

# Pay Yourself First

## Pre-reading

### Questions:

- What does it mean to “pay yourself first”?

### Definitions:

- Mechanic – a person who is skilled at fixing or working with machines and motors
- Expect – to think something will probably happen



## Reading

14 Tim and Ann owned an '89, four-door Ford. They had driven it 140,000  
31 miles. It was a good car that had served them well. Tim and Ann had taken good  
47 care of it. They had the oil changed every three to four months. They had made  
63 repairs on a timely basis. They kept both the inside and outside of the car clean.

75 Unfortunately, cars don't last forever. The Ford had gotten rusty and was  
91 leaking some oil. At their most recent visit to the mechanic, Tim and Ann were told  
110 to expect no more than 20,000 miles from the car. It was soon time to buy a new car.

127 A new car meant a new money goal. Tim and Ann were not used to making a  
141 car payment. They needed to start saving. They had heard of “paying yourself first”  
158 and thought they would give it a try. Before paying any of their other bills, they paid  
168 themselves first. It was a regular part of their budget.

181 They paid themselves \$50 each pay period. That was \$100 a month! They  
195 opened a savings account for their car fund. Putting their money in a savings  
211 account would earn them **interest** on their money. It was also a safe place to keep  
228 their savings.

243 Tim and Ann were surprised at how good it felt to be working toward their  
260 goal. By saving a planned amount of money each month, they would be ready to  
266 make a down payment on a new car when their old one died. Plus, they didn't even  
miss the money they were saving!

## Understanding

1. What does the word **interest** mean in the story?
  - a. The desire to learn about or take part in something.
  - b. Concern for one's self or benefit.
  - c. A sum of money paid for the use of someone else's money.
2. What was the total number of miles Tim and Ann's car would most likely travel before it quit working? \_\_\_\_\_  
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3. How old was their car? \_\_\_\_\_  
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4. What method did they use to save for a new car? \_\_\_\_\_  
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5. Where did they put their savings? Why? \_\_\_\_\_  
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## Writing

Choice A: Retell the story in your own words.

Choice B: Write about money goals you have. How do plan on meeting those goals?

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