
LESSON C

Roles and Finances

FOCUS: Individuals need to think critically about what tasks are involved in the role of financial manager and who should perform the tasks.

ACTIVITIES:

1. Students will plan for their financial future by giving a description of a job that they would qualify for, projecting future career plans and talking to other adults about their expectations when they were younger. Use Teacher Information, "Setting Goals and Objectives" and Student Handout, "Beginning a Career."
2. Students will work through a budget to find out how a budget can be used to save money for the things they need most. Use Student Handouts, "Budgeting Money" and "Your Own Spending Plan," and Teacher Information, "Tracking Income and Spending."
3. Students will understand their insurance needs and how they can best meet those needs. Invite an insurance broker to speak to the class about health, auto, life, and other insurance needs.
4. Students will learn that by including savings as a regular part of their financial management plan they can reach long-term goals. Invite a banker or stock broker to speak the class on saving and investment strategies.
5. Students will learn the advantages for having a checking account and how to manage it. Use Student Handout, "Managing a Check Account," "Keeping a Check Register," and "Reconciling Your Account," and Teacher Information, "Rich On Any Income."
6. Students will identify the advantages and disadvantages of using credit. Before obtaining credit, have the students consider: the lender's reputation, interest rate and fees, kind of credit, time period involved, and monthly payment ability. Use Teacher Information, "Credit and Credit Ratings."
7. Students will understand how to file an income tax return. Obtain a federal and state tax booklet from a federal and state office. Fill out and "file" an tax form. Be sure to include a W-2 form.
8. Have students experience the role of financial manager. Use Student Handout, "The Cost of Being A Senior."
9. Have students participate in "The Richest Man in Babylon." Use Teacher Information, "A Reader's Theatre."

“Setting Goals and Objectives”

A goal is a broad, general statement specifying what you want to accomplish either personally or financially. It gives direction to a plan of action, but does not spell out specific attainable or measurable achievements.

Relatively speaking, short-term goals focus on immediate satisfaction as defined by a one- to four-week time frame. You generally have many short-term goals. These might include making a good grade on the next history test, getting a new pair of shoes, or going out to dinner and a movie.

Medium-term goals focus on a two- to twelve-month time frame. You generally have fewer medium-term goals than short-term goals. A medium-term goal might be to buy a new stereo.

Long-term goals focus on a time frame of a year or more. They require delayed satisfaction and generally more time, money, and effort than short- and medium-term goals. A long-term goal might be to get the required education or training for a specific career.

An objective is a specific attainable and measurable achievement that reflects your values and for which you must plan and set aside resources. Objectives give definition to goals by providing the detail required to make a goal become reality. More than one objective may be needed to achieve a specific goal.

Goals are an important part of life, and their achievement serves to enhance your personal satisfaction. When a goal is achieved, you feel a sense of accomplishment and pride that increases confidence in your ability to make decisions and take action. That success then stimulates more goal setting, more success, and more self-confidence. Goal setting must take place to provide direction for planning and action. The goal-setting process involves determining your wants and needs based on your values and on outside influences.

To help you understand the process of planning through goal setting and decision making, record some of your short (1-4 weeks), medium (2-12 months), and long-term (more than one year) financial goals and objectives. Include a realistic time frame for the achievement of each objective, its estimated cost, and the weekly, or monthly amount of savings.

"Beginning a Career"

In our western society, reaching 18 years of age is a benchmark—a measuring point. A foundation of basic education has been laid and each individual must decide how to meet future needs. This may include training for or beginning a career.

TODAY

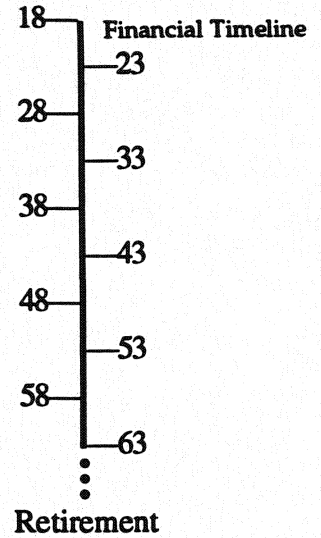
In the space below write a description of a real job for someone with your age, training, and experience. Include pay, hours, requirements.

Will you begin this kind of job or pursue more education? Why or why not?

1 YEAR LATER

Think of someone you know who has been out of school for a year. Describe their job. List some advantages and disadvantages of the situation as it appears to you.

Ask another adult couple how many years they thought they would be employed when they were in high school, what type of job they thought they would have, pay, etc. How realistic has their goal been? Compare your expectations with theirs.



10 YEARS LATER

Imagine yourself ten years from now. Describe as specifically as possible your financial situation.

