

**Exercise 3.1**

**Read the following story and fill out the cost/benefit chart below.**

Tory is 12 years old during the summer before seventh grade. He has many things that he wants to do during the summer and he also wants to play on the school football team at the end of the summer and into the fall. Of course, all of the things he wants to do require money – and Tory knows that he'll have to earn it! His mother told him that she can give him a home and food, but that he must earn money to satisfy his other wants.

Tory started his own lawn-mowing service last summer. Three neighbors each pay him \$10 to mow their lawns once a week while school is out for the summer. He also makes \$15 a week for taking his grandmother's dog for a walk twice a day.

The summer is 11 weeks long. Here are the things that Tory would like to do.

Tory spends \$1/day to go to the swimming pool. He likes to eat lunch at the pool every day because the pool has great onion rings, chilly dogs, and root beer. His lunch is \$5 a day. If he takes his lunch to the pool, it's free, but that is no fun and all his friends eat pool food.

He also likes to go to the movies with his friend, Henry, every Saturday. The movie ticket is \$8 and the charge for popcorn and a drink is \$6.

He needs a bus pass to get around and passes cost \$5 a week for kids.

At the end of the summer he wants to go on a trip with a friend's family to an amusement park on Lake Erie for two days. It will cost him \$120. He also needs to get some football cleats. They are \$80.

<b>Eat lunch at the pool every day</b>		<b>Bring lunch to the pool every day</b>	
<b>Costs</b>	<b>Benefits</b>	<b>Costs</b>	<b>Benefits</b>

**Questions**

1. Does Tory have short-term wants? What are they?
2. Does Tory have long-term wants? What are they?
3. In what ways would a budget and savings plan help Tory?