

# Financial Literacy for New Americans



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**Course Description:** The idea for the 'Financial Literacy for New American Curriculum' grew out of LitNet volunteer tutors' experiences working with adult learners. Tutors often found themselves helping their students with a variety of needs. Unlike a traditional classroom setting, one-on-one tutoring creates a comfortable relationship in which students will raise issues and concerns they have with money, health, safety and a multitude of other topics. This curriculum is designed to help tutors promote financial literacy skills with their adult learners.

The curriculum is geared for newly arrived immigrants (within the last 5 years), but can easily be adapted for use with Reading students, GED students and students proficient in the English language,

**The overarching goal of the curriculum is to help LitNet students set clear financial goals, gain a basic understanding of budgeting and saving, and provide the necessary local resources and regular support to make their goals possible.**

**Methods of Instruction:** This curriculum is designed to be delivered by volunteer tutors in a one-on-one or small group setting. Based on prior knowledge of a student's skill level, learning style and individual academic needs, tutors are encouraged to make the necessary adaptations to the curriculum. Tutors and students are expected to commit an hour to an hour and a half of tutoring each week. The LitNet education staff is available to provide ongoing support to volunteers. Please contact Laura Qualliotine or Mary Spina with questions, concerns, success stories or ideas for future versions of the curriculum.

**Assessment:** An informal pre-test can be conducted by the tutor at the start of each unit. This will support you as you plan your student's instruction for the coming weeks. An informal post-test can also be conducted at the completion of each unit. Please confirm that your student has met the objectives for the unit. Upon the completion of the curriculum students and tutors will be asked to identify student learning gains and areas where continued practice is necessary. In addition, students and tutors will be asked to provide feedback on the effectiveness of the curriculum itself.

**Educational Research:** Current research in the area of adult education highlights the importance of goal-setting. Goal-setting is recommended as a highly effective strategy for maintaining student enrollment in educational programs, promoting learning gains and is believed to greatly improve a student's retention of new material. This curriculum seeks to make basic financial literacy concepts relevant to student's daily lives.

Our hope is that this will be a living, breathing document that will expand to meet student needs as they are identified. Through education LitNet hopes to promote economic security for all students.

# OVERVIEW OF FINANCIAL LITERACY CURRICULUM

*(These objectives were adapted from [www.bankit.com](http://www.bankit.com))*

## UNIT 1: GOAL-SETTING

### **Objectives:**

- Student will be able to explain the difference between a short-term and a long-term financial goal.
- Student will be able to describe how a goal can help him/her pursue a dream.
- Student will set one (or more) personal short-term and long-term financial goals.

## UNIT 2: BUDGETING

### **Objectives:**

- Student will be able to describe a budget.
- Student will be able to identify the difference between income and expenses.
- Student will be able to analyze a sample budget.
- Student will create a personal budget

## UNIT 3: SAVINGS

### **Objectives:**

- Student will be able to describe why saving matters.
- Student will be able to name one advantage and one disadvantage to saving.
- Student will be able to list three strategies for saving (one must be Emergency Fund).
- Students will be able to identify three strategies for overcoming a savings barrier.
- Student will set a personal savings goal.

## UNIT 4: GOAL SUPPORT & FOLLOW-UP

### **Objectives:**

Tutors will work with LitNet education staff to determine the most relevant objectives for a fourth, follow-up unit. Based on a student's personal financial goal, the staff will work to find materials and resources to support his/her understanding of relevant financial concepts. This may include information on mortgage pre-approvals, opening a checking and savings account, planning for retirement, researching student loan information, seeking new employment opportunities, etc.

Please email or call Laura Qualliotine at [lauraq@litnetsb.org](mailto:lauraq@litnetsb.org) or Mary Spina at [marys@litnetsb.org](mailto:marys@litnetsb.org) (413) 243-0471 to arrange a time to co-plan a fourth unit for your student.

## UNIT 1: GOAL-SETTING

**"You are never too old to set another goal or to dream a new dream."  
- C.S. Lewis**



## **UNIT 1: GOAL-SETTING**

### ***Description of Unit:***

This unit is designed to introduce students to the idea of financial goal setting. It forms the foundation for subsequent units and should be returned to periodically for follow-up. Tutors will work with students to: set a SMART financial goal, create a plan and timeline for achieving the goal, help students evaluate their progress and make changes to their plans as they encounter obstacles.

### ***Objectives:***

- Student will be able to explain the difference between a short-term and a long-term financial goal.
- Student will be able to describe how a goal can help him/her pursue a dream.
- Student will set one (or more) personal short-term and long-term financial goal.
- Student will be able to identify strategies to achieve the goal and work around obstacles.

### ***Vocabulary/Spelling Words:***

- Achieve, Goal, Long-term, Obstacle, Plan, Prevent, Progress, Reach, Resources, Short-term, Steps, Timeline, Update

### ***Tutor Tips:***

We are all more accountable when we know someone is following up. Think about subtle and overt ways to check in with your students about how things are going. If they expect you to ask, they may take additional steps towards working on their goals. It also gives them a chance to discuss issues or problems on a regular basis that may be interfering with their ability to meet their goals. You can be a coach and cheerleader.

## VOCABULARY & SPELLING CARDS

<b>ACHIEVE</b>	<b>GOAL</b>
<b>LONG-TERM</b>	<b>OBSTACLE</b>
<b>PLAN</b>	<b>PREVENT</b>
<b>PROGRESS</b>	<b>REACH</b>
<b>RESOURCES</b>	<b>SHORT-TERM</b>
<b>STEPS</b>	<b>TIMELINE</b>
<b>UPDATE</b>	

## **TUTOR TIPS: Strategies for Vocabulary and Spelling Cards**

Research shows that, generally speaking, most adults can learn approximately 12-15 new words per week. They need at least 20 contact points with those words to retain/remember them.

Try using the words in the following ways:

**Pronunciation** - Pick a word and say it – ask your student to point to the word (in this process the students are associating a visual image of the word with the way you say it – as opposed to ‘reading’ the word which in general they will impose their own phonetic rules.

Once you’ve reviewed the words, switch roles. Have the student say the word and you point. You know your students well – if they give you a mediocre pronunciation where you know they can do better don’t point until they come a little closer --- this isn’t mean – if you have fun with it they will too. DEMO this in the tutor training

**Meaning-Making** - Work with students to create definitions (at their individual levels of language learning) to accompany the words. They can record these in their notebooks. It does not need to be a formal definition – the definitions are more like keys to open the door to the meaning --- for example salary might be something like paycheck for the year – expenses might be words like rent, electric, cellphone.

