

Making and Saving Money

Math 9

Making and Saving Money

1. What are some reasons you might want to save money?
 - buy a house / car / vacation
 - pay for college
 - support family
 - retirement
2. What are some ways you can save money?
 - savings account
 - budgeting
 - buy only what you need
 - make your lunch instead of buying it
3. List some ways you or someone your age gets money.
 - allowance
 - do chores
 - babysitting
 - mowing the lawn / raking leaves
 - shovelling snow
 - car wash
4. List some of the things you or someone your age spends their money on.
 - clothes
 - food
 - entertainment
 - make-up
 - transit

What is **income**?

Income is money received in exchange for work done, through investments, or as a gift.

Salary	The amount of money you are paid over a fixed period of time. → weekly, biweekly, semi-monthly, monthly ...
Commission	A certain percentage of the total sales you make.
Wage	The amount of money you are paid hourly.
Piecework	A fixed amount/rate for the job done (ex: contract) or each unit produced, regardless of the time spent on it.

Example 1: Cali walks dogs for several neighbours and earns \$5.50 for each walk. This week, she completes 4 walks and receives \$100.00 as a birthday gift. Cali decides to use a maximum of 30% of her income this week as spending money.

- a) What is Cali's income this week?

$$\begin{aligned} & 5.50 \times 4 + 100 \\ & = 22 + 100 \\ & = 122 \end{aligned}$$

Cali's income is \$122.

- b) Can she expect this income each week? Explain.

No, she won't receive birthday money each week, and the number of times she walks the dogs might change.

- c) What is Cali's maximum amount of spending money this week?

$$\begin{aligned} & 30\% \text{ of } 122 \\ & = 0.30 \times 122 \\ & = 36.6 \end{aligned}$$

Cali has \$36.60 in spending money.

Example 2: Berkley has an after-school job that pays \$11.90 per hour. His weekly paycheque is \$154.75. He pays \$55 per month for his phone and \$45 per month for his gym membership.

- a) Berkley is saving 50% of his income **after his expenses** to put toward a new sound system which costs \$450 in total. How many weeks will it take Berkley to save for the sound system? Assume Berkley gets paid 4 times each month.

$$\begin{aligned} & 154.75 \times 4 = 619 \\ & 619 - 55 - 45 = 519 \\ & 50\% \text{ of } 519 = 259.5 \end{aligned}$$

→ He saves \$259.50 per month.

$$450 \div 259.50 = 1.73$$

1 month ~ 3 weeks

It will take him 7 weeks, assuming his expenses are paid before the end of the month.

- b) What are some other ways Berkley could save the \$450 in a shorter amount of time?

- save more per paycheque
- cancel gym membership or phone service

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- work more hours