“Tracking Income and Spending”

A budget is a systematic plan for managing your money during a given time period. The more realistic it is, the easier it will be for you to follow. Your budget will help you take control of your finances to ensure enjoyment of the things you value most.

A budget is planned for a specific time period. It can be one week, one month, or one year. It may be that thinking in terms of a one-year spending plan is a little overwhelming to you. On the other hand, you probably can adjust to thinking in terms of a one-week or one-month budget with relative ease.

Budgets do not have to be complicated and they do not have to require a lot of record keeping. You probably know what your weekly or monthly income and spending patterns are, and can anticipate very accurately the random expenses that come up in a given week or month. From this information, you can expand your income and spending picture into a budget.

There are two simple parts to a budget: income and spending. Income is any money coming in, such as from one or more jobs, an allowance, interest received from an investment, or gifts. It is always a limited amount. Therefore, the amount you have for spending also is a limited amount.

Spending is using money for your wants and needs, such as paying yourself first, meeting financial obligations, and providing for food and entertainment. Income and spending must balance each other.

To help you prepare your budget, begin today to document your income and spending patterns. By making daily entries in a financial journal you will document your habits and will have the information necessary to expand into your own personal budget.

"Budgeting Money"

A spending plan or budget controls how income is used so you have money for the things you need most. When you're on your own, you will require money for a number of fixed expenses such as rent, utilities, phone, insurance, gas for a car if you have one, and groceries. Other infrequent expenses may come up, including tuition, books, car repairs, and gifts. There is no approved spending plan. Money is spent differently by different people because personal values are not the same. You can also adjust the plan to fit changes in your personal life. Planning wisely lets you have choices that help you avoid debt.

Work through #1 Spender's budget with a partner and answer the questions below.

#1 SPENDER		
MONTHLY	MONTHLY	
INCOME	EXPENSES	
\$1,200	Federal taxes	\$180
	Rent	320
	Utilities	65
	Car insurance	50
	Food	250
	Gas (car)	<u>60</u>
	TOTAL	\$925

1. What is #1 Spender's spendable income?
2. How can it be used?
3. Circle the expenses #1 Spender could write a check for.
4. How does he manage life or health insurance, car repairs, doctor bills, or education expenses?
5. Can #1 afford a new car? What about insurance and gas?
6. Can #1 afford credit card debt? Assume an \$800 credit card balance would have a minimum monthly payment of \$35. How could he use the credit card?
7. How would having a savings account help #1 Spender?
8. What does getting a \$200 raise do to #1 Spender's budget? What can he afford now?
9. How could #1 Spender change his budget?
10. Suppose #1 has finally received his college training after 4 years of night school. He now has to repay the student loan which usually takes 4-7 years. He will pay \$100 monthly. What possible changes are there going to be in his budget?

Journal Entry #4



What I like most about a spending plan is . . .

Journal Entry #5



I'm planning to save ___% of my take home pay every month.

"Your Own Spending Plan"

Create your own budget for when you're on your own using or adapting the suggested set up shown below. Income should exceed expenses.

MONTHLY INCOME

Job \$ _____
 Other \$ _____
 \$ _____

MONTHLY EXPENSES HERE

Fixed	Savings	\$ _____
	Rent	\$ _____
	Car	\$ _____
	Insurance	\$ _____
Flexible	Telephone	\$ _____
	Groceries	\$ _____
	Clothing	\$ _____
Infrequent	Tuition	\$ _____
	Books	\$ _____
	Car Repairs	\$ _____
TOTAL		\$ _____

Consider the following counsel in relation to your projected budget. Insurance covers financial risks due to health, autos, disability, and death.

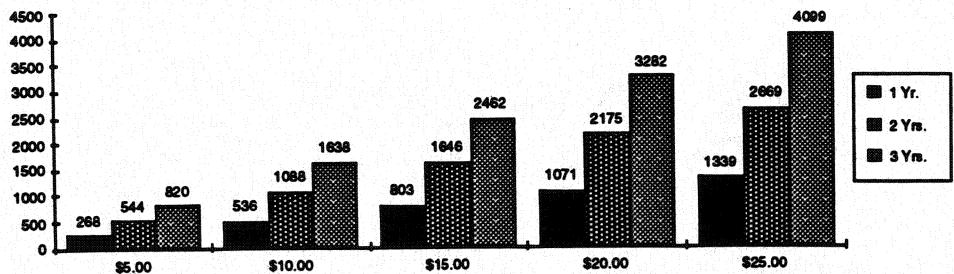
What insurance needs will you have when you live on your own?

How will your needs change as you get older?

