

MONEY MANAGEMENT

SKILL ASSESSMENT

The following questions will help you identify money management skills in which you excel and target those which you need to develop. By yourself or with your team try to answer each of the questions as honestly as possible. After completing this independent living skills assessment, review it with your team and identify those skills you would like to strengthen.

	<i>I do not know how to do this</i>	<i>I need to know more about this</i>	<i>I can do/ have done this</i>
1. Am able to use a calculator to add, subtract, multiply, and divide.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Understand the value of money, can purchase small items using the correct change, and am able to determine when I receive correct change from a purchase.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Know what the basic necessities for daily living are (food, housing, transportation, clothing, etc.) and am aware of their costs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Can set up and follow a monthly budget covering regular living expenses.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Can manage unexpected bills or financial emergencies and keep within my budget.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Know how to open a savings account, make deposits and withdrawals, and read a passbook.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Understand what a money order is and know where and how to purchase one.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Know how to open a checking account, write checks, make deposits and withdrawals, and accurately record each transaction.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Can read monthly bank statements and balance my checkbook.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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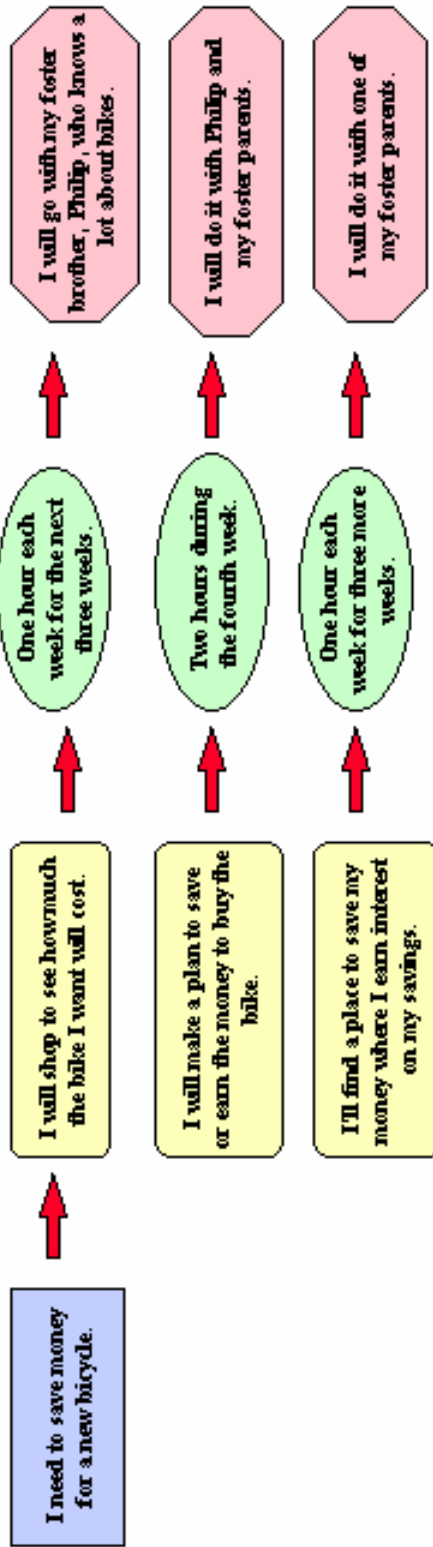
	<i>I do not know how to do this</i>	<i>I need to know more about this</i>	<i>I can do/ have done this</i>
10. Am able to regularly put aside some money for savings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Know how much money I will need for independent living start-up costs and have established a savings plan accordingly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Know the meaning of the words “gross” and “net” in reference to a paycheck and understand all the deductions, i.e. federal tax, state tax, FICA, etc. that are itemized on my pay stubs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Understand that by law I must file federal and state tax forms and know how to get assistance to complete them.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Know the value of using coupons and looking for sale prices when shopping.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Can recognize deceptive or misleading advertising.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Know the importance of comparing prices by using unit pricing when shopping.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Know when and how to say “no” to friends wanting to borrow money.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Know the basic concepts of credit, loans, and interest.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. Understand the importance of a good credit rating and how to avoid late payment penalties.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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You have now completed the assessment section and identified those skills in money management that you would like to strengthen in order to be better able to do things on your own. The following guide can help you in planning how you can learn about and practice these skills. Choose a few skills that you want to develop, and with your team, write down your plan of action. Remember, once you accomplish these goals you can go back to your assessment tool and select new goals to build on your new skills.





