**Grammar** - By asking students to create simple (or complex depending on their level of English) sentences for each word you can easily identify where they are struggling with parts of speech, verb tense, sequencing. This can be a very fruitful way to address recurring grammatical errors. Be careful here – it’s easy to overdo it. Watch for glazed eyes and then stop 😊

**Spelling** - Many people struggle with spelling patterns in the English language. Hold up the list of vocabulary words for the student to look at. Say a word and count silently to 10. Then put down the paper and ask the student to write the word from memory.

**Dictation** - Ask the student to number from 1-12. Say a short (or longer depending on their level) sentence and ask the student to write it down. Go through all 12 words and then go back to correct the writing.

### **Other Ideas:**

*Remember we are all in this together if you find some fun, interesting, productive way to use these words, please let us know! We hope to make frequent updates to this curriculum*

BEGINNER ESOL LESSON – Goal-Setting

MATCHING - Draw a line connecting the picture to the description.



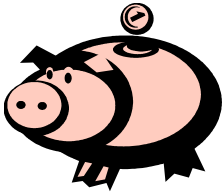
Save Money



Go to College



Buy a House



Open a Business



Buy a Computer



Take a Vacation



Buy a Car



## GOAL-SETTING WORKSHEET

Which of these goals do you hope to **achieve**? Please list them in order of priority.

- 1.
- 2.
- 3.

What do you need to **achieve** your goal?

Are these **short-term** or **long-term** goals?

What problems might **prevent** you from achieving your goal?\*

*\*(Note to tutors: Please see the attached Berkshire County Resource list and review with your students)*

## MEET LUISA AND TOMAS



Luisa lives in Lee, Massachusetts with her husband, Tomas and their two teenage children, Carlos and Maria. Luisa works as a housekeeper and earns \$10 an hour. In the summer, Luisa is very busy. She works 40 hours per week. In the winter, business slows down and Luisa works 25 hours per week.

Tomas works at a restaurant. He works 4 days a week and earns \$12 per hour. Most weeks he averages 40 hours. Sometimes Tomas is able to pick up extra jobs on the weekends. Luisa and Tomas would like to start their own restaurant someday, but they're not sure they can do it.

### **Comprehension Questions:**

What does Luisa do for work?

What does Tomas do for work?

What is their income in the summer months?

What is their income in the winter months?

What is Luisa and Tomas' dream?

What is their long-term goal?

What is a possible short-term goal for Luisa and Tomas?

What are some challenges they will face?

## LISTENING COMPREHENSION

Go to <http://www.youthradio.org/news/workaholic> (adapted from www.kqed.org)

Listen to the story by Denise Tejada. She says, 'this financial crisis is the enemy of accomplishing the American Dream.' Do you agree or disagree?

### Workaholic Landia

Posted by Denise Tejada on November 10, 2008 at 02:40pm



photo: Lissa Soep



(download mp3)

For many immigrants, this financial crisis is the enemy of accomplishing the [American Dream](#). My family's story is a little bit different than other immigrants struggling to make ends meet. We've been in America 13 years, and we're in a more comfortable position than most. But there is one thing we have in common with newer immigrants. The land of opportunity has suddenly become workaholic-landia. My family consists of four members with a minimum of two jobs each but with the economy getting worse each day it's gone to three jobs each. There are times I come home from work angry because I haven't slept and I'm too tired to sit down and talk.

Don't get me wrong, I'm not made of armor. I'd just want to be a kid again and not have to worry about next month's bills. But I know this struggle is part of my dad's dream of seeing his kids be successful in the long run. I know my dad's tough love is what's getting us through these hectic times, and through the bumpy roads of "workaholic-landia". p>

## READING COMPREHENSION (ADVANCED)

Read the article below. Circle any vocabulary words that are new for you.

Source: 7 Self-Made Immigrant Millionaires, *By Andrea N. Browne | Kiplinger* – Fri, Nov 9, 2012 3:55 PM ES, <http://finance.yahoo.com/news/7-self-made-immigrant-millionaires.html?page=all>

Immigrants make up 13% of the U.S. population. They come here in pursuit of the American Dream, an opportunity for a better life in exchange for hard work. For many, their unique skills and fresh perspectives lead them to entrepreneurship.

That may explain why one small-business owner in six in the U.S. is an immigrant, according to a [recent report](#) by the Fiscal Policy Institute's Immigration Research Initiative. Professional and business services, such as waste-disposal services and office administration and cleaning, boast the largest number of immigrant business owners, followed by retail, construction, educational and social services, and leisure and hospitality industries. "Immigrants are such a varied group with people from countries all around the world that have a wide range of skill sets . . . and these [fields] have always been a natural fit" both locally and nationally, says David Dyssegaard Kallick, director of FPI's Immigration Research Initiative.

### Jose Wilfredo Flores



**Age:** 42

**Country of origin:** El Salvador

**Occupation:** Owner and founder, W Concrete

**His advice to immigrant entrepreneurs:** "Do it right and nobody can stop you."

At the age of 14, Flores made a month-long pilgrimage from El Salvador to Philadelphia to escape the country's brutal civil war. If he had remained in his homeland, he would've had one of two options: Join the guerillas or join the army. "The guerillas would come to our house," Flores told Kiplinger. "We had to hide. You couldn't say no because then they would think you were on the army's side and shoot you. A few hours later, the army guys would come and say, 'We want food. We want to take you.' If you said no, they'd think you were with the guerillas."

When he arrived in the U.S., he was crammed into a U-Haul truck with other illegal immigrants. The truck was pulled over by police. Most of the van's occupants were detained, but Flores was released because of he was a minor. He made his way to Washington, D.C., where his uncle and 18-year-old brother lived. "I came to America with no shoes, no nothing -- not even a dollar."

Upon arriving in D.C., Flores worked part-time cleaning offices while attending Lincoln Middle School. "I didn't have enough money to buy a French fry," he says. At 15, he left school to work full-time in construction, using falsified documents that said he was 18. "Fake ID, fake Social Security, everything was fake. Nobody checked," he says. He later became eligible for a legal work permit (he is now a U.S. citizen). By age 25, he had learned the concrete business and was supervising a crew of 50, earning more than \$60,000 a year. Despite having secured himself a good job, Flores dreamed of starting his own business.

