

## INSURANCE

You have already estimated your costs of car and health insurance. In addition to those insurance options, you can obtain some additional ones such as life or home insurance. However, you might not really need these types of coverage, particularly when on a limited budget.



### ACTIVITY

Evaluate your insurance needs. Even if you decide not to obtain any policies at this point, call representatives from 2 different companies and inquire about different policies for future information

Would you obtain life and/or home insurance?

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Explain your choice:

Life:

Home or Other

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My monthly insurance  
budget is:

If you choose to purchase additional insurance, add the costs of the monthly premiums and record the total in the **Insurance** category on your personal budget sheet.

## SAVINGS

*NOTE: For additional information on savings and start up costs, please refer to the “Savings for Leaving Care” and “Banking” sections in this module.*

Some people find it difficult to save money; they seem to spend all the money they have. Storing a little money away each month, if possible, is **always** important, however. Savings will help you to get through the unexpected events that may occur in life such as illnesses or accidents and will help you prepare for things you may want like a car, college or vocational program, vacation, new clothes, etc.



### ACTIVITY

Make a list of things (items, events) you would like to save for?

Item/Event	Price
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____



How much should you save each month?

**I should save:**

How long would it take you to achieve your goal?

**It would take me \_\_\_\_\_ months.**

## Independent Living Skill Module I

Record the amount you will save monthly in the **Savings** box on your personal budget sheet.

### MANAGING YOUR PERSONAL BUDGET

Now that you have planned for each item, total the amount of all categories on your personal budget sheet. You may have to re-calculate how much you can afford to spend in certain categories before your budget balances out.

**My total is:**

Did you have difficulty keeping your budget within \$804? Explain.

Most people have difficulty figuring out their budget. It usually takes several tries before you can establish a usable budget. Below is a list of budget items with suggested percentages.

Rent & Utilities	43% of \$804 = \$345
Food	20% of \$804 = \$160
Clothing & Personal Care	10% of \$804 = \$80
Recreation/Entertainment	10% of \$804 = \$80
Transportation	7% of \$804 = \$56
Medical/Dental	7% of \$804 = \$56
Savings	5% of \$804 = \$40
Household Maintenance	?
Insurance	?

The sample budget above adheres to a method of budgeting that many banks recommend. This does not mean, however, that this method is perfect for you. You can move money from one budget item to another, depending on your personal needs, but the total must always equal \$804.00. You should not overlook setting aside some of your monthly in a savings account in case of an emergency.



It is difficult to cover all expenses with eight hundred and four dollars. Imagine how your budget and lifestyle would change if you would earn more money. Education can be the

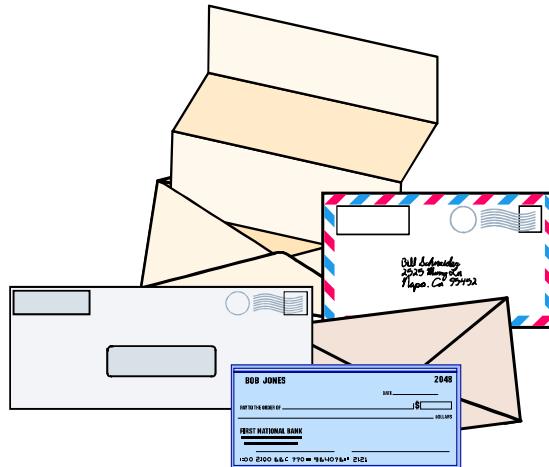
key to greater financial success and a better standard of living. For further information about the opportunities of education and the job market, refer to Module III.

## FOLLOWING YOUR BUDGET

Sticking to your budget might be difficult for many of you, but it is necessary for financial survival. Although there might be a little room to be flexible on some budgetary items, you will basically have to keep within your budget's limits in order to not end up with empty pockets before the end of the month.

What consequences could straying away from your budget have for you?

