

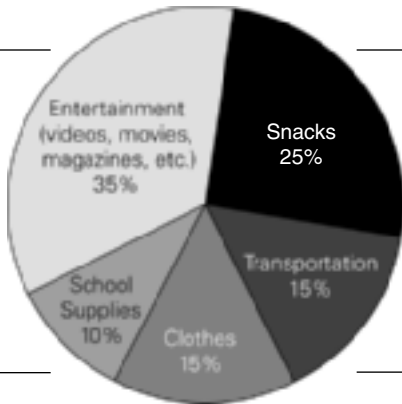
◇ Chapter 23  
Manage Your Money

Enrichment Activities

# KEEP TRACK OF YOUR MONEY

Do you ever wonder where your money goes? Sometimes it seems to disappear like magic from your pockets and from your checkbook. In reality, though, it isn't magic. See for yourself. Follow this plan and keep track of every cent you spend for one month by making a pie chart. You'll be glad you did. It will help you improve your spending habits and set sensible spending — and saving — goals.

Seventeen-year-old Michael determined that his weekly income averaged about \$44, including his allowance and his net income from a part-time job. He then kept track of all his purchases during a two-week period. Using a calculator, he found that he spent about \$11 a week, or 25 percent (\$11 divided by \$44), of his average income on snacks. He multiplied 25 percent times 360 degrees (a full circle) to get the wedge size (90 degrees) to label "Snacks." He knew his math was accurate when all the categories added up to 100 and the degrees added up to 360. He used a protractor to draw the correct size of each wedge on his pie chart.



1. On average, how much money is Michael spending each week in each category? Write the amounts on the lines on each wedge of the pie chart.

2. Michael wants to start saving money for a family trip that's coming up in five months. He decides that he wants to save \$100. How much would he have to save per week? Where do you think the money should come from, given no increase in income, and why?

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3. About how long will Michael need to save for a shirt that costs \$28?

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4. Michael's boss just gave him a raise. Michael wants to start a savings account with the extra \$24 per month. How much more money would he have to save each week to save a full 10 percent of his income?

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5. Michael forgot to balance his checkbook. He had a returned check charge of \$10. From which category do you think Michael should take the \$10 to pay this bank charge, and why?

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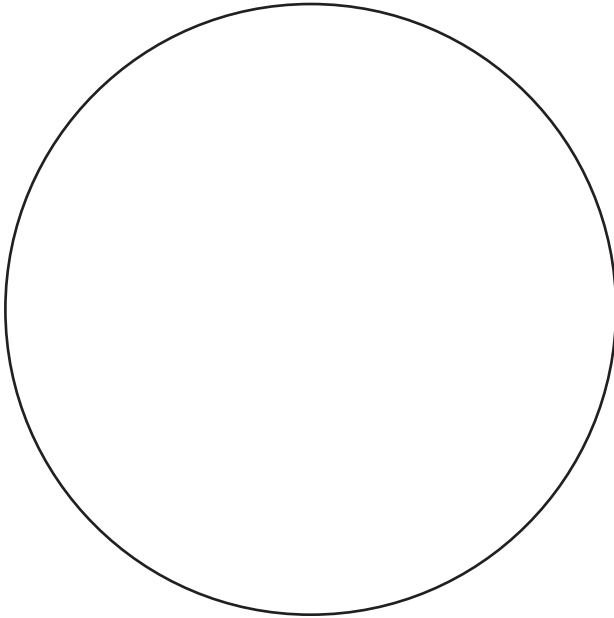
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**Focus In**

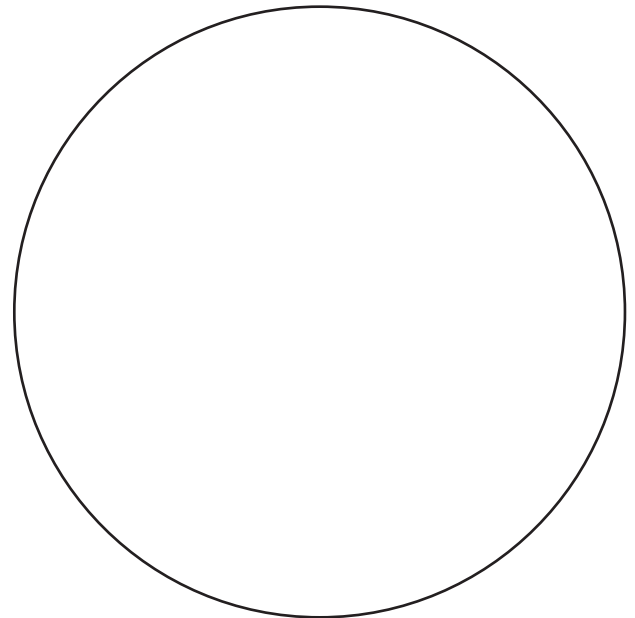
What do you think is the most difficult money-related issue for you? Make a modest goal for yourself that moves you in the direction you want to go. Then give yourself plenty of positive reinforcement for your efforts.

(Continued on next page)

Now it's your turn! For the next two weeks, estimate your income, record your expenses, and analyze your spending. After you have kept records for two weeks, create a pie chart using circle A below. If the time period you chose doesn't reflect your usual spending, adjust the figures so that they are more realistic. If you have never used a protractor, ask your teacher or a friend who has taken geometry to show you how to mark the wedges on your pie chart. After completing circle A, answer the following questions:



**A**



**B**

6. As you analyze your spending, you may realize that you are spending too much money on things that aren't that important to you. What specific improvements do you want to make in your spending?

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7. Suggest some possible ways to increase your income. Be realistic but creative in your thinking.

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8. Now prepare a new pie chart (circle B above), showing your adjusted budgeted income and expense categories as you would *like* them to be in reaching your spending and saving goals.

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## MAKING FINANCIAL DECISIONS

**Directions:** Decisions about education, career, family, and lifestyle are also financial decisions. Read the following descriptions of decisions people have made. On the lines provided, tell how each person's decision might affect his or her financial situation. Consider both short-term and long-term implications.

1. Instead of enrolling at a nearby community college, Alicia decides to attend a well-known university in another state. She will need to borrow money from her family and take out several student loans.

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2. Bill wants money for a car and an apartment. He decides to drop out of high school and get a job.

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3. Juanita is tired of living in an apartment and decides to make a down payment on a house.

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4. Rishi, a baker, thinks he can make more money by going into business for himself. He wants to open a neighborhood bakery and coffee house.

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5. Hanna and Bob have decided to adopt a little girl who has serious medical problems.

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6. Suzanne quit her teaching job to become a self-employed writer.

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