Boys & Girls Clubs of America gratefully acknowledges the many people who contributed to the development of Money Matters: Make it Count™. In particular, we extend our appreciation to Charles Schwab Foundation for collaborating with BGCA to make Money Matters possible. Through the foundation’s generous support, Club members will build their money management knowledge and learn the skills that lead to financial independence.

The staff and youth of the Boys & Girls Clubs that participated in the pilot test provided invaluable insights and suggestions for refining and enhancing the program:

- Boys & Girls Clubs of Annapolis & Anne Arundel County, Annapolis, Md.
- Boys & Girls Clubs of Central Florida, Orlando, Fla.
- Boys & Girls Clubs of Cleveland, Ohio
- Boys & Girls Clubs of the East Valley, Tempe, Ariz.
- Boys & Girls Clubs of Greater Washington, Silver Springs, Md.
- Boys & Girls Clubs of Indianapolis, Ind.
- Boys & Girls Clubs of Metro Denver, Colo.
- Boys & Girls Clubs of Northwest Indiana, Gary, Ind.
- Boys & Girls Clubs of San Francisco, Calif.
- Boys & Girls Clubs of Greater Scottsdale, Ariz.
- Boys & Girls Clubs of Chicago, Ill.

The following BGCA staff members supported the development of this program:

- Judith J. Pickens, Senior Vice President, Program & Youth Development Services
- Linda M. Wiltse, Vice President, Teen Services, Program & Youth Development Services
- Brazelia Baker, Senior Director, Teen Services, Program & Youth Development Services
- Gregory L. Doss, Director, Teen Services and Project Manager, Program & Youth Development Services
- Ava Cooley, Assistant Director, Teen Services, Program & Youth Development Services
- Lauren Hoffman, Writer/Editor, Program & Youth Development Services
- Adam Guy, Account Relationship Manager, Resource Development
- Demetria Hatcher, Director, Teen Services, Program & Youth Development Services
- Karl Kaiser, Senior Director, Creative Services
- Kristin Dabson, Web Creative Director, Creative Services
- Ellen Westing, Graphic Designer, Creative Services

BGCA also thanks PBJS for their invaluable assistance in developing the Money Matters materials.
We are extremely proud and excited to embark on this Money Matters: Make It Count™ journey with your Club, its staff and all of its members. Rarely do we have an opportunity as important as this one: a chance to dramatically change the lives of members in a way that will affect every aspect of their well-being and future endeavors. We’ve had to face the facts that our members grow up fast – too fast! – and soon they will be adults dealing with jobs, bills, car payments, mortgages, investment accounts, interest rates, inflation, repayment of student loans, and daily purchasing decisions. Success does not depend on wealth, but it does depend on the skills of smart money management.

Money Matters: Make it Count is a program that directly addresses these realities by bringing financial literacy to our teen members at the very time in their lives when they most need to develop these skills. We have a remarkable opportunity here to step in and provide a rich understanding of how to make wise decisions that will thoroughly impact our members’ lives. We can’t thank you enough for joining us in this important undertaking.
Introduction
INTRODUCTION

The Money Matters program was created by Boys & Girls Clubs of America, in partnership with Charles Schwab Foundation, to provide behavior-changing financial education to help teens get on the path toward budgeting, saving, planning for college and financial freedom.

The Money Matters program is comprised of a core curriculum divided among five units. Each unit addresses a key Money Matters theme, and the activities are designed to put that theme into a real world context for members. These five topics are the ones most relevant to BGCA teen members, reaching them at a time when their behavior as earners, spenders and savers can be most influenced. These five topics are:

- Budgeting and Living Within Your Means
- Saving and Investing
- Planning for College
- Credit and Debt
- Entrepreneurship

The program targets the following three behavior-changing goals:

- Budgeting: Maximizing revenue, planning ahead, setting goals and living within one’s means.
- Saving: Investing in one’s own future and leveraging short-term behaviors to inspire life-changing long-term outcomes.
- Planning for College: Recognizing post-secondary education as a financially-attainable goal that can have a dramatic impact on increased earning potential.

Giving teens the know-how to make great financial decisions throughout their life is one of the greatest gifts you can share. Many teenagers are just starting to earn wages and are unsure of what to do with their new income. There are countless temptations to separate them from their hard-earned money: credit card offers, designer consumer goods, advertisements and peer pressure. Unfortunately, current teen culture promotes reckless spending. But if you can step in and show them how valuable it is to put money away, to avoid getting into debt, to save up for college, and to truly invest in themselves and their future, you will make an incredible impact on their lives.

A 2007 Teens and Money Survey reveals some startling statistics about teen attitudes toward and knowledge of personal finances:

- Only 34 percent of teens know how to balance a checkbook.
- A disappointing 29 percent know how to pay for college.
- Only 26 percent understand how credit cards work, and only 23 percent even know what a credit score is.
- A mere 24 percent comprehend the ramifications of using a check cashing store, and only 14 percent understand how taxes work.
- More than two-thirds of teens report concern about being the victims of identity theft.

At the same time, 93 percent of these same teens report spending money on a weekly basis, with the amount doubling between the ages of 13-15 and 16-18. Three-quarters of them have a cell phone and almost half of the older teens have a car. And about a third of all teens already find themselves in debt.

©2007 Teens and Money Survey. The survey was conducted by StrategyOne, an applied research consulting firm, on behalf of Charles Schwab and Boys & Girls Clubs of America. The nationally-representative online survey polled 1,000 American teens between the ages of 13-18 to better understand their views, behavior and knowledge of spending, saving, borrowing and earning money. The survey, which has a margin of error of plus or minus 3.1 at the 95 percent confidence level, was conducted using the field services of Harris Interactive.
WHAT YOU’LL NEED TO RUN A PROGRAM:
FIVE KEY ELEMENTS FOR POSITIVE YOUTH DEVELOPMENT
Through extensive research, BGCA has learned that the level of impact a Club has on young people depends on how often and how long members participate, as well as how well the Club implements the following Five Key Elements for Positive Youth Development:

• A Safe, Positive Environment: Club staff, facilities, program offerings and age-appropriate settings create stability, consistency and a sense of physical and emotional safety for members. The Club provides structure and clearly defines acceptable behaviors.

• Fun: Clubs generate fun for members. Members develop a strong sense of belonging through interactions they establish with staff and peers. Staff members make the Club feel like home, fostering a family atmosphere and creating a sense of ownership for members.

• Supportive Relationships: Club youth develop meaningful relationships with peers and adults. Staff members actively cultivate such relationships to ensure that every member feels connected to one or more adults and peers. Staff members demonstrate warmth, caring, appreciation, acceptance and proper guidance in their interactions with members.

• Opportunities and Expectations: Club youth acquire physical, social, technological, artistic and life skills. Clubs encourage members to develop moral character and behave ethically. Staff members establish and reinforce high expectations and help young people do well in school and pursue a post-secondary education.

• Recognition: Clubs recognize and affirm young people’s self-worth and accomplishments. Staff members encourage youth and provide positive reinforcement as they make improvements and experience successes. The Club showcases young people’s achievements.

WHAT YOU’LL NEED TO RUN A PROGRAM:
STAFF
What if I don’t have an MBA?
No worries. The Money Matters program is designed to be run by anyone, without any special qualifications or educational background at all. We’ve developed these materials to include the information you’ll need to provide a valuable service and resource to your members.

But wouldn’t it be nice to have an MBA?
Absolutely, but there are other highly qualified guest speakers in your community who can help lend their expertise, including bankers, entrepreneurs, financial planners, stockbrokers, lenders, and so on. These individuals can not only share their financial guidance with members, they can also open members’ eyes to new potential career options. At the end of this guide, in the Appendix, you will find a letter template for contacting potential guest speakers for participating in your Club’s Money Matters program.

WHAT YOU’LL NEED TO RUN A PROGRAM:
MATERIALS
Other than a shared desire to improve financial literacy for your teen members, you won’t need any special ingredients for conducting the Money Matters program. But be sure to familiarize yourself with each activity ahead of time, so that you can be fully prepared. Some may call for you to make photocopies in advance or to provide members with additional items that you most likely already have around your Clubhouse.

