

# Chapter 14

## Managing Your Money

### Lesson 14.1

#### The Money You Earn

### Lesson 14.2

#### You, the Consumer

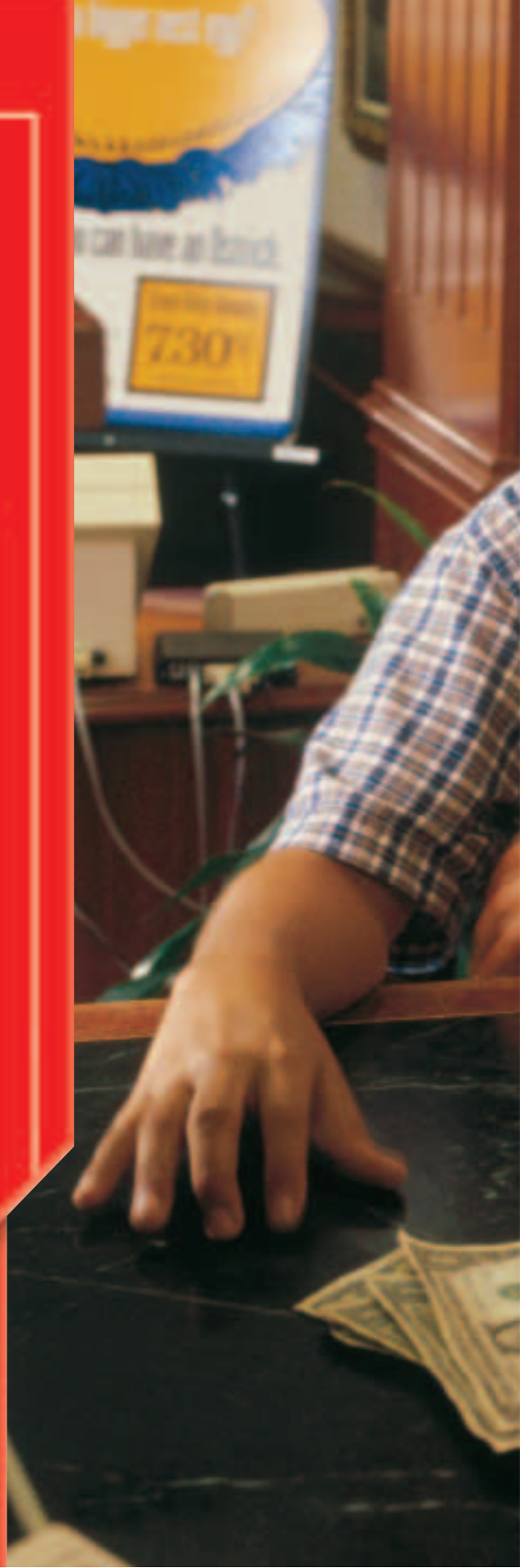
#### CAREER CLUSTER

You will explore careers in the Marketing, Sales, and Service career cluster.



#### What You'll Learn

- You will discover why it is important to manage your money.
- You will learn how to make a plan for spending and saving money.
- You will learn how to finance your education.
- You will find out how you can become a smart shopper.





## Get Ready!

### Manage Your Money

In what ways do you try to make the most of your money? Make a list of three things you do. Now ask three friends or family members to list three things they do to manage their money so it will last longer. Compare their lists with yours.

**Apply** Choose one of the money management methods friends or family members listed that's new to you. Try it with your money.

## Lesson 14.1

# The Money You Earn

### Discover

- What your sources of income are
- How to make a plan for spending and saving money
- How to finance your education

### Why It's Important

Having a spending and savings plan will help you make the most of your money.

### KEY TERMS

- income
- gross pay
- net pay
- withhold
- income tax
- Social Security
- Medicare
- F.I.C.A.
- budget
- fixed expenses
- flexible expenses
- interest
- scholarship
- loan
- work-study program
- grant

Money—most people want more of it. At the same time, many people don't pay much attention to how they spend the money they have. That just doesn't make sense.

You will be earning, spending, and saving money all of your life. You may have only a small amount of money to spend. You may have a large amount. The important thing is to make your money work for you. *What* you have to spend is less important than *how* you spend what you have. That's the key to managing your money.

## Your Income

The first step in managing your money is to know your income. Your **income** is the amount of money you receive or earn regularly.

## What Are Your Sources of Income?

Where does your money come from? How frequently do you receive money? Maybe you get a set amount of money as an allowance once a week or once a month.

