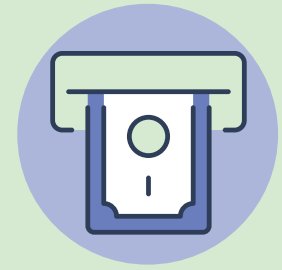


## LESSON 10: How to Spend



### **Money Mastermind Lesson 10, Worksheet 1:**

#### **Wishful Wants or Necessary Needs?**

##### **Case Study 1:**

Casey is preparing to leave for college in the fall. She lives in New York, but will be going to school in California, so she is planning on buying a car to get her there. She wants to buy something reliable, so she is deciding between a new car that will cost \$17,000 with zero miles and a navigation system and a three-year-old car with 7,000 miles and no navigation system for \$12,000. She has \$10,000 in savings that she will use for the purchase and will take out a loan for the remaining amount.

##### **What are the wants?**

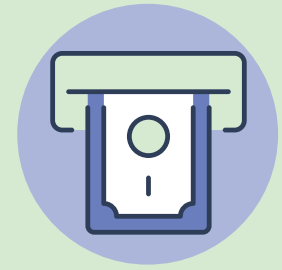
##### **What are the needs?**

##### **What decision would you make and why?**

##### **Case Study 2:**

Tom has been saving for a new laptop for the past six months. He's done his research and found a model that experts say will more than meet his needs. But new, it costs \$3,000. He also found a refurbished version of the same computer with all of the same features online for \$1,500. The refurbished laptop comes with a warranty, and Tom has bought a refurbished portable music player from the same company with no problems. Tom's third option is a brand-new laptop that costs \$1,800 and has all of the features he needs but not all of the ones he wants.

## LESSON 10: How to Spend



**What are the wants?**

**What are the needs?**

**What decision would you make and why?**

### **Case Study 3:**

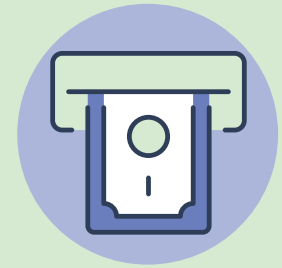
Stephanie received \$500 from her grandparents for her high school graduation. She's been longing to buy a new watch and update her wardrobe because she's starting a new job in two weeks. But, next month she's moving out on her own and will need to pay three months' rent in advance, which totals \$1,500. If she uses the money to buy the watch and clothes, she thinks she can save enough money from her new job to pay for rent, but she's not sure.

**What are the wants?**

**What are the needs?**

**What decision would you make and why?**

## LESSON 10: How to Spend



### Case Study 4:

Michelle's been invited to go to a three-day concert with her friends. The only catch is that it's a nine-hour drive, and traveling for an entire weekend means she'll need lots of cash. She estimates that gas, food, tickets, and camping will cost around \$400. She has a car payment of \$250 coming up and her \$89 cell phone bill is due at the end of the month. She also needs to buy her mom a birthday gift, which she thinks will cost \$50. She has \$700 in savings.

### What are the wants?

### What are the needs?

### What decision would you make and why?