Savings as a regular part of your financial management enables you to reach long-term goals. There are always excuses for someone not to save and it's easiest to think only of today. The real challenge is to be future oriented. Plan for your future by setting goals and saving the money you need to reach them.

What's your excuse for not saving?

The graph to the right shows how much you would have by saving \$5, \$10, \$15, \$20, or \$25 per month for one to three years.



"Managing a Checking Account"

According to most state laws, to be able to open a savings account, you must have a Social Security number and proper identification. To open a checking account, you must be 18 or married (if under 18), have a Social Security number, and proper identification. If you do not meet these minimum requirements, you are usually required to have an adult co-signer.

Opening a checking account requires a signature card. It contains a sample of your legal signature and any other authorized signatures.

Follow the steps below to complete the blank check shown.

1. Enter the date
2. Enter the name of person or firm to whom the check is to be paid.
3. Enter in numbers the amount of the check.
4. Write the amount of the check in words, starting at the far left. To prevent any insertion of words that might increase the amount, fill the remaining space with a horizontal line. All amounts are written in dollars and fractions of dollars. A check for \$20.85 is written "Twenty and 85/100."
5. Sign the check the same way you signed the bank signature card.
6. Use the memo line to remind you later why you wrote the check.

Good reasons for having a checking account:

- *eliminate the risk of carrying cash, losing it, or being robbed.*
- *convenient way to pay for large purchases.*
- *readily acceptable as cash especially when large sums of cash may be questionable.*
- *saves time by being able to see balance instantly instead of counting cash.*
- *saves money if an interest-bearing account.*
- *provides a record of expenditures*
- *preferred method of payment for mail transactions.*

M.C. Jones 456 PROSPECT AVE. 555-5030 JONESTOWN, UT	0101 _____ 19____
PAY TO THE ORDER OF _____	\$ <input style="width: 80px; height: 20px;" type="text"/>
_____ DOLLARS	
Your Friendly National Bank	
FOR _____ -----	

"Keeping a Check Register"

You opened a regular checking account. You will be charged a service charge of \$2.00 per month regardless of the balance or the number of checks written. Record all the following transactions in the checkbook register to the right.

- On September 1 you opened your account with a \$450 deposit.
- On September 6 you wrote a check to ValleyWide Apartments for \$175.25 to cover your share of rent and utilities.
- On September 7 you received a paycheck from your part-time job of \$380 and deposited \$340. You received the remaining \$40 in cash.
- On September 7 you wrote a check to the Sound Store for \$100.67 for a down payment on a stereo system.
- On September 10 you wrote a check for \$125.42 to SureAuto Insurance for your car insurance payment.
- On September 12 you wrote a check for \$287.79 to Valley Car Company for your car payment.
- On September 21 you deposited \$440 from your \$474 paycheck. You received the remaining \$34 in cash.
- On September 22 you used your ATM card to withdraw \$50 cash. Each ATM cash withdrawal costs you \$1.
- On September 28 you need to enter \$10.50 that was automatically deducted for the new checks you ordered.
- On September 30 you wrote a check for \$65.35 to Betty's Boutique for a clothing purchase.

PLEASE BE SURE TO DEDUCT CHARGES THAT AFFECT YOUR ACCOUNT			SUBTRACTIONS		ADDITIONS	BALANCE FORWARD
CHECK NUMBER	DATE	DESCRIPTION OF TRANSACTION	AMOUNT OF PAYMENT OR WITHDRAWAL (\$)	DATE	AMOUNT OF DEPOSIT OR INTEREST (\$)	
	TO					
	TO					
	TO					
	TO					
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	TO					
	TO					
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	TO					

"Reconciling Your Account"

Balance your checkbook register using the checks entered from the previous exercise. Make sure you entered ALL deposits and deductions.

Your Friendly National Bank

M.C. Jones
456 Prospect Avenue
Jonestown, UT 00000

STATEMENT DATE
9/30/89

ACCOUNT NUMBER
456780

BALANCE	DEPOSITS AND CREDITS		CHECKS AND DEBITS		SERVICE	BALANCE
LAST STATEMENT	NO.	TOTAL AMOUNT	NO.	TOTAL AMOUNT	CHARGE	THIS STATEMENT
477.37	3	1230.00	8	749.63	\$2.00	\$477.37
9-1	DEPOSIT				450.00	450.00
9-6	101	175.25				274.75
9-7	DEPOSIT				340.00	614.75
9-7	102	100.67				514.08
9-10	103	125.42				388.66
9-12	104	287.79				100.87
9-21	DEPOSIT				440.00	540.87
9-22	50.00	ATM Withdrawal				490.87
	1.00	ATM Charge				489.87
9-28	10.50	Reorder Charge				479.37
9-28	2.00	Service Charge				477.37

Follow the directions below to see if your balances agree.

