



CANADA
4-H Ontario

www.4-hontario.ca

4-H ONTARIO PROJECT



Financial Fitness

RECORD BOOK

The 4-H Pledge

I pledge my Head to clearer thinking,
my Heart to greater loyalty,
my Hands to larger service,
my Health to better living,
for my club, my community and my country.

The 4-H Motto

Learn To Do By Doing

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Thank you to the 4-H Club volunteer that reviewed this project. Charlie Twiss, Wellington 4-H Association

4-H Ontario is pleased to be able to provide project resource reference manuals for use by volunteers in clubs. 4-H Ontario screens and trains volunteers to equip them with the tools to serve as positive role models for youth. With so many topics to choose from, 4-H volunteers are trusted to use these resources to provide safe and quality programming while using their judgement to assess the appropriateness of activities for their particular group of youth. By downloading any 4-H resource, you agree to use it for 4-H purposes and give credit to the original creators. Your provincial 4-H organization may have restrictions on the types of 4-H projects or activities which can be completed in your region.

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CANADA
4-H Ontario

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RECORD KEEPING - WHY?

Record Books are to document time and money spent, what you have learned, your ideas, memories and what you liked and didn't like. Your Record Book also....

- Helps you set goals for this project
- Has space to record important dates, your elected executive and the names and contact information of your leaders and club members
- Is a great way to get and stay organized

Down the road when you look back on your 4-H projects these books will be able to remind you what you learned so you can use those skills later in life. It will bring back memories of the project, your 4-H friends, your story and thoughts at the time of the project. You will never forget because this book will act as a reminder! It will also be useful at the Achievement Program, when looking at your progress and when reviewing your accomplishments.

How do I organize my materials?

1. Make your records neat and easy to read. This will make it easier to find information later on, and to share your information with others.
2. Use a three-ring binder or duotang to hold your materials and divide your information into sections using dividers. This will keep things from becoming lost and will make it easier to find what you need later on. This will also allow you to add extra pages later.

How do I keep good records?

1. Keep track of activities throughout the meetings, as you complete different parts of the project. It's often difficult to remember things that happened in earlier meetings.
2. Make sure the information you write in your Record Book is complete and accurate. If you're not sure about something, ask your leader for help before writing it in your book. You can also consult people in your community or do some research on your own. If you borrow information from someone or someplace else, make sure you write down where you found it.

Remember that this is YOUR Record Book so make it your own! And, remember to bring your Record Book to every meeting!

WHO'S WHO

Club President: _____ Ph. #/E-mail: _____

Vice President: _____ Ph. #/E-mail: _____

Secretary: _____ Ph. #/E-mail: _____

Treasurer: _____ Ph. #/E-mail: _____

Press Reporter: _____ Ph. #/E-mail: _____

MEETING DATES:

	DATE & TIME	PLACE	NOTES: (Things to bring, remember, etc.)
<i>Meeting 1</i>			
<i>Meeting 2</i>			
<i>Meeting 3</i>			
<i>Meeting 4</i>			
<i>Meeting 5</i>			
<i>Meeting 6</i>			

LEADER NAME & CONTACT INFORMATION	LEADER NAME & CONTACT INFORMATION

MEMBER EXPECTATIONS AND GOALS

Why did you join the Financial Fitness 4-H project?

What is one goal that you want to achieve in this project?

Do you have any ideas for fun things to do during the project?

Do you have any ideas for an Achievement Program for the Financial Fitness Project? (Keep in mind that an Achievement Program should include the community in some way).

MEMBER RESPONSIBILITIES

- Be a current paid member of 4-H Ontario
- Attend at least 2/3 of the meeting time allotted for this project
- Complete the Record Book for this project. Bring it with you to each meeting!
- Put your Record Book in a binder or duotang so you don't lose any of the pages.
- Complete any other projects as required by the club leaders.
- Remember the more you put into your 4-H club the more you will get out of it!

ROLL CALLS - IN MY OPINION.....

	ROLL CALL	MY ANSWER
1		
2		
3		
4		
5		
6		

PROJECT SUMMARY - FINANCIAL FITNESS 4-H PROJECT

A. Member Comments

1. What did you gain from taking this project?

2. Which meeting or topic was the most/least interesting? Why?

a. Most:

b. Least:

3. Comment and/or give suggestions for improvements on the overall project (eg. Activities, tours, achievement program plans, member presentations, special activities, judging information).

4. What interests would you like to explore through future 4-H projects?

B. Parent/Guardian Comments:

C. Leader Comments:

This project has been completed satisfactorily!