Throughout your life, you will have to be prepared to deal with many situations which might tempt you to ignore your budget. Giving in to these temptations will only lead you into a financial crisis.



**C**onsider the following:

Your friend calls you in the middle of a crisis. He tells you that he needs to borrow \$100 for an emergency. He promises that he will give the money back to you within a few days. However, this friend has not always been particularly reliable and the only money you have has already been set aside for next month's rent, which is due in three days. You really want to help your friend but are afraid that you'll get evicted if you don't pay the rent in three days.

*What would you do?*

## Independent Living Skill Module I



It is Friday and you have \$20.00 left for grocery shopping. Your refrigerator is empty and it will be another four days until your next paycheck. Your friends stop by and ask you to go out with them for dinner and the movies. You really don't feel like sitting around your apartment by yourself but by the time you paid for dinner and the movie, there would be no money left for food.

*What would you do?*



You have lost your monthly bus pass and you are thinking about purchasing a new one. You have no money budgeted for this extra expense although you may be able to use some of the money you set aside for recreation. You aren't sure that you want to use your recreation funds, but you don't want to walk 4 miles to and from work each day either.

*What would you do?*



You've met a guy/girl through work that you really like, but you only work together once a week. You really want to talk to him/her every day on the phone, but he/she lives in another town and the calls are billed as long distance. You haven't budgeted for the extra expense and know that you can't afford it.

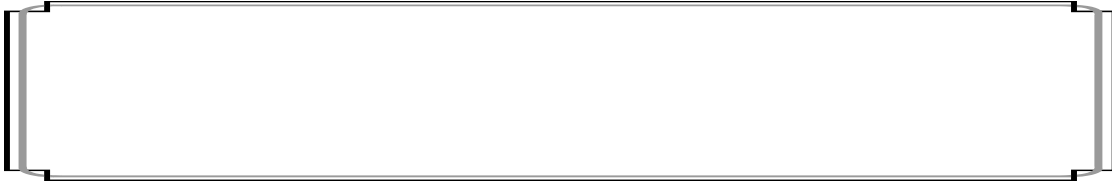
*What would you do?*



## Independent Living Skill Module I

You went clothing shopping and bought a great outfit you had been hoping to find for quite some time. When you arrived home, you found a bill from your dentist in the mailbox which you hadn't expected. The only way you could possibly pay the bill would be to return the outfit you've just bought.

*What would you do?*



Can you think of additional situations that would make it difficult for you to follow your budget? If so, please describe.



Develop strategies with your social worker, foster parent, or staff that would help you to stick with your personal budget.

MY STRATEGIES ARE:



### **START UP COSTS / SAVING FOR LEAVING CARE**

The personal budget you have established in the previous sections targets ongoing living expenses that you will be responsible for once you are living independently. You will also have to save some money before moving out on your own. The amount of money to be saved depends on your plans for life after care. In the following exercises, we will assume that you will move into your own apartment. However, if you have definite plans to move in with a roommate, you could divide all costs by half.

How much money do you think you will need to move out on your own?



Let's evaluate your estimate by taking a closer look at the start up costs associated with living independently.



### ***Rent and Security Deposit***

Landlords usually require the first and last month's rent before allowing a new tenant to move into an apartment. A security deposit is up to the landlord. It is usually the price of one month's rent and occasionally you'll find the security deposit is  $\frac{1}{2}$  of one month's rent. (For more information, refer to Module IV.)

**I would need \$ \_\_\_\_\_**



### ***Utility Deposits and Initial Service Fees***

Some utility companies require security deposits or charge initial service fees. The telephone company, for example, will charge you to initially connect your phone.



**ACTIVITY**

Call all appropriate utility companies and inquire about security deposits or initial service fees and list them below.

**Security Deposits/Initial Service Fees**

Phone	\$ _____
Electric	\$ _____
Gas	\$ _____
Oil	\$ _____
Cable	\$ _____
<i><b>TOTAL</b></i>	\$ _____



***Food, Cleaning Supplies, and Personal Care Items***

When you start to live independently, your initial costs for food, cleaning supplies, and personal care items will be somewhat higher for the first few weeks than you estimated in your ongoing personal budget. With that in mind, establish how much you would have to spend for food and household items for the first two weeks when living independently.

