

Learning English with CBC Radio – Living in Alberta



Budgeting

by

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**Government
of Alberta** ■

Integration Enhancement

Lesson:	Budgeting
CLB Level:	6
CLB Skills:	Reading, Writing
Essential Skill(s):	Reading, Writing, Document Use, Numeracy

CLB Outcomes	
Reading:	<p>Learners will demonstrate the ability to use online reference sources.</p> <p>Learners will demonstrate the ability to guess the meaning of unknown terms, phrases or idioms from the context without a dictionary.</p> <p>Learners will demonstrate the ability to identify specific factual details and some implied meanings.</p> <p>Learners will demonstrate the ability to understand moderately complex instructions.</p> <p>Learners will demonstrate the ability to interpret information contained in formatted texts.</p>
Writing:	<p>Learners will demonstrate the ability to reduce a page of information to a summary.</p> <p>Learners will demonstrate the ability to complete a document.</p>
Language Skills	
Grammar Focus:	Learners will demonstrate the ability to use the present perfect progressive tense to convey meaning effectively and precisely
Vocabulary:	tracker, lifestyle, household, spousal, worksheet, annual, category, on target, accurate, irregular, loan, insurance, opening balance, income, child tax credit
Culture	
<p>Budgeting is an important part of life especially when you are settling in a new country. The way people plan how to use their money differs from country to country.</p>	

Websites:

<http://alis.alberta.ca/pdf/cshop/StretchYourDollars.pdf>

www.learnersdictionary.com www.thesaurus.com

Introduction

Before you read, complete the first two columns of the KWL chart below:

K	W	L
What I know about budgeting	What I want to know about budgeting.	What I learned about budgeting.

Pre-reading

What's a budget?

A budget is a plan or process that helps you:

- pay living expenses
- pay off debts
- decide what you can afford
- save towards your financial goals
- have money for the things you want to do.

Before you create a budget, you need to know what you want to achieve.

It's a lot easier to budget if you know why you're doing it. This is your goal. Goals are the specific plans or purposes you have in life that grow from your values.

What is your financial goal?

- Would you like to have some money left at the end of the month?
- Do you need to pay off a loan?
- Do you want to take a vacation?

Deciding on your financial goal is the first step in taking control of your money. Goals can be short, medium or long term. They should reflect what YOU want.

Food for thought

1. Have you ever created a budget before? If so, was it helpful?
2. Do you think it is important to have a budget? Why / why not?
3. What kind of information do you think is on a personal budget plan?

Main Reading

Title: Identity Theft

Glossary¹

1. Budget means an amount of money available for spending that is based on a plan for how it will be spent.
2. Incidental means something that happens as a minor part or result of something else.
3. Expenditure means an amount of money that is spent on something.
4. Personality means the set of emotional qualities, ways of behaving, etc., that makes a person different from other people.

As you read the selection, use *context clues* to help you figure out the meaning of the following words that you will come across: *automatic withdrawal, transactions, worksheet, catch up*.

Reading Strategy Tip: As you read, pay attention to the Paycheque Planner/ Money Tracker Worksheet in the text. Before you read the section on the Paycheque planner method, take a quick look at the Paycheque Planner/ Money Tracker Worksheet. What kind of information is on the worksheet and how is it organized? You will notice that the worksheet is divided into rows and columns. Some of the rows and columns are shaded. Notice that some of the words are in bold and other words are in bold capital letters. Pay special attention to the information that is bolded, shaded, or written in capital letters.

¹ Definitions taken from www.learnersdictionary.com

Making your budget work

This selection is part of a longer document taken from <http://alis.alberta.ca/pdf/cshop/StretchYourDollars.pdf>

Once you know when and how you are going to pay your expenses, you may be looking for a way to make it easy to track them. The system you choose should match your lifestyle, personality and skills. It needs to work for you. The important thing is to track so you know what you have spent and what you still need to pay. Here are some ideas that can be used alone or in combination.

Envelope method

If you put your cash in separate envelopes for each expense category, then you can tell if you are on target just by checking what is left in each envelope. This is good if you're confident about handling cash. This is bad if you're worried about having large amounts of cash on hand both for theft and self-control reasons. One way to manage this is to buy money orders or pre-paid cards from grocery stores and other retail stores and use them in the same way as cash envelopes.

Notebook or accounting method

Use a page for each expense category and write down the amount you budgeted as your opening balance. As you spend, subtract this amount. This method is the most accurate and works well for irregular expense categories. If you don't enjoy paperwork, this method is not for you.

