

Financing Your Future

Journey to Your Dreams



What Is Get Ready All About?

The Get Ready program gives students and their families information about colleges and careers. The web below shows the different ways Get Ready shares this information. See if you can figure out what each picture represents and then write it on the line.



Activities with this symbol meet at least one of the Minnesota academic standards for reading, writing and math.

How Will You Pay for College?

If paying for college seems impossible to you, it doesn't have to. It takes planning and money to get a college education. However, if you start preparing now, you can go to any kind of college you want!

In order to go to college, you'll need to discover the answers to important questions like these:

How much does college cost?

How can I keep track of my money?

How will I pay for college?

What are my wants and needs?

Will I make more money if I go to college?

How will college help me?

Which careers match my interests?



Let's Meet Our Cast of Characters:

Hi, I'm Marcus. I want to be a middle school teacher. That means I'll have to go to college for four years. I like learning new things, especially in science. As a teacher, I'll be able to help kids every day and be a good role model.



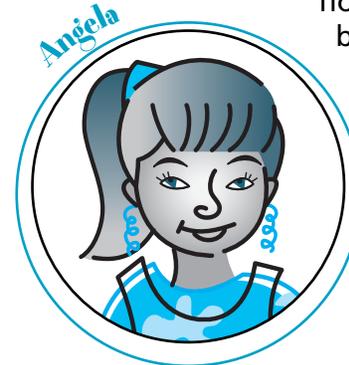
Hi, I'm Ilhan. I like reading, writing, talking with my friends and meeting new people. My favorite subjects are social studies and language arts. I want to be a news reporter where I could learn a lot and share information with other people. I will go to a four-year college to study journalism.



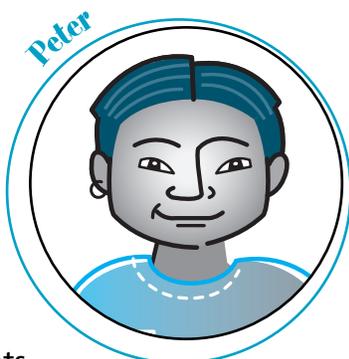
Hi, I'm Maylee. I love animals and want to be a veterinarian. I have a dog and a cat now, and I take good care of them. My favorite subjects in school are science and math. I will go to a four-year college, and then to veterinary school for another four years.



Hi, I'm Angela. I love plants and flowers, and would like to be a florist, so I will go to a technical college for two years. I would like to start my own flower shop. I'm good at math and art. I'm organized, even when I'm busy, and I love meeting new people.



Hi, I'm Peter. I want to become a landscape architect so I can make beautiful parks and gardens. I love building things and being outdoors, so this job would be fun for me. I'll go to a two-year school first. Then I will transfer to a four-year school to learn more about plants and design.



Hi, I'm Chris. I want to be an artist, because I love drawing, acting and building different kinds of sculptures. I'm creative and outgoing, and I like trying new things. I will probably go to a four-year art college, where I will gain experience and learn more about different types of art.



Hi, I'm Nou. I am a college student studying to be a civil engineer at a four-year college. That means I'll learn ways to help build a bigger and better place for all of us to live. I have a work-study job as a tutor, and will have an internship over the summer. I love to travel and see different places.



Hi, I'm Eddie. I went to a community college for two years to learn how to run my own business. Now, I own a gas station. I like visiting with my customers when they come in, and I feel I'm part of my community. I also like riding my bike and playing baseball.



Hi, I'm Tommy. I'm an Education Liaison with the *Get Ready* program. I went to a community college for two years and then transferred to a university for two years to get my bachelor's degree in psychology, which took a total of four years of higher education. I love working with kids and helping them set goals for their future. I also like listening to music, watching movies and playing soccer.



Hi, I'm Mrs. Girard. I'm a school librarian. I had to go to college for six years to become a librarian. Now I enjoy helping students do research and select books. I love to read and I also like working on the computer. In a library, there is always something new to learn.



Hi, I'm Ms. Jackson. I always wanted to be a teacher because I love working with children, and I always get to learn new things. I went to a four-year college, and then became a fifth grade teacher. I also like to play the piano, go canoeing and travel with my family.



Hi, I'm Ms. Drucker. I went to college for four years, and then to graduate school for two more years to earn my master's degree. Now, I'm a school counselor, and I enjoy meeting with students every day. I also like hiking and photography.



What Do You Like to Do?

I LIKE TO:

| | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| ...do puzzles | | <input type="radio"/> | | | | |
| ...work on cars | <input type="radio"/> | | | | | |
| ...attend concerts, theaters or art exhibits | | | <input type="radio"/> | | | |
| ...work in teams | | | | <input type="radio"/> | | |
| ...organize things like files, offices or activities | | | | | | <input type="radio"/> |
| ...set goals for myself | | | | | <input type="radio"/> | |
| ...build things | <input type="radio"/> | | | | | |
| ...read fiction, poetry or plays | | | <input type="radio"/> | | | |
| ...have clear instructions to follow | | | | | | <input type="radio"/> |
| ...influence or persuade people | | | | | <input type="radio"/> | |
| ...do experiments | | <input type="radio"/> | | | | |
| ...teach or train people | | | | <input type="radio"/> | | |
| ...help people solve their problems | | | | <input type="radio"/> | | |
| ...take care of animals | <input type="radio"/> | | | | | |
| ...have my day structured | | | | | | <input type="radio"/> |
| ...sell things | | | | | <input type="radio"/> | |
| ...do creative writing | | | <input type="radio"/> | | | |
| ...work on science projects | | <input type="radio"/> | | | | |
| ...take on new responsibilities | | | | | <input type="radio"/> | |
| ...heal people | | | | <input type="radio"/> | | |
| ...figure out how things work | | <input type="radio"/> | | | | |
| ...put things together or assemble models | <input type="radio"/> | | | | | |
| ...be creative | | | <input type="radio"/> | | | |
| ...pay attention to details | | | | | | <input type="radio"/> |
| ...do filing or typing | | | | | | <input type="radio"/> |
| ...learn about other cultures | | | | <input type="radio"/> | | |
| ...analyze things like problems, situations or trends | | <input type="radio"/> | | | | |
| ...play instruments or sing | | | <input type="radio"/> | | | |
| ...dream about starting my own business | | | | | <input type="radio"/> | |
| ...cook | <input type="radio"/> | | | | | |
| ...act in plays | | | <input type="radio"/> | | | |
| ...think things through before making decisions | <input type="radio"/> | | | | | |
| ...work with numbers or charts | | <input type="radio"/> | | | | |
| ...have discussions about issues like politics or current events | | | | <input type="radio"/> | | |
| ...keep records of my work | | | | | | <input type="radio"/> |
| ...be a leader | | | | | <input type="radio"/> | |
| ...work outdoors | <input type="radio"/> | | | | | |
| ...work in an office | | | | | | <input type="radio"/> |
| ...work on math problems | | <input type="radio"/> | | | | |
| ...help people | | | | <input type="radio"/> | | |
| ...draw | | | <input type="radio"/> | | | |
| ...give speeches | | | | | <input type="radio"/> | |

Courtesy of MnCareers, www.mncareers.org

| R | I | A | S | E | C |
|---|---|---|---|---|---|
| | | | | | |

Add the number of filled circles for each letter:

The three letters with the highest scores are your Interest Profile.

