

An Integrated Curriculum For The Washington Post Newspaper In Education Program

It Adds Up

- Composition Activity: In Praise of ...
- Post Reprint: “Grandparents who are raising children need more support”
- Post Reprint: “Is your college freshman packing the best financial tools for the fall?”
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- Post Reprint: “Monitoring your finances may be hard, but not doing it can mean big trouble”
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Grandparents, government policies and good decisions link the reprinted *Washington Post* articles and suggested activities in this resource guide. Whether in the role of children, collegians or workers, students need an understanding of personal finance principles.



THE WASHINGTONPOST.COM

Big Mama taught *Post* personal finance columnist important lessons. Lessons that Singletary often includes in her advice to readers who are navigating budgets, banks, babies and the basic needs of daily life.

Carol Lange, NIE curriculum guide writer and editor, and Christopher Janson, educational consultant, wrote the suggested activities that accompany each article.

Consumer needs and wants are seen through the lens of mobile phone decisions in “Cell Phones — Plan or Pain?” It seems that both individuals and the federal agencies are befuddled by the multiple features and service options.

If deliberate decisions are not made, consumers know it adds up.

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GET THERE

Grandparents who are raising children need more support

BY MICHELLE SINGLETARY

• Originally Published October 13, 2015

Although the shelves in my home office are packed with books by financial experts offering really good advice, it was my grandmother, Big Mama, who taught me most of what I know about handling money.

And she did it while living below the poverty line. To this day, I marvel at how Big Mama raised five grandchildren on her tiny salary. Pride — and frustration with the welfare system — made her refuse monetary assistance from the state. At times we may not have had enough for seconds during meals, but we never went hungry. I got teased for the off-brand sneakers and clothes I wore, but it was more than I had before I went to live with my grandmother.

It was under Big Mama's guidance that I learned to loathe debt and love saving.

Currently, about 2.7 million grandparents in the United States are responsible for raising their grandchildren. Many of these grandparents live below the poverty line.

As we continue to discuss the plight of poverty and ways to lift families

financially, we've got to pay special attention to this group of folks. And who are they?

About 35 percent of these grandparents are 60 or older, according to a report by Generations United, the Corporation for Enterprise Development, and the Citi Community Development. A majority of them are still working. A quarter of them have a disability. Forty percent have provided care for five years or more. My grandmother took me in when I was 4. I lived with her until a year after I graduated from college.

Then there is this sad fact: Grandparents who have taken in their grandchildren are twice as likely to face the threat of hunger as those who aren't raising a grandchild.

Earlier this year, researchers went to Illinois and New Jersey and interviewed 20 grandparent caregivers, focusing on their financial lives. Most were grandmothers ages 47 to 89.

The people profiled in the report had taken in their grandchildren because their parents had died, had lost a job, were incarcerated or suffered from an illness or substance abuse.

Several caregivers talked about the high cost of getting custody or the struggles of seeking child

support from the parents. One Chicago grandmother talked about the burdensome cost of repeatedly going to court to deal with a custody issue with the father of a child she is raising. The average annual income of the caregivers' households was a little more than \$25,000. Not many were receiving child support from parents. And those who did get it said it wasn't enough.

When you read the stories of the grandparents trying to hold things together financially, it's heart-wrenching. It's also inspirational.

"What's going out leaves faster than what's coming in," one Chicago grandmother said. "By the time I finish paying the bills and I also tithe, I pray that nothing comes up because I have nothing to give. I'm just making it. Or, as they say, I'm robbing Peter to pay Paul."

Even the grandparent caregivers who are managing okay worry about getting sick as they get older, which so easily could disrupt the delicate financial balance they are maintaining.

Why is this report important?

"We learned from low-income grandparents themselves about their financial situation, stresses and dreams," said Donna Butts, executive director of Generations United, which also runs the National Center

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on Grandfamilies. “We found they were skilled money managers; they just don’t have enough to manage. Time and again, grandparents related stories about spending down retirement savings and mortgaging assets to try to either cover legal fees or simply to provide for the children in their care. They prioritize the children’s dreams over their own.”

As a member of the National Center on Grandfamilies’ advisory council, I’m part of a mission to bring attention to the needs of the many grandparents who are making great personal and financial sacrifices to raise their grandchildren.

It is vital that we find ways to help those who raise grandchildren who would otherwise end up in a system that is already overloaded and underfunded.

