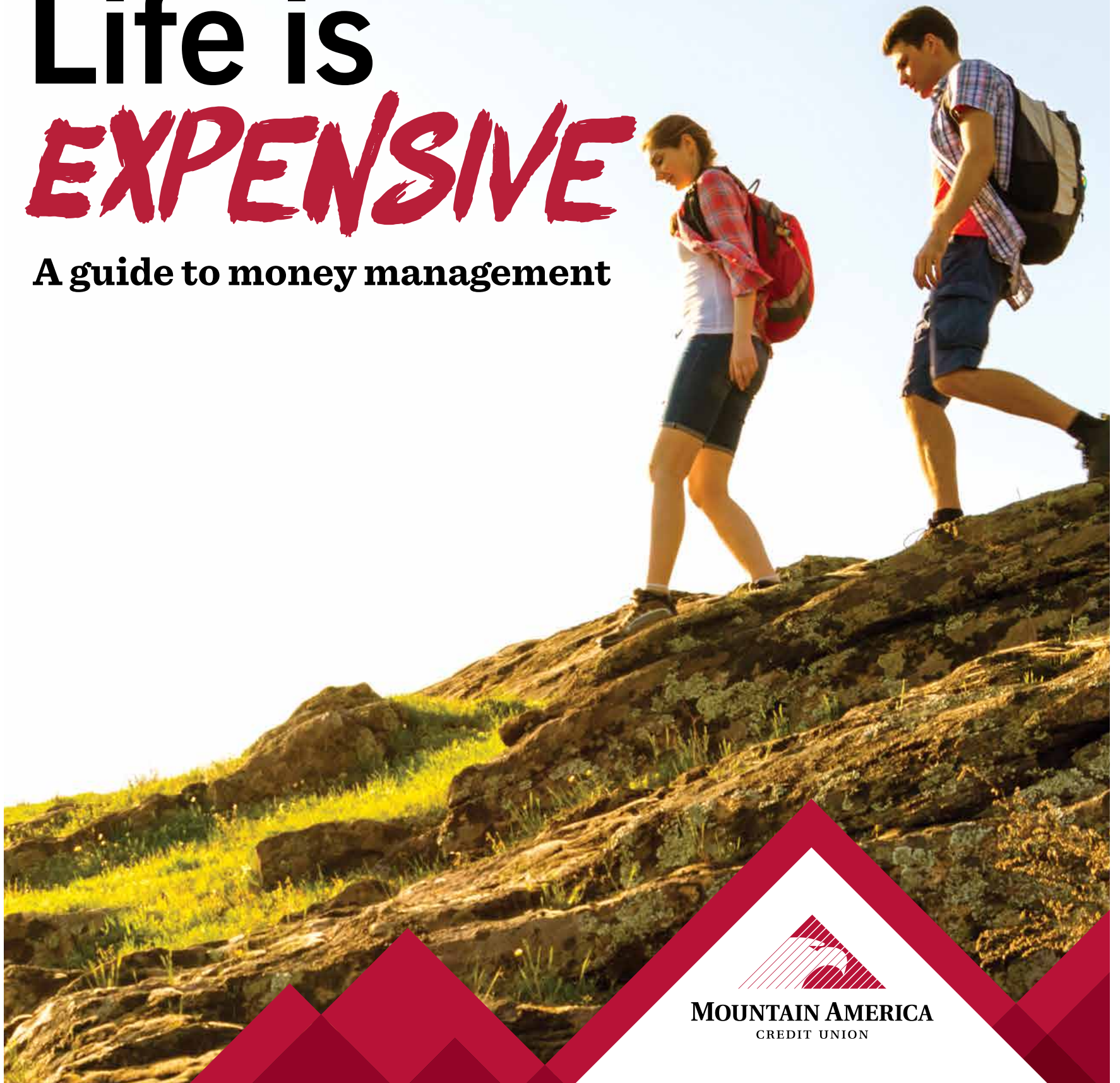


March 29, 2019

# Life is **EXPENSIVE**

**A guide to money management**



**MOUNTAIN AMERICA**  
CREDIT UNION



**MOUNTAIN AMERICA**  
CREDIT UNION

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# Life is *EXPENSIVE*

A guide to money management



Life is expensive

## Discovering the real cost of living

You can't wait to be free and on your own, can you? Well, the words on your own and free don't really go together — not when you're the one paying the bills. As it says throughout this study guide, life is expensive!

Make no mistake: Being an adult is cool, and you should dream about making it in the big world. Just think of this as a reality check.