My Interest Profile: _____

Realistic people are **DOERS**. They are often good at mechanical or athletic jobs. They like to work with things like machines, tools or plants and they like to work with their hands.

| Career | Required Education |
|--------------------------------|---|
| Example: Veterinary Technician | 2-year associate degree + certification |
| _____ | _____ |
| _____ | _____ |

Investigative people are **THINKERS**. They like to analyze and solve problems. They often like to work independently and tend to be good at math and science.

| Career | Required Education |
|------------------------------|---------------------------|
| Example: Computer Programmer | 4-year bachelor's degree |
| _____ | _____ |
| _____ | _____ |

Artistic people are **CREATORS**. They like to work in situations where they can use their creativity and come up with new ideas. They enjoy performing (theater or music) and visual arts.

| Career | Required Education |
|---------------------------|---------------------------|
| Example: Graphic Designer | 4-year bachelor's degree |
| _____ | _____ |
| _____ | _____ |

Social people are **HELPERS**. They like to work directly with people rather than things. They are often good public speakers and enjoy helping others.

| Career | Required Education |
|---------------------------|---|
| Example: Registered Nurse | 2-year associate degree or 4-year bachelor's degree + license |
| _____ | _____ |
| _____ | _____ |

Enterprising people are **PERSUADERS**. They like to work with other people and enjoy being a leader. They particularly enjoy influencing, persuading and performing.

| Career | Required Education |
|--------------------|--|
| Example: Paralegal | 2-year associate degree, but some have a 4-year degree |
| _____ | _____ |
| _____ | _____ |

Conventional people are **ORGANIZERS**. They are very detail oriented and like to work with data and numbers.

| Career | Required Education |
|---------------------|--|
| Example: Accountant | 4-year bachelor's degree + Certified Public Accountant license |
| _____ | _____ |
| _____ | _____ |



Be Your Own Boss

You just looked at careers that matched your interests. Another option for anyone is to start your own business.

- An **Entrepreneur** is someone who starts his or her own business.
- Starting and running your own business is great for someone who is creative, organized and likes to be in charge. It is also a great way to earn money!
- You do not need to wait until you are an adult to you start your own business. Many kids have their own businesses.
- Businesses either provide a **service** (something they do) or sell **goods** (something they make).
- Consider what you like to do (**interests**) and what you are good at (**skills**).

Below are examples of business types you could start right now. Place a check (✓) next to any that interest you and then see if you can come up with some businesses of your own that might fit in each category.



Services:

- Lawn Mowing
- Babysitting
- Birthday Party Planning
- Pet Sitting
- _____
- _____
- _____
- _____

Goods:

- Lemonade Stand
- Card Making
- Jewelry Making
- _____
- _____
- _____
- _____

Now it is your turn to develop your own business plan!

Company Name: _____

Business Type: (Will you provide goods or services?)



Who works there: (Will you have any employees?)

How much will you charge? _____

What supplies will you need to get started? _____

How will people know about your business? How will you advertise? _____



Types of Colleges

You've just taken an interest survey and looked at careers that fit your interests. Now figure out which type of college matches your career interests.

This chart lists some of the differences between the types of colleges that are important to think about when choosing a college.

| School Type | School Characteristics | Possible Careers |
|--|--|--|
| Technical or Career College | <ul style="list-style-type: none"> • Classes prepare students for specific careers, especially careers that involve working with your hands • Heavy emphasis on job skills and placing students directly into jobs • Small class sizes • Awards certificates, diplomas or associate degrees • Usually takes two months to two years to complete | Cosmetologist Dental hygienist Electrician Florist Mechanic Medical assistant Plumber Truck driver Welder |
| Community College | <ul style="list-style-type: none"> • Can often transfer credits to a four-year college or university • Some programs focus on skills necessary for a specific career • Often smaller schools found in your communities • Evening and weekend classes offered • Awards certificates, diplomas or associate degrees • Usually takes one to two years to complete | Dental hygienist Hotel manager Legal assistant Nurse Nursing Assistant Teacher's aide Technician |
| Four-year College or University | <ul style="list-style-type: none"> • Colleges are generally smaller in class sizes and more personal • Universities are generally larger in size and offer more course selection • Universities usually have dorms on campus • Can be public or private • Awards bachelor's degrees or graduate degrees • Usually takes four years to complete | Accountant Dietitian Engineer Graphic designer Journalist Pharmacist Pilot Social worker Teacher Writer |

Career Connections

There are many reasons besides money to continue your education past high school. Many people go to college because they like to learn. Many people determine their career path based on classes they took in high school and how much they enjoyed the classes.

Think about your favorite classes or subjects. List each below and explain why you like it. Then come up with as many different careers that might relate to the subject, and try to figure out which type of education you might need.

Draw a line to match the characters to the type of school each could attend for the career goal. There may be more than one answer. Then add your career goal and the type of school you would attend.



Peter
Career Goal: Landscape Architect



Angela
Career Goal: Florist



Marcus
Career Goal: Teacher



Maylee
Career Goal: Veterinarian



Chris
Career Goal: Artist



Ilhan
Career Goal: News Reporter



Your Name: _____

Your Career Goal: _____

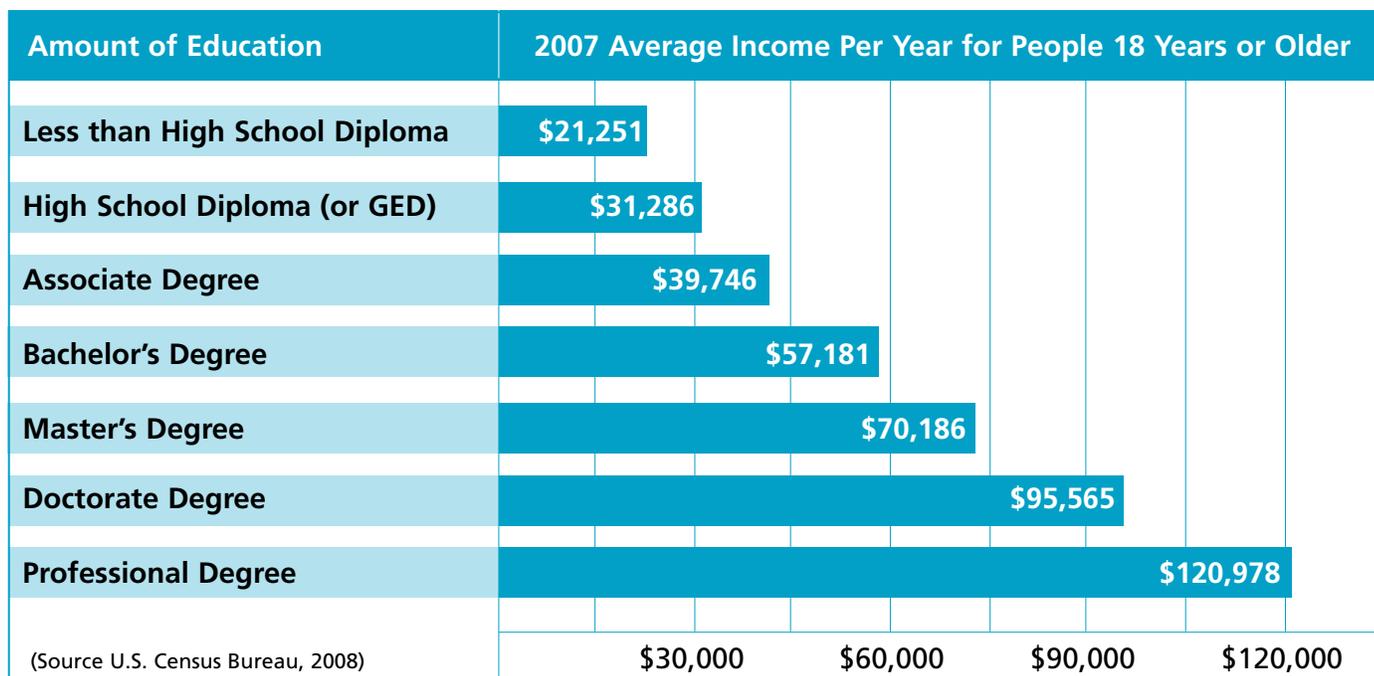
Look to the Future

Ms. Drueker



“Success doesn’t just happen. It requires careful planning and hard work in school. Consider this: high school graduates make more money than those who drop out of high school. College graduates make more money than high school graduates.”