As Butts points out, when grandparents are able to keep children out of the foster care system, the country benefits from the cost



M.P. KING/AP

After watching Melissa Guth’s youngest children for the day, a grandparent drops them off at Guth’s home in Monroe, Wis.

savings: “Grand success stories are abundant, from President Obama to Jamie Foxx to Carol Burnett. And they could have been throwaway

kids, lost and forgotten, if it hadn’t been for the strong grandmothers who raised them.”

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GET THERE

Is your college freshman packing the best financial tools for the fall?

BY MICHELLE SINGLETARY

• *Originally Published August 11, 2015*

In a week or two, thousands of young adults will be heading to college for the first time, and they'll be faced with a lot of financial choices.

I wonder how prepared they will be.

It's not enough to hope they will be ready to handle their money. As the good book says, "faith without works is dead." Good money managers aren't born; they're trained.

So, as your college freshman is packing up, there's one piece of luggage that needs to have all the right stuff: the financial suitcase.



Here's what should be inside:

• **The right debit card.** Before heading off to school, make sure your child has a debit card that will work well at his or her college location. That might mean opening an account with a different bank or credit union that has ATMs on or near campus

to avoid an out-of-network fee.

Double-check that you can easily and quickly transfer money into the account without incurring fees. For this reason, you may also want to get an account at the same financial institution.

• **Mobile bank alerts.** If your freshman hasn't done this already, he or she should set up alerts connected to the debit card.

Alerts can be customized to report deposits, withdrawals and bill-due dates. Cardholders can also be notified when the account balance is getting low, which in turn will help avoid overdraft charges and other fees. Just be mindful of alerts received as text messages, which may incur fees from a mobile provider.

• **A box of envelopes.** Budgeting may not be easy at first. If you know your child is challenged in this department, try the envelope money-management system.

Envelopes should be labeled the following way for the four major spending categories: eating out, clothes, entertainment and transportation. Every week, two weeks or month, depending on how your child receives income

or spending money, put budgeted cash for each category into the envelopes. When the money is gone from one, there's no more spending on that category.

• **A commitment to save and not just spend.** Yes, even students on a tight budget should save. If your student is getting a stipend or spending money from you or a job, encourage him or her to start the habit of saving something — anything — from the funds he or she receives not allocated for tuition, room, board and books. Suggest a "Life Happens" fund, which is different from an emergency fund. Money in this account can be used for pizza, parties, clothes, spring-break trips, concerts, etc. But when the money is taken out, your student should have a plan to replenish it.

• **A book-buying plan.** These days, students can easily spend \$1,200 or more the first year of college on books. They should investigate the best way to buy books and later the best avenue to sell them. And used isn't always the cheapest. They might rent books. Find out whether

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digital copies are acceptable; they can cost much less. Check out *CampusBooks.com*, an online price comparison tool, for new, used and digital books.



Here are some things that students should not take to college:

- **Credit cards.** I know you've heard that it's important for your child to establish credit. But it's not time for that yet. As your student gets closer to graduation and needs to build credit to get an apartment or car loan, he or she can open a credit card account. But for now, as a freshman, consider credit an unnecessary luxury. Besides, debit cards with either the MasterCard or Visa logo can be used for almost any purchase. My daughter



PHOTODISC

is a junior in college, and she hasn't had a need for a credit card.

- **The expectation to spend excess student-loan money.** Talk to your child about not accepting a student-loan refund, which is

money in excess of the cost of attendance. If there is money left over, he or she may get a refund check. This is not free money. It's a loan with interest that must be paid back.

- **An entitlement mentality.** Leave at home the attitude of having to experience everything. Going on that spring-break trip may not be feasible, especially if your child has student loans.

As your freshman is going over the checklist of things for college, make sure his or her financial suitcase is stuffed with tools and strategies that will help to avoid any money missteps.

Michelle Singletary writes the nationally syndicated personal finance column, "The Color of Money." Follow @SingletaryM

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Inside e-Replica

Acts, Bills and Credit | *Post Columnists Start the Search*

In the pages of *The Washington Post* and online, readers are informed of the latest news, prepared for changes and alerted to considerations. They can find out what's happening at home, across the country or around the world. The information may be found in news articles, in columns and blogs.

This activity focuses on mobile phones and credit and debit cards. These are topics that involve business, technology, government and social change. Notice the different sections and columns in which the following articles were found.



Use the e-Replica search feature to locate one of them. Summarize the content. Then provide a personal reaction to the content: agree or disagree, offer an alternative, indicate concern or benefit.