Member:

Leader:

Date:

Leader:

SAMPLE JUDGING CARD

JUDGING - JUDGING CARD

Criteria:

1. Is the item made/grown properly?
2. Does the item serve the purpose for the class it is in?
3. Is it the proper size for its purpose?
4. Does it smell and/or look like it should?
5. _____
6. _____
7. _____

**note: additional requirements can be added to list specific to the item being judged

Giving Reasons:

I place this class of _____, _____, _____, _____.

I place _____ first because.....

I place _____ over _____ because.....

I place _____ over _____ because.....

I place _____ over _____ because.....

I place _____ 4th because.....

For these reasons, I place this class of _____, _____, _____, _____.

Official Placing _____.

MEETING #1 ACTIVITY #1 WHAT IS YOUR MONEY PERSONALITY?

Work with a partner or group to identify the money personalities below. Ask each other the questions, discuss your answers together, and fill in the blanks on your own worksheet with one of the symbols in the box to the right. Next, put an X beside behaviours that describe your spending habits. Does this help you determine your current Money Personality? Finally, make a list of behaviours you want to change to have a better balance between spending and saving.

4 Personality Traits

“FS” = Free Spirit. Spends money without any thought as to where it is coming from or where it is going.

“MS” = Money Star. Likes expensive items that are the hottest, must have items.

“MH” = Money Hoarder. Saves all his or her money and does not spend it even on items or services that would be a good investment in meeting a future goal.

“MW” = Money Wise. Tracks spending and savings with a careful balance of these activities. Knows where their money goes and has a handle on what they want to accomplish financially, what things cost and when to buy items.

1. These shoppers prefer the newest models and top label brands regardless of price.

Money Personality Code _____ Your personality _____

2. These people love a bargain but often purchase large quantities of sale items without considering if they need or want that much.

Money Personality Code _____ Your personality _____

3. These people spend money to be recognized, to feel hip or classy, and to look good to others whether they can afford it or not.

Money Personality Code _____ Your personality _____

4.This money personality has no idea how much they earn or spend.

Money Personality Code_____ Your personality _____

5.These people know what they earn and spend, and minimize expenses.

Money Personality Code_____ Your personality _____

6. These people believe more money is always coming. They focus on a short-term spending instead of long-term benefits of saving.

Money Personality Code_____ Your personality _____

7. These people wait to buy something until they can afford it.

Money Personality Code_____ Your personality _____

8. These people believe that the things they have impress others.

Money Personality Code_____ Your personality _____

9. These people buy things of low quality thinking they are saving money, but spend more to repair or replace the low-quality items.

Money Personality Code_____ Your personality _____

10. These people tend to bounce checks, exceed their ATM limit, never have money, or borrow money and forget to pay it back.

Money Personality Code_____ Your personality _____

11. These people save for the future, but also enjoy the present by budgeting for a movie or having dinner with friends.

Money Personality Code_____ Your personality _____

MEETING #1 ACTIVITY #2 WHAT ARE YOUR GOALS?

Step 1: What is your goal? _____

Step 2: What is the target date for reaching your goal? _____

Step 3: What is the estimated cost? _____

To estimate the cost associated with reaching your goal, identify how much each component will cost and then the total amount needed (e.g., for a vacation goal, list the cost of travel, room, food, spending money, etc.)

Estimated Expenses	Cost
_____	_____
_____	_____
_____	_____

Step 4: Can you cut back on current spending to put toward your goal? _____

Step 5: Can you increase income to put money toward your goal? _____

Step 6: How much money will you need to save monthly? _____

MEETING #1 ACTIVITY #3 NEEDS AND WANTS

Tell members that to determine the difference between a want and a need, it is good to ask yourself some questions. Write the following list of items and their prices on a piece of paper or board. The goal is to decide if each item is a want or a need. Explain that sometimes wants and needs are differentiated by what prompts the purchase. For example, if your shoes are worn out, then sneakers are a need. If you're just tired of your old sneakers, then that's a want. Challenge members to justify their responses. Then have the group vote on whether each item is a want or a need.

Items to consider:

ITEM	PRICE	W or N
• sneakers	_____	_____
• manicure	_____	_____
• music lesson	_____	_____
• chocolate bar	_____	_____
• video game	_____	_____
• school lunch	_____	_____
• headphones	_____	_____
• cell phone	_____	_____
• pair of jeans	_____	_____

Some additional discussion questions:

- How long will I use this item? _____
- How often will I use this item? _____
- Is the item worth the money that I will spend? _____
- Is the item a good deal? _____
- One year from now, will I still have this item? _____
- One year from now, will I be happy that I bought this item or will I wish that I still had the money that I spent? _____
- Do I already have another item that serves the same purpose?

