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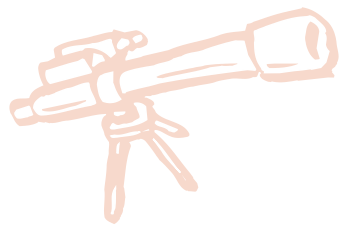
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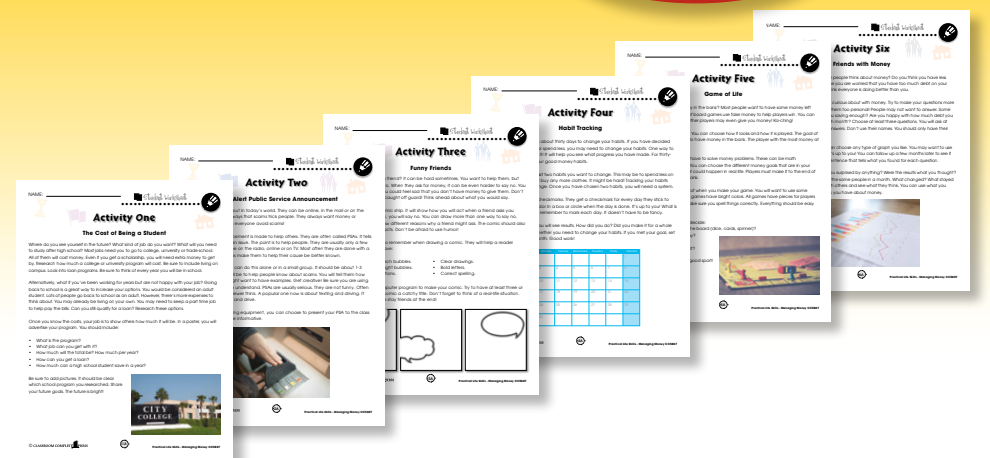
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## Contracts and Commitments

1. Mauricio is leasing a car. The contract is committing to three years of payments. Mauricio may move out of the country next year. Should he sign the contract?



\_\_\_\_\_

\_\_\_\_\_

2. Saki has \$150 left in her bank account. She has a cell phone bill for \$110. Her friend asks to borrow \$75. Does Saki have enough money to do this? Should she loan the money?

\_\_\_\_\_

\_\_\_\_\_

3. Finish each sentence with the right word from the list.

terms  
charges

conditions  
loan

penalty  
contract

- a) There may be \_\_\_\_\_ if you spend more than you have in your bank account.
- b) You will always put your signature on a \_\_\_\_\_.
- c) He paid a \_\_\_\_\_ for taking money out of his account early.
- d) Her friend asked for a \_\_\_\_\_.
- e) \_\_\_\_\_ are rules for a contract.
- f) It is important to follow the \_\_\_\_\_ of an agreement.



## Contracts and Commitments

It is important to do what you say you will do. This is true for school, at home, and at the bank. Banks count on their customers to follow some rules. These are called terms. If you break them, you will face a penalty. You will be a good customer if you keep track of your money. When you open an account or get credit, you are making a commitment. Things like having a positive bank balance and paying bills are a good start.

Most banks need you to have a positive balance. This is when you have any money in the bank. You can't go into debt with a basic account. If you spend more than what you have, you are in the negative. This is sometimes called "the red." Banks put you in "the red" if you spend too much. This is bad for your credit. Stay out of the red!

### Planning Tip

- How to stay out of the red:**
- Keep track of what you spend.
  - Know when you get paid.
  - Remember when a bill is being paid.
  - Apply for overdraft.

Banks often have ways to help you not be in the negative. This is called overdraft. For a fee, the bank will let you overspend a bit. This is not a good idea! You will pay interest on how much of it you use. It will be high. It will add more fees to your account. It can be hard to pay it back. It is best to not use overdraft. Pay bills in the order they are due. Stick to your budget.

Kana has an app that tracks her money. It is linked to her bank accounts. She put in her budget goals. It knows when her bills are due. It sends her an alert. There are circles that show how much money she has left. She cannot spend any more money on food.



