



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. ( $\$15.00 \times 4$ ) =  $\$60.00$

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

**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)