MEETING #1 ACTIVITY #4 USING MONEY WISELY

John has earned \$50 by doing odd jobs for his family and neighbours. There are a lot of ways he wants to use his money, but he doesn't have enough money for all of them. Circle YES or NO for each item on John's list. Remember, the total amount of money must be \$50, no more, no less. Use the worksheet to figure out your total.

John's List

A. The animal shelter really needs food for the animals. Should John give to the animal shelter?

- YES (How much? \$)
- NO

B. John really wants to download a new album by his favorite band, Three Green Monkeys. The album costs \$10. Should he buy it?

- YES
- NO

C. John has lost his backpack. A new backpack costs \$25. Should he buy one?

- YES
- NO

D. A video game that John has always wanted is on sale. It only costs \$25. Should he buy it?

- YES
- NO

E. John's family is going on vacation this summer and he wants spending money. His parents said they would give him a dollar for every dollar he saves. Should he save some of his money?

- YES (How much? \$_____)
- NO

ENTER AMOUNT HERE	
A.	\$
B.	\$
C.	\$
D.	\$
E.	\$
F.	4

MEETING #1 ACTIVITY #5 SAVING, SPENDING, GIVING

Pretend that you and your friends have earned \$100 altogether by doing odd jobs in your neighbourhood like raking leaves and walking pets. You must all decide how you will use the \$100. You must put some money into SAVINGS, some money into SPENDING, and some money into GIVING.

SAVINGS:

How much? _____

What will your group be saving for? _____

SPENDING:

How much? _____

What will your group buy? _____

GIVING:

How much? _____

Where will you donate your money, and who will it help? _____

MEETING #2 ACTIVITY #2 HOW MUCH MONEY CAN BE EARNED?

AGES 9-13

Lunch Time Puzzler

The school cafeteria is making students think before they buy a lunch item. The prices are all written in code!

Code: A = 1 B = 2 C = 3 and so forth until you get to Z = 26

To figure out what each snack item costs, you must first find out what number goes with each letter in the word. Then, add the numbers that “spell” each word to get the price.

For example:

CHIPS

$$3\text{¢} + 8\text{¢} + 9\text{¢} + 16\text{¢} + 19\text{¢} = 55\text{¢}$$

JUICE

$$\underline{\quad} + \underline{\quad} + \underline{\quad} + \underline{\quad} + \underline{\quad} = \underline{\quad}$$

CHEESE

$$\underline{\quad} + \underline{\quad} + \underline{\quad} + \underline{\quad} + \underline{\quad} + \underline{\quad} = \underline{\quad}$$

CRACKERS

$$\underline{\quad} + \underline{\quad} + \underline{\quad} + \underline{\quad} + \underline{\quad} + \underline{\quad} + \underline{\quad} + \underline{\quad} = \underline{\quad}$$

GRANOLA

$$\underline{\quad} + \underline{\quad} + \underline{\quad} + \underline{\quad} + \underline{\quad} + \underline{\quad} + \underline{\quad} = \underline{\quad}$$

CARROTS

$$\underline{\quad} + \underline{\quad} + \underline{\quad} + \underline{\quad} + \underline{\quad} + \underline{\quad} + \underline{\quad} = \underline{\quad}$$

MEETING #2 ACTIVITY #2 HOW MUCH MONEY CAN BE EARNED?

AGES 14-17+

Using the worksheet below, calculate how much money can be earned over time. Original Deposit = \$100

	Starting Balance	Interest Rate per year	Interest Earned	Balance at the end of the year
First Year	\$100	4%	\$4.00	\$104.00
Second Year	\$104.00	4%	\$4.20	\$108.20
Third Year				
Fourth Year				
Fifth Year				

If you change the starting deposit in the table to \$25, how much money will you have at the end of 5 years at 4% interest?

	Starting Balance	Interest Rate per year	Interest Earned	Balance at the end of the year
First Year	\$25	4%		
Second Year				
Third Year				
Fourth Year				
Fifth Year				

MEETING #3 ACTIVITY #3 BUILDING A RESUME

RESUME WORKSHEET

Note: Your resume should be different from everyone else's, should market your skills and experiences, and should be your own creation. This worksheet is to be used as a guideline, especially for first-time resume writers.

List your name, address(es), and phone number(s), as you wish them to appear on your resume:

Objective: Do you have a specific job objective? What type of job are you looking for? In what type of organization? It should serve as the focal point of your resume, indicating what sort of job you are seeking, and what experience/skills you have to offer. It should be broad enough to cover any suitable employment, yet specific enough to indicate that you have a specific position in mind. You can change your career objective depending upon the job you are applying for.

