

Chapter 11

Manage Your Money

Chapter 12

*Manage Resources, Time,
and Stress*

Unit Preview

This unit is about learning how to manage your time, money, and other resources. In this unit, you will learn about:

- Evaluating the purchases you make.
- The importance of managing your money.
- The resources that are available to you and how to manage them.
- Different methods of dealing with stress.

Explore the Photo

It is very important for you to learn how to manage your resources, including money. **What are some things you should consider when you want to buy something?**



Life Skills Project Preview

Manage Your Grocery Budget

When you are done studying this unit, you will complete a project in which you will:

- ✓ Make a list and shop for groceries.
- ✓ Interview a grocery store worker.
- ✓ Demonstrate the results of your shopping experience to your class.

The prewriting activity below will help you get started.



Prewriting Activity Create a Chart

Ask the primary shopper in your family for a receipt from the last time he or she went grocery shopping. Create a chart with two columns. In the first column, list the items your family must have, such as nutritious foods, and label it "Needed Items." In the second column, list the items your family wants but does not necessarily need, such as magazines and snack food, and label it "Wanted Items."

- How much money could your family have saved if the "Wanted Items" had not been purchased?
- How can your family save money on the "Needed Items?"

Manage Your Money

Section 11.1

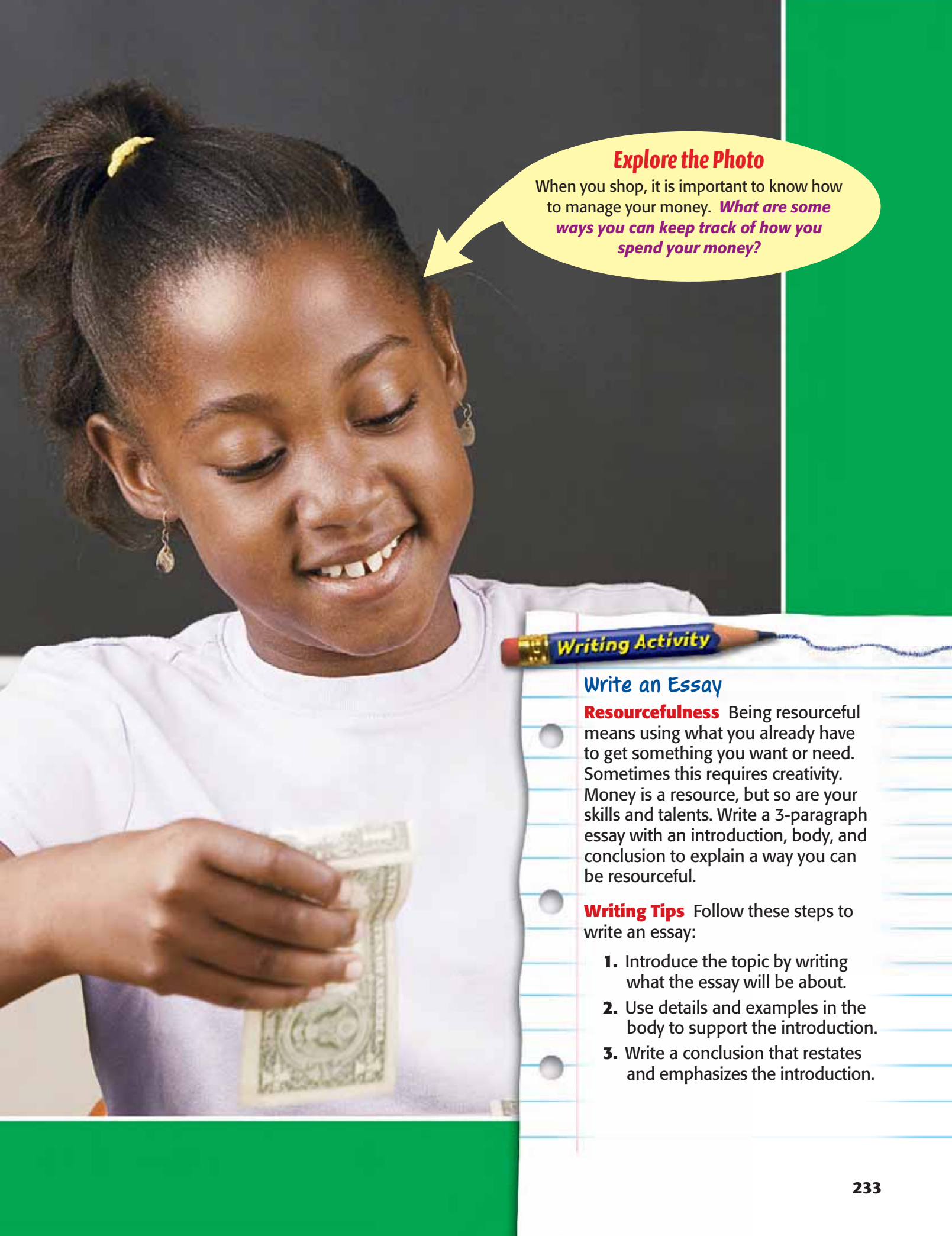
Be a Smart Consumer

■ **Main Idea** Evaluate advertisements and carefully consider what you want and need from the products you purchase.

Section 11.2

Spending and Saving Basics

■ **Main Idea** Shopping skills, consumer rights and responsibilities, and money management help you spend and save wisely.



Explore the Photo

When you shop, it is important to know how to manage your money. *What are some ways you can keep track of how you spend your money?*

Write an Essay

Resourcefulness Being resourceful means using what you already have to get something you want or need. Sometimes this requires creativity. Money is a resource, but so are your skills and talents. Write a 3-paragraph essay with an introduction, body, and conclusion to explain a way you can be resourceful.