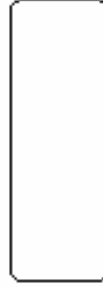
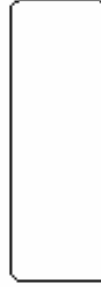










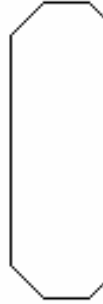
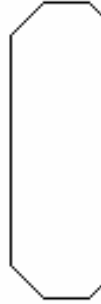
EXAMPLE **GOAL: TO IMPROVE MONEY MANAGEMENT**

State Skill 1:



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GOAL: TO IMPROVE MONEY MANAGEMENT

State Skill 1: to be developed and/or improved			Plan: how do you plan to learn, develop and improve this skill?	  	  	When: when, where, and how often will you work on this skill and by when will you have mastered this?	  	  	Who: will assist you?	  
State Skill 2: to be developed and/or improved			Plan: how do you plan to learn, develop and improve this skill?	  	  	When: when, where, and how often will you work on this skill and by when will you have mastered this?	  	  	Who: will assist you?	  

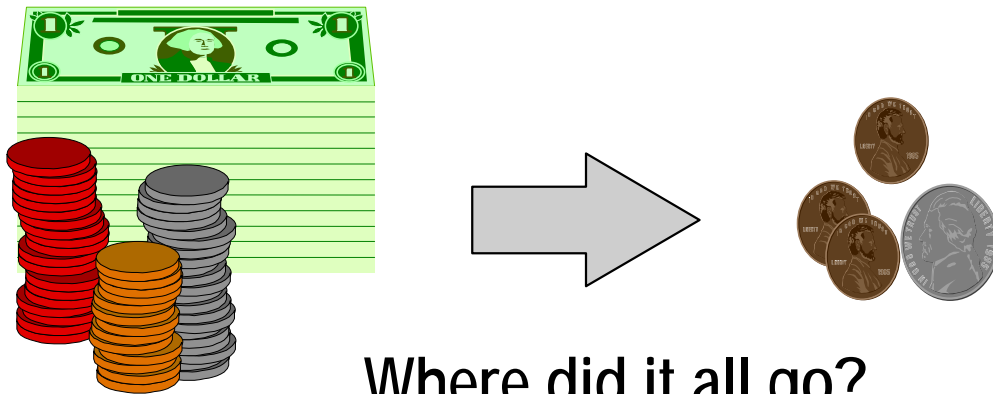
Money Management and Budgeting

Managing money appropriately is probably one of the most important independent living skills. In the following section, we will work on money management and budgeting. Even if you do not have a regular income or live independently at this point, the information will be helpful to you in planning for the future. The way you spend your money now is probably a good indicator of what you will do with your money later on. In the following exercise, evaluate your spending habits. Circle the item which best reflects the way you spend money.

Do You Usually

- | | | |
|---|---|-----------------------------------|
| Save most of your money | - | Spend most of your money |
| Buy things you need | - | Buy things you like |
| Spend most of your income as soon as you get it | - | Budget your money so it will last |
| Plan for purchases | - | Buy impulsively |
| Keep track of your money | - | Don't know where your money goes |

Another step to evaluating your spending is to establish exactly where all your money is going. Some of you may not be aware of where all your money is going. Do you feel as if your income simply disappears? Keeping track of how you spend your money will help you to adjust your spending habits, if necessary. We can divide the things we spend our money on into two groups - necessities and luxuries.





ACTIVITY

Use the following chart to list any appropriate items you can think of in each category

Necessities	Luxuries

The money spent on necessities are usually “fixed cost” items while the money spent on luxuries can be flexible according to income. For example, your rent will generally stay the same from month to month although it is possible for the landlord to raise your rent. Therefore, you will always require the same amount of income. On the other hand, the number of times you can go to the movies in one month or buy new CD’s depends upon how much money you have left after paying for all your necessities.



