

**Sophomore (February / Unit 5):
Personal Finances and Salary Research**

Objective: *To the relationship between current finances and future financial aid options.*

To successfully complete this unit and receive your stipend, complete the following activities:

- Complete all activities in this unit.
- Complete and include your **Student Grade Check** form.
- Include your parent/guardian’s signature on the **Evaluation Sheet**.
- Complete the **Stipend Request** form.
- **Have site sponsor sign the Mid-Month Check-In (even if not fully finished) by _____.**
- **Be prepared to review it with UB staff on _____.**

Stipend Requirements

Stipend Amounts	Possible Portfolio Completions
Complete = \$40.00	<ul style="list-style-type: none"> • Unit 100% complete: turned in on-time, parent/guardian signature, and site sponsor signature.
Partial = \$30.00	<ul style="list-style-type: none"> • Unit 75% complete: includes parent/guardian and site sponsor signatures. • Unit 100% complete: includes parent/guardian signature; <u>does not</u> include site sponsor signature.
Partial = \$20.00	<ul style="list-style-type: none"> • Unit 100% complete: <u>does not</u> include parent/guardian signature. • Unit 50% complete: includes parent/guardian and site sponsor signatures.
Incomplete = \$0	<ul style="list-style-type: none"> • Unit less than 50% complete (even if unit includes parent/guardian and site sponsor signatures)

What to do if you are absent on portfolio visit days!

Planned Absences (e.g. sports games, field trips, etc.)	Unplanned Absences (e.g. sick, flat tire, abduction by aliens, etc.)
<ul style="list-style-type: none"> • Give your binder to your site sponsor <u>before you leave</u>. UB staff will review your work, and you are eligible for a full \$40 stipend. • If you forget to leave your binder with your site sponsor before you leave but turn it in to your sponsor the <u>first day you return</u>, you are eligible for a \$20 maximum stipend (even if the unit is fully complete). If there are unforeseen problems with finishing your unit, <u>notify your site sponsor and/or UB staff immediately</u>. 	<ul style="list-style-type: none"> • Give your binder to your site sponsor <u>the day you return to school</u>. You are still eligible for a full \$40 stipend. • If you forget to give your binder to your site sponsor <u>the day you return</u>, you have <u>24 hours</u> to turn in your unit for a \$20 maximum stipend (even if the unit is fully complete). If there are unforeseen problems with finishing your unit, <u>notify your site sponsor and/or UB staff immediately</u>.

Upward Bound Contacts

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Personal Affirmation

At the beginning of each portfolio unit, you will include your personal affirmation. Much like Martin Luther King, Jr.’s “I Have a Dream” speech, each of us has dreams, affirmations, and hopes for our lives. By writing down your goals and dreams, you make commitments to yourself, use positive self-talk, and figure out how to overcome obstacles that stand between you and your college education!

Write your affirmation by describing who you are – or strive to be! For example, you could say, “*I am an intelligent, committed, and creative daughter/son/student/young woman.*” **Choose 3 adjectives to describe you who are and strive to be.**

“I am a/an _____, _____, and _____.”
(adjective) (adjective) (adjective) (your role)

Step 1: “Wants” Versus “Needs”

Realistically you are probably going to have to help pay for your postsecondary education. The vast majority of college students today are doing just that, and they are doing it in a variety of ways.

The first thing we need to do is to take a look at where your finances are right now. To start this process, fill in the table below and identify your purchases **OVER THE NEXT TWO WEEKS**, such as clothes, gas, food, shoes, DVDs, etc. Also indicate where you purchased each item, how much each item cost, and whether you think the items listed are *needs* or *wants*. Use additional pages if you need more room.

PURCHASES FOR 2 WEEKS					
Item	Date Purchased	Where Purchased	Estimated Cost	Need?	Want?
TOTAL EXPENSES					

In the space below, please define a *need*, and explain how it is different from a *want*.

Now it's time to go back and review your list. If you think you should change some of your needs to wants, or vice versa, go ahead! Then answer the following questions.

- Did you spend more money on things you wanted or that you needed?
- Do you think you are more likely to spend money on needs or wants? Why?
- Where do you tend to purchase items on your list? Could you have gone to less expensive stores or websites to buy these things?
- What did you consider before buying your purchases? – or did you buy on impulse?
- Did you buy any of the items because you were with other people who also were buying them (or similar items)?
- Did you buy any of the items in an attempt to make yourself feel better about something? (This practice is sometimes referred to as “retail therapy.”)

Your spending habits are very important. College seems like it is a long ways away, but, in reality, it's just around the corner. Now is as good a time as any to start thinking about how you spend money.

Please take a moment and reflect on your answers to the above questions. Briefly describe your spending habits in the space below.

Step 2: Your Monthly Income

Now we need to go one step further and look at your income. In order to better understand your own financial situation, you need to figure out both how much you make and how much you spend. You may have done this before or may have never

even thought about it. Either way, do the best you can, and be as accurate as possible. In order to do this, please complete the following table. If you find that you are filling in a lot of zeros, that’s okay. At this point in your life, you may not have much income, but it is still very important that you start thinking about your finances now. If you do, then you will likely make wise financial decisions in the future.