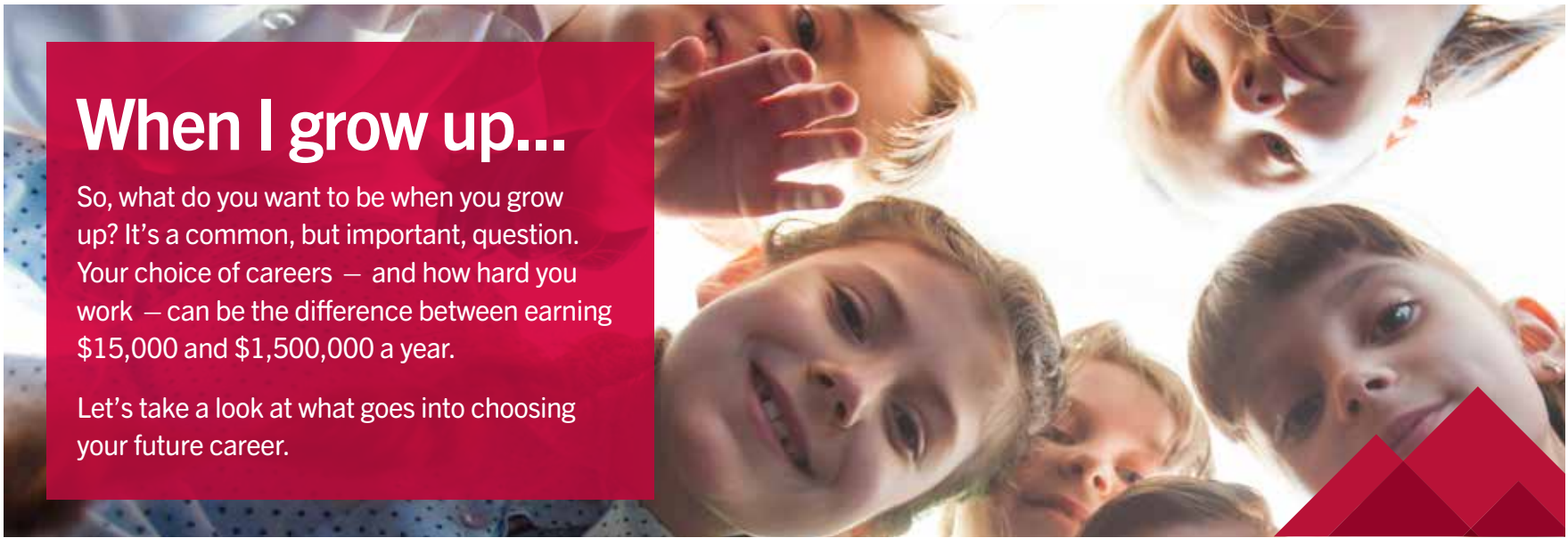
To learn about life as an adult, let's take a trip together to grown-up land, where you can watch movies all night long (if you can afford the movie channels), eat whatever you want (depending on how many mouths you're feeding) and travel to strange lands (like your manager's office, a

mortgage company or the refrigerator repair shop).

As you work through this guide, imagine you're 28 years old. You'll be able to make some choices in life, but as in the real world, some things are out of your control. This is not a game to win or lose by making the most money. Those who learn from making realistic choices and playing by the rules will come out ahead.

Use the worksheet at the end of this guide, but make sure you write in pencil — things change in life, you know. Finally, in this exercise, you'll use the newspaper and internet as tools for information and saving money. It's a good habit to get into for real life.





# When I grow up...

So, what do you want to be when you grow up? It's a common, but important, question. Your choice of careers — and how hard you work — can be the difference between earning \$15,000 and \$1,500,000 a year.

Let's take a look at what goes into choosing your future career.

## Abilities

Many people choose careers according to their abilities, whether they're creative, persuasive or good with numbers. Most abilities don't point to just one profession, but identifying your skills will allow you to rule out a lot of occupations. For example, if you're all thumbs, then being a brain surgeon or a machinist likely isn't for you.

**List two abilities — things you're good at — that might shape your career**

- 1 \_\_\_\_\_
- 2 \_\_\_\_\_

## Wants

What job will make you want to get out of bed every morning and go to work? ("Nothing" is not a choice here.) You might be skilled at a job that pays a high salary, but if it doesn't interest you, you'll be unhappy. Some people can cash in on a hobby but others can't.

**List two interests that could lead to a career:**

- 1 \_\_\_\_\_
- 2 \_\_\_\_\_

## Needs

Another part of figuring out what you want to be is knowing what you want — and need. If making a lot of money is your top goal — whether you need lots of money to raise a large family or you simply want to be rich — you might consider becoming,

say, a neurologist. If what you want most is to make a difference in people's lives, you might consider teaching.

**List some top priorities in your life:**

- 1 \_\_\_\_\_
- 2 \_\_\_\_\_
- 3 \_\_\_\_\_
- 4 \_\_\_\_\_

## Grades

For many careers, you need more than skill and desire; you need to be prepared. And most employers view education as proof that you're prepared. Colleges can be picky about who they let in; they often look at grades to help decide if a student has the skill and determination to do college work.

**So what kind of student are you?**

- ☐ Excellent: I make top grades, and I know how to study.
- ☐ Good: I make good grades through hard work or by being smart, but not both.
- ☐ So-so: I'm passing, but I have to work hard at it — or — I'm not working hard enough.
- ☐ Poor: I'm not passing all of my classes — or — I probably will drop out of high school.

Sometimes wants, needs and abilities can come together and lead a person to a dream job.

*Turn the page to pick a career...*



# Let's go to work

People have always asked you what you're going to be when you grow up. And now you can tell them! These lists show dozens of career choices, grouped by the schooling required for each. While you might change jobs — and even careers — several times in real life, you need to stick with one career for this exercise.

Life is full of choices, but your career options depend on school performance. You've probably heard of high school dropouts who became rich and famous, but you're not one of them — not in this life, anyway.

Check your response on page 3. If you said you're an "excellent" student, you can choose from any job listed here.

If you said "good," you can pick any job except those in the #4 boxes.

If you said "so-so," you can pick from jobs in the #1 and #2 boxes only.

If you said you're a "poor" student, your

choices are limited to jobs in the #1 box.

Warning: Your first instinct might be to choose a high-paying career just for the money — but wait. People who do that in real life often find themselves well paid but unsatisfied. Likewise, students who pick a high-paying job hoping to win this simulation might have full bank accounts, but they'll come up empty on learning.

Another thing: The listed salaries are national averages of monthly earnings. You might know of people making more or less in these jobs, but we're using average salaries. The same is true for education requirements. There are paralegals (listed here as a two-year college requirement) with bachelor's degrees — and those with no degrees at all. The requirements below are guidelines; some are firm (doctors, for example), while others are more flexible.