**To be purchased:**

**I would need \$ \_\_\_\_\_**



### **Furniture, Appliances, and Household Items**

Before you move into your own apartment, you will need at least basic furniture, household items, and appliances. Some things you might be able to get from relatives, friends, or foster parents while it will be necessary to purchase others. You might choose to buy some items used, although some might only be found in department stores. (For more information, refer to Module IV.)



#### **ACTIVITY**

Use the following checklist to estimate the costs of listed items by pricing them in new and used furniture stores, flyers, newspaper ads, and department stores.

#### **Furniture/Appliances/Household Items**

<b>Item</b>	<b>Have It</b>	<b>Need It</b>	<b>Cost</b>
Bed	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Couch	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Table	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Chairs	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Lamp	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Bed sheets	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Towels	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Pots & Pans	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Dishes	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Silverware	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Cooking utensils	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Toaster	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Microwave	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Can opener	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Toilet plunger	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Shelf	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Bureau	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____

Independent Living Skill Module I

Item	Have It	Need It	Cost
Dresser	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Television	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Stereo system	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Desk	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
First Aid Kit	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Curtains/blinds/shades	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
_____	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
_____	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
_____	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
_____	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
<b>Total</b>			\$ _____

After adding the prices of each individual item, how much would you budget for household items, furniture and appliances?

**I would budget \$ \_\_\_\_\_**



### **Miscellaneous and Emergency Costs**

It would be a good idea to budget for some unexpected or miscellaneous costs when first moving out. For example, you should consider the cost of a moving van or rented truck if you are planning to use one.

Are there costs which are not yet covered in your start up expenses? Can you think of situations where some unexpected expense might come up? If so, describe.

How much would you budget for miscellaneous or unexpected expenses?

**I would budget \$ \_\_\_\_\_**

To estimate your start up costs, add up all individual items.

FIRST MONTH'S RENT AND LAST MONTH'S RENT/SECURITY DEPOSIT

UTILITY SECURITY DEPOSITS/INITIAL SERVICE FEES

FOOD, CLEANING SUPPLIES, PERSONAL CARE ITEMS

FURNITURE, APPLIANCES, HOUSEHOLD ITEMS

MISCELLANEOUS AND UNEXPECTED EXPENSES

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TOTAL ESTIMATE OF START UP COSTS

Independent Living Skill Module I

Your total estimate of start up costs might seem like a lot of money to you. As you did with your personal budget, however, you can review each item and evaluate whether or not you can get by with less money. Once you have established your final total, you will need to develop a savings plan.



**ACTIVITY**

Estimate how much you will have to save each month to reach your goal prior to leaving care.

**I would have to save \$ \_\_\_\_\_ per month.**

Will it be easy or difficult for you to save this money? Describe.

What could get in the way of reaching your savings goal?

Develop strategies with your foster parent, social worker, or program staff to help you save for your start up costs.

M y s t r a t e g i e s a r e :

## CHECKING AND SAVING ACCOUNTS

You have now figured out how you're going to spend your money. As you probably already know, it's not practical to carry all your cash on you or to leave large amounts of money in your home. It's also not a good idea to send cash through the mail, as it can be stolen. Saving accounts and checking accounts are the most common methods of storing money. These are services offered by most banks and savings and loan associations. However, not all places with names that sound like the names of banks are financial institutions that are regulated by the federal government. When you deposit your money in the bank, make certain that it is protected by the Federal Deposit Insurance Corporation (FDIC). When using a savings and loan, be sure that it is protected by the Federal Savings and Loan Insurance Corporation (FSLIC). The FDIC and the FSLIC guarantee that if a bank or savings and loan goes out of business, your deposit is protected up to \$100,000.00.



