



Today, I would like you to prepare a 4-slide PowerPoint based on the article below. I want you to include (1) clip art, (2) transitions, (3) animations, and (4) interesting backgrounds, fonts, and colors. When you're done, please email the file as an attachment (let me know if you need help with attachments). Every student should have this done by the end of the bell.

Here is what the PowerPoint should look like:

**SLIDE 1: Title slide with a title for the project, your name, and the date.**

**SLIDE 2: A summary of "Spend Less Than You Receive"**

**SLIDE 3: A summary of "Receiving More"**

**SLIDE 4: A summary of "Basics of Budgeting"**

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## SPEND LESS THAN YOU RECEIVE

When people decide to improve their finances, the first step they need to take is easy to describe. To get anywhere financially, you have to spend less than you receive. Although it's easily said, it's not always easily done. If you don't spend less than you receive, the only financial goal you can accomplish is spending. If you do spend less than you receive, you can build up savings and invest for the future. You can consider many, many goals that would be impossible to achieve if you spent every month's income in that same month.

Goals can be classified according to how far in the future you're thinking:

- Short-term goals are those that occur within the next two months, such as making next month's rent payment on time or saving for a present for someone whose birthday will come up in six weeks.
- Medium-term goals are those that occur two months to three years into the future. Examples include saving to buy a car next year and getting ready to purchase a home in two years.
- Long-term goals occur three years or more into the future. Examples include saving for retirement or saving for future college expenses for a child.

Progress toward goals will depend on spending less than you receive. There are only two ways to accomplish this: spend less or receive more. Let's start with the idea of receiving more.

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## RECEIVING MORE

The most important way to receive more income is to get a better job. Many people feel that they are already in the best job they can find. That may be true for now, but over time people can qualify for better and higher-paying jobs. To understand how, let's think about what determines people's pay.

The two most important elements are competition and education. In a market economy like ours, competition is everywhere. Workers compete to get jobs, but employers also compete to get workers. This competition is based on productivity, or the worker's ability to produce.

Think about somebody who owns a baseball team. What would he look for in new players? One player might have a high batting average, the ability to run like the wind, and a lot of appeal to the fans. Another player might be a poor hitter, out of shape, and not especially charming to the fans. If you were a team owner, which one would you pick? The more productive one, to be sure.

Most of us will never be professional athletes. Yet the market economy has jobs for us, and the more productive we are, the more money we can make. In our economy, employers are always looking for people who can work with others to get the job done.

Every employer has some kind of product or output. It might be electricity at a power plant, books at a printing plant, or completed transactions at a bank. People who can help the employer get the product out will be able to add to the employer's profits, and to their own pay.

In today's economy, getting the product out often involves the use of information and technology. That means people with more education can usually be better able to help get the product out. In turn, that means people with more education may be more valuable to an employer and may therefore receive more money.

Remember that it's the ability to get a job done that counts to employers. There are many ways to improve your ability other than in a classroom. A great deal of learning takes place on the job, as people find more effective ways to get things done. That's one of the reasons that pay tends to rise over time as people become more experienced. They become more valuable to their employers, and their pay reflects that fact.

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## **BASICS OF BUDGETING**

Remember where we started: you have to spend less than you receive. We have looked at some ways in which people can earn more money. For most people, though, that's not enough. They also have to control their spending, and that's where budgeting comes in.

Budgeting is planning to spend less than you receive. The most effective budgets take account of all money coming into a household and divide it out to meet expenses, with some money left over for saving. It would be nice to track every penny that comes into a household and control every penny that goes out, but that's hard to do.

Most people don't do well if they try to establish a precise budget. Fortunately, even a rough budget is a great help to most households. Here are the steps involved in improving finances through rough budgeting:

- 1. Set goals.**
- 2. Find out where the money is going.**
- 3. Find a way to save small amounts and get them out of sight.**