Ten years ago, he used savings and a line of credit to start W Concrete, in Jessup, Md. One of the company's first jobs was to pour the concrete for the building that replaced Lincoln Middle School. Last year, the business brought in \$6.6 million. "Most Salvadorans are humble people who will do whatever it takes to get ahead," says Flores. "In my country, there's no opportunity for poor people. The rich get richer and richer. The poor will always be poorer and poorer. Here, do it right and nobody can stop you."

## **DISCUSSION QUESTION:**

**How is Jose Wilfredo Flores' story similar or different from your own?**

## **MAKE A LIST OF NEW VOCABULARY WORDS BELOW:**

## **DISCUSSION & WRITING ACTIVITY**

**Think about a goal you set and achieved in your life.**

What was your goal?

How long did it take to reach your goal?

What/Who helped you?

Was it easy or difficult?

What did you learn?

**Student Name:** \_\_\_\_\_ **Today's Date:** \_\_\_\_\_

**My Long Term Goal (1-5 years) is:**

**My Short Term Goal (now to 6 months) is:**

**What might make it difficult for me to achieve this goal?**

**The steps I need to take to reach my short term goals are:**

Step	Date to complete step	What resources do I have that will help me complete this step?
1.		
2.		
3.		
4.		
5.		
<b>How am I doing?</b>		
<b>Date</b>	<b>Update</b>	

## **GOAL FOLLOW-UP SHEET**

**Week 1 – Did I take any steps toward meeting my goal this week? If yes, what? If no, why not?**

**By my next class I would like to**\_\_\_\_\_.

**Week 2 – Did I take any steps toward meeting my goal this week? If yes, what? If no, why not?**

**By my next class I would like to**\_\_\_\_\_.

**Week 3 – Did I take any steps toward meeting my goal this week? If yes, what? If no, why not?**

**By my next class I would like to**\_\_\_\_\_.

**Week 4 – Did I take any steps toward meeting my goal this week? If yes, what? If no, why not?**

**By my next class I would like to**\_\_\_\_\_.

**Week 5 – Did I take any steps toward meeting my goal this week? If yes, what? If no, why not?**

**By my next class I would like to**\_\_\_\_\_.

**Week 6 – Did I take any steps toward meeting my goal this week? If yes, what? If no, why not?**

**By my next class I would like to**\_\_\_\_\_.



## UNIT 2: BUDGETING

**“A budget is telling your money where to go instead of wondering where it went.”**

*- Dave Ramsey*



## **UNIT 2: BUDGETING**

### ***Description of Unit:***

The purpose of this unit is to provide students with a basic understanding of budgeting. Budgeting is critical for student success in reaching personal financial goals. Activities are designed to help students create a budget using the information of two fictional characters. If they'd like, students can create their own budgets to review with tutors and or LitNet education staff.

### ***Objectives:***

- Student will be able to describe what a budget is.
- Student will be able to identify the difference between income and expenses.
- Student will be able to analyze a sample budget.
- Student will create a personal budget (optional)

### ***Vocabulary/Spelling Words:***

- Average, Budget, Earn, Electricity, Expense, Fixed, Income, Insurance, Monthly, Salary, Savings, Take-home, Unexpected, Variable

### ***Tutor Tips:***

Students may have different cultural perspectives on how they talk about money. They may be quite open or quite hesitant to share the details of their personal financial situation. Be sensitive, but remain open. In my experience, students are much more willing to talk openly about finances than your typical (North) American.

## VOCABULARY & SPELLING CARDS

<b>AVERAGE</b>	<b>BUDGET</b>
<b>EARN</b>	<b>ELECTRICITY</b>
<b>EXPENSE</b>	<b>FIXED</b>
<b>INCOME</b>	<b>MONTHLY</b>
<b>INSURANCE</b>	<b>VARIABLE</b>
<b>SALARY</b>	<b>SAVINGS</b>
<b>TAKE-HOME</b>	<b>UNEXPECTED</b>

## LIFE IS EXPENSIVE



Life is expensive for Luisa and Tomas. They live in a 3 bedroom apartment and pay \$1,200 per month for rent. Each week they spend about \$150 on groceries. In 2010 their car broke down and they bought a used car. They pay \$250 per month for their car. Their insurance coverage is \$65 per month.

Both Luisa and Tomas have cell phones and so do each of their children. Each person has a separate plan and pays \$50 per month. Their children love to watch TV and they pay \$125 per month for cable.

Carlos, their son, plays soccer at Lee High School. Each season he needs new cleats and a uniform which total \$200. Maria likes to dance. She's taking dance classes at a local studio. The teacher charges \$20 per class and Maria goes once a week.

Although his doctor has warned him of the side effects, Tomas smokes 3 packs of cigarettes a week. They don't have any health insurance, but sometimes visit the clinic.

Luisa's mother and younger brother live in Colombia. She sends \$600 a month to help support her brother's private school expenses.

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**Use the information from page 12 and the details above to complete a summer and winter budget worksheet for Luisa and Tomas. Some expenses are not included here. Work with your tutor to make a guess (estimate) how much they spend on heat, gas, electricity, health care and clothing.**



**SUMMER MONTHLY BUDGET WORKSHEET**

<b>SUMMER MONTHLY BUDGET WORKSHEET</b>			
<b>INCOME</b>		<b>EXPENSES</b>	
Luisa		Rent	
		Heat	
Tomas		Electricity	
		Car Payment	
Other		Car Insurance	
		Gas	
<b>TOTAL</b>		Cell Phone	
		Cable	
		Clothing	
		Entertainment	
		Healthcare	
		Money to Family	
		Other	
		Other	
		Other	
		<b>TOTAL</b>	
<b>Subtract the Expenses from the Income = TOTAL =</b>			



## WINTER MONTHLY BUDGET WORKSHEET

INCOME		EXPENSES	
Luisa		Rent	
		Heat	
Tomas		Electricity	
		Car Payment	
Other		Car Insurance	
		Gas	
<b>TOTAL</b>		Cell Phone	
		Cable	
		Clothing	
		Entertainment	
		Healthcare	
		Money to Family	
		Other	
		Other	
		Other	
		<b>TOTAL</b>	
<b>Subtract the Expenses from the Income = TOTAL =</b>			

## ***DISCUSSION QUESTIONS***

***Work with your tutor to answer these questions.***

**What problems do Luisa and Tomas face?**

**What can they do to improve their financial situation?**

**Do you know the difference between fixed and variable expenses?**

**Write the variable expenses below:**

**Do you think Luisa and Tomas will be able to start their own restaurant? Why or why not? How long might it take?**

**Luisa and Tomas are thinking about getting a credit card. Do you think that's a good idea? Why or why not?**

**Complete this chart with your tutor.**

	<b>Things I want/ my family wants</b>	<b>Put on a credit card? If yes, why?</b>	<b>Things I need / my family needs</b>	<b>Put on a credit card? If yes, why?</b>
<b>Expensive (big) purchases</b>	<i>designer handbag  television</i>		<i>car  clothes for kids</i>	
<b>Inexpensive (small) purchases</b>			<i>groceries  gas for car</i>	

VISIT THIS WEBSITE (<http://www.thirteen.org/finance/games/itcostswhat.html>)  
WITH YOUR TUTOR TO UNDERSTAND HOW CREDIT CARDS WORK.