It is important to remember that all banks don't have the same interest rates, the same service charges, or the same minimum account balance amounts. A majority of larger banks offer online services to make banking easier. For example; sending bills and checking your account. If you have a computer you should see how you could get on line. Usually it is a free service, but check with your bank first. This could save you a lot of time and it could help you to manage your money more effectively. You must comparison shop for savings and checking accounts like you do for other things in order to get the services that suit you. When choosing either or both types of accounts, it is important to remember your financial goals and needs.

### Savings Accounts



As we saw in the budgeting section, it is important to build up some saved money, and even saving just a little bit of money at a time can help you reach your financial goals.

Money in a savings account earns interest. The bank pays you interest for the privilege of holding your money. Savings accounts can also be used to temporarily store money. If you have difficulty with balancing a checkbook or use checks irresponsibly, you can use saving accounts in combination with money orders to pay your bills.

## Independent Living Skill Module I

For what purposes would *you* use a savings account?



### ACTIVITY

Visit two different local banks and obtain the following information for each.

Bank A	Bank B
Name:	Name:
Address:	Address:
Office Hours:	Office Hours:
Describe at least 2 types of savings accounts:	Describe at least 2 types of savings accounts:
What is the rate of interest on a passbook/savings account?	What is the rate of interest on a passbook/savings account?
What is the minimum amount of money you are required to keep in a savings account?	What is the minimum amount of money you are required to keep in a savings account?

<p>How do you withdraw money from the account?</p> <p>Are there any fees or service charges associated with the account? If so, list them.</p> <p>What happens if you lose a passbook?</p>	<p>How do you withdraw money from the account?</p> <p>Are there any fees or service charges associated with the account? If so, list them.</p> <p>What happens if you lose a passbook?</p>
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If you opened a savings account, which of the two banks would you choose? Why?



**ACTIVITY**

If you don't have a savings account, open one at the bank which best suits your need.

**Checking Accounts**



Checking accounts are different from savings accounts. They provide you with an alternative to cash. Instead of paying bills or purchasing items with cash, you can usually write a check for the amount of the bill. The bank will then subtract the amount of the check from your account and give your money to the agency to which you made out the check. You are responsible for keeping a record in the back of your checkbook of the checks you have written and the deposits you have made into your account. At the end of the month you will receive a monthly bank statement which summarizes your account activity and returns your canceled checks. (A canceled check is a check that has been cashed by the payee.) The canceled checks can be used as receipts for your purchases.

## Independent Living Skill Module I

Many banks offer a telephone service, which enables you to call in at any time to inquire about your account balance, and have online services. (Some banks will not offer checking accounts to people under 18.)

For what purposes would you use a checking account?



### ACTIVITY

Visit two different local banks and obtain the following information for each.

Bank A	Bank B
Name:	Name:
Address:	Address:
Office Hours:	Office Hours:
Describe at least 2 types of checking accounts:	Describe at least 2 types of checking accounts:
How do you open a checking account?	How do you open a checking account?

Independent Living Skill Module I

<p>What does it cost to have a checking account? (Is there a cost per check cashed? Service charges?) What are some of the services the bank will charge you for?</p>	<p>What does it cost to have a checking account? (Is there a cost per check cashed? Service charges?) What are some of the services the bank will charge you for?</p>
<p>Is there a minimum balance you must maintain?</p>	<p>Is there a minimum balance you must maintain?</p>
<p>What is a canceled check?</p>	<p>What is a canceled check?</p>
<p>Should you keep canceled checks? Why or why not?</p>	<p>Should you keep canceled checks? Why or why not?</p>
<p>What happens if a check bounces? What does the bank charge you if they cover the check for you?</p>	<p>What happens if a check bounces? What does the bank charge you if they cover the check for you?</p>
<p>Does the bank have a 24-hour Automatic Teller Machine (ATM)? Is there a fee per transaction or a monthly fee to use the ATM?</p>	<p>Does the bank have a 24-hour ATM? Is there a fee per transaction or a monthly fee to use the ATM?</p>

## Independent Living Skill Module I

There are many types of checking accounts. Again, remember to comparison shop for the types of features (service charges, location, minimum balance) that best suits your needs.