Description of responsibilities and accomplishments: (Write your experiences in bullet statements): Use action words to describe your experience and accomplishments. You should use present tense (i.e. "manage" or "collaborate") when describing tasks that you are still doing. Use past tense (i.e. "managed" or "collaborated") when describing tasks that you are no longer doing.

Experience: What internship(s), jobs, positions, and other relevant experiences have you had? You can list this category in several ways, including "Work Experience", "Employment", and "Experience". Note that "Work Experience" and "Employment" indicate paid positions, while the general title "Experience" can include unpaid internships, significant volunteer or leadership positions, student teaching, etc. Make sure to list the specific responsibilities you had, tasks and duties performed, etc. for each. Remember that the more things you have done that are relevant to the position for which you are applying, the better your chances may be of getting that job! Also include the name and location of the organization you worked for, the title of your position, and the dates you were employed. When writing your actual resume, all jobs or experiences should be listed in reverse chronological order.

Education: List name of school you are attending. You may list any significant academic honors, awards, or achievements here, if applicable.

Activities, Clubs, Organizations, Memberships, etc.: Do you belong to any college or community organizations? List any significant involvements, especially those that will demonstrate leadership experience to future employers.

Skills: Do you have any skills that single you out from others that may be applying for the same type of position? Examples include foreign language and computer skills. Be prepared to be asked to demonstrate or discuss these skills; don't list anything you have only passing knowledge of or have only used once!

Honors/Achievements: If you have been acknowledged for doing anything outstanding, received any academic or professional awards, etc. you may list these in a separate category.

Personal Information: List hobbies, personal interests & skills, travel, etc. ONLY if they appear relevant to the position for which you are applying. For example, playing the piano may be of interest if you are applying for a position as an elementary school teacher, but not as relevant for a stockbroker.

References: You can usually state "Available upon request" or, if requested, list the names, titles, addresses, and phone numbers of your references on a separate sheet to be mailed with your resume and cover letter. Reminder: start early to ask people for letters of recommendation, and be sure to follow up with them afterwards.

Names of people you will ask for references:

This document is designed to help you in the all-important brainstorming process, when deciding what should go on your resume.

MEETING #4 ACTIVITY #2 ENTREPRENEURIAL SELF-ASSESSMENT SURVEY

This survey is for your personal information. Please answer each question as honestly as possible.

Strongly (5) Agree (4) Somewhat (3) Agree (2) Strongly Disagree (1)

- _____ 1. I am willing to work 50 hours or more per week regularly.
- _____ 2. I am willing to accept both financial and career risks when necessary.
- _____ 3. I would like to take full responsibility for the successes and failures of my business.
- _____ 4. I would experience more financial success by operating my own business.
- _____ 5. I feel a great deal of pride when I complete a project successfully.
- _____ 6. I have a high energy level that can be maintained over a long period of time.
- _____ 7. I enjoy controlling my own work assignments and making all decisions that affect my work.
- _____ 8. I have a strong desire to achieve positive results even when it requires a lot of additional effort.
- _____ 9. I can function in ambiguous situations.
- _____ 10. One or both of my parents are/were entrepreneurs.
- _____ 11. I believe that my abilities and skills are greater than those of most of my peers.
- _____ 12. People trust me and consider me to be honest and reliable.
- _____ 13. I always try to complete every project I start, regardless of obstacles and difficulties.
- _____ 14. I am willing to do something even when other people laugh or belittle me for doing it.
- _____ 15. I can make decisions quickly.

Score Assessment Evaluation

57-75 You have outstanding potential to become an entrepreneur.

38-56 You have satisfactory potential to become an entrepreneur.

21-37 You could work towards entrepreneurship by focusing on strength development.

15-20 You might explore other career options in addition to entrepreneurship.

Adapted from the Women's Initiative for Self-Employment: <http://nebraskaticketto.org/sites/ttw.unl.edu/files/self-assessment>

HANDOUT FOR MEMBERS - MEETING 4

12 STEPS ON HOW TO BECOME A TEENAGE ENTREPRENEUR

1. Program your mind for success

You will need to study about successful entrepreneurs and get to know what they did to get to where they are today, read books on personal development and listen to such podcasts to learn as much as possible.

There are a lot of people that young people can look up to. Research the stories of people who have made it and are making it, surround yourself with excellence and success from young people who are doing great things. You will find out that they not only give ideas and strategies to grow your business but also keep you motivated and wanting to keep going. Find at least one person in your industry that is doing really well so that you can look up to him/her. Create an environment of success and surround yourself with people you want to be like.

Make time to read and upgrade your knowledge and personally develop yourself and get into the right mindset. Books about entrepreneurship will help to sharpen your business sense and intelligence and will also improve your investing skills.