Writing Tips Follow these steps to write an essay:

1. Introduce the topic by writing what the essay will be about.
2. Use details and examples in the body to support the introduction.
3. Write a conclusion that restates and emphasizes the introduction.

Reading Guide

Before You Read

What You Want to Know Write a list of what you want to know about being a smart shopper. As you read, write down the heads that provide that information.

Read to Learn

Key Concepts

- ✓ **Evaluate** how you can be a smart shopper.
- ✓ **Explain** how your habits affect the way you decide what to buy.
- ✓ **Identify** the purpose of advertising.

Main Idea

Evaluate advertisements and carefully consider what you want and need products you purchase.

Content Vocabulary

- consumer
- trend
- advertisement
- media

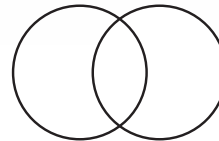
Academic Vocabulary

- service
- endorse

Graphic Organizer

As you read, compare and contrast information advertisements and image advertisements. Use a graphic organizer like the one shown to help you organize your information.

Information Ads Image Ads



- 🔗 **Graphic Organizer** Go to this book's Online Learning Center at glencoe.com to print this graphic organizer.

Academic Standards



English Language Arts

NCTE 3 Apply strategies to interpret texts.



Mathematics

NCTM Problem Solving Solve problems that arise in mathematics and in other contexts.



Science

NSES G Develop an understanding of science as a human endeavor, nature of scientific knowledge, historical perspectives.



Social Studies

NCSS VIII B Science, Technology, and Society Make judgments about how science and technology have transformed human-environment interactions.

NCTE National Council of Teachers of English

NCTM National Council of Teachers of Mathematics

NSES National Science Education Standards

NCSS National Council for the Social Studies

Do you ever think about how you spend your money? Do you spend all of your money as soon as you receive it, or do you put some away for later? Maybe you want to save money for a friend's birthday gift. At the same time, you may be hoping to buy a new video game. The way people manage their money can depend on their needs and wants. How do your needs and wants influence your spending?

Teens as Consumers

Teens spend their money to buy goods and services. Goods are products made for sale, such as MP3 players, computer games, or jeans. A **service**, or work performed for others, is also something people purchase. Services include the work done to repair your bike, or the time your instructor spends teaching you how to play an instrument. Even if you do not spend a great deal of money, you can be a smart shopper if you know what factors influence your buying decisions. A **consumer** is a person who buys goods and services.

As a consumer, you have many decisions to make. You must decide what to buy, where to buy, and when to buy. You have to decide how to get the best value for your money. By making wise purchases, you will be a satisfied consumer.



Define What is a consumer?



As You Read

Connect Think about the last product you bought. What did you consider before you bought it?

Vocabulary

You can find definitions in the glossary at the back of this book.



Spend Wisely As a consumer, you have many choices when it comes to spending your money. *How can you make wise spending choices?*

Buying Decisions

When you bought your last pair of athletic shoes, what influenced your decision? Did your friends convince you that you needed the shoes? Maybe your decision was based on price. Perhaps you saw an athlete you admire **endorse**, or recommend, the shoes in a television advertisement. An **advertisement** is a message that persuades consumers to buy a product or service.

Have you ever tried out a new shampoo because your friend recommended it? Have you ever decided to buy a new backpack because your friend has one? Your friends can have an influence on your buying decisions.

A **trend** is a temporary fashion or product. Can you think of any recent movies that inspired a line of products in toy stores? What celebrities can you think of who start trends with their personal styles? These items may become status symbols, or signs of popularity and importance.

Before you make a purchase, evaluate the product. Give it some thought. Ask yourself, “Do I really need these jeans for \$80.00?” or “Is it really necessary for me to wear sunglasses by this designer?” Trends come and go. You may decide that you do not really need the product at all. Do what is best for you, and be proud of your individuality.

Buying Habits

As you have probably discovered, many of your buying decisions are influenced by your habits. If you always shop at the same store, you may be passing up good prices offered at another store. Perhaps you feel loyal to certain brands. Loyalty is good, but if you do not take notice of other options, you may be missing out on good products and good deals. Sometimes you need to evaluate your habits to make sure that you are being a careful shopper.

 **Reading Check** **Assess** Why should you evaluate a product before you buy it?




Saving Money

When you put money in a savings account, the bank can use that money for other purposes until you withdraw it. The bank pays you a fee, known as interest, for this privilege of being able to use your money. Interest is usually paid at a rate based on an annual percentage of the money you have deposited, known as the principal. The interest is added to your savings account along with the principal. Imagine that Andrew has \$550 in his savings account on January 1st. If the account pays 5% simple interest, how much money will be in Andrew's account at the end of the year?


Math Concept **Simple Interest** Calculate simple interest by multiplying the interest rate by the principal.

Starting Hint To calculate the interest Andrew will receive for the year, multiply \$550 by 5%, which is the same as multiplying 550×0.05 . Add this interest amount to the principal (the amount already in the account at the beginning of the year).

 *For math help, go to the Math Appendix at the back of the book.*

NCTM Problem Solving Solve problems that arise in mathematics and in other contexts.



 **Trends** Before you buy something trendy, think about why you want to make the purchase. *Who or what has an influence on what you buy?*

Advertising

Advertising is a major influence on people's buying decisions. Advertising is everywhere you look. **Figure 11.1** on page 238 shows several types of media. **Media** are various forms of communication that advertisers use.