### Sources of Income

One day, a job will be your main source of income. *What are your sources of income right now?*



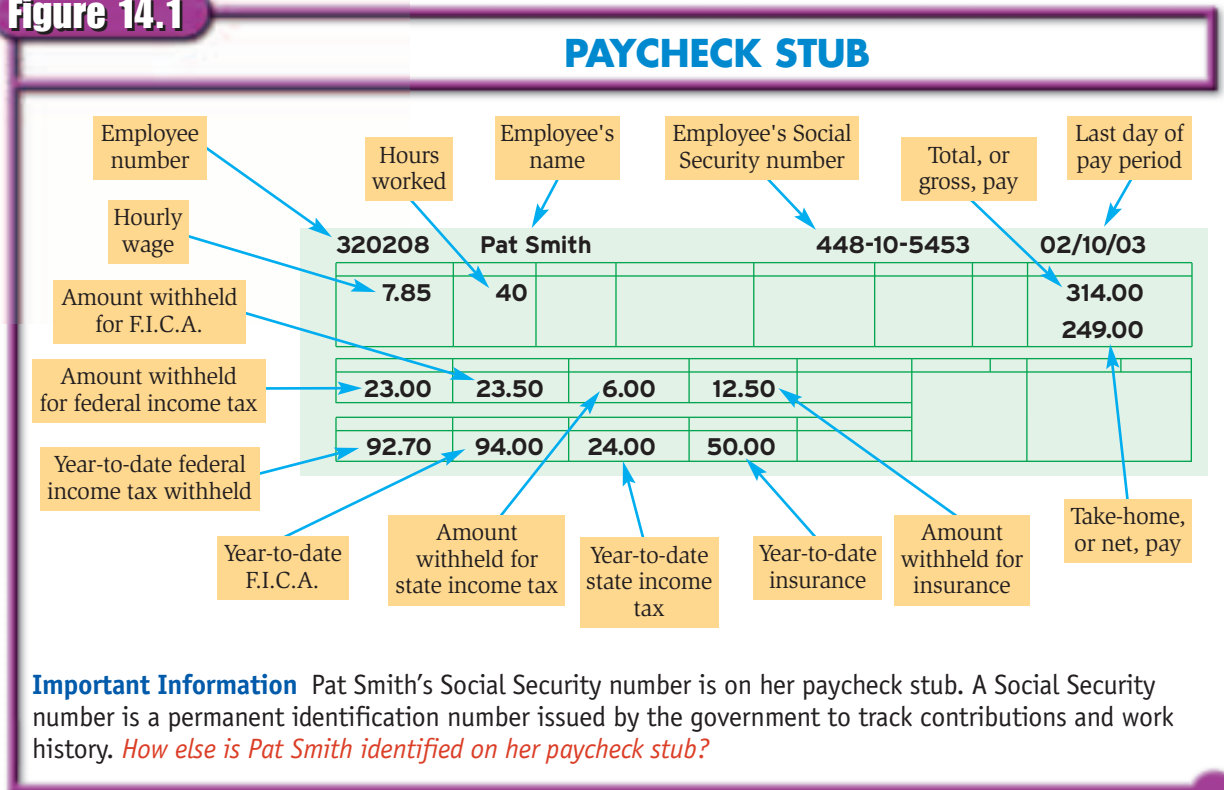
From time to time, you may receive gifts of money from family members. You may earn money in a part-time job. An allowance, gifts, and earnings from part-time jobs are the main sources of income for most young people.

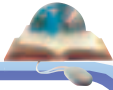
## Making Sense of a Paycheck

You're probably used to being paid immediately for any part-time work you may do. At the end of an evening of baby-sitting, you receive money for your work. At a part-time or full-time job sometime in the future, however, you probably won't be paid as quickly. If you work by the hour, you may receive your pay once a week. If you are on salary, your pay may come every two weeks or once a month.

You will also probably receive your pay in the form of a paycheck. Most paychecks have two parts. One part is the check itself. The other part of a paycheck is the stub. The paycheck stub shows how much you were paid. It also shows the different amounts taken out of your check and why. **Figure 14.1** shows an example of a paycheck stub.

