PAGE 33, EXERCISES C, D, AND E

Caller 1 [Mack Morgan = radio host]

Mack: This is Mack Morgan for Money Matters. Charles, from Charleston. You're on the air.

Charles: Thank you for taking my call. I've got a problem. I make a good living, but I just can't save any

money, and I find it hard to keep track of my expenses.

Mack: Believe me, you're not alone, Charles. Tell me more.

Charles: Well, I go to the ATM and take out a couple hundred dollars for daily expenses, and after two or three days, I've spent it all. I always expect it to have lasted longer. I don't think I'm a big spender, but I just don't know where the money goes! And it's true that I regret buying some things that I don't get much use out of. But before I know it, I'm taking out more. My money's always going in the wrong direction—out of the bank instead of into the bank, if you know what I mean.

Mack: Well here's an idea. First, when you spend money throughout the day . . . ?

Charles: Mm-hmm.

Mack: Don't spend any of the change.

Charles: You mean the coins?

Mack: Right. Don't spend any of it. When you get home every evening, put all that loose change in a jar. You'll be surprised at how much you'll have saved up in even a few weeks.

Charles: Wow. I never thought of doing that.

Mack: Then, at the end of every month, put all that change in the bank. By the end of a year, you'll have put a nice amount in your savings.

Charles: That's a great idea. I'll do that! Thanks.

Mack: And call me in a year. Let me know what your balance is, OK

Charles: OK.

Caller 2 [Mack Morgan = radio host; Miriam = teenager]

LIVEWORKSHEETS

Mack: Money Matters. Is this Miriam from Miami?

Miriam: Yes. Thank you for taking my call.

Mack: Miriam, how old are you?

Miriam: I'm 16. And I have a problem, Mr. Morgan. I hope you can help me.

Mack: I can try. Shoot.

Miriam: OK. My parents give me money for things I need, but I want an allowance.

Mack: Why's that?

Miriam: They're not cheapskates, and they give me enough, so I can't complain. But I hate asking. And I never have any extra to buy things I want, maybe things I don't really need. All my friends get an allowance, and they don't have to ask their parents for money every time they need something. They get to make their own decisions. I feel like my parents don't trust me.

Mack: That must feel bad.

Miriam: Yeah. And it makes me feel like a baby. I mean, why can't I decide how I want to spend my money? I'm 16 years old and I'm pretty responsible.

Mack: Do your parents have any reason not to give you an allowance?

Miriam: I'm not sure.

Mack: Well, what do they say when you ask them for one?

Miriam: They say teenagers waste a lot of money and that I might spend it on stupid things I don't need. And they never stop reminding me about things I've bought that just sit around collecting dust. But I feel weird when I'm with my friends after school and they can buy things from their allowance and I can't.

Mack: OK. Here's an idea. Explain to your parents how you feel, just like you did to me. Ask them to give you an allowance every week for one month and see how you manage it. Tell them you'll keep track of your expenses so you know where your money goes. Then, at the end of the month, show them your records so they can see that you haven't wasted your money.

Miriam: That sounds like a good idea.

Mack: And, Miriam. Be thrifty. Don't spend all the money. Stay away from impulse items. Put some

LIVEWORKSHEETS

of it—even just a little bit of it—in a cup or a bottle to show them that you can save. By the end of the month, you can expect to have won them over. I'll bet they'll be so proud of you, you'll get an allowance from now on.

Miriam: Thanks! That's great.

Caller 3 [Mack Morgan = radio host]

Mack: Rosalind from Rochester. Speak to me.

Rosalind: Hi, Mack. I'm wondering if you can help me. I'm drowning in debt. I mean drowning.

Mack: I'm guessing this is about credit cards. Am I right?

Rosalind: Totally. I don't think I'll ever be able to pay what I owe. But I know I have to change.

Mack: Well, I'll need some information. Do you pay your credit card bills on time?

Rosalind: I do, actually.

Mack: When you say you pay them on time, do you mean you pay them in full, or do you pay the minimum? I think I know the answer . . .

Rosalind: You guessed it. If I haven't spent too much, I pay the month's bill in full, but that doesn't happen

often. The truth is that I spend more than I earn, so I never catch up.

Mack: OK, Rosalind. You're not living within your means. Here's what you have to do. How many credit cards do you have?

Rosalind: Maybe 10 or 12.

Mack: That's way too many. Decide which two you want to use regularly, OK?

Rosalind: OK . . .

Mack: Take all the other cards and cut them up.

Rosalind: Cut them up? You mean like with a pair of scissors?

Mack: Yes. You can get along fine with just two cards.

If you're using 10 or 12 cards, you're just fooling yourself, because each monthly bill doesn't seem too big. If you add them up, though, they're a whopper.

Rosalind: True.

Mack: Then, make yourself a budget and stick to it. Don't charge anything you can't pay for in full

at the end of the month. And take as much as you can from your savings and pay off the debt

LIVEWORKSHEETS

you have now, little by little every month. Before you know it, you'll have made a dent in that debt.

Rosalind: Well, that sounds like a good plan. Thanks

Mack! I intend to have paid it off in full before I get married.

Mack: Goodnight, and remember, manage your money well. See you next time!

LIVEWORKSHEETS