


¢CENTS & \$ENSIBILITY



A Guide to
Money Management

Chapter 1

Let's Get Started

Need

Something you must have to survive, like a place to live and enough food to eat.

Want

Something you might like to have, but you don't need to have to survive and you don't have to have right away.

Needs

Clothes

Food

Shelter

Health Care

Wants

Video Games

Eating Out

Homeownership

Concert Tickets

Need or Want?

Decide if each item is a need or a want.



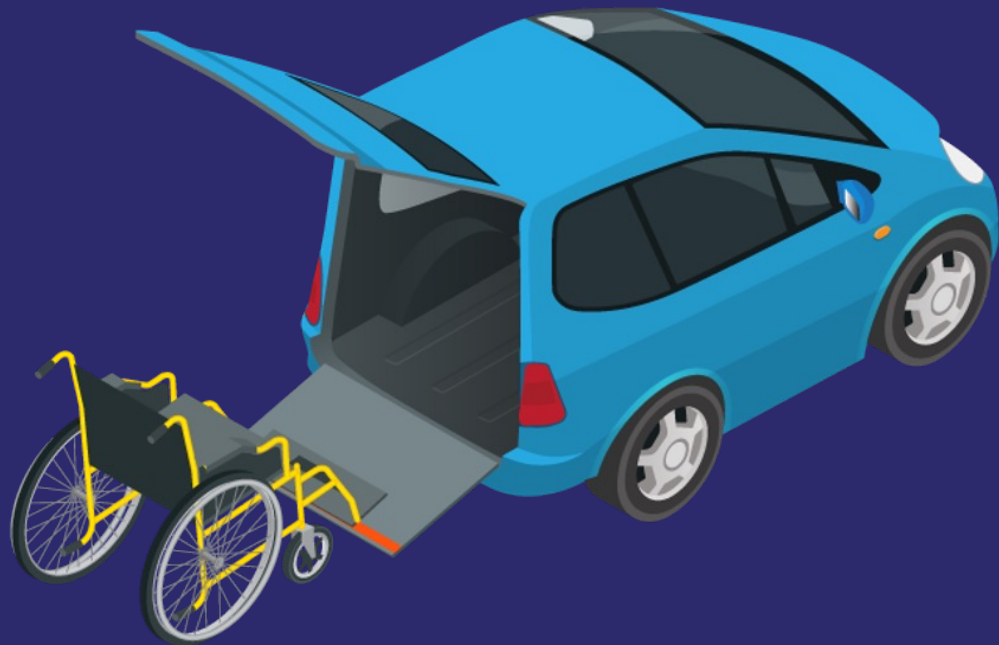
BIKE



BED

SMART PHONE





VEHICLE WITH RAMP



GLASSES



COMPUTER



WHEELCHAIR

TOOTHBRUSH & TOOTHPASTE





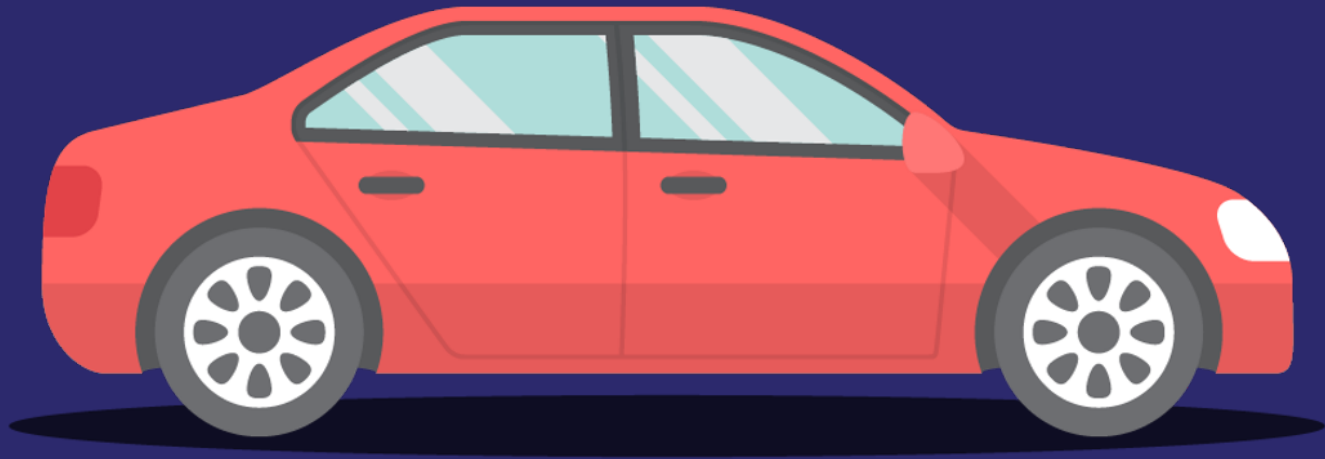
VIDEO GAMES

HEALTH CARE





TELEVISION



CAR

SMART SPEAKER





CLOTHES

SMART HOME TECHNOLOGY



ACTIVITY #1

What I Need and What I Want

First, list your needs, things you *must have* to survive.
Next, list your wants.



REMEMBER

Here's a good rule about money. When you're spending money, *it is important to put your needs first*. That's why it helps to know the difference between your needs and your wants.

My Needs

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

My Wants

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

ACTIVITY #2

My Money Habits

Answer Yes or No to the following statements.

1. When I receive money, I develop a plan for how to use it.
2. I keep track of how much money I spend each month.
3. I can tell you the last time I spent money and what it was for.
4. When I borrow something, I return it on time.
5. I keep my money in a safe location.
6. I know how much money I have.
7. When I receive money, I save some of it for later.
8. I have something that I am saving for in the future.
9. I keep information about my money private.

Chapter 2

Money Mapping: Get Ready to Budget

Income

- Money coming in
- Can be earned or unearned

Earned Income

Money received in exchange for doing a job, such as:

- Hourly Wage
- Salary
- Tips
- Commission

Unearned Income

Money from sources other than a job,
such as:

- Gifts
- Interest
- Government Benefits
- Retirement Pension

A Month in the Life of Miguel

Miguel is so excited! It is June, and he just graduated from high school. He's pretty proud of himself and so is his family. They had a special dinner and a cake to celebrate.

His grandmother gave him a card with a check for \$50! It was the most money he'd ever received at one time.