## 1. No diploma

- ☐ Bus driver ..... \$2,943
- ☐ Cashier..... \$1,918
- ☐ Electrician helper ..... \$2,265
- ☐ Farm worker..... \$2,200
- ☐ Fast food cook..... \$1,800
- ☐ Forklift operator..... \$2,916
- ☐ Highway maintenance worker..... \$3,113
- ☐ Housekeeper..... \$1,944
- ☐ Janitor ..... \$2,326
- ☐ Painter ..... \$3,191
- ☐ Salesperson (retail) ..... \$2,083
- ☐ Security guard ..... \$2,495
- ☐ Uber driver ..... \$3,330
- ☐ Restaurant server..... \$1,884

### Career planning process

When you think about choosing a career path, do you break out in a cold sweat? It doesn't have to be scary. Here are three steps to help you plan:

**Step 1 — Reflection:** Think about what makes you ... you. How would you describe your personality? What are you curious about? What motivates you? List your interests, skills, strengths and even weaknesses.

**Step 2 — Exploration:** What types of careers could work with your personality and interests? Search online job listings and maybe even give some a test run—volunteer, intern or attend a workshop or conference.

**Step 3 — Planning:** Sort through all the information you've collected and rank the career paths you're interested in. Figure out what additional training or schooling you'll need and start planning how long that will take.

Don't forget to involve your parents, teachers and mentors—they can probably share some real-world experience you haven't been able to find in your research. Remember, knowledge is power!

## 2. High School Diploma

<input type="checkbox"/> Administrative assistant.....	\$3,681
<input type="checkbox"/> Chef .....	\$5,220
<input type="checkbox"/> Child care worker .....	\$2,463
<input type="checkbox"/> Construction worker (general).....	\$2,536
<input type="checkbox"/> Data entry keyer .....	\$2,461
<input type="checkbox"/> EMT .....	\$2,405
<input type="checkbox"/> Firefighter .....	\$2,861
<input type="checkbox"/> Mail carrier.....	\$3,971
<input type="checkbox"/> Military (noncommissioned officer) .....	\$4,251
<input type="checkbox"/> Model.....	\$3,324
<input type="checkbox"/> Professional athlete.....	\$3,583
<input type="checkbox"/> Singer .....	\$3,750
<input type="checkbox"/> Travel agent.....	\$3,105
<input type="checkbox"/> Veterinarian assistant .....	\$2,384

## 2. Vocational Degree

<input type="checkbox"/> Auto mechanic .....	\$2,991
<input type="checkbox"/> Cosmetologist.....	\$2,058
<input type="checkbox"/> Electrician .....	\$4,192
<input type="checkbox"/> Floral design .....	\$3,927
<input type="checkbox"/> Hair stylist .....	\$2,554
<input type="checkbox"/> Heavy truck driver.....	\$3,425
<input type="checkbox"/> Machinist .....	\$3,119
<input type="checkbox"/> Medical assistant.....	\$2,727
<input type="checkbox"/> Plumber .....	\$4,224
<input type="checkbox"/> Welder.....	\$3,750

## 2. Associate Degree

<input type="checkbox"/> Dental hygienist.....	\$5,759
<input type="checkbox"/> Office manager .....	\$5,937
<input type="checkbox"/> Paralegal .....	\$4,235
<input type="checkbox"/> Real estate agent.....	\$3,191
<input type="checkbox"/> Registered nurse .....	\$5,772

## 3. Bachelor's degree

<input type="checkbox"/> Accountant.....	\$5,100	<input type="checkbox"/> News reporter.....	\$4,041
<input type="checkbox"/> Architect .....	\$6,138	<input type="checkbox"/> Occupational therapist .....	\$6,708
<input type="checkbox"/> Computer engineer.....	\$6,785	<input type="checkbox"/> Park ranger .....	\$3,404
<input type="checkbox"/> Fine artist.....	\$4,433	<input type="checkbox"/> Physician assistant.....	\$8,486
<input type="checkbox"/> Flight attendant .....	\$5,737	<input type="checkbox"/> Programmer.....	\$5,507
<input type="checkbox"/> Graphic designer .....	\$4,154	<input type="checkbox"/> Public relations .....	\$4,070
<input type="checkbox"/> Insurance agent .....	\$3,841	<input type="checkbox"/> Sales representative.....	\$5,912
<input type="checkbox"/> Landscape manager .....	\$4,116	<input type="checkbox"/> Social worker .....	\$4,871
<input type="checkbox"/> Marketing manager .....	\$7,975	<input type="checkbox"/> Writer .....	\$4,915
<input type="checkbox"/> Meteorologist.....	\$7,475	<input type="checkbox"/> Web developer .....	\$5,925

## 3. Master's degree

<input type="checkbox"/> Elementary teacher .....	\$4,515	<input type="checkbox"/> Pharmacist.....	\$9,396
<input type="checkbox"/> Engineer (civil).....	\$5,274	<input type="checkbox"/> Physical therapist.....	\$6,960
<input type="checkbox"/> Engineer (electrical) .....	\$6,385	<input type="checkbox"/> Psychologist .....	\$7,719
<input type="checkbox"/> Guidance counselor .....	\$4,137	<input type="checkbox"/> Secondary teacher .....	\$4,674
<input type="checkbox"/> Librarian .....	\$4,935	<input type="checkbox"/> Speech pathologist.....	\$6,471