1. Record the balance in your check register. _____
2. Subtract any service charges. _____
3. Add any dividends your account earned. _____
4. This is your register balance. _____
5. Start with the end balance of the statement _____
6. Add recent deposits not on the statement. _____
7. Subtract ATM withdrawals and the total of all checks written but not cleared. _____
8. This is your new bank balance. _____

****If your account is reconciled, lines 4 and 8 should be the same. If they're not the same and you can't find the mistake, ask your banking institution for help.**

M.C. Jones
 456 PROSPECT AVE. 555-5030
 JONESTOWN, UT

0101

_____ 19_____

**PAY TO THE
 ORDER OF** _____

\$

_____ DOLLARS

Your Friendly National Bank

FOR _____

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT

NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT (-)	✓ T	FEE (IF ANY) (-)	DEPOSIT/CREDIT (+)	BALANCE	
							\$	\$
			\$		\$	\$		

REMEMBER TO RECORD AUTOMATIC PAYMENTS / DEPOSITS ON DATE AUTHORIZED.

"Rich On Any Income"

"Rich On Any Income" combines budgeting strategy with the checking account concept. The idea is that a person budgets a certain amount of money for all their bills into different accounts e.g. food, gas, rent, clothes, recreation, savings, car payment, etc. Then each time money is spent it is deducted from the money budgeted for that account. For example, if I budget \$200 for food for the month. When I go food shopping and spend \$50 I will deduct \$50 from my food budget, which will leave me \$150 for the rest of the month. The idea is to budget the money I need for all my expenses without exceeding my income. Add another check register to your checkbook to provide a place to record budget amount and expenditures within each budget category. For example, use a separate page in the register for each budget category, make entries in pencil, erase at the end of each budget period and use again. Or, create your own booklet for keeping track of each budget category. The important thing is that the budget record should be with the check register so that each check is recorded twice—once in the checking balance and again in the budget category. This is an excellent system for controlling spending!

Source: For more details and copies of "budget booklets," use Rich on Any Income, by James P. Christensen and Clint Combs with George D. Durrant, SLC: Shadow Mountain, 1985. Available in paperback for approx. \$9.

Journal Entry #6



What will I do about using credit?

"Credit and Credit Ratings"

Buying on credit has become an accepted way of life in our society and many people look upon credit as another of their rights. IT ISN'T. Credit is a privilege as well as a great responsibility.

Credit isn't money and it isn't free. It's a convenience that lets you enjoy certain benefits now that you'll have to pay for later with an interest charge added on. It's important to keep your payments up-to-date. If you run into a problem because of unexpected difficulties, discuss it with your lender as soon as possible. Be careful not to take on more debt than you can handle. As a rule, personal debt shouldn't be more than 15% of your monthly take home pay.

Before loaning you money, lenders rate your "credit ability" by looking at the 4 Cs of credit:

CAPACITYis your ability to pay.

COLLATERALis anything that will provide the lender with some security if you don't make your payments.

CHARACTER.....is your personal reliability—whether you will act responsibly when using credit.

CREDITis your credit history. It shows how **WORTHINESS** ...you've handled your debts in the past.

- Even if you've had credit before, you can still be turned down when you apply for a new loan or credit card. For instance, if
- * you've never lived "on your own" or not long enough at one address to have established a good record of rent and utility payments.
 - * you've missed a couple of payments.
 - * you've relied on someone else for credit such as your parents, your spouse or former spouse, and have no personal credit history.
 - * you may have too much to pay on your present charge accounts or loans. Or your income may not be high enough for another debt obligation.
 - * you're just starting out and have no personal property that could be used as security on a loan.
 - * a credit report shows you may not have held your present job long enough. Maybe this is your first job. Some lenders require two or even three years as evidence of stability.

With your class, discuss advantages and disadvantages of using credit.

Advantages

Disadvantages



The Cost of Being a Senior

*This In-basket technique offers experience in making consumer decisions. It will need to be updated to keep up with rising senior costs. The costs listed are for a small town during the year 1990.

Introduce the lesson as follows: "We are going to investigate the costs of being a senior. Probably most of you have heard seniors talk about the high costs of their last year in high school. Almost every month they are needing money for typical senior expenses such as pictures, graduation expenses, and activities. Meeting all these expenses is difficult for many students. The next activity will help you learn what these expenses are, and how to make decisions to be ready to meet these expenses.

"You are each to keep a written record of the hypothetical, or pretend income you have and how you spend it. This will represent the nine months of school, but will actually be done as a two-day activity with a financial accounting and evaluation on the last day. You may keep the record in any form you choose, but it must be written and brought to class, in order that we may compare our different decisions and view the final accounting."