A Month in the Life of Miguel

Miguel plans to add most of this money to his savings. He has been saving money for a long time.

Some weekends he helps his neighbor by mowing her yard and pulling weeds. She pays him \$10 for each hour that he works. He averages \$15 each time she needs his help.



A Month in the Life of Miguel

That isn't the only money Miguel has coming in, though. Each month he receives a check from the government to help with his basic living expenses.



A Month in the Life of Miguel

Miguel is looking forward to working on a regular basis now that he's graduated. He started looking for a job before graduation, and he was glad to find one that will accommodate his disability, including working at a slower pace and getting help from a co-worker to learn how to do his job well.



A Month in the Life of Miguel

He will be new on the job and doesn't have much training. The job pays the minimum wage in Pennsylvania - \$7.25 per hour. He's hoping to work 20 hours each week and earn \$145.

After a full month, he figures he will have earned \$580.



Earned

\$15 from mowing grass
and pulling weeds

\$145 from new job

Unearned

\$50 check from Grandma

Government Benefits

Gross Earnings

The total amount of your earned income.

Gross Earnings

Example: If you work 20 hours for \$10 per hour, your gross earnings will be \$200.

So – your check will be for \$200, right?

Not quite...

Net Earnings

The amount you take home, after taxes and other deductions have been taken out of your total (gross) earnings.

Gross vs. Net

*In 2021, a single person filing federal income taxes can deduct \$12,550 from their income before calculating their tax liability (the standard deduction). So, if you earned \$31,200, you would pay taxes on \$18,650.

The first \$9,950 is taxed at a rate of 10%; the remaining \$8,700 is taxed at 12%. The total tax liability is \$2,040, which is 6.54% of the taxpayer's total income.

Hours Worked per Week	40
Hourly Rate	\$15
Annual Gross Earnings (52 weeks)	\$31,200
<u>Deductions</u>	
Federal Income Tax* (6.54%)	\$2,040
Local (Philadelphia) Wage Tax (3.84%)	\$1,198
PA Income Tax (3.07%)	\$958
Social Security Tax (6.2%)	\$1,934
Medicare Tax (1.45%)	\$452
PA Unemployment Insurance	\$19
Net Earnings	\$24,598

Which earnings should you count on using?

