

# Junior: Spring/March/Unit 11

## Personal Finances

### Objectives:

- To better understand how your finances impact your future postsecondary education.
- Examine the relationship between current finances and future financial options.
- Evaluate what you have learned.
- Contact Site Teachers and NAU Upward Bound office for help as needed.
- Assist in the development of the portfolio program.

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

1. Complete all of the activities in this unit.
2. Answer the Gates Millennium Scholarship essay question.
3. Obtain and complete a grade check for all of your classes. Place a copy of the grade check with the work/information required for this unit.
5. Fill out the Coconino Community College Application for the Summer Academy.
6. Fill out the evaluation sheet when you have completed the unit assignments.
7. Fill out the Honorarium/Stipend Request form.
8. Complete this unit and be prepared to review it by \_\_\_\_\_.

Once you have completed this unit, you should meet with an Upward Bound staff member to go over it and receive and review the next unit.

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 E-mail: [Diana.Betoney@nau.edu](mailto:Diana.Betoney@nau.edu)  
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How much will I earn this month?	
C = \$40.00 complete	<ul style="list-style-type: none"> <li>• Unit 100% complete</li> <li>• Unit turned in on time</li> </ul>
P = \$20.00 partial	<ul style="list-style-type: none"> <li>• Unit <b>more than</b> 50% complete</li> <li>• Unit turned in on time</li> </ul>
0 = \$0.0 incomplete	<ul style="list-style-type: none"> <li>• A unit turned in <b>late</b> is considered incomplete</li> <li>• A unit <b>less than</b> 50% complete is considered incomplete</li> </ul>

### What to do if you are absent on the day Portfolio's are to be reviewed by Upward Bound staff members?

Planned Absences (e.g., basketball games, track meets, etc.)	Unplanned Absences (e.g., sickness, flat tire, abduction by aliens, etc.)
<ul style="list-style-type: none"> <li>◆ Give your binder to your site teacher <b>before you leave</b> for the planned absence.</li> <li>◆ If you give your binder to your site teacher <b>before you leave</b>, then the UB staff can review your work and you are still eligible for the full \$40.00 stipend.</li> <li>◆ If you forget to leave your binder with your site teacher before you leave, then your work is late and you are no longer eligible for a stipend.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Give your binder to your site teacher <b>As Soon As You get back to school</b>.</li> <li>◆ If you give your binder to your site teacher <b>As Soon As You return from an unplanned absence</b>, then you are still eligible for the full \$40.00 stipend.</li> <li>◆ If you forget to give your binder to your site teacher <b>As Soon As You return</b>, then your work is late and you are no longer eligible for a stipend.</li> </ul>

## Step 1: Revisiting Your Personal Goals

A large part of being successful in life involves setting goals and devising plans to achieve them. Let's take some time to reflect on previous portfolio units in order to update your educational, career and financial goals. Goals are our desires and plans for achieving a specific outcome.

- Goals should be clear.
- Goals should be specific.
- Goals should be linked directly to a desired outcome.
- Goals are often interrelated. In order to achieve one goal, you may need to set some other related goals.

### What are Your Current Goals: summarize your past portfolio units

#### Educational Goal:

1. I desire a \_\_\_\_\_ (certificate, degree (s), bachelor's, masters', law degree, etc.)
2. I plan to complete my program of study in \_\_\_\_\_ (specify years or months).
3. I plan to

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(What else do you need to do to accomplish your educational goal? Write your own plan here.)

#### Career Goal:

1. I want to be a (n) \_\_\_\_\_ (career choice).
2. What is the salary for this career \$ \_\_\_\_\_?
3. I plan to achieve this goal by: (list what you need to do in order to have a career in the area you have chosen):

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#### Financial Goal:

1. I desire \$ \_\_\_\_\_ monthly income once I complete my educational goal.
2. Using the salary listed above (career goal #2), figure out your monthly income:  
$$\frac{\text{Salary}}{\text{Salary}} \div 12 (\text{\#months/year}) = \text{monthly income.}$$
3. Are your career goals going to allow you to meet your financial goals? YES \_\_\_ NO \_\_\_  
Please explain your answer!

**Step 2: Student Financial Assessment**

Your spending habits are very important. College seems like it is a long way 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. Test your ability to manage money smartly by answering the following questions:

1. Do you ask yourself whether you NEED to have something before you buy it?
2. Where do you tend to purchase items? Could you have gone to less expensive stores to buy these things?
3. Do you have a monthly budget?
4. Do you stay within your monthly budget?
5. Do you have a checking account?
6. If you have a checking account, do you balance your checkbook each month?
7. Do you save money for unexpected expenses?
8. Are you a bargain shopper?
9. Do you have money in a savings account?
10. As of today, how much have you saved for college?
11. As of today, how much has your family saved to help you finance your college education?

