on where you live.

Heat

Particularly during the winter months, heat can be an expensive portion of your utilities budget if it is not included in your rent. Usually apartments are heated by either oil or natural gas. Rarely will you find apartments which are heated with electricity, which tends to be very expensive and, given your budget limitations, not a good option.

When estimating the cost of your heating service, there are several additional factors to be considered. For example, the position and insulation of an apartment relates to the amount of energy necessary to heat it. The main factor, however, is the temperature you would like to have (and are able to afford) in your apartment. Most apartments have individual thermostats which allow you to adjust the temperature. Again, energy-saving habits can make a big difference in your bill.

- Turn down the heat. You'll typically save 1 percent to 3 percent on your heating costs for every degree you dial down
- Set your thermostat at 68 degrees when you're home and at 65 degrees when you're away for a short time. If you're used to higher settings, dial down 1 degree at a time until you feel comfortable
- Lower your thermostat to 58 degrees if you're away from home five hours or more. You use much less energy to heat the house up when you return than to keep it heated while you're away.
- NOTE: Warmer temperatures are recommended for homes with ill or elderly persons or infants.



Consider the following examples:

Dustin's apartment is heated by gas. Particularly during the cold months, Dustin tries to save heat. He insulated all his windows and doors in the fall in order to contain the heat within his apartment. Dustin usually sets his thermostat at 63° Fahrenheit. When Dustin feels cold while watching television or believes he might be catching an illness, he wears a sweater to keep himself warm. When Dustin leaves to visit his family over the weekend or if he is gone for the day, he turns his thermostat down to 55°.

Dustin's Bill: \$80.00

Lenore has gas heat as well. She likes to keep her apartment very warm, particularly during the winter. Lenore usually sets her thermostat at 70° and often opens the windows for fresh air. Her apartment is not insulated. Lenore does not like to turn her heat down when she leaves because she does not want to come home to a cold apartment.

Lenore's Bill: \$135.00

Which of the two examples given is closer to your habits and preferences? Explain.

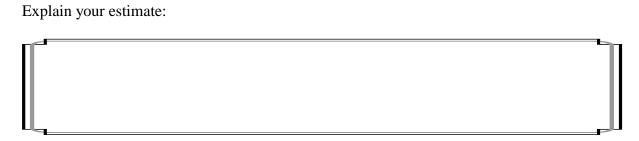




Call your local gas/oil companies for additional information and energy conservation tips.

With the above examples in mind, consider the following chart and estimate your anticipated costs of heat.

Size
1 Bedroom
Cas Heat
Size
1 Bedroom
Cas heat & hot water service
Oil Heat
Size
1 Bedroom
Service
1 Bedroom
Service
1 Bedroom
Heat only
Service
1 Service
2 Service
3 Service
3 Service
3 Service
3 Service
4 Service Range
3 Service
4 Service Range
4 Service Range
5 Service Range
6 Service Range
7 Service Range
8 Service Range
9 Service Range
9 Service Range
1 Service Range



Transfer the amount onto the **Heat** line under the **Utilities** category on your personal budget sheet.

Telephone

Telephone bills can be very expensive surprises if you are not aware of the associated costs including the prices of local, in-state and long-distance calls as well as service charges and taxes. Traditional landline prices have skyrocketed. Consider if you really need a landline or if a cell phone could meet your telephone needs. Internet based landlines including Magic Jack, Lingo, and Vonage are much cheaper than traditional companies. They are usually \$15-\$25 per month. You will need to plan and estimate the costs associated with your telephone use very carefully if you want to stay within your budget. Since there are many telephone companies offering a variety of services, be sure to read your plan carefully for any hidden fees.



With your budget limitations in mind, would you choose any of these additional options? If so, which would you choose and why?

Some of the above options may be included in a package plan. You need to carefully evaluate which features you will use and need. It may not seem like a lot of money, but it will add up!!!
Selecting A Telephone Carrier When selecting a telephone service carrier, you select a carrier for three types of calls: local, regional (local toll) and long distance. Calling plans generally offer a discount from the casual or basic rate, which applies if you have no calling plan. Always select a calling plan to avoid being billed at the basic rate. Telephone carrier options in Massachusetts include: AT&T, MCI, RCN, Sprint, Verizon and Working Assets. Companies often have a number of different plans to choose from. Usually these plans also include internet service. But read the fine print some have rates as low as \$29.99 per month but that is limited to 6 months and then it jumps to almost double that monthly.
Some people only have a cell phone and use this as their main number. There are a variety of cell phone carriers and pricing. Some are pre-paid and some are monthly. Stay clear of family plans; always go with an individual plan and number.
Local Calls A local call is any call within your local calling area of telephone exchanges.
ACTIVITY
Compare the costs associated with landlines vs cell phones. Landlines charge for any call outside your area code. If you make a number of long distance calls a landline might not be the most cost effective telephone choice.
How many local calls do you make each month from your home telephone?

Regional Calls

How many local minutes do you use?

A regional toll call (sometimes referred to as local toll call) is a call to a phone number that is not local, but is also not state-to-state or international. For example, a call from Boston to Worcester is a regional toll call.

Will you be making any regional toll calls? With your limited budget in mind, establish a list of what regional calls you will be making.

My regional calls:

Name	Location	How Often	How Long

My estimate of total minutes per month of regional calls is:	
My estimate of total minutes per month of regional calls is:	

Long Distance Calls

Long distance telephone calls can sometimes be less expensive than regional calls, largely depending on the plan you choose and/or the time and/or days you choose to call. Weekends and sometimes evenings are less expensive times to make long distance calls.



Determine your long distance usage.

My long distance calls:

Name	Location	How Often	How Long

My estimate of total minutes per month of long distance calls is:	
in the second se	



Now that you have established your needs, it's time to find out your options. The following will provide examples to give you a general idea of what your cellphone budget might be. Evaluate the options below:

INDIVIDUAL PLANS	Metro PCS	T-Mobile	Sprint
Unlimited cost per month	\$30	\$50	\$50 for iPhone or \$60
			for other smart phone
Features	text, talk, data	Text, talk,	text, talk, data
		data	

Would you choose individual companies or a package? Why?	_

You will need to do additional research to find a telephone company with a plan that is best for you. Prices change frequently as do special offers.



Investigate which carrier might be best for you by looking up your options online and then calling representatives from at least two different companies. When you call, ask about installation, switching and cancellation fees. Please use this page for notes.

Notes

ocal:		
ong Distance:		
ellphone:		
)r		
ackage:		
The Cheapest Long Distantay away from charge calls to 900- (and some 800- a		They
		They
tay away from charge calls to 900- (and some 800- a	nd 888-) numbers.	·
tay away from charge calls to 900- (and some 800- a xpensive!!!	nd 888-) numbers.	·
tay away from charge calls to 900- (and some 800- a xpensive!!! To estimate your approximate monthly telephone bill, ad	nd 888-) numbers.	·
tay away from charge calls to 900- (and some 800- a xpensive!!! To estimate your approximate monthly telephone bill, adurcharges and Taxes:	nd 888-) numbers. d up each of the sub	·
tay away from charge calls to 900- (and some 800- a xpensive!!! To estimate your approximate monthly telephone bill, adurcharges and Taxes: ocal Calls:	nd 888-) numbers. d up each of the sub	o-secti

Now that you have estimated the approximate amount of your monthly telephone bill, enter the total amount into your personal budget sheet on the "Phone" line under **Utilities.**



Cable Television

Cable Television is not so much a utility as it is a luxury service. Given the limited amount of your income, you need to evaluate whether or not you can afford any cable services. Keep in mind that you will need electricity and heat, but you will not **NEED** cable. Ten cable companies are licensed to operate in the Commonwealth. Comcast and Verizon are available throughout the state while each of the others covers a certain area. Satellite television is another option. If you choose this option, you will have to purchase the dish which could range from \$25-100 (installation is not always included) and you will have to pay extra to receive regular TV channels. The cost of satellite services in MA range from \$40 to \$87 per month. Before purchasing this option, call ahead of time to make sure you are able to have this service, sometimes there might be obstructions in the way of the dish, for example: a tree, light pole, etc.

You can get guidance about important questions to ask when purchasing cable at The Department of Telecommunications and Cable (http://www.mass.gov/ocabr/government/ocaagencies/dtc-lp/)

*You can also purchase a la carte, for example, you can purchase basic cable which is around \$45 and then purchase certain movie packages by themselves, which range from \$3.95 to \$25.95 extra.

Before purchasing cable make sure you find out how much all the packages are and what they include before making your decision.

Would you use/not use any of the cable services offered? Explain.



If appropriate, enter the amount of monthly cable charges onto your personal budget sheet on the "Cable" line under Utilities.

Other Expenses

In addition to monthly costs, some utility companies require security deposits and charge installment fees. For further information, refer to Module IV.



Food

Similar to the varying cost of utilities in the previous section, the cost of food will greatly depend on your living situation, eating habits, and your efforts to save money.

Eating Out

Eating out is always expensive. On a limited budget, you should be careful you are not overspending on what should be an occasional luxury.



ACTIVITY

Compare the price of a fast food meal with that of a home-cooked one using the example below.



Home Cooked

Box of pasta (store brand): \$0.80

Tomato Sauce: \$1.50

Ground Beef: \$1.20

Can of soda: \$0.75

Total

Less than \$4.25 since spaghetti is more than one serving



Fast Food

Deluxe Hamburger: \$2.80

French Fries: \$1.95

Large Soda: \$1.45

Tax: .5%

Total

\$6.51

If you ate at a fast food restaurant ten times per week, how much money would that cost?				
		•		

If you are fast food ten times a week for an entire month, you'd eventually spend somewhat more than \$250 or almost one-third of your monthly budget!

Choosing a Grocery Store

Choosing the right grocery store can help to save money. It is important to choose a store that offers good deals on a range of products. At times, however, the store with the lower prices or larger variety might be not be in your immediate neighborhood. You should weigh out the cost of transportation to a cheaper grocery store. Generally running around to different stores for just sales is not cost effective. If you shop where most items are generally cheaper overall and use coupons your savings could be significant.

Did you know there are online coupon sites such as coupons.com, grocery smarts, mycoupon, that offer free printable coupons?

Also, you can download apps that will assist you in saving money if you have a smart phone. Here are some examples:

If you want to know what deals are going on in supermarkets, discount stores, and pharmacies, this free app called <u>Grocery Pal</u> will show you where the sales items are.

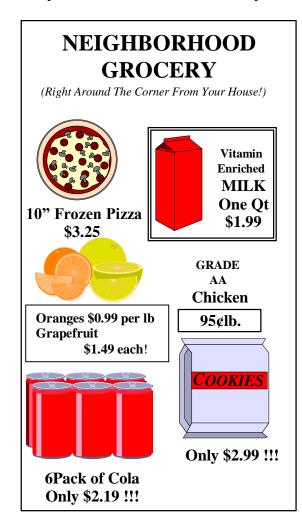
Instead of clipping coupons, download the free <u>Coupon Sherpa</u> app to find coupons. When you're checking out your groceries, the app will display the bar code that the cashier can scan to give you the discount.

With this free <u>Apples2Oranges</u> app, you can compare the prices of two products to see which one gives you the most for your money.

Instead of copying all the ingredients you need from a recipe online, <u>GroceryTrip</u> (\$3) will actually scan the recipe for you and compile it into a list you bring with you to the store. This makes it easier for you to try new recipes and cook at home more often, which translates to big savings because you're not eating out as much.



Compare the location and advertised prices of these two grocery stores.





Which store would you shop in? Explain your choice:



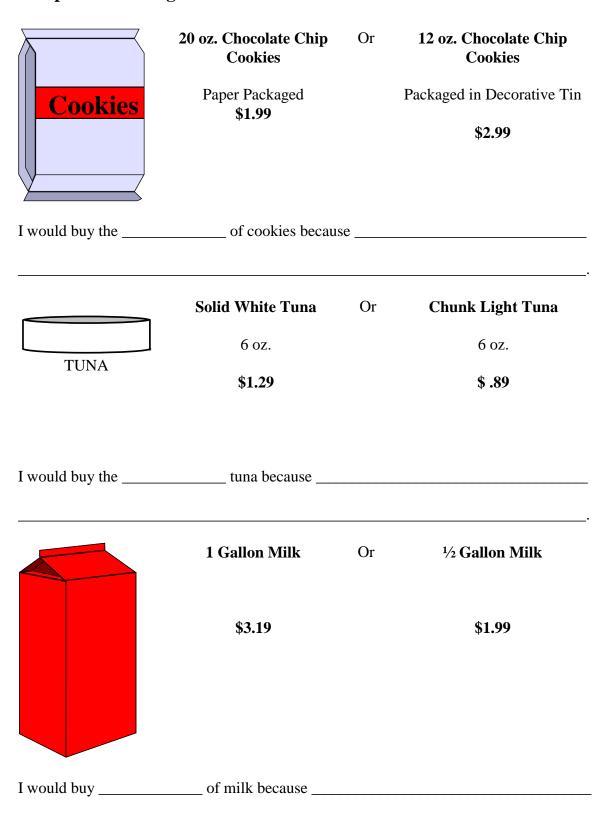
Determining the Best Buy

When on a limited budget, it is important to be an educated consumer and to develop the ability to determine the best value for your money. Comparing prices might take a little extra time but it often saves a great deal of money. One way to shop economically is to compare different brands of the same product. Often, store brand products are cheaper than name brand products, although many people seem to prefer name brands that have fancier packaging and familiarity. Packaging can be deceiving. Many times you may think you are getting a cheaper price when, in truth, you aren't. Another way to determine the best buy is through unit pricing.



Evaluate the items listed below and determine which one you would buy.

8	Name Brand Cola	Or	Generic Cola
COLA	12 Cans		24 Cans
	\$3.19		\$3.99
I would buy the	cola because _		
	1 D 1 -6 C	0	1/ D 1 - 6 C
SUGAR	1 Pound of Sugar	Or	½ Pound of Sugar
	\$1.98		\$1.04
I would buy	of sugar because _		



At times, price-per-unit shopping isn't always the wisest method. In some cases it depends on the amount of an item you can handle. The larger size of milk may be cheaper in relation to the smaller size, but that doesn't make it a better buy if the milk spoils before you can drink it all! It makes no sense to buy the larger size and have to throw some of it away!

"Economy Size" labels on any particular box do not mean that it is a better value. Also, don't base your decision solely on the size of a package; always look at the quantity written on the label.



Visit your local grocery store with your foster parent, social worker, or staff and practice determining best buys.

Coupons

Clipping coupons can save you a great deal. The amount to be saved on each coupon might not seem much, but it will add up!

Look at the coupons below and circle the ones you would use over a period of four weeks.

	Save 30¢ on 3	Buy One Get One	Save 50¢ on One
Save 25¢ on	Fat Free Yogurts	Free!!!	Pound package of
Healthy Butter		Choice Frozen	Perk Sandwich
Substitute	Any Flavor	Dinners	Cookies
		Regularly \$2.35	
Expires 9/15	Expires 9/30	Expires 6/15	Expires 7/30
			Get 2 Quarts of
Save \$1.00 on	Save 49¢ on Frozen	35¢ off Easy	Milk FREE when
CrispyCrunch	Vegetable Medley	Macaroni and	you buy 2 loaves of
Cereal		Cheese	Natural bread
			A \$1.75 value!!
Expires 10/1	Expires 9/31	Expires 8/15	Expires 6/15
	Save \$1.25 on two	\$3 Rebate	
Save 39¢ on	large Presto	on one lb. of	75¢ off any 24-can
ten lb. bag	Frozen Pizzas	Roaster's Coffee	pack of Sparkle
Idaho potatoes			Cola
-			
Expires 9/15	Expires 7/31	Expires 9/15	Expires 9/15

Add up the value saved on each coupon you've decided to use and write the total on the line below.
I would save \$ by clipping number of coupons.
Check out the coupon websites/apps listed on page 30 and print some of the coupons you think you would use. List them in the space below. How much money would you save if you used them all?

Make sure that you obtain a supermarket card to take advantage of the sales as well as bringing any coupons that you may have or download the coupons to your smartphone. They could really save you a lot of money. Remember always to comparison shop, you'll be sure to get the better deal.



In Conjunction with the food management section later in this module, develop a grocery shopping list (of food items only) for one week.

	Shopping List:	
1		M
2		n
2		n
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
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22		
23		
24 25		
25	નુક્કામાન્ડોમ	(L. 55111



Go to the grocery store of your choice and utilize your comparison shopping skills. Determine the best products and values among the items on your grocery list. Add the prices of all items on your list on your calculator and record your estimate in the box below.

