Pay Yourself First

Pre-reading

Questions:

- What does it mean to "pay yourself first"?

Definitions:

- Mechanic – a person who is fixes cars
- Expect – to think something will probably happen

Reading

Tim and Ann have a '95 Ford. They have driven it 200,000 miles. Now the car is having problems. It is rusty and leaks oil. The mechanic said they could expect to drive it only 12,000 more miles. It will soon be time to buy a new car.

They need to start saving money. They decided to try the "Pay Yourself First Plan". Before paying their other bills, they will pay themselves first. They will save 10% of each paycheck. That is a dime from each dollar.

Together they make $2000 a month. They will put $200 in a savings account each time they deposit their checks before they pay bills. In one year they will have $2400 plus interest.

They will need to stop spending money in other places to save. Tim will stop buying the $1 sodas he drinks at work every day. Ann will stop getting candy bars. If they take the bus to work, they can save $150 a month in gas.

Soon they will reach their goal. They will have money for a car.

Understanding

1. What do Tim and Ann want to buy? ______________________

2. Why can't they buy it right now? _________________________

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3. What is their new saving plan called? ________________________

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4. How much of each paycheck will they save? ____________________

5. Who do they pay first? Who or what do they pay next?

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6. What changes will they make to save the money?

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Writing

What are you saving for?

What can you change to save more money?

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