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| **Financial Literacy**  **SS7E10 Understand that a basic principle of effective personal money management is to live within one’s income. a. Understand that income is received from work and is limited.**  **b. Understand that a budget is a tool to plan the spending and saving of income.**  **c. Understand the reasons and benefits of saving.**  **d. Understand the uses and costs of credit.** | |
| Vocabulary: | **Income – \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ received on a regular basis**  **Expenses – the \_\_\_\_\_\_\_\_\_\_\_\_ required for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  **Personal budget – a finance \_\_\_\_\_\_\_\_\_\_\_\_ considering income and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  **Saving– putting money \_\_\_\_\_\_\_\_\_\_\_\_\_ for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ use.**  **Credit – the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of a customer to obtain goods and services \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ payment**  **Interest – \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ money paid as a percentage rate for use of money \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  **Credit Rating – the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of the ability of a person to pay \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ money borrowed** |
| What? | \* **Financial planning starts with your regular \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Making sure you always have \_\_\_\_\_\_\_\_\_\_\_ income than expenses guarantees a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ personal budget.**  **\*Income is the \_\_\_\_\_\_\_\_\_\_\_\_\_\_ you receive on a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ basis; however, income may be fixed (the same all the time) or variable (changes regularly). Fixed is easier to plan, but a budget can be made either way.**  **\*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ are the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ you make. For your budgeting, you should consider regular expenses or those you make pretty much every month. Like income, some expenses are \_\_\_\_\_\_\_\_\_\_\_\_ or variable.**  **\*A completed \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ finds the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ between income and expenses. If there is money left over, it can be used for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ expenses, savings, or investment. If more money is spent than earned, you will need to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ your expenses.** |
| So What? | + **To earn an \_\_\_\_\_\_\_\_\_\_\_\_\_\_– you have to find \_\_\_\_\_\_\_\_\_\_\_\_\_, and there are only so many hours in one day.**  +**Creating a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and sticking to it, will help you to be more financially \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, even if times are tough.**  +**Having a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ account is helpful because you will have money to help with unplanned expenses, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, and it serves as a fund of money so that you do not have to pay interests on credit cards or loans.** |
| Sentence, phrase, Word: | **-Income:**  **-Budget:**  **-Expenses** |
| What? | **\*\_\_\_\_\_\_\_\_\_\_\_\_ allows you to borrow money to make purchases \_\_\_\_\_\_\_\_, but at the cost of added \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.**  **\* Credit \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ determine your future interest rates on \_\_\_\_\_\_\_\_\_\_\_\_\_\_. You need to work hard on your finances to improve your score by paying all bills on \_\_\_\_\_\_\_\_, and using credit cards \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.** |
| So What? | **+Credit isn’t \_\_\_\_\_\_\_ money – it is paying \_\_\_\_\_\_\_\_\_\_ than the cost of your purchase \_\_\_\_\_\_\_\_\_. Whenever you purchase on credit, you must consider the impact of interest.**  **+\_\_\_\_\_\_\_\_\_\_\_\_ off your bills and credit cards on time is important for your \_\_\_\_\_\_\_\_\_\_\_ score. When you look to make large purchases like a car or a home, a bad credit score makes your interest rate \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.** |
| Review Questions: | 1. \_\_\_\_\_\_\_\_\_ 2. \_\_\_\_\_\_\_\_\_\_ 3. \_\_\_\_\_\_\_\_\_\_ |
| Sentence, phrase, word summary: | **-Credit:** |