Advertisements, or ads, are designed to catch the attention of consumers and convince them to buy a product or service. Ads influence consumers by presenting goods or services in an attractive way.

Ads introduce new products and point out their benefits. In addition, they let you know about sales. Looking at the weekly advertising circulars you find in newspapers or in your mail is a great way to compare prices.

Some ads deliver a public-service message. They may warn people about the dangers of tobacco, alcohol, and other drugs. Other advertisements ask people to conserve resources or donate money to charitable organizations.

There are some disadvantages to advertising. Some ads persuade people to buy items they may not need, especially if the product is endorsed by an admired celebrity. Ads can also be misleading or make exaggerated or unrealistic claims. If something sounds too good to be true, it probably is not.

Figure 11.1 Types of Advertising

Media Advertisers use different media to tell consumers about their products or services. *Why do you think some are more effective than others?*



Electronic Media

The Internet, radio, and television are examples of electronic media. Internet advertising appears on the computer screen when users are online. The ads that you hear on the radio and see on television are called commercials.

Print Media

Newspapers and magazines are examples of print media. Food and clothing stores often place ads in newspapers to reach their local customers.

Signs and Displays

Signs and displays are two other types of media that you have seen many times. Advertising signs can appear on billboards, buses, taxis, and storefronts. Stores attract buyers with window displays and product displays.

Direct Mail

Mail-order catalogs and coupons are examples of direct mail. Catalog retailers and wholesalers use direct mail. Some companies use only direct mail to advertise their products.

Telemarketing

Telemarketing means calling a person directly to discuss a product or service. Telemarketers use this means to reach people they think will respond to telephone offers.

Types of Advertisements

Advertisements generally fall into one of two categories: information ads and image ads. Both are used to grab your attention and sell a product or service, but each type of ad sends a different kind of message.

Information Ads

These ads describe the features of a product or service and give facts about its price and quality. Information ads send the message that an item is a good buy for the price or because of its high quality.

Image Ad

These ads connect a product or service to a lifestyle that consumers would like to have. Image ads often use celebrities



Class Attendance

Get Notes If you know that you are going to be absent, arrange with a classmate to take notes and make a copy for you.



to endorse a product. They send the message that consumers will be more attractive or popular, or perhaps smarter or healthier, if they use the product or service. Image ads are often used to promote fashions, cosmetics, and other items that a person may want but does not necessarily need.

Evaluate Advertising

Before you decide to buy a service or product, be sure to analyze the advertising claims.

Figure 11.2 describes common techniques that advertisers use to get your attention and your business. Ask yourself questions like these to help you make wise choices:

- Does the ad suggest that the product will make me healthier, more attractive, or even happier than is realistic?
- Is the celebrity in the commercial an expert in nutrition, medicine, or fashion?
- Does the catchy slogan really mean something, or is it just to make me remember the product's name?

SCIENCE YOU CAN USE



Entropy

Entropy is a concept in physics that signifies the amount of disorder in a system. This concept can apply to financial management. Sometimes people develop disordered spending habits. They buy things they cannot afford and make no plans to pay off their debts. These poor habits can result in financial instability.

Procedure Think about what can happen if there is disorder in your finances. What are some good habits you can develop to avoid financial disorder?

Analysis Write a response that explains how to avoid entropy in your finances. Be specific about what you can do to avoid disorder in personal finance management.

NSES G Develop an understanding of science as a human endeavor, nature of scientific knowledge, historical perspectives.

Figure 11.2 Getting Your Attention

Advertising Techniques Advertisers use different techniques to get you to buy their products or services. *Name some ads you have seen on television or online, heard on the radio, or seen in print that use some of these techniques.*

Slogans

Advertisers use slogans and jingles, or catchy songs, to remind people of their products.

Endorsements

Advertisers use famous people, including movie and television celebrities, politicians, athletes, and musicians, to promote their products.

Cartoon Characters

A popular technique is to use animated characters to advertise products.

Emotional Appeals

With this technique, advertisers tell you that you will be happier, healthier, or more popular if you use their products.



Class Attendance

School Be at school every day. Important information is presented in all of your classes. Each class builds on material from the last class. If you miss a class or two, you may have trouble catching up.



Get More Information

Although the federal government requires advertisers to make truthful claims, there are some companies that will exaggerate how good their products are. Product advertisements, whether in print, online, on the radio, or on television, can be misleading. You do not have to depend on advertisements for all of your information about a product or service, however. Other sources of useful information are also available to you.

One of the most reliable sources of information is the people you know. Ask your family and friends what brand of a product they use, whether it works well, and if the item was worth the money they paid. The Consumer Product Safety Commission is a government agency that provides safety information about various products. You can check the Better Business Bureau (BBB) for reputable, or trustworthy, businesses. Another good way to obtain information is from consumer resources in print or online. Consumer organizations test products, survey the customers, and then report their findings. They are independent and are not paid by the advertisers, so they have no reason to make false claims.

Section 11.1 After You Read

Review What You Have Learned

1. **Identify** the decisions that make as a consumer.
2. **Recognize** the influences on your buying decisions.
3. **Name** two types of advertisements.

Practice Academic Skills



English Language Arts

4. Choose a common product or service such as window cleaner or car insurance. Compare and contrast two types of ads, such as a television commercial and a magazine ad, that promote that type of product or service. Write a short report to present your analysis.

NCTE 3 Apply strategies to interpret texts.



Social Studies

5. Evaluate how Internet advertising affects consumers. How is it different from traditional advertising? Explain your answer in a short oral report.

NCSS VIII B Make judgments about how science and technology have transformed human-environment interactions.