Gross or Net

Which earnings should you count on using?

Net

Types of Earnings

- Hourly Wage – per hour worked
- Salary – fixed
- Tips or Commission – percent
- Piecework – per job completed

Cory

Cory works as an automobile mechanic. He earns \$15 per hour. If he works 38 hours each week, what will his gross earnings equal?



Cory

\$15 per hour x 38 hours

Gross Earnings = \$570



Cory

\$15 per hour x 38 hours

Gross Earnings = \$570

Hourly Wage, Salary, Tips,
Commission, or Piecework?



Cory

\$15 per hour x 38 hours

Gross Earnings = \$570

Hourly Wage, Salary, Tips,
Commission, or Piecework?

Hourly Wage



Jasmine

Jasmine works at a beauty salon. On top of her regular pay, she earns 10% for each beauty product she sells. If she sells \$240 in a week, how much extra will she earn?



Jasmine

10% of \$240 = $.10 \times \$240$

Extra Earnings = \$24



Jasmine

10% of \$240 = $.10 \times \$240$

Extra Earnings = \$24

Hourly Wage, Salary, Tips,
Commission, or Piecework?



Jasmine

10% of \$240 = $.10 \times \$240$

Extra Earnings = \$24

Hourly Wage, Salary, Tips,
Commission, or Piecework?

Commission



Adeline

Adeline sells their photography online. They are paid \$30 for each picture they sell. What are their gross earnings if they sell 25 pictures in one week?



Adeline

\$30/picture x 25 pictures

Gross Earnings = \$750



Adeline

\$30/picture x 25 pictures

Gross Earnings = \$750

Hourly Wage, Salary, Tips,
Commission, or Piecework?



Adeline

\$30/picture x 25 pictures

Gross Earnings = \$750

Hourly Wage, Salary, Tips,
Commission, or Piecework?

Piecework



Felipe

Felipe is a computer programmer. He earns \$66,000 each year. What are his monthly gross earnings?



Felipe

\$66,000 / 12 months

Monthly Gross Earnings = \$5,500



Felipe

\$66,000 / 12 months

Monthly Gross Earnings = \$5,500

Hourly Wage, Salary, Tips,
Commission, or Piecework?



Felipe

\$66,000 / 12 months

Monthly Gross Earnings = \$5,500

Hourly Wage, Salary, Tips,
Commission, or Piecework?

Salary



Activity #4:

Calculate My Monthly Income

My Monthly Income for the Month of: _____

Income Description

Amount

1. _____

\$ _____

2. _____

\$ _____

3. _____

\$ _____

4. _____

\$ _____

5. _____

\$ _____

Total Monthly Income

\$ _____

Sorting Expenses

- Groceries
- Personal Care
- Eating Out
- Transportation
- Clothing
- Entertainment
- Health
- Other

Activity #6:

Organize My Cash Expenses

My Cash Expenses for the Month of: _____

Expense Description	Need	Want	Amount
1. _____	_____	_____	\$ _____
2. _____	_____	_____	\$ _____
3. _____	_____	_____	\$ _____
4. _____	_____	_____	\$ _____
5. _____	_____	_____	\$ _____
6. _____	_____	_____	\$ _____

Activity #7:

Organize My Recurring Monthly Expenses

My Fixed Recurring Monthly Expenses for the Month of: _____

Expense Description	Need	Want	Amount
1. _____	_____	_____	\$ _____
2. _____	_____	_____	\$ _____
3. _____	_____	_____	\$ _____
4. _____	_____	_____	\$ _____
5. _____	_____	_____	\$ _____
6. _____	_____	_____	\$ _____

Personal Statement of Monthly Income and Spending

Step 1:

Copy all the items checked “need” onto the list with the amount spent on each one.

Step 2:

Add together the amount spent on your needs to find the total.

Step 3:

Copy all the items checked “want” onto the list with the amount spent on each one.

Step 4:

Add together the amount spent on your wants to find the total.

Step 5:

Add your total needs to your total wants.

Step 6:

Enter the amount of your monthly income.

Step 7:

Subtract the total of your needs and wants from your monthly income to determine your cash flow.

Activity #9:

Bring It All Together!