ACTIVITY

In the following exercise, use the chart below to keep track of the things you spend your money on throughout a single week. Differentiate between luxury and necessary items. Be sure to write in the price of each item.

MY INCOME FOR THE WEEK:

	MON	TUES	WED	THUR	FRI	SAT	SUN
NECESSITIES:							
LUXURIES:							

TOTAL AMOUNT SPENT:

MY SAVINGS FOR THE WEEK:

After reviewing the above information, how would you describe your spending habits?

Do you think you need to change some of your spending habits? If so, what might be some things you could do right away to improve the ways you spend your money? How could your social worker, foster parent, or staff help you?

My Strategies are:

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Establishing and following a budget will help you develop a good spending habits and will assist you in making the best use of your income. Your budget should be simple and still include all items which you will need to spend your money on.

List all the items you can think of that should be included in the budget of someone who was living independently? List them below.

If you included some of the following items in your list, then you're really thinking ahead:

- Rent
- Utilities (gas, electricity, telephone, water)
- Food (both groceries and restaurant meals)
- Home Care (furniture, cleaning supplies, repairs)
- Personal Care (shampoo, laundry, clothing)
- Medical Care (medicine, doctor's visits, dental care, vitamins)
- Insurance (medical, car, life)
- Transportation (bus fare, car payments, gasoline, oil, repairs)
- Recreation
- Taxes
- Savings

Each of these categories is very important. There are many items within each topic in addition to those listed in parentheses. You can probably think of many more. How much money should you spend in each category? To help you decide, you need a personal budget. A budget will determine in advance where your money will go, so you won't end up with empty pockets before the end of the month.

Personal Budget

In this next section, we will work on establishing a personal budget. Each individual's personal budget will be different, reflecting his/her income, needs, lifestyle, preferences as well as where a person resides. Rents for apartments tend to be more expensive in a city or highly populated area close to the city. On the other hand, rents tend to decrease as you get farther from the city because there is less accessibility to places of entertainment as well as limited public transportation. Before beginning to work on your personal budget, take a look at two examples of financial planning -- Peter and Diana's personal budgets

Peter

Peter, 19, lives in a two bedroom apartment, which he shares with his roommate. They split the cost of rent (\$800 per month) and utilities (hot water is included in the rent). They each pay their own phone bill. Peter has a girlfriend who lives in another town and often calls her long distance. Peter and his roommate keep a phone log and each of them is responsible for the expenses of their calls. They go grocery shopping together and share the cost of food. Peter and his roommate take turns cooking meals. Peter works full-time (40 hours a week) at a gas station and makes \$7.50 an hour, about \$300 a week or \$1,200 a month (\$14,400 a year, before taxes). Based on the expectation that 33% of his salary will be deducted for taxes, Peter will have \$804 to spend each month. Peter's job does not offer health insurance so he needs to pay for all medical expenses out of his income. He enjoys taking his girlfriend to the movies and going out to dinner once in awhile. Presently, Peter is saving some of his income to purchase a car.

After considering each budget item individually, Peter has set up a budget for himself which looks like the following:

Peter's Monthly Budget

<i>Income (after taxes):</i>	<i>\$804</i>
Rent (Peter's half):	\$400
Utilities (gas, oil, electric):	\$47.50
Phone:	\$40
Food:	\$100
Home Care	\$18
Personal Care	\$20
Medical Care (including prescriptions, etc.):	\$10
Insurance (life, auto, home, renter's):	--
Transportation:	\$30
Clothing:	\$30
Recreation:	\$25
Savings:	\$13
Additional Taxes:	--
*Cable (luxury):	\$28
*Cell Phone:	\$25
Miscellaneous	\$17.50