	I would spend \$	each week o	on groceries.	ı
	above amount to estimate the cast if appropriate.	ost of groceries for 1	month and add	costs for
•	estimate for one f groceries is:			
My cost out is:	estimate for eating			
My total	food budget is:			
Record y	your total in the Food section o	of your personal budge	et.	

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Transportation

Depending on the location of your apartment and your workplace or school, you will most likely need some means to get around. On a limited budget, it will be difficult for most of you to afford a car. Aside from the money it will take to obtain a car, there are also costs associated with maintaining one.



\$25 - \$35



Evaluate the following information to decide whether or not you would be able to afford a car and its maintenance costs.

\$200 - \$400 Minimum monthly rate for car insurance **without** any collision protection or added features for people under the age of 25. (When obtaining car insurance make sure to shop around before signing a contract. If you took driver's education classes, let the insurance know because there is usually a discounted price. The rates of your insurance will change depending on your driving record, your residence and the type of car that you have).

Amount owed in excise taxes each month (depending upon where you live and the value of the car). Make sure that you set this money aside each month for when you get your "yearly" bill, this way you will be prepared when it comes.

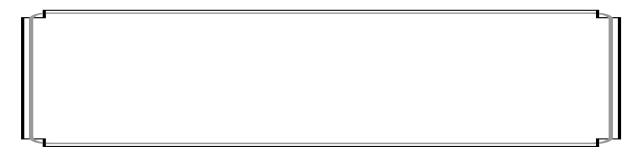
\$100 - \$130 Average range of upkeep per month (gasoline, oil, etc.) depending on the type and age of the car and the mileage driven. This total does not include any repairs that might be necessary. Also, keep in mind the ever increasing price of gas.

\$565.00 Total Average (based on the higher price) per month



NOTE: For additional information, refer to the "Buying a Car" section in this module.

Do you think that you could afford the upkeep of a car on an \$964.80/month budget? Explain your decision:



If a car is not an option for you, public transportation is a good and much less expensive alternative.



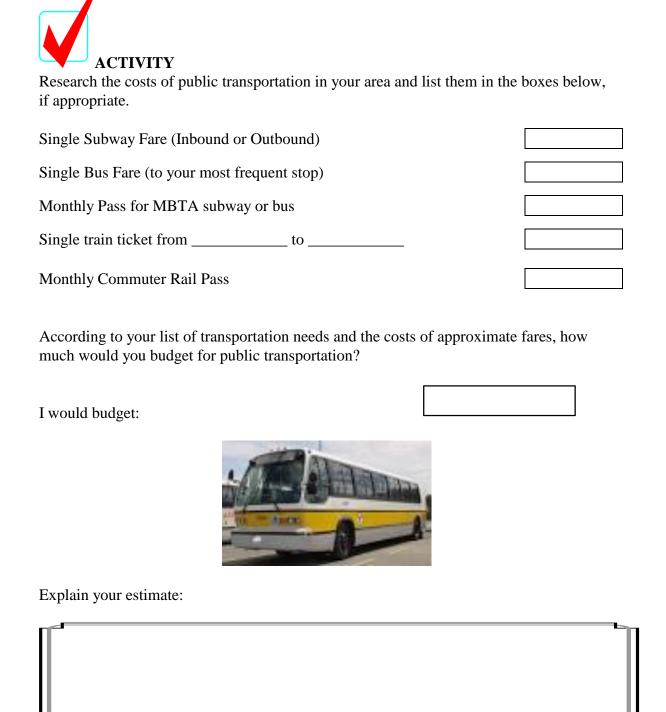


ACTIVITY

Think about your transportation needs and list them below.

I would use the subway/bus/train	times each week to travel to:

It is also important to remember that not every area has access to public transportation. If there is public transportation, you need to look up the schedules to make sure that the subway, train or bus comes and is available when you need it.



Whether you budgeted for **Car Maintenance** costs or for **Public Transportation**, record the amount on your personal budget sheet in the designed space.

Homecare

In addition to the costs involved with obtaining furniture and household items (covered in the "Start Up" section in this Module and in Module IV), you will have to budget for ongoing home maintenance. This includes expenses such as cleaning supplies, replacement lightbulbs, and minor repairs.





List all cleaning supplies you would need to clean your apartment in the space below. Research prices at your local supermarket and record them next to each item.

I Would Need	
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
Given the fact that these products usually last for more how frequently they are used), how much would you an average month?	
I would spend:	



List the items in your apartment you would have to replace from time to time (such as light bulbs, glassware, small appliances, etc.) and research their costs.

Items To Be Replaced	Times per Year	Costs
How much do you think you w	ould spend in an average month	on the items listed above?
I would spend:		

Usually the repairs and services your apartment requires in upkeep are considered to be included in your rent payments to the landlord (see "Tenants' Rights" and "Leases" in Module IV). However, if damage to the apartment is caused by you, **you** will be held accountable for the costs of repairs.





Research the costs associated with replacing an average size window (i.e., the cost of the glass pane, frame, and installation) or fixing a clogged toilet (if you were unable to do it yourself).

According to the previous exercises and estimates, how much would you budget each month for homecare?

Cleaning supplies	\$
Replacement items	\$
Possible repairs	\$
Total:	

Record your estimate under **Homecare** on your personal budget sheet.

PERSONAL CARE

Personal appearance is important. When planning for personal care items, it is important to differentiate between items you need (basic hygiene products, clean and appropriate clothing, etc.) and items you might like but are not *necessary* (expensive perfumes, aftershave lotions, and fashionable brand name clothing). While completing the following exercises, keep in mind that you have limited funds and a great deal of other financial responsibilities.

Personal Care/Hygiene

Comparison shopping can once again save you a great deal of money. Utilize the skills you have learned in the Food budgeting section to determine the best buy when purchasing personal care items.

	Natural Shampoo	High Class Shampoo	Fancy Shampoo
Track of the second of the sec	10 oz.	14 oz.	16 oz,
Transfer Transfer Transfer	\$2.10	\$5.40	\$24.00
The units that the shamp	ooo is sold in are:		
The number of units and per unit in Natural Sham	•		
The number of units and per unit of High Class S	±		
The number of units and per unit of Fancy Shamp	•		
The shampoo with the lo	owest unit price is: _		

Consumer reports indicate that the price of a product is often not reflective of its quality. The quality of a cheaper shampoo might actually be better than the quality of a more expensive one.

Did You Know:

The higher priced shampoos add more expensive fragrances to their formulas which drive the price up, but they don't clean any more effectively than a lower-end shampoo The more expensive conditioners are typically more effective than the lower-end ones, which contain lower-quality ingredients.

So if you're going to splurge on the cleaning/moisturizing duo, save it for the conditioner

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Make a list of all personal care items and services you would need to purchase each month:

<u>Item</u>	Price	<u>Item</u>	Price

Go to two different drugstores and price the items listed, making use of your comparison shopping skills. Record the prices next to the respective items on your list.

Also consider other personal care services, such as hair cuts, styling, etc. Be sure to consider the cost and frequency of such services in your hygiene budget. There are plenty of places that cut and style hair for \$11 - \$15. For example, Supercuts has haircuts for \$20, plus a tip of 15%-20%. Also beauty schools offer very affordable haircuts and color including Empire and TONI and GUY Hairdressing Academy.

Given the fact that personal care items/services can last several months, how much would you budget for this category?

I would budget \$ per mor

Laundry

Initially, many of you will not have access to a washer and dryer in your apartment and will have washed your clothes either at coin-operated machines in your apartment building or at a laundromat.



Estimate how many loads of laundry you would have to wash and dry weekly.

	On	avera	ige, I	wot	ıld v	wash a	•	week.	 loa	ds of	f la	undr	'y	
a					C : 1							1 01		

Go to a local laundromat to find out the price for washing and drying one load of laundry. Record your findings in the chart on the next page.

In addition, whether or not you have access to a washer and dryer to clean your clothes, you will have to purchase detergent.

Compare the two detergents below and determine which one is the better buy.

I would buy		detergent because
T 111		1
	\$10.99	\$8.99
	Loads	Loads
	Washes 50	Washes 25
	(1.56 gallons)	100 FL OZ
	200 FL OZ	Detergent
	Detergent	Super Clean
	Clean	

Be aware of concentrates when purchasing detergents. One detergent may be both smaller and more expensive than another. This doesn't mean that it's a bad value. If a detergent is "concentrated", you will need less detergent for each wash. In such a case, you will need to find the cost per load of laundry, not per unit. To find the cost per load

of laundry, divide the price by the number of loads of laundry that can be washed with the container of detergent. This will produce the true value of the product.

ACTIVITY Comparison shop for a laun	dry detergent at your local s	supermarket or drug store.
I would have	datament at a mine of	hasansa
1 would buy	detergent at a price of	because
Based upon your estimates, month?	how much would you budg	et for laundry and detergent in one
Dry-cleaning Some of your clothes might inventory of your clothes w	·	ol. leather, silk). Take an and list them in the box below.
ACTIVITY Go to your local dry-cleaner Estimate the monthly cost f	1 1	levant to the clothes on your list.

To come up with the approximate each month, add:	mate amount of mo	oney you will	have to spend on personal
One month's personal hygiene products:			
My cost estimate for one week's worth of clean laundry:	(\$X	(4)	
One month's dry-cleaning		[
My total personal care budget is:			
Enter your total in the Person	nal Care box on yo	our budget sh	eet.

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CLOTHING

When on a limited budget, it is important to be an educated consumer, especially when you are planning and shopping for clothes. Besides the price, there are many factors to be considered. The quality is important because your clothes will have to last for a while. The style is important as well. Fads might fade fast, and you probably will not want to wear your once fashionable and trendy clothes after they become "out of style." The method for cleaning your clothes also needs to be a consideration; as you may have learned in the exercise in the previous section, dry cleaning is expensive. Certain brand name clothing is often extremely expensive and the quality is normally no better than non-brand name or affordable clothing.



Here are some additional questions to keep in mind when shopping.

- What are the return/exchange policies?
- Do the clothes or shoes feel comfortable?
- Does the zipper work? Are all the buttons attached?
- How often will I be able to wear it?
- Will I need to buy other clothes to match?
- Have I read all the labels and tags carefully?
- Will the material shrink or fade?
- Are the clothes or shoes well made?
- CAN I AFFORD IT???

\mathbf{C} onsider the following:

You have been shopping for a new sweater to wear to a friend's party next weekend and have finally found not one, but two sweaters that seem perfect to you. They both fit well and look great.

Sweater A is on sale for \$15.00. It was originally priced at \$30.00.

Sweater B is not on sale. It is priced at \$19.99.

Which sweater would you choose?

Did you have enough information to make a choice? Just in case you're still undecided, here's a closer look at each sweater.

Sweater A: Is bright blue, a color that looks great on you.

Is woolen and seems to make your skin itch a little

Must be dry-cleaned only

Is a final sale item, which cannot be returned.

Sweater B: Is also blue

Is cotton

Can be machine washed in cold water

Returnable for store credit within seven days with a sales receipt.

With this new information, which sweater would you choose? Why?



Remember, the more information you have about your choices, the easier it will be to make a decision.

Suppose you had \$100 in your budget to buy a pair of sneakers and a winter jacket. Most of your friends wear expensive brand name sneakers. You would really like to buy similar sneakers but they cost \$75, which would not leave you enough money to buy the winter jacket you need.

What would you do?



Suppose your budget allowed you to spend \$47.00 per month on clothing and you have saved \$140.00 up to now. You need sneakers, two pairs of pants, two sweatshirts, 6 pairs of socks, and 3 sets of underwear. How much money would you spend on each item? I would budget:

Sneakers	
2 Pairs of pants	
2 Sweatshirts	
6 Pairs of socks	
3 Sets of underwear	

Total:

\$140.00

Some of you might be tempted to buy clothes you like but do not really need. Careful planning helps.



Take an inventory of all your clothes and shoes and list them below.

Summer	Winter
Clothes/Shoes	Clothes/Shoes

Evaluate your list and establish what kind of additional clothing and shoes you need and which items you will have to replace over the next twelve months.

Summer		Winter	
Clothes/Shoes	Cost	Clothes/Shoes	Cost



Go to at least two different stores and comparison-shop for the items needed. Record the prices in the designated spaces on your list Add up the costs of all items.

My	estimated	total for	clothing	over th	e next 12	months is:

Divide your total by 12 (months) should be.	to establish how much	your monthly budget for clothing

Enter this amount in the **Clothing** box on your budget sheet.

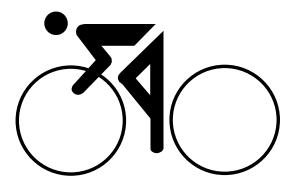
RECREATION & ENTERTAINMENT

Recreational activities are an important part of our lives, enabling us to relax, socialize, and have fun. However, on a tight budget expensive recreational options might be limited. It's important, therefore, to remember that all communities offer a variety of low cost or free recreational activities. In addition, most libraries offer free passes to museums and other attractions. Volunteering can be a fun recreational activity as well.



ACTIVITY

- 1. Research low-cost and free recreational activities in your area. Try calling the Park and Recreation Department, City Hall, community action programs, libraries, churches, etc. You can also research online. For example, if you live in Boston you can try, http://www.cityofboston.gov/visitors/thingstodo.asp.
- **2.** Develop a list of recreational activities you enjoy. Divide your list into activities you have to pay for (noting their cost) and those which are free.





After evaluating these options, how much would you budget monthly for recreation and entertainment expenses?



Transfer your estimate to the **Recreation** line on your personal budget sheet.

MEDICAL

In general, budgeting for health care can be difficult. Taking good care of your health is very important! The Affordable Care Act (ACA) recognizes children in foster care and allows them to have access to affordable health care coverage up to age 26. Medicaid is available to former foster youth who were in foster care and receiving Medicaid at age 18, or on the date the youth aged out of foster care if the state has chosen to allow foster youth to remain in care after age 18. Former foster youth are eligible for Medicaid regardless of their income until their 26th birthdays.

After 26, most people obtain health insurance (coverage for ongoing and unexpected medical expenses) through their employers. (Most often, you will be eligible for employee health insurance if you work full time.)



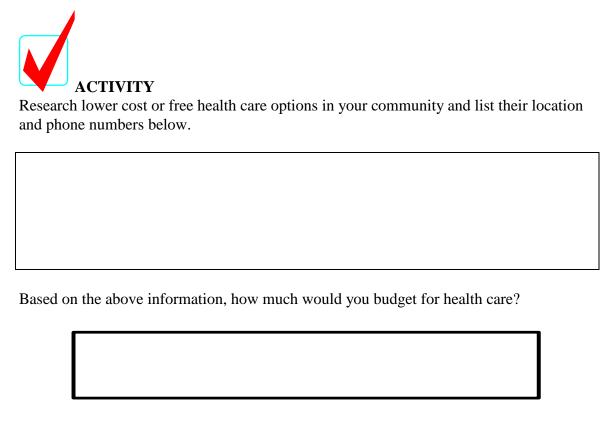
Most insurance plans require co-payments, depending on the type of coverage or insurance plan. In addition to those monthly co-payments (which range from about \$20 to \$90), insurance providers require co-payments for each doctor's visit and pharmacist's prescription. These usually range from \$5 to \$55 dollars. Emergency room co-payments have an average cost of \$50-200, but it depends on the type of insurance plan you have.

Some employers offer dental insurance, again with co-payments required. Dental insurance often pays for a portion of your needs; you would be responsible for the remaining portion.

If you have Mass Health through the Department you should ensure that you waive the college insurance through your student account or with assistance from your college's financial aid department.

If you are not eligible for Medicaid, don't go to college, or don't work for full-time for one employer, private insurance is available through provider insurance companies. If you're unemployed you may be able to get an affordable health insurance plan through the Marketplace, with savings based on your income and household size. You may also qualify for free or low-cost coverage through the Children's Health Insurance Program (CHIP). Your household size and income, not your employment status, determine what health coverage you're eligible for and how much help you'll get paying for coverage.

In Massachusetts there is a penalty for not having health insurance coverage. During tax filing season, you will be asked if you were covered. If not, you will have to pay a penalty. If none of the options listed above are viable possibilities for you at this time, you will have to pay for doctor's visits and health care facilities out of your own pocket. Thankfully, many communities offer medical care services on a sliding fee basis. That means the fee for services is based on your income. Some even provide free check-ups and emergency care in certain locations.



DCF Youth age 18+ closing between the ages of 18-26

Youth who were in DCF care and placement until their 18th birthday are eligible for MA Health until age 26. Be sure to reply to any notices sent to you from Mass Health promptly and ensure Mass Health has your updated mailing address.

Medications and Vitamins

Another part of medical costs you will have to plan for are over-the-counter medications and vitamins.