My Personal Statement of Income and Spending for the Month of _____

Step 1: My Needs

Description	Amount
1. _____	\$ _____
2. _____	\$ _____
3. _____	\$ _____
4. _____	\$ _____
5. _____	\$ _____
6. _____	\$ _____

Step 2: My Total Needs \$ _____

Step 3: My Wants

Description	Amount
1. _____	\$ _____
2. _____	\$ _____
3. _____	\$ _____

Step 4: My Total Wants \$ _____

Step 5: My Expenses \$ _____
(Total Needs + Total Wants)

Step 6: My Total Monthly Income \$ _____

Step 7: My Cash Flow \$ _____
(Income – Expenses)

Activity #10:

Comparison Shopping

EXAMPLE: Comparison Shopping for Jeans

Store:	GAP (at the mall)	Discount Store (Marshalls)	Internet	Thrift Store
Price:	\$50	\$35	\$30	\$10
Location:	Far away	Close	My home	Very close
Hours:	Convenient	Convenient	Convenient	Closes at 4:30 p.m.
Extra Costs:	\$10 for para transit	None	\$7 for shipping	None
Other:	Fun to visit!	None	Can't try them on	Don't have my size

Chapter 3

My Personal Money Map

Activity #11:

Complete My Personal Money Map

My Personal Money Map for the Month of _____

My Needs Description	Planned Spending	Actual Spending
1. _____	\$ _____	\$ _____
2. _____	\$ _____	\$ _____
3. _____	\$ _____	\$ _____
4. _____	\$ _____	\$ _____
5. _____	\$ _____	\$ _____
My Total Needs	\$ _____	\$ _____

My Wants Description	Planned Spending	Actual Spending
1. _____	\$ _____	\$ _____
2. _____	\$ _____	\$ _____
My Total Wants	\$ _____	\$ _____
My Expenses (Total Needs + Total Wants)	\$ _____	\$ _____
My Total Monthly Income	\$ _____	\$ _____
My Cash Flow (Income – Expenses)	\$ _____	\$ _____

Planning Your Spending

Step 1:

Make a list of all your needs and the amount you plan to spend on each.

Step 2:

Add together the amount you plan to spend on your needs to find the total.

Step 3:

Make a list of your wants and the amount you plan to spend on each.

Step 4:

Add together the amount you plan to spend on your wants to find the total.

Step 5:

Calculate your total planned expenses.

Total Needs + Total Wants

Step 6:

Enter the amount of income you plan to receive.

Step 7:

Subtract the total of your expenses from your monthly income to determine your cash flow.

Examining Your Spending

Step 1:

Fill in the amount you actually spent on each need and add unexpected needs, if you had any.

Step 2:

Add together the amount you actually spent on your needs to find the total.

Step 3:

Fill in the amount you actually spent on each want and add unexpected wants, if you had any.

Step 4:

Add together the amount you actually spent on your wants to find the total.

Step 5:

Calculate your total actual expenses.

Total Needs + Total Wants

Step 6:

Enter the amount of income you actually received.

Step 7:

Subtract the total of your expenses from your monthly income to determine your actual cash flow.

Understanding Your Money Map

Surplus

- Income > Expenses
- Positive cash flow
- You have money left over

Deficit

- Income < Expenses
- Negative cash flow
- You have overspent

Fixed Expenses

- Predictable
- Same each month

Variable Expenses

- Change from month to month

Chapter 4

My Lifelong Saving Commitment

Paying Yourself First



Pay Yourself First

After paying your housing expenses, add money to savings at the beginning of the month instead of only saving “leftover” money.

Saving 10%

Save a dime for every dollar you earn.



Saving 10%

What is 10% of \$100?

What is 10% of \$200?

What is 10% of \$500?

Saving 10%

What is 10% of \$100? \$10

What is 10% of \$200? \$20

What is 10% of \$500? \$50

What Am I Saving For?

Saving for the Future

- Expensive purchases
- Special occasions
- Unexpected emergencies
- Entertainment

Activity #12:

What Am I Saving For?

List some things you plan to save for:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

Developing a Savings Plan

Savings Plan

How much do you need to save?

How long do you have to save?

Amount Needed to Save

Months to Save

=

Amount to Save

Per Month

What Will I Do to Save?

Saving Tips

- Decrease spending on wants
- Make saving an expense
- Put away \$1 every day
- Break expensive habits
- Increase income



More Saving Tips

- Look for sales
- Shop thrift stores and garage sales
- Use coupons and rebates

What Will I Do to Save?