Diana

Diana, 18, lives in a studio apartment by herself in Spencer (a town approximately 15 miles from Worcester, MA). Her rent is \$675 a month, including all utilities except for her phone bill. Diana recently completed a Nurse’s Aid Certification course and is presently working at a nursing home full-time (40 hours a week). Diana makes \$12.02 an hour and gets paid bi-weekly. Therefore, she receives \$961.60 every 2 weeks before taxes, which is \$1923.20 per month or \$23,078.40 a year. After taxes, her bi-weekly paycheck equals \$644.27. Through her job, Diana receives benefits including medical and dental insurance as well as sick and vacation pay. Diana bought a car six months ago, which she uses to drive to and from work daily. Diana likes to buy new clothes and is a member of the local health club. She is presently saving some of her income to continue her education at the community college in order to become a nurse. Diana has set up a budget for herself which looks like the following:

Diana’s Monthly Budget

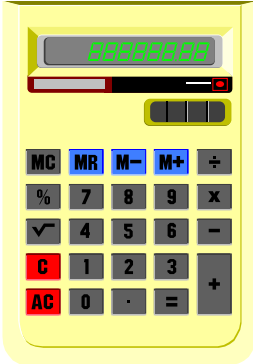
<i>Income (after taxes):</i>	<i>\$1289</i>
Rent:	\$675
Utilities (gas, oil, electric):	--
Phone:	\$60
Food:	\$200
Home Care	\$25
Personal Care	\$25
Medical Care:	--
Car Insurance:	\$100
Transportation:	\$60
Clothing:	\$54
Recreation:	\$10
Savings:	\$5
Taxes:	--
*Cable: (luxury)	\$55
*Cell Phone:	--
Miscellaneous (health club expenses):	\$20

*These items are not necessities. If you can fit them into your budget, fine; if not, you might have to go without them until you can properly afford them. You can also look at prepaid cell phones as an option to a contract cell phone and buy the least expensive cable package until you can afford an upgraded one.

If you compare Peter and Diana’s budgets, it becomes obvious that budgets can be flexible in order to accommodate each person’s lifestyle. As stated earlier, some budgeting items like recreation, transportation, and savings are more flexible than rent and utilities. While establishing your personal budget, you need to keep in mind how your preferences and lifestyle might influence your own budget.

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In the next section, we will work on establishing a personal budget using a monthly income of \$804.00, the approximate amount you would earn each month working 40 hours a week at \$7.50 an hour. Before you fill out the complete budget below, you will need to complete the individual item sections and place the “final amounts” in the appropriate labeled box on the “My Personal Budget” page.



NOTE: It might be helpful to use a calculator on this next section. If you haven't used one before, ask your social worker, foster parent, or staff to teach you.

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My Personal Budget

My Income:	Total:	\$
Wages:	_____	
Public Assistance:	_____	
Child Support/Alimony:	_____	
Interest/dividends/Social Security:	_____	
Other:	_____	

My Expenses:	Total:	\$
<u>Fixed Expenses</u>		
Rent/Mortgage		\$
Property Taxes/Insurance		\$
Trash Collection		\$
Car Payment		\$
Car Insurance		\$
Other Loan Payments		\$
Credit Cards		\$
Health Insurance		\$
Day Care		\$

<u>Flexible Expenses</u>		
Utilities		
Gas:	_____	
Oil:	_____	
Electricity:	_____	
Water:	_____	
Telephone:	_____	
Cable:	_____	
Food		\$
Transportation/Gas		\$
Home Care		\$
Car Maintenance		\$
Education		\$
Personal Expenses		\$
Savings		\$
Other		\$

Rent:

The rent portion of your budget will most likely be the largest. Housing costs are rising all the time and sometimes provide severe obstacles to young people starting out. Prices may vary greatly depending on the size, amenities, and area you choose to live in.

Given your \$804 budget, how much money do you think you can spend on rent?

<p>I can spend _____ because:</p>
--

Living with a roommate is almost an essential consideration when someone is living on a limited budget. It is an alternative that should be discussed and carefully considered when making long-range plans. The rent of a two-bedroom apartment divided into halves is usually significantly cheaper than a comparable one-bedroom apartment. However, it is not always easy to share expenses and living space with a roommate.

***NOTE:** For comprehensive roommate and apartment exercises, please refer to Module IV.*

Before estimating the costs of rent, it is important that you are aware of some qualities to look for in an apartment. Complete the following exercise by circling the item which reflects your preference.