"Your first decision is to select a way of obtaining money from those listed on the board. As you see, there are jobs with different earnings, an allowance, and the family 'dole'. Choose one that is realistic for you."

Work: A maximum of 18 hours per week.

1. At a service station, a store, fast food restaurant, or farm work at \$4.65 per hour.
2. Babysitting or housework at \$2.00 per hour.

Other:

3. Receive an allowance of \$10.00 per week.
4. Receive a family 'dole' as money is needed.

"You have realistically chosen how you will obtain the money you need. As you earn your money each month, record it. Remember the football player won't be able to work as much in football season, the farm worker has less to do in the winter, and the drive-in closes for vacation in January. These should show up in your earnings."

"We will assume you have worked or saved a little money this past summer, and you may begin your records with a credit of \$50.00.

September

Twenty one days of expenses for your lunches. The cafeteria costs \$1.30 a lunch but you don't have to eat there. You may go to the Loaf'n Jug for lunch. What are your expenses?

If you go to Sunday school and/or church, do you contribute to the collection? If so, how much?

You have beginning school supply expenses of paper, pens, pencils, and notebooks. What do you buy, how much does it cost? Record.

You may buy an activity ticket for athletic events for \$15.00 per year. This will get you into all athletic events free.

We have three football games and four volleyball games. It will cost you \$1.50 to attend if you are not a player or a cheerleader, in the band, or have an activity ticket. Do you go? One of the football games is "away" and two of the volleyball games are "away." It will cost \$1.50 to ride the spectator bus. Remember, the concession stands are open. What are your expenses if any?

Near the end of the month, the various school clubs collect their dues of \$10.00 each. Record which ones you join and their expenses.

FHA has a pizza fund-raiser before a football game. Each slice of pizza sells for \$.69. Do you go? How many do you eat?

Senior pictures are taken. You must pay \$25.00 for a sitting. Record your expenses.

Did you stop at Loaf'n Jug on the way home? What are your expenses?

Credit yourself with your earnings, if you have not already done so. If you are a cheerleader, uniform rental is \$50.00.

October

Twenty one days of school lunch expenses. How much did you spend? Record.

The first payment on a yearbook is due. If you buy one, record an expense of \$10.00. There is a Homecoming Dance. Tickets are \$2.50 stag and \$4.50 for couples. Do you go? Do you have a date? Any meals before or snacks afterwards? Most girls are getting new dresses, maybe shoes, too. Do you? Do you make your dress? As a boy, do you need a new shirt, tie, or shoes? Record any expenses involved for your particular situation.

Senior Play practice begins, after which nearly everyone goes to the Loaf'n Jug afterwards. If you are a member of the cast, do you go? You will practice five nights this month. What are your expenses, if any? Will this affect your job?

Do you make collection plate contributions at Sunday school and/or church, if you go? Record.

There are four football games this month, and six volleyball games, \$1.50 each for students. Five games are "away" with bus expenses. Do you go? Buy any snacks? Record your expenses, if any.

Girls need two pair of nylons at \$2.00 each. Do you buy them or do without?

The class is ordering senior keys at \$20.00 each and memory books at \$8.00 each. Do you order these?

Are you dating anyone? Record expenses for dates, movies, video rentals or games.

Record your earnings.

November

Twenty days of school. What are your lunch expenses?

Your football team made the play-offs. Student tickets cost \$2.50 each. Activity tickets will not work. One game is away and the bus costs to ride. How many do you attend? Do you buy any snacks? What are your expenses?

You now need more paper, pens, and pencils. How many do you buy? How much do you spend? Record.

The senior play practice is held for fifteen nights this month. Do you have any after-practice snack expenses?

The Senior Play is given. Student cost is \$1.50. Do you go? Take a date? Do you go out to eat before? Record your expenses.

The junior class is selling candy bars for \$1.00 each for a money-making project. Do you buy any? If so, how many?

Record your earnings.

December

Just 16 days of school this month. Record your school lunch expenses.

Senior pictures arrive. If you have ordered any, your average cost will be about \$150. Record your expenses, if any.

Do you buy any Christmas gifts? Can you make some of them or buy on pre-Christmas sales? What are your expenses?

There are seven basketball games. Student cost is \$1.50 each. Three games are "away." Do you go? Buy any snacks? Record your expenses. After the game there is a dance. Cost is \$2.50 stag and \$5.00 a couple. Do you go out to eat?

National Honor Society is selling Christmas candles. Some are \$3.00 and others are \$3.50. Do you buy any? If so, record the amount.

Record your month's earnings, if you have not already done so.

Any church or Sunday school gifts? If so, record.