Here’s a complete list of everything you’ll need for running the entire program:

• Money Matters Facilitator’s Guide
• Money Matters Teens Personal Finance Guide (one for each member, plus a few extras)
• Calculators
• Pens and paper
• A computer with an Internet connection (optional)
• Other posters, cards and printed materials (provided) for running certain activities
• Newspapers, magazines and flyers – as research material for looking up costs

Make sure each member has the MONEY MATTERS TEEN PERSONAL FINANCE GUIDE which answers quick questions, provides helpful financial tips and activities and fun quizzes to reinforce key messages covered in this unit.

WHAT YOU’LL NEED TO RUN A PROGRAM:
FUNDING
With no special materials required, you can run the Money Matters program with very little funding. However, you can certainly enhance your program with both field trips and scholarships for your members. Providing scholarship money will require you to head out into your community for some fund-raising.

On www.bgca.net is a downloadable Sample Funding Proposal template that can be put to good use. Simply complete all the required sections and share it with your Club’s leadership in order to begin the process. Once completed, submit the proposal to local institutions who you think may be interested in providing funding for your Money Matters program.

ANATOMY OF AN ACTIVITY
Each Money Matters activity listed in this Facilitators Guide is presented in the same manner:

• Objective. A clear synopsis of the goal of that activity.
• Key Messages. Summaries of the specific content learned in the activity.
• Estimated Time. The approximate time needed to complete the activity. All activities are under one hour in duration, and the majority will take approximately forty-five minutes. You are free to extend any activity to a full hour or even longer by allowing for more discussion time.
• Materials Needed. A list of all the materials you’ll need, as well as any special handouts or other printed materials you should photocopy in advance.
• Activity Overview. A quick introduction to the activity. This section will include an actual “script” of what you should say to your members in order to prepare and encourage them for participation in the activity. This is also the part of the activity in which a free discussion can take place among you and your members.
• Activity Instructions. Here you’ll find step-by-step instructions for conducting the activity.
• Key Takeaways. Very similar to the Key Messages, these are the most important aspects of the information reinforced by the activity that members should take away with them.

WEB RESOURCES
Money Matters Website
The Money Matters website (www.moneymattersmakeitcount.com) is a wonderful resource for your members. It contains more great financial literacy information and activities for teens. The website is designed as a companion piece for the Money Matters curriculum, but even members who are not participating in the program can benefit from the Money Matters website. Additional interactive activities, games and lessons teach teens the value of saving and planning for the future.

Money Matters Online Community
Boys & Girls Clubs of America staff members can turn to the Money Matters online community http://groups2.bgca.net/sites/PYDS/MoneyMatters/Pages/default.aspx for inspired ideas from other BGCA staff across the country. Staff are encouraged to share their experiences, ideas and stories about field trips, guest speakers, incentives, events or activities.

Schwab MoneyWise®
The Schwab MoneyWise website (www.schwabmoneywise.com) is another fantastic resource for both you and your members. It has a wealth of financial and planning tools including calculators, articles about debt reduction, savings, employment, recent news, and more. Its Teachers and Volunteers section is specifically designed as an educational resource to help educators provide the best materials and answers for the teens in their care.

SCHOLARSHIPS
The Charles Schwab Foundation Scholarship program is designed to highlight and promote BGCA’s Money Matters program among Club teens ages 16 to 18. Scholarships will be awarded to Club teens who demonstrate a solid understanding of the concepts of financial responsibility. All applicants must have participated in the Money Matters program. There is no limit to the number of scholarship applications that your Club can submit. Previous scholarship winners are not eligible to apply. All applications will be reviewed by BGCA and Charles Schwab Foundation to determine the final scholarship recipients.
Unit 1
Budgeting and Living Within Your Means
Use the following dialogue to introduce youth to Unit 1: Budgeting and Living Within Your Means.

SAY: “It’s very important to be able to live within the amount of money you make and not go into debt. So many people don’t spend the time to create a budget and find themselves in serious debt down the road. Some people are so deep in debt that they risk losing their homes. Others have credit card companies canceling their cards or calling them at work or home to bug them about payments. What are some other financial problems you may have heard of? (Let the group offer examples)

“When you haven’t had much money and then you get a job, it can be really easy to ‘blow it all’ and develop bad spending habits that can get you in major trouble as an adult. It’s not that you can’t spend money on wants – the fun things in life, like going out to dinner, getting the latest video game or buying the jeans you want. It’s just that you have to take care of your needs first, and spending money on the fun things has to be part of a plan that you follow. Sometimes you can’t buy those jeans today – but you may be able to buy them next week or next month.

* First, you have to know what your goals are so you can be sure you’re planning for them. Next, it’s important to know the difference between a need and a want. And finally, you have to know how to create a plan and stick to it.”

**Experiential Activities**
One of the best ways to get teens excited about budgeting is to give them “real time” situations to practice what they’ve learned. Optional field trips for this unit may include a trip to the local grocery, business or retail stores when shopping for Club supplies.
Activities 1A and 1B: Setting Goals

Objective: Identify and share personal goals with others.
Identify steps necessary to achieve goals. Learn how solid financial footing can be a goal in itself and can affect other goals.

KEY MESSAGES:
- Goal-setting provides focus and helps you set priorities to make sure the most important things get achieved.
- Goals change over time and with new circumstances, so it is important to reevaluate goals on an ongoing basis.
- While having money may be a goal in itself, money can make other goals possible (such as owning a car or going to college), so it is important to always understand how money will impact reaching your goals.
- When developing goals, keep in mind that they are S.M.A.R.T. goals: Specific, Measurable, Attainable, Realistic and Timely.

Estimated Time: 45 minutes

Materials:
- Activity 1A
  - M&Ms, at least three bags
  - “Identifying Your Personal Goals” handout, one copy for each member (page 7)
- Activity 1B
  - “Take Action!” handout, one copy for each member (page 9)

Activity Overview:
SAY: “Goal-setting is an important building block for lifelong success. Setting goals helps you decide what you want in life, and gives you a timeline and a road map for achieving the results you desire.”

Activity 1A Instructions:
1. Divide members into smaller groups of four or five participants each.
2. Distribute the M&Ms so that each member has the four different colors of candy listed below.
3. Share with members that the M&Ms represent their goals. The color code for the goals are:
   - Brown – personal goals, like starting or excelling at a sport or hobby
   - Red – educational goals, like graduating from high school or attending college
   - Green – financial goals, like reaching a savings milestone or buying a house
   - Yellow – career goals, like working in a certain field or getting promoted
4. Have members refer to their “Identifying Your Personal Goals” handout.
5. Explain to members that short-term goals are one week to three months, medium-term goals are three months to three years and long-term goals are three to five years.
6. Have members complete their short-term, medium-term and long-term personal, educational, financial and career goals using the handout provided. Ask members to take turns within their groups, sharing their goals as represented by the different colors of M&Ms.

Activity 1B Instructions:
1. Once members have shared their goals, ask members to complete the “Take Action!” handout indicating steps they plan to take to achieve their goals.
2. Ask for volunteers to share their action steps for accomplishing their goals (personal, educational, financial and career) with the larger group.
3. After members have shared their goals, everyone may eat their M&Ms.

KEY TAKEAWAYS:
- Understanding your goals is important, but it’s also important to have a plan to reach them.
- Prioritizing can help you focus on achieving your most important goals.
- Money often helps you achieve your goals, so it’s important to outline any financial goals that will support other goals, and make sure you have a plan for reaching your financial goals.

Identifying Your Personal Goals

Name: ___________________________ Date: __________

Short-, medium- and long-term goals are very different, but all can be achievable. For example, if your career goal is to be a veterinarian, but you do not have any experience working with animals, a short-term goal might be to get a pet. A good medium-term goal would be to volunteer at an animal hospital, and a long-term goal would be to go to veterinary school.

SHORT-TERM GOALS (ONE WEEK TO THREE MONTHS)

Personal ___________________________
Educational _________________________
Financial __________________________
Career _____________________________

MEDIUM-TERM GOALS (THREE MONTHS TO THREE YEARS)

Personal ___________________________
Educational _________________________
Financial __________________________
Career _____________________________

LONG-TERM GOALS (THREE TO FIVE YEARS)

Personal ___________________________
Educational _________________________
Financial __________________________
Career _____________________________
A goal is something you want to accomplish or achieve. Goals act like a roadmap in guiding your actions and decisions that will help you achieve the goals you set. Why are goals worth having? Because goals:

- Help you achieve who you want to be (as a person and in a career)
- Boost your confidence
- Show what you value
- Encourage making sound decisions
- Improve your outlook on life
- Help you focus
- Help you feel satisfied with your decisions

To reach a goal, you must be willing to not only make plans, but also prioritize your plans and take action.