I Would Like To

Live alone	-	Live with a roommate
Pay a higher rent with utilities included	-	Pay less rent with utilities excluded
Live in a big apartment in an unsafe neighborhood	-	Live in a smaller apartment in a safe neighborhood
Have a small 2-bedroom apartment	-	Have a large 1-bedroom apartment
Have a lease	-	Have no lease
Have a yard		Have off-street parking



In summary, I would like an apartment that:

Now that you have determined what is important to you, go through the ads below, and choose the apartment you could afford and which best meets your needs.

APARTMENTS FOR RENT

<p>Medford: 2 bdrm, 1 bath, 5 rm apt, 2nd fl., off Fellsway, on bus line, w/w, w/d hookups, no pets. Available 4/1. \$1300 plus 1st, last & \$600 security deposit. 781-987-5481</p>	<p>Hingham: Harbor area, great new 3 bdrm, 2-1/2 baths, walking distance to town. \$2400 per month, heat & hot water incl. Last month's rent & sec. dep. required along w/ reference. Call: 508-437-8641</p>	<p>Framingham: Large, nice 1 bdrm condo, prime location, great view, no pets. Available 4/1, \$1000 per month. 1st, last & deposit due at lease signing. Call: 508 487-7834</p>
<p>Cambridge: Study, \$995. All utilities included. Near Red Line, MIT, Harvard. Call: 617-657-5412</p>	<p>Lowell: Loft-like, 2-3 bdrm apts, 1400 sq.ft, starting at \$895 + util. Available immediately. 978-359-7851</p>	<p>Stoneham: Modern 2 bdrm condo, 2 bath, w/d, a/c, pool, tennis courts, \$1250 mo. Call realtor: 617-874-1257</p>
<p>Fitchburg: 2 bdrm, off Rte. #12. \$850, heat & hot water incl. Only security deposit & references required. 508- 579-5492</p>	<p>Boston: Waterfront property, 2 bdrms, \$1100 mo. Utilities not included. Available immediately. Call: 617-555-4739</p>	<p>Swampscott: 3 roommates wanted, M/F, non-smoker for lg. 4 bedroom house near ocean. \$400 plus util. Call Mark: 781-547-5417</p>
<p>Stoneham: Modern 2 bdrm condo, 2 bath, w/d, a/c, pool, tennis courts, \$1250 per</p>	<p>Quincy/Wollaston: Room for rent, furnished. 6 min to T, only allow for single, \$550</p>	<p>Worcester: College Square, 3 bdrm townhouse, all util inc. \$1550/mo, w/w, w/d hookups,</p>

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month. Call realtor: 617-874-1257	utils inc. Avail now. 617-945-7348.	cat OK. 1 st , last & security. Avail 4/1. 508-357-4258
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Explain your choice:



ACTIVITY

Research the apartments in your local newspaper. Choose two apartments which you would be able to afford and which meet your needs. Place the ads in the box below.

Explain your choice:

Now you probably have a good idea about the approximate cost of an apartment in your area and what is available to you within your budget. How much would you budget for your apartment, excluding any utilities for which you will be responsible.

Transfer the amount into the **Rent** category on your personal budget sheet.

Utilities

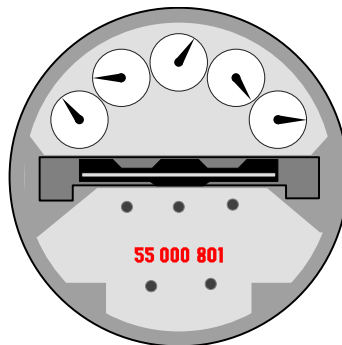
Utilities can also be a substantial part of your budget. Costs of utilities may vary according to use. You need to be aware of the costs and be able to estimate your expenses in order to keep within your budget and avoid over-spending.

Can you list all the utilities you will need when living independently?

_____	_____
_____	_____
_____	_____

Some utilities (often water, gas, and electric) might be included in your rent. If you rent an apartment which excludes utilities, you will have to pay for them separately. Telephone utilities and additional services like cable television are never included in rent.