“The amount of education you choose will have an impact on the financial security you enjoy in life. Not all jobs require a college education, but graduating from college opens the door to more career options, better jobs and more opportunities. It also means you’re less likely to be unemployed.”



What is the relationship between education and earnings? _____

How Much Does College Cost?

The price of college depends on the type of school you choose. Read each definition below and then answer the questions about paying for college.

College Costs

Definitions

Tuition and Fees

What it costs to take classes and use certain facilities at the school such as the library, health center or student activities.

Room and Board

The cost of housing, whether you live in a dormitory on campus or an apartment off campus, and the cost of eating, whether it's in the college cafeteria or buying food and cooking for yourself.

Books and Supplies

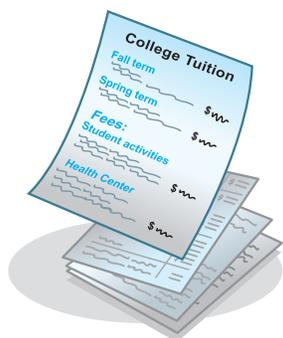
Includes books, pencils, paper and whatever you need to complete your courses.

Personal Expenses

Includes what you will spend on items like laundry, clothing, recreation and insurance.

Transportation Expenses

Travel and commute from home to school or from school to home.



How can you save money on **tuition**?



How can you save money on **room and board**?



How can you spend less money on **books and supplies**?

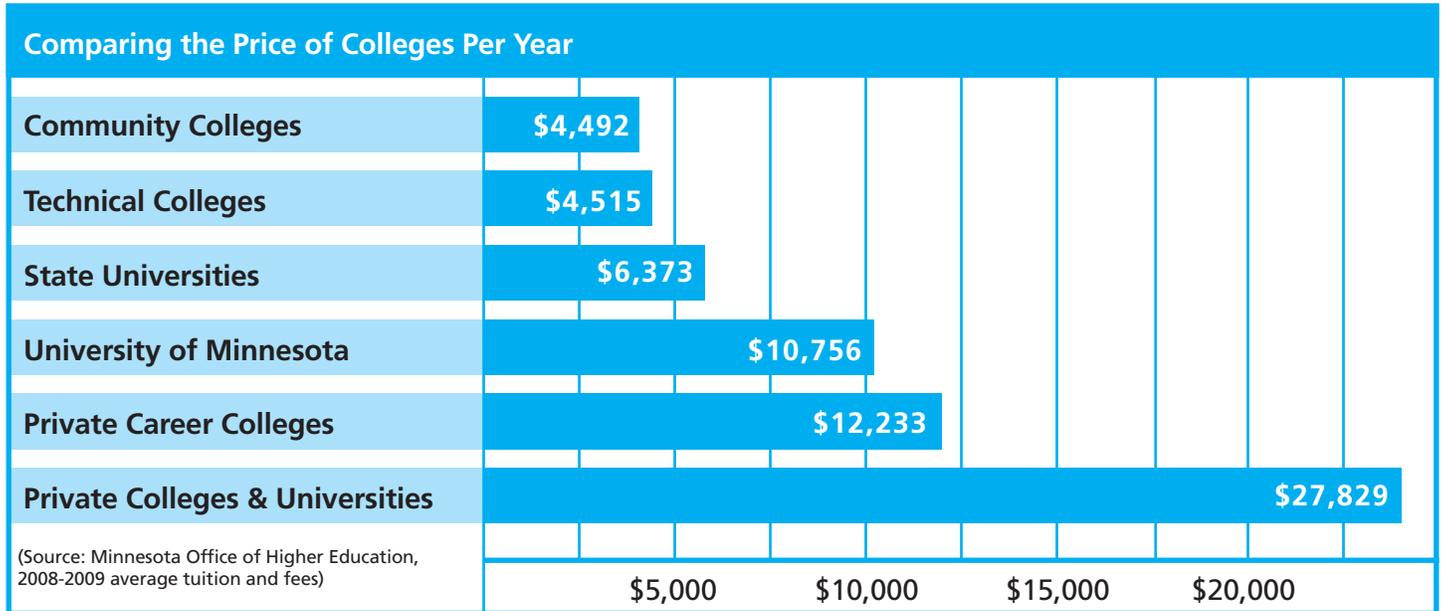


How can you lower your **personal expenses**?



How can you lower your **transportation expenses**?

Comparing College Prices



Enter the tuition and fee amounts from the above graph on the lines below. Then enter the other annual costs. Add lines 1 through 5 to find the total price of attending the type of college for one year.

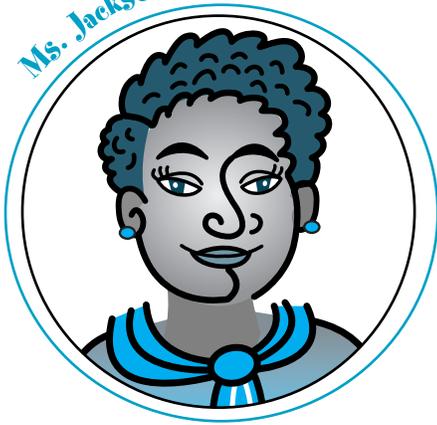
Average Annual Cost:

| | |
|---------|-------------------------|
| \$6,500 | Room and board |
| 1,000 | Books and supplies |
| 1,200 | Personal expenses |
| 900 | Transportation expenses |

| Total Cost of Attending (average annual cost) | Technical or Career College | Community College | Four-year College or University |
|---|-----------------------------|-------------------|---------------------------------|
| 1. Tuition and fees | \$ _____ | \$ _____ | \$ _____ |
| 2. Room and board | \$ _____ | \$ _____ | \$ _____ |
| 3. Books and supplies | \$ _____ | \$ _____ | \$ _____ |
| 4. Personal expenses | \$ _____ | \$ _____ | \$ _____ |
| 5. Transportation expenses | \$ _____ | \$ _____ | \$ _____ |
| Total Price for One Year | \$ _____ | \$ _____ | \$ _____ |

Ways to Pay for College

Ms. Jackson



Ms. Jackson: "Anyone who wants to go to college should not let the cost stop him or her from going. Whether you earn a certificate after a few months of study, a two-year associate degree, or a four-year bachelor's degree, there are several ways to pay for college."

Savings

Savings is a great way to pay for your education. It allows you to use money you already have. The more you save, the less you'll need to borrow.

