Where Does Your Money Go?

Pre-reading

Questions:
• Where does your money go?
• Do you have a spending and saving plan?

Definitions:
• Remain – to be left
• Finances – management of money

Reading

Kate used to worry about money. By the end of the month, little remained. Making a budget has helped. Kate now knows where her money goes. She knows what she needs to save. She feels more in control.

Kate has many monthly bills. The cable bill is $55.18. The phone bill is $60.57. The electricity bill is $90.54. The rent is $500.00. Kate pays her bills before the due date. She does not like to pay late fees. They can be costly.

Some bills need to be paid only once or twice a year. Kate gets a bill for car insurance twice a year. She needs to pay $250.00 in May and November. Kate plans for this expense. She saves $50.00 each month. The money is ready when the bill comes.

Kate is pleased with her finances. She is proud of her saving and spending plan. She knows how much money is coming in each month. She knows how much money is going out each month. The budget is based on her income and expenses.

Kate knows she is able to pay her bills. Some months, she even has money left-over! Life is good.

Level 3.5
Understanding

1. What does the word expense mean? ____________________________________________________________

2. Why does Kate pay her bills before they are due? ________________________________

3. What does the word income mean? ____________________________________________

4. How does Kate plan for larger bills? ____________________________________________

5. What is a budget? __________________________________________________________

Writing

Choice A: How do you use your money?

Choice B: How does Kate use her money?