List all over-the-counter medications and vitamins you generally use or might need. Go to your local drug store/pharmacy and price the items using your comparison shopping skills.

Product	Purpose	Price
	ese products will last you for see-counter medications and vita	
To determine the total amoun	t of medical expenses per mon	th, add:
Monthly health care budget		
Over-the-counter		
medication and vitamin		
costs for one month:		
My total medical budget is:		
Record the total on the Medic	cal line on your personal budge	t sheet.

INSURANCE

You have already estimated your costs of car and health insurance. In addition to those insurance options, you can obtain some additional ones such as life or home/renter's insurance. Life insurance is a protection against the loss of income that would result if the insured passed away. The named beneficiary receives the proceeds. However, you might not really need these types of coverage, particularly when on a limited budget.

Accidents like fires and floods not only can damage your stuff, but also the property of other people in your building. With renter's insurance you'll be protected from having to cover unexpected costs down the line. At around \$20-25 a month, it's a pretty good investment in case of an emergency.



Evaluate your insurance needs. Even if you decide not to obtain any policies at this point, call representatives from 2 different companies and inquire about different policies for future information

Would you obtain life and/or home insurance?	
Explain your choice:	
Life:	
Apartment/Home or Other	
My monthly insurance budget is:	

If you choose to purchase additional insurance, add the costs of the monthly premiums and record the total in the **Insurance** category on your personal budget sheet.

Renter's Insurance

You can purchase renter's insurance through your car insurance provider.

SAVINGS

NOTE: For additional information on savings and start up costs, please refer to the "Savings for Leaving Care" and "Banking" sections in this module.

Some people find it difficult to save money; they seem to spend all the money they have. Storing a little money away each month, if possible, is **always** important, however. Savings will help you to get through the unexpected events that may occur in life such as illnesses or accidents and will help you prepare for things you may want like a car, college or vocational program, vacation, new clothes, etc.



ACTIVITY

Make a list of things (items, events) you would like to save for?

Item/Event	t	Price
	\$	
	\$	
	\$	
How much should you save	e each month?	
I should save:		
How long would it take you	u to achieve your goal?	
It would take me	months	

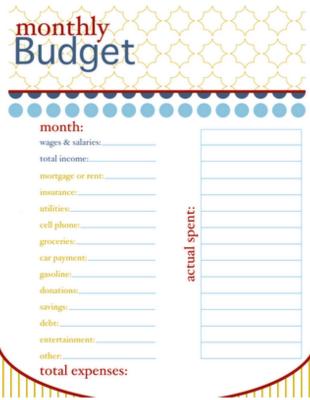
MANAGING YOUR PERSONAL BUDGET (exercise)

You have just graduated high school and have obtained a job at the mall. You are making \$12 per hour at 40 hours per week. You Gross income (total income) per year is \$24,000. Your net income (after taxes) per year is \$1,547 per month.

Did you have difficulty keeping a budget? Explain.



Most people have difficulty figuring out their budget. It usually takes several tries before you can establish a usable budget. Below is a list of budget items, some may not be applicable to you.



You should not overlook setting aside some of your monthly income in a savings account in case of an emergency.



Imagine how your budget and lifestyle would change if you could earn more money. Education can be the key to greater financial success and a better standard of living. For further information about the opportunities of education and the job market, refer to Module III.



FOLLOWING YOUR BUDGET

Sticking to your budget might be difficult for many of you, but it is necessary for financial survival. Although there might be a little room to be flexible on some budgetary items, you will basically have to keep within your budget's limits in order to not end up with empty pockets before the end of the month.

What consequences could straying away from your budget have for you?

Throughout your life, you will have to be prepared to deal with many situations which might tempt you to ignore your budget. Giving in to these temptations will only lead you into a financial crisis.



$\mathbf{C}_{ ext{onsider}}$ the following:

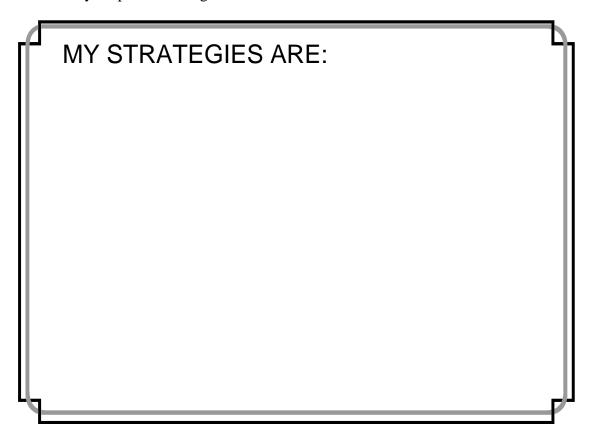
Your friend calls you in the middle of a crisis. He tells you that he needs to borrow \$100 for an emergency. He promises that he will give the money back to you within a few days. However, this friend has not always been particularly reliable and the only money you have has already been set aside for next month's rent, which is due in three days. You really want to help your friend but are afraid that you'll get evicted if you don't pay the rent in three days.

What would you do?

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It is Friday and you have \$20.00 left for grocery shopping. Your refrigerator is empty and it will be another four days until your next paycheck. Your friends stop by and ask you to go out with them for dinner and the movies. You really don't feel like sitting around your apartment by yourself but by the time you paid for dinner and the movie, there would be no money left for food. What would you do?
You have lost your monthly bus pass and you are thinking about purchasing a new one. You have no money budgeted for this extra expense although you may be able to use some of the money you set aside for recreation. You aren't sure that you want to use your recreation funds, but you don't want to walk 4 miles to and from work each day either. What would you do?
You went clothing shopping and bought a great outfit you had been hoping to find for quite some time. When you arrived home, you found a bill from you dentist in the mailbox which you hadn't expected. The only way you could possibly pay the bill would be to return the outfit you've just bought <i>What would you do?</i>
Can you think of additional situations that would make it difficult for you to follow your budget? If so, please describe.

Develop strategies with your social worker, foster parent, or staff that would help you to stick with your personal budget.



START UP COSTS / SAVING FOR LEAVING CARE

The personal budget you have established in the previous sections targets ongoing living expenses that you will be responsible for once you are living independently. You will also have to save some money before moving out on your own. The amount of money to be saved depends on your plans for life after care. In the following exercises, we will assume that you will move into your own apartment. However, if you have definite plans to move in with a roommate, you could divide all costs by half.

How much money do you think you will need to move out on your own?



Let's evaluate your estimate by taking a closer look at the start up costs associated with living independently.



Landlords usually require the first and last month's rent before allowing a new tenant to move into an apartment. A security deposit is up to the landlord. It is usually the price of one month's rent and occasionally you'll find the security deposit is ½ of one month's rent. (For more information, refer to Module IV.)

I would need \$ _____



Utility Deposits and Initial Service Fees

Some utility companies require security deposits or charge initial service fees. The cable company, for example, will charge you to initially connect your service.

I would need \$ _____





Call all appropriate utility companies and inquire about security deposits or initial service fees and list them below.

Security Deposits/Initial Service Fees

Phone		\$
Electric		\$
Gas		\$
Oil		\$
Cable		\$
	TOTAL	\$

\$

Food, Cleaning Supplies, and Personal Care Items

When you start to live independently, your initial costs for food, cleaning supplies, and personal care items will be somewhat higher for the first few weeks than you estimated in your ongoing personal budget. With that in mind, establish how much you would have to spend for food and household items for the first two weeks when living independently.

To be purchased:		
	I would need \$	

\$

Furniture, Appliances, and Household Items

Before you move into your own apartment, you will need at least basic furniture, household items, and appliances. Some things you might be able to get from relatives, friends, or foster parents while it will be necessary to purchase others. You might choose to buy some items used, although some might only be found in department stores. (For more information, refer to Module IV.)



Use the following checklist to estimate the costs of listed items by pricing them in new and used furniture stores, flyers, newspaper ads, and department stores.

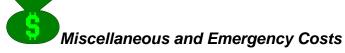
Furniture/Appliances/Household Items

Item	Have It	Need It	Cost
Bed			\$
Couch			\$
Table			\$
Chairs			\$
Lamp			\$
Bed sheets			\$
Towels			\$
Pots & Pans			\$
Dishes			\$
Silverware			\$
Cooking utensils			\$
Toaster			\$
Microwave			\$
Can opener			\$
Toilet plunger			\$
Shelf			\$
Bureau			\$

Item	Have It	Need It	Cost
Dresser			\$
Television			\$
Stereo system			\$
Desk			\$
First Aid Kit			\$
Curtains/blinds/shades			\$
			\$
			\$
			\$
			\$
		Total	<u>\$</u>

After adding the prices of each individual item, how much would you budget for household items, furniture and appliances?

I would budget \$ _____



It would be a good idea to budget for some unexpected or miscellaneous costs when first moving out. For example, you should consider the cost of a moving van or rented truck if you are planning to use one.

Are there costs which are not yet covered in your startup expenses? Can you think of

situations where some	unexpected expense might come up? If so, describe.
How much would you	budget for miscellaneous or unexpected expenses?
	I would budget \$
To estimate your start	up costs, add up all individual items.
	FIRST MONTH'S RENT AND LAST MONTH'S RENT/SECURITY DEPOSIT
	UTILITY SECURITY DEPOSITS/INITIAL SERVICE FEES
	FOOD, CLEANING SUPPLIES, PERSONAL CARE ITEMS
	FURNITURE, APPLIANCES, HOUSEHOLD ITEMS
	MISCELLANEOUS AND UNEXPECTED EXPENSES
	TOTAL ESTIMATE OF START UP COSTS

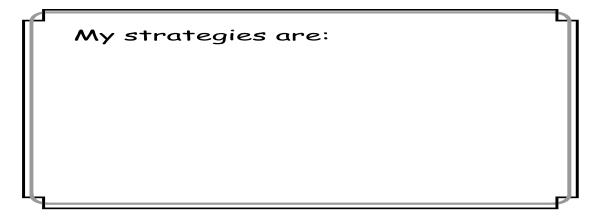
Your total estimate of startup costs might seem like a lot of money to you. As you did with your personal budget, however, you can review each item and evaluate whether or not you can get by with less money. Once you have established your final total, you will need to develop a savings plan.



Estimate how much you will have to save each month to reach your goal prior to leaving care.

I would have to save \$ _____ per month. Will it be easy or difficult for you to save this money? Describe. What could get in the way of reaching your savings goal?

Develop strategies with your foster parent, social worker, or program staff to help you save for your startup costs.



CHECKING AND SAVING ACCOUNTS

You have now figured out how you're going to spend your money. As you probably already know, it's not practical to carry all your cash on you or to leave large amounts of money in your home. It's also not a good idea to send cash through the mail, as it can be stolen. Saving accounts and checking accounts are the most common methods of storing money. These are services offered by most banks and savings and loan associations. However, not all places with names that sound like the names of banks are financial institutions that are regulated by the federal government. When you deposit your money in the bank, make certain that it is protected by the Federal Deposit Insurance Corporation (FDIC). When using a savings and loan, be sure that it is protected by the Federal Savings and Loan Insurance Corporation (FSLIC). The FDIC and the FSLIC guarantee that if a bank or savings and loan goes out of business, your deposit is protected up to \$100,000.00.



It is important to remember that all banks don't have the same interest rates, the same service charges, or the same minimum account balance amounts. A majority of larger banks offer online services to make banking easier. For example; sending bills and checking your account. If you have a computer you should see how you could get on line. Usually it is a free service, but check with your bank first. This could save you a lot of time and it could help you to manage your money more effectively. You must comparison shop for savings and checking accounts like you do for other things in order to get the services that suit you. When choosing either or both types of accounts, it is important to remember your financial goals and needs.

Savings Accounts

As we saw in the budgeting section, it is important to build up some saved money, and even saving just a little bit of money at a time can help you reach your financial goals.

Money in a savings account earns interest. The bank pays you interest for the privilege of holding your money. Savings accounts can also be used to temporarily store money. If you have difficulty with balancing a checkbook or use checks irresponsibly, you can use saving accounts in combination with money orders/banker's checks to pay your bills. You can also keep track of your savings account online too. Many banks have online banking options. Please talk to your local bank provider to learn how to manage your account online.

For what purposes would you use a savings account?





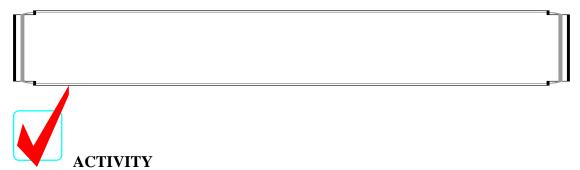
ACTIVITY

Visit two different local banks and obtain the following information for each.

Bank A	Bank B
Name:	Name:
Address:	Address:
Office Hours:	Office Hours:
Describe at least 2 types of savings accounts:	Describe at least 2 types of savings accounts:
What is the rate of interest on a passbook/savings account?	What is the rate of interest on a passbook/savings account?
What is the minimum amount of money you are required to keep in a savings account?	What is the minimum amount of money you are required to keep in a savings account?

How do you withdraw money from the account?	How do you withdraw money from the account?
Are there any fees or service charges associated with the account? If so, list them.	Are there any fees or service charges associated with the account? If so, list them.
What happens if you lose a passbook?	What happens if you lose a passbook?

If you opened a savings account, which of the two banks would you choose? Why?



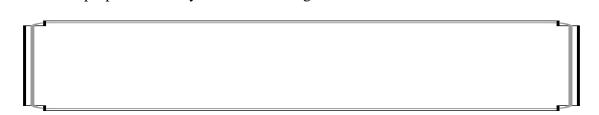
If you don't have a savings account, open one at the bank which best suits your need.

Checking Accounts

Checking accounts are different from savings accounts. They provide you with an alternative to cash. Instead of paying bills or purchasing items with cash, you can usually write a check for the amount of the bill. The bank will then subtract the amount of the check from your account and give your money to the agency to which you made out the check. You are responsible for keeping a record in the back of your checkbook of the checks you have written and the deposits you have made into your account. At the end of the month you will receive a monthly bank statement which summarizes your account activity and returns your canceled checks (Most banks offer this service free on-line). (A canceled check is a check that has been cashed by the payee.) The canceled checks can be used as receipts for your purchases.

Many banks offer an online	service, which	enables you	to log in at an	y time to inquire
about your account balance.	(Some banks	will not offe	r checking acc	ounts to people
under 18.)				

For what purposes would you use a checking account?



Debit and ATM cards

Debit and ATM cards are two of the most popular ways to access money in your checking or savings account. These cards give you flexible access to your money, but you need to be aware of any fees that you may be charged when you use your card.

Debit cards

Most banks will offer you a debit card, also known as a check card, when you open your checking account. When you use a debit card, the money comes directly from your checking account, just like when you write a check. Debit cards look like credit cards—they will have a Visa® or MasterCard® logo on them. However, they are definitely not credit cards. A debit card will not help you build a credit rating later. You can use a debit card to make purchases because the money comes directly from your checking account. Debit cards can take the place of writing checks, paying with cash or using a credit card. Debit cards will also usually double as your ATM card, allowing you to withdraw cash or deposit money at an ATM machine.

ATM Cards

Some banks offer you an ATM card that allows you to withdraw money from your checking account, but only through an ATM machine. Unlike debit cards, ATM cards do not have the Visa® or MasterCard® logo and, in most cases, may not be used to make store purchases directly. ATM cards give you easy access to your money, but be careful because that easy access might cost you. For example, if you withdraw money from your account at your own bank's ATM, you probably won't pay any fees for that transaction. However, if you withdraw money from a different bank's ATM, you could get charged a fee from that bank as well as from your own.

what purposes would you use a Debit and ATM card?	
	-



Visit two different local banks and obtain the following information for each.

Bank A	Bank B
Name:	Name:
Address:	Address:
Office Hours:	Office Hours:
Describe at least 2 types of checking accounts:	Describe at least 2 types of checking accounts:
How do you open a checking account?	How do you open a checking account?

What does it cost to have a checking account? (Is there a cost per check cashed? Service charges?) What are some of the services the bank will charge you for?	What does it cost to have a checking account? (Is there a cost per check cashed? Service charges?) What are some of the services the bank will charge you for?
Is there a minimum balance you must maintain?	Is there a minimum balance you must maintain?
What is a canceled check?	What is a canceled check?
Should you keep canceled checks? Why or why not?	Should you keep canceled checks? Why or why not?
What happens if a check bounces? What does the bank charge you if they cover the check for you?	What happens if a check bounces? What does the bank charge you if they cover the check for you?
Does the bank have a 24-hour Automatic Teller Machine (ATM)? Is there a fee per transaction or a monthly fee to use the ATM?	Does the bank have a 24-hour ATM? Is there a fee per transaction or a monthly fee to use the ATM?

