Remember Your First Paycheck?

Remember your first paycheck? Remember how much was left after taxes and after you paid the landlord, the electric company, the gas company, the telephone company, and bought the groceries? There wasn't much left for new clothes or movies or eating out, was there? And it was quite a shock. Geraldine Phelps, a teacher at the Merrimack Valley High School in Penacook, New Hampshire, has developed a course called "Math for Everyday Living" which can help lessen the shock for high school students when they enter the adult working world and can help teach them how to manage their family finances.

At the start of the course, the students complete a personal information sheet (see page 4) and receive a "paycheck" based on their vocational aspirations plus five years of experience. Ms. Phelps noted that she requires their aspirations to be in line with their school coursework and performance. "At the end of the month, I won't let a student earn the pay of a neurosurgeon if he's failing English and natural science," she said. "And a student can't get paid for a job requiring a college degree unless he's enrolled in a college prep course or will change to a college prep course."

The students are issued "Math City" checkbooks and must write checks to meet all their expenses. They have to keep track of deposits and checks as they occur and reconcile the checkbook at the end of the month.

They research the kind of housing they prefer and its cost and report to the teacher. They make a monthly payment for this kind of housing. They receive monthly "bills" (when applicable) for heat, electricity, gas, phone, property taxes, furniture, and water. They write checks for these expenses. The students explore the options open for transportation and "buy" the vehicle of their choice. They then make monthly payments for the purchase price and operating cost of the vehicle.

One student had worked out that he had about $85/month to spend on a car payment. When he went to the local car dealer, however, he found that the super sports car that he wanted would run him about $135/month to purchase, and so ("with no prompting from me," says Ms. Phelps) the student told the salesman he could not afford the car he wanted. Then he asked to see something more in his price range.

The students research the insurance necessary to their lifestyle, receive monthly bills for the insurance and make out checks to pay the bills. The students investigate family clothing needs and make appropriate decisions. They also investigate vacation possibilities and plan a vacation for their family.

For each unexcused absence, the students are docked one-fifth of their weekly pay. They are allowed to write checks only as long as they have sufficient funds in their accounts. If expenses exceed income, the students must explore the options open to them.

One girl planned that her job would be administering check-ups on Volkswagons, using a computer the VW company has developed. She figured she would eventually have an income of $175/week to work with. However, she "purchased" a $64,000...
New England Update

MAINE

The Maine Council on Economic Education is once again publishing its Economic Education News, with George Cunningham as executive director of the Council and P.A. Nixon, who is president of the Dead River Corporation, as chairman of the Council. The most recent issue of the newsletter contained a new newsletter published by Maine bankers. The banking newsletter explored the topic of electronic funds transfer in a well-written and interesting way. Future issues will deal with other bank-economic related topics. For information about either newsletter, contact: ED EC, 22 Coburn Hall, University of Maine, Orono 04473.

MASSACHUSETTS

Over fifty teachers participated in the Economic Education Flea Market at the regional social studies convention held at the Statler Hilton in Boston early this month. Ten tables were set up in a large room and teachers could visit each “station” to learn about different projects and techniques in economic education. Nancy Powell of Quincy (MA) High School described a “marriage project” she ran with students in which teams of two students each plan a wedding, reception, honeymoon and a budget for the first six months of marriage. George G. Watson of Winchester Senior High School, who organized the flea market, described selected activities for teaching economic concepts through science fiction and future-oriented materials. William P. O’Connor, director of social studies at Winchester Senior High School, described activities for teaching about the Great Depression. Teachers from all over New England participated in the sharing of ideas at the flea market.

A seminar in economic education for secondary school teachers is planned at the Center for Economic Education at Worcester State College, running from May 4 to June 3. Applications are now being accepted for this seminar. For information, contact Paul O’Neil, (617)754-6861 at the College. The Center will also be holding two workshops for elementary and secondary teachers in Gardner this spring. The Gardner sessions are booked to capacity.

“*The Role of Business in Contemporary American Society*” will be explored using the case study method at a summer workshop sponsored by the Financial Executives Institute (Boston Chapter) and the Business History and Economic Life Program, Inc. (BHELP) The workshop will be held at the Henderson House Conference Center of Northeastern University and will run from July 12-23. The conference center is in Weston. For information, contact: Harold A. Miner, Director, Bureau of Educational Field Services, College of Education, Northeastern University, Boston 02115.

The Center for Economic Education at Stonehill College is planning a one-week workshop on economics in the secondary school curriculum to be held July 18-23. For information, contact Robert Hardine, Stonehill College, North Easton 02356. The Center is also in the process of creating a resource center which will expose teachers to the printed and audio-visual materials available to them in teaching economics.

NEW HAMPSHIRE

A Spring Conference of elementary and secondary school social studies will be held on May 8 at Nashua High School from 8:30 a.m. to 2:45 p.m. Approximately 45 section meetings will cover such topics as economic education, law of the seas, curriculum development at the local level and teaching about local government. For information, contact: Carter Hart, New Hampshire Department of Education, 64 N. Main St., Concord 03301.

Readers are invited to use The Ledger as a forum to share news about their experiences in economic education. Write: Mary Jane Coyle, Editor, The Ledger, Public Services, Federal Reserve Bank of Boston, 30 Pearl Street, Boston 02106 or call: (617) 426-7100 X462.
Multi-Media

Grade level code: Capital letters (E-J—H—C) after each item indicate grade levels for which the materials are most appropriate: E—elementary school, J—junior high school, H—high school, C—college.