**Figure 14.1**





Remember, one of your best resources is [exploring.glencoe.com](http://exploring.glencoe.com)

## Understanding Withholding

Take a close look at Pat Smith's paycheck stub shown in **Figure 14.1** on page 295. Compare the payment amounts. Pat's **gross pay**, or total pay, each week is \$314.00. However, Pat doesn't take home all the money she earns. Her **net pay**—the amount she actually takes home—is \$249.00. Like other employers, Pat's employer must **withhold**, or take out, money from her paycheck.

As Pat's paycheck stub shows, her employer withholds money for both federal and state income taxes. As you might guess, **income tax** is tax you pay to the government based on your income, or the money you make. Income tax money pays for government services, such as police and fire protection and public education.

Employers also withhold money from employees' paychecks for Social Security and Medicare taxes. **Social Security** is a federal government program that provides benefits for people of all ages. Workers pay Social Security taxes so they can receive benefits when they retire or are disabled. **Medicare** is a health care program provided by the federal government primarily for retired persons. Most workers rely upon Social Security benefits at some time in their lives. The money withheld for Social Security and Medicare taxes is labeled F.I.C.A. on the paycheck stub in **Figure 14.1** on page 295. **F.I.C.A.** stands for Federal Insurance Contribution Act.

Money may also be deducted from your paycheck for benefits your employer offers. As you learned in Chapter 8, health insurance is one benefit many employers offer. Usually the company pays part of the cost of the insurance, and the employees pay part. The employee's part is deducted, or subtracted, from his or her pay. Take another look at Pat Smith's paycheck. As you can see, each pay period, \$12.50 is deducted for insurance from Pat's pay.

## Making a Budget

Right now, you may not have much money, so you may not have a plan for managing your money. When you are working regularly and earning more money, you'll need a budget.

# Career

## Opportunities

### Marketing, Sales, and Service

Do you love shopping for the latest fashion styles or the newest gadgets? Do you look forward to school fund-raisers because you know you'll win an award for selling the most items? If so, you might consider a career in marketing, sales, and service.

#### Critical Thinking

Why do you think a buyer would need a college degree?

#### BUYER

Local department store seeks buyer for men's clothing department. Responsible for purchasing merchandise from wholesalers and manufacturers. Requires knowledge of fashion trends and pricing strategy. Bachelor's degree required.

A **budget** is a plan for saving and spending money. It is based on your income—the money you expect to have coming in. A budget is also based on your expenses—the money you will pay out for goods and services. Try to make and use a budget now. That way, you'll get started on the right foot. Just follow these steps.

### Decide on Your Goals

To make a budget, first list the things you need or want. Do you need money for a new pair of shoes? Do you want to pay for singing lessons so you can try out for a part in a school musical? Are you saving money to buy a birthday present for a friend? Maybe you'd also like to put away money for college.

Divide your goals into short-term and long-term goals. Short-term goals are what you need or want to spend money on now or within the next 12 months. Long-term goals are spending or savings goals that take a year or more to reach.

Write down the amount of money each goal will cost. You may have to look in stores, at newspaper ads, or on the Internet to get an idea of what things cost. You can also get this information by calling businesses and talking to people.

## The Global Workplace

### Hurry Up and Wait

Your meeting is set for 10:00 A.M., but the exact time it'll actually begin depends on the country in which your meeting is being held. In Switzerland, punctuality is admired and your meeting will start on time. You will even impress your Swiss associates by arriving early. In Colombia, expect to be kept waiting. Meetings there usually start 15 to 30 minutes later than scheduled. If your meeting is in Russia, bring a book to read while you wait. There it's not unusual to be kept waiting one or two hours. No matter where you are, *always* arrive on time and have a good attitude if you have to wait.

### Internet Activity

Use the Internet and library resources to research work schedules in one other country. What are the typical work day hours? What days make up this country's work week? Go to the *Exploring Careers* Web site at [exploring.glencoe.com](http://exploring.glencoe.com) for a list of Web sites to help you complete this activity.



### Prioritize Your Goals

Now look at your lists. You'll probably have more items listed than you have money for. That's why prioritizing is the next step in making a budget. As you know, when you prioritize, you put items in order from most to least important.

Think about which goals are most important to you. These will be at the top of your list. Your most important goal will be number 1 on your list. The next most important goal will be number 2, and so on.

Prioritizing will help you see clearly which goals are wants and which are needs. It will help you make choices. You may have to give up or put off reaching some of your goals in order to meet others. You may need a bike to get to your summer job, for example. To get the bike, you may have to give up the new clothes or CD player you want.