2. Get a mentor

Starting up your own business as a young person can be quite intimidating. Your business may present you with tough decisions and questions that you may not have the experience that is required to proffer answers to. This is where a mentor comes in. A mentor is an experienced individual who you can lean on his/her experience, knowledge and resources to help you to develop your business.

Your mentor does not necessarily need to be in the niche of the business you do. Your mentor will advise you, help you to make difficult decisions, provide constructive criticism give you helpful contacts and connections etc. His personal success story will also help to motivate you in your endeavors. Not having a mentor in your business can result in wasted time and resources.

3. Treat your life like a science experiment

If you are someone who is not sure of what to do yet with your life or maybe you want to start your own business and follow your own dream, but you are not yet sure; what you can do is to try as many things as possible and treat your life like an experiment. So, say yes to everything and if you don't like it, you don't have to do it again, but if you like it, you can go ahead and pursue it. Do as many things as possible as quickly as possible to figure out what it is that really interests you in life.

4. Avoid following the herd

As an entrepreneur, you should avoid doing what every other person is doing because they are not going to be entrepreneurs. Most people are going to go to college, get a job and work for somebody else. If you want to be the one percent, you cannot do what the 99 percent are doing. So, if you are doing everything your friends are doing like lazing about, partying on the weekends, playing video games, this will make you end up like most people.

5. Seek venture capital

This may sound kind of scary especially if you are a young teenager because you may be worried that people will not take you seriously. However, there are a lot of people who have a lot of money and are looking for where to invest that money in. Venture capital is when people invest in what can be considered as a high-risk investment.

It is an investment in someone's idea or a business idea by giving them the capital that is required to put the idea or business in motion. There may or may not be one in your immediate area but you can make use of the internet and social media to your advantage to find one. Furthermore, you should also find an accelerator. Startup accelerators support new businesses with growth potentials. The support can be in form of mentorship, education and funding. Startups enter accelerators for a specific time period as part of a company. The aim is to accelerate the progress and development of the startup within a short period of time. Some well-established companies have private startup accelerators that are targeted at specific niches such as agriculture, technology, healthcare, finance etc.

6. Be shrewd with your money

When you finally get the funds to run your business, spend it wisely. Don't be frivolous with your spending; wasting it on things that don't matter while neglecting the important things. Use your money wisely and it will go a long way for you.

7. Get the prerequisite experience if necessary

Business is all about providing and adding value. A challenge that a lot of young people face is that they don't have the necessary prerequisite experience to provide the much-needed value that a product or service ought to have. So how do you surmount this? Get experience. Whether you go to work for someone or volunteer at events, you will need to get more experience in order to provide value for your potential customers.

So, whenever you want to add something that is missing in your business or whatever you feel that you need to get better at, go take a course, volunteer or get a part time job. In order to earn, you have to learn, get better at it and then earn. Get experience and then add your own tweak to the equation for a winning recipe.

Furthermore, learning from your own mistake is a good thing but learning from the mistakes of others is even better. Read about and talk to other entrepreneurs about the mistakes they have made and then try to prevent the same fate from befalling you.

8. Surround yourself with the right people

The people who surround you and whom you associate with will definitely shape your mentality and the way you act and feel. Seek out and be close to people who are living the life that you want to live and exemplify. These people will challenge you.

They may not tell you the things that you want to hear, but they will tell you things that you have to hear in order to take your life to another level. Surround yourself with people who ask questions, who dream big and people who are relentless workers. They will help to inspire and motivate you more in your endeavors. Stay away from the nay Sayers.

9. Be passionate about whatever you intend to do

Being passionate about your business is one of the ingredients that will help to foster the growth of your business. Doing what you love because you love it and not just for the money will help to take your business to greater heights. Also, when your business is going through a tough time (and it is to be expected), your passion will be the driving force that will propel it through such time.

If you don't love your business, it will be stressful for you. Furthermore customers, colleagues, members of staff, investors, advisors etc. can sense when you don't have passion for your business and it will definitely rub off badly on them.

10. Network with the right people

In order to start and grow your business, it is best to network with people who can help you bring your dreams to fruition. In that vein, it is advisable that you should become active in the industry you intend to start your business in. Don't just have a mindset that people will look down on you because you are young, but just try to get into the industry and build a reputation

for yourself.

11. Take risks and face your fears

Even though starting a business is a risky ordeal, you still have to take additional risks in order to succeed in your chosen enterprise. Being risk averse is definitely not a recipe for success. Take calculated risks when necessary to move your business to the next level.

It is however good to note that taking risks does not mean the same thing as taking a blind leap of faith. You have to do concrete research to back up your final decision. Also, as a young entrepreneur, you will have a couple of fears; yet shying away from them is never the best thing to do.