Make a list of what you will do to save for your goals.

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

The Impact of Saving Limits

Saving Limits

- How much can be saved before losing or decreasing government benefits?
- What assets are counted?
- Are there any exceptions?

Options for Saving

- Achieving a Better Life Experience (ABLE) Accounts
- Plan to Achieve Self-Support (PASS)
- Special Needs Trusts
- Individual Development Accounts (IDAs)

Achieving a Better Life Experience (ABLE) Accounts

- For people who acquired their disability prior to age 26 and qualify for Social Security Income (SSI)
- Can save up to \$16,000 each year (as of 2022)
- Use for disability-related expenses
- Doesn't impact SSI, Medical Assistance, or waiver asset limits

Special Needs Trust

- Family member or friend may establish a trust on your behalf
- Family members or friends can deposit money
- Can be used to pay for expenses not covered by a government program, but not regular, recurring expenses like food
- Complicated – get help from a Trust administrator or lawyer

Individual Development Accounts (IDAs)

- For saving toward a specific goal
- Money put into account is matched
- Requirements include regular contributions and taking classes on managing your finances

Plan to Achieve Self-Support (PASS)

- For people who are working or plan to work
- Offered through the Social Security Administration
- Save toward an item or service needed for a work goal (such as transportation or technology)

Chapter 5

Where Should I Keep My Money?

Credit Unions and Banks

Credit Unions

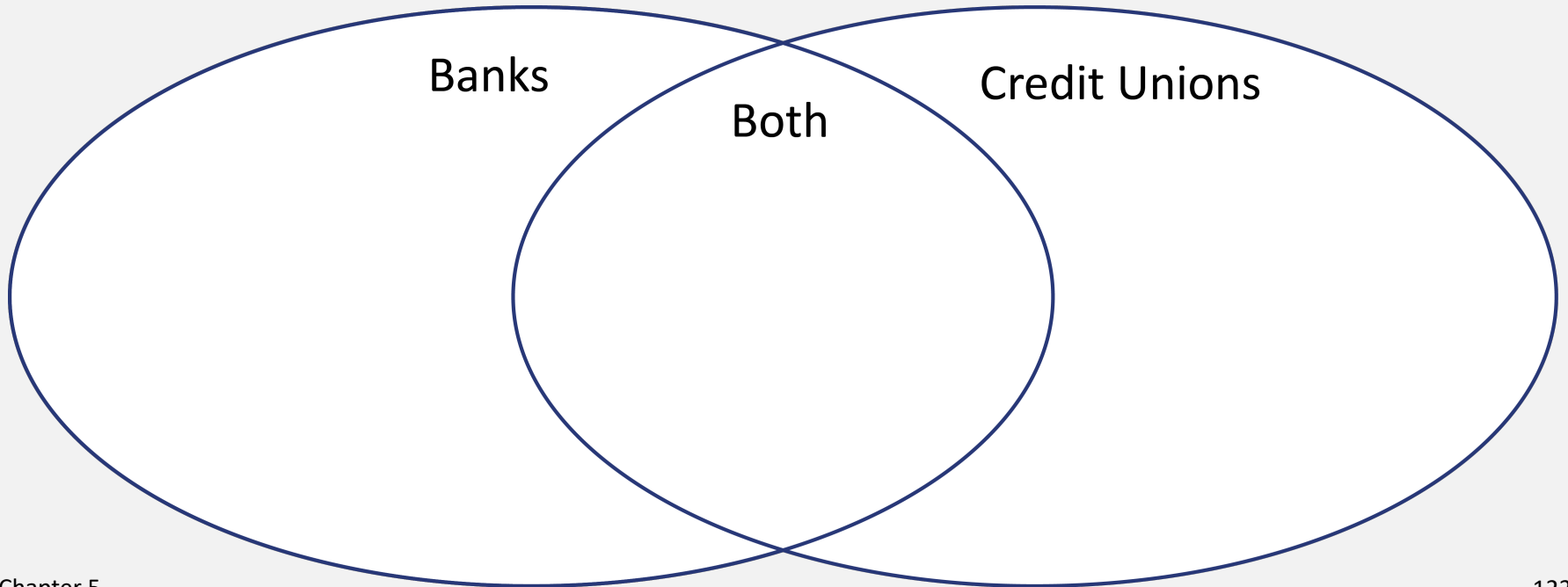
- Non-profit membership organizations
- Usually offer lower fees and pay higher interest rates than banks
- Account holders are members
- Nationwide ATM network

Banks

- For-profit businesses
- Usually charge higher fees and pay lower interest rates than credit unions
- Account holders are customers
- Nationwide branch network

Comparing Banks & Credit Unions

Complete the Venn diagram to show the similarities and differences between banks and credit unions.