## Figure Out Your Income and Expenses

The next step in making a budget is to figure out your income and expenses for each month. First, write down how much money you expect to have coming in. Include all your sources of income: allowance, gifts, earnings, and possibly tips from a job.

Then write down your expenses for each month. You'll have two kinds of expenses: fixed expenses and flexible expenses. **Fixed expenses** are expenses you have already agreed to pay and that must be paid by a particular date. They are usually the same each month. To have your own telephone line, for example, you may pay your parents a set amount each month. You may pay bus or subway fare to get to school each day. Someday you may have a car payment due each month. Rent is another fixed expense.

**Flexible expenses** are expenses that come irregularly or that you can adjust more easily. These expenses may be different each month. Entertainment costs, such as concert tickets, are flexible expenses. Clothing and medical costs are others.

## Set Up Your Budget

Now you're ready for the next step, setting up your budget. A written plan for spending and saving is best. The form shown in **Figure 14.2** on page 300 is a good place to start.

Fill in the information about your income and expenses first. Your income should be equal to or more than your total expenses. If it isn't, you may have to make some changes.

If you need to make changes, take a look at your flexible expenses. They are usually easier to change than fixed expenses. You may pack your lunch every day instead of buying it, for example. You may decide to buy new clothes next month instead of this month. Another way to approach the problem is to increase your income. You may decide to get a part-time job or work more hours, for instance. You may consider getting a job that pays more.



### Pay Your Way

Paying for part of your education is an excellent goal. *Why is it important to set and work toward such a goal now?*



**Figure 14.2****A BUDGET FORM**

Categories	Budgeted Monthly Expenses	Actual Monthly Expenses
Savings		
Fixed Expenses		
Flexible Expenses		
Total Spent		
Total Income		

**Keep Track of Your Money** Many people use a form like this for their budget. *How would you use the column at the far right?*

**Set Savings Aside**

Don't forget savings. It's a key step to making a budget. Remember, a budget is a spending and savings plan. A savings plan helps you put aside money for long-term goals and unexpected needs. You may begin saving for your college education.

All you have to do is set aside part of your income each month. You may save 10 percent of your monthly income, for example. Jesse Reeves knows how quickly savings can add up. Jesse's monthly allowance is \$40. He also makes \$90 a week repairing bikes and skateboards at a shop in town. Jesse saves 10 percent of his monthly income. In one year he will save \$516 of his income.

Jesse keeps his savings in a savings account at a local bank. You can make more money by keeping your money in a bank. The bank will pay you money known as **interest** to use the money in your savings account. The interest is added to the money that is already in your savings account. It's another source of income for you!

### Stay Within Your Budget

You prepare a budget and begin to follow it. Your job isn't over, though. There's one last step. Like any other plan, your budget should be adjusted to fit your needs and wants. Check your budget at the end of every month. Does your income cover your expenses? Do you have money for savings? Do you need to adjust some of your flexible expenses?

You'll find other tips for staying within your budget in **Figure 14.3** on page 302. These spending rules will also help you be a smart and responsible consumer. You'll learn more about that in the next lesson.

## Financing Your Education

Going to school is no small expense. The sooner you start planning how you will finance your education, the more likely you will achieve your educational goals. You may be saving money for your education right now. You may have already included savings for education in your budget.

There are many ways to pay for education, you just have to know where to look. Most schools have financial aid departments to help you find the financing that is best for you. When you apply for financial aid, you will have to fill out a Free Application for Financial Student Aid (FAFSA). The FAFSA uses information from the income tax returns of you and your parents to determine your financial need. The results of your FAFSA need analysis is listed in a Student Aid Report (SAR).

The following are some of the ways you can finance your education:

- A **scholarship** is money for education awarded to students because of their need, or academic or athletic achievement. Scholarships do not have to be repaid.



### Ways to Save the Most

**Q:** I want to put my savings in a bank. Do all banks pay the same amount of interest?

**A:** You need to be a smart shopper when choosing a bank. You'll find that some banks pay more interest than others. You'll also discover that banks offer other ways to save money in addition to savings accounts. Savings bonds, money market accounts, and certificate of deposit (CD) accounts are some other types of saving plans. These can pay more interest than a regular savings account, but they have more rules about the amount of money you deposit or how long the money has to stay in the account. So, compare banks and savings plans to find what's best for you.