Which of the banks would you choose? Explain.



No matter what type of checking account you open, most have the same kinds of checks. You must take care to write checks properly so that the bank will do exactly what you want. Always follow these rules when you write a check:

1. Always write a check in ink.
2. Date the check the day you write it. Never pre- or postdate it. Write the amount of the check in numbers close to the dollar sign so that no one can insert a number before the amount you have written
3. Write the amount of the check in words starting of the far left side. After the last word, draw a line to fill the unused space.
4. Always sign the check the same way you signed the signature card at the bank.
5. Never sign a blank check.
6. Record each check in your check register *immediately* after it is written.

### Types of Check Endorsements

In order to cash a check that is made out to you, you must first endorse it by signing your name on the back of the check. There are three types of endorsements: a) a blank endorsement, b) a restrictive endorsement, and c) a special endorsement.

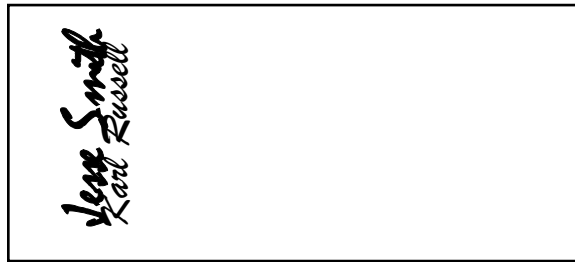


Blank



Restrictive

Use a restrictive endorsement if you are mailing your check to the bank.



Special

Use the special endorsement only when you are signing your check over to another person. These types of endorsements are seldom used. Many places will not accept the signing over of a check to another person (sometimes known as “third party” checks).

*Never endorse a check before you are ready to cash it.*

### The Check Below Is Filled Out Properly

JESSE SMITH 101 MAIN STREET CAMFORD, MA 00031	425 5-595-110
Order of <u>David's Department</u>	Order <del>22nd</del> 20 <u>05</u>
Pay to the Order of <u>David's Department</u>	\$ <b>21.45</b>
<u>Twenty One and 47/100</u> Dollars	
BOSTON BANK Boston, Massachusetts	
Memo <u>Curtains</u>	<u>Jesse Smith</u>
0:110011897: 1 2090 : 2323 : 1431	

## Banking Skills



### ACTIVITY

Practice your banking skills by completing the following exercises with the blank check and deposit slips provided.

1. On May 4th of this year, you received a statement from the Boston Bank showing that you have \$116.42 in your checking account. Enter this in the register in the box marked "Balance " on page 79.
2. On May 6th, you went to Honest Auto Repair to pick up your car. The mechanic charged \$45.00 to fix the fender, and you paid the shop with check #101. Write out the check, enter it in your register, and calculate the new balance.
3. On May 7th, you bought \$26.15 in groceries. You paid the Thrifty-Mart Grocery Store with check #102. After you write the check, enter it in the register and calculate the new balance.
4. On May 12th, you received a telephone bill for \$29.68. You pay it with check #103. Write out the check, enter it in your register, and calculate the new balance.
5. On May 15th, you received your paycheck of \$126.33. You put \$30.00 in savings and \$96.33 in checking. Fill out the deposit slips for both accounts. Enter the checking account deposit in the register and find the new balance. (Most check registers have a place to record your savings deposits at the very back of the register. Be sure not to mix up checking account and saving account deposits.)
6. On May 18th, you bought some new clothing from Her/Sir Fashions for \$36.17. You paid with check #104. Write the check, enter it into the register, and find the new balance.
7. On May 22nd, you bought more groceries from Thrifty Mart for \$52.76. You paid with check #105. Write the check and enter it into the register, then find the new balance.
8. On May 25th, you received a \$20.00 check for your birthday from your Aunt Esther. Fill out a deposit slip for your checking account, enter it in the register, and find the new balance.
9. On May 30th, you wrote a check for #106 for \$15.00 cash for the Memorial Day Weekend. Write the check and enter it into the register and find the new balance.