There are many types of checking accounts. Again, remember to comparison shop for the types of features (service charges, location, and minimum balance) that best suits your needs.

Which of the banks would you choose? Explain.

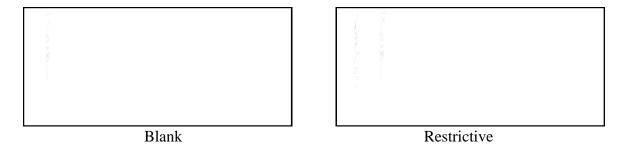


No matter what type of checking account you open, most have the same kinds of checks. You must take care to write checks properly so that the bank will do exactly what you want. Always follow these rules when you write a check:

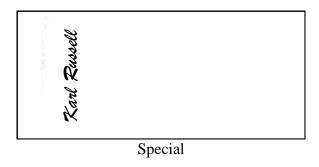
- **1.** Always write a check in ink no pencil.
- 2. Date the check the day you write it. Never pre- or postdate it. Write the amount of the check in numbers close to the dollar sign so that no one can insert a number before the amount you have written.
- **3.** Write the amount of the check in words starting of the far left side. After the last word, draw a line to fill the unused space.
- **4.** Always sign the check the same way you signed the signature card at the bank.
- 5. Never sign a blank check.
- **6.** Record each check in your check register *immediately* after it is written.

Types of Check Endorsements

In order to cash a check that is made out to you, you must first endorse it by signing your name on the back of the check. There are three types of endorsements: a) a blank endorsement, b) a restrictive endorsement, and c) a special endorsement.



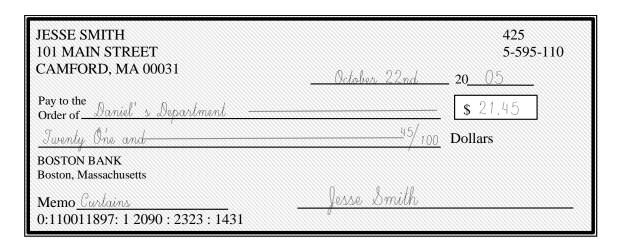
Use a restrictive endorsement if you are mailing your check to the bank.



Use the special endorsement only when you are signing your check over to another person. These types of endorsements are seldom used. Many places will not accept the signing over of a check to another person (sometimes known as "third party" checks).

Never endorse a check before you are ready to cash it.

The Check Below Is Filled Out Properly



Banking Skills



Practice your banking skills by completing the following exercises with the blank check and deposit slips provided.

- 1. On May 4th of this year, you received a statement from the Boston Bank showing that you have \$116.42 in your checking account. Enter this in the register in the box marked "Balance" on page 79.
- 2. On May 6th, you went to Honest Auto Repair to pick up your car. The mechanic charged \$45.00 to fix the side mirror, and you paid the shop with check #101. Write out the check, enter it in your register, and calculate the new balance.
- **3.** On May 7th, you bought \$26.15 in groceries. You paid the Thrifty-Mart Grocery Store with check #102. After you write the check, enter it in the register and calculate the new balance.
- **4.** On May 12th, you received a telephone bill for \$29.68. You pay it with check #103. Write out the check, enter it in your register, and calculate the new balance.
- 5. On May 15th, you received your paycheck of \$126.33. You put \$30.00 in savings and \$96.33 in checking. Fill out the deposit slips for both accounts. Enter the checking account deposit in the register and find the new balance. (Most check registers have a place to record your savings deposits at the very back of the register. Be sure not to mix up checking account and saving account deposits.)
- **6.** On May 18th, you bought some new clothing from His/Her Fashions for \$36.17. You paid with check #104. Write the check, enter it into the register, and find the new balance.
- 7. On May 22nd, you bought more groceries from Thrifty Mart for \$52.76. You paid with check #105. Write the check and enter it into the register, then find the new balance.
- **8.** On May 25th, you received a \$20.00 check for your birthday from your Aunt Esther. Fill out a deposit slip for your checking account, enter it in the register, and find the new balance.
- **9.** On May 30th, you wrote a check for #106 for \$15.00 cash for the Memorial Day Weekend. Write the check and enter it into the register and find the new balance.

HERE ARE SOME BLANK CHECKS FOR USE WITH THE ACTIVITY.

Your Name Your Street Address Your Town, MA, Zip Code Pay to the Order of BOSTON BANK Boston, Massachusetts Memo 0:110011897: 1 2090 : 2323 : 1431	101 5-595-110 20 \$ Dollars
Your Name Your Street Address Your Town, MA, Zip Code Pay to the Order of BOSTON BANK Boston, Massachusetts Memo 0:110011897: 1 2090 : 2323 : 1431	102 5-595-110 20\$ Dollars
Your Name Your Street Address Your Town, MA, Zip Code Pay to the Order of BOSTON BANK Boston, Massachusetts Memo 0:110011897: 1 2090 : 2323 : 1431	103 5-595-110 ———————————————————————————————————

Your Name Your Street Address Your Town, MA, Zip Code	104 5-595-110 20
Pay to the Order of	\$ Dollars
BOSTON BANK Boston, Massachusetts	
Memo	
Your Name Your Street Address Your Town, MA, Zip Code	105 5-595-110 20
Pay to the Order of	<u> </u>
BOSTON BANK Boston, Massachusetts	
Memo	
Your Name Your Street Address Your Town, MA, Zip Code	106 5-595-110 20
Pay to the Order of	\$
BOSTON BANK Boston, Massachusetts	Dollars
Memo	

USE THESE DEPOSIT SLIPS WITH THE ACTIVITY.

CHECKING ACCOUNG D	DEPOSIT			Dollars	Cents
Your Name Your Street Address Your Town, MA, Zip Code	5-110-595	Cash Total List Checks	Check #		
	20				
BOSTON BANK Boston, Massachusetts		TOTAL			
50211 : 9099" 00":98976		Be Sure Eac	ch Item Is P	roperly E	ndorsed.

CHECKING ACCOUNG D	DEPOSIT	Cash Total		Dollars	Cents
Your Name Your Street Address Your Town, MA, Zip Code	5-110-595	List Checks	Check #		
	20				
BOSTON BANK Boston, Massachusetts		TOTAL			
50211 : 9099" 00":98976		Be Sure Eac	ch Item Is P	roperly E	ndorsed.

SAVINGS ACCOUNG DE	EPOSIT			Dollars	Cents
Your Name Your Street Address Your Town, MA, Zip Code	5-110-765	Cash Total List Checks	Check #		
	20				
BOSTON BANK Boston, Massachusetts		Les	SUBTOTAL s Cash Back TOTAL		
20211 : 9019" 00":98576		Signature_			

USE THIS REGISTER TO RECORD THE CHECKS WRITTEN AND DEPOSITS MADE IN THE CHECKING ACTIVITY.

CHECK REGISTER

RECORD ALL CREDITS & CHARGES THAT AFFECT YOUR ACCOUNT

Check	Date	Description of Transaction	Payments/	Fees (-)	Deposits	Balance
Number			Debits (-)		(+)	

REMEMBER TO RECORD ALL X-PRESS 24 & ATM TRANSACTIONS

You will find your checking account statement from the Boston Bank below. It covers your transactions (all deposits and checks cashed) for the month of May, the same transactions listed in the previous activity. Notice that one check did not reach the bank before the statement was printed. Notice also that you have been charged a service charge for using the bank's services.

Boston Bank

PO Box 333 Boston, MA 01234

PERSONAL CHECKING ACCOUNT

Statement Period: May 1- 30, 2005

Tax ID# 033-34-6676

ACCT # 0034-7654 Your Name Street Address Town, MA Zip Code

DATE OF	TRANSACTION	AMMOUNT	BALANG	CES
POSTING			Checking	Loan
1-May	Previous Balance		116.42	
5-May	Check Paid #101	45.00	71.42	
7-May	Check Paid #102	26.15	45.27	
12-May	Check Paid #103	29.68	15.59	
15-May	Checking Deposit	96.33	111.92	
18-May	Check Paid #104	36.17	75.75	
22-May	Check Paid #105	52.76	22.99	
25-May	Checking Deposit	20.00	42.99	
29-May	Service Chage	5.00	37.99	
30-May	NEW BALANCE		37.99	

CHECK SERIAL RECAP

DATE	SERIAL	AMOUNT	DATE	SERIAL	AMOUNT	DATE	SERIAL	AMOUNT
6-May	101	45.00	7-May	102	26.15	12-May	103	29.68
18-May	104	36.17	18-May	105	52.76			

		DEPOSITS	DEPOSITED
ACTIVITY:	5	2	2 Items

Balancing Your Checkbook

You will know that your checkbook register is "balanced," or correct, by comparing the balance in your register to the "New Balance" shown on the bank's statement. To balance your checkbook, complete the following steps.

First you must o	btain	your	new	chec	kbool	s ba	lance:
------------------	-------	------	-----	------	-------	------	--------

1.	Enter the balance from your register on Line A.	A.	
2.	Enter the amount of any service charge on Line B.	В.	
3.	Subtract Line B from Line A.	C.	
Th	is is your new checkbook balance.		
No	ow you need to obtain the current bank bal	ance.	
reg	ompare the check numbers and amounts on gister. Below, write down any checks writ ur register but not in the bank's statement.	ten d	•
	Check Number		Amount
			Total: \$
2.	Write down the new balance from the statement on Line D.	D.	
3.	Enter any deposits shown in the register but not in statement on Line E.	Е.	
4.	Add Lines D and E; enter this subtotal on Line F.	F.	
5.	Enter total amount of checks not shown in statement on Line G. (Total from Step 1 above).	G.	
6.	Subtract Line G from Line F. Place result on line H.	Н.	

Line H should agree with your checkbook balance (Line C). If it doesn't, examine it carefully to see that you have correctly added and subtracted all the deposits and checks for the month. Also, make sure you have listed, in your register, all of the transactions (deposits and checks) you've made.

Is a Checking Account Right For You?

Before you decide to open a checking account, you need to evaluate whether or not it is right for you.



ACTIVITY

List all the advantages and disadvantages of having a checking account at this time.

Advantages	Disadvantages

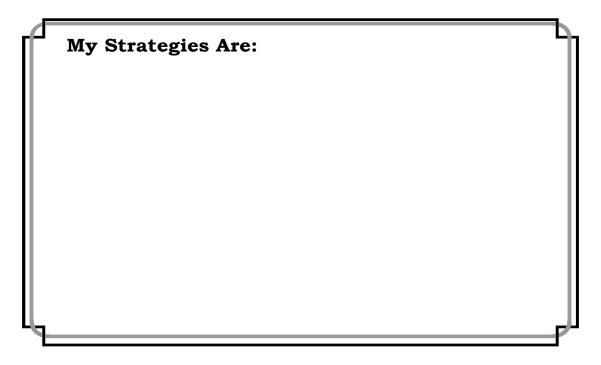
While checking accounts will give you the opportunity to conveniently store your money and pay your bills, they also bear certain risks, particularly for individuals who have difficulty managing money or balancing a checkbook.

Consider the following:

Steven opened a checking account three weeks ago. Although he tries to keep track of his spending and deposits, he is getting confused because he does not take the time to record his transactions properly. Today, Steve gets a notice from his bank in the mail which states that three of his checks have bounced.

what consequences could the bounced checks have for Steven?
What should he do?
Writing "bad checks" can have serious legal consequences!
Sometimes checking accounts can be tempting, particularly if you don't have your spending habits under control.
Consider the following: Amy opened a checking account one month ago and has always kept track of her spending and deposits. Today, Amy sees a really nice dress on sale for \$39.99, the only one left in her size. When Amy checks her check register, she discovers that she only has \$21.00 in her account and she won't get paid for another 4 days. She debates whether or not to get the dress anyway, thinking that she could probably get \$18.99 somehow and deposit it before the check clears What do you think? What would you do in Amy's situation?
Can you think of any difficulties you might have with managing a checking account? If so, describe them below.

Can you think of strategies which would help you to handle a checking account responsibly? List them below.



Remember, if you think that you're not ready for a checking account, you can always pay your bills with money orders. (For more information, refer to the "Money Orders" section in this module.)



If appropriate, open a checking account at a bank of your choice.

AUTOMATED TELLER MACHINES (ATMs)

Although ATMs are very popular, convenient, and easy-to-use to both deposit and withdraw money in either checking or saving accounts, they also bear certain risks for those of you who might have difficulty managing money. Because ATM machines allow you access to your money at all times, there may be a greater temptation to spend money in a way you hadn't planned. Some ATM machines, if they are not affiliated with your bank, will charge you for every account balance requested. This makes it difficult to keep track of your money, especially if you forget to record the ATM transaction in your checkbook register. Here is some helpful information regarding ATM's:

1. ATMs that belong to your financial institution

These are ATMs owned and operated by your bank or credit union. Most are in or outside a branch and some are in particular store chains or in areas with no branches close by. Almost all banks and credit unions offer unlimited withdrawals from their own ATMs with no fee to you.

2. Affiliated ATMs (ATM Networks and Shared Services)

These are ATMs offered by ATM networks or other financial institutions in partnership with your bank or credit union. These partnerships allow small banks and credit unions to compete with larger, national financial institutions by giving their customers/members wider accessibility to their money for little or no fee. If your bank or credit union partners with an ATM Network, all or most of your withdrawals from these ATMs each month are free. It is always a better idea to use an ATM that is affiliated with your bank and or credit union. Many ATM Networks offer websites and smart phone apps to help you find the closest ATM. In fact, one of these ATMs might be closer to your home or workplace than a big bank's ATM! Some banks and many credit unions offer you access to affiliated ATMs through shared services. The participating institutions form a ring of banks or credit unions, all of them allowing you to withdraw money from their ATMs with no fee, just like you would from your own institution's ATMs. Many of these offer "shared branches" as well, allowing you to discuss your finances with a teller at any included institution. You can't do more complicated financial tasks like open a mortgage at another institution's branch, but in terms of basic services, it's like you are a member of all the institutions in the partnership.

3. Unaffiliated ATMs ("Foreign ATMs" or "non-bank ATMs")

These are ATMs that your financial institution does not own and shares no affiliation, including most ATMs in convenience stores and ATMs owned by other financial institutions. You may check your balance and withdraw money at these ATMs, but you cannot transfer money between your accounts. Most of the time, you are charged two fees for using these ATMs. Here's where the ATM fees become staggering:

The first fee is from your own bank or credit union. When you withdraw money from an ATM that's not affiliated with your institution, your bank or credit union pays the company that owns the ATM a small fee for the transaction. Often this charge is passed

on to you in the form of a "non-bank ATM fee" or a "foreign ATM fee". This fee ranges from \$3 to \$5. (You can find out the amount of this charge by asking your bank or credit union.) Keep in mind that some banks and credit unions waive this fee for particular checking accounts.

The second fee you may be charged is from the unaffiliated ATM itself. This fee usually goes to the maintenance of the ATM. Before you complete the withdrawal, the ATM will display how much it will charge you and ask you if you agree the amount. These fees are up to the ATM company and the store hosting the ATM, but the charge is usually between \$1-\$3 for each withdrawal. These two fees added together might make an ATM withdrawal very costly. For example, say you withdraw \$20 from an unaffiliated ATM. Your bank charges you \$3.00 for the withdrawal and the ATM charges you \$2.00. Now you've paid \$5.00 for access to \$20 of your money! That's 20% of the withdrawal! Unless you're making a large withdrawal, it's often worth it to find an ATM from your institution or an affiliated ATM in your neighborhood.

Finally, an important clarification: When a bank or credit union offers you an account with a "no fee" ATM withdrawal policy, it doesn't mean you won't be charged for the withdrawal. It does mean that your bank or credit union will not charge a non-bank ATM fee, but the fee from the non-bank ATM itself will apply. Basically, "no fee ATM withdrawals" means "no fee...from us," but you're not granted immunity from all ATM fees.

Other ATM Fees

International Withdrawal Fees When you withdraw money from an ATM in another country, your bank or credit union will charge you a "conversion fee." This fee also applies to debit card purchases. This fee is similar to what you'd pay at an airport currency exchange desk. Normal conversion rates run from 1% to 3% of the purchase.

Balance Inquiries Your bank or credit union might charge you a fee for checking your balance at an unaffiliated ATM. Even if you do not withdraw money, information is exchanged between your financial institution and the ATM, and this exchange costs your financial institutions money. Unfortunately, the cost of this exchange may be passed on to you. If you use ATMs to check your balance, you should ask whether your new bank or credit union charges you a fee for balance inquiries.

With this in mind, evaluate the advantages and disadvantages an ATM card would have for you.

Advantages	Disadvantages

Would you get an ATM card? Explain your decision.



If you have decided that you will use Automated Teller Machines, here are a few helpful hints you should keep in mind.