January

Twenty one days for school lunch expenses. Make a record of yours.

We have nine basketball games, four are "away." Expenses as before. Decide whether or

not you will go to any or all. Remember we are nearing the end of the semester and those English IV term papers are due. Semester exams are not far off either. Do you go? Record your expenses as before.

FHA sponsors a Book Fair. There are many good paperback buys. Do you buy any books with such an opportunity?

Record your expenses.

February

Twenty one school days again this month. Record your lunch expenses.

BETA Club is selling different colored carnations for Valentine's Day. They are \$1.50 each. Do you buy any. How many? Record the cost.

FHA sponsors a Sweetheart Dance. Cost \$2.50 stag and \$5.00 per couple. Do you go? Do you take a date? Do you buy any new clothes? Many of the girls are getting new dresses.

If you go to Sunday school and church, do you put anything in the collection? If so, record.

Eight basketball games this month, four of them "away." Expenses as before. How many games do you go to? Spend anything for snacks? Record expenses.

Record your earnings.

March

Twenty three school days this month. Record your school lunch expenses.

Just two basketball games this month. They are State Tournament games away from home. Admission is \$2.50 for each game. Do you go? Record overnight expenses and food cost, if any.

The final payment of \$10.00 is due on the yearbook. If you reserved one, make the final payment.

The band and the science classes also have trips, but only food costs are involved. If you go, what are your expenses for lunch and snacks? Record them.

The seniors are selling chocolate candy bars at \$1.00 each. Do you buy any? How many? Record the costs.

If you each made contributions to your Sunday school and/or church, record them.

Record earnings for the month.

April

There are 20 days of school; record your lunch expenses.

Invitation, etc., order arrives. If you ordered any, pay the remaining half of the cost and record it.

The school choir makes a contest trip. You have no expenses except for snacks. If you go, did you spend anything? Record it.

Easter is this month and you had been planning on a new outfit. Were you able to save up enough money to buy it? Did you decide to make a dress? Record any cost involved.

Write down any contributions you made to Sunday school and/or church, if you want.

Record your earnings.

May

Junior-Senior Banquet and Prom are held. Most of the girls are buying two dresses (one formal costing between \$75-\$100 for prom and one for graduation), shoes, etc. Also they are buying flowers. What do you buy, if anything? If you are male, do you rent a tuxedo? What is the cost of a tux? A corsage for your date is around \$15.00. Do you go out to eat afterward? What about transportation?

Twenty days of school this month. Record lunch expenses.

Caps and gowns arrive and they cost \$10.00 to rent. Make a record of your payment.

If you send graduation invitations, record the postage.

Do you buy any graduation gifts for friends? If you have any gift expenses, record them.

The seniors are buying flowers to be presented to special people during the graduation ceremony. They are \$2.50 each. How many do you buy?

Your class is having a graduation party. Expenses for the day will cost each senior \$15.00. Do you go. It will also involve a day off work. Deduct pay.

Record your expenses and your earnings. Balance your account.

GRADUATION
CONGRATULATIONS AND BON VOYAGE!!!!

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"A Readers Theater"

THE RICHEST MAN IN BABYLON TELLS HIS SECRET

Adapted and reprinted with permission from Prentice Hall. The Richest Man in Babylon Tells His Secret is available in booklet form.

Narrator	
Friend	#1
	#2
	#3
Arkad	
Algamish	

Please contact

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From the book The Richest Man in Babylon

Published by Hawthorne Books, Inc., N.Y.

by George S. Clason

- Narrator:** In Old Babylon there once lived a certain very rich man named Arkad. Far and wide he was famed for his great wealth. Also was he famed for his liberality. He was generous in his charities. He was generous with his family. He was liberal in his own expenses. But nevertheless each year his wealth increased more rapidly than he spent it. And there were certain friends of younger days who came to him and said:
- Friend #1:** You, Arkad are more fortunate than we. You have become the richest man in all Babylon while we struggle for existence. You can wear the finest garments and you can enjoy the rarest foods, while we must be content if we can clothe our families in raiment that is presentable and feed them as best we can.
- Friend #2:** Yet, once we were equal. We studied under the same master. We played the same games. And in neither the studies nor the games did you outshine us. And in the years since, you have been no more an honorable citizen than we.
- Friend #3:** Nor have you worked harder or more faithfully, insofar as we can judge. Why, then, should a fickle fate single you out to enjoy all the good things of life and ignore us who are equally deserving?
- Arkad:** If you have not acquired more than a bare existence in the years since we were youths, it is because you either failed to learn the laws that govern the building of wealth, or else you do not observe them. In my youth I looked about me and saw all the good things there were to bring happiness and contentment. And I realized that wealth increased the potency of all these. Therefore, did I decide to find out how one might accumulate wealth, and when I had found out, to make this my task and do it well. For, is it not wise that we should enjoy the fruit of our labors while we dwell in the brightness of the sunshine? For when we depart for the world of spirit, it must all be left behind. So, one day during my employment as a scribe in the hall of records, Algamish, the money lender, came and ordered a copy of the Ninth law.
- Algamish:** I must have this in two days, and if the task is done by that time, two coppers will I give to thee.