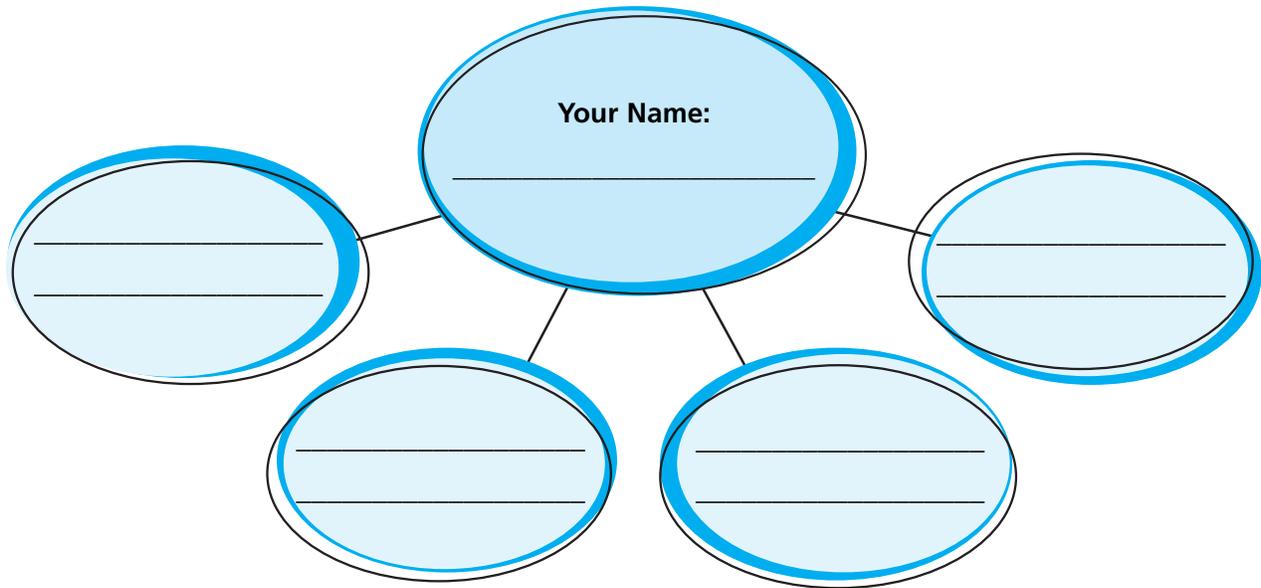
Here's a chart to show you how setting aside a little money each week in a savings account helps you save BIG to pay for college! Decide how much money you could save each week and then do the math to see what you would have after six years. You might be surprised how a little money can go a long way in the end.

| | |
|---|----------|
| Weekly Savings Deposit (\$1 – \$5) | \$ _____ |
| Monthly Savings (Weekly Savings Deposit x 4) | \$ _____ |
| Yearly Savings (Monthly Savings x 12) | \$ _____ |
| After 6 Years Savings (Yearly Savings x 6) | \$ _____ |
| 3% Interest Rate on Account (6 Years of Savings x 3%) | \$ _____ |
| Total Amount Saved for College (6 Years of Savings + Interest) | \$ _____ |

Family Support

Families can sometimes help pay for college expenses.

Complete the family support web of people in your own family who can help you pay for college. You can start saving now by asking for small amounts of money on special family occasions, like birthdays, holidays, confirmations and graduations.



Military

Each branch of the military has education programs to help you pay for college, and additional aid is offered by both federal and state governments in exchange for serving in the military.

The military is made up of five armed service branches plus the National Guard:

Air Force: air and space power – fly planes, helicopters and operate satellites

Army: land power – move into an area, secure it and bring order, guards U.S. properties

Coast Guard: protect waterways – complete rescues, law enforcement, drug prevention and clear waterways

Marine Corps: report for duty rapidly – called on first to fight by sea and land

Navy: most missions at sea, but some are by air and land – secure and protect the oceans for safe trade and travel

Each service may pay up to 100 percent of tuition expenses and has its own criteria for eligibility, obligated service, application process and restrictions. For more information, visit www.military.com.

Grants

A grant is like a gift of money to you that does not have to be repaid. Grants are usually given by the federal and state governments to those with the greatest financial need.

Chris, Marcus and Angela all want to attend college someday. They need help figuring out how to pay the cost of college each year.

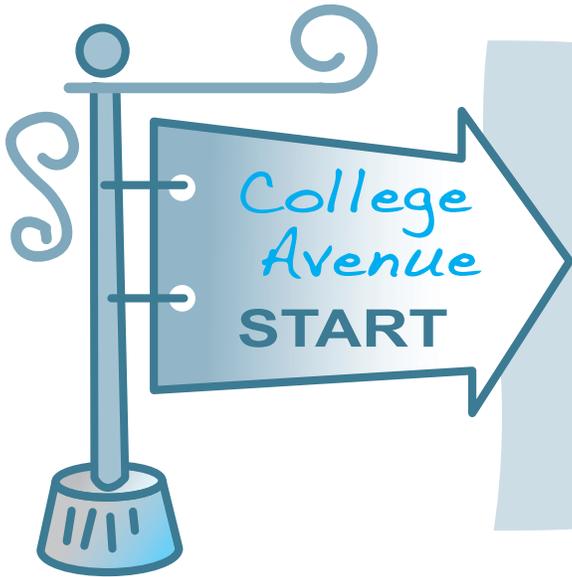


| | | | |
|--------------------------------|---------------------------------------|--|--|
| Household income: | Chris' family earns \$75,000 per year | Marcus' family earns \$20,000 per year | Angela's family earns \$40,000 per year |
| College type: | Private College (4-year) | Public State University (4-year) | Community or Technical College* (2-year) |
| Total cost per year: | \$29,000 | \$15,000 | \$6,000 |
| Family support | \$9,000 | \$0 | \$0 |
| Savings | \$6,000 | \$1,000 | \$500 |
| Scholarships/work study | \$14,000 | \$5,000 | \$1,500 |

* Does not include room and board since the college does not have on-campus housing or meal plans.

In the chart below, determine how much grant money each student needs. Then use their household income to rank them in order of who has the greatest financial need (1 needing the most and 3 needing the least). Remember: students actually don't get to choose how much grant money they receive.

| | | | |
|--|--|--|--|
| Grants | | | |
| Rank (1 to 3) in order of greatest need | | | |



What are three things you like to do?

- 1.
- 2.
- 3.

What are three things you are good at?

- 1.
- 2.
- 3.

What are two ways going to college would help you give back to your community?

1. _____

2. _____

Review your financial aid package and scholarships and apply for loans, if needed.

Make a budget for first year of college

Fill out financial aid forms.

Draw a picture of at least one way going to college would affect your lifestyle.

Apply to your top three colleges

Take the ACT and/or SAT if you are planning to go to a four-year college.

What are three possible careers you might like?

- 1.
- 2.
- 3.

What is one short-term academic goal you have for yourself?

Draw a picture of a new experience you may gain by going to college.

What are three colleges that interest you? Begin researching them online.

- 1.
- 2.
- 3.

What is one short-term personal goal you have for yourself?

Visit your top three college choices.

What are two ways going to college would affect your career?

1. _____

2. _____

Identify three scholarships for which you should apply.

Draw a picture of one of your long-term career goals.



Loans



Student loans are available for students and parents. Unlike grants and scholarships, you must repay loans with interest. It's important to borrow only as much money as you can afford to repay (with interest) after college. Personal loans may be available from family or friends.