Face your fear and you will discover that they will become demystified and smaller. Common fears that young entrepreneurs face include not knowing where to start from, not being an expert, being considered crazy due to radical ideas, not finding startup funds, not attracting customers etc.

12. Set goals

Set goals that will serve as timely evaluations of how well you are doing in growing your business. This will help you decide if you are doing fine or if you need to change something for the better improvement of your business. The goal you set should be divided into short, medium and long-term goals. Ensure that the goal you set are measured regularly, attainable, and realistic and time phased. If possible, endeavor to surpass the goals that you set for yourself and business.

MEETING #5 ACTIVITY #3 MAKING A BUDGET

Budget Samples

Scenario 1

Nate is a junior in high school. He works 15 hours a week at the mall, and his net income after taxes is \$600 a month. He lives with his parents, so he doesn't have rent, utility or food expenses. His older brother owns a car and lets him borrow it to drive to work for \$50 each month; otherwise Nate takes the bus. He really wants to buy a car, so he puts any leftover money toward savings. Nate also pays for his cell phone and personal expenses, such as going to the movies, buying video games and purchasing gifts.

Below is Nate's estimated budget and what he actually spent in one month's time. Analyze Nate's spending to determine why he is not on track to save for that new car, and what changes he can make to get on track.

Net Income: \$600/month

<u>Fixed Expenses</u>	Budget Goals	Actual Budget
Savings for a Car	\$100	\$0
Cell Phone	\$75	\$100
Car Payment to His Brother	\$50	\$100
<u>Variable Expenses</u>		
Public Transportation	\$50	\$60
Entertainment	\$50	\$65
Personal Shopping	\$50	\$175
Occasional Spending (gifts, repairs, etc.)	\$25	\$100
Total	\$400	\$600

Nate seems to not be on track to save for his new car because of his excessive personal shopping and his occasional spending. If he were to cut back on some of his other expenses as well, he would get enough money to get back on track to save for a new car.

Scenario 2

Maria just graduated from college and accepted her first job as a social media manager for a real estate company. She can't believe that her monthly net income will be \$3,000. She just moved into a one-bedroom apartment, so she is responsible for rent, utilities, food and other household expenses. She is paying off a student loan and she wants to save as much money as she can to buy a house someday. She owns a car and enjoys going out with friends on the weekend.

Below is Maria's estimated budget and what she actually spent in one month's time. Analyze her spending to see why she is not on track to meet her goal and to determine what she can do to get back on track.

Net Income: \$3000/month

<u>Fixed Expenses</u>	Budget Goals	Actual Budget
Savings for House	\$450	\$150
Rent	\$600	\$600
Car Payment	\$350	\$350
Car Insurance	\$150	\$150
Internet/Cable TV	\$110	\$110
Cell Phone	\$75	\$105
Student Loan	\$300	\$300
<u>Variable Expenses</u>		
Gas	\$100	\$175
Food	\$250	\$300
Entertainment	\$100	\$250
Personal Shopping	\$75	\$300
Utilities	\$200	\$275
Occasional Spending (gifts, repairs, etc.)	\$150	\$250
Total	\$2,910	\$3,315

Maria is mostly off track because she tends to spend more money on what she would probably feel is more important. If she were to prioritize better, she could get back on track.

Jamal is a senior in high school and works 30 hours per week at a neighborhood coffee shop. His net income after taxes is \$1,500 and he is saving up for college. He owns a car and makes payments toward it each month, but he lives with his parents so he saves on rent, utilities and food costs. He occasionally goes out with friends and buys things for himself, but he tries to hold back on these things so he can save more for college next year.

Below is Jamal’s estimated budget and what he actually spent in one month’s time. Analyze his spending to see why he is not on track to meet his goal and determine what he can do to get back on track.

Net Income: \$1500/month

<u>Fixed Expenses</u>	Budget Goals	Actual Budget
College Savings	\$870	\$820
Car Payment	\$125	\$125
Car Insurance	\$95	\$95
Cell Phone	\$85	\$85
<u>Variable Expenses</u>		
Gas	\$100	\$105
Entertainment	\$50	\$75
Personal Shopping	\$50	\$95
Occasional Spending (gifts, repairs, etc.)	\$100	\$100
Total	\$1,475	\$1,500

Jamal isn’t on track with his goals because he seems to spend more on his variable expenses rather than his fixed expenses. If he were to focus more on spending less money, he could get himself back on track.

You just accepted your first job and you’ll be earning a gross income of \$30,000/year. You live

on your own and are responsible for all expenses, including rent, car, insurance, cell phone, utilities, entertainment, food, savings and miscellaneous expenses. You have to pay 25% of your gross income in taxes.