Income for 2 Weeks	Dollar Amount
Wages (such as part-time job, babysitting, etc.)	\$
Savings	\$
Support from Parents or Family Members	\$
Other (such as Child Support, Social Security, UB Stipend, etc): _____	\$
Other (such as Child Support, Social Security, UB Stipend, etc): _____	\$
Total Income for Two Weeks	\$

Step 3: Are You in the Red or the Black?

Now that you know how much money you make over 2 weeks, it’s time to figure out if it covers your purchases. If you find yourself entering a lot of zeros, that’s okay. (Just remember those zeros will turn into dollar amounts.)

Subtract your expenses from your income to figure out your ending balance.

$$\underline{\hspace{2cm}} \text{ Income (above)} - \underline{\hspace{2cm}} \text{ Expenses / Spending (p. 2)} = \underline{\hspace{2cm}} \text{ Ending Balance}$$

Are you in the black (profit) or in the red (financial trouble)?

If your spending exceeds your income, you must find ways to either get more money or reduce how much you spend. The only other option is to go into debt, which you should avoid at this point in your life.

Based on your ending balance, what would you like to change about your spending and saving habits?

Step 4: Save That Money!

The best way to pay for some of your college expenses and be financially stable in your life is to have money on hand to handle at least some of your expenses. As you get older and head into college, unexpected expenses will always pop up, such as new tires for your car, your computer crashes, and you need a new one, or a hospital bill. Even if you only have enough money in your savings account to pay 20% of your unexpected expense, that is 20% you would have had to find to pay for it!

Learning to save money requires discipline. However, it is possible to teach yourself to save even in small increments to the point where saving money becomes a part of your outlook on life. Even small savings makes a huge difference long-term!

A few simple ideas to start a saving habit:

- If you receive money from a relative, put at least half of the money into your savings account instead of spending it.
- Each day, put \$1 plus any loose change into a jar, box or other container. Put this in a secure place, and don’t use the cash! At the end of you month, you’ll have at least \$50 to put into your savings account.
- Set aside at least 10% of your wages each pay period into a savings account.
- Set a goal for your savings. When you are in college, one goal could be to set aside a few hundred dollars for an emergency.

Savings accounts have low minimum deposits (or the money that you must always have in your account) and are considered among the safest places to put money and earn interest. Anyone can open a savings account at a bank or credit union (you may need an adult on your account, if you are under 18).

Now answer the following questions on the importance of saving your money:

1. Do you have a savings account? YES NO
*If yes, skip to question #3.
If no, continue to question #2*

2. If you do not have a savings account, we want you to look at information from area banks where you could save your money in the future. Find at least 1 bank in your area – whether online or going to the bank itself – and answer the following questions (note: you may need to look online if there isn't a bank in your community):
 - What is the name of the bank or credit union? Where is it located?

 - Do you need an adult on your account?

 - Is there a minimum amount of money you must have in a savings account?

 - What is the interest rate for a savings account?

 - Based on what you found in your research, are you likely to open an account at this bank? If not, why?

 - Why is it important to you to develop a saving habit?

3. If you already have a savings account, answer the following questions on your saving habits:
 - What bank or credit union do you use?

 - What is the interest rate on your savings account?

 - Do you have a goal for your savings account? If not, what kind of goal can you set for yourself?

 - Why is it important to you to develop a saving habit?

Step 5: How Can You Contribute Financially to the Goals You Have Set for Your Future?

Now take a moment and look back at your September portfolio unit (Steps 9 and 10). Look at the list of your long-term goals.

What educational goals did you list? How much might it cost to accomplish your educational goals?

Now that you have spent some time looking at your personal finances, as well as your *wants* and *needs*, you should be able to figure out how you can best take responsibility for and contribute to your future goal-related expenses, such as financing your college education. For example, you may be able to start putting some money aside each month in order to establish a college savings fund (**even if it is only \$10/month!**). If this is not possible, maybe you can contribute by helping reduce your family's monthly expenses. You might accomplish this by doing your best to buy/ask for things that you *need* and, thereby *spend less on your wants*.

**EXAMPLE: You want to have a college degree and be financially successful in 10 years.
What would you have to do to finance this goal? If you mapped it out, it might look like this:**

High School	College	After College
Begin planning to pay for college	Paying for college	Living after college
<ul style="list-style-type: none"> Conserve money 	<ul style="list-style-type: none"> Family contribution 	<ul style="list-style-type: none"> Find job
<ul style="list-style-type: none"> Open savings account 	<ul style="list-style-type: none"> Your savings 	<ul style="list-style-type: none"> Get paid
<ul style="list-style-type: none"> Get good grades 	<ul style="list-style-type: none"> Grants / Scholarships 	<ul style="list-style-type: none"> Pay debts (loans, credit card, etc)
<ul style="list-style-type: none"> Apply to college 	<ul style="list-style-type: none"> Part-time work 	<ul style="list-style-type: none"> Make a living
<ul style="list-style-type: none"> Apply for financial aid and scholarships 	<ul style="list-style-type: none"> Loans 	<ul style="list-style-type: none"> Save money
<ul style="list-style-type: none"> Graduation! 	<ul style="list-style-type: none"> Graduation! 	<ul style="list-style-type: none"> Successful career!