Chequebook record method

Decide which items in your budget will be paid by cheque or automatic withdrawal. Write cheques for these items or record the date of the automatic withdrawal in your cheque book. This is good if you're a detailed record keeper. Remember, a debit card is a "plastic cheque," so record these transactions too.

Receipt method

Keep all receipts or record all expenditures. At the end of the month, total each spending category and compare this to your budget. You could track this on your *My Budget Worksheet*. This takes less time than the other methods. However, unless you do this weekly, you won't know how much you've spent until the end of the month.

Calendar method

Using a calendar, mark the dates you have money coming in and when bills are due. This method gives you a quick reminder of where your money needs to go and when

Paycheque planner method

Using the *Paycheque Planner/ Money Tracker Worksheet*, you can plan to pay for things on the dates you get paid or receive money. First, list your budget plan to guide you. Next, put the dates you get paid or receive money at the top. Then, enter the amount of money you receive and what expenses you will pay under each date. Any money left over becomes your opening balance for the next column. This is one of the best and easiest ways to keep track of your money and pay your bills on time. Remember—if you are unable to make a payment or set aside the savings you planned, be sure to note that on your worksheet and decide when you will catchup on that payment. Write the payment under that column. Here is a sample worksheet to help get you started. In the first column, list any money you have in cash or in the bank as your opening balance. Your closing balance in the first column becomes your opening balance in the next column. This is a suggested list, but make this list your own. Change the items to match your spending needs. You can also use the *Paycheque Planner/Money Tracker Worksheet* to track your spending. By filling in the worksheet as you pay for things, you will know exactly where your money goes! Fill it in weekly, monthly or by payday—whatever works for you. **Closing Balance** (total income minus total expenses): this is now your opening balance for the next payday.

Paycheque Planner/ Money Tracker Worksheet

	BUDGET	June 14	June 30
OPENING BALANCE		10	460
Income			
Paycheques	2300	1100	1200
Child tax credit			
Child/Spousal support	300		300
Other regular monthly income			
TOTAL INCOME	2600	1110	1960
Monthly regular expenses			
Housing	650		650
Utilities	150		150
Groceries	400	200	200
Child care	250	75	175
Transportation	80	40	40
Personal allowances	200	100	100
Loans/credit payments	200	75	125
Savings	100		100
Medical	50	50	
Insurance (car)	60	60	
Insurance (life)	50		50
Household incidentals	50	50	
Savings for annual irregular expenses			
Clothing, education, etc.	350		350
TOTAL EXPENSES	2590	650	1940
CLOSING BALANCE	10	460	20

Reading Comprehension

1. How many budgeting methods are described in the reading?
2. Which method takes the least amount of time? Why?
3. Which method is not suitable for someone who has difficulty keeping cash in their wallet?
4. How are the notebook method and chequebook method similar?
5. Why is a debit card referred to as a “plastic cheque” in the reading?

Vocabulary Development

A. Context Clues

Use context clues from the reading to guess the meaning of the following words: *tracker, lifestyle, household, spousal, and worksheet*

B. Definition Matching

The words in italics below are taken from the reading. These words are also found on the *list of the first 2000 most commonly used words of English* and on the *Academic Word List*. Match the words to the correct definition and find the part of speech. The first one has been done for you as an example.

annual, category, on target, accurate, irregular, loan, insurance, opening balance, income, child tax credit,

	Word	Part of speech	Definition
1.	Income	Noun	money that is earned from work, investments, business, etc.
2.			an amount of money that is given to someone for a period of time with a promise that it will be paid back : money that is borrowed
3.			the amount of money in a bank account at the beginning of the month
4.			free from mistakes or errors
5.			not normal or usual
6.			a group of people or things that are similar in some way
7.			covering the period of a year
8.			an amount of money that is given to someone by the government
9.			an agreement in which a person makes regular payments to a company and the company promises to pay money if the person is injured or dies, or to pay money equal to the value of something (such as a house or car) if it is damaged, lost, or stolen
10.			likely to reach a goal

C. Antonym Match

Words that have opposite meanings are called antonyms. The words below are taken from the reading. Find the antonyms of these words. Use online reference sites such as www.thesaurus.com or www.dictionary.com to help you. The first one has been done for you as an example.

Word	Antonym
Accurate	Inaccurate
Irregular	
On target	
Automatic	
Insured	

Reading Strategy

Read the section on the Paycheque planner method. Then study the Paycheque Planner / Money Tracker Worksheet in that section. Go back to the paragraphs and read the instructions on how to complete the worksheet.