- Choose your secret password very carefully. Don't use your name, initials, phone number, or birth date.
- Never write your password on your ATM card. If you lose the card, anyone who finds it would be able to withdraw your money.
- Don't announce your password to others. Remember, once you tell a secret to someone, it's not a secret anymore.
- Remember to take your receipt after each transaction, even when you're in a hurry. You'll need the receipt to help you balance your monthly statement and, if you have any questions about your transaction, you'll need the receipt to speak to the bank personnel.
- Be sure to enter all your transactions (deposits or withdrawals) in your checkbook/savings register so that you'll always know what your balance is.
- Don't forget your ATM card at the machine after you've finished your transaction!

MONEY ORDERS

Money orders can be purchased for a fee ranging from \$1.00 to \$5.00 at any bank or post office and in many convenient stores. Money orders are the cheapest at Wal-Mart and the local post office. Money orders can be used to pay bills (rent, utilities, etc.) in the same manner as a personal check. The amount of the bill is paid in cash to the teller or salesperson, who then issues the money order in the same amount. The order needs to be signed and dated, and information about the agency you are paying needs to be filled out in the appropriate spaces. After completing your money order, make sure to detach your receipt at the bottom and keep it in a safe place. This is your proof of purchase. If the person/company you were paying states that they never received it, you will have the receipt with its identification number to offer as proof of payment.

SAMPLE:

MONEY ORDER First Federal Bank Boston, MA	789-0154-6249 VOID IF OVER \$1000
Forty Three dollars and Twenty Five cents	\$ 0043.25
Pay To:	
Company Name / Address	
Signature: Date	
KEEP THE YELLOW COPY	FOR YOUR RECORDS

UNDERSTANDING CREDIT AND CHARGE CARDS

• Credit is defined as confidence in a borrower's ability and intention to repay. People use the credit they have with financial institutions, businesses, and individuals to obtain loans. They use the loans to buy goods and services. -BNY Mellon

Credit and charge cards are different from checking accounts. Checking accounts use only your money (i.e., you must have enough money in your account to cover any incoming checks), while credit and charge cards are a form of a loan from the credit company to you. While this type of loan seems to make shopping more convenient, keep in mind that it also bears certain risks (like overspending.) In addition, many credit institutions have a yearly membership fee. Some credit and charge card accounts also include an additional "service charge" or interest fee for certain kinds of transactions. It is important to understand how and when these additional fees are included. If you are interested in obtaining a credit card for emergency purposes, make sure you choose one without a yearly fee or one with a low interest rate or APR (annual percentage rate).



In order to get a credit or charge card from a bank, service, or store, you must fill out an application form. Approval will be based upon a number of considerations, including your present income, length of employment, the balance and activity in your checking or savings account, and your credit history (Have you ever had credit/charge cards before? Did you pay your bills on time? Have you bounced checks?). Approval is not automatic. If you have just begun full-time employment or do not have a credit history, you application might not be approved. You can always re-apply, however, at a later date.

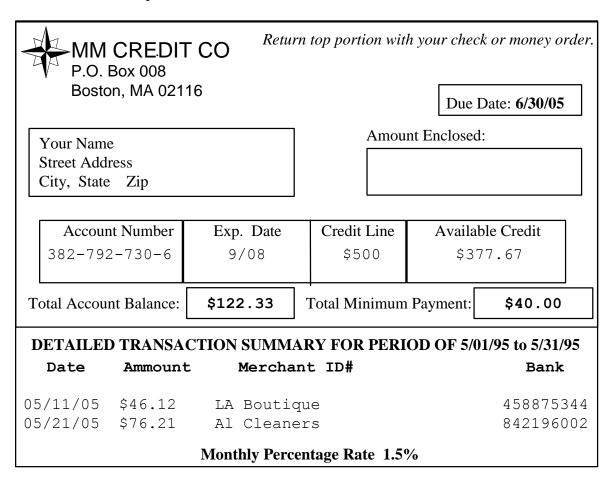
A credit card allows you to borrow only up to a certain amount, called your "credit limit." When you purchase something with a credit card, the credit card company is actually paying for you. At the end of the month, the credit card sends you a statement telling you how much money you owe them. If you have a charge card from a particular store, similar loaning and billing procedures are followed. It is important to not "borrow" more than you can pay. It is better to pay the whole amount or balance every month. If you cannot it is important to at least pay more than the minimum amount.

• If you are interested in knowing your credit report you can obtain a free copy at freecreditreport.com. A **credit report** is a **report** detailing a person's financial history specifically related to their ability to repay borrowed money.

This is something that you can request yearly. If you want to know what your credit score is, it is around \$10 to request it. Sometimes it is hard to obtain a credit card because of age and lack of credit. There are other ways to build credit. There is something called a secure credit card. A

secured credit card is a type of credit card that is backed by a savings account used as collateral on the credit available with the card. Money is deposited and held in the account backing the card. The limit will be based on both your previous credit history and the amount deposited in the account.

This is an example of a credit card statement:



The total balance is the amount of money you owe the credit card company for charging things during a specific period. The total minimum payment is the part of the total balance that **must** be paid by the payment date. The available credit lets you know how much more you can borrow before reaching your credit line. "Credit line" means the same thing as "credit limit," and you can't charge more than your limit. If you do, the credit card company may cancel your card. Transaction date, amount, and merchant ID# show when and where you used your card, and how much you charged.

You have two ways to pay off your credit card charges:

- 1. You can pay the total balance (\$122.33) all at once and be finished with it.
- **2.** You can pay anywhere between the total minimum payment (\$40.00) and the total balance (\$122.33), and pay the rest over several months.

Option 1 is good, but you may not have that much money available. You may only be able to pay a little bit at a time, which is your second option. When you use **Option 2**, however, the credit card company charges interest. They charge you for the privilege of putting off payment until later. In the end, you're paying for your loan (the things you charged) *and* the interest on the loan, which means that your total payment will exceed the amount of the original loan.

Which option should you use? **Option 1** means you end up paying back only the money you borrowed. **Option 2** means paying only a small amount of money at any given time but paying back extra money on interest.

Try to pay off your loans from the credit card company as soon as possible. If you wait, you can end up paying a lot of excess interest.



ACTIVITY

Go to a department store and a bank to research additional information about credit and charge cards.

As stated in the beginning of this section, although there are advantages to credit and charge cards, they also bear risks.

Consider the following:

Susan has been working full-time as a nurse's aid for the past twelve months. She is on a fairly tight budget and, after paying for rent, utilities, food, and transportation, Susan has approximately \$100 a month for miscellaneous expenses. A few months ago, Susan was approved for a credit card with a \$500 credit line. As soon as she got the card, Susan went shopping and charged \$200 for clothes. Two days later, Susan bought a new TV for \$280. When Susan got her statement in the mail three and a half weeks later, she was a little surprised. She had not anticipated that she had to pay for all these items and interest as well. Actually, it almost felt as if the items she charged were free, since charging did not have an influence on her cash flow.

How do you think Susan will pay the money back?	
How long do you think it will taker her to pay off her credit card balance?	

Do you think Susan would have bought the items if she had not had a charge card?



Many people get themselves into dangerous "credit holes," meaning they buy much more than they can afford because it seems so simple to use the credit card now and pay later. Most of these people can never pay off the debt they owe, and the high interest rate on credit cards makes things worse. Some people spend years paying off debts that they have created through careless charging. It is also best to pay all of the payment off during each pay period. If you leave a balance you will incur high interest rates and have trouble paying it all off.

While credit and charge cards can be helpful in establishing a good credit history, necessary to apply for larger bank loans or to finance a car for example, they can negatively impact your ability to get credit if they are misused. You should be aware of the long range effects of bad credit.

Consider the following:

Susan struggled for quite some time to pay off the charges for her purchases. She was late with her payments several times and actually missed one or two. Now, three years later, Susan (who has gotten a promotion and a raise at work) is shopping for a used car. After looking around she finds a car she likes and can afford, with reasonable monthly payments. She then applies at the car dealership for financing. The salesperson checks Susan's credit history through one of the computerized credit rating companies and informs her that her loan has been disapproved.

What do you think has happened?		

After evaluating all the information, do you feel that credit and charge cards are a good option for you now or in the future? Explain your choice.



If you think that credit cards are a good option for you, remember to be very cautious when using them and never charge more than you can afford!

UNDERSTANDING DEBT AND HOW THIS CAN HAPPEN?

There are several ways to make sure you do not acquire too much debt. There are also many ways to make sure you avoid debt in the future. Below are a few tips to avoid debt.

- 1. When you have a reduced income, such as losing youth support payments, losing employment or a job that pays less than your previous one. You must learn to adjust your spending. The quicker you adjust your reality whether permanent or temporary the better you will be.
- 2. Poor money management is one of the leading causes of debt. Keeping a monthly budget is important to properly manage your money and spending. Literally writing down your expenses on spreadsheets helps you learn where your money is going each month.
- 3. Gambling is not suggested and is a guaranteed way to lose your money. It can be addictive too and ultimately is not a good way to spend your money.
- 4. Lack of savings is probably one of the quickest ways to go into debt. It is extremely important to save money each month for emergency expenses and for your future. There are sometimes unplanned emergencies where you will need money for an expense you did not foresee.
- 5. Taking out loans and not paying them back and or only paying the minimum amount each month. Please speak to an adult you trust about loans. Some loans are needed for expenses like college, and or purchasing a car. But there are several loans out there and some have higher percentage rates and or interest rates.
- 6. Spending money you do not have on an ATM or debit card when you have a zero balance. When this happens you are charged overdraft fees. An overdraft fee is a payment for using money that you do not have. The fee is usually \$20 per item.
- 7. Not understanding financial literacy. Financial literacy is defined as the ability to understand how money works in the world: how someone manages to earn or make it, how that person manages it, how he/she invests it (turn it into more) and how that person

donates it to help others. Work with your adolescent outreach worker, foster parent, and or case worker to help you better understand money, credit, savings, and future planning.



UNDERSTANDING YOUR PAYCHECK

Most employers pay their employees by check and, for many people, receiving that check is a very satisfying experience! Some people, however, are confused about why their check is less than they expected.

To avoid unwelcome surprises, you should know that there are a number of deductions that are taken from your paycheck. Your check stub (attached to your check) will identify your **gross pay**, which is the total amount of money that you earned, and your "take-home pay" or **net income**, the amount that is left for you after all the deductions are taken.

The standard payroll deductions are:

- Federal income tax
- State income tax
- Social Security/Retirement

Other possible deductions:

- Health and hospital insurance
- Life insurance
- Union dues

Keep your check stubs!!! They are an important record of your earnings and deductions.

PAYROLL
CHECK
CARSON'S DEPARTMENT STORE
123 Elm Street
51-42
321

Anytown, MA 01234

July 10, 2005

Pay to the Order of JESSE SMITH

ONE HUNDRED FORTY-FIVE AND SIXTY-TWO CENTS \$ 145.62

BOSTON NATIONAL BANK

Boston, Massachusetts $Po\beta\varepsilon\rho\tau\Omega$. $X\alpha\rho\sigma\sigma\nu$ 0:075341 2090 : 231112 : 1 Robert W. Carson, President

Below is a sample payroll check stub. Often, a paycheck stub will also include year-to-date totals on all earnings and deductions, a breakdown of the hourly wage(s), and other necessary information.

CARSON'S DEPARTMENT NAME: JESSE SMITH EMP. #: 504 SS#: 001-01-0011	NT STORE	Date of Issue: 10 July 2005 Pay Period: 7/1/05 - 7/8/05 Check #: 324
Regular Hours: 30 Overtime Hours: 0	GROSS EARNINGS: Current	\$202.25
Overtime flours.	Deductions	
Hourly Rate: \$6.75	Federal Tax	34.38
Overtime Rate: \$8.00	State Tax	8.10
	FICA	14.15
	NET EARNINGS	\$145.62

Jesse's net pay, his take home pay, is \$145.62. Although he earned \$202.25 for the week of July first through eighth, his employer is required to deduct \$34.38 for Federal tax, \$8.10 for State tax, and \$14.15 for F.I.C.A. (Social Security). This leaves Jesse with \$145.62 for himself.



Take a look at your paycheck and answer the following questions

What is your gross income?
How much do you pay in Federal taxes?
How much do you pay in State taxes?
How much do you pay to F.I.C.A.?
Do you have any other deductions? If so, describe.
What are your net earnings?

THE W-4 FORM

When you start a job, you are asked to complete a W-4 Form so your employer can withhold the correct amount of Federal income tax. Read the instructions and fill in the sample on this and the following pages. Complete State Form M-4 (see page 92) only if you claim a different number of exemptions for Massachusetts and United States income taxes. If you have questions call, your local Internal Revenue Service Office, or call 1-800-424-3676 (toll free).



Form W-4 (2015)

Purpose. Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

Exemption from withholding. If you are exempt, complete only lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2015 expires February 16, 2016. See Pub. 505, Tax Withholding and Estimated Tax.

Note. If another person can claim you as a dependent on his or her tax return, you cannot claim exemption from withholding if your income exceeds \$1,050 and includes more than \$350 of unearned income (for example, interest and dividends).

Exceptions. An employee may be able to claim exemption from withholding even if the employee is a dependent, if the employee:

- Is age 65 or older,
- · Is blind, or
- Will claim adjustments to income; tax credits; or

The exceptions do not apply to supplemental wages greater than \$1,000,000.

greater than \$1,000,000.

Basic instructions. If you are not exempt, complete the Personal Allowances Worksheet below. The worksheets on page 2 further adjust your withholding allowances based on Itemized deductions, certain credits, adjustments to income, or two-earners/multiple jobs situations.

Complete all worksheets that apply. However, you may claim fewer (or zero) allowances. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

Head of household. Generally, you can claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See Pub. 501, Exemptions, Standard Deduction, and Filling Information, for information.

Tax credits. You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for rhild or dependent care expenses and the child tax credit may be claimed using the Personal Allowances Worksheet below. See Pub. 505 for Information on converting your other credits into withholding allowances.

Nonwage income. If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you

1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. If you have pension or annuity income, see Pub. 505 to find out if you should adjust your withholding on Form W-4 or W-4P.

Two earners or multiple jobs. If you have a working spouse or more than one job, fligure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others. See Pub. 505 for details.

Nonresident alien, If you are a popersident alien.

Nonresident alien. If you are a nonresident allen, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

Check your withholding. After your Form W-4 takes effect, use Pub. 505 to see how the amount you are having withheld compares to your projected total tax for 2015. See Pub. 505, especially if your earnings exceed \$130,000 (Single) or \$180,000 (Married).