Write down each goal listed in the previous activity (short-, medium- and long-term goals), and then list two actions you can take that will help create the solid future you want:

**SHORT-TERM GOALS (ONE WEEK TO THREE MONTHS)**

Personal

1. 
2. 

Educational

1. 
2. 

Financial

1. 
2. 

Career

1. 
2.
MEDIUM-TERM GOALS (THREE MONTHS TO THREE YEARS)

Personal
1. 
2. 

Educational
1. 
2. 

Financial
1. 
2. 

Career
1. 
2. 

LONG-TERM GOALS (THREE TO FIVE YEARS)

Personal
1. 
2. 

Educational
1. 
2. 

Financial
1. 
2. 

Career
1. 
2. 

Objective: Examine the differences between wants and needs. Learning how to prioritize needs over wants will help teens save, have money for their goals and build an emergency fund. Build understanding that saving money by shopping for the best deal on "needs" provides extra money that can be put toward "wants."

KEY MESSAGES:
• Understanding the difference between wants and needs will help you make good decisions with money.
• Spending money on wants should be secondary to spending on needs and saving for goals – this is true despite societal pressure to spend on the latest electronics, clothes, etc.
• Making trade-offs/sacrifices now will pay off later and will help you have the money for the most important things.

Estimated Time: 75 – 90 minutes

Materials:
Activity 1C
• "Needs vs. Wants Scenario Cards" handout, two copies for the group (page 13)
• "Needs vs. Wants Worksheet" handout, two copies for the group (page 14)
• Pencils/pens
• Calculators

Activity 1D
• "Comparison Shopping Cards" handout, one copy for the group, individual cards cut out (page 15-18)
• "Comparison Shopping Checklist" handout, one copy for each member (page 19)
• "Comparison Shopping Answer Key," one copy for the facilitator (page 20)
• Pencils/pens

Activity Overview:
SAV: "In order to make good financial decisions, you must learn how to analyze the difference between wants and needs. This is especially hard for teenagers, as it’s easy to feel like you have to have the latest MP3 player or coolest shoes. But these aren’t real needs. These are just wants. Needs would include food, basic clothing, shelter, medical care, etc.

*Also, every time you need to make a purchase, you always have choices. Are those designer jeans really worth the extra price? Even at the grocery store, you have countless choices. Which is the better deal: $3.50 for 12 ounces of juice or $4.75 for 18 ounces? Knowing how to get the best deal can save you a lot of money in the long run, which will allow you to maximize your savings. The secret is learning how to calculate unit cost. $3.50 is less than $4.75, but that doesn’t tell you anything. Divide $3.50 by 12 and you get 29 cents per ounce. Divide $4.75 by 18 and you get 26 cents per ounce. The juice with the higher price tag is actually the better deal because 26 cents per ounce is less than 29."

Activity 1C Instructions:
1. Ask members what their current needs are. If they’re not sure what you mean, you can get them started: food, shelter, clothing, education, transportation to school, medical care. Now ask who pays for those things. For most members, their families cover the cost of basic needs like food, shelter and clothing. A member may say he bought his own shoes; you can ask if he didn’t buy that particular pair of shoes, would he have gone barefoot? If yes, then those shoes were a need. But if he wouldn’t have been barefoot without them, those shoes were a want.
2. Explain that after high school, things change. You still have those same basic needs – food, shelter, and so on, but there are additional needs that have to do with ongoing education or with career. And since members are eventually going to pay for their own expenses, it’s important to learn the difference between wants and needs. This understanding will ensure that members are able to provide for their needs in the future, while also being able to have money to purchase some of their wants. Remember, it is always important to take care of all your needs first, before you get to your wants.
3. Divide members into two groups, giving each group a “Needs vs. Wants Worksheet.”
4. Choose one of the scenarios provided for the groups to practice with. (There are three different scenario options provided).
5. Each group has five minutes to first pick the needs (ensuring that they have money for the most important things) and then their wants for that scenario, and then decide which ones can fit, given the budgetary constraints. They may want to use calculators or pen and paper, so make these available for members.
6. Ask a member from each group to present the choices they came up with and explain the reasoning behind those decisions. Ask them which choices were difficult and why.

7. Repeat the activity using the other scenarios.

8. Explain that spending wisely can help them have more money for both their needs and their wants.

Activity 1D Instructions:

1. Place the “Comparison Shopping Cards” at different stations around the room. Give each member a “Comparison Shopping Checklist” and a pen.

2. Ask members to move around the Club from station to station. At each station they will decide which is the better deal — Item A or Item B. After looking at the comparison cards, they should place a check next to their choice for each item.

3. When members have visited all the stations, everyone should regroup.

4. Using the “Comparison Shopping Answer Key,” read the correct answers out loud and have members grade their own papers.

5. Tell members how to score themselves using the answer key. For every item answered incorrectly, they should cross out the corresponding point value in the right-hand column. Then, using calculators, they should add up all the points they did score and write their total score. Ask members to share their scores.

6. Explain to members that making the smart shopping choice when it comes to a can of soda might not seem like it would have a huge impact on their financial future, but it actually does. Money saved on little purchases adds up quickly. And that's only 10 items. Apply this same attitude toward smart shopping to all of their purchases and they can end up saving thousands and thousands of dollars each and every year.

7. Finally, if time permits, you can explain how you determined the right answers, and where the number of points came from. The explanation is at the bottom of the “Comparison Shopping Answer Key.”

KEY TAKEAWAYS:

• Prioritizing expenses is the only way to make sure the most important things are covered first.

• The things teens want might seem important, but they need to be looked at in the context of short-term needs and reaching long-term goals.

• Spending decisions today absolutely affect your future financial stability, and the only way to build a solid financial future is to start making good decisions now.

Scenario 1: You are a recent high school graduate with a summer job who earns $1,200 per month. You’re living at home with your family over the summer, and you’re only going to be working for three months. In the fall you’ll be going off to college to study restaurant management. You’re hoping to one day own your own restaurant.

Scenario 2: You are a college student with a part-time job but because of your classes, you can only work enough shifts to earn $600 per month. Your room and board are already paid for with your financial aid package, so you don’t have to worry about those expenses. When college is over, you’re planning to apply to law school.

Scenario 3: You are a recent college graduate working as a lab assistant at a biotech firm. You earn $40,000 per year, which works out to be about $2,400 per month after taxes and deductions. You’re hoping to save up to buy a house in the next few years.

Needs vs. Wants Scenario Cards
Needs vs. Wants Worksheet

Name: __________________________________________ Date: ___________________

Needs vs. Wants: It’s important to determine which items are necessities and which are things you want but don’t need. Review and check the items on the list below and determine things you consider necessities and things you consider wants.