**Your Monthly Budget**

In order to better understand your own financial situation, you need to figure out 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.

The first thing you should do is figure out how much you make each month. 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.

	<b>Dollar Amount</b>
<b>Income for the Last Month</b> <b>(approximately 30 days)</b>	
Wages and Tips (after taxes and other deductions)	\$
<b>UB Portfolio Stipend</b>	\$

<b>Support from Parents</b>	\$
<b>Other (please specify)</b>	\$
Other (please specify)	
<b>Total Monthly Income</b>	\$
<b>Total amount I put into SAVINGS this month?</b>	\$

### Step 3: How can YOU Contribute Financially to the Goals You Have Set For Your Future?

Take a moment and look back at your educational, career and financial goals at the beginning of this unit. Have you considered how much it might cost to accomplish your educational and career goals?

Now that you have spent some time looking at your personal finances, you should be able to figure out how you can best 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. 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.

Let's say, for example, that you wanted to be a teacher in ten years. What would you have to do to finance this goal? If you mapped it out, it might look like this:

#### High School

Begin planning to pay for college:

- √ Conserve Money
- √ Open Savings Account
- √ Apply to College
- √ Scholarships (good grades)
- √ Apply for Financial Aid
- √ Graduation

#### College

Paying for college:

- √ Family Contribution
- √ Your Savings
- √ Grants
- √ Scholarships
- √ Part-time Job
- √ Work-study
- √ Loans
- √ Graduate

#### After College

- √ Find Job
- √ Get Paid
- √ Pay Debts
- √ Make a Living

Of course, you're in the very beginning of all this. All you need to do now is begin the planning process by making some short-term goals, such as examining your spending habits, conserving money, and making good grades. Doing these things will help you when it comes time to pay for your postsecondary education.

### Step 4: How Much is a Higher Education Going to Cost?

You will need to know how much it costs to attend your college/university for one year. Please refer to your October portfolio unit, College Exploration I/II, for these figures. **If you do not have this information available, or you would like to update your figures, then at this point you can complete this information by using the [www.usafunds.wiredscholar.com](http://www.usafunds.wiredscholar.com) web site, asking your high school counselor, or your high school librarian for help in researching this information.**

Five quick steps to calculating your college expenses:

1. Log on to [www.usafunds.wiredscholar.com](http://www.usafunds.wiredscholar.com)
2. You will see several tabs at the top of the page. Click on the tab "Paying."
3. You should see "What's Inside" at the top upper left hand side of the page. Click on College Costs, and then click on the link "School Affordability Analyzer."
4. Next, click on the link "Get Started."
  - Select your state
  - Select your college/university
  - Select in-state/out-of-state
  - Click continue
  - Fill in information on your One Year College/University Budget table.

**EXAMPLE: Northern Arizona University (NAU)**

One-Year Budget (based on full-time enrollment for 2008-2009)		
Expenses	In-State	Out-of-State
Tuition and Fees	\$5,450	\$16,547
Books and Supplies	\$ 890	\$ 890
Room & Board	\$7,086	\$7,086
<b>Total</b>	<b>\$13,426</b>	<b>\$24,523</b>

**Your #1 College/University:** \_\_\_\_\_

One-Year Budget (based on full-time enrollment for 2008-2009)		
Expenses	In-State	Out-of-State
Tuition and Fees	\$	\$
Books and Supplies	\$	\$
Room & Board	\$	\$
<b>Total</b>	<b>\$</b>	<b>\$</b>

**Your #2 College/University:** \_\_\_\_\_

One-Year Budget (based on full-time enrollment for 2008-2009)		
Expenses	In-State	Out-of-State
Tuition and Fees	\$	\$
Books and Supplies	\$	\$
Room & Board	\$	\$
<b>Total</b>	<b>\$</b>	<b>\$</b>

**Reflection Questions:**

1. How much is your higher education going to cost (Do your calculations below: plug in the **annual cost** for each year you plan to attend the two colleges, or universities you have researched above)?

Junior College: 1 <sup>st</sup> year \$ _____	Junior College: 1st year \$ _____
2 <sup>nd</sup> year \$ _____	2nd year \$ _____
3rd year \$ _____	3rd year \$ _____
TOTAL: \$ _____	TOTAL: \$ _____
University: 1st year \$ _____	University: 1st year \$ _____
2nd year \$ _____	2nd year \$ _____
3rd year \$ _____	3rd year \$ _____
4th year \$ _____	4th year \$ _____
5th year \$ _____	5th year \$ _____
TOTAL: \$ _____	TOTAL: \$ _____

4. What expenses do you think are NOT included in this estimate?

## Step 5: What Does It All Mean? Why is finishing college so important?

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. Entry-level salaries are dependent on a number of factors, including the profession itself, job location and your qualifications, degree (s), and experience.

