Pay Yourself First

Pre-reading

Questions:
- What does it mean to “pay yourself first”?

Definitions:
- Mechanic – a person who is skilled at fixing or working with machines and motors
- Expect – to think something will probably happen

Reading

Tim and Ann owned an ’89, four-door Ford. They had driven it 140,000 miles. It was a good car that had served them well. Tim and Ann had taken good care of it. They had the oil changed every three to four months. They had made repairs on a timely basis. They kept both the inside and outside of the car clean.

Unfortunately, cars don’t last forever. The Ford had gotten rusty and was leaking some oil. At their most recent visit to the mechanic, Tim and Ann were told to expect no more than 20,000 miles from the car. It was soon time to buy a new car.

A new car meant a new money goal. Tim and Ann were not used to making a car payment. They needed to start saving. They had heard of “paying yourself first” and thought they would give it a try. Before paying any of their other bills, they paid themselves first. It was a regular part of their budget.

They paid themselves $50 each pay period. That was $100 a month! They opened a savings account for their car fund. Putting their money in a savings account would earn them interest on their money. It was also a safe place to keep their savings.

Tim and Ann were surprised at how good it felt to be working toward their goal. By saving a planned amount of money each month, they would be ready to make a down payment on a new car when their old one died. Plus, they didn’t even miss the money they were saving!

Level 4.0
Understanding

1. What does the word interest mean in the story?
   a. The desire to learn about or take part in something.
   b. Concern for one’s self or benefit.
   c. A sum of money paid for the use of someone else’s money.

2. What was the total number of miles Tim and Ann’s car would most likely travel before it quit working? ________________________________________________________________
   ________________________________________________________________

3. How old was their car?___________________________________________________
   ________________________________________________________________

4. What method did they use to save for a new car? _____________________________
   ________________________________________________________________

5. Where did they put their savings? Why?____________________________________
   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________
   ________________________________________________________________

Writing

Choice A: Retell the story in your own words.

Choice B: Write about money goals you have. How do plan on meeting those goals?

____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________