<table>
<thead>
<tr>
<th>NEED</th>
<th>MONTHLY EXPENSES</th>
<th>COST</th>
<th>WANT</th>
</tr>
</thead>
<tbody>
<tr>
<td>□</td>
<td>Rent</td>
<td>$400</td>
<td></td>
</tr>
<tr>
<td>□</td>
<td>Savings</td>
<td>10 percent</td>
<td></td>
</tr>
<tr>
<td>□</td>
<td>Groceries</td>
<td>$100</td>
<td></td>
</tr>
<tr>
<td>□</td>
<td>New Jeans</td>
<td>$75</td>
<td></td>
</tr>
<tr>
<td>□</td>
<td>Sunglasses</td>
<td>$25</td>
<td></td>
</tr>
<tr>
<td>□</td>
<td>Utility Bills</td>
<td>$150</td>
<td></td>
</tr>
<tr>
<td>□</td>
<td>Winter jacket</td>
<td>$100</td>
<td></td>
</tr>
<tr>
<td>□</td>
<td>Camera</td>
<td>$200</td>
<td></td>
</tr>
<tr>
<td>□</td>
<td>Car insurance and gasoline</td>
<td>$250</td>
<td></td>
</tr>
<tr>
<td>□</td>
<td>Cell phone</td>
<td>$80</td>
<td></td>
</tr>
<tr>
<td>□</td>
<td>Entertainment</td>
<td>$150</td>
<td></td>
</tr>
<tr>
<td>□</td>
<td>DVD</td>
<td>$20</td>
<td></td>
</tr>
<tr>
<td>□</td>
<td>Prescription glasses</td>
<td>$400</td>
<td></td>
</tr>
<tr>
<td>□</td>
<td>School supplies</td>
<td>$150</td>
<td></td>
</tr>
<tr>
<td>□</td>
<td>Car payment</td>
<td>$200</td>
<td></td>
</tr>
<tr>
<td>□</td>
<td>New shoes</td>
<td>$45</td>
<td></td>
</tr>
<tr>
<td>□</td>
<td>Public Transportation</td>
<td>$60</td>
<td></td>
</tr>
<tr>
<td>□</td>
<td>Unplanned Expense (car repairs, emergency medical care, trip to see sick relative, etc.)</td>
<td>$150</td>
<td></td>
</tr>
<tr>
<td>□</td>
<td>Saving for specific goal (starting a business, tuition, buying a house, etc.)</td>
<td>$175</td>
<td></td>
</tr>
<tr>
<td>□</td>
<td>Personal Supplies (shampoo, deodorant, etc.)</td>
<td>$30</td>
<td></td>
</tr>
</tbody>
</table>

Comparison Shopping Cards

**LEMONADE – A**
64 OUNCES $3.69

**LEMONADE – B**
13.5 OUNCES $1.99

**WHEAT BREAD – A**
18 OUNCES $3.39

**WHEAT BREAD – B**
24 OUNCES $3.99
Comparison Shopping Cards

**DOG TREATS**

- **A**
  - 10 OUNCES
  - $5.59

- **B**
  - 14 OUNCES
  - $8.99

**JUICE**

- **A**
  - 1 GLASS
  - $.75

- **B**
  - 12 GLASSES
  - $3.99

**PRETZELS**

- **A**
  - 5 OUNCES
  - $1.09

- **B**
  - 14 OUNCES
  - $4.99

**MP3 PLAYER**

- **A**
  - 8 GB
  - HOLDS 2000 SONGS
  - $124.99

- **B**
  - 6 GB
  - HOLDS 1500 SONGS
  - $79.99
Comparison Shopping Cards

**CELL PHONE – A**
- **TARGET USAGE:** 240 TEXTS AND 1,800 MINUTES
- PHONE – $49.99
- PLAN: UNLIMITED TEXT MESSAGES & 2,500 MINUTES/MONTH
- $59.99/MONTH
- *EXTRA MINS: $.11/MIN.

**CELL PHONE – B**
- **TARGET USAGE:** 240 TEXTS AND 1,800 MINUTES
- PHONE – FREE WITH 2 YEAR CONTRACT
- PLAN: 50 TEXT MSGS. & 750 MINS./MONTH
- $29.99/MONTH*
- *EXTRA TEXT MSGS: $.10/MSG.
- *EXTRA MINS: $.09/MIN.

Comparison Shopping Checklist

Name: ___________________________  Date: ________________

<table>
<thead>
<tr>
<th>ITEM</th>
<th>A</th>
<th>B</th>
<th>POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lemonade</td>
<td></td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>Wheat Bread</td>
<td></td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>Dog Treats</td>
<td></td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Juice</td>
<td></td>
<td>300</td>
<td></td>
</tr>
<tr>
<td>Pretzels</td>
<td></td>
<td>150</td>
<td></td>
</tr>
<tr>
<td>MP3 Player</td>
<td></td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Cell Phone</td>
<td></td>
<td>900</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL NUMBER OF POINTS SCORED:**
When everyone has finished, go around the room. Heat Bread. Tell Phone.

Something as simple as a bottle of juice can really end up costing 39 cents per ounce. If the store also sells a smaller bag for $0.99 for 2 ounces, you’d divide $0.99 by 2 to get 50 cents per ounce. Clearly the bigger bag is the better value in this case. This won’t always be true, of course; for example, you might be able to get a 20-pound jar of olives at a much lower unit cost than a small jar of olives, but will you really eat 20 pounds of olives? Make sure you’re buying the right quantities when you look at unit cost — sometimes you have to look beyond the price.

The cell phone is the really tricky one and you have to pay close attention to the whole contract details to choose the best plan. Let’s say you send and receive a total of 8 text messages each day, and you talk on the phone for about one hour each day. In one month, that adds up to 240 text messages and 1800 minutes. With the “more expensive” plan, you have to pay $49.99 for your phone, but then you have unlimited text messages and 2500 minutes, so you’ll just pay the normal monthly fee of $59.99 each month. At the end of the year, you’ll have spent a total of $769.87. With the seemingly cheaper plan, your phone is free, and you only pay $29.99 each month. But you’ll have gone over your number of text messages, and this will cost you an extra $19.00 each month. And you’ll have gone over the number of minutes, which will cost you an extra $94.50. You’ll end up spending $143.49 each month, or $1721.88 at the end of the year. That means in a year, you’ll have saved almost a thousand dollars by going with the first phone and plan.

How Points Are Awarded:
The points awarded for each right answer aren’t arbitrary. In fact, they represent, in dollars, roughly how much money you save each year if you get locked into a bad contract. Careful, and end up spending thousands of unnecessary dollars each year if you only buy one of these every few years, this doesn’t mean in a year, you’ll have saved almost a thousand dollars by going with the first phone and plan. The only “rule” is that they can’t go over their budget of $250. As long as their choices add up to $250 or less, they’ve mastered the power of staying within budget.

Call their attention to the last item on the budget – “Other” – if there are any other prom/dance-related expenses they’d like to make, they can write them in here.

When everyone has finished, go around the room and ask members to share which choices they made and why. Allow plenty of time for discussion among members about the pros and cons of each of these choices. Just be sure to remind everyone that there are no “right” answers.

How Points Are Awarded:
The points awarded for each right answer aren’t arbitrary. In fact, they represent, in dollars, roughly how much money you save each year if you get locked into a bad contract. Careful, and end up spending thousands of unnecessary dollars each year if you only buy one of these every few years, this doesn’t mean in a year, you’ll have saved almost a thousand dollars by going with the first phone and plan. The only “rule” is that they can’t go over their budget of $250. As long as their choices add up to $250 or less, they’ve mastered the power of staying within budget.

Call their attention to the last item on the budget – “Other” – if there are any other prom/dance-related expenses they’d like to make, they can write them in here.

When everyone has finished, go around the room and ask members to share which choices they made and why. Allow plenty of time for discussion among members about the pros and cons of each of these choices. Just be sure to remind everyone that there are no “right” answers.
### Prom/School Dance Budget Worksheet

Instructions: For each type of purchase, select ONE of the available options and then write the cost of your choice in the "Cost" column. Add up the total cost of your selections. Are you under budget?