Independent Living Skill Module I

HERE ARE SOME BLANK CHECKS FOR USE WITH THE ACTIVITY.

Your Name	101
Your Street Address	5-595-110
Your Town, MA, Zip Code	_____ 20 _____
Pay to the Order of _____	\$ <input type="text"/>
_____	Dollars
BOSTON BANK Boston, Massachusetts	
Memo _____	_____
0:110011897: 1 2090 : 2323 : 1431	

Your Name	102
Your Street Address	5-595-110
Your Town, MA, Zip Code	_____ 20 _____
Pay to the Order of _____	\$ <input type="text"/>
_____	Dollars
BOSTON BANK Boston, Massachusetts	
Memo _____	_____
0:110011897: 1 2090 : 2323 : 1431	

Your Name	103
Your Street Address	5-595-110
Your Town, MA, Zip Code	_____ 20 _____
Pay to the Order of _____	\$ <input type="text"/>
_____	Dollars
BOSTON BANK Boston, Massachusetts	
Memo _____	_____
0:110011897: 1 2090 : 2323 : 1431	

Independent Living Skill Module I

Your Name	104
Your Street Address	5-595-110
Your Town, MA, Zip Code	_____ 20 _____
Pay to the Order of _____	\$ <input type="text"/>
_____	Dollars
BOSTON BANK Boston, Massachusetts	
Memo _____	_____
0:110011897: 1 2090 : 2323 : 1431	

Your Name	105
Your Street Address	5-595-110
Your Town, MA, Zip Code	_____ 20 _____
Pay to the Order of _____	\$ <input type="text"/>
_____	Dollars
BOSTON BANK Boston, Massachusetts	
Memo _____	_____
0:110011897: 1 2090 : 2323 : 1431	

Your Name	106
Your Street Address	5-595-110
Your Town, MA, Zip Code	_____ 20 _____
Pay to the Order of _____	\$ <input type="text"/>
_____	Dollars
BOSTON BANK Boston, Massachusetts	
Memo _____	_____
0:110011897: 1 2090 : 2323 : 1431	

# Independent Living Skill Module I

USE THESE DEPOSIT SLIPS WITH THE ACTIVITY.

<b>CHECKING ACCOUNG DEPOSIT</b>			<b>Dollars</b>	<b>Cents</b>
Your Name	5-110-595	<b>Cash Total</b>		
Your Street Address		<b>List Checks</b>	Check #	
Your Town, MA, Zip Code				
	_____ 20 _____			
<b>BOSTON BANK</b>				
Boston, Massachusetts				
50211   : 9099"   00":98976		<b>TOTAL</b>		

Be Sure Each Item Is Properly Endorsed.

<b>CHECKING ACCOUNG DEPOSIT</b>			<b>Dollars</b>	<b>Cents</b>
Your Name	5-110-595	<b>Cash Total</b>		
Your Street Address		<b>List Checks</b>	Check #	
Your Town, MA, Zip Code				
	_____ 20 _____			
<b>BOSTON BANK</b>				
Boston, Massachusetts				
50211   : 9099"   00":98976		<b>TOTAL</b>		

Be Sure Each Item Is Properly Endorsed.

<b>SAVINGS ACCOUNG DEPOSIT</b>			<b>Dollars</b>	<b>Cents</b>
Your Name	5-110-765	<b>Cash Total</b>		
Your Street Address		<b>List Checks</b>	Check #	
Your Town, MA, Zip Code				
	_____ 20 _____			
<b>BOSTON BANK</b>				
Boston, Massachusetts				
20211   : 9019"   00":98576				

	<b>SUBTOTAL</b>		
	Less Cash Back		
	<b>TOTAL</b>		

Signature \_\_\_\_\_



Independent Living Skill Module I

You will find your checking account statement from the Boston Bank below. It covers your transactions (all deposits and checks cashed) for the month of May, the same transactions listed in the previous activity. Notice that one check did not reach the bank before the statement was printed. Notice also that you have been charged a service charge for using the bank's services.