Who paid the most for their new MP3 player? Why?

SOURCE:

**games: it costs what?!** Select another game ▾

## IT COSTS WHAT?!

Emma, Byron, Kevin and Maria are four good friends. They all went to the electronics store and purchased the latest and greatest digital music player. The price of the music player was \$350.00. . .but when all was said and done, each of the four friends ended up paying a different amount. How is that possible?! How can four people end up paying different amounts for the exact same thing?

Well, it all has to do with those wacky pieces of plastic called credit cards. How much do you really know about how credit cards work? Are credit cards a bad thing? What does it mean to buy something with plastic?

If you think you understand everything about credit cards, investigate the [case files](#) to puzzle out just what happened to Emma, Byron, Kevin, and Maria. If your credit card smarts need brushing up, take a [crash course](#) on how they work. If you're in the market to get a credit card of your own, get some strategies for [choosing wisely](#).



## LISTENING COMPREHENSION

Go to <http://www.youthradio.org/news/workaholic> (adapted from www.kqed.org)

Listen to the story by Genai Powers. She says, 'I don't mind helping out because it allows me to repay them for how they used to spoil me.' At what age do you think children/teenagers should begin financially contributing to their families?

Genai Powers:



There was a time in my life I described myself as spoiled. Now that the economy has taken a turn for the worse, I don't feel way that anymore.

I was the first person at my school with a cell phone, and my closet was filled with designer brands-- gifts from my older sister and grandmother. But recently my sister was laid off, and now she counts on me to help put gas in her tank.

My grandmother was once the financial foundation of the family, but now I see her struggling too. Previously, if family members needed a loan, she would give it to them. When they ask now, she says, "I can't, I'm broke," or "I'm not made out of money." She doesn't take me shopping anymore, and sometimes I have to pitch in for groceries.

Helping my sister and grandmother forces me to save any money I earn to make sure we all get through this financial hardship, but I don't mind helping out because it allows me to repay them for how they used to spoil me.

*That's Youth Radio's Genai Powers. Next is 19-year-old Blanca Cabrera, who, like many young people, is living at home with her parents, trying to finish up school, and squeezing in 24 hours of work on the weekends. She works in her uncle's ice cream shop.*

Blanca Cabrera:

## CREATE YOUR BUDGET

This worksheet will help you get a clear picture of your monthly finances. It will also act as a starting point for your budget. To complete it, follow the simple steps outlined below.

**1. QUESTION YOUR NEEDS AND WANTS** What do you want? What do you really need? Evaluate your current financial situation. Take a look at the big picture. Make two lists – one for needs and one for wants. As you make the list, ask yourself:

- Why do I want it?
- How would things be different if I had it?
- What other things would change if I had it? (for better or worse)
- Which things are truly important to me?
- Does this match my values?

**2. SET GUIDELINES** We all have different budgets based on our needs and wants. But the Building a Budget chart on the next page shows some guidelines on how much should go toward different expenses. You may need to make adjustments for a daily latte fix or visits to family, but remember to subtract amounts from other areas if you do.

**3. ADD UP YOUR INCOME** To set a monthly budget, you need to know what's coming in. Make sure you include all sources of income such as salaries, interest, pension, and any other income sources.

**4. ESTIMATE EXPENSES** The best way to do this is to keep track of how much you spend each month. Categorize spending depending on your needs and wants. Use the Budget Worksheet in this guide as a starting point.

**5. FIGURE OUT THE DIFFERENCE** Once you've created your budget, keep records of your actual income and expenses. This keeps you aware of the difference between what you budget and actually spend.

## BUILDING A BUDGET

This chart shows some rough guidelines on how much of your income should go toward different expenses. If you live in an area where transportation is higher than normal or rents/mortgage are higher, you may need to make adjustments. Also, if you would like to add a section for gifts, or something else, then you'll need to subtract from another area.

30%	HOUSING
18%	TRANSPORTATION
16%	FOOD
8%	MISCELLANEOUS
5%	CLOTHING
5%	MEDICAL
5%	RECREATION
5%	UTILITIES
4%	SAVINGS
4%	OTHER DEBTS

SOURCE: [http://whatsmyscore.org/downloads/pdf/PMS\\_Guide\\_BudgetBasics.pdf](http://whatsmyscore.org/downloads/pdf/PMS_Guide_BudgetBasics.pdf)

**6. TRACK, TRIM AND TARGET** Once you start tracking, you may be surprised to find you spend hundreds of dollars a month on eating out or other flexible expenses. Some of these are easily trimmed. Cutting back is usually a better place to start than completely cutting out. Be realistic. It will help you to be better prepared for unexpected costs.

### The SMART Way to Trim Expenses

In finding ways to trim flexible expenses, it helps to have a goal to save toward each month. Setting such a goal needs to be SMART:

**SPECIFIC** Smart goals are specific enough to suggest action. Example: Save enough to visit Rome for your wedding anniversary. Not just “save money.”

**MEASURABLE** You need to know when you achieved your goal or how close you are. Example: A trip to Italy costs \$2,000, and you have \$800 saved.

**ATTAINABLE** The steps toward reaching your goal need to be reasonable and possible. Example: I know I can save enough money each week to purchase that trip to Italy.

**RELEVANT** The goal needs to make sense. You don’t want to work toward a goal that doesn’t fit your need. Example: We would like to stay in four-star hotels in celebration of our anniversary.