Activity instructions

The table below has the steps one should take when completing the Money Tracker Worksheet. Without going back to the reading decide the order in which the steps should be. You may look at the Money Tracker Worksheet in the reading but do not re-read the paragraphs. Write down the step number next to each statement. The first one has been done for you as an example.

Number	Step
	Enter the amount of money you receive under each date.
	Write down the left over money in the closing balance.
	Enter the expenses you will pay under each date.
1	Write down what you plan to spend that month.
	Write down the dates you will receive money.

Worksheet comprehension questions

1. What are the total expenses on June 14?
2. What is the total income for the month of June?
3. How many paycheques are received in June?

Grammar Focus / Pragmatic Competence

Present Perfect Continuous

The present perfect continuous (progressive) is used when stating something that started in the past and has continued up until now.

Example: You have been learning English since you came to Canada.

This means that you started learning English when you came to Canada and you are still learning English today.

To form the present perfect continuous you need to have:

subject + have/has +been + verb(ing)

You + have + been + learning

subject + have / has + not + been + verb(ing)

Maria has **not** been learning

The reading below is taken from p14 of the booklet "Stretch your dollars: budgeting basics" which can be found online at <http://alis.alberta.ca/pdf/cshop/StretchYourDollars.pdf> Read about Brian and find out how he has been saving his money.

Instructions

- Underline the sentence that is written in the present perfect continuous.
- Write down three things that Brian has been doing **to save money**. Use the present perfect progressive in your response.

Brian is a 22-year-old religious studies major. He has chosen to take time off from his studies to regroup, to save money to complete his final year and to earn sufficient income to live on his own. For the last year, he has been working as a coffee agent. He has given a lot of thought about what's important to him. For example, he likes to watch TV and access the Internet when he's not working, so he budgets money each month for cable and Internet instead of going to the bars with his friends. He uses a calendar to keep track of his income, bills and spending and knows where every cent goes. Brian says it's really important to know what you need in your life and what you can live without.

The reading below is taken from p15 of the booklet "Stretch your dollars: budgeting basics" which can be found online at <http://alis.alberta.ca/pdf/cshop/StretchYourDollars.pdf> Read about Jerry and find out how he has been saving his money.

Jerry is a 51-year-old welder who has been out of work for several months because of health concerns. He has made several changes so he can live off of his savings until he finds another job. He avoids luxury items, buys no-name brands, borrows movies from the library instead of renting and avoids impulse buying. His goal is to be able to golf. To make the most of this, he buys used golf balls for half the price of name brand golf balls and golfs later in the day when fees are lower.

Question

- What has Jerry been doing **to save money**? Use the present perfect progressive in your response.

Link to Essential Skills

Essential skills are the skills needed for work, learning, and life (www.hrsdc.gc.ca). They are enabling skills that help you perform daily tasks as well as tasks required on the job. In this section of the lesson you will focus on **numeracy and document use** to complete a money tracker worksheet. Read the instructions below.

Instructions:

Temba's pay cheque is \$2300 every month. He also receives a monthly universal childcare cheque for \$100. He would like to save some money to buy an airline ticket so that he can visit his family back home. To do this he has to save. Temba has made a list of his regular monthly expenses.

- Read Temba's list and use the information on the list to complete the budget worksheet on the next page.
- How much can Temba put aside each month toward his air ticket?
- Suggest how Temba can save money.

Temba's monthly expenses

Rent - \$ 800

Phone - \$50

Coffee - \$20

Internet and TV - \$55

RESP (Registered Education

Tenant insurance - \$35

Savings Plan) - \$25

Groceries - \$ 300

Day care - \$ 700

Bus pass - \$ 85

Movies -\$ 50 eating

out - \$100

Credit cards - \$ 100

Life insurance - \$30

Budget Worksheet

Monthly Income		Amount
Paycheques		
Child tax credit		
Other regular income		
TOTAL MONTHLY INCOME		
Monthly Regular Living Expenses		Amount
Housing	Rent / mortgage	
	Taxes / condo fees	
	Home / tenant insurance	
Utilities	Electricity	
	Telephone	
	Cable TV	
	Internet	
Groceries		
Child care		
Transportation	Bus fare/ passes	
	Gas	
	Car insurance	
Recreation	Entertainment	
	Eating out	
Personal allowances	Cigarettes etc.	
	Other	
Loans/ credit payments		
Savings		
Other monthly expenses	Pets	
	Life and disability insurance	
	Child/ spousal support	
TOTAL MONTHLY REGULAR LIVING EXPENSES		

Adapted from <http://alis.alberta.ca/pdf/cshop/StretchYourDollars.pdf>

Answer Keys

Reading Comprehension

1. 6 budgeting methods are described in the reading.
2. The receipt method takes the least amount of time because there is not as much record keeping as there is with the other methods.
3. The envelope method.
4. Both methods involve a lot of recording.
5. A debit card referred to as a “plastic cheque” in the reading because debit cards work just like cheques. Once you use a debit card money comes out of your account immediately.