Of course, you're in the very beginning of all this. All you need to do now is begin the planning process by making short-term goals, such as examining your spending habits, saving money, and making good grades.

Doing this will help you when it comes time to complete the financial aid process and pay for your postsecondary education.

Of the items listed above for "High School" financial planning, which steps have you already taken? If you have not taken any of these steps yet – or only a few – which steps would you like to begin today? Which steps would you like to take in the near future? What are additional steps you could take to financially prepare for and graduate from college?

Step 6: What Does It All Mean? Why Should You Get a Degree?

How much do you expect to earn once you complete your education? Before you commit yourself to years of study for a particular career, you may want to estimate how much money you will make at that profession. You already know that paying for your education is expensive. You will want to make sure that the money you invest in your education is invested wisely. This issue becomes particularly important if you need to borrow money to pay for your education. You don't want to borrow more than you can pay back from the salary that you will earn. It is also essential for you to see just how important education is to being able to live today.

Note: the level of education attained below is a summary of all degrees in that category (such as a Bachelor's Degree in Teaching or Bachelor's Degree in Philosophy in the same category). Remember that there is a wide variety in income based on your degree and the kind of career you can find based on your education. A college graduate with a Bachelor's degree in Computer Information Systems may actually make more than a graduate with a Master's Degree in English. The following table is important to think about, though, as it will give you a general idea of how salaries increase with education levels.

Level of Education Attained	Average Yearly Income for Men	Average Yearly Income for Women
9 th to 12 th Grade (no diploma)	\$22,602	\$14,202
High School Graduate (includes equivalency)	\$32,435	\$21,219
Associate's Degree (A.A., etc)	\$41,035	\$27,046
Bachelor's Degree (B.A., B.S., etc)	\$57,397	\$38,628
Master's Degree (M.A., M.S., etc)	\$77,219	\$50,937
Professional Degree (medical/law school, etc)	\$77,219	\$50,937
Doctorate (Ph.D)	\$100,000	\$70,520

Source: U.S. Dept. of Commerce, Bureau of the Census, American Community Survey Reports, "Income, Earnings, and Poverty Data from the 2007 American Communities Survey," August 2008. <http://www.census.gov/prod/2008pubs/acs-09.pdf>

Step 7: Salary Research

It is extremely important to look at careers you are interested in pursuing and how much you can expect to earn once you graduate from college. By doing this, you will have a much better idea of how much you will need to pay for college, and, if you have student loan debt after you graduate, whether or not your career will allow you to pay off your debt.

You will now be researching 1 career you are interested in pursuing as a way to learn about the average salary, bonuses, and benefits for a job. You can also learn what qualifications and experience are required or preferred, along with the duties and responsibilities associated with the chosen profession below any of the job listings you are interested in.

The following website is a great resource for researching potential careers and salaries: www.salary.com

When you access the website, be sure to click on "Salary Wizard" on the main page. This will allow you to find salary ranges by zip code. Feel free to search for a career anywhere in the country! Once you have entered your desired job and location, click the "Search" button. In the next window (you may need to click "skip advertisement"), find the specific job you are interested in and click on "View Salary Info" to the right of your result. You will see a graph with the median salary of the career you searched.

1. What is the career you chose for this assignment?
2. What city or zip code did you enter for your search? Why did you choose this location?
3. What is the median salary for the career you chose?
4. What qualifications and/or experience are required/preferred for this profession?
5. Look at the tab below the salary graph. Click on "Job Information". What duties/responsibilities are listed under Job Responsibilities for this profession?

SOPHOMORE PORTFOLIO MID-MONTH CHECK – IN SHEET February / Unit 4 • Personal Finances and Salary Research

Student Name: _____ Date: _____

Directions: To obtain full credit complete this check-in sheet of your unit work.

- It is advisable that you take time to think of what portfolio work you need to complete between now and the day your portfolio is due, and get to work on it!
- Please circle the appropriate response and answer in complete sentences where asked.
- **Site Sponsor must sign Check – In Sheet by due date on the 1st page of your portfolio unit.** This is typically 1 week before your portfolio visit.

1. What parts of the unit have you completed?

- a) all of it
- b) half or more
- c) very little of it
- d) none of it

2. What parts of the unit do you still need to complete?

3. What part of this unit, if any, are you having difficulties with? Why?

4. What type of help do you need, if any, in order to complete unit by the due date?

FOR SITE SPONSOR TO COMPLETE:

Unit at least ½ complete: Y N

Site Sponsor Signature _____

Date _____