Types of Accounts and Services

Checking Account

- Provides a way to pay bills
- Find out:
 - Is there a minimum balance required?
 - Are there any monthly charges?
 - What other fees are there?

Savings Account

- Provides a way to keep money safe for future use
- Find out:
 - How much interest is paid?
 - Is there a minimum balance required?
 - Is there a monthly limit on number of withdrawals?
 - What other fees are there?

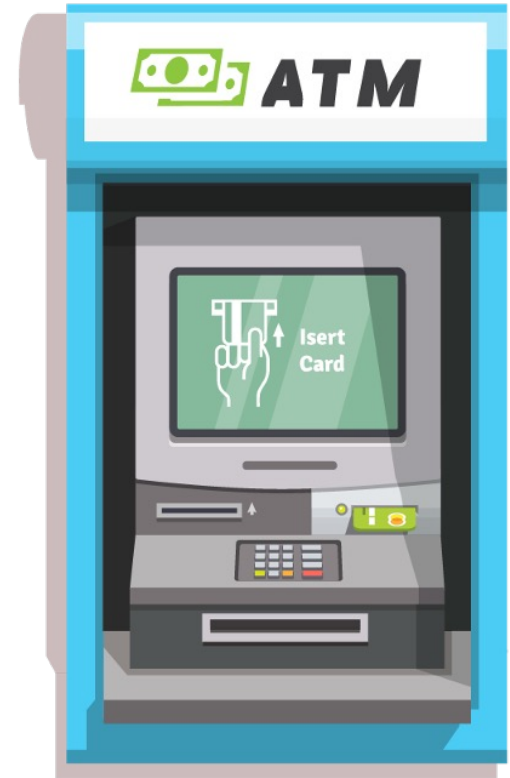
Debit Card

- A plastic card connected to your checking account
- Money is taken from your account to cover the cost of the purchase
- Find out:
 - Are there fees to use it?
 - Can you use it at stores?



ATM

- ATM stands for Automated Teller Machine
- ATMs make it possible for you to get cash, deposit checks, and more



Online Banking

- You can do most banking online
- Find out what is offered:
 - Check account balances
 - Transfer money
 - Deposit checks
 - Pay bills
 - Set up a budget



Prepaid Cards

- Reloadable
- Pay up front
- When the balance is low, you can reload with more money
- Not helpful for building credit
- May charge fees

Compare Accounts

Compare checking account features and fees from at least two different financial institutions and complete the chart below.

Account Features	Option A (Bank):	Option B (Credit Union):	Option C:
Nearby Locations			
Free Online Banking			
Minimum Deposit Amount			
Minimum Balance to Avoid Fees			
Overdraft Protection			

Compare Accounts (continued)

Compare checking account features and fees from at least two different financial institutions and complete the chart below.

Account Features	Option A (Bank):	Option B (Credit Union):	Option C:
Overdraft Fees			
ATM Fees and When Charged			
Debit Card Fees			
Mobile Check Deposit Fees/Limits			

Identity Theft

Identity Theft

When someone steals your personal information and uses it for financial gain.

Identity thieves may use your name and information to...

- Take out loans
- Open credit cards
- Rent an apartment
- Open utility accounts
- Get government benefits or IDs
- Get money from your financial accounts



Protect Yourself from Identity Theft

- Use private trash cans and shred documents
- Use secure websites (https:// in the address)
- Be cautious using the ATM
- Only give information to trusted people
- Make PINs and passwords difficult to guess

Reporting Identity Theft

- File a police report
- Contact your bank, credit union, and/or credit card companies
- Check statements to verify purchases
- File a complaint with the FTC
- Visit [identitytheft.gov](https://www.identitytheft.gov) for more information

Chapter 6

Borrowing Money

Credit

Credit

Money that you borrow with the promise to repay it later.