**Figure 14.3**

## STAYING WITHIN YOUR BUDGET

<b>Keep Track of Your Spending</b>	<ul style="list-style-type: none"><li>• Carry a small notebook.</li><li>• Note every penny you spend so you know where your money goes.</li></ul>
<b>Don't Carry Around a Large Amount of Cash</b>	<ul style="list-style-type: none"><li>• Take only as much cash as you think you'll need when you go out and you'll avoid impulse buying.</li></ul>
<b>Shop Smart</b>	<ul style="list-style-type: none"><li>• Think before you spend.</li><li>• Compare prices.</li><li>• Shop at discount stores.</li></ul>
<b>Pay With Cash Whenever Possible</b>	<ul style="list-style-type: none"><li>• Credit cards can make overspending too easy.</li></ul>

**Simple Guidelines** You can stick to your budget if you follow a few simple spending rules. *Which suggestion do you find most helpful? Why? Which suggestions do you already practice?*

- A **loan** is money borrowed from the government or a lender that must be repaid.
- A **work-study program** allows students to earn their education by working full- or part-time jobs in a related field throughout the student's academic career.
- A **grant** is money for education provided by the government, schools, or private donors. Grants do not have to be repaid.

No matter how much your educational goals will cost, one of these finance options can make it possible for you to reach your goals. All you need to do is plan ahead.

## Key Terms Review

1. Write a report on managing your money. Include the terms below in your report.

- income
- gross pay
- net pay
- withhold
- income tax
- Social Security
- Medicare
- F.I.C.A.
- budget
- fixed expenses
- flexible expenses
- interest
- scholarship
- loan
- work-study program
- grant

## Check Your Understanding

Choose the correct answer for each item. Write your answers on a separate sheet of paper.

2. Money that you earn regularly is your \_\_\_\_\_.  
 a. flexible expenses  
 b. F.I.C.A.  
 c. income
3. Employers \_\_\_\_\_, or take out, money from employees' pay for various taxes.  
 a. itemize  
 b. withhold  
 c. budget

## Critical Thinking

Use complete sentences to answer the following questions. Write your answers on a separate sheet of paper.

4. What do you think is the main source of income for young people?
5. What problems might arise if you are too flexible about your budget?
6. What would you do if you needed to increase your income right now?

## Character Building

7. **Making Choices** Ella's grandparents put money into her savings account for Ella to buy a car. Ella agreed to add \$40 each month to her savings account so she'll have enough money to buy a car when she starts driving. Ella has recently taken up tennis, and she has been paying for tennis lessons instead of saving for a car. Should Ella use her money for tennis or save for a car? Why or why not?



## Teamwork

8. **Create a Budget** Working in a group, create a fictitious teen. Make up facts about the teen's finances, including goals, income, and expenses. Then create a budget and work out money-management solutions for the teen you invented. Explain your budget and money-management recommendations in a group presentation.



## You, the Consumer

### Discover

- How you can get the most for your money
- Ways that people pay for purchases

### Why It's Important

Thinking before you spend pays off. When you do research and comparison shop, you get more for your money.

### KEY TERMS

- impulse buying
- warranty
- exchange
- refund

#### Shop Carefully

Price, selection, and services may vary widely among different types of stores. *What factors are most important to you? What types of stores provide these for you?*

You save for months to buy something you want. Maybe you have your eye on a new pair of athletic shoes or a computer. Finally you have enough money set aside to make your purchase. You go to the store, hand the salesperson your money, and the item is yours.

A few days later, you pass a different store. In the window, you see a similar item for less money. In fact, it not only costs less but it also has more features or is of higher quality. How could that be?

You took the time to save, and you reached your goal. Between saving for your purchase and actually making it, however, you forgot something. You skipped several important steps. Smart shoppers can tell you what those steps are.



## Becoming a Smart Shopper

Smart shoppers get the best value for their money. They get great satisfaction from the purchases they make. They also save a lot of money over time. What can you do to become a smart shopper? It's simple, really. You need to gather information, compare quality and price, and read the fine print.

### Knowledge Is Power

Smart shoppers gather information before making a purchase. They find out as much as they can about the item they want or need. This kind of research helps them make an informed choice when they decide to buy something.

When you get in the habit of gathering information about products, you also can avoid impulse buying. **Impulse buying** is making a sudden, unplanned decision to buy. Everybody is prone to it from time to time. Just think of the last time you decided to buy candy or a magazine while waiting in a checkout line. The problem with impulse buying is that you often purchase things you don't need. You may also purchase items that are not worth the money you spend. More often than not, these items are not part of your budget.