What is **interest**? _____

Let's see how much interest you'll need to pay in a year on a \$1,000 loan with five percent interest.

| | |
|---|----------|
| Yearly Interest ($\$1,000 \times .05$) | \$ _____ |
| Monthly Interest (Yearly Interest $\div 12$) | \$ _____ |

Work Study

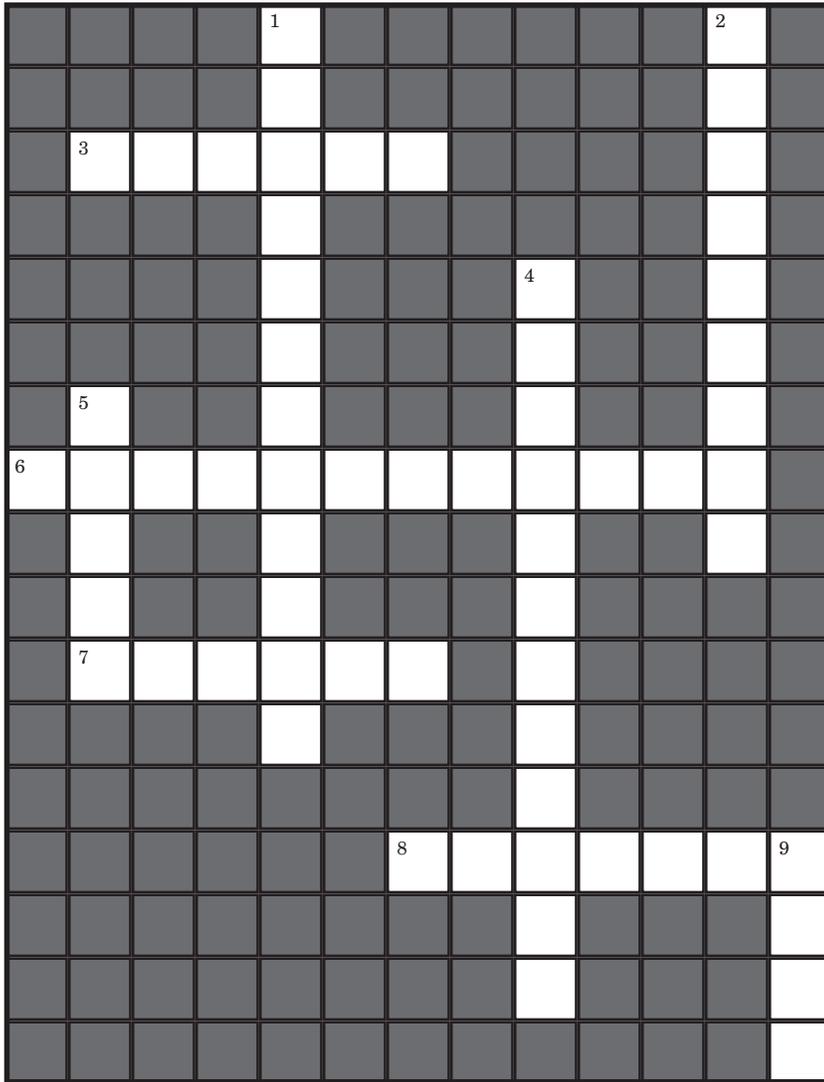
Work-study programs are jobs offered through the college to help you earn money to pay for college. The college determines how many hours you can work based on your class load and financial need. Working while in college earns you money and experience, but remember that school is your first priority. Never work so many hours that it interferes with your studying.

Positions are posted within job categories including:

- **Clerical:** financial aid office, admissions office, campus information, alumni services, registrar's office
- **Student Services:** resident assistants (RAs), tour guides, recreational programmers
- **Information Technology:** computer problems, library helpers
- **Food Service:** dining service, chefs, cashiers
- **Parking Services:** parking attendant, meter patrols, parking office
- **Teaching:** assistants, tutors
- **Maintenance:** indoor/outdoor services, sporting events

Typical pay for undergraduate students in these positions ranges from \$7 to \$15 per hour.

Financial Aid Crossword Puzzle



Across:

- 3. Money from the government that does not have to be paid back.
- 6. Living and eating meals on campus is called _____.
- 7. When you put money in the bank, you are _____ money.
- 8. The cost of taking classes at college and using its facilities.

Down:

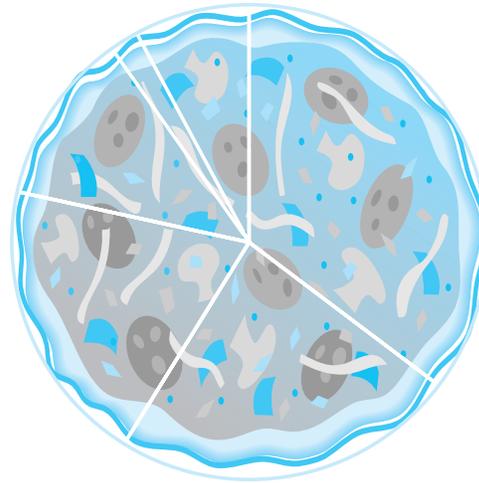
- 1. Money that helps students go to college.
- 2. When colleges help a student find a job it is called _____.
- 4. Money that is given by businesses and private organizations to help students go to college.
- 5. Money that is borrowed from a bank or the government. It must be paid back.
- 9. Some scholarships are based on special abilities. Others are based on financial _____.

Slicing Up the Financial Aid Pie

You can get money to pay for your higher education from different places. This makes it easier to afford the price of college.

For example: If you wanted to go to a four-year public college that costs \$12,000 (\$6,500 tuition per year + \$6,500 room and board), you might pay for college with:

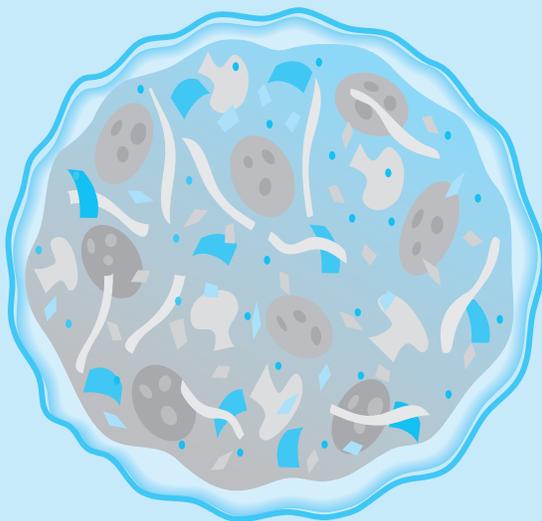
| | |
|--------------------|-----------------|
| Savings..... | \$500 |
| Family..... | \$100 |
| Grants | \$6,000 |
| Scholarships | \$2,650 |
| Loans..... | \$1,250 |
| Work Study..... | \$2,500 |
| Total | \$13,000 |



Look at the pie chart to the right. Label each slice of the pie with the appropriate number and source of money.

Use the empty pizza pie on the postcard below to fill out your plan to pay for college. On the back, fill out who you are going to send it to and write them a brief message explaining your plans.

Slice it up! How I plan to pay for college.



| | |
|---------------|-----------------|
| Savings: | \$ _____ |
| Family: | \$ _____ |
| Grants: | \$ _____ |
| Scholarships: | \$ _____ |
| Loans: | \$ _____ |
| Work Study: | \$ _____ |
| TOTAL: | \$ _____ |

The postal service will not accept this as a postcard. Do not mail.

Paying for college is as easy as 1-2-3... Try it!

Follow these steps and you'll discover there's no mystery to paying for your college!