THE SWITCH

“T-Mobile wants to turn your house into a cell tower. Here’s why you should think twice.”

<https://www.washingtonpost.com/news/the-switch/wp/2015/11/03/t-mobile-wants-to-turn-your-house-into-a-cell-tower-heres-why-you-should-think-twice/>

“The Senate wants to make way more spectrum available”

<https://www.washingtonpost.com/news/the-switch/wp/2015/11/07/the-senate-wants-to-make-way-more-spectrum-available/>

THE VOLOKH CONSPIRACY

“Warrant to search phone did not allow opening folder unlikely to contain evidence”

<https://www.washingtonpost.com/news/volokh-conspiracy/wp/2015/10/29/warrant-to-search-phone-did-not-allow-opening-folder-unlikely-to-contain-evidence-sought-court-rules/>

GET THERE

“Get ready to dip, not swipe, your credit cards”

<https://www.washingtonpost.com/news/get-there/wp/2015/09/30/get-ready-to-dip-not-swipe-your-credit-cards/>

LOCAL

“I am not homeless.’ He was a cop trying to catch texting/talking drivers”

<https://www.washingtonpost.com/news/local/wp/2015/10/27/i-am-not-homeless-he-was-a-cop-trying-to-catch-texting-talking-drivers/>

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THE WORLD

“India’s mobile phone dreams become nightmare of dropped calls”

https://www.washingtonpost.com/world/asia_pacific/indias-over-burdened-mobile-phone-network-testing-digital-india-dream/2015/09/26/d2860136-6177-11e5-8475-781cc9851652_story.html

Extend Your Understanding of the Topic

1. Research one of the following acts of Congress. What are some of the specific protections these laws provide to consumers who use debit and credit cards?
 - Consumer Credit Protection Act
 - Credit Card Act of 2009
 - Electronic Fund Transfer Act
 - Equal Credit Opportunity Act
 - Fair Credit Billing Act
 - Fair Debt Collection Practices Act
2. Search *The Washington Post* for any bills currently before Congress that might protect consumers who use debit and credit cards or legislation being considered regarding mobile phone use and service.

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GET THERE

Monitoring your finances may be hard, but not doing it can mean big trouble

BY MICHELLE SINGLETARY

• Originally Published October 6, 2015

Every so often, my husband and I review our finances and revise our goals. We dig deep into the numbers, which often results in a reduction in our spending, an increase in our savings or both. Sometimes things are going so well that no changes are needed.

With our current work schedules, the start of a new school year and volunteer ministry work, we haven't been able to complete our budget re-examination, which takes several hours. As we live in this incomplete state of analysis, I've been uneasy, because I always like to have a current bird's-eye view of our finances.

So when people tell me it's hard to budget, I get it. I understand that budgeting can take a back seat to life. Or maybe you've never felt you needed a written budget. But then life happens, which was the case with this reader: "Over decades, our alternative to a household budget has been to not spend money whenever possible, which has worked out okay. But now we are making less income and maybe need to get scientific, but can't stand the thought of writing

down every penny we spend over the next two months as the first step in creating a budget. Can you suggest something easier?"

After reading the question, I immediately thought of Kermit the Frog and his signature lyric, "It's not easy being green."

Our financial lives are not easy. We could wonder what it's like to be something we are not — multimillionaires who don't have to keep a spending journal. We could, and many do, kind of, sort of, think things are going okay financially.

But as I often tell folks, your financial life might appear to be good until it's not. And it's at that point you realize how quickly things can go bad because you didn't know your true financial picture.

So no, I don't know of an easier way to budget other than the painstaking, time-consuming, mind-numbing and frustrating process of getting up close and personal with your numbers.

I do, however, have some suggestions on how to get started on a household budget:

Gather everything. Know where you stand before you put together a plan.

Your budget process should start with pulling together your financial statements from the previous year. With a 12-month look back at your

bank statements, for example, you can see patterns. At the start of the school year, we tend to eat out more because we are rushing to back-to-school meetings or various sports activities. In the summer, our grocery bill goes up because the kids are home from school and want to eat every hour. (How do they get through a school day with just lunch?) Get some colored highlighters so you can comb through the statements to identify spending patterns you may want to change or at least anticipate.

Also when you pull together all your account information, including your credit-card statements, you can ferret out the falsehoods you tell yourself such as, "I don't really eat out a lot" or "I don't shop that much." The numbers don't lie.