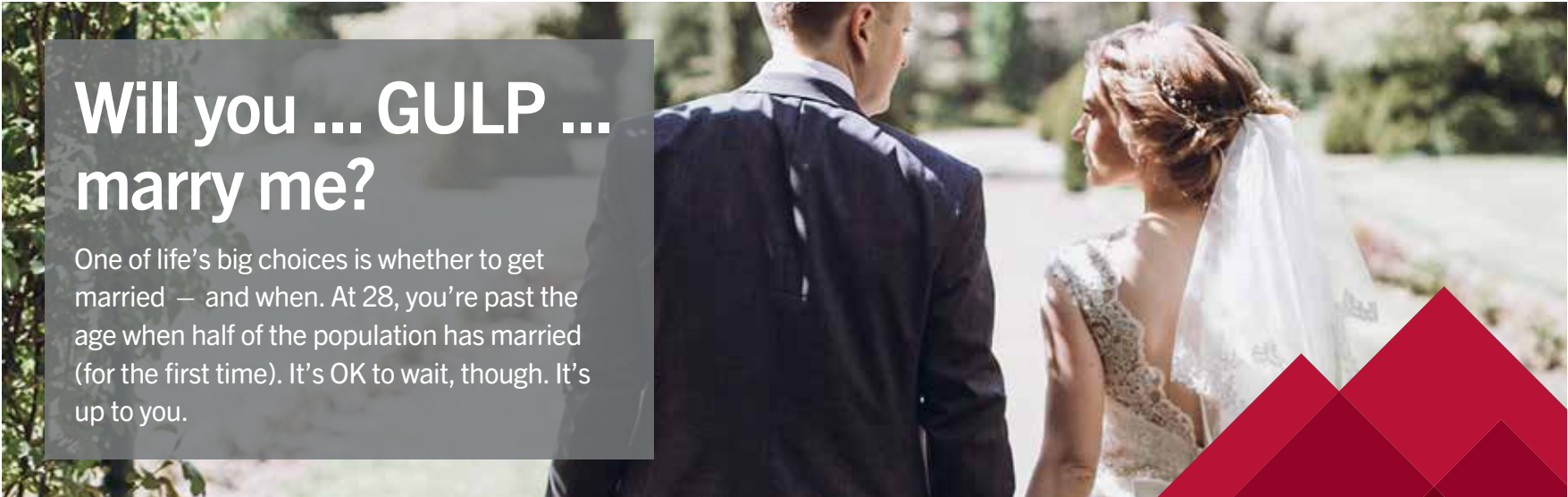
## 4. Professional degree

<input type="checkbox"/> College professor .....	\$7,477
<input type="checkbox"/> Dentist.....	\$11,770
<input type="checkbox"/> Lawyer.....	\$9,228
<input type="checkbox"/> Optometrist .....	\$9,441
<input type="checkbox"/> Veterinarian .....	\$8,285

## 4. Medical degree

<input type="checkbox"/> General practitioner .....	\$15,459
<input type="checkbox"/> Pediatrician .....	\$15,171
<input type="checkbox"/> Psychiatrist.....	\$17,136
<input type="checkbox"/> Specialist.....	\$24,987





# Will you ... GULP ... marry me?

One of life’s big choices is whether to get married — and when. At 28, you’re past the age when half of the population has married (for the first time). It’s OK to wait, though. It’s up to you.

- ☐ Yes, I’m married
- ☐ I’m still single

## Spouse’s income

If you’re married, let’s find a job for your spouse. Actually, we’ll just find an income using a totally random formula. Use the following steps to determine your spouse’s salary; you’ll decide later whether he or she works — and gets paid.

**Write your monthly salary (pages 4 & 5) here:**

---

**Multiply it by the number below that matches the day of the week you were born:**

---

**This is your spouse’s salary.**

*(If you don’t know the day of the week you were born, go to: [mathsisfun.com/games/dayofweek.html](http://mathsisfun.com/games/dayofweek.html).)*

Sunday .....	1.0
Monday .....	0.8
Tuesday.....	0.9
Wednesday .....	1.6
Thursday .....	1.2
Friday .....	1.1
Saturday.....	0.4

## Here, kiddie kiddie

Another big decision in life is whether to have children. A baby is a tiny addition with a huge impact. Kids can be very rewarding, but they cost time and money. Ready to have a family?

- ☐ Yes, I’m ready to be a parent
- ☐ No, I’m not ready

If you said yes, you’ll need to determine how many kids you have. Warning: Sometimes things go as planned, but not always.

**Write your first name:** \_\_\_\_\_ **How many kids do you have:** \_\_\_\_\_



- If your first name has an odd number of letters, you have one child.
- If your first name has an even number of letters, you have two children.
- If your first name has three letters and begins with a vowel, you have three children.
- If your first name has 10 or more letters, you have no children — even though you wanted to start a family.

Stay-at-home mom or dad

If you’re married with children, you’ll have to decide whether one of you will stay home with the kids or you’ll both work. Of course, another salary will help pay for things you need, but some couples decide to give up the second salary. So what’ll it be? Will your spouse stay at home with the kids? (Remember, you’re working either way.)

- ☐ My spouse will stay home
- ☐ My spouse will work

The money tree

With a family, you face higher expenses. Costs vary from family to family, but in this life, you’ll use the following figures for one month:

Child care (only if your spouse works)

- One child = \$550
- Two or three children = \$850

Your child care cost per month: \_\_\_\_\_

Food

- Single male = \$229
- Single female = \$194
- Couple = \$466
- Couple + one child = \$557
- Couple + two children = \$676
- Couple + three children = \$766

Your food cost per month: \_\_\_\_\_

Clothes

- For careers in boxes #1 and #2:  
\$45 per adult, \$30 per child
- For careers in boxes #3 and #4:  
\$125 per adult, \$45 per child

Your clothing cost per month:  
(adults + children):

\_\_\_\_\_

How much house can you afford?

An affordable mortgage is essential. According to bankrate.com, experts recommend your monthly payment not exceed 28 percent of your gross income (before taxes).

