

Basic Money Management Toolkit: Grab and Go “Little Extras”

Theme: *Communication*

Intended Audience: General public – ideally a group of 1 – 20 adults

Timeframe of Activities: Allow 20 - 30 minutes to complete and discuss this activity.

Materials Needed For Activity: A blank “Grab and Go “Little Extras” Worksheet, pens, and calculators for each participant, as well as the answer sheet for the instructor. The effectiveness of this activity depends on using up-to-date prices; therefore it needs to be periodically updated.

Alternative Uses For Activity: The activity can be modified for use with teens by eliminating several items and/or adding items that teens would be more likely to purchase on impulse.

Directions for implementing activity:

Start by introducing the activity: “Even small purchases can add up to significant amounts of money over time . . .”

Cover the introduction paragraph and explain that the person, Casey, is making \$7.20 per hour net and that breaks down to only 12 cents per minute, and be sure to pass out calculators and pens as needed. Refer the group to the first regular item Casey purchases every week: Coffee and a doughnut at \$2.46 each purchase. Work through this example with them as a group and be certain that everyone understands how to figure out the total cost per week in dollars/cents, as well as the amount of time needed to earn the money necessary to cover this weekly purchase (which is done by dividing dollars and cents by .12 (12 cents).

Assign items on the worksheet to participants – normally two per participant, though the number of items assigned will depend on size of group. Tell them to leave the third column blank for now.

Assist participants with their math as needed. Once you see that everyone has finished, have each participant share with the group how much money Casey is spending on each item every week as well as the time he has had to work to earn the amount needed. Be sure to have the participants convert the time of more than 60 minutes into hours and minutes by dividing by 60.

(Directions for implementing activity continued on next page)



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Directions for implementing activity (Continued):

Once the first two columns are complete, ask for reactions to Casey's spending habits. Facilitate conversation using questions such as:

"If this were your cousin or close friend, would you talk to them about their spending? What might you suggest to Casey to be a better manager of money?"

"How many of these purchases are for items that Casey needs?"

"Is this habit of spending money on small things throughout the week unusual or fairly typical?"

"Is it wrong for Casey to spend money like this?"

"How much of Casey's time is needed to earn these things every week? How many hours are in a typical work week?"

"When shopping, have you ever thought about how much time you'll have to put in at work prior to making a decision to buy something?"

"Where are the big budget items on this list that meet needs – things like rent, car payments, insurance, utilities, health-related expenses, etc.?"

Next, tell your participants the answers to the third column, or have them do the math themselves. Provide them the grand total per year spent: \$8,236.80, (and don't forget the coffee & doughnut). Once finished, facilitate another group discussion by asking more questions:

"Are you surprised by how much money Casey spent in a year?"

"What little 'Grab and Go' habits do you have that add up to big amounts over time?"

"What would you do with \$8236.80 at the end of a year of NOT spending money like Casey?"

Educators – suggest the following to your students:

- Track your own spending! Jot down all the money you spend for a week or two to see where it goes. Use something as simple as a small notebook, or download an app that you use to track your spending as you go about your daily routines.

- Figure out how much you make per minute (net) at work and take that knowledge shopping with you. When you see something you want at a store, ask yourself how much time at work it will cost you to earn the amount of money needed to make that purchase. Knowing how much of your time something costs may help you decide that you don't want it as badly as you thought you did.

For more information on this activity: Check out various online tools that point out how impulsive spending habits can lead to big amounts of money over time like:

- The National Endowment for Financial Education <http://www.nefe.org/> – especially their Spendster YouTube videos

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Basic Money Management

Toolkit: Grab & Go “Little Extras”

Casey is 22 years old and has a full time job paying \$10.00 per hour. Casey's net take-home pay is \$7.20 per hour

How much net pay does Casey make per minute? _____

Casey is behind in rent payments and can barely get together the money needed to make monthly car and car insurance payments every month. Casey has several interesting spending habits:

<i>Item & Frequency</i>	<i>Price</i>	<i>Amount \$ Spent Per Week</i>	<i>Amount of Work Time Required Each Week</i>	<i>Amount \$ Spent Per Year</i>
Coffee & Doughnut 4 Times a Week	\$2.46 each	Multiply by 4 to get \$9.84	\$9.84 divided by .12 (12 cents) equals 82 minutes	\$9.84 times 52 (weeks in a year) \$511.68
Candy Bar 4 Times a Week	\$1.20 each			
Potato Chips 4 Times a Week	\$1.29 per bag			
Bottles of Pop 6 Times a Week	\$1.58 each			
Cold “Energy” Drink 3 Times a Week	\$2.28 each			
Chewing Gum 1 pack per week	\$1.68 per pack			
Fast Food Lunch 4 Times a Week	\$5.76 each meal			



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Item & Frequency	Price	Amount \$ Spent Per Week	Amount of Work Time Required Each Week	Amount \$ Spent Per Year
Cigarettes 1 Pack per day	\$5.52 per day			
Beer 1 Case per week	\$18.00 per week			
Delivered pizza 2 Times per week	\$16.50 each order			
Magazines 1 per week	\$7.92 each			
Totals: (don't forget to include the coffee and doughnut				
		\$ Per Week:	Minutes Per Week ÷ 60 = _____ hours	\$ Per Year:

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Roger Rennekamp, Associate Dean and Director, Ohio State University Extension

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Basic Money Management Toolkit:

Grab and Go “Little Extras”

Answer Key

<i>Item & Frequency</i>	<i>Price</i>	<i>Amount \$ Spent Per Week</i>	<i>Amount of Work Time Required Each Week</i>	<i>Amount \$ Spent Per Year</i>
Coffee & Doughnut 4 Times a Week	\$2.46 each	Multiply by 4 to get \$9.84	\$9.84 divided by .12 (12 cents) equals 82 minutes	\$9.84 times 52 (weeks in a year) \$511.68
Candy Bar 4 Times a Week	\$1.20 each	\$4.80	40	\$249.60
Potato Chips 4 Times a Week	\$1.29 per bag	\$5.16	43	\$268.32
Bottles of Pop 6 Times a Week	\$1.58 each	\$9.48	79 (1 hour 19 min.)	\$492.96
Cold “Energy” Drink 3 Times a Week	\$2.28 each	\$6.84	57	\$355.68
Chewing Gum 1 pack per week	\$1.68 per pack	\$1.68	14	\$87.36
Fast Food Lunch 4 Times a Week	\$5.76 each meal	\$23.04	192 (3 hours 12 min.)	\$1,198.08



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<i>Item & Frequency</i>	<i>Price</i>	<i>Amount \$ Spent Per Week</i>	<i>Amount of Work Time Required Each Week</i>	<i>Amount \$ Spent Per Year</i>
Cigarettes 1 Pack per day	\$5.52 per day	\$38.64	322 (5 hours 22 min.)	\$2,009.28
Beer 1 Case per week	\$18.00 per week	\$18.00	150 (2 hours 30 min.)	\$936.00
Delivered pizza 2 Times per week	\$16.50 each order	\$33.00	275 (4 hours 35 min.)	\$1,716.00
Magazines 1 per week	\$7.92 each	\$7.92	66 (1 hour 6 min.)	\$411.84
Totals: (don't forget to include the coffee and doughnut		\$158.40 per week	1320 minutes	\$8,236.80 per year
			<i>Minutes Per Week ÷ 60 = <u>22</u> hours</i>	

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