

MONEY CENTS

4-H LEADERMETE 2005

Financial Success:

"Financial success is the _____ bestowed upon those who seek it and apply the _____ to merit and achieve it."

- Dennis Deaton

MY FINANCIAL HOUSE

Step One: _____

"How well we _____ our money will have a direct impact on the things you value most in life."

- Martin Hurlburt

Your chances of achieving financial freedom are _____
_____ if you will not budget!

Step Two: _____

The American College of Financial Planning suggests that you have _____ months living expenses in a liquid account.

Step Three: _____

Bad Debt:

"Good" Debt:

"Money is an excellent servant but a terrible master"

- P.T. Barnum

I have collected and put together a lot of good information about finances. I would love to share what I have found with you!

If you would like the following information **e-mailed** to you, please let me know:

- Budgeting information (including forms)
- Recommended reading list (including six free e-books)
- Free software for debt elimination
- Dollar saving tips
- And much more!

You don't need to worry about giving me your e-mail address – I won't share it with anyone else!

I need the following information (Please write legibly!!!!)

Your first name:

Your e-mail address:

Can you receive HTML formatted e-mail? Circle one: YES NO
(if you don't know – circle NO)

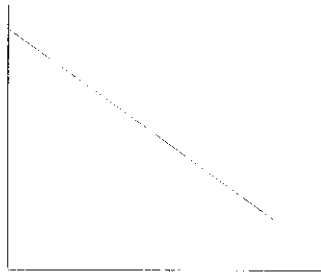
If you do not have an e-mail address and would like the information, please send a self-addressed stamped envelope to:

Ryan Law
1979 N Chappel Dr
Spanish Fork UT 84660

***PLEASE RETURN THIS FORM TO RYAN LAW
AT THE END OF THE WORKSHOP!!!!***

Step Four: _____

Long-term financial goals:



"Compounding interest is the most powerful force in the world."