It’s important to also consider your income stability, savings account balance, maintenance costs and overall debt when deciding how much to pay for a home.

Want to get a good idea of the price range you can afford? Do the math!

Your total monthly income(before taxes) x 0.28 = your monthly home expense allowance: \_\_\_\_\_

Let’s go home

Married or single, parent or childless, you’ll need a place of your own as an adult. And once you know about your income and family size, you can make choices about what type of place to call home. Listed below are the costs of rent or a mortgage.

Note: You can get a place with more room than you need, say, a three-bedroom house, even if you’re single. But if you’ve got one or two kids, you need at least two bedrooms.

Rent

- One-bedroom apartment = \$1,075
- Two-bedroom apartment = \$1,399

Own

- Two-bedroom house = \$1,275
- Three-bedroom house = \$1,640
- Four-bedroom house = \$2,022
- Huge, deluxe house = \$2,845

Your housing cost per month:

\_\_\_\_\_

Rent or own?

When you rent, you make monthly payments to the property owner. To buy, you usually borrow money (a mortgage) to pay for the house, then make monthly payments to the lender. Whether to rent or own involves several factors.

Rent

**Maintenance & repairs:** The landlord/ owner of the property is responsible for upkeep and maintenance. They pay for repairs.

**Amenities:** Often apartment complexes offer fitness centers, swimming pools and playgrounds. These luxuries might be quite costly to pay for on your own.

**No down payment:** You won’t have to come up with a down payment; however, when you rent, you may have to pay the first and last month’s rent plus pet or cleaning deposits up front.

**No taxes:** The property owner is responsible for real estate taxes.

**Flexibility to move:** For those who move often for work or like living in a variety of different areas, renting may be the better option. If you own a home and want to move, you most likely will need to sell your house (or rent it out).

Own

**It’s yours:** You may pay more per month, but the house is all yours. You can paint it any color, decorate it any way you want and turn up the bass on your music.

**Long term:** Owning may be a good option if you plan to stay in one location for a long period of time. Usually your mortgage payment will remain the same, whereas rents can increase.

**Taxes:** Most homeowners can lower their income tax bill by making mortgage payments.

**Down payment:** Homebuyers often pay a big chunk of money up front just to get the home loan.

**Loan rates:** Lenders charge a fee, called interest, to lend you money. When mortgage loan interest rates are low, monthly mortgage payments are also lower and can make it a great time to buy.



# Get up and go

You've got a home. You've got a job. Now you've got to get from home to work and back again — every day. You also need transportation to everywhere else: grocery stores, mall, movies, parties — you get the idea.

You've got two choices: own your own vehicle or use public transportation (bus, subway, etc.) to get around. You can save a lot of money by taking the bus or train — but only if it's a realistic choice for you.

- ☐ I'm buying some wheels
- ☐ I'm using public transportation: **\$85**

## Let's go cruising

Chances are, you'll want wheels of your own. Many types of vehicles are available: cars, trucks, SUVs, minivans — new and used. Listed costs are monthly loan payments based on a five-year loan. Maybe in real life, you'll pay cash or lease a vehicle, but not for this exercise.



### New vehicles

Subaru Forester	<b>\$583</b>
Kia Sorento	<b>\$591</b>
Ford F-150 truck	<b>\$844</b>
Hyundai Santa Fe	<b>\$596</b>
Ford Fusion	<b>\$561</b>
GMC Yukon	<b>\$1,204</b>
Honda Civic	<b>\$416</b>
Jeep Wrangler	<b>\$694</b>
Toyota Camry	<b>\$537</b>

### Used vehicles

'14 Honda CRV	<b>\$304</b>
'05 Toyota Tacoma	<b>\$165</b>
'05 Toyota Corolla	<b>\$55</b>
'15 Volkswagen Jetta	<b>\$166</b>
'05 Dodge Ram 2500	<b>\$287</b>
'05 Lexus ES330	<b>\$139</b>

**Your monthly car payment:** \_\_\_\_\_

**Does your spouse need a car?**

**If so, enter your second car's monthly payment:** \_\_\_\_\_

**Don't forget the fuel**

Gas prices are another transportation

## Which car can you afford?

You've got to be able to get around, right? If you're in the market for a new set of wheels, you should know how much your budget can allow. Your total car expenses — including monthly payment, insurance, registration fees, gas, maintenance and repairs — should add up to no more than 15 percent of your gross income (before taxes).

Calculate which car you can afford by using the formula below:

**Your total monthly income (before taxes) x 0.15 = your monthly car expense allowance:** \_\_\_\_\_

Visit [macu.com](http://macu.com) and check out the car loan calculator. See how down payments, taxes, fees and even the length of the loan can impact your total monthly payment.

expense. Prices change, and some people drive more than others. Let's say you'll spend **\$100** a month for gas. If your spouse has a car, you two will ride together some of the time, so budget **\$65** for the second vehicle.

**Your monthly fuel payment:** \_\_\_\_\_





# Be sure to insure

People buy insurance to protect themselves in case of an accident, theft or illness. Insurance doesn't prevent these and other misfortunes from happening, but it does pay most of the cost when they do occur. For this protection, you pay the insurance company a set amount each month.

## Accidents happen

If you have a wreck, auto insurance can cover the cost of fixing your car and the medical expenses of the passengers in your car — plus the other person's car and passengers, which can total thousands of dollars.

The cost of insurance depends on how much the policy covers, the type of vehicle you drive and where you live. If you have a wreck or get a traffic ticket, your insurance rates usually go up. For this exercise, let's go with the national coverage: \$99. That's \$99 per month — per vehicle. If you don't own a car, you don't need this insurance. If your spouse owns a car, that's another \$99.