Calculate Your Take Home Pay:

With a gross income of \$30,000 and a 25% tax deduction, what is your monthly net income? (Remember this is what you get after taxes.) Use this number to start your budget.

Categorize Expenses:

Determine if your expenses are fixed or variable, and write them in the appropriate sections of the table below. Remember your expenses include: rent, car, car insurance, cell phone, utilities, entertainment, food, savings and occasional expenses.

Name: *Tiffany Gering*

Net Income: \$1,875/month

<u>Fixed Expenses</u>	Cost
Rent	\$562.50
Utilities	\$187.50
Car insurance	\$93.75
Cell phone	\$93.75
<u>Variable Expenses</u>	
Occasional Spending	\$187.50
Savings	\$187.50
Food	\$281.25
Car Loan	\$187.50
Entertainment	\$93.75
Total	\$1,875

Divide Your Expenses:

Determine the cost for each category and record the prices in your budget. Use the following percentages to divide your monthly net pay:

Rent: 30% of net pay

Utilities: 10% of net pay

Car Insurance: 5% of net pay

Cell Phone: 5% of net pay

Occasional Spending: 10% of net pay

Savings: 10% of net pay

Food: 15% of net pay

Car Loan: 10% of net pay

Entertainment: 5% of net pay

Assess Your Budget:

Compare your expenses to your monthly income. Have you spent everything you've earned? Do you have money left over for savings? What expenses could you lower to increase your savings? My expenses added up to exactly my monthly income, unless my savings mean that I actually saved something. In that case, I would have saved \$187.50. If I were to spend less on certain things, I could increase my savings. However, if I were to spend more, my savings could decrease.

Budget Busters: Who's Breaking the Bank?

Most successful budget: Jamal is the most successful budgeter because his actual spending comes very close to what he budgeted. The most important part of Jamal's budget is his extensive savings. He devotes nearly half of his income to savings because his other expenses are relatively low. Even though he missed his savings goal by \$50, saving \$820 per month is impressive.

Least successful budget: Maria's budget is the least successful because she is spending more per month than what she earns. She also overspends in categories that could be considered "wants," such as personal shopping and entertainment (she has spent more than double the amount budgeted in many of these categories).

Adjustments that could be made to each budget:

Nate: While his actual spending matches his net income, Nate isn't saving enough money each month to buy a car. He could increase savings by reducing his cell phone plan and personal shopping, and by only using public transportation rather than borrowing his brother's car. Nate should also set a clear savings objective in a dollar amount rather than settling for what is left over.

Maria: She could benefit from reducing the amount spent on personal items, and recalculate categories such as entertainment, personal shopping and occasional spending in order to paint a more accurate picture of what she really spends.

Budget 101: How to Get It Done

	Cost
Fixed Expenses	
Rent	\$562.50
Car payment	\$187.50
Car Insurance	\$93.75
Cell Phone	\$93.75
Savings Goals	\$187.50
Variable Expenses	
Utilities	\$187.50
Food	\$281.25
Occasional Expenses	\$187.50
Entertainment	\$93.75
Total	1,875.00

MEETING #5 ACTIVITY #4 WHAT IS YOUR CREDIT CARD IQ?

Credit cards are handy pieces of plastic. Just swipe them through a slot in a machine – or enter your credit card number online or by phone. The item you want to purchase is yours! But that’s the big picture. How much do you know about the details? Test your credit card IQ by answering 7 simple questions.

True or False

1. Credit cards are accepted as cash by stores.

True False

2. Most credit cards have a credit limit.

True False

3. If I pay my credit card in full by the due date, I will not owe any interest.

True False

4. There’s no penalty if I pay my balance after the due date.

True False

5. If I pay the minimum monthly payment, then I won’t owe any interest.

True False

6. Credit card companies charge merchants a percentage of the price of anything purchased with a credit card.

True False

7. My credit report contains information on bills I have not paid.

True False

MEETING #5 ACTIVITY #4 ANSWERS: WHAT IS YOUR CREDIT CARD IQ?

1. Credit cards are accepted as cash by stores.

TRUE. Actually, credit cards are a type of loan. You borrow money from the bank. The bank pays the store.

2. Most credit cards have a credit limit.

TRUE. Card holders may charge only up to a certain dollar amount set by the card company. The limit is set based on your ability to handle debt.

3. If I pay my credit card in full by the due date, I will not owe any interest.

TRUE. If you pay the entire balance within the grace period allowed (usually about 28 days), you will not owe any interest on your purchases.