- Albert Einstein

Step Five: _____

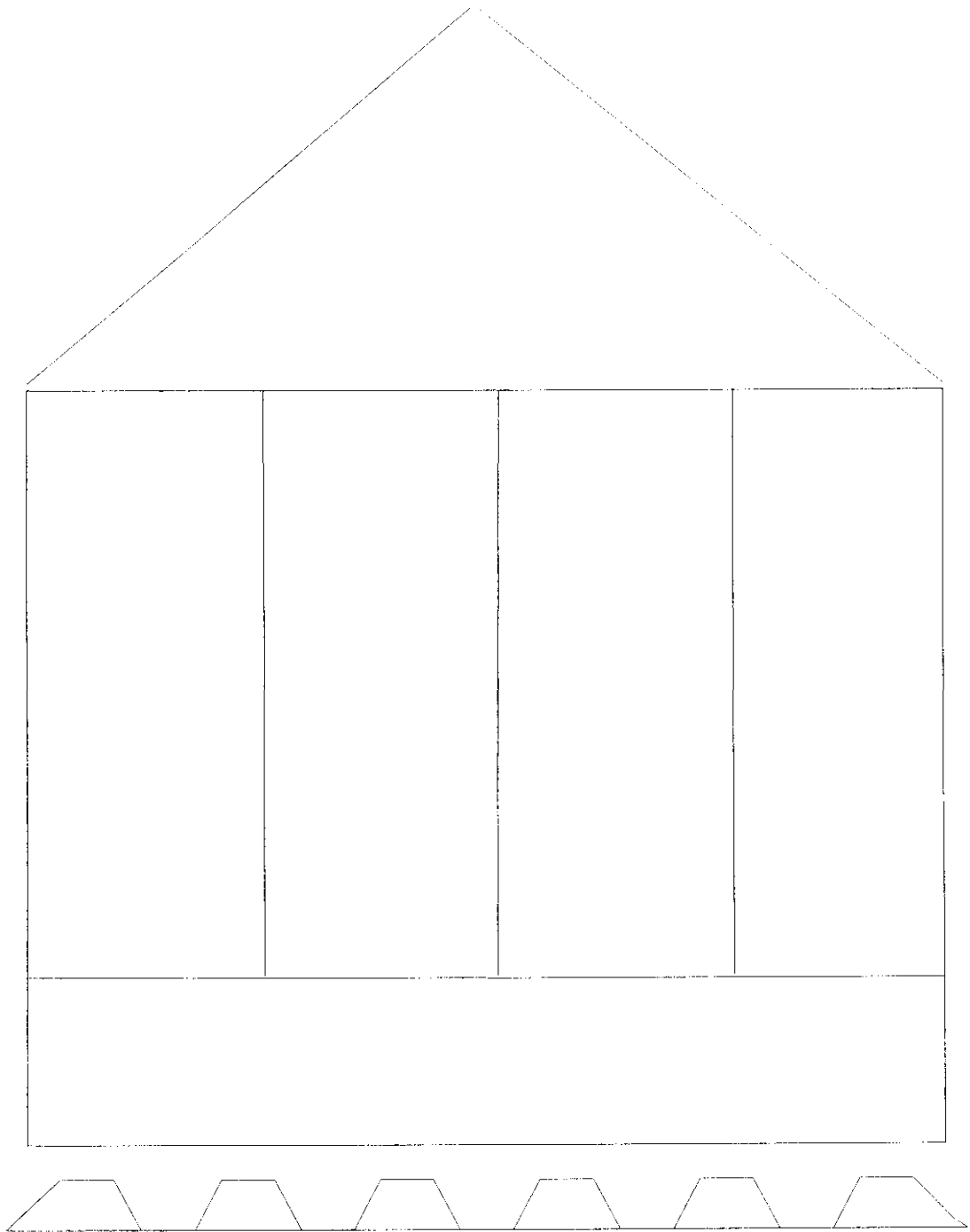
Roof: _____

"I believe that money is best used when it brings us closer to those _____

_____ that matter most to us."

- Martin Hurlburt

Moat: _____



4-H CLUB OUTLINE

This outline is adapted from the Personal Management Merit Badge requirements for the Boy Scouts of America.

Fulfilling the requirement below will help the 4-H club member create a 4-H project. It will also fulfill the requirements of the financial portion of the Personal Management Merit Badge (a required merit badge for the Eagle Scout) or Value Project number seven under "Choice and Accountability" for Young Women.

The outline splits the club into seven weeks, but you may wish to combine some of the weeks to get it done in less time.

This club will take a lot of effort and research on the part of the leader as well as the youth.

Be creative as you discuss these topics. Money management can be a very boring topic if not presented well. These are vital skills you are teaching in this class.

The outline below would be considered "homework" for the youth. For example, in week one the youth needs to do some comparison shopping. When you meet the first week you may want to discuss comparison shopping, and then have them do the assignment and report back the following week. Bring the discussion alive by showing ads that compare the same item, a Consumer Reports magazine, and some items you shopped for recently. For week five the youth need to compare five stocks from the newspaper. For the class, bring a newspaper and show them how to do this.

WEEK ONE

Choose an item that your family might want to purchase that is considered a major expense. What item did your family choose?

Write a plan that tells how your family would save money for the purchase identified above:

___ Discuss the plan with your family. Have a parent initial this when completed.

Discuss how other family needs must be considered in this plan:

Develop a written shopping strategy for the purchase identified above:

Determine the quality of the item or service (using consumer publications or rating systems):

Comparison shop for the item.

Where can you find this item for the best price? Place:

_____ Price: _____

Provide prices from at least two different price sources:

Place: _____ Price: _____

Place: _____ Price: _____

Call around and study ads. What did you find?

Look for a sale or discount coupon. Did you find any? What?

Consider alternatives. Are there any?

Can you buy the item used? Would you?

Should you wait for a sale? Why or why not?

Week 2

This requirement has you prepare a personal budget reflecting your expected income, expenses, and savings. You are also asked to track your actual income, expenses, and savings for three full months.