**TIME-RELATED** Set a definite target date. Example: I want to go to Italy by next summer.

## BUDGET WORKSHEET

Monthly Net Income	
Income #1	\$
Income #2	\$
Interest	\$
Other	\$
<b>TOTAL INCOME</b>	\$

Monthly Flexible Expenses	
Food	\$
Entertainment	\$
Debt Payments	\$
Other	\$
<b>TOTAL FLEXIBLE EXPENSES</b>	\$

Monthly Fixed Expenses	
Housing	\$
Groceries	\$
Utilities	\$
Transportation	\$
Health	\$
Other	\$
<b>TOTAL FIXED EXPENSES</b>	\$

<b>TOTAL EXPENSES</b>	\$
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(add flexible and fixed expenses)

<b>TOTAL MONTHLY INCOME</b>	\$
<b>TOTAL MONTHLY EXPENSES</b>	\$
<b>TOTAL FOR SAVING &amp; INVESTING</b>	\$

Source: <http://www.kqed.org/assets/pdf/education/educators/esl/finlit-financial-literacy-unit.pdf>

Before going to Beehive's Budget Builder, familiarize yourself with the vocabulary used in the Budget Builder. <http://thebeehive.org/money>

#### VOCABULARY REVIEW

Mortgage_____	a. you pay the same amount every month
Loan_____	b. sometimes you spend more, sometimes less
Income _____	c. money borrowed to pay for a house
Expenses_____	d. money borrowed from a bank for any reason
Budget_____	e. you owe money and need to give it back
Be in Debt_____	f. giving money to poor people who need it
Charity _____	g. the money you spend on each thing each month
Fixed Expense _____	h. things you have to pay for
Variable Expense_____	i. the money you earn from your job
Utilities_____	j. buy now, pay later
Groceries _____	k. electricity, water and gas for your home
Credit _____	l. the food you buy to cook at home

## FOR YOUR PERSONAL USE (*Optional*)

<http://www.thebeehive.org/sites/default/files/Track Your Expenses by Hand 0.pdf>

Monthly Income	Week 1	Week 2	Week 3	Week 4	MONTHLY INCOME
Paychecks					
Cash Income					
EBT, Government Checks					
Other Income					
Other Income					
				<b>Total Monthly Income</b>	

Notes: \_\_\_\_\_

Monthly Expenses	Week 1	Week 2	Week 3	Week 4	MONTHLY EXPENSES
Rent/mortgage					
Electricity/gas					
Cable/satellite/internet					
Water/sewage					
Phone/long distance/cell					
Supermarkets/restaurants					
Car payment/insurance					
Gas/public transportation					
Student loans					
Check cashing/bank fees					
Child care/school					
Clothing/shoes					
Vacations					
Entertainment/movies					
Medical/legal expenses					
Items for the house					
Spending money					
Money sent to family					
Credit cards					
Finance charges/bank fees					
					<b>Subtotal Expenses</b>
Emergency savings account					
Education account					
Retirement account					
Other Savings Goals					
					<b>Subtotal</b>
				<b>Total Monthly</b>	

Notes: \_\_\_\_\_

**SOURCE:** <http://moneyfor20s.about.com/od/budgeting/tp/Help--My-Budget-Isn-t-Working.htm>

If your budget isn't working for you, you need to carefully consider a few things. Your budget may not be working for a variety of reasons, and until you figure out what they are you can't fix the problem. These simple questions can help you to address your budgeting weaknesses that stop you from managing your money effectively.

### **1. Is Your Budget Realistic?**

Often people sit down and arbitrarily decide which categories can be cut down when making up a budget. They may not realize at first that the numbers they have won't work. You may need to increase certain categories (such as gas or food) and decrease the ones that are not as essential to covering your basic needs. You should make sure that you always have food to eat, a place to live and power. After that everything else is negotiable.

### **2. Did You Cut Out All the Fun?**

If you have slashed all of your spending categories or entertainment options, you may have set yourself up for failure. Everyone needs a little bit of money to spend each month. You may have to limit it to twenty dollars a month if your budget is really tight, but that twenty dollars can help stop you from blowing a hundred at the store each weekend. This extra little bit of money can prevent you from feeling deprived, which can lead to over spending. You should also set up a category to cover irregular spending like the cost of attending a friend's wedding.

### **3. Is It a Matter of Self Control?**

Be honest, do you just not care enough about your finances to stick to your budget? Are you focused on instant gratification? Honestly having a little fun money can help to prevent this. Additionally it may help to write down your financial goals and carry them around with you in your wallet or purse. As you pull out your cash or debit card and look at those goals, it may help remind you of the reason you have a budget. You may need to avoid the stores that you tend to splurge the most at as well.

### **4. Is Budgeting Too Much Work?**

Tracking your expenses, evaluating your spending and just balancing your checkbook take up time every day. If you hate doing this, switch to the envelope system and stop using your debit card. If it is a matter of having time to track your expenses, sitting down and working on your budget for five minutes a day can help decrease the long drawn out budgeting sessions. Additionally you may consider switching to a cash only budgeting system to cut down on the time involved.