Future developments. Information about any future

		Persons	I Allowances Works		enacted af	ter we release it) wi	l be posted at	www.irs.gov/w4.
A	Enter "1" for vo	ourself if no one else can						A
•	(You are single and har				· · · · ·		
В	Enter "1" if:		only one job, and your sp	ouse does not	work; or	}		В
			ond job or your spouse's v			00 or less.		
0	Enter "1" for vo	our spouse. But, you may					or more	
		Entering "-0-" may help yo						С
D	Enter number o	of dependents (other than	your spouse or yourself)	you will claim o	n your tax return .			D
		will file as head of house						E
=	Enter "1" if you	have at least \$2,000 of cl	nild or dependent care e	xpenses for wh	nich you plan to cla	im a credit		F
	(Note. Do not i	nclude child support payr	nents, See Pub. 503, Chile	and Depende	nt Care Expenses,	for details.)		
		dit (including additional ch						
		ncome will be less than \$6					if you	
	have two to for	ir eligible children or less	"2" if you have five or mo	re eligible childr	en.			
		ome will be between \$65,000						
н	Add lines A throu	ugh G and enter total here. (I	Note. This may be different f	rom the number	of exemptions you cl	aim on your ta	return.) 🕨	Н
	_	f • If you plan to itemize	or claim adjustments to i	ncome and war	nt to reduce your with	hholding, see t	ne Deduct	ions
	For accuracy,	and Adjustments W						الممال المسام
	complete all worksheets • If you are single and have more than one job or are married and you and your spouse both work earnings from all jobs exceed \$50,000 (\$20,000 if married), see the Two-Earners/Multiple Jobs Works							ne combined on page 2 to
	that apply.	avoid having too little to						
		If neither of the abov	e situations applies, stop h	ere and enter th	e number from line l	H on line 5 of F	orm W-4 b	elow.
		Separate here and	give Form W-4 to your en	plover. Keep ti	ne top part for your	records		
					0	4.	1	1515.0071
Form	W-4	Employe	e's Withholding	g Allowan	ce Certifica	te	OMB N	o. 1545-0074
-onn Departr	nent of the Treasury		titled to claim a certain numb				1 2(015
nternal	Revenue Service		he IRS. Your employer may b	e required to sen	d a copy of this form t		al security r	umbor
1	Your first name	and middle initial	Last name			2 Your soci	ai security r	lumber
	Home address (number and street or rural rout	e)	3 Single	☐ Married ☐ Mar	ried, but withhole	at higher Si	ingle rate.
				Note. If married, b	ut legally separated, or spo	use is a nonreside	t alien, check	the "Single" box.
	City or town, sta	ate, and ZIP code		4 If your last n	ame differs from that	shown on your	social secur	ity card,
				check here.	You must call 1-800-	772-1213 for a	eplacemen	t card. 🕨 🗌
5	Total number	r of allowances you are cla	aiming (from line H above	or from the app	olicable worksheet	on page 2)	5	
6	Additional an	nount, if any, you want wit	hheld from each paychec	k			6 \$	
7	l claim exem	ption from withholding for	2015, and I certify that I r	neet both of the	e following conditio	ns for exemp	ion.	
	• Last year I	had a right to a refund of a	all federal income tax with	held because I	had no tax liability	, and		
	• This year i	expect a refund of all fede	ral income tax withheld b	ecause i expec	t to have no tax lial	oility.		
	If you meet b	oth conditions, write "Exe	mpt" here			7		
Jnde	r penalties of per	rjury, I declare that I have ex	camined this certificate and	, to the best of n	ny knowledge and b	elief, it is true,	correct, an	d complete.
Empl	ovee's signatur	re						
		unless you sign it.) ▶				Date ►		
8	Employer's nan	ne and address (Employer: Con	plete lines 8 and 10 only if sen	ding to the IRS.)	9 Office code (optional)	10 Employer	identification	number (EIN)
		Paperwork Reduction Act	Notice see page 0		Cat. No. 10220Q			m W-4 (2015)

Form W	-4 (2015)								Page 2	
			Deduct	ions and A	djustments Works	heet				
Note.	Note. Use this worksheet only if you plan to itemize deductions or claim certain credits or adjustments to income. 1 Enter an estimate of your 2015 Itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes, medical expenses in excess of 10% (7.5% if either you or your spouse was born before January 2, 1951) of your income, and miscellaneous deductions. For 2015, you may have to reduce your itemized deductions if your income is over \$309,900 and you are married filing jointly or are a qualifying widow(ef); \$284,050 if you are head of household; \$258,250 if you are single and not									
	head of household or a qualifying widow(er); or \$154,950 if you are married filing separately. See Pub. 505 for details									
2		9,250 if head		alifyling widov	(er)		2	\$		
_			or married filing sepa	arately)			<u>*</u>		
3	Subtract line	2 from line 1	. If zero or less, enter	"-0-"			3	\$		
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150,001 and over 15 Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the internal Revenue laws of the United States. Internal Revenue Code sections 3402(f)(2) and 6109 and their regulations require you to provide this information; your employer uses it to determine your federal income tax withholding, Failure to provide a properly completed form will result in your being treated as a single person who claims no withholding allowances; providing fraudulent information may subject you to penalities. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation; to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws; and to the Department of Health and Human Services for use in the National Directory of New Hires. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and Intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any internal Revenue law, Generally, tax returns and return information are confidential, as required by Code section 6103.

The average time and expenses required to complete and file this form will vary depending on ind/ildual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

	MASSACHUSETTS EMPLOYEE'S WITHHOLDING EXEMPTION CERTIFICATE Social Security no. City. State Zip							
Employee: File this form or Form W-4 with your employer. Otherwise, Massachusetts income Taxes will be withheld from your wages without exemptions. Employer: Keep this certificate with your records. If the employee is believed to have claimed excessive exemptions, the Massachusetts Department of Revenue should be so advised.	HOW TO CLAIM YOUR WITHHOLDING EXEMPTIONS 1. Your personal exemption. Write the figure "1." If you are age 65 or over or will be before next year, write "2" 2. If married and if exemption for spouse is allowed, write the figure "4." If your spouse is age 65 or over or will be before next year and if otherwise qualified, write "5." See Instruction C							
I certify that the number of withholding exemptions claimed on this certificate does not exceed the number to which I am entitled. Date								
	•							

THE COMMONWEALTH OF MASSACHUSETTS, DEPARTMENT OF REVENUE

A. Number. If you claim more than the correct number of exemptions, civil and criminal penalties may be imposed. You may claim a smaller number of exemptions. If you do not file a certificate, your employer must withhold on the basis of no exemptions.

If you expect to owe more income tax than will be withheld, you may either claim a smaller number of exemptions or enter into an agreement with your employer to have additional amounts withheld.

You should claim the total number of exemptions to which you are entitled to prevent excessive overwithholding, unless you have a significant amount of other income.

If you work for more than one employer at the same time, you must not claim any exemptions with employers other than your principal employer.

If you are married and if your spouse is subject to withholding, each may claim a personal exemption.

B. Changes. You may file a new certificate at any time if the number of exemptions increases. You must file a new certificate within 10 days if the number of exemptions previously claimed by you decreases. For example, if during the year your dependent son's income indicates that you will not provide over half of his support for the year, you must file a new certificate.

C. Spouse. If your spouse is not working or if she or he is working but not claiming the personal exemption or the age 65 or over exemption, generally you may claim those exemptions in line 2. However, if you are planning to file separate annual tax returns, you should not claim withholding exemptions for your spouse or for any dependents that will not be claimed on your annual tax return.

If claiming a wife or husband, write "4" in line 2. Using "4" is the withholding system adjustment for the \$4,400 exemption for a spouse.

D. Dependent(s). You may claim an exemption in line 3 for each individual who qualifies as a dependent under the Federal Income Tax Law. In addition, if one or more of your dependents will be under age 12 at year end, add "1" to your dependents total for line 3.

You are not allowed to claim—"federal withholding deductions and adjustments" under the Massachusetts withholding system.

If you have income not subject to withholding, you are urged to have additional amounts withheld to cover your tax liability on such income. See line 5.

IF THE ALLOWABLE MASSACHUSETTS WITHHOLDING EXEMPTIONS ARE THE SAME AS YOU ARE CLAIMING FOR U.S. INCOME TAXES, COMPLETE U.S. FORM W-4 ONLY.

FILING TAXES

Everybody who earns money (unless it is tax free) has to file for taxes. If you fail to do so, you might be prosecuted by the IRS (Internal Revenue Service, an agency responsible for tax collection). At the end of each year, your employer will send you a W-2 form, which lists the amount of money you have earned and the deductions taken out of your paycheck during that year.

To file your taxes, you will need to obtain the W-2 form and both a federal and a state income tax form. These are usually available, along with an instructional brochure, at a post office or bank and often mailed directly to your residence. You can either file your own taxes (utilizing the information on your W-2 and by following the instructions provided in the instructional brochure) or seek out professional help. In any event, be aware of the deadlines associated with filling taxes! Depending on your status, you will either get a refund by mail or you may have to pay out additional taxes that were not collected through your paychecks.

The Volunteer Income Tax Assistance (VITA) program offers free tax help to people who generally make \$53,000 or less, persons with disabilities, the elderly and limited English speaking taxpayers who need assistance in preparing their own tax returns. IRS-certified volunteers provide free basic income tax return preparation with electronic filing to qualified individuals.

http://www.irs.gov/Individuals/Free-Tax-Return-Preparation-for-You-by-Volunteers



Obtain an instructional booklet and the appropriate forms and practice filing taxes with your social worker, foster parent, or group care staff.

BUYING A CAR

Before making a major purchase, such as a car, you will have to consider your needs, preferences, and your budget. You will not only have to plan for the purchase and the costs of putting a car on the road, but also for its maintenance. In addition, upon purchase you will need money for the tax, title, and registration.

Purchasing

Evaluate your income, savings, and expenses. How much do you think you could afford to spend for the purchase of a car? (If you are not ready to buy a car yet but are interested in buying one in the future, estimate how much money you would need in order to buy a reliable car and develop a savings plan accordingly).

I could/would spend:
Explain your estimate:
If you need to borrow money, where could you borrow it and how much will your down payment
be?
How much would you have to pay in sales tax (6.25% of purchase)?
In summary, I could spend \$ on the purchase of a car, including sales tax?

Now that you have established how much money you can spend for the purchase of a car, you can determine what kind of car you might be interested in.

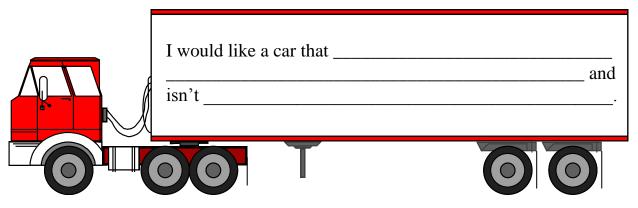


To help you think about what type of car would be best for you, think about the following questions.

1.	What Would I Use the Car For?	Almost Never	Sometimes	Most of the Time
	a. Riding Alone			
	b. Carrying One Passenger			
	c. Carrying More Than One Passenger			
	d. Driving Long Distances			
	e. Driving in the City			
	f. Transporting Many Things			
	g. Other:			
	h. Other:			
2.	What Do I Want In A Car?	I Can Do Without It	It Would Be Nice	I Must Have It
2.	What Do I Want In A Car? a. Easy Driving			
2.		Without It	Nice	Have It
2.	a. Easy Driving	Without It	Nice	Have It
2.	a. Easy Drivingb. Easy Parking	Without It	Nice	Have It
2.	a. Easy Drivingb. Easy Parkingc. Power Steering	Without It	Nice	Have It
2.	 a. Easy Driving b. Easy Parking c. Power Steering d. Smooth Ride 	Without It	Nice	Have It
2	 a. Easy Driving b. Easy Parking c. Power Steering d. Smooth Ride e. Quiet Ride 	Without It	Nice	Have It
2.	 a. Easy Driving b. Easy Parking c. Power Steering d. Smooth Ride e. Quiet Ride f. Good Gas Mileage 	Without It	Nice	Have It

	j. Storage Space			
	k. Other:			
	l. Other:			
3.	What Really Bothers Me?	Doesn't Bother Me At All	Sometimes Bothers Me	I Can't Stand It
	a. Noisy Engine			
	b. Rattles and Squeaks			
	c. Gas Guzzling / Poor Mileage			
	d. Other:			
	e. Other:			
4.	Are There Any Extra Options That I Would Like In My Car? Can I Afford Them?			
	Luxuries		Cost	
		\$		
		\$		
		•		
				
		\$		

IN SUMMARY



Are there certain types of cars which interest you and meet your needs? If so, list them below.

	MAKE	MODEL	YEAR
1			
2			
3			
4			



Using *Consumer Reports* magazine and the *Official Used Car Guide*, familiarize yourself with the quality and price ranges of the cars you are interested in. Record your findings in the chart below.

Make:	Make:	Make:
MODEL:	MODEL:	Model:
YEAR:	YEAR:	YEAR:
Price Range:	Price Range:	Price Range:
Good Features:	Good Features:	Good Features:
Bad Features:	Bad Features:	Bad Features:

Buying a car will be a major purchase for most of you. To make sure that you stay within your budget and get the most for your money, you will not only need to be an educated consumer, but you must also make good decisions.

Consider the following:

Lyle wants to buy a used car and has estimated that he can spend about \$2000 by putting \$400 down and paying the rest in monthly installments of \$110. While Lyle was at a used car dealership, he spotted a pick-up truck he really liked for \$3200. Lyle knows he can't afford it but debates whether or not he should buy the pick-up anyway.

debates whether or not he should buy the pick-up anyway.
What would you do in Lyle's situation?
What could the consequences be if Lyle buys the pick-up?
Aaron has saved \$2400 over the past two years toward a car purchase. He plans to pay the full price in cash, since he has no credit history or a co-signer. Aaron needs a reliable car with good gas mileage because he plans to travel 16 miles to and from work each day. When Aaron arrived at a used car dealership, he saw a great looking black sports car on the lot for \$2350. The car had leather seats, a sunroof, and a tape deck. When Aaron asked about the mileage, the salesperson explained away the car's 186,000 miles, saying that it looked as good as new. When Aaron asked about how many miles the car got to the gallon, the salesperson replied that even though it would use up a lot of gas, Aaron should just think about how he would impress everybody with such a great-looking car. Aaron took the car out for a test drive. It had lots of power and was really fun to drive, but Aaron detected an odd noise in the engine. When he asked about it, the salesperson told him, "It's nothing. If you turn up the stereo, you won't even hear it." Aaron is now debating whether or not he should buy the car.
What would you do?

Does the car have the qualities Aaron was initially looking	ng for?
What do you think will happen if Aaron buys the car?	

When you go car-shopping, whether you do it through the newspaper or used car dealerships, keep the following tips in mind:

- Comparison Shop!! Check the classified ads, check out used car lots. Don't be satisfied with the first or even the second one you visit. Shop around.
- New car dealerships often sell used cars, too.
- Some dealers offer a limited warranty on used cars. Ask about it!
- Try to shop for a used car with someone who knows a lot about them.
- Test drive the car! Listen for any noise that might warn you about problems.
- Don't allow yourself to be pressured by sales people. Take your time. Ask questions. Remember it's your money!
- Check for signs of rust.
- Check the oil. If it is dirty, the previous owner probably didn't follow the proper maintenance schedule. If there is water in the oil, don't buy the car unless you're prepared for high repair bills.
- Have a mechanic (not the one at the dealership) check out the car for you.
- Check the tires, brakes, and steering.
- Make sure all the equipment is working (the heater, defroster, windshield wipers, etc.).
- Check the mileage. If it's high, repairs might soon be necessary.
- Ask for the owner's care manual.
- Be certain that the papers, especially the title, are in order.



Evaluate the newspaper listings below and circle the car which best meets your needs and fits your budget.

2004 Volkswagen	05 Honda Civic.	08 Ford Focus.	2010 black Corvette.
Jetta - 150,000 miles	110,000 mi. New	90,000. Runs great. 5	15,000 mi. Leather
Some rust, runs well.	parts, SUPERCAR	spd, \$4,800 firm. Call	Interior. POWER.
\$2,000 or best offer	dlrshp. \$4,000	579-5960.	\$28,200 or best offer.
Call 593-8905.	Call 439-3464		Call 465-8342
'09 Toyota Prius.	09 Mustang, 5 speed	2014 Nissan Rogue,	12 Jeep Wrangler.
82,000 miles. Needs	120,000 mi, mostly	automotive. Runs	Soft top, great shape,
some engine work.	highway. Extras.	great. \$17,000/BO.	fun car. \$20,000.
\$7,000/BO. Call 620-	\$6,000 firm.		Financing avail. Call
6640.	Financing possible.		Dealer Motors,
	Call Dealer Motors,		468-0656
	468-0656		
09 Hyundai. 54,000	2013 Chevy custom.	11 Pontiac. Only	2010 Subaru Outback
mi. New tires, new	Runs and looks well.	60000 miles! Very	110,00 miles. Runs
exhaust. \$8,000/BO	140,000 miles	clean. For sale by	good, some rust.
897-0431	\$6,000/BO. 785-0722	owner. \$5,400. Call	\$8,500 /BO. Call
		645-3874	468-0813.
12 Mazda. 12,000	14 Mazda, 25,000	Mechanic's Dream!	08 Dodge Dart.
miles. MP3 player,	Miata! New brakes,	00 Cadillac. Needs	Needs new muffler.
A/C, like new.	transmission, tires.	paint, needs overhaul.	Some damage to
\$10,500. 541-5460	\$14,000 firm. Call	\$950. 513-4606	body, perfect frame.
	650-7891		\$5,000/BO. 498-0415

	your		





Go to several used car dealerships and comparison shop for a car which meets your needs and budget.

Did you find a car you liked? If so, describe below.



Even if you are prepared, car shopping can be difficult. Unless you are a mechanic, you may still end up with a "lemon." However, if you buy a car that needs repairs shortly after the purchase date (approximately 90 days), you might be protected by the "Lemon Law".



Research the stipulations of the Lemon Law and record them in the box below:



Note: It is important to remember that you have the right to ask the owner or the dealer to see the paperwork/history of any used car. The car's history should include a description of all the work that has been done to the car, a record of oil changes, tune-ups or accidents, etc.

Start-Up Costs for Automobiles

Certain costs are incurred when you are putting a car onto the road for the first time, including registration and insurance fees.

Registration

Each car has to be registered with the Department of Motor Vehicles.



Check with the DMV regarding the registering of a car and record your findings in the box below.

Registering my car would cost:

Insurance

Each car in the state of Massachusetts has to be insured. Driving without insurance is against the law and can have serious legal consequences.



Research the costs of car insurance by inquiring with at least two different insurance companies. Discuss different options with the agents and record your findings in the chart below.