Two Types of Credit

Installment Credit

- Borrow a fixed amount and make equal payments over a specified period (e.g., home, auto, assistive technology loans)

Revolving Credit

- Borrow up to a credit limit and pay it back each month (e.g., credit card)

Credit Cards



Credit Cards

- Limit – the most you can borrow
- Monthly statement – lists purchases and the amount due
- Balance – the amount you owe
- Due date – when your payment is due
- Minimum payment – the least amount you must pay each month when you have a balance

Credit Card Comparison

Compare features and fees of at least two credit card offers and complete the chart below.

Card Features	Option A:	Option B:	Option C:
Annual Percentage Rate (APR)			
Grace Period for Purchases			
Annual Fees			
Late Payment Fees			
Missed Payment Fees			
Returned Payment Fee			
Penalty APR			
Rewards Offered			

Student Loans

- One way to pay for higher education
- Should be used after grants and scholarships
- Available from the government or private financial institutions
- Need to understand the terms, including when you start paying it back and the interest rate charged

Credit Reports and Credit Scores

Credit Reports Show...

- Where you live
- How much you owe
- Payments made on time or late
- Bankruptcy
- Referrals to a collection agency

Three Main Credit Bureaus

- Equifax
- Experian
- TransUnion

Credit Scores

- Indicator of your ability to repay a loan on time
- Higher scores are better
- Most popular credit score is called the FICO score



Why Credit Scores are Important

- Determine if you qualify for credit
- Impact the interest rate you will pay on loans:
 - Higher credit score = lower interest rate

Building Good Credit

- Pay bills on time
- Keep balances on credit cards low
- Use credit to build credit – but pay it off every month
- Establish credit early
- Use different types of credit

Chapter 7

A Home of My Own

Preparing for Independence

Consider the responsibilities of living on your own and the individual tasks involved for each:

- Food
- Personal Care and Hygiene
- Health
- Housekeeping
- Emergency and Safety
- Transportation
- Social

Preparing for Independence

- For each task, ask yourself:
- Can you do the task yourself?
- Do you need support?
 - If yes, do you already have that support in place?

Housing Expenses

Ongoing Expenses

- Rent or mortgage loan payment
- Renter's or homeowner's insurance
- Real estate taxes
- Utilities
- Parking
- Homeowner's association
- Communications
- Hygiene, laundry, and housekeeping supplies

One-Time Expenses

- Security deposit or down payment/closing costs
- Utilities (initial deposit or installation/setup fee)
- Furniture and appliances
- Other household items
- Moving costs

Can I Afford It?

As a general rule, ongoing housing expenses should not exceed 30% of your gross monthly income.

$$\text{Gross Monthly Income} \times 0.30 = \text{Maximum Monthly Housing Expenses}$$

My Housing Needs and Wants

- Space
- Type of property
- Location
 - Accessibility
 - Availability
 - Affordability

Chapter
8

Assistive Technology

Assistive Technology (AT)

Devices and services that help people with disabilities be more independent and live a more satisfying life.



Learning About AT

- See a demonstration
- Borrow from a lending library
- Look for pre-owned devices

Paying for AT

- Insurance
- PA Home and Community-Based Services Waiver Program
- School or Intermediate Unit
- Office of Vocational Rehabilitation
- Non-Profit Organizations
- Loans

Contact Pennsylvania Assistive Technology Foundation to learn more: www.patf.us

Chapter 9

Adult Decision-Making

Substitute Decision Makers

A person who makes decisions on behalf of another person when they become unable to do so themselves.

This person may be chosen by the individual, a court, or a government agency. These decisions may be related to property management and/or personal health and safety on behalf of the individual.

Decision-Making Powers Given by the Person

- Power of Attorney (POA)
- Advanced Directive

Decision-Making Powers Given by the Courts or Government Agencies

- Guardianship
- Representative Payee

Supported Decision-Making

A process that supports an individual with a disability when making decisions. Individuals with disabilities choose people they know and trust to be part of a support network to help with decision-making.

Do I need help making this decision?

- What kind of decision is being made?
- Have I made a decision like this before?
- Do I understand the risks and benefits?
- How big of an impact will this decision have on my life?
- How long will this decision impact me or my life?
- How hard is it to change or undo this decision?
- What level of support do I really NEED?

PACED Decision-Making Model

P: Define the Problem.

A: List the Alternatives.

C: Select Criteria.

E: Carefully Evaluate the alternatives.

D: Make a Decision.