### **5. Do Your Financial Goals Seem Unattainable?**

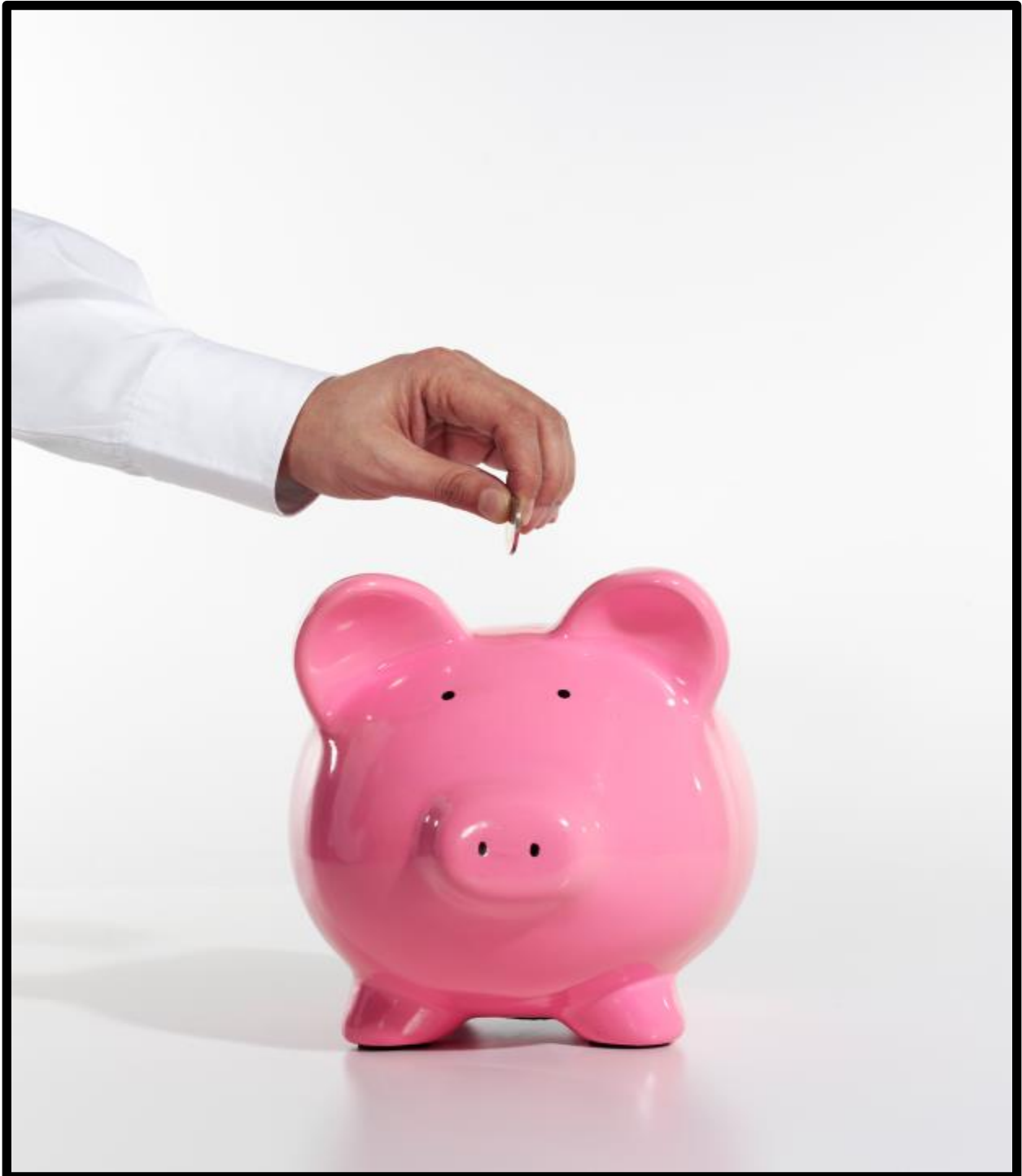
If you are working to get out of debt, but you know it will take a year or two, then it may be difficult to stick with the plan. You can set mini milestone markers along the way. As you reach these you can reward yourself. This can be extra motivation to stick to your budget. You may reward yourself with a nice dinner out if you can avoid all fast food restaurants for a month. If you pay off a thousand dollars in debt, you may reward yourself with a video game or a new outfit. These little rewards may give you the additional motivation that you need. You need to carefully analyze your budget to make sure it is moving you towards your goals. This means looking at your spending by category, and to make sure you are in balance across your budget.

### **6. Do You and Your Spouse Fight Over the Budget?**

If you are not working on finances together, then you may find that your spouse is ruining the budget each month. It is important to work together to avoid money and marriage problems. You can negotiate through the categories that matter the most to each other, and find a budget that works for both of you.

## UNIT 3: SAVINGS

**“A penny saved is a penny earned.”**  
*- American Proverb*



## **UNIT 3: SAVINGS**

### ***Description of Unit:***

This unit is designed to help students understand basic information about saving money. It is an important step in reaching their personal financial goals. Tutors will work with students to develop strategies for saving, and ways to overcome obstacles which will inevitably arise.

### ***Objectives:***

- Student will be able to describe why saving matters.
- Student will be able to name one advantage and one disadvantage to saving.
- Student will be able to list three strategies for saving (one must be Emergency Fund).
- Students will be able to identify three strategies for overcoming a savings barrier.
- Student will set a personal savings goal.

### ***Vocabulary/Spelling Words:***

- Account, Advantage, Barrier, Carpool, Coins, Consider, Disadvantage, Emergency, Fund, Generic, Save, Savings, Spend, Swap

### ***Tutor Tips:***

- If your student has an interest in opening a savings account, please ask Laura Qualliotine or Mary Spina for help with rules and regulations regarding local banks and the necessary identification. Also, we are researching IDAs – government sponsored accounts that will provide matching for students pursuing educational or housing related goals.



## VOCABULARY & SPELLING CARDS

<b>ACCOUNT</b>	<b>ADVANTAGE</b>
<b>BARRIER</b>	<b>CARPOOL</b>
<b>COINS</b>	<b>CONSIDER</b>
<b>DISADVANTAGE</b>	<b>EMERGENCY</b>
<b>FUND</b>	<b>GENERIC</b>
<b>SAVE</b>	<b>SAVINGS</b>
<b>SPEND</b>	<b>SWAP</b>

## DISCUSSION QUESTIONS

Work with your tutor to answer the questions below. You and your tutor may have different opinions. That's ok 😊

When we save well, we have money for special things such as a vacation or a major purchase. Savings can also help us with unexpected situations, such as a job loss or a car needing a repair. Even though saving is a good thing, there are advantages and disadvantages.

What are the advantages of saving money?

What are the disadvantages of saving money?

Do you think it is easy or difficult to save money? Explain.

Source: [www.esl-literacy.com](http://www.esl-literacy.com) (adaptation)

## TOMAS' WEEK AT WORK



Tomas goes to work Monday through Friday. Every morning he buys a Dunkin' Donuts coffee before work. This coffee costs \$2.50. Tomas loves his coffee!

Every day at 10:30am he buys a hot chocolate and a banana at the cafeteria. The hot chocolate costs \$2.25 and the banana costs \$1.00.

Tomas also buys his lunch every day. The 'Lunch Special' costs \$5.50. He gets a bottle of water to go with it. The water costs \$1.50.

Tomas' friend asked him, 'How much money do you spend on food and drinks every day?'

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Tomas spends \_\_\_\_\_ on food and drinks every day.

Tomas spends \_\_\_\_\_ on food and drinks each week.

Tomas spends \_\_\_\_\_ on food and drinks each month.

Tomas spends \_\_\_\_\_ on food and drinks each year.

Does this surprise you? Why or why not?

With your tutor, brainstorm ways that Tomas can save money.