Insurance A	
	Cost
T ' 1 '1'	
Liability	
Collision	

Insurance B	
	Cost
Liability	
Collision	

NOTE: When you first insure a car, insurance companies will usually require the first three monthly installments up front.

Which insurance would you choose and at what cost?

Explain your choice:	
Each car must also pass an initial Safety and Emissions insp may require some costly repairs and replacement parts befor Check with a garage that provides Safety and Emissions insp	e your car can legally be on the road.
\$	
Complete the following:	
In addition to the costs related to purchasing a car and provide	ding that my car passes the Safety
and Emissions inspection, I will have to add a minimum of car on the road.	to put my
	٦
	Registration
_ +	Insurance
	Total



Car Maintenance Costs

How much will you spend on the upkeep/maintenance will greatly depend on the number of miles you plan to drive.



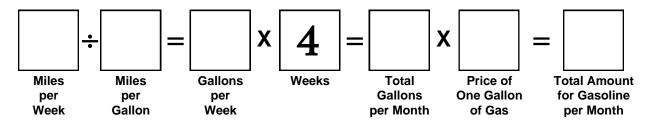
Estimate how many miles you can expect to drive per week and record your findings below.



How many miles can your car run on one gallon of gas?



Use the figures above to estimate your average anticipated monthly cost for gasoline.



If you want your car to last as long as possible, you will have to take good care of it. Although you will have to invest some money into car maintenance, it will help you to avoid expensive repairs.

Consider the following:

Kim bought a used car five months ago and has been driving a lot. She has never checked her oil and has never had the oil changed because she thinks that her car is still "new" and shouldn't have any problems yet. Today, while she was driving on the highway, Kim's car suddenly overheated and began to smoke.

What do you think happened?
How could she have prevented this problem?
ACTIVITY Research the prices of an oil change and a tune up. List them in the appropriate boxes below.
How often does the average car need an oil change?
Cost of an Oil Change
How often should a car have a tune up?
Cost of a Tune Up

In addition to the above maintenance costs, it is helpful to budget additional money for unexpected repairs or replacements, i.e. new tires, headlights, etc.

	Total Maintenance/Upkeep Cost per Month	
<u></u>	Money budgeted for unexpected repairs/replacements	
	Average cost of gas	
	Monthly insurance payment	
	Average cost per month for maintenance (oil change, tune up, etc.)	
Utilize the	ork space below to estimate you total monthly cost relative to the upkeep of a car.	



SHOPPING SKILLS

Comparison Shopping

You've probably worked hard to earn your paycheck or allowance. Therefore, you want to get the most for your money. Nothing is more frustrating than finding an item you have purchased selling for a lower price at another store. Checking the price of an item takes a little time but often saves a great deal of money. If you know exactly what you want in advance (which brand, which size), you can do a price check by scanning newspaper advertisements or calling several stores.

Utilize the comparison shopping skills you learned in the budgeting section to complete the following exercise.



Do a price check on an item that you are thinking of buying (a stereo, bicycle, record, pair of jeans, etc.) Compare the price for exactly the same item at 3 different stores and list the results below.

	Item	Price
Store 1:		
Store 2:		
Store 3:		

Keep in mind that there are additional factors to consider when you want to determine the best value, such as the quality of the product, warranty, and style.

Consider the following:

Richard and Ariel both want to buy a tablet. Richard finds one at a drug store for \$200. Ariel finds one at a department store for \$350 which is a different brand name but has all the same features as Richard's. Is the cheaper tablet necessarily the better buy? What do you think?



Aside from price, what other factors should be considered when purchasing an item like a tablet?



The cheapest item might not always be the best buy. The quality and durability has to be considered as well. Additionally, as in the iPad for example, you would have to ask yourself how many gigabytes it has and what the warranty is, etc. And while the cheapest item may not be the best bargain, the opposite may also be true: the most expensive items are not necessarily better quality.



Checking the Warranty

Since January 1, 1977, federal law requires that warranties on consumer products costing more than \$15.00 must be available for you to look at before you buy the product. Read the warranty very carefully.

There are two types of warranties. A full warranty usually means that a defective product reported within a specific period of time will be fixed or replaced at no cost to you. A limited warranty means that some feature provided by the full warranty is missing. For example, it may only cover the cost of parts, not labor, or it may cover only certain parts of the product.

Make sure that you understand exactly which services are covered by the limited warranty.

Understanding Warranty Information

Carefully read the warranty that is printed below and then answer the questions that follow.

FULL ONE YEAR WARRANTY

Service coverage is available only for the iPad and iPod and its original included accessories for protection against (i) defects in materials or workmanship, (ii) battery depletion of 50 percent or more from original specification, and (iii) up to two incidents of accidental damage from handling of your iPod, each incident being subject to a \$29 service fee. Replacement equipment that Apple provides as part of the repair or replacement service may be new or equivalent to new in both performance and reliability

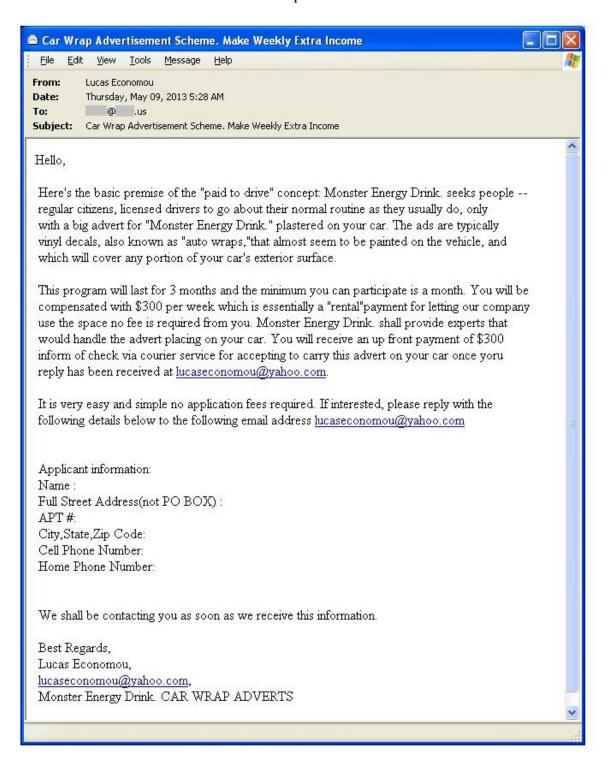
Apple Inc. of One Infinite Loop, Cupertino, California, U.S.A. 95014 ("Apple") warrants the Apple-branded iPhone, iPad or iPod hardware product and accessories contained in the original packaging ("Apple Product") against defects in materials and workmanship when used normally in accordance with Apple's published guidelines for a period of ONE (1) YEAR from the date of original retail purchase by the end-user purchaser ("Warranty Period"). Apple's published guidelines include but are not limited to information contained in technical specifications, user manuals and service communications.

Apple is a licensed trademark
1 Infinite Loop; Cupertino, CA 95014, U.S.A.

6. How long do you have to wait for your iPad to be repaired and returned?

Reading the Fine Print

Read the advertisement below and answer the questions which follow.



Would you sign up to be a Monster Energy Drink Driver?	
Do you think it's a real job offered by Monster Drinks? Why or why not?	_

You've probably seen advertisements like this one all the time online. It seems to offer you an easy way to make money for just driving your car. But, did you notice there was no Monster Logo's; they are going to send you a check before you even start working?

On the surface, it might seem like a good idea. But remember, most employers require an interview, photo ID, and a W-9 for employment. It seems too good to be true right? Well, this is not a real job but a popular scam going around the internet.

Many times once you deposit an initial check you will soon realize that the check will bounce in your account. You will have to complete a police report otherwise you will and can owe hundreds of dollars to the bank for overdraft fee and the amount of the bounced check.

If you are questioning whether an advertisement is real you can always contact the Better Business Bureau at:

Better Business Bureau Serving Eastern MA, ME, RI & VT

290 Donald Lynch Boulevard, Suite 102 Marlborough, MA 01752-4705

> Phone: 508-652-4800 Fax: 508-652-4820

Email: info@boston.bbb.org

Unethical/Deceptive Practices

Most business people are honest. They value their reputations and want customers to return. Unfortunately, there are a few companies that will try to trick you into buying merchandise that is more expensive than you want or need. If you are alert, you will not fall into these traps:

Bait and Switch occurs when you enter a store to buy an advertised item, only to have the salesperson steer you to a different, more expensive item. For example, you go to a store to buy house paint that has been advertised for \$6.99 a gallon, and the salesperson immediately tells you that the advertised paint is poor quality and tries to convince you to buy paint which is selling for \$20.00 a gallon. If you decide for yourself that you don't like the advertised item after you have seen it and ask to be shown another, you are not involved in "Bait and Switch." In this instance, the salesperson is only doing his/her best to show you something that will satisfy you.

Lowballing occurs when a business doesn't sell an item, like a car, at the advertised price. A dishonest car dealer, for example, tells you that "luxuries," like window and tires, are not included in the sales price and will cost extra.

The following practices are not unethical, but they are common ploys used to attract customers:

Loss Leaders is a situation that occurs when a store sells only a few items at a very low price to attract customers. The store owners hope that customers will purchase more expensive items while they are there, rather than comparison shop for a better value. Be wise. Buy only the sale items. Wait to comparison shop for other purchases. It will be worth it.

Conditional Purchases are also common. This occurs when you are required to purchase a non-sale item to get another item at sale price, or when you must purchase more than one of the sale items in order to pay the sale price (such as "Buy One, Get One Free" sales). This is not a bad thing as long as you want or need all the items you purchase.

Remember, according to the law, you have these rights:

If you are shopping by mail, you have the right to cancel your order if the merchandise does not arrive within the stated time.

If a warrantor does not honor a written or implied warranty on merchandise purchased after 7/4/75, you have the right to sue the warrantor under the Warranty Act.

Smart Shopping

To shop wisely and make your money last, keep the following in mind:

- Replace things only when they wear out.
- Check several stores to compare prices.
- Check newspapers and flyers for sales.
- Examine quality, quantity, and durability.
- Decide what you will buy and buy only that item.
- Save money, rather than borrow, to buy a costly item.
- Try to buy things while they are on sale.
- Read all labels and tags carefully.
- Never buy clothing without trying on each item. Sizes may vary.
- Compare warranties.
- Always read the fine print.
- Evaluate any obligations.
- Always save sales slips, receipts, and warranties.
- Before you buy, you should ask yourself these questions:
 - ♦ Am I certain the merchandise is exactly what I want?
 - ♦ Will the store give a refund? Remember, some stores (such as factory outlets) have a policy that all sales are final.
 - ♦ Do I need the sales receipt and/or price tag to get an exchange or refund?
 - ♦ Is this a "Final Sale" item?
 - ♦ Does the item have a written warranty?
 - ♦ Before signing a contract: Do I fully understand it? Will I have a copy to keep?

If you know your rights, avoid traps, and follow the advice in this section, you'll be a very smart shopper indeed. Being a smart shopper, like anything else, takes some practice, but it's well worth the money you'll save.



Choose a fairly major item you plan to purchase within the next 12 months (clothing, furniture, stereo equipment, bicycle, etc.) Comparison shop at three different stores and list your findings below.

Store One:

Item	Brand	Quality/ Durability	Warranty	Exchange Policies	Other things to be considered:

Store Two:

Item	Brand	Quality/ Durability	Warranty	Exchange Policies	Other:
11cm	Drana	Burdouny	warranty	1 oncies	oner.

Store Three:

Item	Brand	Quality/ Durability	Warranty	Exchange Policies	Other:

In which of the three stores would you be likely to purchase your item? Explain your choice.

HOME MANAGEMENT / HOUSEKEEPING

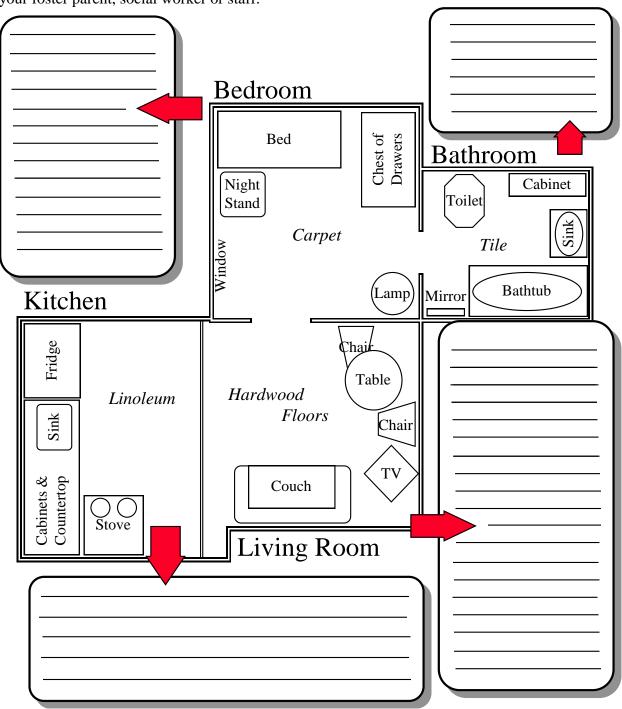
The kind of environment you live in can greatly influence your well-being. Having a clean place to live is important for several reasons. Keeping your living space clean reduces the risks of germs, bacteria, pests, and rodents which can have a harmful effect on your health. A clean home will also make you feel better about yourself and help you to stay organized.

In order to keep your home clean, you will have to utilize the appropriate disinfectants, cleaning supplies, and techniques for various chores.





Look at the following apartment floor plan and describe in the designed spaces how and with what kind of cleaning supplies you would clean each of the rooms. Discuss the outcome with your foster parent, social worker or staff.



Helpful Hints:

- The easiest way to clean a room or apartment is to first put everything away where it belongs. (If you are just moving into an apartment, it will be much easier to do your cleaning before you move your furniture and belongings in.)
- Wash and dry the dishes and put them away. (Load the dishwasher if you have one.)
- Wipe off the table and counter tops with a sponge.
- Put your clothes in the closet or drawers, remembering to sort those items that need to be washed or dry cleaned.
- Make the beds. If the sheets need to be changed, wash them.
- Dust your wooden furniture using a cloth and furniture polish.
- Use a damp cloth in place of furniture polish for non-wood surfaces.
- Vacuum your rugs/floors.
- You should sweep the kitchen floor, however, and then wash it.
- Using a sponge and soapy water, clean the top of the stove. Be certain that the burners are off while you are cleaning.
- Clean the mirrors using paper towels.
- Empty your waste baskets and take out the garbage.

Less Frequent Tasks

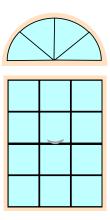
- Using a sponge or damp cloth and soapy water, clean the inside of the refrigerator.
- If you do not have a "frost-free" refrigerator, you will also have to defrost the freezer every two or three months, or according to the appliance maintenance directions.
- Clean the oven when it is cold. Make sure the oven setting is on "off." Use a damp sponge to wipe it out. Newer ovens may be self-cleaning; check for directions inside the door.
- Try to become familiar with some of the various cleaning products on the market. There are many!
- One cleaning product may be more expensive than another, but it is not necessarily better. Shop wisely.

Cleaning the Bathroom

- Using a cleaning product and sponge, clean the sink, tub, and tiles.
- Always use a separate sponge or brush to clean the toilet bowl. Wash the floor. If you have a scatter rug in the bathroom, don't forget to wash it too.
- Put out fresh towels and washcloths.

Congratulations! You have a neat and clean home.

Every six months or so you should plan to really clean your whole apartment - curtains, windows bedspreads, blankets, walls, etc. Some people call this "spring cleaning."



Laundry Hints

- Wash light and dark colored clothing separately.
- Read clothing labels for washing instructions. Some clothes must be "hand washed" or washed in cold water.
- Do not wash clothing marked "dry clean only."
- Follow the directions on the laundry detergent package which will tell you how much detergent and what water temperature to use.
- If shrinkage is a possibility, remember to use **cold** water.
- Use bleach carefully. It can discolor and damage clothing if not used properly. Read the directions on the bottle or box.
- "Color-safe" bleach is available for use on colored clothing.

Now that you know how to clean different items, you have to decide how often you will have to perform different chores. While some tasks (like vacuuming, emptying the garbage, or cleaning the dishes) have to be done fairly often, others (washing the windows, defrosting the freezer) don't need to be performed as frequently. A cleaning chart will be helpful in keeping track of which chores need to be done and arranging tasks around your schedule.



Utilize the house cleaning chart on the next page to schedule when and how frequently you would clean various items.

