



The world has changed greatly since 1840. If Lyddie had lived in today's world, she may have used the services of a financial expert to help her solve some of her financial problems. Experts who help people use their monetary resources wisely are called financial advisors.

Financial advisors calculate a person's income and expenditures over a specified period of time and make recommendations that help that individual reach his/her personal financial goals.

Consider the following example. Marty wants to purchase the latest iPod at a price of \$200.00. Marty has a savings account where he has deposited some of the gift money he has received for special occasions over the years. The account has a balance of \$250.00 and earns about \$10.00 per year in interest. Marty plans to use \$100.00 of his savings plus this year's \$10.00 of interest to put toward the purchase of his iPod. Help Marty achieve his financial goal by completing the following income and expenditures worksheet. Then prepare a written report for Marty suggesting some things he might do to reach this goal.

Marty's Income for the next 12 weeks

Marty will help his next door neighbor with general yard work for the next four weeks for a wage of \$15.00 per week. ($\15.00×4) = $\$60.00$

Marty has a permanent part time job that pays him \$30.00 per week ($\30.00×12) = $\$360.00$

Marty's Total Income

$\$420.00$

Marty's Expenses for the next 12 weeks

Marty spends \$5.00 per week at the skate board park ($\$5.00 \times 12$) = $\$60.00$

Marty spends \$4.75 to see a movie every week and an additional \$3.25 on refreshments. [($\$4.75 + \3.25) $\times 12$] = $\$96.00$

Marty spends \$5.50 per week playing arcade games. ($\$5.50 \times 12$) = $\$66.00$

Marty wants to spend \$10.00 every other week to purchase new CD's for his new iPod. ($\$10.00 \times 6$) = $\$60.00$

Marty wants to spend \$15.00 on his best friend's birthday gift. $\$15.00$

Marty wants to go the Water Park which costs \$30.00 per visit with his friends three times during the next twelve weeks. ($\$30.00 \times 3$) = $\$90.00$

Marty's Total Expenses

$\$387.00$

Marty's Savings for the next 12 weeks

SAVINGS AT THE BEGINNING OF 12 WEEKS ($\$420.00 - \387.00) = $\$33.00$

SAVINGS AT THE END OF 12 WEEKS ($\$100.00 + \10.00) = $\$110.00$ (savings + interest)

($\$33.00 + \110.00) = $\$143.00$ (savings + interest and 12 week savings)