You can find average annual salaries for a variety of careers online at [www.salary.com](http://www.salary.com). When you access the web site, be sure to click on the salary.com search button. Next, enter the Job Title and zip code in the Salary Wizard information square. This will allow you to find salary ranges by city or zip code. Once you have entered your desired job and location, click the “Search” button. Locate your desired JOB and click on the “Base pay (free)” button. In this way, you can learn about the average salary for almost any job in almost any location. You can also learn what qualifications and experience are required or preferred, along with the duties and responsibilities associated with the chosen profession.

What follows are some examples taken from that web-site. These examples reflect entry-level positions.

### **\*Occupation #1: Aerospace Engineer**

Location: Tucson, AZ  
Salary Range: \$44,159 - \$61,204  
Median Salary: \$52,761

Location: Anchorage, Alaska  
Salary Range: \$54,743 – 75,873  
Median Salary: \$65,407

### **\*Occupation #2: Graphic Arts (Architectural Drafter I)**

Location: Flagstaff, AZ  
Salary Range: \$23,511 – 51,694  
Median Salary: \$37,474

Location: Honolulu, Hawaii  
Salary Range: \$28,048 – 61,670  
Median Salary: \$44,706

**\* Pick 2 Career choices and research the entry-level salaries in 2 different cities/locations. You may refer to your September portfolio unit, Career Exploration I/II, for this information. If you do NOT have this information handy, please research this information now and complete the following:**

### **\*Occupation #1:**

Location:  
Salary Range:  
Median Salary:  
Qualifications/Experience:

Location:  
Salary Range:  
Median Salary:  
Qualifications/Experience:

Duties/Responsibilities:

Duties/Responsibilities:

### **\*Occupation #2:**

Location:  
Salary Range:  
Median Salary:  
Qualifications/Experience:

Location:  
Salary Range:  
Median Salary:  
Qualifications/Experience:

Duties/Responsibilities:

Duties/Responsibilities:

## Step 6: Consider College an Investment!

In addition to your own personal and professional reasons for going to college and receiving your degree, you might also consider your expected earnings. Your college degree is your ticket to a much broader range of job opportunities in your life! A college education is the smartest financial decision you'll ever make. Statistics show that higher levels of educational attainment are directly associated with higher levels of income.

Level of Education Attained	2004 Average Yearly Income for Men	2004 Average Yearly Income for Women
9 <sup>th</sup> to 12 <sup>th</sup> Grade (no diploma)	\$26,277.00	\$19,162.00
High School Graduate (includes equivalency)	\$35,725.00	\$26,029.00
Associate's Degree	\$44,044.00	\$33,481.00
Bachelor's Degree	\$57,220.00	\$41,681.00

<http://www.infoplease.com/ipa/A0883617.html>

Source: U.S. Dept. of Commerce, Bureau of the Census, Current Population Reports, Series P-60, "Money Income of Households, Families, and Persons in the United States," "Income, Poverty, and Valuation of Noncash Benefits," various years; and Series P-60, "Money Income in the United States," various years. From *Digest of Education Statistics 2005*.

## Step 7: WARNING...Understanding and Using Credit Cards!

Credit is relatively easy to get nowadays. Many credit card marketers are targeting college students. Why? College students are profitable to credit card companies. Basically, a credit card is an unsecured loan (you do NOT need collateral to back the loan). The card issuer assumes you will pay the loan off with future earnings, but preferably not all at once. Consider carefully before accepting a credit card.

Credit card issuers are counting on your needs (or wants) being larger than your ability to pay. You get instant gratification and the credit card issuer gets interest (\$\$\$). The best way not to become caught up in an endless credit cycle is NOT to accept the credit card. The next best way is not to carry the card (s) around with you. Use your credit card only when absolutely necessary, for things you truly need ("need" not "want"), and then pay off your balance before purchasing additional items.

### Directions:

Answer the following questions. You'll see for yourself how much items bought with credit can actually cost.

**Suggestion:** the Internet provides many websites to help consumers (people who buy things) calculate financial (money) questions. If you can access the Internet, then follow these links to easily answer the following questions

Go to [www.practicalmoneyskills.com](http://www.practicalmoneyskills.com)

At the top of the page are (10) tabs

Mouse over the CALCULATORS tab on the left side

Scroll down and click on Credit Card

A new window appears: *What's the true cost of your credit card purchases?*

Plug in the appropriate figures and answer the questions on the next page.