CLEANING CHART

		How			How
Kitchen	When	Often	Bathroom	When	Often
Wash Dishes			Clean Tub/Shower		
Clean Sink			Clean Sink		
Wash Windows			Clean Toilet		
Clean Counter Tops			Wash Floor		
Clean Refrigerator			Clean Cabinets		
Defrost Freezer			Clean Rug/Mats		
Clean Stove Top/ Range			Clean Light Fixture		
Empty Garbage			Others:		
Others:					

		How
Bedroom	When	Often
Make Bed		
Wash Sheets		
Sweep/Vacuum Floor		
Wash Windows		
Clean/Dust Bureau		
Clean/Dust Dresser		
Clean/Dust Nightstand		
Clean Lamps		
Clean Fan		
Others:		

Living/Dining		How
Rooms	When	Often
Clean Couch		
Clean/Dust Table		
Clean Chairs		
Sweep/Vacuum Floor		
Clean/Dust Television		
Clean/Dust Shelves		
Clean Light Fixtures		
Clean Fan		
Others:		

In addition to cleaning your home, you will also have to perform minor repair and maintenance tasks. Professional services through repairmen are expensive and unnecessary for many repairs you could do on your own.

To test your knowledge about maintenance tasks, answer the following questions and discuss the outcome with your social worker, foster parent, or group care staff.

a)	How would you change a lightbulb using the correct wattage?
b)	How would you unclog a toilet or a sink?
c)	How would you change a fuse and/or reset a circuit breaker?
d)	How do you properly fit shades and curtains for a window?
e)	How would you plaster a hole in the wall?
	ide from the repairs and tasks listed above, you might also encounter problems like the lowing:
	Beth moved into her own apartment three months ago. Although she kept her apartment ry clean and emptied the garbage regularly, she discovered roaches in her kitchen. She's not re what to do.
Wl	nat would you do in Beth's situation?

Even if your home is clean, roaches can appear. You should try to get rid of them as soon as possible. You can buy different roach control products at drug stores and supermarkets but you should call your landlord for assistance in obtaining professional pest control services.

Additional Hints: Don't leave food lying around! Make sure all your food is properly stored. It may also be helpful to clean all cabinets and counter tops.

Consider the following:

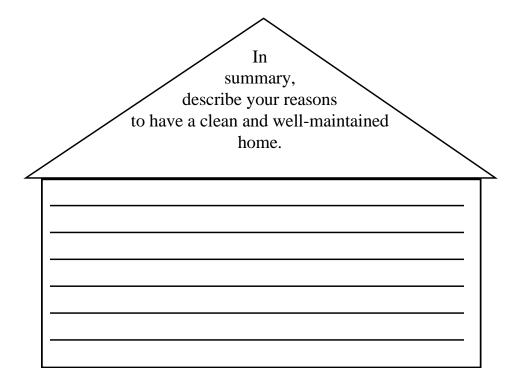
Brian has been sharing an apartment with a roommate for six months. One morning, he sees a bad leak in the ceiling of his bathroom. Water is dripping down the wall onto the floor. Brian is not sure what to do.

What would you do in Brian's situation?



Unless otherwise specified in the lease, landlords are responsible for structural repairs/problems (plumbing, wiring, etc.) which were not caused by you.

NOTE: For more information on lease agreements, please refer to Module IV.



FOOD MANAGEMENT

SKILL ASSESSMENT

The following questions will help you identify food management skills in which you excel and target those which you need to develop. By yourself or with your team try to answer each of the questions as honestly as possible. After completing this independent living skills assessment, review it with your team and identify those skills you would like to strengthen.

I do not

I need to

I can do/

	know how to do this	know more about this	have done this
1. Can prepare a simple meal for myself.			
2. Know which foods are nutritious/healthy.			
3. Can shop for items on a grocery list using coupons and checking for sales.	0		0
4. Know how to cook and bake using the right cooking utensils and appliances.			
5. Know how to store food to prevent its spoiling and can identify food that has spoiled.	0		0
6. Know how to check packaged food for freshness and to check for the date of expiration.			
7. Know how to prepare packaged, frozen, or canned foods according to the directions.		_	0
8. Use good consumer skills in grocery shopping. Choose fruit and vegetables for freshness and check expiration dates on dairy and meat products.			
9. Using a food budget, can plan a menu of nutritious meals for a week.			
10. Am able to cook nutritious meals for a week using a planned menu.			

	I do not know how to do this	I need to know more about this	I can do/ have done this
11. Can cook using recipes from a cookbook and know how to increase or decrease the ingredients to feed more or fewer people.			
12. Can shop for the ingredients and prepare a traditional dish from my own cultural background.			



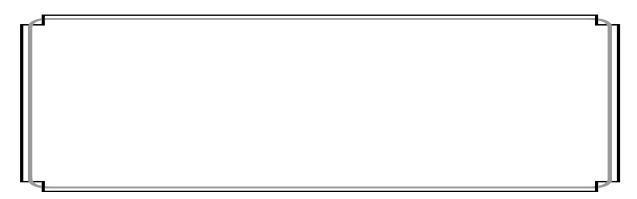
FOOD MANAGEMENT

We have already worked on some food management skills in the budgeting section. However, in these following exercises we will work on food management in depth, with particular focus on meal planning and nutrition.

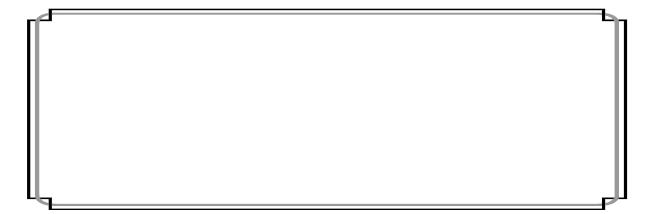


Eating nutritional foods and following a well-balanced diet is important in keeping healthy and fit.

Name some healthy foods.



What are some "not-so-healthy" foods?



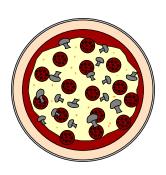


From the groups provided below, circle the more healthful food:

1.	Pear	Bag of Potato Chips
2.	Non-Fat Frozen Yogurt	Ice Cream Cone
3.	Glass of Milk	Chocolate Chip Cookies
4.	Cheese and Crackers	Strawberry Shake
5.	Apple	Chocolate Pudding
6.	Canned Fruit Cocktail	Fresh Peaches
7.	Non-Fat Yogurt	Bagel and Cream Cheese
8.	Carrot Sticks	Granola Bar
9.	Cream of Wheat	Sugar Frosted Flakes
10.	Peanut Butter Sandwich	Hot Dog
11.	Canned Green Beans	Fresh Garden Salad
12.	French Fries	Baked Potato
13.	Hot Chocolate	Cottage Cheese with Fresh Fruit
14.	An Orange	Bag of Cheese Curls
15.	Pizza	Fluffer Nutter Sandwich

ANSWERS:

1.	Pear	A pear has fewer calories and more nutritional value than a bag of chips.
2.	Non-Fat Frozen Yogurt	This is your best choice for nutrition and weight watching.
3.	Glass of Milk	Milk has more nutritional value.
4.	Cheese and Crackers	You get calcium and protein without the sugar.
5.	Apple	Fruits are a necessary staple in your diet.
6.	Fresh Peaches	Always choose fresh fruits and vegetables when you can. They have no preservatives and no artificial ingredients.
7.	Non-Fat Yogurt	A healthy way to get part of your daily requirements for calcium.
8.	Carrot Sticks	An alternative health food to junk food.
9.	Cream of Wheat	Cream of wheat has less sugar and more vitamins.
10.	Peanut Butter Sandwich	A peanut butter sandwich has more protein, less salt, and if you use a multi-grain bread, more fiber.
11.	Fresh Garden Salad	A fresh garden salad with oil and vinegar dressing is lower in sodium, has fewer calories, and more nutritional value. Canned foods are generally high in sodium.
12.	Baked Potato	Better to get your carbohydrates without extra fat.
13.	Cottage Cheese with Fresh	Cottage cheese with fresh fruit has a better variety of
	Fruit	nutrients.
14.	An Orange	An orange is a good source of Vitamin C as opposed to the "empty calories" of cheese curls.
15.	Pizza	Pizza gives you selections from 3 of the 4 food groups.



Nutrition Quiz:

a)	There are four ma	jor food groups. Can you	name them?	
	_			
	-			
b)	Under what food	group would you put?		
1.	Cookies?		5. Peanuts?	
2.	Broccoli?		6. Chicken?	
3.	A cheese pizza?		7. Mayonnaise?	
4.	Ketchup?		8. Spaghetti?	

To make sure that you get all the nutrients your body needs, it is important to eat a variety of foods. Look over the following facts about nutrients to learn which foods contain essential protein, fat, carbohydrates, vitamins and minerals.

Facts About Nutrients

Protein

Protein is needed for growth of new tissue and for repair of body cells. Proteins come from animal sources, such as meat, fish, chicken, turkey, eggs, milk, and cheese; or vegetable sources, such as cooked dried beans, peas, nuts, and peanut butter.

Fats

Foods that contain fats are high in calories. Fats supply energy and make foods taste good. In addition, some fats provide Vitamins A, D, E, and K and other essentials for good health.

Fats from vegetable sources include cooking and salad oils, margarine, and vegetable shortenings; butter, bacon, and lard are major sources of animal fats. Meats, poultry, fish, whole milk, and cheese contain smaller amounts of fat.

Trans Fats

Where some fats are necessary and good for the body, other fats are not nutritious and do not provide energy nor any other health benefit. Eating Trans Fats (also called saturated fat) can increase the risk of heart disease. Trans Fat is created during hydrogenation, when hydrogen is added to vegetable oil. This process helps food have a longer shelf life and lengthens the amount of time food keeps its flavor. Trans Fat must be listed on food labels and must be listed underneath the listing of other fats. Consumption of Trans Fat should be kept to a minimum.

Carbohydrates

Carbohydrates include both sugars and starches, which the body changes into energy. Some starches contain minerals, vitamins, and small amounts of protein. Carbohydrates are found in breads and cereals, dried beans and peas, rice, flour, sugars and other sweets, and fruits and vegetables.

Minerals

Many minerals are needed to maintain good health. Here are some of them: **Iron** is used for building blood. Foods that are good sources of iron and other minerals include lean meat, liver, dried peas, dried beans, dark green leafy vegetables, enriched bread and cereals, and dried fruits such as prunes and raisins.

Calcium and **phosphorus** are needed for the development of bones and teeth. Milk and milk products such as cheese are major sources of calcium and phosphorus, along with other minerals.

Vitamins

Vitamins are nutrients that are needed in very small amounts to help the body cells work. Each vitamin plays a different role. When daily meals do not contain enough vitamins, body cells do not develop nor work properly.

Vitamin A must be present in the foods you eat for normal growth and normal vision. It is mainly found in dark green leafy and yellow vegetables.

Vitamin C is needed for healthy gums, bones, and teeth. It is found in oranges, tangerines, grapefruit, tomatoes, and dark green leafy vegetables.

Vitamin D works with calcium and phosphorus to develop bones and teeth and keep them healthy.

Thiamin, **riboflavin**, and **niacin** are B complex vitamins needed for healthy cells. Thiamin is found in whole-grain and enriched breads and cereals, meat, poultry, and eggs. Milk and cheese are particularly rich sources of riboflavin. Meat, poultry, and cooked dried beans and peas are good sources of niacin.

Folic acid helps protect the body against anemia. It is found in dark green leafy vegetables, liver, and many other foods.

For good health, your body needs small amounts of other vitamins and minerals. These are supplied by the foods that make up balanced meals.



Listed below are some ideas for simple and nutritious meals. Describe in the spaces designed how you would prepare them.

Spaghetti with meat sauce and a fresh garden salad.				
Spaghetti	Meat Sauce	Garden Salad		
Steak, baked potato, green bear	ns			
Steak	Baked Potato	Green Beans		
Filet of cod, rice, carrots				
Filet of Cod	Rice	Carrots		

It is helpful to remember that the way you cook something can change it from being healthy and low in fat to not so healthy and higher in fat. For example, filet of cod is healthier baked rather than fried. You even have to watch those garden salads since added ingredients like bacon bits, cheese and salad dressings may add fat and calories.

Some meals you can probably cook without following a recipe. For others, particularly dishes and meals that are new to you, you might want to follow written directions. In order to be able to follow recipes, you will need to be familiar with weights and measurements. Utilize the following exercise to test your knowledge.

1.	There are quarts (qts.) in a gallon (ga	1.)	
2.	One pint (pt.) contains cups.		
3.	One quart contains pints.		
4.	There are tablespoons in one cup.		
5.	One tablespoon is equal to teaspoons		
6.	There are cups in one quart.		
7.	"tsp." is an abbreviation for		
8.	. "Tbs." is an abbreviation for		·
9.	One pound (lb.) equals ounces (oz.).		
10.	0. If a soup recipe calls for one-half liter of milk and enough milk to make the soup?	y	ou have a quart of milk, do you have
AN	NSWERS:		
1.	. Four	•	Four
2.	Two 7	•	Teaspoon
3.	Two		Tablespoon
4.	Sixteen 9		Sixteen
5.	Three 1	0.	Yes

Optional Activity

Bake the Chocolate Cookies featured in the recipe below.

Chocolate Refrigerator Cookies

 $1^{2}/_{3}$ cups all-purpose flour

 $1/_3$ cup cocoa

1/2 teaspoon baking powder

¹/₂ teaspoon ground cinnamon

 $3/_4$ cup sugar

¹/₂ cup (1 stick) margarine, softened

1 tablespoon skim milk

1 egg

³/₄ cup ground walnuts

In a small bowl, combine flour, cocoa, baking powder, and cinnamon; set aside.

In a large mixing bowl, beat sugar and margarine until creamy. Beat in milk and egg. Gradually beat in flour mixture. Stir in walnuts. On waxed paper, shape dough into 1½-inch diameter log; roll in waxed paper. Refrigerate 2 to 3 hours or overnight.

Preheat oven to 350°F. Cut log into ¼-inch thick slices. Place on ungreased cookie sheets. Bake 10 minutes. Let stand on cookie sheet 2 minutes. Remove from cookie sheet; cool completely on wire racks.

Makes about 4 dozen cookies.

Recipe Source: Family Classics

Practice following recipes by continuing to plan and cook nutritious meals with your foster parent or group care staff.



Now that you are aware of your budget, nutritional requirements, and have practiced how to prepare meals, you are ready to use the following meal-planning sheets to develop a menu for one week.

Day One:		
Breakfast:		
Lunch:		
Dinner:		
Snack:		
		
Day Two:		
Breakfast:		
Lunch:		
Dinner:		
Snack:		

Day Three:			
Breakfast:			
Lunch:			
			_
Dinner:			
Snack:			
	<u> </u>	_	
Day Four:			
Breakfast:			
Lunch:			
Dinner:			
Snack:			

Day Five:			
Breakfast:			
_			
Lunch:			
Dinner:			
Snack:			
	- \$	_	
Day Six:			
Breakfast:			
Lunch:			
Dinner:			
Snack:			

Day Seven:	
Breakfast:	
Lunch:	
Dinner:	
Snack:	
A	
ACTIVITY Develop a grocery shopping list according to your p	blanned menu.

Estimate the approximate costs for your week's worth of groceries utilizing any applicable coupons and your comparison shopping skills.
\$
Did you stay within your budget? Explain.
ACTIVITY

In order to keep your food fresh and prevent spoiling, you will need to store it in the right places. *Describe where you would store the following items*.

	WHERE?
Potatoes	
Milk	
Open Box of Rice	
Jelly	
Bread	
Onions	
Butter	
Tomato	
Banana	
Lettuce	

Grocery Shopping Hints

- Plan your menu for the week, and check your refrigerator and cupboards for the food items you'll need for the meals.
- Check the newspapers/store flyers for sales
- Always make a shopping list and buy only what is on your list.
- Shopping at a large grocery store will be less expensive than at a convenience store, small neighborhood store, or specialty store.
- Look for coupons in magazines and newspapers. Use them only to buy items you normally buy. If you use a coupon to buy something you don't really need, you are not saving any money.
- Don't feel you have to buy only the items you see advertised on television and in magazines.
 These are brand name items and usually more expensive. Cheaper brands may be just as good and save you money.
- Check the items marked "For Quick Sale." Bread and pastry that are still properly packaged and just one or two days old may be a good buy. Canned foods that are dented are generally not. Remember to consider the quality of the food along with the price.
- It's best not to go grocery shopping when you are hungry. Chances are you will buy a lot more than what is on your list.
- Check items to see if they are dated. Some foods, like milk, meat, bread, and cheese, have expiration dates so you'll know when they're fresh.
- Most items will have a "unit price" listed for each brand of that item. Compare these unit prices to see which brand and which size is the better buy for you.