Food



Transit



Clothes

1. James is not sure if he should buy a new shirt. He looks at the app on his phone. Should he buy a shirt this month?



Food



Transit



Clothes



## Contracts and Commitments

1. Answer "yes" or "no" about these money habits.

- a) It is a good idea to have extra money in case you are charged fees.  
YES NO
- b) You can pay your bills when you want.  
YES NO
- c) Paying your cell phone bill on time is best.  
YES NO
- d) Lending money to a friend is most important.  
YES NO

2. Rank the bills in the order you should pay them.

- \_\_\_\_\_ a) Pay back a friend \$50.
- \_\_\_\_\_ b) Credit card due in two days.
- \_\_\_\_\_ c) Rent due in three weeks.
- \_\_\_\_\_ d) Insurance is due in one month.



## Contracts and Commitments

3. Emma is feeling overwhelmed. She has a lot of bills to pay. Her car was fixed, and she needs to pay \$100 before she can drive it away. There is a student loan payment that is due in a month. Her other loan payment is due in one week and there is a \$50 fee if she's late. Which should she pay first? Why?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### Graphic Organizer

4. Use the graphic organizer on page 12 to keep track of money.

It is easy to avoid late fees and extra charges. You just have to know where your money went! Your bank statement will show you all of this. It will list every debit and credit. Debit is when you take money out. Credit is when you add money or are given money. They each have their own column. As the month goes on, the lists get bigger. You can keep track of this yourself. With a simple chart, you can write down your debits and credits. It's easy! As you buy things or pay bills, write it down. Subtract or add to your total as needed. The chart can help you see where you spent your money. If you used your credit card, you have to write that down too. You can use what you spent last month. Don't cheat! Did you spend more than you made? Fill out the chart. An example has been given.



## Vision Board

Where do you see yourself in the future? What do you want to do? Where do you want to go? How will you get there? See it all on a vision board! A vision board is a collection of pictures and phrases that show your dreams. It is meant to inspire you to meet your goals. If you see these pictures every day, you will want to keep working toward your goals.

Your task is to make a vision board. You will collect pictures from magazines, online or your own photos. They will be pictures of things you want to do in the future. Focus your vision board on things you will need to save for. Think big! Do you want a big boat? Maybe you want to have a certain type of dog. You can have anything you want on your vision board.

When you are making the board, there are some things to keep in mind.

- Cover all the canvas space.
- Use bright colors.
- Use a variety of images.
- Add words or phrases.
- Add your own drawings if needed.
- Show what you need to save for your goals.

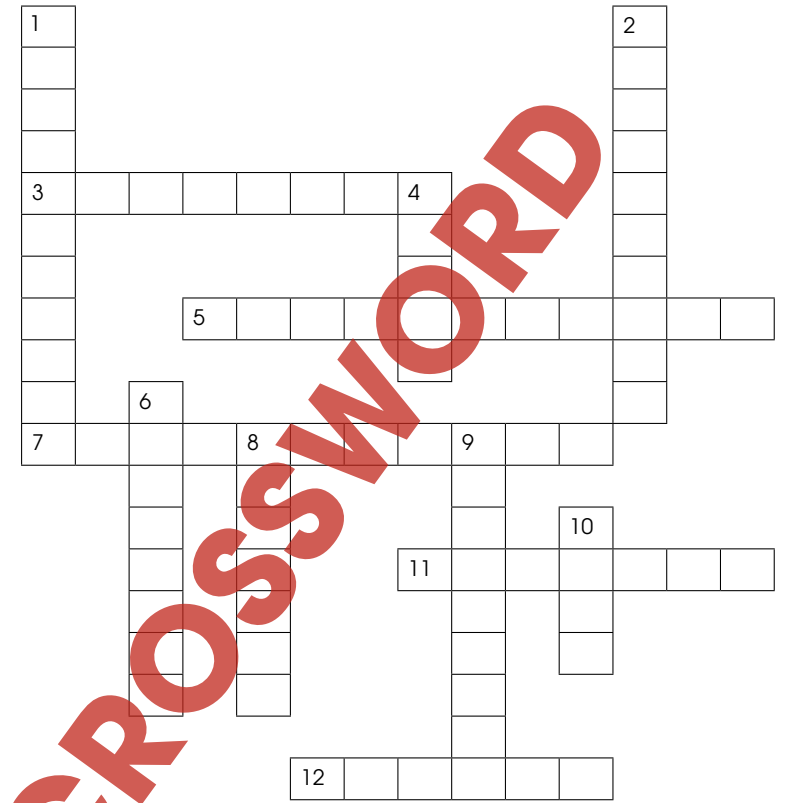
If you need some ideas, there are lots of examples online. Some people make their boards digitally. Others make them on wood or fabric. Most often they are made with paper. Think about making a board on a website, like Pinterest. Be creative! The sky's the limit! Show your friends and family so they can help you with your goals.