Check Your Answers Check your answers at this book's Online Learning Center at glencoe.com.

Reading Guide

Before You Read

Preview A cause is an action that makes something happen. An effect is a result of a cause. Ask yourself, “Why does this happen?” to help you recognize cause-and-effect relationships.

Read to Learn

Key Concepts

- ✓ **List** the different types of stores where you can shop.
- ✓ **Explain** why consumers need rights and how you can be a responsible consumer.
- ✓ **Understand** how to manage your money wisely.

Main Idea

Shopping skills, consumer rights and responsibilities, and money management help you spend and save wisely.

Content Vocabulary

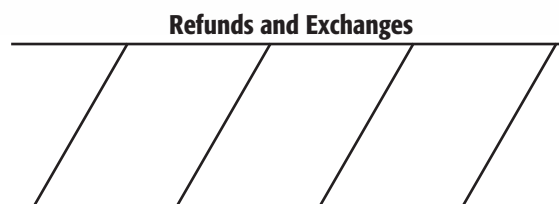
- impulse buying
- comparison shopping
- guarantee
- shoplifting
- income
- expenses
- budget
- credit


Academic Vocabulary

- merchandise
- expire

Graphic Organizer

As you read, list four guidelines for exchanging merchandise or asking for a refund. Use a graphic organizer like the one shown to help you organize your information.



 **Graphic Organizer** Go to this book's Online Learning Center at glencoe.com to print this graphic organizer.

Academic Standards



English Language Arts

NCTE 5 Use different writing process elements to communicate effectively.



Social Studies

NCSS 1D Culture Compare and analyze societal patterns for preserving and transmitting culture while adapting to environmental or social change.

NCSS VI A Power, Authority, and Governance

Examine persistent issues involving the rights, roles, and status of the individual in relation to the general welfare.

NCTE National Council of Teachers of English

NCTM National Council of Teachers of Mathematics

NSES National Science Education Standards

NCSS National Council for the Social Studies

It is easier to spend money than to save it, but managing money so you can do both is important for your long-term financial goals. Shopping for the best buys and knowing your rights and responsibilities as consumers can contribute to successful money management.

As You Read

Connect How can reading the care instructions on a clothing label help you to decide whether or not to buy it?

Vocabulary

You can find definitions in the glossary at the back of this book.

Shopping Skills

Skillful shoppers get the best value for their money. As you develop your shopping skills, you will learn how to spot a good value and how to spot an overpriced product. This ability can help you save a great deal of money over the years.

Be an informed shopper. Read labels and compare prices at different stores and among different brands. Look closely at merchandise to judge its quality. Check to see whether the manufacturer will replace or repair the item if it breaks. It is possible to find out some of this information before you even walk into a store. Conduct research, ask friends and family, and read consumer publications to get as much information as possible before you buy.

Impulse buying means making a sudden decision to buy something you did not plan to purchase. Did you ever decide to buy candy or a magazine while you were standing in the checkout line? Stores place items in these locations just for that reason. If you buy something on impulse, you may end up with something you do not need or that is not worth the money. You risk wasting your money and hurting your budget.

Collect information about products from friends and family members and advertisements. Word of mouth is a great way to find out about products and services. Information obtained from people you know and who are not paid to sell products is generally reliable. Ask friends and family such questions as:

- Are you satisfied with the product?
- What do you like or dislike about it?
- Would you buy the product again?

Impulse Buying Store managers often stock impulse-buy items, such as magazines and candy, near the checkout counter. *How can you avoid impulse buying?*



Where Should I Shop?

What types of stores are familiar to you? Different kinds of stores carry different selections of **merchandise**, or products available to buy. The best stores for you depend on the particular items you want to buy, the prices you are willing to pay, and the kinds of services you need.

- **Department Stores** Most department stores sell clothing, shoes, household items, and electronic equipment. Prices for the same item often vary among stores. Department stores usually offer many services, such as gift-wrapping and delivery.
- **Specialty Stores** A store that carries only a specific type of merchandise is a specialty store. The prices may be higher than in a department store.
- **Chain Stores** Stores in separate locations that have the same name and carry the same merchandise are called chain stores.
- **Factory Outlets** A factory outlet generally carries only one manufacturer's products. Outlets stock items that are left over from other stores. Some of the products may have slight defects but are still useable. Shopping at factory outlets can be a great way to save money on brand name products.
- **Discount Stores** Discount stores carry a selection of items at low prices. Some discount stores specialize in a particular kind of merchandise. Other stores that sell merchandise at discounted prices include membership warehouses and thrift shops.

Catalogs and the Internet

Besides going to actual stores, you can also buy products from catalogs. Some catalogs are associated with stores and carry merchandise that the stores cannot keep in stock. Other catalog companies do business only by telephone and mail.

Electronic shopping is available on the Internet. Consumers can view pictures and descriptions of the merchandise offered by many different stores and manufacturers. While online, you can place an order that will be processed instantly, then shipped directly to you.

Catalog and online shopping are fast and convenient ways to shop. However, keep in mind that you cannot inspect merchandise before buying. Before you commit to an online or catalog purchase, find out about their return policy. This information should be provided in the catalog or on the Web site.



Credit Card Safety

You may not have a credit card yet, but debit cards and credit cards are virtually unavoidable for today's purchases, especially online. Credit card numbers are personal. Do not share them with anyone. Make sure you are aware of where your credit card is at all times.

- When using a Web site, make sure it is a secure site.
- When paying in a store, watch the clerk as he or she runs your card to make sure that the card is only used for your purchase.
- Keep receipts in a safe place, or destroy them when you are sure you no longer need them.