NOTE: For more comprehensive information on utilities and start-up costs, please refer to Module IV.

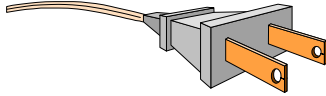


Somewhere in or around your house or apartment building, there are various types of meters (most often for electricity and gas) which detail exactly how much energy you use. Your bills are created by the services based on estimates and actual readings of these meters of these meters, which are checked every two or three months. Make sure

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that anyone asking to read a meter has the proper identification from the company he or she represents.

Electric



The costs of electricity may vary according to use, number of occupants, types of appliances used, and the area you live in. Before you can estimate your anticipated costs of electricity, evaluate your potentially costly habits.

Circle the item which best reflects your habits:

I Usually . . .

- | | | |
|---|---|---|
| Turn the lights off when I leave my residence | - | Leave the lights on |
| Leave the television on, even when I am not watching it. | - | Turn the television off when I am not watching a program. |
| Close the refrigerator door soon after I open it in order to save energy | - | Take a long time to decide what I want from the refrigerator, and leave the door open while I choose. |
| Use the dishwasher, washing machine, and dryer even when they are not filled. | - | Only use the dishwasher, washing machine, and dryer when they are filled. |

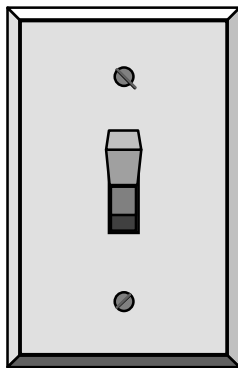
Do you think you are saving energy (and money) by being cautious with electricity use, or do you think you might be wasting some energy (and money) by using electricity unnecessarily?

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Refrigerators need a lot of energy and are responsible for as much as 25% of your total electric bill. To save energy (money), close refrigerator doors as soon as you can. Other appliances like dryers, humidifiers, and television sets can use a lot of energy as well. Use them cautiously and always turn lights, radios, and TVs off if you do not need them.

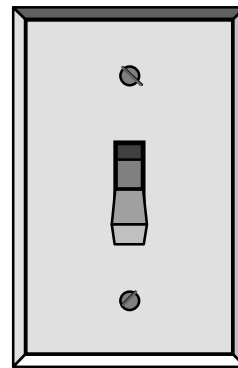
The following chart will give you an estimated range of electric bills according to size and number of occupants. (None of the apartments in our chart are heated by electricity. Electric heat is very expensive.) With your habits and energy conservation tips in mind, utilize the chart to estimate your electricity costs according to your anticipated (or present) living situation.

Number of Occupants	Number of Bedrooms	\$ per Month Range
1	1	\$25.00 to \$55.00
2	2	\$55.00 to \$75.00
3 or more	3 or more	\$75 to \$120.00



Given the size of your apartment and your efforts in saving electricity, how much do you think you will spend on your monthly electric bill?

Write your estimate in the box below.



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Note: Keep the weather in mind when estimating heating costs. Also, some electric companies offer a “budgeting” plan. Ask for details when you first call for service.

Water

Unless you rent an entire house or a duplex, water is usually included in your rent. However, you might have to pay for the costs of heating your water. (Refer to the heat section).



Gas

Even if you do not use natural gas as a heating fuel, many ovens and stove-top ranges use gas. Gas stoves normally require a tiny amount of gas to keep the pilot lights lit and, of course, more gas to raise or lower the temperature of the flame on your range or in your oven. If natural gas is not used to heat your apartment, but you do have a gas stove, you will pay about \$8 to \$15 per month depending on where you live.

Heat

Particularly during the winter months, heat can be an expensive portion of your utilities budget if it is not included in your rent. Usually apartments are heated by either oil or natural gas. Rarely will you find apartments which are heated with electricity, which tends to be very expensive and, given your budget limitations, not a good option.

When estimating the cost of your heating service, there are several additional factors to be considered. For example, the position and insulation of an apartment relates to the amount of energy necessary to heat it. The main factor, however, is the temperature you

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would like to have (and are able to afford) in your apartment. Most apartments have individual thermostats which allow you to adjust the temperature. Again, energy-saving habits can make a big difference in your bill.