## Crossword Puzzle!

### Word List

approval  
budget  
conditions  
credit score  
deposit  
installment  
investing  
limit  
loan  
savings  
transaction  
variable



### Across

3. She wanted an \_\_\_\_\_ for the loan.  
5. You should know your \_\_\_\_\_.  
7. A \_\_\_\_\_ is money coming in or out.  
11. A \_\_\_\_\_ helps lower costs.  
12. My \_\_\_\_\_ lets me have one coffee a week.

### Down

1. They used an \_\_\_\_\_ to pay for the boat.  
2. He met all the \_\_\_\_\_ of his loan.  
4. Don't spend more than your \_\_\_\_\_.  
6. Food is a \_\_\_\_\_ expense.  
8. Build your \_\_\_\_\_ little by little.  
9. \_\_\_\_\_ pays off later.  
10. We need a \_\_\_\_\_ for a car.

## Comprehension Quiz

### Part A

1. List 5 reasons why a budget is important.

1. \_\_\_\_\_ 4. \_\_\_\_\_  
2. \_\_\_\_\_ 5. \_\_\_\_\_  
3. \_\_\_\_\_

### Part B

2. Put a check mark (✓) next to the answer that is most correct.

a) What is a benefit of using a credit card?

- A It's free money.  
 B It connects to your online account.  
 C It can be used for security deposits.  
 D It looks good.

b) What does a co-signer do?

- A Shares responsibility of a loan.  
 B Drives someone to the bank.  
 C Watches a contract get signed.  
 D Reads the contract.

c) In what order should you pay your bills?

- A The smallest first.  
 B The one due first.  
 C The biggest one first.  
 D The last one due.

## Monthly Budget

### MONTHLY BUDGET

Month: \_\_\_\_\_ Starting Balance: \_\_\_\_\_

Net Income	Planned	Actual
<b>Expenses (fixed)</b>		
Rent		
Insurance		
Student Loan		
Car payment		
<b>Expenses (varied)</b>		
Food		
Gas		
Clothes		
Pet		
Fun		

Goals For Next Month:



# Contracts and Commitments

## 1. Answer "yes" or "no" about these money habits.

a) It is a good idea to have extra money in case you are charged fees.

**YES      NO**

b) You can pay your bills when you want.

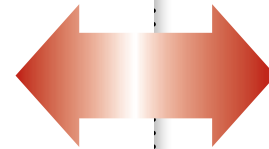
**YES      NO**

c) Paying your cell phone bill on time is best.

**YES      NO**

d) Lending money to a friend is most important.

**YES      NO**



**1.**

a) YES

b) NO

c) YES

d) NO

## 2. Rank the bills in the order you should pay them.

\_\_\_\_\_ a) Pay back a friend \$50.

\_\_\_\_\_ b) Credit card due in two days.

\_\_\_\_\_ c) Rent due in three weeks.

\_\_\_\_\_ d) Insurance is due in one month.



**2.**

a) 4

b) 1

c) 2

d) 3



# EASY MARKING ANSWER KEY







# Contracts and Commitments

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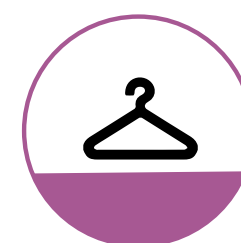
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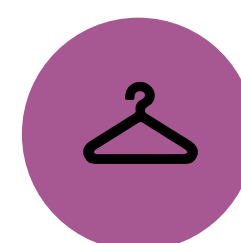
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Gas		
Clothes		
Pet		
Fun		

**Goals For Next Month:**

Blank area for writing goals for the next month.