Arkad: So I labored hard, but the law was long, and when Algamish returned the task was unfinished. He was angry, and had I been his slave he would have beaten me. But knowing the city master would not permit him to injure me, I was unafraid, so I said to him, 'Algamish, you are a very rich man. Tell me how I may also become rich, and all night I will carve upon the clay, and when the sun rises, it shall be completed.'

Algamish: You are a forward knave, but we will call it a bargain.

Arkad: All that night I carved, though my back pained and the smell of the wick made my head ache until my eyes could hardly see. But when he returned at sunup, the tablets were complete. 'Now,' I said, 'tell me what you promised.'

Algamish: You have fulfilled your part of our bargain, my son, and I am ready to fulfill mine. I will tell you these things you wish to know because I am becoming an old man, and an old tongue loves to wag. And when youth comes to age for advice he receives the wisdom of years. But too often does youth think that age knows only the wisdom of days that are gone, and therefore profits not. But remember this, the sun that shines today is the sun that shone when they father was born, and will still be shining when thy last grandchild shall pass into the darkness. Mark you well my words, for if you do not you will fail to grasp the truth that I will tell you, and you will think that your night's work has been in vain. [*low forceful tone*] I found the road to wealth when I decided that *a part of all I earned was mine to keep*. And so will you.

Arkad: Is that all? But *all I earn is mine to keep*, is it not?

Algamish: Far from it. Do you not pay the garment-maker? Do you not pay the sandal-maker? Do you not pay for the things you eat? Can you live in Babylon without spending? What have you to show for your earnings of the past month? What for the past year? Fool! You pay to everyone but yourself. Dullard, you labor for others. As well be a slave and work for what your master gives you to eat and wear. If you did keep for yourself one-tenth of all you earn, how much would you have in ten years?

Arkad: My knowledge of the numbers did not forsake me, and I answered, 'As much as I earn in one year.'

Algamish: You speak but half the truth. Every gold piece you save is a slave to work for you. Every copper it earns is its child that also can earn for you. If you would become wealthy, then what you save must earn, and its children must earn, that all may help to give you the abundance you crave. You think I cheat you for your long night's work, but I am paying you a thousand times over if you have the intelligence to grasp the truth I offer you. **A PART OF ALL YOU EARN IS YOURS TO KEEP**. It should not be less than a tenth no matter how little you earn. It can be as much more as you can afford. Pay yourself first. Do not buy from the clothes-maker and the sandal-maker more than you can pay out of the rest and still have enough for food and charity and penance to the gods. Wealth, like a tree, grows from a tiny seed. The first copper you save is the seed from which your tree of wealth shall grow. The sooner you plant that seed the sooner shall the tree grow. And the more faithfully you nourish and water that tree with consistent savings, the sooner may you bask in contentment beneath its shade.

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- Arkad: So saying, he took his tablets and went away. I thought much about what he had said to me and it seemed reasonable. So I decided that I would try it. Each time I was paid I took one from each ten pieces of copper and hid it away. And strange as it may seem, I was no shorter of funds than before. I noticed little difference as I managed to get along without it. But often I was tempted, as my hoard began to grow, to spend it for some of the good things the merchants displayed, brought by camels and ships from the land of the Phoenicians. But I wisely refrained. A twelfth month after Algamish had gone he returned.
- Algamish: Son, have you paid to yourself not less than one-tenth of all you have earned for the past year?
- Arkad: Yes, master, I have.
- Algamish: [*smiling, beaming*] That is good, and what have you done with it?
- Arkad: I have given it to Azmur, the brickmaker, who told me he was traveling over the far seas and in Tyre he would buy for me the rare jewels of the Phoenicians. When he returns we shall sell these at high prices and divide the earnings.
- Algamish: [*growling*] Every fool must learn, but why trust the knowledge of a brickmaker about jewels? Would you go to the breadmaker to inquire about the stars? No, by my tunic, you would go to the astrologer, if you had power to think. Your savings are gone, youth; you have jerked your wealth tree up by the roots. But plant another. Try again. And next time if you would have advice about jewels, go to the jewel merchant. If you would know the truth about sheep, go to the herdsman. Advice is one thing that is freely given away, but watch that you only take what is worth having. He who takes advice about his savings from one who is inexperienced in such matters, shall pay with his savings for proving the falsity of their opinions.
- Narrator: And it was as he said. For the Phoenicians are scoundrels and sold to Azmur worthless bits of glass that looked like gems. But as Algamish had bid him, he again saved each tenth copper, for he now had formed the habit and it was no longer difficult.
- Arkad: Again, twelve months later, Algamish came to the room of the scribes and addressed me.
- Algamish: What progress have you made since I last saw you?
- Arkad: I have paid myself faithfully, and my savings I have entrusted to Agger the shield-maker to buy bronze, and each fourth month he does pay me the rental.
- Algamish: That is good. And what do you do with the rental?
- Arkad: I do have a great feast with honey and fine wine and spiced cake. Also I have bought me a scarlet tunic. And some day I shall buy me a young ass upon which to ride.
- Algamish: You do eat the children of your savings. Then how do you expect them to work for you? And how can they have children that will also work for you? First get thee an army of golden slaves and then many a rich banquet may you enjoy without regret.