1. Check the box next to the type of college you might want to attend:

- Community college (Average tuition: about \$4,500 per year)
- Technical college (Average tuition: about \$4,500 per year)
- Private career school (Average tuition: about \$12,000 per year)
- 4-year public college/university (Average tuition: about \$6,000 per year)
- University of Minnesota (Average tuition: about \$11,000 per year)
- 4-year private college/university (Average tuition: about \$28,000 per year)

2. If you plan on living away from home, add the cost of room and board (\$6,500) to the tuition for the college you checked above:

| | | | | |
|---------|---|--------------|---|-------|
| Tuition | | Room & Board | | Total |
| _____ | + | \$6,500 | = | _____ |

3. List how much money you think you may receive from each of the ways to pay for college. (Remember, the total has to equal the college's tuition OR the total in #2 above.)

| | | | | | | | | | | | | |
|---------|---|--------|---|--------|---|--------------|---|-------|---|------------|---|-------|
| Savings | | Family | | Grants | | Scholarships | | Loans | | Work Study | | Total |
| _____ | + | _____ | + | _____ | + | _____ | + | _____ | + | _____ | = | _____ |

Dear _____

Sincerely,

Get Ready Student

The postal service will not accept this as a postcard. Do not mail.

Building Your Money Smarts

Ilhan: "We've come a long way on our journey to our dreams, haven't we?"

Chris: "Yeah, I've learned about things I didn't know before, like how to set goals and how my interests relate to careers."

Ilhan: "Plus, we learned how high school can prepare us for college."

Chris: "Right! But I'm still not sure I understand how to pay for college. I have a hard time just understanding money."



Ilhan: "Maybe learning more about spending and saving money will help us understand how to pay for college too."

Chris: "That makes sense! It would also help to know which types of schools prepare you for certain careers."

Ilhan: "And how education affects income too. I guess we still have a lot to learn. Let's get started right now!"

You're too young to have a full-time job or go to college, but you're not too young to be money smart.

Most people spend money as soon as they earn it (through working) or receive it (as a gift). It's fun to buy items you want, but it's also important to save money.

You make decisions every day. Did you decide what to wear today? Or what to eat for breakfast? Or how you were going to behave in class? Some decisions are small while others are large.

There are several steps to decision-making:





Nou: "I just registered for this cool science class in college, and I need to buy a textbook and school supplies."

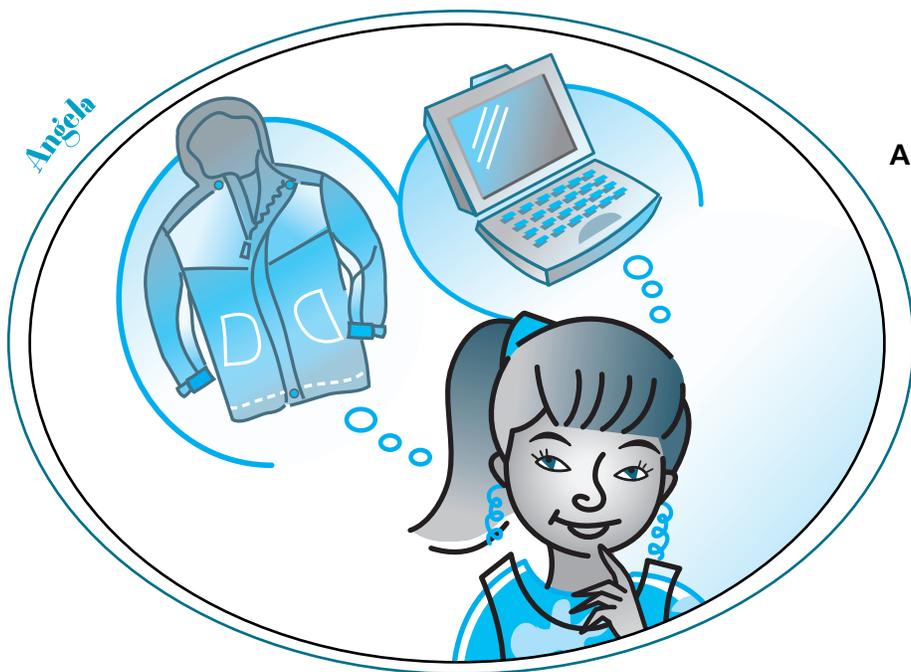
"I have exactly \$35. A brand new textbook costs \$29.95, and a used textbook costs \$20. Supplies cost \$5. What should I do?"

Use the chart on the left to help Nou decide what she should do. Then, use the chart on the right to make a decision of your own following the six steps.

| Nou |
|---|
| Identify the decision you want to make. |
| Identify your options. |
| Weigh your options. |
| Make your choice. |
| Act on your choice. |
| Evaluate your decision. |

| Your name: _____ |
|---|
| Identify the decision you want to make. |
| Identify your options. |
| Weigh your options. |
| Make your choice. |
| Act on your choice. |
| Evaluate your decision. |

I Want It All, But Do I Need It All?



Angela: "There are lots of things I want to have. I think I need everything, but I guess some things are wants. I need a new winter coat, but I'd really like a computer of my own."

When it comes to money, people usually spend money on what they need or want. What is the difference between a need and a want?

 I think a **need** is _____

 I think a **want** is _____

| Area of your life | Needs | Wants |
|-------------------|--|--|
| Personal | <ol style="list-style-type: none"> 1. Clothes 2. Food | <ol style="list-style-type: none"> 1. Designer jeans 2. Pizza and fast food |
| School | <ol style="list-style-type: none"> 1. Notebook 2. Pencil | <ol style="list-style-type: none"> 1. Notebook with holographic cover 2. A glow-in-the-dark pencil |

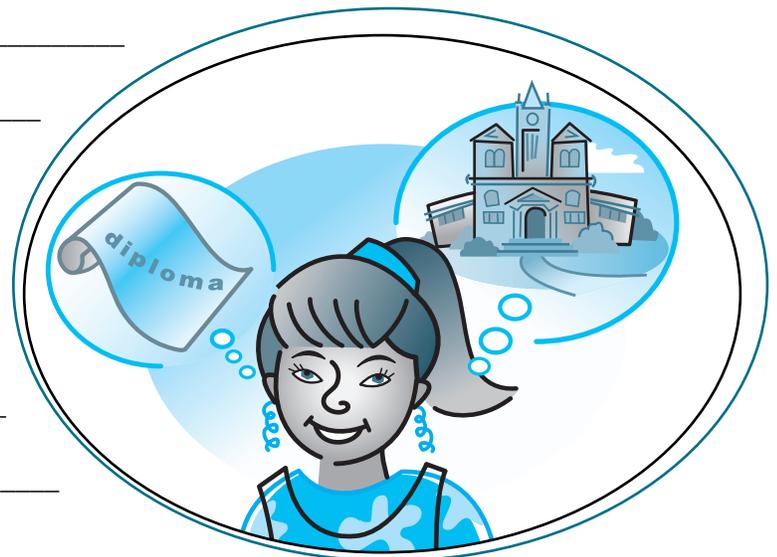
Think about your daily needs and wants. List three needs and three wants you have in your personal and school life.

| Area of your life | Needs | Wants |
|-------------------|----------|----------|
| Personal | 1. _____ | 1. _____ |
| | 2. _____ | 2. _____ |
| | 3. _____ | 3. _____ |
| School | 1. _____ | 1. _____ |
| | 2. _____ | 2. _____ |
| | 3. _____ | 3. _____ |

Does everyone have the same needs and wants? Why or why not? _____

What can you do now to meet your future needs and wants? _____

Is going to college a need or a want? Explain your statement.



Budgeting Basics

Once you figure out what your needs and wants are, you have to figure out how to pay for them.