Prepare a net-worth statement. Know what you own and what you owe.

I recommend you prepare and mull over your net-worth statement before you create your budget.

Why start with this document? It's like viewing your home on Google Earth. You can see all of your property. With this satellite view of your financial house, you can look beyond your month-to-month operations and set long-term goals for where you want to be.

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List all your assets and liabilities.

The difference between what you own and what you owe will produce a negative or positive number. If you've got a negative or low net worth, what can you do to increase your assets, decrease your liabilities or both? That's where the budget comes in. You're budgeting not just to make sure there's enough to pay your bills but also to build a stronger foundation.

Write it down. You can't change what you don't see.

Create a spreadsheet, use a notepad, buy budget software, I don't really care. Just put your budget in writing.



MSWORD

My husband and I use an Excel spreadsheet and set up a projector and screen in our dining room to make it easier to go over the numbers together.

Create a spending journal. You can't move forward unless you look back.

Once you've created your budget, spend a month recording every penny you spend. Upon review, you may be surprised at how much money you waste.

It's not easy to budget, but if you do, you'll appreciate all the green you'll be able to see and save.

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Cell Phone — Plan or Pain?

Do you know how much data you are using on your cellphone?

What services and charges need to be compared and contrasted to get the best buy?

So many options and cell phone plan combinations exist. Which of them is the most economical with the service you need?

Let's See How Smart You Are About Cell Phones

Begin with the phone you want. Is a simple mobile phone sufficient or do you need a smart phone with many features? What is your minimum need? Do you qualify for special discounts? Which of the following options do you want?

- Single plan
- Family plan
- Flat-rate monthly data plan
- Tiered pricing package (based on how much data a customer uses)
- Bundling of services
- Internet connection speed
- Minutes of talking
- Megabytes of data use
- Messages
- Discount for military or others
- Parental controls

There are so many features, fees and charges to consider before you make a financially sound decision. Consumer Reports [<http://www.consumerreports.org/cro/news/2014/01/best-phone-plans-for-your-family-save-money/index.htm>] and WhistleOut are good sites to begin your comparison. In addition, consumers have some protection against mystery fees through Federal Communications Commission endeavors.

How Does Advertising Influence Your Purchase?

Once you know the phone and features that you want, compare carriers. In addition to the major carriers (AT&T, Sprint, T-Mobile, Verizon) review the plans and prices for others available where you live. Include a non-contract company such as TracFone in your comparisons. Set up a chart to compare the providers.

Three advertisements are provided to begin your search for a mobile phone service carrier.

- When a service provider includes a comparison with its competitors, do you accept all the information in the advertisement? Remember: Advertisers want to sell their products and services.
- Why is it important to read the fine print as well as the text in larger font?
- Give an example of fine print in an ad that increases the cost of service.
- When a company offers a second product for free or for a major discount, what else do you need to consider?
- What contact information do advertisers provide?

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“You won’t believe what some federal agencies are paying for cell service”

BY BRIAN FUNG

• Originally Published May 22, 2015

Government agencies: They’re just like us!

Like us, they have to choose from the same handful of wireless carriers. Like us, they pay for voice, text and data. Like us, many of them pay steep prices for service.

These insights all come out of a nerdy if illuminating new report from the Government Accountability Office showing just what carriers charge our top civil servants for phone service. And you might be stunned by the huge variation in prices and plans. (For the data, see next page.)

At the low end, the Agriculture Department somehow gets away with paying \$21 a month on a per-line basis for 200 voice minutes, 200 text messages and unlimited data. But the most expensive government plans — such as the one Health and Human Services offers to some of its employees — top out at over \$121 per line per month. HHS’s fanciest plan grants unlimited access to voice, text and data.

Or take the Interior Department. It pays \$26.39 for 400 minutes, no texts and unlimited data. But it also buys a plan whose only difference seems to



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be the addition of text messages — and it costs 2.5 times more.

Now, some caveats: Unfortunately, not all agencies queried by the GAO were able to produce data, and the GAO rightfully needles them over it. In the case of the Defense Department, for instance, GAO says the agency was “missing key cost and service information” in 26 percent of its records.

There are some accounting discrepancies between agencies, too,

that make for a more difficult apples-to-apples comparison. EPA’s cited costs, for example, factor in not just the cost of the monthly contract but also “staff and overhead,” whereas other departments don’t bake those figures in.