Comparison Shopping

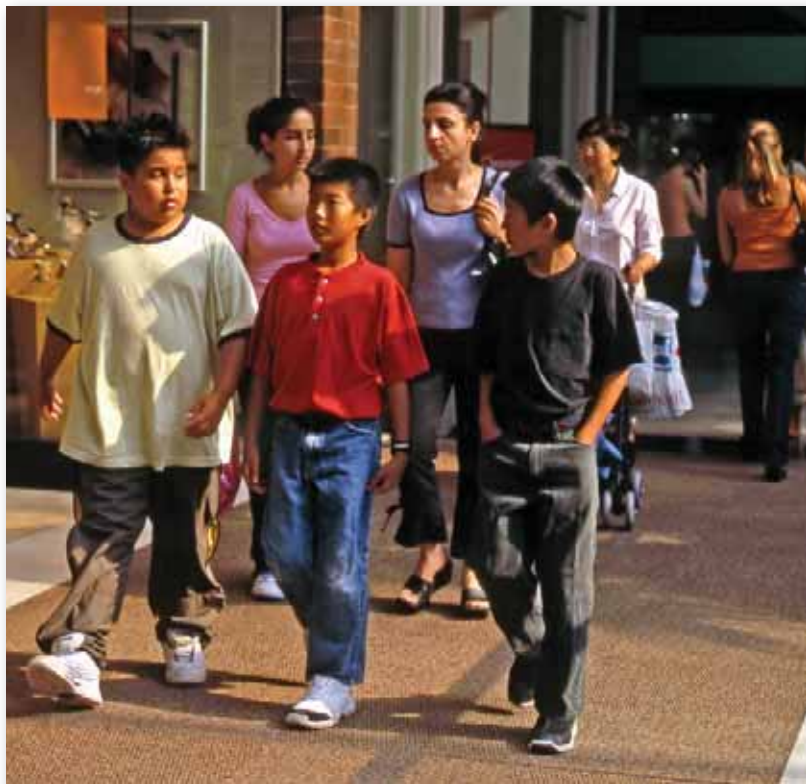
After you decide where to shop, you need to consider certain factors before making your purchase. **Comparison shopping** is evaluating similar items to check quality and price. Which one is the better value? Also, compare labels and guarantees to help you get the best value for your money.

Some people think that price is a sign of how good a product is. They think that a more expensive product must be superior. That is not always the case. Items that are on sale may be less expensive than regular-priced items, but may not be of the same quality. Stores sometimes sell products that they have bought at special, lower prices. The quality of these items may also be lower than that of their regular merchandise. You need to look carefully at products on sale to see if they really are bargains. Sometimes it is worth extra money to get higher quality.

Higher-priced items may be of good quality, but they may also contain features that you do not need. For example, you may not want to spend the extra money on an MP3 player that holds 20,000 songs when one that holds 500 is all you need. Be practical, especially when deciding on expensive items.

You can often save money by using generic products. Generic products do not have a famous brand name. However, generic products are often made from the same or similar ingredients or materials as the brand-name products. The difference is the amount of money spent on packaging and advertising. The extra cost of brand-name products is passed on to consumers.

 **Shopping Options** Choosing where to shop can be challenging. *What should you consider when deciding where to shop?*





Currency



Guatemalan Quetzal

The quetzal is the currency, or money, of Guatemala. It is named after the national bird of Guatemala, the “Resplendent Quetzal.” It is divided into 100 centavos, much like a United States dollar is divided into 100 cents. The Mayans, who are the native people of Guatemala, used the long tail feathers of the male quetzal bird as currency in ancient times. Today, both the United States dollar and the Guatemalan quetzal carry value for making purchases in Guatemala. The image of the quetzal bird appears on Guatemalan paper currency and on some coins, and it carries historical importance for the people of Guatemala.

quetzal |ket-|säl 1. a Central American bird with brilliant green and red feathers. The male quetzal has very long, streaming tail feathers. 2. the main unit of Guatemalan currency.

NCSS 1D Culture Compare and analyze societal patterns for preserving and transmitting culture while adapting to environmental or social change.

Guarantees

Many items come with a guarantee, sometimes called a warranty. A **guarantee** (ˈgär-ən-tē) is the manufacturer’s written promise to repair or replace a product if it does not work as claimed. Service providers also offer guarantees that they will perform their services as promised. Be sure to read the guarantee or warranty so that you know what is promised. Some warranties apply only to certain parts of the product or only under specific conditions. For example, a product may be guaranteed to work properly for a specific length of time unless it is misused by the consumer.

No matter how you pay for an item, remember to keep the receipt and tags as proof of your purchase. Keep the receipt and the guarantee or warranty in a safe place. If you decide to return the item, you will need the receipt.



Identify What are the risks of impulse buying?

Your Consumer Rights and Responsibilities

Do you consider yourself a responsible consumer? Be courteous, count your change, handle merchandise carefully, and get the information you need. This is all part of being a responsible consumer.

Consumers have rights that protect them from false advertising and unsafe products. The law requires manufacturers to put labels on food and clothing and to make products that are safe to use. Your rights make it possible for you to make a complaint if you are not satisfied with a product or service. Your consumer rights may have helped you already. If you returned a shirt that did not fit, you exercised some of your rights. **Figure 11.3** explains the rights you have as a consumer.

Be Courteous

When you have to return an item to the store, you should do so in a polite way. Calmly explain what the problem is and how you would like to resolve it. For example, do you want your money back, or do you want to trade the item for another size or color? Remember to bring your receipt with you.