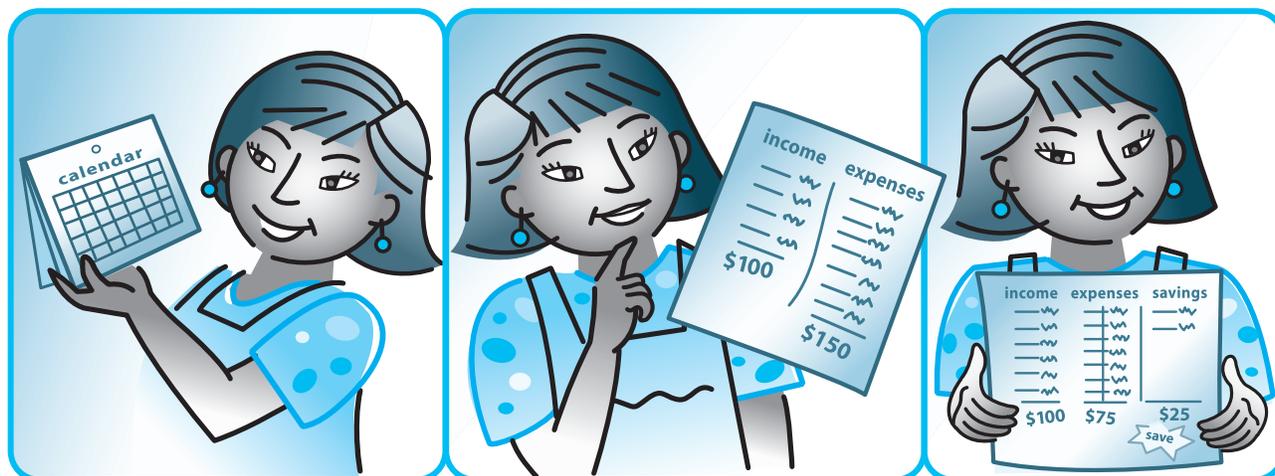
✦ A **budget** helps you keep track of how you want to spend your money. It helps you track how much money you have coming in (income, allowance, gifts) and how much you have going out (expenses for needs and wants). How much you can save will depend on how much you must spend to pay your other bills.

Building a budget plan is as easy as 1-2-3:

1 Choose a time frame for your budget.

2 Estimate what your income and expenses will be for the chosen time frame. What are your priorities?

3 Make sure your expenses aren't more than your income. Remember to include savings in your plan.



Why do you think it is important to have a budget? _____

What can happen if you don't keep track of how you spend your money? _____

When you make an unexpected purchase, it is called **impulse buying**. This means you did not intend to buy an item but saw and bought it right away. When you are tempted to impulse buy, think about the steps to making a good decision.

Which factors influence your decision to buy an item? _____

Is there anything you have bought that you haven't used yet? _____

Deciding how you spend your money ahead of time will help you decide if you really need something. When you see something you really want, don't buy it right away. Go home and think about whether or not you really need the item you are tempted to buy. Ask yourself if you will have to give up something else in order to buy the item.



Maylee has \$20 in savings for college, and she just received \$50 from her aunt for her birthday. She made a budget to decide how she would spend and save her money.

The budgeted amount is what she thought she was going to spend, and the actual amount is what she actually spent. Add the amount of money she spent.

| Budget Dates: November 1 – November 14 | | | |
|--|-----------------|-------------------------|---|
| Item | Amount budgeted | Actual amount spent | Amount spent above (+) or below (-) the amount budgeted |
| Savings for college | \$10 | \$10 | \$0 |
| Baseball cap | \$10 | \$15 | Spent above budget by \$5 |
| Candy | \$5 | $\$3 + \$4 + \$2 = \9 | Spent above budget by \$4 |
| Eating out | \$5 | $\$2 + \$4 = \$6$ | _____ by _____ |
| Mom's birthday present | \$10 | \$18 | Spent above budget by \$8 |
| CDs | \$10 | \$0 | _____ by _____ |
| TOTAL | \$50 | \$ _____ | _____ by _____ |

Which items did she overspend on? _____

What happens when you overspend on some items? _____

Do you think it is okay to overspend? Why or why not? _____

If Maylee continues to spend money from her college savings, what do you think the consequences will be? _____

Banking Basics

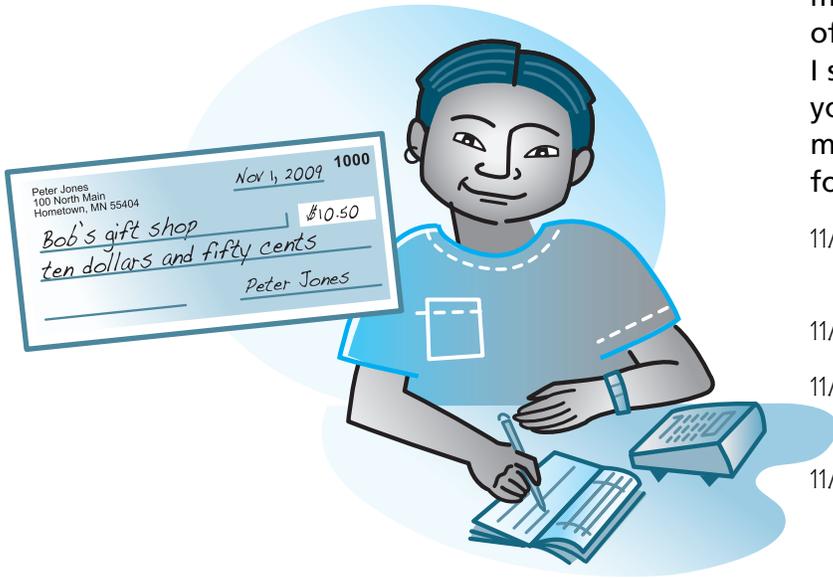
You can open a bank account at any age. **Savings accounts** and **checking accounts** are the two common types of bank accounts. You can save money in both types of accounts, but a checking account allows you to write checks up to the amount in your account.

A **deposit** is the amount of money you add to a bank account. When you put money into a bank account, you fill out a deposit slip. A **withdrawal** is the amount of money you take out of a bank account. When you take out money, you fill out a withdrawal slip. Once you have a bank account, it's important to keep a log of your transactions to monitor your income and expenses.

Writing checks and keeping records are a good way to track my spending. I've seen my uncle use something called a "bank card." Do you know what a bank card is?

So if I use a bank card, I won't go into debt, but I should still be smart about what I spend my money on.

A bank card can be used at my gas station to pay for things. A bank card takes the money from your bank account right away so if you don't have money in your account, the bank card will not work.



Peter: "I'm learning how to be smart with money, but I need your help. Here are some of my transactions from the past two weeks. I started to balance my checkbook, but I need your help to finish. Help me figure out how much money I have left by adding the following transactions to the table below."