Those are good reasons to get information about products in advance. How do you get information? Believe it or not, it's possible to find out quite a bit without even walking into a store.

#### Make Smart Shopping Decisions

Consumer magazines can help you decide which brand of product to purchase. You can also ask friends and family members for recommendations. *What questions might you ask them about product brands?*



## Sources of Information

Newspapers are one source of information. Check out newspaper ads for products you wish to purchase. Use the ads to find out which stores in your area carry the products you want. You may also find product prices in newspaper ads. You can use this information to comparison shop without leaving home.

Smart shoppers often do research on products in magazines. *Consumer Reports* is just one magazine that helps consumers make choices. It compares prices, quality, and features of several brands of the same product. It also reports on how easy different brands are to use and how often they need to be repaired.

The Internet is another source of information. Online you can find product prices, as well as information on product features. Many Web sites compare products side-by-side. There are also sites where consumers report on their satisfaction with products they have purchased.

Many smart shoppers also depend on word of mouth. They get information about products by talking with friends and family members. Are they satisfied with a product? What do they like or dislike about it? Would they buy the product again? Think of people whose opinions and judgment you trust.

### No Returns

Items you want to buy for a reduced price may be marked “As Is” or “All Sales Final.” Be sure to check them carefully for defects. Try them on if appropriate. *Why is it important to do this before purchasing such items?*

## Compare Quality and Price

You’ve got some information. Now you’re ready to do some comparison shopping. Always compare both the quality and the price of an item you want to buy. You may be surprised. A more expensive product isn’t always the better product, for example. Jerome Ticknor found that out the hard way.

“ If one item was more expensive than another, I just assumed it was higher quality. That’s not always true. I bought a high-priced jacket with a designer label. The first time I washed it, it fell apart. I saved for three months for that jacket. I didn’t even think of checking how well it was made. ”



Items on sale can also fool you. They may be less expensive than regular-priced items. At the same time, they may not be of the same quality. Remember quality when you shop at a sale. Before making a purchase, make sure the goods on sale are real bargains. A good-quality item at a low price is a bargain.

There may be times, on the other hand, when you are willing to pay a high price. A higher-priced item may very well be good quality. Stop and think about whether it is right for you, though. Higher-priced items may have more features than you need. For instance, having 10 speeds on your bike may not be a feature you want or need. If so, this feature won't be worth the extra money to you.

### Read the Fine Print

Smart shoppers don't stop there. To get further information about a product, they always read the labels on the item. Labels tell about the features of a product. Labels describe use and care. They also give information required by law on products such as clothing and food.

Clothing labels must contain the name of manufacturer, or maker, the country of origin, the fiber content, and instructions for care. Food labels provide the name of product, the name and address of manufacturer, the weight of contents, the ingredients (with the greatest quantity first), and the nutrients contained.



#### Check the Warranty

If an item you purchased breaks or does not work as it should, check the warranty. *What have you purchased that included a warranty?*



In addition to labels, many items come with a warranty. A **warranty** is a guarantee that a product meets certain standards of quality. Sometimes a product does not work as claimed in the warranty. When that happens, the manufacturer must either repair or replace it.

A warranty protects you after your purchase. If you're a smart shopper, though, you'll find out what the warranty covers before you purchase the item. Then you'll know what the manufacturer promises. Some warranties apply only to certain parts of the product or to specific conditions. Some expire, or end, after a certain period of time. Be aware of what you're getting into. Read the fine print in both labels and warranties.

## Making a Purchase

You've done your homework as a shopper. You've gathered information. You've compared quality and prices. You've read labels and checked the warranty. What's next? You're ready to make a purchase. How are you going to pay?

### Comparison Shop

Comparing quality and price helps you get the best value for your money.

*Have you ever done any comparison shopping?  
Describe your experience.*



## Ways to Pay

Most teens just use cash when they make a purchase. That's not the only way to pay, however. **Figure 14.4** on pages 310–311 shows some of the different methods people use to pay for their purchases. These methods include cash, checks, debit cards, layaway, and credit.

Be responsible about your purchases. Think carefully before you make your selection. Choose a way of paying that is both convenient and practical for you. All your purchases should fit your budget.

## Refunds and Exchanges

Have you ever been unhappy with a product you purchased? Your new video game system may not have worked properly. Maybe the zipper on the jeans you bought turned out to be faulty. What did you do?