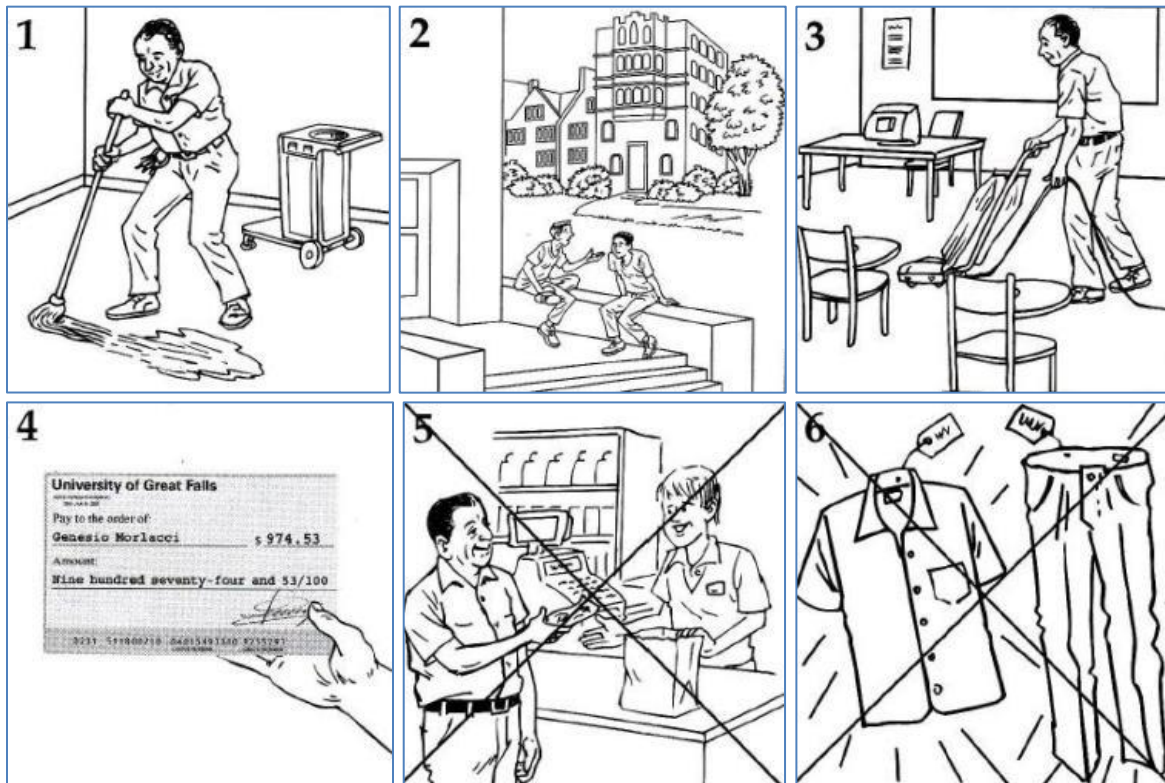
**SOURCE: ALL NEW VERY EASY TRUE STORIES**

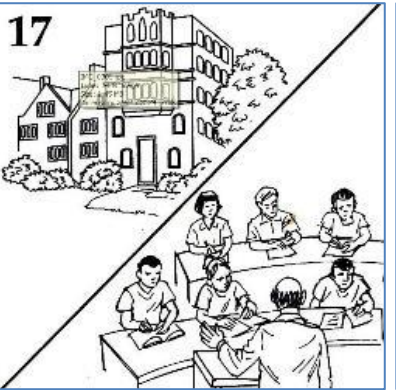
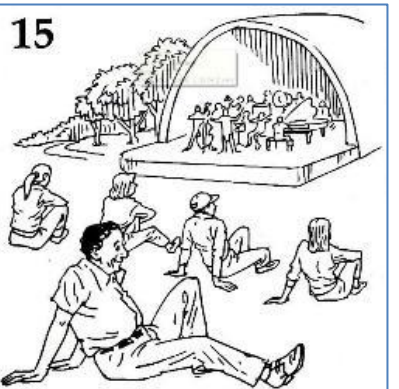
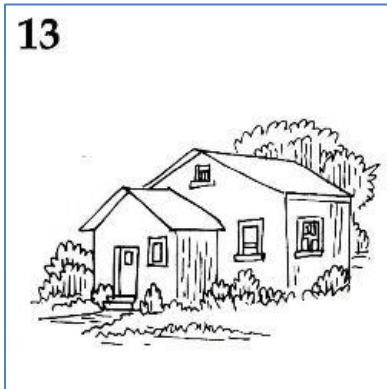
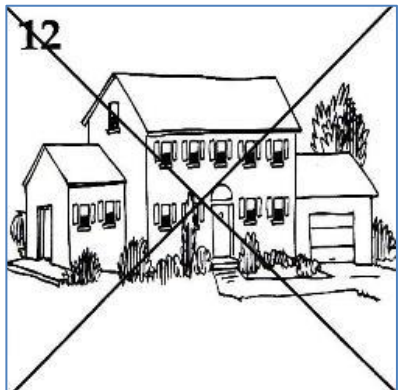
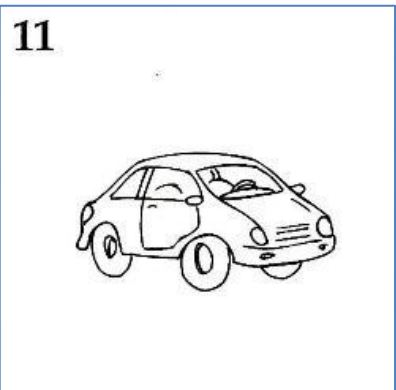
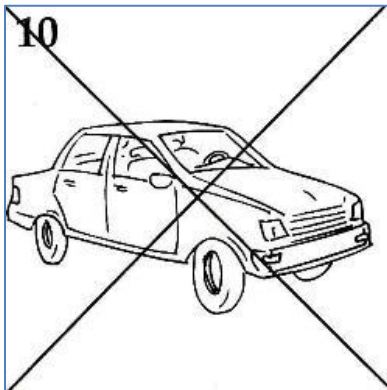
Here's a true story about Genesio Morlacci. As you read the story think about what Genesio does to save money? What is the end result? Does this surprise you? Why or why not?

Genesio Morlacci is a custodian. He works at a university. He cleans the classrooms.

Genesio makes money, but he doesn't like to spend it. He doesn't buy new clothes. He wears old clothes. He doesn't buy vegetables. He has a garden. He doesn't drive a big car. He drives a small car. He doesn't live in a big house. He lives in a small house. He doesn't go to movies. He goes to free concerts in the park.