- 11/13 I wrote a check at the bookstore for three comic books which cost me \$17.40.
- 11/14 I received \$25 from my sister for my birthday.
- 11/18 I took out \$20 from the cash machine to buy game cards and a used video game.
- 11/20 I deposited \$12 of my allowance money into my checking account.

| Check # | Date | Code | Description of Transaction | Payment Fee or Withdrawal (-) | | Deposit or Interest (+) | | Starting Balance | |
|---------|-------|-----------|--|-------------------------------|----|-------------------------|----|------------------|----|
| | | | | | | | | \$65 | 00 |
| 1000 | 11/1 | | Bob's Gift Shop Gift for Ilhan | \$10 | 50 | | | -10 | 50 |
| | | | | | | | | \$54 | 50 |
| | 11/1 | deposit | Deposit from part-time job | | | \$25 | 00 | +25 | 00 |
| | | | | | | | | \$79 | 50 |
| | 11/2 | bank card | A & B Foods Groceries | \$8 | 35 | | | - 8 | 35 |
| | | | | | | | | \$71 | 15 |
| 1001 | 11/5 | | Music Emporium Store CD | \$15 | 00 | | | -15 | 00 |
| | | | | | | | | \$56 | 15 |
| | 11/6 | ATM | Withdrawal for spending money | \$20 | 00 | | | -20 | 00 |
| | | | | | | | | \$36 | 15 |
| 1002 | 11/13 | | | | | | | | |
| | 11/14 | deposit | Birthday money | | | | | | |
| | 11/18 | | | | | | | | |
| | 11/20 | | | | | | | | |

Budget & Check Register Practice



Marcus is taking care of his neighbor's dog while they are out of town. They offered him \$30 for his help, and now he has to decide how to spend the money. He needs some art supplies to complete his social studies project. It is also Angela's birthday, and he would like to give her a gift. Marcus knows it is important to save money for college, so he tries to put \$10 a month into his savings account. Help him create his budget for the next two weeks.

| Budget Dates: April 20 – May 1 | | | |
|--------------------------------|-----------------|---------------------|---|
| Item | Amount budgeted | Actual amount spent | Amount spent above (+) or below (-) the amount budgeted |
| Savings | \$10 | _____ | _____ |
| Birthday Gift | _____ | _____ | + \$5 |
| Art Supplies | _____ | \$10 | _____ |
| TOTAL | _____ | _____ | Met budgeted amount |

To access money from his checking account, Marcus writes a check. He also has a plastic bank card (also called a check card) that withdraws money from his account electronically. This allows him to use ATMs and pay for purchases without writing a check. All withdrawals need to be recorded in a check register. Fill in the bank register to show how much Marcus spent.

| Check # | Date | Code | Description of Transaction | Payment Fee or Withdrawal (-) | | Deposit or Interest (+) | | Starting Balance | |
|---------|------|-----------|----------------------------|-------------------------------|----|-------------------------|--|------------------|----|
| | | | | | | | | \$5 | 00 |
| | 4/24 | deposit | Dog-sitting money | | | | | | |
| | 4/27 | transfer | to savings account | \$10 | 00 | | | | |
| | 4/28 | bank card | Art supplies | | | | | | |
| 1005 | 5/1 | check | | | | | | -\$10 | 00 |
| | | | | | | | | | |

Codes: check, bank card, deposit, transfer

Financing My Future

| What do I already know about financing my future? | What do I want to know about financing my future? | What have I learned about financing my future? |
|---|---|--|
| | | |

Glossary of Terms

Advanced Degree: A degree beyond the bachelor's degree such as a master's, doctorate or professional degree.

Advanced Placement (AP): College-level classes you take in high school that help you earn high school and possibly college credit.

Apprenticeship: Hands-on training in a career that allows you to earn money while you learn.

Bachelor's Degree: A degree earned after about four years of college.

Budget: A plan for how to spend and save money.

Campus: Where your college classes, buildings, teachers, friends and activities are located.

Campus Visit: A trip to a college or university to learn more about the school.

Career: Your area of work or the job you have.

College: A type of school you attend after high school that offers a degree. Universities are often referred to as a "college".

College Entrance Exam: A test often required by four-year colleges to help determine which students to admit to their school. The most common tests are the ACT and SAT.

College Fair: An event where people from colleges gather to talk with students and parents.

Community College: Schools that prepare students for certain jobs or to transfer to a four-year college.

Community Service Learning: Helping in your community as part of a college class.

Credit: A measure of how much a class is worth. You need a certain number of credits to graduate from high school and college.

Credit Card: A commercial card used by people to borrow money.

Debt: Money a person owes.

Degree: What you get after you graduate from a college, like an associate, bachelor's, master's or doctoral degree.

Dormitory: An on-campus building where students live during the school year. Also called a "dorm" or "residence hall".

Expenses: The money you spend.

Financial Aid: Money to help pay for college.

Financial Need: The difference between the price of attending a postsecondary institution and the family's ability to pay for those costs.

Free Application for Federal Student Aid (FAFSA): A form used to apply for financial aid.

Grade Point Average (GPA): The average of a student's grades, typically based on a four-point scale.

Grant: Money for college from the government that does not have to be repaid.

Guidance Counselor: A person at school who helps students prepare for college and careers.

Higher Education: Any education after high school. It's also referred to as "postsecondary" or "college".

Impulse-buying: Making unexpected purchases.

Income: The amount of money you earn through work.

Interest: Something you enjoy doing. Also, interest can be either a charge for borrowing money or the amount that money earns while sitting in a bank account.

Internship: Real-world experience related to your major that can give you college credit, mentors, references and might lead to a job.

Loans: Money college students or their parents borrow to help pay for college. It must be repaid with interest, even if the student doesn't graduate.

Major: An area of study that you focus on while in college. Students usually major in an area they might like to work in some day.

Mentor: An older person who gives support and guidance to a younger person.

Military Service: Joining the Army, Navy, Air Force, Marines or Coast Guard. This can earn you money to pay for college.

Minor: An area of study that you pursue, but it is not your major focus of study.

Postsecondary: Any education after high school. This is often called "higher education" or "college".

Postsecondary Enrollment Options (PSEO): Taking classes at a college for free while in high school.

Private College: Funding for the school generally comes from tuition, fees and private sources.

Public College: Funding for the school generally comes from the state government.

Resumé: A summary of a person's skills, activities and work experience often used when applying for a job.

Room and Board: Housing costs (room) and what it costs for meals (board) during the school year.

Salary: The amount of money a person makes per year.

Saving: Putting money aside for future use.

Scholarships: Money given to college students because of a special achievement, ability or background. It does not have to be repaid.

STEM Careers: High-demand jobs in science, technology, engineering and math.

Tax Credit: Reduces the amount of income tax you or your family may have to pay.

Technical College: Colleges that offer employment courses and programs which teach specific knowledge and skills leading to certain jobs.

Trade: A hands-on career that requires a high level of training and skills.

Transcript: A record of your academic progress.

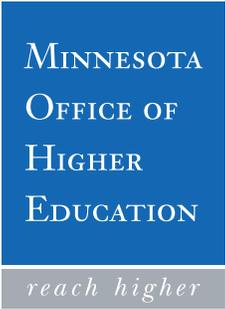
Tuition: What it costs to take classes and use certain facilities at college. Tuition does not include room and board, books and other fees.

Tutor: A person who helps students with their school work.

Undergraduate Student: Any college student without a bachelor's degree.

University: A type of school you attend after high school that offers a degree and a wide variety of majors. Universities are often referred to as "colleges".

Work Study: Jobs offered through a college and funded by the government to help students pay for college.



Minnesota Office of Higher Education
1450 Energy Park Drive, Suite 350
Saint Paul, MN 55108-5227
Tel: 651.642.0567 or 800.657.3866
TTY Relay: 800.627.3529
Fax: 651.642.0675
E-mail: info@ohe.state.mn.us
www.getreadyforcollege.org
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My Personal Information

Name: _____
School: _____
Teacher: _____
Grade: _____

About Get Ready

The Get Ready program helps prepare students from low-income families and those from groups traditionally underrepresented in college with college planning information, academic tutoring and information on career and higher education options.

About GEAR UP

GEAR UP is a federal grant program of the U.S. Department of Education created to increase the number of low-income students who are prepared to enter and succeed in postsecondary education.

About the Minnesota Office of Higher Education

The Minnesota Office of Higher Education is a cabinet-level state agency providing students with financial aid programs and information to help them gain access to postsecondary education.



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