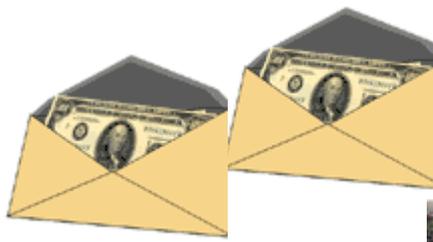


The Envelope System



Pre-reading

Questions:

- Have you heard of the envelop system?
- What do you think it might be?

Definitions:

- Finances – the amount and management of money owned by a person or group
- Separate – apart from another; different

Reading

Pam never seemed to have enough money. As soon as she a got a paycheck, it was gone.

18 The last days of the month were very hard; money was **scarce**. Pam was stressed and unhappy
35 about her finances.

38 One day at work, she saw a flyer about a money management class. On the flyer were
55 questions like: “Would you like to pay your bills in full and on time?”, “Would you like to save
74 more money?”, and “Would you like to feel more in control of your finances?” Pam answered yes
91 to each question. She knew she should attend this class.

101 At the class, Pam learned many helpful things. One of the most useful things was the envelope
118 system. It was a fast and easy way for Pam to track where her money was going.

135 She labeled an envelope for each spending area. She had separate envelopes for food, gas,
150 savings, rent, phone, **etcetera**. From every paycheck, Pam put a planned amount of money into
165 each envelope. In her food envelope she put fifty dollars each payday, and in the gas envelope she
183 put thirty.

185 Any time Pam added or removed money from an envelope, she wrote the date, amount, and
201 reason on the envelope. When an envelope was out of cash, Pam was done spending for that area.

219 The envelope system helped Pam plan and track her spending. She was paying her bills in full
236 and on time. She even had money left over at the end of the month. Pam was thrilled to be more
257 in control of her finances!

262

Understanding

1. What does the word **etcetera** mean? _____

2. How did Pam feel about her finances before attending the class? _____

3. How did she feel after attending the class? _____

4. What made the difference? _____

5. What does the word **scarce** mean? _____

6. What did Pam do when an envelope was out of money? _____

Writing

Choice A: In your own words, describe the envelope system. Do you think it would be a good thing to use? Why or why not?

Choice B: How do you keep your finances in order? What spending and saving strategies do you use? What money topics would you like to learn more about?