<table>
<thead>
<tr>
<th>ITEM</th>
<th>COST</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROM/DANCE TICKETS</strong></td>
<td></td>
</tr>
<tr>
<td>2 Tickets - $100</td>
<td></td>
</tr>
<tr>
<td>Share the ticket cost with your date - $50</td>
<td></td>
</tr>
<tr>
<td>Fundraise for your tickets - $0</td>
<td></td>
</tr>
<tr>
<td><strong>CLOTHING</strong></td>
<td></td>
</tr>
<tr>
<td>Buy a new outfit - $150</td>
<td></td>
</tr>
<tr>
<td>Rent a tuxedo/dress - $75</td>
<td></td>
</tr>
<tr>
<td>Buy a secondhand outfit - $30</td>
<td></td>
</tr>
<tr>
<td>Wear something fabulous from your closet - $0</td>
<td></td>
</tr>
<tr>
<td><strong>TRANSPORTATION</strong></td>
<td></td>
</tr>
<tr>
<td>Rent a limo - $150</td>
<td></td>
</tr>
<tr>
<td>Use your own car or borrow a car - $5 (gas)</td>
<td></td>
</tr>
<tr>
<td>Take a taxi - $50</td>
<td></td>
</tr>
<tr>
<td>Have family or friends drive you - $0</td>
<td></td>
</tr>
<tr>
<td><strong>GIFT</strong></td>
<td></td>
</tr>
<tr>
<td>Get your date an amazing - $100</td>
<td></td>
</tr>
<tr>
<td>Get your date a big bouquet of flowers or another great gift - $50</td>
<td></td>
</tr>
<tr>
<td>Get your date a framed photo - $30</td>
<td></td>
</tr>
<tr>
<td>Make your date a card or collage - $5</td>
<td></td>
</tr>
<tr>
<td><strong>DINNER</strong></td>
<td></td>
</tr>
<tr>
<td>Take your date out to a fancy dinner first - $80</td>
<td></td>
</tr>
<tr>
<td>Take your date out to a less-fancy dinner - $35</td>
<td></td>
</tr>
<tr>
<td>Make your date dinner - $15</td>
<td></td>
</tr>
<tr>
<td>Split the cost of a fancy dinner with your date - $40</td>
<td></td>
</tr>
<tr>
<td><strong>PICTURES</strong></td>
<td></td>
</tr>
<tr>
<td>Buy a digital camera - $50</td>
<td></td>
</tr>
<tr>
<td>Buy a disposable camera and have the pictures developed - $15</td>
<td></td>
</tr>
<tr>
<td>Use your cell phone camera and print out the pictures - $5</td>
<td></td>
</tr>
<tr>
<td><strong>AFTER PARTY</strong></td>
<td></td>
</tr>
<tr>
<td>Take your date out for late night meal - $50</td>
<td></td>
</tr>
<tr>
<td>Take your date out for ice cream - $10</td>
<td></td>
</tr>
<tr>
<td>Get a couple of donuts - $3</td>
<td></td>
</tr>
<tr>
<td><strong>OTHER</strong></td>
<td></td>
</tr>
<tr>
<td>Any additional expenses you’d like to make:</td>
<td></td>
</tr>
<tr>
<td>- $____</td>
<td></td>
</tr>
<tr>
<td>- $____</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL SPENT:</strong></td>
<td></td>
</tr>
<tr>
<td>Must be $250 or less!</td>
<td></td>
</tr>
</tbody>
</table>
INTRODUCTION

Use the following dialogue to introduce youth to Unit 2: Saving and Investing: Put Your Money to Work.

SAY: “Okay, you’ve learned how to set goals and create a budget. You’ve learned how to tell the difference between something that you need, like a roof over your head and food, and something you just really want, like tickets to a concert. Now it’s time to start saving and investing some of that money so you can realize some of your bigger, longer-term goals. If you blow all your money every time you get a paycheck on downloads or clothes, how will you ever get a car, or take an awesome trip, go to college or get a nicer apartment? When you’re older, what if your company goes out of business and you lose your job – will you have saved enough money to keep paying your bills until you find another job? And retirement may seem like a LONG way away, but would you want to work until the day you die? Or would you rather put money away every time you get paid so you can retire when you’re younger and enjoy other things in life? You can make it happen if you save money each paycheck, and you invest some of it for a longer period of time to get the most from your savings, through stocks, bonds and mutual funds. The earlier you start, the sooner you can achieve your financial goals.”

Experiential Activities

Extending the learning experiences beyond the Club through field trips can offer opportunities for teens that they may never otherwise have. An opportunity to talk with experts in a local financial professional’s office can be beneficial. Suggested field trips for this unit include trips to financial institutions, like Charles Schwab, the local credit union, a bank, a brokerage firm, regional Federal Reserve Bank or Office of the U.S. Treasury.
Activity 2A: THE POWER OF SAVING

Objective: Understand the differences among savings accounts.

KEY MESSAGES:
- Savings provides a cushion for everyday expenses, a means to reach goals in life and a way to ensure there is money for unforeseen expenses and emergencies.
- Compound interest on savings can cause those savings to increase dramatically over time.
- Starting to save early in life will give you a significant advantage.
- Saving a small amount earlier in life is better than saving the same amount years later, thanks to compound interest.
- Financial institutions provide a safe place to keep money and can pay interest to help savings grow over time.

Estimated Time: 60 – 75 minutes

Materials:
- “What Should I Buy?” handout, one copy for each member (page 27)
- Whiteboard or newspaper
- Markers

Activity Overview: Keeping money in the bank does more than earn interest. It also gives you peace of mind. If money disappears from your house due to loss, theft or fire, it’s gone forever. But in a bank, your money is safe and you can make money off of your money. In fact, the Federal Deposit Insurance Corporation (FDIC) insures each depositor at least $250,000 per insured bank as of this printing. This means that if the bank fails and no longer has any money, the FDIC will give you the money that was in your account at that bank, even though the bank itself cannot. This is similar to other types of insurance, like car insurance, where if something happens to your car (if it gets stolen or damaged in an accident) the insurer will pay you the current value of that car.

The concept of compound interest is this: When you put your money in an account where it earns compound interest, at the end of the first year, that account will have the money you put in, plus the interest you earned that year. If, for example, you put $100 into a savings account at 5 percent interest, at the end of the year the account balance would be $105. The next year you earn interest on the money you put in, but you also earn interest on all the interest you earned that first year. So now, according to our example, in the second year you earn 5 percent interest on $105, which gives you an ending balance that year of $110.25. That 25 cents is the interest that you earned on the five dollars interest you earned the first year.

Activity Instructions:
1. Explain to members the difference between banks and credit unions. Both offer many of the same products and services like savings accounts, checking accounts, student accounts, ATM/debit cards, credit cards and loans. Because both of these institutions are insured, they are the best place to keep your money. The biggest difference between banks and credit unions is that credit unions are nonprofits owned by the people who belong to them as members. However, the main obstacle for joining a credit union is that credit unions typically have fewer ATMs and branches and can lack variety in investment products and services.

NOTE: Check-cashing and payday loan services aren’t banks at all. Cash checking fees average 2.5 percent of the amount of the check and payday loan services usually charge a minimum of $15 fee for every $100 of the amount you need. If you have a $500 paycheck, they will charge you about $75 to cash it. Instead of earning interest on your money in a savings account, you actually lose money. Therefore, avoid check cashing and payday loan services completely!

2. Explain that banks and credit unions offer different types of accounts to keep your money:
- **Regular Savings** accounts keep your money safe and readily available. You can usually make withdrawals without being charged a fee or penalty (but always check with your bank first). Generally, regular savings accounts pay low rates of interest. Bank savings deposits are insured by the FDIC up to $250,000 per depositor per bank.
- **Certificates of Deposit** (CDs) offer a higher interest rate than a regular savings account. You deposit a certain amount of money that you agree to keep on deposit for a specified period of time. You will pay a penalty if you take your money out before the agreed date. Bank CDs are insured by the FDIC, and credit union CDs are insured by NCUA up to $250,000.
- **Money Market savings accounts** have no requirements for length of time on deposit and generally pay higher interest than regular savings. They are similar to bank CDs, but some money market accounts are not FDIC insured (always check with your bank).
- **Typically, money market accounts require a minimum balance of $1,000 or more.** You may also be limited on the number of withdrawals you can make from your money market account in a certain period.
- **Individual Retirement Accounts** (IRAs) are considered long-term investment accounts for retirement. Deposits to some IRAs can be made pre-tax, and IRAs grow on a tax-deferred basis (which means that you don’t have to pay taxes on the earnings until you take the money out). Some IRAs allow withdrawals for college expenses or a down payment on a first home. There are different types of IRAs, so check with your financial institution about what’s available.
- **Roth Individual Retirement Accounts** are great investment tools for someone who is young and working, even at a part-time job. Roth IRAs have a maximum contribution of $2,000 per year, which is made on an after-tax basis. The money, however, grows tax-deferred, which means that the contributor never has to pay taxes on it when they withdraw the funds for retirement.

3. Divide members into three groups. Explain that each one of them has just been hired for a great job. They’re all now taking home $3,000 a month in net pay. But the three groups have different savings strategies.

Group 1: “Seize the Day” – They don’t save anything.

Group 2: “Save When I’m Older” – They’ll save the fun now, and start saving in five years.

Group 3: “Smart Savers” – They save from day one of their jobs.

4. Explain that everyone is living on almost the same budget. There’s $100 set aside in the budget each month for “fun money” – you can do whatever you want with it. But the first two groups, since they’re not going to put 10 percent of the $3,000 into savings, they have an extra $300 of fun money to spend each month. Meanwhile, the “Smart Savers” only have $100 in fun money, but they’re putting $300 into a savings account with compound interest at an interest rate of 3 percent.