4. There's no penalty if I pay my balance after the due date.

FALSE. Credit card companies charge late fees to card holders who do not pay their bill by the due date. Not paying your bill on time can be costly. Most credit card companies charge \$25 or more to credit card users who fail to meet their deadlines – regardless of whether you pay the minimum due or the whole balance. In fact, you could pay a \$35 penalty fee on a \$15 balance.

5. If I pay the minimum monthly payment, then I won't owe any interest.

FALSE. After you subtract the minimum payment from your balance, finance charges will be added to your remaining balance. So avoid the minimum payment trap. Pay your bill in full, or as close to in full as you can. The minimum payment is the least amount of money you can pay if you want to keep using your credit card. If you pay less than the minimum payment, the credit card company will often "turn off" your card so that it cannot be used to buy anything more. The card will not work again until you have made your minimum payment.

6. Credit card companies charge merchants a percentage of the price of anything purchased with a credit card.

TRUE. When you use a credit card to make a purchase, the credit card companies charge the merchants a percentage of the sale.

7. My credit report contains information on bills I have not paid.

TRUE. Actually, your credit report contains a lot more than that. It contains some vital non-credit facts such as your name, nicknames, maiden name, marital status, spouse's name, social security number, year of birth, current and previous addresses, current and previous employers, and estimated income. Plus, it contains detailed information for each credit account you hold, including the type of account, when it was opened, the credit limit or loan amount, the balance you still owe, and whether you have been late with any payments. It also includes information such as lawsuits, bankruptcies and liens against your property.

MEETING #6 ACTIVITY #1 WHAT ARE YOUR GOALS?

Identifying Your Personal Goals

Name one of your personal, educational, financial, or career goals. Then break it into long-term, medium-term, and short-term actions you can take to reach that bigger goal. Write your linked goals in the spaces to the right.

Short-, medium-, and long-term goals are very different. If you link them together, you have a better chance of achieving them.

Suppose your long-term career goal is to be a veterinarian, but you do not have any experience working with animals. Here's how your goals might look:

- A long-term goal would be to go to veterinary school.
- A medium-term goal might be to volunteer at an animal hospital.
- A short-term goal might be to get a pet, or offer to walk your neighbor's dog or pet-sit while they are on vacation.

SMART goals are: Specific, Measurable, Achievable, Relevant, Trackable

Long-term goal: (3–5 years)

Short-term goal: (1 week–3 months)

MEETING #6 ACTIVITY #4 WHAT'S MY INTEREST?

If you could earn \$100 or \$10 for doing the same job, which would you take? Chances are, you'd take the \$100. While that seems like an easy choice, understanding how you can earn \$100 versus \$10 when investing money means mastering interest and rate of return. Learn how different rates, interest types and investment strategies can impact and maximize your earnings by completing the table and questions below.

How to Calculate Simple Interest:

Principal x Interest Rate x Time Simple Interest/Rate of Return Example:

Imagine you have \$100 and plan to put it in the bank for 6 years with a 6% interest rate, calculated as .06%.

Here's what the calculation would look like:

$\$100 \times .06 \times 6 = \36 . The amount will grow by \$36/year using simple interest.

Year 1: $\$100 + \$36 = \$136$

Year 2: \$172

Year 3: \$208

Year 4: \$244

Year 5: \$280

How to Calculate Compound Interest:

(Principal + Earned Interest) x Interest Rate x Time

Compound Interest/Rate of Return Example: Imagine the same scenario (\$100, interest rate calculated as .06% for 6 years), but this time interest will be compounded annually.

Here's how your money grows:

Year 1: $\$100 \times .06 \times 6 = \36 ($\$100 + \36) = \$136

Year 2: $\$136 \times .06 \times 6 = \48.96 ($\$136 + \48.96) = \$184.96

Year 3: $\$184.96 \times .06 \times 6 = \66.58 ($\$184.96 + \66.58) = \$251.54

Year 4: $\$251.54 \times .06 \times 6 = \90.55 ($\$251.54 + \90.55) = \$342.09

Year 5: $\$342.09 \times .06 \times 6 = \123.15 ($\$342.09 + \123.15) = \$465.24

- In just a few years, you've nearly tripled your money.

Strategy	Principal	Interest Rate	Time	Interest or Return Type	Interest or Return Earned	Total Value
Stock	\$10,000	3%	10 years	Compound		
Mutual Fund (portfolio of stocks & bonds)	\$1,000	7%	20 years	Compound		
Bond	\$100	5%	30 years	Simple		
Stock	\$700	10%	1 year	Compound		
Bond	\$10,000	3%	10 years	Simple		

* Mutual fund income can be in the form of interest, 's dividends or capital gains (or all 3)

Stock income is in the form of dividends and capital gains or both (interest income is not earned on stocks)