Your monthly auto insurance cost:

## To your health

Staying healthy can be cheap: Eat right, exercise and don't smoke. But if you do

get sick — or injured — health care can be very expensive. Health insurance can help even out those costs, and many employers pay for at least some of their employees' insurance. Let's say you have health insurance through work, and you pay for part of it along with other health expenses.

- Your monthly health insurance cost: **\$150**
- Additional health-related expenses, monthly: **\$80**
- Do you smoke (this includes e-cigarettes)? It'll cost you: Add **\$200** per month.

Your monthly health insurance cost:

## Fire and earthquakes and thieves, oh my!

You'll need to insure your home and your stuff (if you buy a house) or just your stuff (if you rent) against damage or theft. Here's how much you'll spend each month for insurance:

- Own: \$150
- Rent: \$13

Your monthly home insurance cost:

## Auto insurance cost factors

Driving a car is a big responsibility. In addition to obeying the speed limit, following traffic laws and avoiding distractions, stay safe on the road by purchasing a good insurance policy.

How much will it cost? That depends on several factors—and it's not just your age. The price you pay may be influenced (positively or negatively) by some unusual factors.

### True or false?

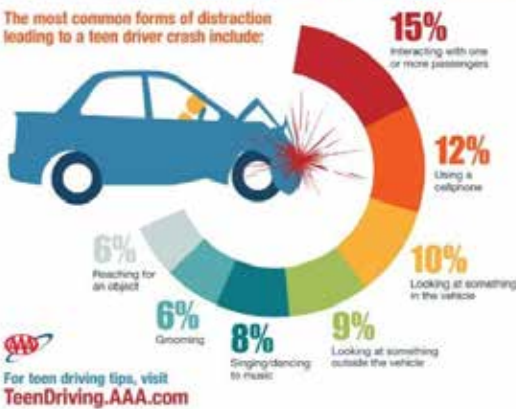
These factors can affect the cost of insurance:

- \_\_\_\_\_ Marital status
- \_\_\_\_\_ Whether you have animals
- \_\_\_\_\_ Driving record
- \_\_\_\_\_ Credit score
- \_\_\_\_\_ Grade point average
- \_\_\_\_\_ Hair/eye color
- \_\_\_\_\_ Occupation

If you're in the market for auto insurance, don't forget to shop around and compare prices. For more information on other factors that can affect your insurance rate, go to [macu.com/must-reads/insurance](http://macu.com/must-reads/insurance).

Answers: T F T T F F T

## 6 OUT OF 10 teen crashes involve driver distraction.



## Built-in costs

Living on your own is a big step forward in your adult life, but there are a lot more expenses than living costs alone. And these costs can add up quicker than you think!



### TV/internet hookups

Most American households have at least one television. How you get your TV programming depends on where you live and what you want. Your choices include: cable, a satellite dish and built-in internet. How many channels you choose is up to you.

- Internet only: \$60/month
- Very basic cable and internet (local channels only): \$95/month
- Deluxe package (loads of pay channels, movies and internet): \$140/month
- Top-tier cable and high-speed internet: \$230/month
- Streaming services: \$10/month per service

**Your monthly TV/internet cost:**

---



### Utility costs: They're shocking!

All this time, you thought your parents were bugging you about saving energy and water because they're picky. Hey, they're just trying to save money! Now that you're paying the electricity, gas and water bills, see why:

- One-bedroom apartment = \$145
- Two-bedroom apartment = \$160
- Two-bedroom house = \$195
- Three-bedroom house = \$230
- Four-bedroom house = \$265
- Huge, deluxe house = \$290

**Your monthly utility cost:**

---

### Hang up

Telephone expenses differ widely, depending on location and cellular plans. When figuring your costs, you might think you can save money by getting a cell phone for you but not your spouse. But since you'll want to stay in touch, if you get a cell, so does your spouse:

- Cell phone: \$80
- Spouse's cell phone: \$40

**Your monthly cell phone cost:**

---



### Time for taxes

People hate to pay taxes, but taxes pay for roads, police and fire protection, and thousands of programs that benefit citizens. The following table is not the real tax table, and it ignores hundreds of details that add or subtract from a real-life tax bill. But it'll give you a good idea of the bite that taxes take out of your monthly income.

1. Write your monthly income (include your spouse): \_\_\_\_\_

Between \$1,000 - \$2,100, **multiply by 0.10 (10%)**

Between \$2,101 - \$3,500, **multiply by 0.15 (15%)**

Between \$3,501 - \$4,900, **multiply by .20 (20%)**

Between \$4,901 - Up, **multiply by 0.25 (25%)**

**Monthly tax payment:**

---



# Give and take

## Where's the love?

When charities come knocking on your door (or reach out to you online), how will you respond? Can you say no to the American Cancer Society, the YMCA, your college and the kid down the street? Most Americans donate to charities, and the annual amount varies from pocket change to \$3.3 billion (from Microsoft CEO Bill Gates). The average family gives about 3 percent of its income to charities. Calculate 3 percent of your monthly earnings:

Your income + spouse's income = \_\_\_\_\_  
Multiplied by 0.03 = \_\_\_\_\_  
Your monthly contribution to charities.

## See the world

You deserve a vacation this year — if you can afford it. Choose from one of the following vacation packages and then set aside money each month to pay for it. The prices include travel and food:

- One week at your in-laws' house .....\$60
- One week camping (driving) ..... \$240
- One week at a state park (driving) ..... \$720
- One week at the beach (driving) ..... \$960
- One week in San Francisco (or another far away city) .....\$1,320
- Four-day Caribbean cruise ..... \$1,620
- One week at Disney World .....\$1,980
- One week in Hawaii .....\$2,880
- One week in Europe.....\$3,480
- Two-week Mediterranean cruise .....\$9,000

Your monthly set-aside for vacation (divide above amount by 12):  
\_\_\_\_\_



## Out to lunch

If you want to eat out — and who doesn't — it'll cost you. Use this chart to determine your family's cost of eating out, then decide how many times you'll eat out each month.