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- Narrator:** So saying he again went away. Nor did Arkad again see him for two years, when he once more returned and his face was full of deep lines and his eyes drooped, for he was becoming a very old man. And he said:
- Algamish:** Arkad, hast thou yet achieved the wealth thou dreamed of?
- Arkad:** Not yet all that I desire, but some I have and it earns more, and its earnings earn more.
- Algamish:** And do you still take the advice of the brickmakers?
- Arkad:** About brickmaking they give good advice.
- Algamish:** Arkad, you have learned your lessons well. You first learned to live upon less than you could earn. Next you learned to seek advice from those who were competent through their own experiences to give it. And, lastly, you have learned to make gold work for you. You have taught yourself how to acquire money, how to keep it, and how to use it. Therefore, you are competent for a responsible position. I am becoming a very old man. My sons think only of spending and give no thought to earning. My interests are great and I fear too much for me to look after. Go to Nippur and look after my lands there. And as the values of my lands increase, so shall I increase the gold I pay you for your efforts.
- Narrator:** So Arkad went to Nippur and took charge of his holdings which were large. And because Arkad was full of ambition and because he had mastered the three laws of successfully handling wealth, he was able to increase greatly the value of his properties. So he prospered much, and when the spirit of Algamish departed for the sphere of darkness, he did continue to follow his precepts and so greatly increased his own holdings.
- Friend #1:** Arkad, you were indeed fortunate that Algamish made of you the manager of his lands.
- Arkad:** Fortunate only in that I had the desire to prosper before I first met him. For four years did I not prove my definiteness of purpose by keeping one-tenth of all I earned? Would you call a fisherman lucky who for years so studied the habits of the fish that with each changing wind he could cast his nets about him? Opportunity is a haughty goddess who wastes no time with those who are unprepared.
- Friend #2:** What then do you advise us to do that we also may become rich? The years have passed and we are no longer young men and we have nothing put by.
- Arkad:** I advise that you take the wisdom of Algamish and say to yourselves, '*A part of all I earn is mine to keep.*' Say it in the morning when you first arise. Say it at noon. Say it at night. Say it each hour of every day. Say it to yourself until the words stand out like letters of fire across the sky. Then take whatever portions seem wise. Let it be not less than one-tenth and lay it by. Arrange your other expenditure to do this if necessary. But lay by that portion first. Soon you will realize what a rich feeling it is to own a treasure upon which you alone have claim. As it grows it will stimulate you. A new joy of life will thrill you. Greater efforts will come to you to earn more. For of your increased earnings, will not the same percentage be also yours to keep? Then learn to make your treasure

work for you. Make it your slave. Make its children and its children's children work for you. Insure an income for thy future. Look thou at the aged and forget not that in the days to come thou also will be numbered among them. Therefore invest thy treasure with greatest caution that it be not lost. Counsel with wise men. Seek the advice of men whose daily work is handling money. A small return and a safe one is far more desirable than risk. Enjoy life while you are here. Do not overstrain or try to save too much. If one-tenth of all you earn is as much as you can *comfortably* keep, be content to keep this portion. Live otherwise according to your income and let not yourself get niggardly and afraid to spend. Life is good and life is rich with things worthwhile and things to enjoy.

Narrator: His friends thanked him and went away. Some were silent because they had no imagination and could not understand. Some were sarcastic because they thought that one so rich should divide with old friends not so fortunate. But some had in their eyes a new light. They realized that Algamish had come back each time to the room of the scribes because he was watching a man work his way out of darkness into light. When that man had found the light a place awaited him. No one could fill that place until he had for himself worked out his own understanding, until he was ready for opportunity.