Consider the following examples:

Dustin's apartment is heated by gas. Particularly during the cold months, Dustin tries to save heat. He insulated all his windows and doors in the fall in order to contain the heat within his apartment. Dustin usually sets his thermostat at 63° Fahrenheit. When Dustin feels cold while watching television or believes he might be catching an illness, he wears a sweater to keep himself warm. When Dustin leaves to visit his family over the weekend or if he is gone for the day, he turns his thermostat down to 55°.

Dustin's Bill: \$80.00

Lenore has gas heat as well. She likes to keep her apartment very warm, particularly during the winter. Lenore usually sets her thermostat at 70° and often opens the windows for fresh air. Her apartment is not insulated. Lenore does not like to turn her heat down when she leaves because she does not want to come home to a cold apartment.

Lenore's Bill: \$135.00

Which of the two examples given is closer to your habits and preferences? Explain.



ACTIVITY

Call your local gas/oil companies for additional information and energy conservation tips.

With the above examples in mind, consider the following chart and estimate your anticipated costs of heat.

Gas Heat		
Size	Service	Average Price Range
1 Bedroom	Gas heat & hot water service	\$800 - \$1200 per year

Size	Oil Heat Service	Average Price Range
1 Bedroom	Heat only	\$600 - \$1000 per year

My anticipated cost of heat is:

Explain your estimate:

Transfer the amount onto the **Heat** line under the **Utilities** category on your personal budget sheet.

Telephone

Telephone bills can be very expensive surprises if you are not aware of the associated costs including the prices of local, in-state and long-distance calls as well as service charges and taxes. You will need to plan and estimate the costs associated with your telephone use very carefully if you want to stay within your budget. Since there are many telephone companies offering a variety of local and long-distance plans, you will want to find out which company offers the best price for what you need.



Surcharges and Taxes

Telephone companies charge monthly service fees to all customers that include some set charges. Here's an example of a local carrier's *surcharges and taxes*:

- *FCC Line Charge \$6.45*
- *Local # Portability\$.23*

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- *Disability Access Fee \$.85*
- *Federal USF Surcharge \$.65*
- *Federal Tax (3% of the bill)*
- *State Tax (5% of the bill)*

If you are renting your own apartment, you may want to consider getting “inside wire maintenance” for \$3.45 a month. You can split the cost with housemates if you have any. If you use directory assistance, you will be charged for each request. Currently it’s \$1.25.

Service Options

Telephone companies offer additional service options at additional costs. Below are some examples of options one company offers.

Distinctive Ring	\$4.00 per month
Call Waiting	\$4.00 per month
Three Way Calling	\$4.00 per month + \$.75 each time used
Voicemail (Including Call Forwarding)	\$5.95 per month or \$7.45 with multiple boxes
Caller ID	\$7.50 per month
Call Return (*69)	\$4.00 per month + \$.50 each time used
Call Forwarding	\$4.00 per month
	\$4.00 per month

Speed Dial

Call Waiting ID	\$7.50
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With your budget limitations in mind, would you choose any of these additional options? If so, which would you choose and why?

Some of the above options may be included in a package plan. You need to carefully evaluate which features you will use and need. It may not seem like a lot of money, but it will add up!!!

Selecting a Telephone Carrier

When selecting a telephone service carrier, you select a carrier for three types of calls: local, regional (local toll) and long distance. You may use the same carrier for more than one type of call or different carriers for each type of call. Calling plans generally offer a discount from the casual or basic rate, which applies if you have no calling plan. Always select a calling plan to avoid being billed at the basic rate. Telephone carrier options in

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Massachusetts include: AT&T, MCI, RCN, Sprint, Verizon and Working Assets. Companies often have a number of different plans to choose from.

Local Calls

A local call is any call within your local calling area of telephone exchanges.



ACTIVITY

Refer to the white pages of your telephone directory to find out which towns and areas are included in your local calling area and list them below.

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

How many local calls do you make each month from your home telephone?

How many local minutes do you use?

Regional Calls

A regional toll call (sometimes referred to as local toll call) is a call to a phone number that is not local, but is also not state-to-state or international. For example, a call from Boston to Worcester is a regional toll call.