	Fast food	Fine dining
Single	\$7	\$8
You and spouse (or date)	\$14	\$36
Married + one child	\$18	\$40
Married + two children	\$22	\$55

Number of visits per month to fast food restaurant x cost =  
\_\_\_\_\_

Number of visits per month to nicer restaurant x cost =  
\_\_\_\_\_

Total dining-out cost for the month:  
\_\_\_\_\_

## Budget for giving

According to a recent Cassandra report, 26 percent of Gen Zers have recently raised money for a cause, and 32 percent of these teens donated their own money. A majority of this generation believe giving your money and time to charity is a “measure of success.”

Plan charitable giving into your budget just by giving up one thing per week—one fast-food dinner, coffee run, movie or video game download or new t-shirt.

How much can you give? Use the formula below to find out!

Average cost of activity x 52 (weeks in a year) =  
amount of money saved to give to charity: \_\_\_\_\_

Be sure to research any charity you plan to support. Visit the organization's website, as well as charity search engines—like Guidestar.com, Give.com and CharityNavigator.com—to get more information.





**Budget and save**

No matter what you earn, you can take steps toward financial security by creating and sticking to a budget and savings plan.

Budgeting is making choices that match your spending goals with your income. In real life, your first step to making a budget will be to track all of your expenses. When you keep a record of your spending, you might be shocked to find out how much you spend on things such as movies and cheese puffs.

Saving is holding on to some of your money so you can use it in the future. Many people set aside money in an account that grows tax-free until it's withdrawn years later. Company-sponsored plans are called 401(k) plans. You can also start an Individual Retirement Account (IRA) on your own. The more you set aside — and the sooner you start doing it — the more you'll have to enjoy when you retire.

Let's start small; let's save \$25 per month.

**One more thing to budget**

College was great, wasn't it? Well, you're still paying for it. Not everyone borrows money to pay for higher education, but let's say you did. Check on pages 4 and 5 to remind yourself how much schooling you need for your career. The table

below shows typical monthly payments for student loans:

Vocational school .....	\$54
Associate degree .....	\$60
Bachelor's degree .....	\$184
Master's degree .....	\$220
College professor .....	\$280
Professional degree .....	\$530
Physician .....	\$840

**Your monthly student loan payment (include your spouse):** \_\_\_\_\_



**Get an app to help you build your savings**

Technology has come a long way! Today, you can even download an app to help you save money. Different apps work in different ways, but one of the easiest is rounding up. These apps round every purchase to the nearest whole dollar with a registered credit or debit card. Those pennies then get deposited into a designated savings account. Before you know it, you've saved a whole bunch of money just by doing what you normally do!

Let's see how much you can save. Let's say that, in one week, you make these purchases:

- **Gas:** \$24.52
- **Lunch:** \$7.24
- **School supplies:** \$12.36
- **Headphones:** \$32.44
- **Movie tickets:** \$18.77
- **Movie snacks:** \$15.15
- **Lunch:** \$7.24
- **Music streaming service:** \$11.39
- **Dinner:** \$11.71

If you use a savings app that rounds up these purchases to the nearest whole dollar, how much could be deposited into your savings account? \_\_\_\_\_

Now, take it further. Based on saving that much every week, how much could you save in a year?

**Amount saved weekly x 52 (weeks per year) = amount saved yearly:**

Isn't it amazing that you can save that much just by doing what you do every day?

Interested in getting started? Check out the **Acorns** app and download it today!

Answer: \$5,18 saved per week; \$269.36 saved per year

# Wildcards

Now that you've established your monthly income and expenses, see what can happen when unexpected expenses (or income) come your way — life's wildcards. Several possible events are numbered and listed below, and three will happen to you. Hey, that's life. You'll need two dice for this part. Let the number you roll with the first die be the first digit; the second roll yields your second digit. Using dice, the lowest possible number is 11, and the highest is 66. Write the monetary results of your three wildcard rolls in the blanks below.

**11**  

Teenagers break out your windshield (only if you have a car; roll again if you use public transportation). **You pay \$250 to replace it.**

**12**  

The toilet won't flush. **You pay \$82 for a plumber.** If you pay rent, pay nothing.

**13**  

Find a lost dog and collect the reward. **You get \$20.**

**14**  

You've got a cold. Insurance covers most of your visit to the doctor's office. **You pay \$15.**

**15**  

If you have kids, one has a broken arm. Even with insurance, medical care and time off work add up. **You pay \$75.** No kids, pay zero.

**16**  

You can't wait to see the new blockbuster movie. **For two tickets and popcorn, you pay \$21.**

**21**  

You overpaid last year's taxes. Who knew? **You get \$112 for an income tax refund.**

**22**  

Happy birthday to your nephew. **For a present, you pay \$20.**

**23**  

Not the TV! You need a new one and can make monthly payments. **You pay \$51.**

**24**  

A smoker's cough turns into bronchitis. **Pay \$25 for medical care.** Don't smoke, pay zero.

**25**  

You have a yard sale. **You get \$178.**

**26**  

You were caught speeding on the highway. **You pay \$82.**

**31**  

As employee of the month, **you get \$50.**

**32**  

Pitch in for your Boss's Day gift. **You pay \$5.**

**33**  

Time for an oil change. **You pay \$34 if you drive.** Double if your spouse has a car.