5. Say to Group 1: “OK, you just finished your first month on the job. You have paid all your bills and now you have $100 set aside to have fun with. Plus, since you’re not going to put 10 percent of your salary into savings, you have an extra $300 to have fun with, so, you’ve got $400 to spend on anything you want. What would you like to buy or do?” Members can use the “What Should I Buy?” handout to help them with their choices.

On the whiteboard, under “Seize the Day” list the group’s choice. It can be clothes, travel, dining, anything as long as it can reasonably be bought for $400.

6. Say to Group 2: “OK, you’re in the same boat. You’re not going to start saving for another five years, so you also have $400 to spend on whatever you want, since all your monthly expenses are already paid.” Members can use the “What Should I Buy?” handout to help them with their choices.

On the whiteboard, under “Save When I’m Older,” list their choices.

7. Say to Group 3: “OK, you’ve put 10 percent of your salary in savings, so you only have $100 to spend. What would you like?” Members can use the “What Should I Buy?” handout to help them with their choices.
On the whiteboard, under “Smart Savers,” list their choices, as long as it’s reasonably under $100.

8. Now tell members that you’re all jumping ahead five years. Go back and repeat the same exercise, except now Group 2 only gets to spend $100 a month, same as Group 3, since they’re going to start putting $300 per month in the same savings account as the “Smart Savers.” Play again, listing their choices on the whiteboard. Ask members in Group 2 how they feel now that they’re only having $100 each month to play with instead of $400.

9. Finally, tell everyone you’re now going to jump ahead another five years. Everyone is now 10 years older than they are right now. On the whiteboard, over Group 2, write: $19,394.01. Tell Group 2 that by putting away $300 per month, which is $3,600 per year, in an account with 3 percent compound interest, they managed to save nearly $20,000. Ask them what they’d like to buy with that money.

Then, over Group 3, write $42,027, explaining that thanks to compounding interest, they have saved up over $40,000 in the past 10 years. What would they like to get?

Finally, write $0 over Group 1.

10. Lead a discussion with members to find out how they feel about their savings and their “fun money.” Ask the members in Group 1 if all those things they spent their extra $300 a month on were worth it, if they knew that when they got to be in their mid-to-late twenties, they’d have nothing saved. Ask Group 3 if they were happy enough with $100 a month to spend, knowing that when they got to be in their mid-to-late twenties they’d already have enough money in savings to buy a car, pay off student loans, or to use as seed money to start a business, etc.

**KEY TAKEAWAYS:**

- Delayed gratification or personal sacrifice yields greater savings results.
- It is extremely important to save and to start saving early in life.
- Putting money in a financial institution provides many benefits – the opportunity to save money, accrue interest and keep your money secure.
### Activity 2B: Balancing a Checkbook and Tracking Your Account

**Objective:** Learning how to write a check and balance a checkbook, read and understand a bank statement, and manage a checking account online.

**Activity Overview:** Say: "When you open a checking account, you’ll get a book of checks and also a check register, a blank form for recording all of your transactions. Even if you do all your banking online — moving money from your checking account to your savings account, paying bills electronically and so forth, you need to keep a record of all your transactions. If you don’t keep a good record, you could spend money by writing a check or pulling money out of your account by ATM without actually having enough money in your bank account. When that happens, the bank charges you a fee, called an overdraft fee. Some banks charge as much as $38 every single time you go over the amount of money you actually have in your account, even if you only go over by one penny or one dollar. If this happens a lot, you can hurt your credit score, which means that later on you might not be able to get a car loan, a house loan, or privately funded student loans. To avoid ever paying overdraft fees, you must contact your bank to opt out of overdraft fees from ATM and debit card transactions, but if you do this, understand transactions may be denied if you are spending more than your current balance. To protect your credit score, it’s critical to get in the habit of always recording every transaction in this register.

- When you deposit money in your account — write it in the register.
- When you take out money from an ATM — write it in the register.
- When you use your debit card to make a purchase — write it in the register.
- When you write a check — record this in the register.
- When you get your statement, make sure you add any fees charged by the bank to your check register.*

**Activity Instructions:**

1. Go over the “Blank Check” handout with members, then ask them to fill out the blank check on their handout, in pen (not pencil!), to pay the monthly gas bill.
2. Check members’ work to make sure they’ve filled everything out correctly.
3. Next, go over the “Check Register” handout. Explain to members that every time they write a check, use their ATM card or use their debit card they need to record that information in their check register or confirm that the deduction or credit is made and when it appears on your online account.

**Materials:**

- “Blank Check” handout, one copy for each member (page 31)
- “Check Register” handout, one copy for each member (page 32)
- “Sample Bank Statement” handout, one copy for each member (page 33)
- Pencils/pens
- Optional: Computer with Internet access to show an online banking demonstration

### Materials:

<table>
<thead>
<tr>
<th>NOW</th>
<th>5 YEARS FROM NOW</th>
<th>ACCUMULATED SAVINGS 10 YEARS FROM NOW</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GROUP 1</strong></td>
<td><strong>GROUP 1</strong></td>
<td><strong>GROUP 1</strong></td>
</tr>
<tr>
<td>Seize the Day – $400</td>
<td>Seize the Day – $400</td>
<td>Seize the Day – $0</td>
</tr>
<tr>
<td>New shoes</td>
<td>Weekend vacation</td>
<td>New car</td>
</tr>
<tr>
<td>Dining out (upscale)</td>
<td>Hair cut</td>
<td>New car</td>
</tr>
<tr>
<td>Concert ticket</td>
<td>Movie ticket</td>
<td>Furniture</td>
</tr>
<tr>
<td>Dining out (casual)</td>
<td>Birthday gifts</td>
<td>Hair cut</td>
</tr>
<tr>
<td>Five CDs</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GROUP 2</strong></td>
<td><strong>GROUP 2</strong></td>
<td><strong>GROUP 2</strong></td>
</tr>
<tr>
<td>Save When I’m Older – $400</td>
<td>Save When I’m Older – $100</td>
<td>Save When I’m Older – Almost $20,000</td>
</tr>
<tr>
<td>Cell phone</td>
<td>Concert ticket</td>
<td>New car</td>
</tr>
<tr>
<td>Cell phone plan</td>
<td>Dining out (casual)</td>
<td></td>
</tr>
<tr>
<td>Concert ticket</td>
<td>Hair cut</td>
<td></td>
</tr>
<tr>
<td>Some new clothes</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GROUP 3</strong></td>
<td><strong>GROUP 3</strong></td>
<td><strong>GROUP 3</strong></td>
</tr>
<tr>
<td>Smart Savers – $100</td>
<td>Smart Savers – $100</td>
<td>Smart Savers – over $40,000</td>
</tr>
<tr>
<td>3 Movie tickets</td>
<td>Business clothes for work</td>
<td>Down payment on house</td>
</tr>
<tr>
<td>Dining out (casual)</td>
<td></td>
<td>New car</td>
</tr>
<tr>
<td>2 DVDs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

*Money Matters: Make it Count™ | Facilitator’s Guide | UNIT 2: SAVING AND INVESTING: PUT YOUR MONEY TO WORK*
When a deposit has been made by visiting their online bank statement. When they open a checking account, the bank will give them a check register and instructions on how to access their account information online.

4. Tell members to enter the expenses listed on the handout into the check register.

5. Explain that an important part of smart money management is keeping track of all the money you earn and spend. At the end of each month, the bank will send you a bank statement listing all the money you’ve deposited into your account, and all the money you’ve spent. Use the “Sample Bank Statement” to show members how to reconcile or balance their checkbook by making sure that the bank statement matches their online bank statement and their check register exactly. This is called balancing your checkbook. Members should list the items that do not match the entries in their check register. Ask for volunteers to share what the items are.

Answers: Savings deposit, Kim’s Sandwich Shop, gas for car and cash withdrawal

6. If your bank has a “dummy” online checking account that they let people access for training purposes, walk members through the process of setting up a password and accessing the account. Explain to them that it can sometimes take several days for checks or ATM withdrawals to be processed and that’s why it’s still critically important to keep a check register and not rely on what’s on the screen.

