

## WORK ETHIC – LESSON 13

### *Be Smart with that Money!*

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**INTRODUCTION:** In this lesson, we are going to focus on the value of being wise with the money you have earned. Many young people (as well as adults) do not have a clue on how to manage their money. This may be from a lack of knowledge or it could be that they simply choose *not* to manage their money. There is a very wise way to *manage* your money and make it work FOR you and your family. A huge part of work ethic is that we are to take the responsibility of providing for our families very seriously. It's not just about bringing in a paycheck but managing that paycheck in a way that not only provides financial security but also gives us a means to help others in need. "Living beyond one's means" is a very dangerous thing and we do not want you to fall into this trap.

We will have guest speakers in this financial unit who will present to you about budgeting, money management, investing, understanding your taxes, and deciphering your paycheck. You will be doing a personal budget based on an entry-level welding/machining job in the state of Montana during the 2017 calendar year. Please answer the following questions.

1. Do you have a budget of any kind for the money you earn?
2. When it comes to money, are you a *Spender*, a *Saver*, or a *Tight Wad*? Please explain how you tend to roll with the money you make or receive. Give some thought as to *why* you are the way you are with money. Write your thoughts down as to why you think you manage money the way you do.
3. If you work, do you specifically save any amount of your paycheck and if so, how much and how do you specifically save it?
4. If you get money for a birthday or a Christmas gift etc., do you tend to save any of it or do you just spend it?
5. Do you currently contribute to any type of charity, tithe to your church, etc.? If so, please list the organizations and/or "causes" to which you contribute.

6. How important is it to you to contribute to charities, those in need, your church, or causes you believe in? Explain in detail your thoughts on this topic. Most young people do not think in these terms at this point in life. In the future, do you plan to contribute to others in need and other nonprofit organizations? If so, please list the entities you plan to contribute to and **WHY** you chose these entities as a place to give your money. Be very specific here and give the details.
7. As you look to the future from this point in life, what are 3 major financial goals you would like to have accomplished by the time you are 30?
8. **REAL LIFE SITUATION**: This is a tough one to think about but let's say you were a married young adult, you have a child and you found out that you had a terminal disease. What are 3 financial "safety nets" or assurances that you would want to have in place for your family before you passed on?
9. "Wisdom is a shelter as **money** is a shelter, but the advantage of wisdom is this: Wisdom preserves those who have it." What do you think this means?
10. In our past work ethic assignments, we have talked about how the *love* of money and the *want* for material things can make us lose sight of what is really important in life. What is something special and enjoyable you would like to "do or have" that you will need to save for? Why is this so meaningful for you?
11. A very wise person once said, "Don't be a slave to the lender". What do you think this means for your life? What "things" do you think are "ok" to be in debt for?
12. Define the term "frugal". Do you think living this way can be taken too far? Please explain.
13. What is something you regularly spend money on that is **not** needed and is actually excessive, wasteful, and/or addictive? (Example-Chew, lattes, junk food, Energy drinks, cigarettes, pop, candy, etc.)
14. **REAL LIFE SCENARIO**: You see an amazing deal on something you really like but surely do not need. You had not planned to purchase the item but the "deal" makes you seem crazy to pass it up. If you could afford it, would you buy it impulsively just because it was such a good deal? Yes or no and why?

## PAYCHECK INFORMATION

**EXAMPLE: ENTRY LEVEL WELDING JOB IN MONTANA 2017**

**PAY CHECK STUB FOR 2 WEEKS**

RATE: \$15.30 per hour

PAY PERIOD: 80 hours every two weeks

**Gross pay**

**\$1,224.00**

Less Deductions:

Federal income tax: \$149.70

Social security tax: \$74.78

Medicare tax: \$17.48

MT state income tax: \$56.00

Dental: \$3.64

Medical: \$54.34

Roth IRA: \$12.64

Union dues: \$23.64

**Total take home:**

**\$831.78**