Figure 11.3 Consumer Rights

Exercise Your Rights As a consumer, you have the right to return items that do not fit your needs. Return policies vary by store. *What should you have available if you need to return a product?*



- **The Right to Safety** Products must be well designed and, if used properly, must not cause harm or injury.
- **The Right to Be Informed** Labels give you information about products. Laws protect you from false or misleading advertisements.
- **The Right to Choose** Consumers are entitled to choose from a variety of products. They have the right to select the items that fit their needs.
- **The Right to Be Heard** Consumers can speak out about a product if they are not satisfied with it.
- **The Right to Redress** Action taken to correct a wrong is called redress. Consumers can seek redress if they have a problem with a product.
- **The Right to Consumer Education** Consumers are entitled to learn about their rights. Consumer rights protect you and help you get the best product for your money. However, along with those rights you also have responsibilities.

Behave Responsibly

The manufacturer also has responsibilities. Manufacturers must produce products that are functional, safe, and reasonably priced. As a responsible consumer, you need to read and follow the instructions. Experts who understand the product prepare instructions that provide for your safety and satisfaction. It is important to follow them.

Another way to behave responsibly is to handle merchandise with care. This applies to more than breakable items. Clothing can be damaged while you are trying it on. Remove your shoes before trying on pants. Make sure any jewelry you wear does not snag on fabric. Leave the dressing room neat.

If you get a warranty card with a product, fill it out and send it to the manufacturer. The date on the card lets the manufacturer know when the warranty will **expire**, or come to an end. Keep your warranties together in one place.

Be Honest

When paying cash for your purchases, pay attention to the change you receive. If you receive too much change, return it to the clerk. Otherwise the clerk may be responsible for replacing the money.

Some people do not realize the seriousness of shoplifting. **Shoplifting** is taking items from a store without paying for them. It is stealing and it is punishable by law. Some people look at shoplifting as a prank. Their friends may dare them to do it. Shoplifting is a serious crime for which a person may go to jail and pay a fine. It is a crime that remains on that person's record. All customers have to pay higher prices to make up for the money that stores lose because of shoplifting.

Refunds and Exchanges

Like most people, you have probably purchased a product that did not work properly, did not fit, or was not what you expected. What did you do? Did you ask to exchange the unwanted product for something else? Did you ask for a refund, or return, of your money? Perhaps you accepted store credit.



Truthfulness

Candace's parents bought a cell phone for her birthday. They told her to be very careful with the expensive phone. If she damaged or lost it, she would have to pay to have it replaced. One day Candace and her friends went to the beach. Candace thought it would be a good idea to protect her phone from the sand by storing it in a plastic cup. Unfortunately, the cup was full of water! Her phone was ruined. She would have to pay for a new one. Then a friend suggested that she just tell her parents it was stolen. That way they could not be mad at her and they would have to buy her a new phone.

You Make the Call

Is the friend's suggestion reasonable? Can anyone be harmed when no one actually stole the phone? Write a paragraph that explains what you think Candace should do.

Before you return a product, follow these guidelines:

- **Know the store's policy.** Every store sets its own return-and-exchange policy. The policy is usually posted where you pay for the item. Read the policy. If you do not understand it, ask the clerk before paying for the purchase. Never assume that you can return an item.
- **Keep proof of your purchase.** The store receipt is proof of the price, date of purchase, and store where you bought an item. Most stores require you to show your receipt in order to receive a refund.
- **Determine whether you are entitled to a refund.** Defective, or broken or flawed, merchandise may be sold "as is." Sale items may be marked "All Sales Final." In these cases you are not entitled to a refund. Certain products such as bathing suits, underwear, and pierced earrings are usually not returnable because of health codes.
- **Be ready to process your claim.** Take your merchandise and sales receipt to the store if you are entitled to a refund. You may be asked to complete a form giving a reason for returning the item. When the item is defective, be sure to provide this information so that the store can notify the manufacturer.

Take Responsibility

As a consumer, it is your responsibility to follow the manufacturer's instructions.

What else can you do to be a responsible consumer?



Connect *What are the long-term consequences of shoplifting for the consumer?*

Money Management

You will be earning, spending, and saving money all of your life. The key to managing your money is to remember that the amount you have to spend is less important than how you spend it. Even if you have only a small amount to spend, you can stretch your buying power by learning to buy and save wisely.

To manage your money wisely you will need to:

- Know the source of your income.
- Determine how much money you will have.
- Look at how much money you are spending.
- Evaluate what you are buying.



Hands-On LAB

Create a Budget

In this activity you will create a budget to plan and track your expenses. Before you begin, read through the entire Hands-On Lab assignment. Write down any questions that you have about the activity. Reread the text or ask your teacher for help if you need it



Supplies

- ✓ Notebook and pen
- ✓ Spreadsheet software (optional)

Develop Your Plan


- Figure how much money you make every month from work or allowance. This is your monthly income. If you do not have a monthly income, use imaginary but realistic numbers.
- Create categories for your regular expenses, such as Food, Entertainment, and School Expenses.
- Add another category for miscellaneous expenses, such as unexpected purchases or items that do not fit your other categories.
- Add a final category to your chart so you can label each item as a need or a want. For example, you need food, but you want a new wallet.

Implement Your Plan

- Create a budget for the next month. If available, use spreadsheet software.
- Estimate how much of your monthly income you will spend on each category.
- Write the amounts down, or enter the amounts into your spreadsheet.
- Record your income and expenses for one month.
- At the end of the month, add the total spent on needs and the total spent on wants.

Evaluate Your Results

What surprised you about your spending habits? Did you spend more or less than you thought you would? Where did you spend the most? The least? How can you better spend your money next month? Write one or more paragraphs to explain your answer.