**If you are unable to access this website, please call one of the Upward Bound staff @ #1-800-628-4494. We will go on-line for YOU and give you the information as you talk us through the steps.**

**José wants to buy a new stereo for his dorm room. He found one for \$650 and decides to pay for it on his credit card. His credit card has an Annual Percentage Rate (APR) of 19.85%.**

**If José pays the minimum monthly payment of (\$21.45):**

1. How many months will it take him to pay for the stereo? \_\_\_\_\_
2. What is the total amount José will pay for the stereo? \$ \_\_\_\_\_
3. What is José's total cost of using credit (the Finance Charge)? \$ \_\_\_\_\_

Click on **\$ START AGAIN** and re-enter the information on Jose's monthly payment plans listed below and get the new calculations.

**If José makes monthly payments of (\$60):**

1. How many months will it take José to pay off the stereo? \_\_\_\_\_
2. What is the total amount José will pay for the stereo? \$ \_\_\_\_\_
3. What is José's total cost of using credit (the finance charge) \$ \_\_\_\_\_

**If José pays the full amount (\$650) when he receives the bill:**

1. How many months will it take José to pay off the stereo? \_\_\_\_\_
2. What is the total amount José will pay for the stereo? \$ \_\_\_\_\_
3. What is José's total cost of using credit (the finance charge) \$ \_\_\_\_\_

Name: \_\_\_\_\_

<p style="text-align: center;"><b>GATES MILLENNIUM SCHOLARSHIP ESSAY QUESTION</b></p>
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JUNIORS... it is now time for you to begin preparing yourselves for the many scholarship essays you will have to write during your senior year! With each fall portfolio unit you will be asked to answer ONE of the seven essay questions from the 2006 – 2007 Gates Millennium Scholars application.

**Students please note: Limit your essay to two paragraphs.**

Your essay question for this month is:

- 1. Briefly describe a situation in which you felt that you or others were treated unfairly or were not given an opportunity you felt you deserved. Why do you think this happened? How did you respond? Did the situation improve as a result of your response?**

**JUNIOR MID-MONTH PORTFOLIO CHECK-IN SHEET**  
**Spring/March/Unit 11** **Personal Finances**

Student Name: \_\_\_\_\_

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

- It is advisable to 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.

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. When do you work on your unit?
  - a. at home in the evening
  - b. on the weekends
  - c. during class
  - d. on the bus going to/from school
  - e. other (*please explain*):
  
3. Rate the difficulty of this unit. 1 is easy and 5 is very hard.  
1      2      3      4      5
  
4. From whom did you/will you seek help for this unit?
  - a. teacher
  - b. friend
  - c. parent
  - d. other adult (*please identify*)
  - e. other (*please explain*)
  
5. How well did you manage your time during this unit?
  - a. very well
  - b. ok
  - c. not great
  - d. poorly
  
6. Look at your answer to number 5, how could you improve the way you manage your time? Or if you answered “a. very well”, what else could you do to be a more efficient time manager?

**JUNIOR FEEDBACK AND EVALUATION SHEET**  
**Spring/March/Unit 11** **Personal Finances**

Student Name: \_\_\_\_\_

**Directions: To obtain full credit**

- It is required to explain what you have learned in paragraph form and in full sentences.
- It is advisable to take time to think of what was interesting to you, what you learned, and WHY.
- Simple yes or no responses are not acceptable.

**Student:**

1. When you revisited your goals, had they changed much since the last time you wrote down goals? What influences the way your goals may or may not change?
  
  
  
  
  
  
  
  
  
  
2. By completing this unit, did you gain a greater understanding of what your college financial needs are? Do you think paying for college now will financially benefit you in the long run? Why or why not?
  
  
  
  
  
  
  
  
  
  
3. Do you think this unit has changed the way you look at your personal spending habits? Please explain your answer.
  
  
  
  
  
  
  
  
  
  
4. After doing the exercises in this unit, what is your perception of credit cards or using credit to purchase things? Credit cards are readily available to college students, do you think you will take advantage of this and get credit cards? Why or why not?
  
  
  
  
  
  
  
  
  
  
5. Sit down with your family and discuss your findings from the work in this unit. As a family, do you have ideas of how you can save more money or of ways that you will finance your college education? What is your family's input on paying for college?

\_\_\_\_\_  
Student Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Parent Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Parent Phone Number

\_\_\_\_\_  
Parent E-Mail Address

## STUDENT GRADE CHECK

**Instructions:** Fill out this form. Obtain an estimate of your current grade from each of your teachers. He/she should sign and date next to each grade in the appropriate column. Include this form in your Portfolio Unit for review by Upward Bound staff at your next Portfolio visit.

Student's Name: \_\_\_\_\_

Name of Class	Grade	Teacher's Name (Printed)	Teacher's Signature	Date	Comments
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					

STUDENT: Please give an explanation for any grade that is lower than a C in the space provided below. Feel free to use an additional page if necessary.