Will you be making any regional toll calls? With your limited budget in mind, establish a list of what regional calls you will be making.

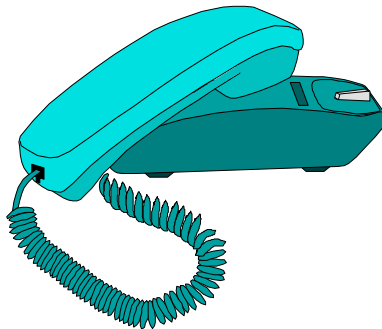
My regional calls:

Name	Location	How Often	How Long

My estimate of total minutes per month of regional calls is:

Long Distance Calls

Long distance telephone calls can sometimes be less expensive than regional calls, largely depending on the plan you choose and/or the time and/or days you choose to call. Weekends and sometimes evenings are less expensive times to make long distance calls.



Determine your long distance usage.

My long distance calls:

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Name	Location	How Often	How Long

My estimate of total minutes per month of long distance calls is:



ACTIVITY

Now that you have established your needs, it's time to find out your options. The following will provide examples to give you a general idea of what your telephone budget might be. Evaluate the options below:

INDIVIDUAL PLANS	AT&T	Verizon	Working Assets
Local Unlimited No Features	\$18.95	\$19.30	XXX
Local Unlimited 2 features	\$22.95	XXX	XXX
Local Unlimited 3 features	XXX	\$24.95	XXX
Local & Regional Unlimited 5 features	XXX	\$39.95	XXX
Regional & Long Distance if you have a local plan	\$.05 per minute	XXX	XXX
Regional & Long Distance Only	\$4.95 per month \$.07 per minute anytime	XXX	\$3.95 per month \$.07 per minute anytime
Regional & Long Distance Only	\$5.00 minimum monthly usage \$.05 per minute		\$4.95 per month \$.05 per minute evenings/weekends

Package Plans

Here are a few examples of package plans various carriers offer:

MCI

\$37.99 per month for unlimited local calling; 200 minutes of long distance calls and \$.05 per minute thereafter. You get call waiting, caller ID, call waiting ID and three-way calling.

\$55.99 per month for unlimited local, local toll and long distance calls. You get call waiting, caller ID, call waiting ID, speed dial 8 and three-way calling as well as personal voicemail and message center.

RCN

If you take a local/long distance package, you get unlimited local calls; for regional calls you choose between unlimited at \$10 a month or \$.08 per minute and for long distance calls, a choice of \$20 per month or \$.08 per minute.

Verizon

\$54.95 per month for unlimited local, regional toll and long distance anytime and anywhere in the U.S and to Canada. You also get a choice of five features.

Would you choose individual companies or a package? Why?

You will need to do additional research to find a telephone company with a plan that is best for you. Prices change frequently as do special offers.



ACTIVITY

Investigate which carrier might be best for you by looking up your options online and then calling representatives from at least two different companies. When you call, ask about installation, switching and cancellation fees.

I would choose the following telephone carrier(s):

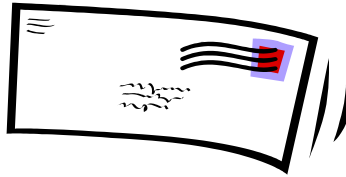
Local: _____

Long Distance: _____

Or

Package: _____

Remember that the current cost of a postcard stamp is 23¢ and a first class postage stamp for a letter is only 37¢. For the cost of five to ten minute minutes of long distance, you can send a letter or a card to a friend or relative.



The Cheapest Long Distance Carrier

Stay away from charge calls to 900- (and some 800- and 888-) numbers. They are very expensive!!!

To estimate your approximate monthly telephone bill, add up each of the sub-sections.

Surcharges and Taxes: _____

Local Calls: _____

Regional (Local Toll) Calls: _____

State-to-State Calls billed by a long distance carrier: _____

Or Package _____

Total:

\$

Now that you have estimated the approximate amount of your monthly telephone bill, enter the total amount into your personal budget sheet on the “Phone” line under **Utilities**.