The Name of the Game is Money
by Jean Conder Soule, (J—H), 24 pages, is the story of four high school students forming — and financing — their own rock bank, the “Wheels of Fortune.” Produced by the American Bankers Association, the story stresses the banking needs of the group — how to open and use a checking account and how to obtain a loan — in an interesting way. Banking services are described and the booklet is colorfully illustrated. A crossword puzzle for students has been designed to acquaint students with banking terms, three full-color “overhead” transparencies describe check writing, checkbook balancing and account statement balancing, and a teachers’ manual explains how to use the materials. 1972. For a kit containing 30 student booklets, a teachers manual, 30 crossword puzzles and three overhead transparencies, write: Education Council, The American Bankers Association, 1120 Connecticut Ave., N.W., Washington, D.C. 20036, $20 per kit.

Superheroes of Macroeconomics, (J-H), by Steve Jackstadt and John Dawson, Yukio Hamada and Bill Locke, 70 pages, a comic-book form including three stories in which the superheroes Fiscal Flash, Monetary Man, Militantmaid and Wing Sun battle the “dual-demon” of inflation and depression to restore economic stability. The stories make interesting reading and the illustrations make it fun. Each story is followed by a good explanation of the economic principles embodied in the story. Monetary and fiscal policy are covered, as are wage and price controls. “Review and Application” questions test understanding or could be used to start discussion. A Teachers’ Guide is available. Write: Follett Publishing Company, c/o SSR Supervisor, 1010 W. Washington Blvd., Chicago, IL 60607, $1.50 for Superheroes, $.84 for Teachers’ Guide.

An American Account: The Story of Banking, 16 mm color, 30 minutes, an historical review of American banking from the financing of the American Revolution until present time. The movie, produced by the American Bankers Association, uses illustrations from the various eras of American history in an attractive and entertaining way. A discussion guide elaborates on the working of money and banking in American history. To borrow the film free of charge, write: Public Information Center, Federal Reserve Bank of Boston, 30 Pearl St., Boston 02106 or call: (617)426-7100 X 656.

BICENTENNIAL DEBATES HELD IN BOSTON

Regional winners of the Bicentennial Youth Debates were chosen April 8 in Boston. Winner of the Lincoln-Douglas debate was Kristin Stred from Winthrop High School in Winthrop, Maine. Winner of the persuasive speaking event was Patricia Falese of Sacred Heart Academy in Hempstead, New York; and winner of the extemporaneous speaking event was Stephen Weiner of the Bronx High School of Science in New York City. Regional winners from all over the United States will take part in ceremonies in Washington in June.

The Ledger compiles information from various sources and is published periodically as a public service by the Federal Reserve Bank of Boston. Inclusion of news about economic education should not be construed as an endorsement of specific programs by the Bank. Material contained herein does not necessarily reflect the views of the Federal Reserve Bank of Boston or the Board of Governors. Copies of this newsletter and a catalogue of other educational publications, films and published research information may be obtained free of charge by writing: Bank and Public Information Center, Federal Reserve Bank of Boston, 30 Pearl Street, Boston 02106 or by calling (617) 426-7100 X 656.
Paycheck

Continued from page 1

house with a mortgage payment of $257/month, a new $4,000 car and had three dependents to take care of. By June, she was up to her neck in "debt." When a Concord representative of Family Financial Services visited the class in June, they discussed her problem, he asked her what she would like to get rid of. The student indicated that she wanted to get rid of "everything and start all over again!" It was a conclusion she had come to herself after surveying her own financial dilemma.

Ms. Phelps stressed that the students each make their own decisions about how to spend their income. They are advised to keep their choices within their budget, and, in fact, the success or failure to have sufficient funds to meet expenses becomes important to most students. Many will decide to reduce their spending if their planned expenditures look like they will exceed their income.

The students must also budget for the unexpected; they draw cards periodically which may send their dependents to the hospital (and add on a hospital bill depending on their insurance coverage) or may result in a broken furnace. (If they rent their apartment, they don't have to purchase a new furnace; if they have bought a home, they have to buy a new one, thus experiencing some of the further implications of their decision to rent or buy a home.)

Many of the students say that they would prefer to budget as individuals, instead of as families, but Ms. Phelps insists that they take half the number of people in their present families as dependents since she feels that most of the class will indeed marry and have to budget for a family.

During the course, stress is placed on decision making, the factors involved in the decisions the students make, the economic implications of the decisions and the math skills necessary to make sound decisions. Teachers interested in learning more about this course can contact Ms. Phelps at Merrimack Valley High School in Penacook, N.H.

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PERSONAL INFORMATION SHEET

1. Name:
2. Town of residence:
3. Number of people living in your home?
4. Do you live in a house, an apartment or a mobile home?
5. Do you have a phone?
6. Names of phone company and electrical company? (There are different companies in the Penacook region which charge different rates.)
7. List names and numbers of major gas and electric appliances in your home:
8. Primary source of heat in your home?
9. Does your family raise a garden?
10. Does your family raise its own meat, poultry, etc.?
11. Does your family preserve food for later use?
12. What make and model car(s) does your family own?
13. What types of insurance coverage does your family have?
14. Does your family own a snowmobile, boat, trailbike, second home, camper or other recreational item?

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THE TWO DOLLAR BILL IS BACK! As of April 13, two dollar bills were once again available at commercial banks throughout the nation. If the “twos” replace one-half the one dollar bills in circulation, the Treasury could realize a savings in printing costs of $4-7 million a year over the next few years. A four-page pamphlet about the new bill, “Two Dollar Points,” is available free of charge from the Bank and Public Information Center, Federal Reserve Bank of Boston, 30 Pearl St., Boston 02106.