When purchases don't work out for one reason or another, you usually have two options. You can ask for either an exchange or a refund. An **exchange** is a trade of one item for another. You might ask to trade the pair of jeans for another pair, for example. A **refund** is the return of your money in exchange for the item you purchased. If you decide you just don't want the jeans because you question their quality, you might ask for your money back.

When you're unhappy with something you purchased, follow these rules. If you do, you'll be more likely to get an exchange or refund.

- **Know the store's policy.** Every store sets its own rules for exchanges and returns. These are usually posted where you pay. Read the rules. If you don't understand them, ask the salesperson before paying for your purchase. Never assume you can return an item.
- **Keep proof of your purchase.** The sales receipt is proof of the price, date of purchase, and store where you bought the item. At most stores, you will have to show your receipt to make an exchange or receive a refund.
- **Make sure an exchange or refund is possible.** Damaged or sale items may be marked "As Is" or "All Sales Final." In these cases, you cannot return the item.

## Attitude Counts

### Relax

Ready-set-relax! Those are good starting instructions for a job interview, a major test, or any other potentially stressful situation. Take the time to prepare yourself in advance. Shortly before the interview or test, review carefully. Then relax! Feeling calm and confident will help you do your best.

### Cooperative Learning Activity

- With a small team of classmates, research one relaxation technique.
- Practice the technique for one week.
- Discuss how well it worked with your teammates.
- Compare this relaxation technique with the techniques other teams researched.

- **Be prompt and prepared.** If you have a problem with a purchase, don't waste time. Take the item, the sales receipt, and warranty (if any) to the store. Be ready to describe the problem. You may have to fill out a form that includes your reason for returning the item.

Alma Perez of Buena Park, California, found out about these rules too late. "My favorite store was having an incredible clearance sale. Some things were marked down 75 percent!"

**Figure 14.4**

## WAYS TO PAY FOR PURCHASES

Cash is not the only way to pay for a purchase. Compare and contrast the different methods of payment consumers can choose. *When might you use each?*

**A**



### Check

A check is a written document that permits the transfer of money from a bank account to a person or business. To pay by check, you must open a checking account with a bank or credit union. You deposit, or put, money into the account. Then you can write checks up to the amount of money in your account.

**B**



### Debit Card

Many people use debit cards to pay for purchases. When you use a debit card, money is withdrawn directly from your account. You might use a debit card to pay for groceries rather than carry a large amount of cash to the store.

I got a little carried away. I bought a huge bag of clothes, many of which I didn't even bother to try on. Two of the sweaters and one pair of jeans didn't fit me. When I tried to return them, the manager explained that these items fell under the 'All Sales Final' rule. I was out \$60. I'll never make that mistake again!"

Becoming a smart shopper takes some time and some practice. It pays off, though. The next time you're thinking about buying something, put what you've learned to work. See for yourself how your money can work for you.

**C**



### Layaway

When you do not have enough cash to buy something, you might use a layaway plan. A layaway plan is a scheduled payment plan for a purchase. You pay a small amount of money down on the item you want. Then you make regular payments until you have paid the full amount for the item. When you have paid in full, the item is yours to take home.

**D**



### Credit

Credit allows you to receive a good or service now and pay for it later. Credit cards are the most common type of credit. You receive a monthly bill for your credit card purchases. If you cannot pay the bill in full, you must still pay a minimum amount. You also pay interest on the money you owe.

### Key Terms Review

1. Use the following terms to write a dialogue between two friends about how to be a smart shopper. Then, with a friend, perform the dialogue for the class.
  - impulse buying
  - exchange
  - warranty
  - refund

### Check Your Understanding

Tell whether each statement is true or false. Rewrite any false statement to make it true. Write your answers on a separate sheet of paper.

2. Smart shoppers compare quality and price before they purchase products.
3. A higher-priced item is always a better product than a lower-priced item.

### Critical Thinking

Use complete sentences to answer the following questions. Write your answers on a separate sheet of paper.

4. Why might it be important for people to read about the use and care of a product before deciding to purchase it?
5. Do you think buying designer or brand-name products can be a good use of your money when comparable generic products are available? Explain.
6. What are some of the risks involved in using credit?

### Connecting to the Workplace

7. **Developing a Purchase Plan** You've learned HTML in your computer class and are very good at creating Web pages. Online photo albums are your specialty. You would like to offer Web page creation services to family and friends. You have a computer, but will need a scanner in order to scan photos that your customers will want on their Web pages. You have savings you could use to purchase a scanner. Make a checklist of the steps you would take to get the best scanner for your money.