 **Projects and Activities** Go to this book's Online Learning Center through glencoe.com for more projects and activities.



Class Attendance

Ask for Help Talk to your teacher or guidance counselor if you are missing too many days of school. He or she may be able to help you determine the problem and find resources to help.



Your **income** is the amount of money you earn or receive regularly. Your **expenses** are the goods and services on which you spend your money. If you manage your money well, you will not spend more on expenses than you receive as income. What are your sources of income? What are your expenses?

Plan and Budget

A **budget** is a plan for using your money. You need to examine your goals before you set up a budget. Do you want to save enough money for a new skateboard? Do you want to pay for singing lessons so that you can try out for the musical at school? Are you saving money to buy your parents an anniversary gift?

Your budget should include a savings plan. A savings plan helps you put money aside for unexpected needs and for future use. Many people find it easier to save when they set goals, such as having money for holiday activities. Some teens begin saving for a car or a college education. Unless you plan ahead and save regularly, it will be difficult to achieve your financial goals.

Planning a budget requires an income, a record of your expenses, and a goal. Begin by setting aside enough money to cover your expenses. When your income does not cover your expenses, you will need to make some adjustments. You may choose to cut back on some of your expenses. Another option is to look for new ways to add money to your income, such as babysitting or taking on extra chores for an allowance.

Paying for Purchases

Most people pay for their purchases with cash until they are ready to open a checking account or apply for a credit card. There are a variety of payment options besides cash:

- **Check** A check is a written order directing a bank to pay the person or business named on the check. In order to pay by check, you must open a checking account and deposit enough money to cover the checks you write. A checking account is a convenient way of handling money without keeping cash on hand.
- **Layaway Plan** A layaway plan is a scheduled payment plan in which you put a small amount of money down and make regular payments until you have paid for the item. When the item has been paid for in full, you can take it home.
- **Debit Card** A debit card is used to electronically withdraw money directly from a person's checking account.

Debit cards are considered the same as cash. There must be a balance, or a certain amount of money, in the account in order to use the card. Debit card transactions are an option at most retail establishments.

- **Credit Cards** You can buy now and pay later using a method of payment called **credit**. The seller or a bank issues credit to the buyer. That means that the buyer can use credit to make an immediate purchase. Then he or she must make regular payments to the seller or bank until the item is paid for in full. Credit is often used to buy expensive items such as furniture or large appliances. Be very careful when you use credit cards. It is easy to get caught in the credit trap. Credit cards are easily available, but you will pay a high price if you do not use them wisely. Your unpaid balance rolls over each month and extra fees called finance charges are added. If you only pay the minimum amount due, you will get further into debt because of the finance charges. This can damage your credit rating. A bad credit rating will make it difficult to get an apartment or a loan for a car or home. Do not take on the responsibility of credit card payments until you are fully prepared to pay what you owe.

Section 11.2 After You Read

Review What You Have Learned

1. **Describe** how you can become an informed shopper.
2. **Explain** how to return an item in a courteous way.
3. **Evaluate** how a savings plan can help you meet financial goals.

Practice Academic Skills

English Language Arts

4. Create a pamphlet that encourages teens to save money for financial goals. Use graphics to make your pamphlet colorful and easy to read. Include steps for how to save, and the benefits of saving money.

NCTE 5 Use different writing process elements to communicate effectively.

Social Studies

5. Research laws about consumer protection and consumer rights in your state. Choose a specific law that you find interesting, and present the information to the class in a short report.

NCSS VI A Examine persistent issues involving the rights, roles, and status of the individual in relation to the general welfare.

- **Check Your Answers** Check your answers at this book's Online Learning Center at glencoe.com.

Discovering Careers

Focus on Careers in Finance ▼



Do you plan carefully before you spend your money? Have you offered advice to others about their finances? If you answered yes to either of those questions, you might want to consider a future career in finance. The following chart explores several careers in the finance field.

Career Activities ▼

At School

1 Select three of the careers listed. Research the education, training, and work experience required for each career. Write a summary of your results.

At Home

2 With help from family members, keep a record of all purchases made by your family in one week. List expenses by category. Other than rent and house payments, where does your family spend the most money?

At Work

3 Make a list of buying decisions that might need to be made in a business office. Compare lists with your classmates.

In the Community

4 Contact and interview someone in your community who works in the finance field. Ask this person to describe what his or her typical work day is like. Share what you learned with your class.

Job Title	Job Description
Accountant	Prepares financial reports. Documents business transactions. Prepares balance sheets and profit-and-loss statements.
Bank Teller	Receive, process, deposit, and distribute money for bank and financial institution customers. Cash payroll checks, exchange foreign currency, receive loan payments, issue traveler's checks.
Debt Collector	Collects debts by phone, mail, and in person. Contacts people to set up payment arrangements. Reports delinquent accounts.
Tax Preparer	Prepares federal, state, or local tax returns for individuals, businesses, or organizations. Computes taxes owed according to laws and regulations.
Credit Counselor	Counsels people who have difficulty managing money. Sets up spending plans. Arranges pay plans between creditors and debtors for debt repayment.

Learn More Online  glencoe.com

Career Investigations Go to this book's Online Learning Center for activities and worksheets to help you explore careers.



Chapter Summary

Section 11.1 Be a Smart Consumer

Teens spend their money to buy goods and services. As a consumer, you must decide what to buy, where to buy, and when to buy. An advertisement is a message that persuades consumers to buy a product or service. Family, friends, and the media influence your buying decisions. Before you decide to buy a service or product, analyze the advertising claims and get as much information as possible.