And other agencies, such as the Department of Education, don’t appear to have been surveyed by the GAO.

Even among the agencies named here, though, the staggering complexity of so many offerings at so many price

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points raises a natural question: Are some agencies unwittingly overpaying for service? Why aren't the rates and plans all standardized? What if we had, like, a family plan for the U.S. government? That's basically what the government is, right?

Every federal agency has different needs — and every employee within those agencies, too, no doubt. But there are clearly some oddities in the data. HHS pays 51 percent more than the Social Security Administration for unlimited talk, text and data — and 76 percent more than the Justice Department. The State Department pays \$48 a month on the low end for 400 minutes, unlimited text and data — but it pays \$12 more per month for a plan with only 300 minutes, unlimited text and data. In what world does an agency agree to pay more for less when it is already paying less for more in other parts of the building (so to speak)?

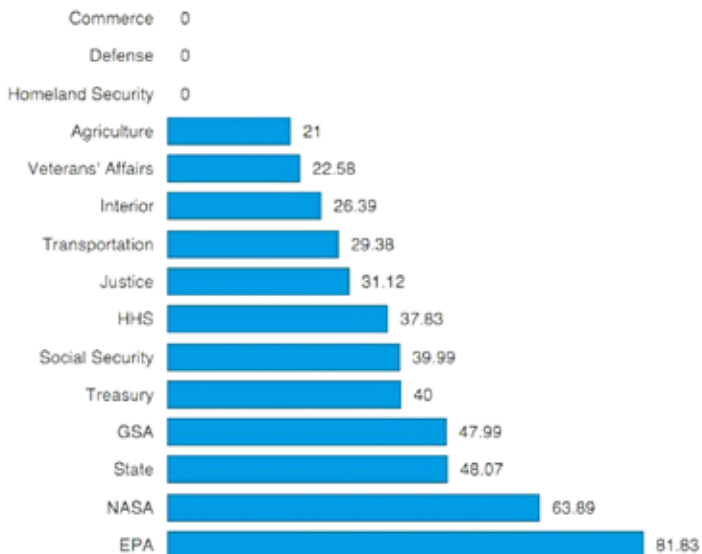
What we're likely seeing is officials buying wireless plans from a mix of different carriers, each with different contract terms. Just like "unlimited" data means different things to different carriers when it comes to your own personal plan, the same is likely true for government wireless plans. GAO doesn't tell us what carriers each agency has chosen, nor what the plans look like. But, the agency concludes, there's a significant amount of "fragmentation" happening in the way agencies buy and monitor cell phone plans.

As GAO put it dryly: "The variance in rates paid for the same services shows the potential to reduce costs."

No kidding.

What top federal agencies pay for cell phone plans

On a monthly per-line basis. Data for the Departments of Commerce, Defense and Homeland Security were unavailable because the agencies lacked sufficient records, the GAO found.

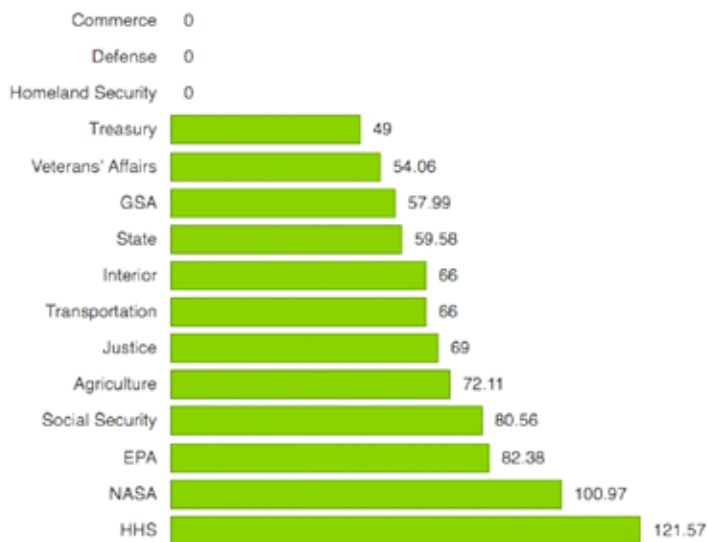


Source: GAO

The Washington Post

What top federal agencies' monthly cell phone bills look like

In dollars on a monthly per-line basis. Data for the Departments of Commerce, Defense and Homeland Security were unavailable because those agencies were missing records, the GAO found.



Source: GAO

The Washington Post