__KEY TAKEAWAYS:

- Balancing your checkbook helps to keep track of all your account activity
- Balancing your checkbook is an important part of smart money management and helps to catch any errors on your account.
Money Matters: Make it CountSM | Facilitator’s Guide | UNIT 2: SAVING AND INVESTING: PUT YOUR MONEY TO WORK

**ACTIVITY: BALANCING ACT**

Tracking What You Spend

Congratulations! You’ve worked at your job for two weeks and have earned $500, which was just placed in your account. Now you can pay your bills and make a few purchases. Choose some purchases from the items listed below. As you make each purchase, record the expense in the check register on the next page. After your record each expense, remember to put your new total in.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Kicks</td>
<td>$80</td>
</tr>
<tr>
<td>Video Game</td>
<td>$60</td>
</tr>
<tr>
<td>Phone Bill</td>
<td>$50</td>
</tr>
<tr>
<td>New Jacket</td>
<td>$65</td>
</tr>
<tr>
<td>Car Payment</td>
<td>$200</td>
</tr>
<tr>
<td>Go to the Movies</td>
<td>$10</td>
</tr>
<tr>
<td>Go Out to Eat</td>
<td>$10</td>
</tr>
<tr>
<td>Music Download</td>
<td>$10</td>
</tr>
</tbody>
</table>

**Check Register**

<table>
<thead>
<tr>
<th>Transaction Type/Check No</th>
<th>Date Posted</th>
<th>Amount</th>
<th>Description</th>
<th>Payment/Deposit (L/C)</th>
<th>Deposit/Withdrawal (L/C)</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>12-01</td>
<td>$50</td>
<td>Sunglasses</td>
<td>$20.00</td>
<td>$300.00</td>
<td>$300.00</td>
</tr>
<tr>
<td>2</td>
<td>12-01</td>
<td>$20</td>
<td>Sunglasses</td>
<td>$20.00</td>
<td>$20.00</td>
<td>$20.00</td>
</tr>
<tr>
<td>3</td>
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<tr>
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<td>Sunglasses</td>
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<td>$10.00</td>
</tr>
</tbody>
</table>

**Sample Bank Statement**

**ABC BANK**

P.O. BOX 123
ANYWHERE LAND, BB
ACCOUNT NUMBER – 12345678910

**STATEMENT PERIOD**

DEC. 01 – DEC. 31

JANE DOE
456 BE GREAT DRIVE
POSITIVE PLACE, NY 78910-10

**ACCOUNT SUMMARY**

- ACCOUNT NUMBER: 12345678910
- BEGINNING BALANCE: $500
- Deposits: $50
- Withdrawals: $465.86
- ENDING BALANCE: $84.14

**CHECKING ACCOUNT DEPOSITS AND WITHDRAWALS**

<table>
<thead>
<tr>
<th>Date Posted</th>
<th>Amount</th>
<th>Resulting Balance</th>
<th>Transactions/Item</th>
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</tr>
<tr>
<td>12-01</td>
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<td>$530</td>
<td>Sunglasses</td>
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<tr>
<td>12-01</td>
<td>$65</td>
<td>$465</td>
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<tr>
<td>12-02</td>
<td>$60</td>
<td>$405</td>
<td>Video Game</td>
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<tr>
<td>12-03</td>
<td>$10</td>
<td>$395</td>
<td>Dee’s Food-on-the-Go!</td>
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<tr>
<td>12-04</td>
<td>$200</td>
<td>$195</td>
<td>Car Payment</td>
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<tr>
<td>12-05</td>
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<td>12-06</td>
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<td>12-07</td>
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<td>12-08</td>
<td>$10</td>
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<td>Music Download</td>
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<td>12-09</td>
<td>$10</td>
<td>$109.50</td>
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<tr>
<td>12-10</td>
<td>$25.36</td>
<td>$84.14</td>
<td>Gas for Car</td>
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</table>

Total Deductions: $465.86
Statement Balance: $84.14
Objective: Members will learn basic investing concepts.

Key Messages:
- Many people shy away from investing simply because the terminology used can be challenging; learning some financial vocabulary is a great way to empower yourself.
- There are many myths surrounding investments; it’s important to be able to separate truth from fiction.

Estimated Time: 60 minutes

Materials:
- “Smart Investing Game Cards” handout, two copies for the group, individual cards cut out (page 35-44)
- “Smart Investing Game Cards Answer Key,” one copy for the facilitator (page 45)

Activity Overview:
SAY: “There are two reasons why many people shy away from investing their money in ways that will be the most helpful – and these reasons are actually very easy to overcome. One of them is vocabulary. When you first start to earn money and are trying to decide what to do with it, it can be really disorienting to hear words like “yield,” “APR,” “money market fund,” and so on. We tend to steer clear of things we don’t understand. So it’s very important to learn the basic vocabulary of financial management in order to empower you to make informed decisions – and not just the easiest and most familiar ones. The other reason is that everyone seems to have an opinion about investing, and so there are a lot of myths surrounding this topic. Today we’re going to take a look at some of these myths and see if you can separate truth from fiction.”

Activity Instructions:
1. Prepare the “Smart Investing Game Cards” in advance by photocopying two copies of each of them to make two identical sets of cards.
2. Divide members into two groups. Give one set of cards to each group.
3. Ask the groups to go through each card. Tell members that each group needs to reach a decision together whether the statement on the card is a Fact or a Myth.
4. Ask a representative of each group to announce which way their group voted.
5. Using the answer key provided, read the correct answer aloud.
6. Repeat this same process with the remaining cards, if time permits.

Card 1:
The “NASDAQ” is one of the largest primary stock markets in the United States.

Myth or Fact: If you wish to purchase stock in a company listed on the NASDAQ, you’ll need to have saved up plenty of cash, as the minimum purchase is 100 shares of stock.

Card 2:
“Money Market” savings accounts have no requirements for the length of time you need to keep your money on deposit and usually pay higher interest than a regular savings account.

Myth or Fact: Because a Money Market savings account pays higher interest than most savings accounts, you should deposit your money in a Money Market account.
Card 3:

“Interest” is what you earn by saving money in a bank, credit union or other financial institution.

**Myth or Fact:** Compound interest means that not only do you earn interest on your initial deposit, but you also earn interest on your interest. So if you put even $1 in an interest-bearing savings account, that amount will keep growing and growing each and every year.

Card 4:

A “Mutual Fund” is a type of investment that may be managed by a professional manager and may have lower risks than other types of investments.

**Myth or Fact:** A broad-based Mutual Fund gives you an instantly diversified investment portfolio, meaning that by buying in to a broad-based mutual fund, you’re automatically spreading out your money over a wide range of different companies and/or types of investments.

Card 5:

“Net Income” is what you have left to spend or save after your employer has taken out all deductions.

**Myth or Fact:** For people who pay very little in taxes, or who get a tax refund, net income will sometimes be greater than gross income.

Card 6:

The term “APR” refers to the interest rate on a loan with any annual fees added in. It stands for “Annual Percentage Rate.”

**Myth or Fact:** If the APR on a credit card is 18 percent, and you buy an MP3 player for $100, at the end of one month you will owe the credit card company $100 + 18 percent of $100, for a total of $118.00.
Card 7:

Banks and credit unions are safe financial institutions.

**Myth or Fact:** Putting money in the bank can be risky during rough economic times, because a bank, like any other business, can go bankrupt, which means you lose all your money.

Card 9:

The term “dividend” refers to the portion of profits a company pays its stockholders.

**Myth or Fact:** Investing in companies that pay dividends is a good way to increase your annual income.

Card 8:

A “ticker symbol” is the unique symbol that represents a specific company on a stock exchange.

**Myth or Fact:** To find the ticker symbol of a company, just use the first three or four letters of the company’s name.

Card 10:

An “overdraft charge” is a penalty you pay for spending more than the available balance in your account.

**Myth or Fact:** At many banks, you can connect a savings account to a checking account in order to prevent overdraft charges; that way, if you accidentally write a check for more than the balance in your checking account, the bank will automatically transfer the needed funds from the linked savings account. You can also opt out of paying overdraft fees, but realize that a check or transaction will be denied if you overdraw.
Card 11:

Stock “shares” represent ownership in a corporation.

**Myth or Fact:** You can only buy shares in a public corporation that trades on one of the stock markets.

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Card 13:

“Direct deposit” is a service where your paycheck is electronically deposited to your checking account.