- Prepare a budget reflecting your expected income.
- Keep track of your finances for three full months.
- After the three-month period share your budget with your 4-H leader or parent.

Compare expected income with expected expenses:

Expected Income: _____ Expected Expenses: _____

If expenses exceed income, determine steps to balance your budget:

If income exceeds expenses, state how you would use the excess money:

BUDGET

MONTH _____

INCOME

Source _____

Gross _____ Net _____

EXPENSES

BUDGETED

ACTUAL

FIXED

Charity _____

Savings _____

Other (i.e. car payment, insurance) _____

SUB-TOTAL

VARIABLE

Food – Groceries _____

Eating Out _____

Cell Phone _____

Auto Gasoline _____

Personal Care _____

Clothing _____

Laundry/Dry Cleaning _____

Personal Allowance _____

Entertainment _____

Miscellaneous _____

Other _____

SUB-TOTAL

EXPENSE TOTAL

Week 3

For this requirement you have been given 8 different topics or questions. Select FIVE of them and discuss them with your 4-H leader. Review the items below and give some thought to what you will discuss. After you have discussed five of these items, have your 4-H leader initial the ones you discussed.

____ The emotions you feel when you receive money.

____ Your understanding of how the amount of money you have with you affects your spending habits.

____ Your thoughts when you buy something new and your thoughts about the same item three months later. Explain the concept of buyer's remorse.

____ How hunger affects you when shopping for food items (snacks, groceries).

____ Your experience of an item you have purchased after seeing or hearing advertisements for it. Did the item work as well as advertised?

____ Your understanding of what happens when you put money into a savings account.

____ Charitable giving. Explain its purpose and your thoughts about it.

____ What you can do to better manage your money.

Week 4

Explain the following to your 4-H leader. You may use the area provided below to write your explanations

Explain the differences between saving and investing, including reasons for using one over the other:

Explain the concepts of return on investment and risk:

Explain the concepts of simple interest and compound interest and how these affected the results of your investment exercise:

Week 5

Select five publicly traded stocks from the business section of the newspaper. Explain to your 4-H leader the importance of the following information for each stock:

Stock: _____
Current Price: \$ _____
How much did the price change from yesterdays price? \$ _____
52-week high price for this stock: \$ _____
52-week low price for this stock: \$ _____

Stock: _____
Current Price: \$ _____
How much did the price change from yesterdays price? \$ _____
52-week high price for this stock: \$ _____
52-week low price for this stock: \$ _____

Stock: _____
Current Price: \$ _____
How much did the price change from yesterdays price? \$ _____
52-week high price for this stock: \$ _____
52-week low price for this stock: \$ _____

Stock: _____
Current Price: \$ _____
How much did the price change from yesterdays price? \$ _____
52-week high price for this stock: \$ _____
52-week low price for this stock: \$ _____

Stock: _____
Current Price: \$ _____
How much did the price change from yesterdays price? \$ _____
52-week high price for this stock: \$ _____
52-week low price for this stock: \$ _____

Week 6

Pretend you have \$1,000 to save, invest, and help prepare yourself for the future. Explain to your 4-H leader the advantages or disadvantages of saving or investing in each of the following:

Common Stocks:

Advantages:

Disadvantages:

Mutual Funds:

Advantages:

Disadvantages:

Life Insurance:

Advantages:

Disadvantages:

A Certificate of Deposit (CD):

Advantages:

Disadvantages:

A Savings Account or U.S. Savings Bond:

Advantages:

Disadvantages:

Week 7

What is a loan?

What is interest?

How does the annual percentage rate (APR) measure the true cost of a loan?

What are some of the different ways you can borrow money?

Explain the difference between the following items:

Charge Card:

Credit Card:

Debt Card:

What are some of the costs and pitfalls of using these financial tools?

Explain why it is unwise to make only the minimum payment on your credit card:

Explain what a credit report is:

How can personal responsibility affect your credit record?

Give several ways on how you can reduce or eliminate debt?