**34**  

You earned a promotion at work! **You get 5% of your salary added to your income each month!**

**35**  

You're going on a vacation and need new clothes. **You pay \$135.**

**36**  

You get a puppy from the pound. **You pay \$80 for shots and a license.**

**41**  

Your friend won't let you miss a concert. **You pay \$45.**

**42**  

Who can say no to Girl Scout cookies? Not you! **You pay \$9.**

**43**  

Your photo wins a contest in a magazine. **You get \$50.**

**44**  

A cousin dies and you're in her will. **You get \$200 a month from a trust fund.**

**45**  

You run over a neighbor's newly planted tree. **You pay \$85 to replace it.**

**46**  

You need new shoes to be in a wedding. **You pay \$65.**

**51**  

Your kid needs money for a field trip. **You pay \$4.** No kids, pay zero.

**52**  

It's your 10-year class reunion. **You pay \$50.**

**53**  

It's your lucky day! Someone lost a five-dollar bill, and you found it. **You get \$5.**

**54**  

It's a home run — through your window. **You pay \$35, but only if you own a home.**

**55**  

You broke your phone. **You pay \$150.**

**56**  

Your child stars in a local TV commercial. **You get \$100.** No kids, no money.

**61**  

Your kid lost his coat. **You pay \$45 for a new one.** Don't have kids, pay zero.

**62**  

You win a karaoke contest at the fair. **You get \$25.**

**63**  

You broke off a doorknob at home. **You pay \$30.**

**64**  

The power company over-charged its customers. **You get \$6 as a rebate.**

**65**  

A storm brings a tree limb crashing into your gutter. **You pay \$110 if you own your home.**

**66**  

You spilled your drink all over your laptop. **You pay \$40 a month for three years for a new one.**

**1st wildcard:** \_\_\_\_\_  
(include + or -)

**2nd wildcard:** \_\_\_\_\_  
(include + or -)

**3rd wildcard:** \_\_\_\_\_  
(include + or -)

**Wildcard total:** \_\_\_\_\_ (include + or -)



How does your life

# Add up?

## Expenses

Child care cost (pg. 7): \_\_\_\_\_

Food cost (pg. 7): \_\_\_\_\_

Clothing cost (pg. 7): \_\_\_\_\_

Housing cost (pg. 7): \_\_\_\_\_

Public transportation or  
Car payment (pg. 8): \_\_\_\_\_

Spouse's car payment (pg. 8): \_\_\_\_\_

Monthly gas cost (pg. 8): \_\_\_\_\_

Auto insurance cost (pg. 9): \_\_\_\_\_

Health insurance and additional  
expenses (pg. 9): \_\_\_\_\_

Home insurance cost (pg. 9): \_\_\_\_\_

TV/internet cost (pg. 10): \_\_\_\_\_

Utilities cost (pg. 10): \_\_\_\_\_

Cell phone cost (pg. 10): \_\_\_\_\_

Tax payments (pg. 10): \_\_\_\_\_

Contribution to charities (pg. 11): \_\_\_\_\_

Set-aside for vacation (pg. 11): \_\_\_\_\_

Dining-out cost (pg. 11): \_\_\_\_\_

Savings (pg. 12): \_\_\_\_\_

Student loan payment\* (pg. 12): \_\_\_\_\_

Wildcard total (pg. 13)  
(include + or -): \_\_\_\_\_

**TOTAL EXPENSES (A):**

## Income

List your monthly salary (from Pages 4 and 5)\*: \_\_\_\_\_

Write spouse's salary here (Page 6): \_\_\_\_\_

**TOTAL INCOME (B):**

\* If you selected a career requiring a medical degree, there's something you need to know: at 28, you're not finished with your education — you're still an intern. Use \$3,916 as your monthly salary. Also, go back to Page 6 and recalculate your spouse's salary. Don't worry, though; you'll be earning the big bucks in a couple of years.

Don't panic, doctor. If you chose a career requiring a medical degree, you're still getting your education and do not have to pay back student loans — yet!





**SUBTRACT YOUR TOTAL EXPENSES (A) FROM YOUR TOTAL INCOME (B).**

**TOTAL INCOME (B): \$ \_\_\_\_\_ - TOTAL EXPENSES (A): \$ \_\_\_\_\_**

**FINAL MONTHLY TOTAL: \$ \_\_\_\_\_**

**ANSWER THESE QUESTIONS FOR YOURSELF, THEN DISCUSS THEM WITH SCHOOLMATES, FRIENDS OR FAMILY MEMBERS:**

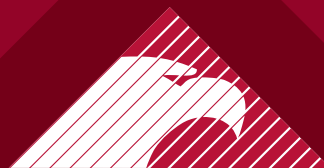
1. **SO HOW ARE YOU DOING, MONEYWISE? ARE YOU IN THE BLACK (WITH A POSITIVE NUMBER)? OR IN THE RED (WITH A NEGATIVE NUMBER)?**
2. **ARE YOU PLEASED WITH YOUR FINANCIAL SITUATION AS A 28-YEAR-OLD?**
3. **ARE YOUR FINANCES, AS LISTED HERE, THE RESULT OF CHANCE OR CHOICES?**
4. **HOW MUCH DID YOUR GRADES AFFECT THE OUTCOME? HOW MUCH WILL GRADES AND EDUCATION AFFECT YOUR REAL-LIFE OUTCOME?**
5. **WHAT CAN YOU DO IN REAL LIFE TO AVOID THE FINANCIAL PROBLEMS ENCOUNTERED IN THIS EXERCISE?**



# GUIDING YOU FORWARD

Mountain America Credit Union is dedicated to investing in future generations by helping young people achieve financial well-being and academic success.

Through education, we want to **help students** establish habits that will **improve their financial future**, creating a ripple effect that benefits the entire community.



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