<b>Boston Bank</b>			
PO Box 333			
Boston, MA 01234			
<b>PERSONAL CHECKING ACCOUNT</b>			ACCT # 0034-7654
Statement Period: May 1- 30, 2005			Your Name
Tax ID# 033-34-6676			Street Address
			Town, MA Zip Code
DATE OF POSTING	TRANSACTION	AMMOUNT	BALANCES Checking    Loan
1-May	Previous Balance		116.42
5-May	Check Paid #101	45.00	71.42
7-May	Check Paid #102	26.15	45.27
12-May	Check Paid #103	29.68	15.59
15-May	Checking Deposit	96.33	111.92
18-May	Check Paid #104	36.17	75.75
22-May	Check Paid #105	52.76	22.99
25-May	Checking Deposit	20.00	42.99
29-May	Service Chage	5.00	37.99
30-May	NEW BALANCE		37.99

**CHECK SERIAL RECAP**

DATE	SERIAL	AMOUNT	DATE	SERIAL	AMOUNT	DATE	SERIAL	AMOUNT
6-May	101	45.00	7-May	102	26.15	12-May	103	29.68
18-May	104	36.17	18-May	105	52.76			

<b>CHECKING ACTIVITY:</b>	<b>CHECKS</b> 5	<b>DEPOSITS</b> 2	<b>DEPOSITED</b> 2 Items
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## Balancing Your Checkbook

You will know that your checkbook register is “balanced,” or correct, by comparing the balance in your register to the “New Balance” shown on the bank’s statement. To balance your checkbook, complete the following steps.

First you must obtain your new checkbook balance:

1. Enter the balance from your register on Line A. **A.** \_\_\_\_\_
2. Enter the amount of any service charge on Line B. **B.** \_\_\_\_\_
3. Subtract Line B from Line A. **C.** \_\_\_\_\_

This is your new checkbook balance.

Now you need to obtain the current bank balance.

Compare the check numbers and amounts on the statement with the checks listed on your register. Below, write down any checks written during the statement period and listed in your register but not in the bank’s statement.

Check Number	Amount
_____	_____
_____	_____
_____	_____
	<b>Total:</b> \$ _____

2. Write down the new balance from the statement on Line D. **D.** \_\_\_\_\_
3. Enter any deposits shown in the register but not in statement on Line E. **E.** \_\_\_\_\_
4. Add Lines D and E; enter this subtotal on Line F. **F.** \_\_\_\_\_
5. Enter total amount of checks not shown in statement on Line G. (Total from Step 1 above). **G.** \_\_\_\_\_
6. Subtract Line G from Line F. Place result on line H. **H.** \_\_\_\_\_

Line H should agree with your checkbook balance (Line C). If it doesn't, examine it carefully to see that you have correctly added and subtracted all the deposits and checks for the month. Also, make sure you have listed, in your register, all of the transactions (deposits and checks) you've made.

### Is a Checking Account Right For You?

Before you decide to open a checking account, you need to evaluate whether or not it is right for you.



#### ACTIVITY

List all the advantages and disadvantages of having a checking account at this time.

<b>Advantages</b>	<b>Disadvantages</b>

While checking accounts will give you the opportunity to conveniently store your money and pay your bills, they also bear certain risks, particularly for individuals who have difficulty managing money or balancing a checkbook.

**C**onsider the following:

Steven opened a checking account three weeks ago. Although he tries to keep track of his spending and deposits, he is getting confused because he does not take the time to record his transactions properly. Today, Steve gets a notice from his bank in the mail which states that three of his checks have bounced.