### Community Involvement

8. **Create a Teen Consumer Guide** Work with your classmates to put together a consumer guide of the best businesses in your community for teens to shop for goods and services. List the name, address, and business hours of each store. Then write a short description of the kinds of goods or services each offers. Include some "insider" comments about bargains or special items or services at the places listed. Make copies of the guide to share with other students at your school. Also donate a copy to your school library.





# Investigating Career Clusters



## MARKETING, SALES, AND SERVICE

- Marketing** ● Developing, promoting, and distributing goods and services to consumers
- Sales** ● Providing goods and services to consumers
- Service** ● Performing tasks for consumers

Job Title	Work Description
<b>Advertising Copywriter</b>	Writes advertisements
<b>Buyer</b>	Meets with manufacturers to buy merchandise to be sold in stores
<b>Cashier</b>	Totals bills, receives money, makes change, and gives receipts
<b>Counter Clerk</b>	Answers questions, takes orders, and receives payments and returns
<b>Public Relations Manager</b>	Develops, maintains, and evaluates a favorable public image for a business
<b>Retail Salesperson</b>	Assists customers in selection and purchase of goods and services
<b>Sales Manager</b>	Assigns sales territories and establishes training programs for sales representatives
<b>Store Manager</b>	Provides day-to-day supervision of the operation of a store

### Exploration Activity

**Marketing, Sales, and Service** Use library and Internet resources to research a career in the Marketing, Sales, and Service career cluster. Write a report that includes information about the kinds of work, the skills required, the working conditions, the training and education required, and the career outlook.

**Cooperative Learning** Interview a classmate about the career he or she researched. Find out as much information about that career as you can during the interview. Then have your classmate interview you about the career you researched. Afterward, take turns sharing what you learned from each other with the class.

### Chapter Highlights

**Lesson 14.1** The money you receive or earn regularly is your income. Income sources include allowance, gifts, and earnings from a job. Making a budget is a smart way to manage your money and save for future expenses, such as education.

**Lesson 14.2** Thinking about how you spend will help you get more for your money. Smart shoppers gather information about a product before purchasing it. They compare quality and price. They also pay close attention to labels and warranties.

### Key Concept Review

Use complete sentences to answer the following questions. Write your answers on a separate sheet of paper.

1. What is income?
2. What must you do before you can set up a budget for yourself?
3. What should every budget include?
4. Name some ways that you can help finance your education.

### Critical Thinking

Use complete sentences to answer the following questions. Write your answers on a separate sheet of paper.

5. Why is it important to be honest with yourself about income and expenses when making a budget?
6. Why do you need to be careful when you gather information about products from newspaper ads?

7. What advice would you give someone who has just started to use a credit card?

### Skill Building

#### 8. Information—Organizes and Maintains Information

Develop a filing system that organizes sales receipts, warranties, and product instructions. Write a paragraph describing your filing system.

#### 9. Systems—Monitors and Corrects Performance

Use the budget form on page 300 to make a one-month budget. At the end of each week, check to see how well you are staying within your budget. Make changes as needed. At the end of the month, make a new budget that will span six months.

## Academic Applications

### 10. Social Studies



Most people are used to paying money for goods and services. Another way to get the items you need is by bartering. When you barter, you trade goods and services without the use of money. If you've ever swapped comic books or baseball cards, you've done some bartering. Arrange to barter services with a friend or family member. Write a paragraph about your experience.

### 11. Mathematics



Imagine that you bought \$250 worth of clothes and charged it to your credit card. The credit card charges 18 percent interest annually (1.5 percent per month). If you pay the minimum payment of \$20 each month, what will you owe after three months? How much will you have paid in finance charges?



## Samples of Work

- **Gather** together examples of outstanding work from school, work, and extracurricular activities.
- **Select** examples of work that show you in your best light.
- **Include** a variety of different types of work you have completed, including reports and essays, computer programs, blueprints, photos, tapes of oral presentations, copies of assessments showing academic growth, and summaries of projects showing artistic or other abilities.
- **Include** work that shows your problem-solving skills, communication skills, and critical-thinking skills.
- **Label** this section of your portfolio *Work Samples*.
- **File** these work samples in your Personal Career Portfolio.
- **List** your portfolio entry on your Personal Career Portfolio contents page.