Section 11.2 Spending and Saving Basics

Skillful shoppers get the best value for their money. Today's consumers have many shopping options. Consumers have rights and responsibilities. Be courteous, follow instructions, and get the information you need to be a responsible consumer. The key to managing your money is to save more than you spend. Set up a budget that includes a savings plan.

Words You Learned

1. Write your own definition for each content and academic vocabulary term.

Content Vocabulary

- consumer (p. 235)
- advertisement (p. 236)
- trend (p. 236)
- media (p. 237)
- impulse buying (p. 242)
- comparison shopping (p. 244)
- guarantee (p. 245)
- shoplifting (p. 247)
- income (p. 250)
- expenses (p. 250)
- budget (p. 250)
- credit (p. 251)

Academic Vocabulary

- service (p. 235)
- endorse (p. 236)
- merchandise (p. 243)
- expire (p. 247)

Review Key Concepts

2. **Evaluate** how you can be a smart shopper.
3. **Explain** how your habits affect the way you decide what to buy.
4. **Identify** the purpose of advertising.
5. **List** the different types of stores where you can shop.
6. **Explain** why consumers need rights and how you can be a responsible consumer.
7. **Understand** how to manage your money wisely.

Critical Thinking

8. **Predict** what can happen if you fall into the credit card trap.
9. **Analyze** the way advertising works in your age group. What do advertisers do to appeal to you as a member of the teen audience? In what media forms are you likely to find ads for your age group?

Real-World Skills and Applications

Problem-Solving

10. **Shop Around** You need a new radio alarm clock to use in your room. You arrive at the electronics department and find that the store carries a large variety of radio alarm clocks, with a wide price range and several brands. What should you do before you make your decision?

Interpersonal and Collaborative

11. **The Power of Influence** Follow your teacher's directions to form groups. Make a list of at least five items that you purchased recently. Next to each item, identify what influenced your buying decision the most. Was it friends, family, habit, the media, or advertising? Compare your lists, and determine which influence has the most power in your group. What conclusions can you draw from this activity?

Financial Literacy

12. **The Rule of 72** In finance, the "Rule of 72" works as a rule of thumb for quickly estimating the number of years it will take for your money to double at a given interest rate. Simply divide 72 by the interest rate percentage to find the number of years until your money doubles. For example, Shannon is a first-year college student who will have loans to pay off when she graduates. She wants to start saving now. If she chooses an account that pays 9% interest, it will take approximately $72 \div 9 = 8$ years to double her money. How many years would it take to double her money at a rate of 4%? If she wanted to double her money in 2 years, what rate would she need?



13. **Savings Plans** Conduct research to learn about saving money at a bank. Choose three banks. For each bank, create an information card with the bank name and the type or name of the savings account on the front. On the back of each card, list the details of the plan. For example, how much money do you need to open an account? What is the interest rate? When can you access your money? Highlight any unfamiliar terms on your cards to discuss in your class.

14. **Advertising Analysis** Find five advertisements for products geared toward teen buyers. Using Figure 11.2 on page 239 as a guide, identify the advertising techniques used. Which do you think is the most effective? Which is the least effective? After reading this chapter, do you think you will react to ads in different ways? Why or why not? Explain your answer in a presentation to your class.



15. **Start Saving Now** You may think it is difficult to save money when you do not make much money in the first place. However, with creative planning you can start your money management strategies now. With permission from your teacher or parents, go online to find information that can help teens save money. Write down or print out the tips and suggestions you find and include them in your Life Skills Binder.

Academic Skills



English Language Arts

16. **Create a Brochure** Conduct research to learn more about how to manage credit. Use the information to write a brochure that will help teens manage their credit when they are on their own. Provide useful tips from the chapter and other resources. If possible, illustrate your brochure to add color and interest.

NCTE 8 Use information resources to gather information and create and communicate knowledge.



Science

17. **Research Ingredients** To complete a scientific investigation, you collect data. Use this science skill to research the ingredients in brand-name and generic products.
- Procedure** Record the ingredients of brand-name and generic condiments. Choose your five favorite condiments, and create a chart to collect your data.
- Analysis** Using your chart, determine whether or not generic products are the same as brand-name products. What conclusions can you draw from the information you found?

NCESA Develop understandings about scientific inquiry.



Mathematics

18. **Calculating Insurance Decreases** John pays \$500 for car insurance a year. When he turns 21, his payments will decrease by 10%. After that, if he takes a safe driving course, he will receive another 2% discount. How much will he pay each year after receiving both reductions?

Math Concept Calculating Discounted Prices

To calculate a discounted price when you know the percentage of discount, subtract the discount percentage from 100%, and multiply the resulting percentage by the original price. For example, if you receive a 25% discount, then the new price will be $100\% - 25\% = 75\%$ of the original price.

Starting Hint Subtract the first discount (10%) from 100%. Multiply the new percent by the insurance payment (\$500). The result is the price after the 21-and-over discount. Multiply that price by 100% minus 2% to find the price after the safe driving course discount is also added.

NCTM Number and Operations Understand the meanings of operations and how they relate to one another.

Standardized Test Practice

Essay

Write a half-page response to the writing prompt.

Test-Taking Tip When writing an essay test response, it is important to take a few moments to plan. Read the question several times and underline key words or phrases, such as explain, support, details, and examples. Key words or phrases tell you what you have to do.

19. Advertising and other influences bombard students on every front. It can be difficult to know how to make choices about spending and saving money. Write an essay about how to make the best choice when making a major purchase. Explain how you make your choice, the events or people who influence your choice, and the effects of your purchase on your finances. Support your explanation with details and examples.