Genesio dies when he is 102 years old. He gives all his money to the university. The money is for the students. How much money does Genesio give? He gives 2.3 million dollars.





**SOURCE: WWW.BANKIT.COM**

**TIPS FOR SAVING – Please check three (or more SAVINGS strategies that might work for you).**

- Eat out\*** less often
- Spend only bills. Save your coins.
- Rent movies and CDs from the library.
- Go to movie matinees instead of evening performances
- Buy used, not new.
- Create **swaps\*** with friends. Swap clothes. Swap books. Swap movies.
- Learn to cut hair instead of going to a salon
- Walk and bike more and drive less
- Watch for sales
- Shop with a list and a budget
- Consider a family cell phone plan
- Visit garage sales and thrift stores
- Open a savings account\*
- Carpool\***
- Cancel services you don't use (*Review your cable bill and phone bill*)
- Create a savings goal
- Make your lunch instead of eating out
- Keep track of\*** your money
- Buy **generic\***
- Make your own coffee at home and bring it with you

## **VOCABULARY SUPPORT**

**CARPOOL** = to drive to work or school with other people and share the cost of gas and maintenance on the car

**EAT OUT** = eat at a restaurant or get take-out food

**GENERIC** = opposite of 'brand-name' (For example: Price Chopper COLA is Generic. PEPSI is a brand-name)

**KEEP TRACK OF** = know where something goes

**SWAP** = exchange

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**\*\*\* Which SAVINGS strategies did you check? Please write them below.**

1.

2.

3.

---

**Lots of people want to save money, but sometimes there are barriers (blocks/obstacles). Brainstorm with your tutor 5 common obstacles to saving money.**

- 1.**
- 2.**
- 3.**
- 4.**
- 5.**

**What can people do to overcome these barriers?**

**Think about your personal financial goal. Are their barriers to your success? What resources can help? Don't forget to update your goals worksheet 😊.**



## LISTENING COMPREHENSION

Visit the website (<http://www.ello.org/apuj/Mixer/31-WasteMoney.html>) to hear about all the different ways these people waste money.

**Do you waste money? How?**

### **Barbara, Australia**

Something that I waste money on would probably be books. I always buy books. I love reading. It's terrible if I'm stuck on the train or waiting for something and I don't have something to read so I tend to buy a lot of books, novels, a few magazines, reader's digest and also I waste a lot of money on shampoo because I have long hair and I have to wash my face every day. That's a big pain.

### **Jeannie, United States**

Something that I waste money on, for me this would be jewelry. I often spend too much money on jewelry because shiny things really attract me. If I'm shopping somewhere and there's something flashy shining at me I usually stop and look and often times the salesperson can get me to buy. Another thing, might be books but I don't know so much if that is a waste or not.

### **Mark, Unites States**

Ah, I waste money on, I guess mostly on going out, like whether it's going to restaurants or, I don't really go to clubs or anything, but, yeah, I just spend money temporary things. I don't actually buy a lot of objects like a stereo or a CD, or anything like that, I just spend money on going out with my friends, and just food and drinks basically.

### **Todd, United States**

Something that I waste money on is DVDs. I'm always buying DVDs and I'll be in some electronics, like store, and I'll see a new DVD and I'll buy it rather than just go to the video store and rent it. I don't know why but I like to buy the DVD when it has the special stuff on the back, but still, it's pretty expensive when you think about it, so, yeah, I waste way too much money on DVDs.

### **Naomi, Australia**

Something I waste money on often is clothes shopping. I guess because I'm a girl to start with shopping is always a fun pasttime and I find it relaxing, actually I call it shopping therapy to go and buy some new clothes often buy myself, I go shopping but shopping is something I spend or waste money on.

### **Jeyong, Korea**

I usually don't spend that much money on anything but then if there's something I waste money it would be food. I like desserts, especially ice cream so when I go out for dinner I would definitely have a dessert afterwards and cakes, candies, chocolates, all those things, I spend money on.

## PERSONAL SAVINGS WORKSHEET

Student Name: \_\_\_\_\_ Today's Date: \_\_\_\_\_

What is your long-term financial goal?

How much money do you need to save to reach your goal?

What is your timeline for reaching your goal?

\_\_\_\_\_ months

Work with your tutor to create a monthly savings plan to help you reach your goal.

Month 1 = \$ \_\_\_\_\_

Month 2 = \$ \_\_\_\_\_

Month 3 = \$ \_\_\_\_\_

Month 4 = \$ \_\_\_\_\_

Month 5 = \$ \_\_\_\_\_

Month 6 = \$ \_\_\_\_\_

Month 7 = \$ \_\_\_\_\_

Month 8 = \$ \_\_\_\_\_

Month 9 = \$ \_\_\_\_\_

Month 10 = \$ \_\_\_\_\_

Month 11 = \$ \_\_\_\_\_

Month 12 = \$ \_\_\_\_\_

TOTAL = \$ \_\_\_\_\_

## UNIT 4: GOAL SUPPORT & FOLLOW-UP

### ***Objectives:***

Tutors will work with LitNet education staff to determine the most relevant objectives for a fourth, follow-up unit. Based on a student's personal financial goal, the staff will work to find materials and resources to support his/her understanding of relevant financial concepts. This may include information on mortgage pre-approvals, opening a checking and savings account, planning for retirement, researching student loan information, seeking new employment opportunities, etc.

**Please email or call Laura Qualliotine at [lauraq@litnetsb.org](mailto:lauraq@litnetsb.org) or Mary Spina at [marys@litnetsb.org](mailto:marys@litnetsb.org) (413) 243-0471 to arrange a time to co-plan a fourth unit for your student.**

### ***LIST OF ON-LINE RESOURCES FOR FINANCIAL LITERACY***

*LitNet will have laptop computers available for tutoring sessions. The following sites will be saved as favorites. Please don't hesitate to ask for assistance in using these sites. Call or email the office to reserve a computer.*

[www.beehive.org](http://www.beehive.org)

[www.fpanet.org](http://www.fpanet.org)

<http://clearinghouse.jumpstart.org/resource/1268/>

<http://www.practicalmoneyskills.com/>

[www.moneyandstuff.info](http://www.moneyandstuff.info)

<http://www.thirteen.org/edonline/adulted/lessons/lesson50.html>

<http://www.esl-literacy.com>