Vocabulary Development

A. Context Clues

Word	Meaning
tracker	Something or someone who watches or follows the progress of someone or something
lifestyle	a particular way of living : the way a person lives or a group of people live
household	of or relating to a house or to the people living in a house
spousal	relating to someone who is married : a husband or wife
worksheet	a printed form that is used in planning or calculating something

B. Definition Matching

	Word	Part of speech	Definition
1.	Child tax credit	Noun	an amount of money that is given by the government to families with children
2.	Loan	Noun	an amount of money that is given to someone for a period of time with a promise that it will be paid back : money that is borrowed
3.	Opening balance	Noun	the amount of money in a bank account at the beginning of the month
4.	Accurate	Adjective	free from mistakes or errors
5.	Irregular	Adjective	not normal or usual
6.	Category	Noun	a group of people or things that are similar in some way
7.	Annual	Adjective	covering the period of a year
8.	Income	Noun	money that is earned from work, investments, business, etc.
9.	Insurance	Noun	an agreement in which a person makes regular payments to a company and the company promises to pay money if the person is injured or dies, or to pay money equal to the value of something (such as a house or car) if it is damaged, lost, or stolen
10.	On target	Noun	likely to reach a goal

C. Antonym Match

Word	Antonym
Accurate	Inaccurate
Irregular	Regular
On target	Off target
Automatic	Manual
Insured	Uninsured

Reading Strategy

Number	Step
3	Enter the amount of money you receive under each date.
5	Write down the left over money in the closing balance.
4	Enter the expenses you will pay under each date.
1	Write down what you plan to spend that month.
2	Write down the dates you will receive money.

Worksheet comprehension questions

1. Total expenses on June 14 are \$650.
2. Total income for the month of June is \$2600.
3. 2 paycheques are received in June.

Grammar Focus / Pragmatic Competence

Instructions

- Underline the sentence that is written in the present perfect continuous.
- Write down three things that Brian has been doing **to save money**. Use the present perfect progressive in your response.

For the last year, he has been working as a coffee agent.

1. Brian has been budgeting money each month for cable and Internet.
2. Brian has not been going to the bars with his friends.
3. He has been using a calendar to keep track of his income, bills and spending.
4. Brian has been thinking a lot about what's important to him.

Question - What has Jerry been doing **to save money**? Use the present perfect progressive in your response.

1. Jerry has not been buying luxury items.
2. Jerry has been buying no-name brands.
3. Jerry has been borrowing movies from the library instead of renting.
4. Jerry has been avoiding impulse buying.
5. Jerry has been buying used golf balls for half the price of name brand golf balls.
6. Jerry has been playing golf / golfing later in the day when fees are lower.

Reading –Writing Link

*Summaries will vary**

Link to Essential Skills

Budget Worksheet

Monthly Income		Amount
Paycheques		2300
Child tax credit		100
Other regular income		
TOTAL MONTHLY INCOME		2400
Monthly Regular Living Expenses		Amount
Housing	Rent / mortgage	800
	Taxes / condo fees	
	Home / tenant insurance	35
Utilities	Electricity	
	Telephone	50
	Cable TV } Internet }	55
Groceries		300
Child care		700
Transportation	Bus fare/ passes	85
	Gas	
	Car insurance	
Recreation	Entertainment	50
	Eating out	100
Personal allowances	Cigarettes etc.	
	Other (<i>coffee</i>)	20
Loans/ credit payments		100
Savings		25
Other monthly expenses	Pets	
	Life and disability insurance	30
	Child/ spousal support	
TOTAL MONTHLY REGULAR LIVING EXPENSES		\$2350

Temba can put aside \$50 every month toward his air ticket.

Temba can save money by eating at home instead of eating out. He could cut down his grocery bill by buying no name brands. Temba could also reduce the amount he spends on coffee. **

Other suggestions are possible**