**Myth or Fact:** Many banks will give you free services and bonuses if you sign up for direct deposit.

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Card 12:

An “index fund” is a portfolio of stocks that attempt to mimic the performance of a specific index, such as the S&P 500 Index or the Wilshire 5000 Index.

**Myth or Fact:** An index fund is a type of mutual fund that can be a good way to diversify your investments.

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Card 14:

A “certificate of deposit” is a type of account that allows you to earn more interest than a regular savings account and is guaranteed, as long as you keep your money in the account for a set amount of time.

**Myth or Fact:** If you put money in a two-year certificate of deposit and then decide you need the money sooner, you will not be able to access your money until those two years have passed.
Card 15:

Your “credit history” is a record that is created as you begin to earn an income, acquire bills or borrow money.

**Myth or Fact:** Your credit report includes past addresses where you’ve lived, a list of your employers and records of bankruptcy or foreclosure, in addition to showing how much money you have borrowed, and whether or not you’ve paid it back on time.

Card 17:

A “W-4” is a form that indicates the amount of taxes the government will take out of your paycheck.

**Myth or Fact:** On your W-4 you can decide how much the government gets to take out of your paycheck for taxes.

Card 16:

The term “yield” refers to the rate of return on a stockholder’s investment.

**Myth or Fact:** Yield is the most important thing to look at when choosing an investment.

Card 18:

A “W-2” form is a record that shows your earned income plus the deductions withheld from your paycheck during the previous year.

**Myth or Fact:** Everyone who works will receive a W-2 each year that they must file with their taxes.
Card 19:
A “grace period” is the period of time given before a lender starts charging you interest or imposing late fees or penalties.

Myth or Fact: If your credit card monthly payment is due on the 1st of each month, but they give you a five day grace period, and you always pay your bill on the 4th of the month, this will reflect poorly on your credit history.

Card 20:
The term “balance” refers to the total amount or remainder in an account.

Myth or Fact: To earn interest in a savings account, you must maintain a minimum balance.
Money Matters: Make it CountSM | Facilitator’s Guide

UNIT 2: SAVING AND INVESTING: PUT YOUR MONEY TO WORK

Activity 2D: ALL ABOUT INVESTING

Objective: Members will learn basic investing concepts and the importance of diversifying investments.

KEY MESSAGES:

- The stock market, money market accounts, bonds, mutual funds and certificates of deposit are all forms of investment. Of the many different ways to invest your money, some have a higher risk but a potential for greater reward, and some have a lower risk with a smaller reward.
- Investing money in different types of assets can help protect your money while still yielding a return on your investment.
- Broad-based mutual funds provide a way to invest in a diversified mix of stocks, bonds or both. You can think of them as a “one stop shop” to diversify your investments, but you have to pick which ones are right for you.

Estimated Time: 60 minutes

Materials:
- “Report 1” handout, three copies for the group
- “Report 2” handout, three copies for the group
- “Report 3” handout, three copies for the group
- Objects with well-known logos, such as sneakers, soda cans, hats, etc.

Activity Overview:
Say: “A savings account, CD or money market account are just a few ways to get your money to work for you. Money in the bank earns interest. Another way to get your money to work for you is through long-term investments. When you invest your money to get more money through earning interest or buying and selling assets that increase in value over time. Something you may hear a lot about when you start investing is ‘diversification.’

Your ‘investment portfolio’ is the collection of all your individual investments — all the types of investments you’ve chosen for your money. Your portfolio could include cash, stocks, bonds, savings accounts, real estate and other types of assets (anything you own that can be sold for money).

Diversifying your portfolio means investing in a mixture of different things. This allows you to lower risk by spreading money across different investments. Think about it like this: If you were picking players for a basketball team, you might think that you want players who are good at scoring. But if you only pick players who are good at scoring, then your team might score a lot of points but they’ll also give up a lot of points to the other team by not having good defensive players. To give your team a better chance at winning the game, you need a mix of players who are good at offense and defense. This same principle applies to your investments.

“When you buy a share of stock in a company, you become part owner of that company. Stocks are really good offensive players in your portfolio. When there is a bull market, meaning that the stock market is going up, stocks can earn money. But when there is a bear market and the stock market goes down, they lose money too.

“When you buy a bond you loan money to a company (corporate bonds), a state (municipal bonds) or the government (federal bonds) and it’s like an IOU. The company or government (or bond issuer) selling the bond promises to pay you back by a certain date and includes a specific rate of interest as part of its payment. Generally speaking, bonds are less risky than stocks.

“A mutual fund can include a mix of stocks, bonds, cash and/or other investments. These are created by financial institutions and purchased much like stocks. Broadbased mutual funds allow small investors to get diversified portfolios without having to invest a lot of money at once. For instance, a stock mutual fund might be comprised of hundreds of stocks to provide diversification – something that would be very difficult for the individual investor to do on their own.

“While it’s always smart to invest a portion of your money for the long term, it’s also important to have some money that you can access right away – for example, in the case of an emergency.”

Activity Instructions:
1. Display several pictures of different, easily recognizable company logos and ask the students to identify the companies associated with the logos. These logos can be from products such as a phone/NP3 player or from newspaper/ magazine ads. Then ask if the students would like to own any one of these companies. Tell them it is possible to own companies through buying stock.
2. Tell the teens that most investment portfolios contain stocks, bonds and/or cash.

<table>
<thead>
<tr>
<th>Stocks</th>
<th>Highest risk but highest potential for your investment to appreciate or go up over time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>Generally lower risk and more predictable, yet lower returns than stocks</td>
</tr>
<tr>
<td>Cash</td>
<td>Lowest risk – you’re guaranteed to get your money back up to the FDIC limit, but also the lowest returns</td>
</tr>
</tbody>
</table>

3. Divide teens into three groups and assign each one of the three portfolios to “invest” $10,000 over a 20-year period.

- **Portfolio 1**
  - Four high-growth stocks
  - $10,000 in stocks – Circuit City, Microsoft, Motorola, Sony

- **Portfolio 2**
  - 75 percent “mutual fund” or mixture of 20 stocks
  - 15 percent bonds and
  - 10 percent cash in a savings account

- **Portfolio 3**
  - All cash in a savings account

4. Once they are assigned a portfolio, the teens will see how their portfolio performs over a 20-year period. This guide has three reports that detail how the portfolios are valued at three points in time: Report 1 shows all three portfolios on January 2, 1990; Report 2 shows how all portfolios are valued on January 3, 2000; and Report 3 shows how all the portfolios are valued on January 4, 2010. After handing out each report to the teams, the facilitator will lead a discussion about what the teens think about their portfolio and why (see discussions below).

**Distribute Report 1** *(The value of each portfolio at this point in time is presented on Report 1)*

**Initial portfolio purchases made for $10,000 on January 2, 1990**

**Portfolio 1:** $10,000 in stocks – Circuit City, Microsoft, Motorola, Sony

*You love all things electronic and think technology is the wave of the future, so you bet on a few of the manufacturers, software makers and retailers in the industry.*

**Portfolio 2:** $7,500 in 20 stocks – Charles Schwab, GAP, Microsoft, Coke, Johnson & Johnson, Chase (which later turned into JP Morgan Chase), Exxon, Walmart, AT&T, Ross Stores, 3M, Proctor and Gamble, Boeing, Hewlett Packard, Walt Disney, Caterpillar, Intel, Best Buy, General Electric and Walgreens.

*You’re a bit worried about the risk of the stock market, so you’re sticking with cash.*

**Portfolio 3:** $10,000 in cash savings account

*You’re sticking with cash.*

**Discussion 1**

Ask the teens what they think about their portfolio and the pros and cons as compared to the other two portfolios. Are they happy with their portfolio? Why or why not? *(Discussion might include: Teens might like the stocks in their portfolio because they are brands they know, they may think diversification is good or they may think savings are safe. They may think the other portfolios will make more or less money than theirs will.)*

**Distribute Report 2** *(The value of each portfolio at this point in time is presented on Report 2)*

**Check-in point 10 years later on January 3, 2000**

*SW: “In the late 1990s the United States and other countries around the world experienced significant growth in the economy overall and particularly in the technology sector. Despite positive economic indicators at the beginning of 2000, there were concerns about how long economy could keep growing.”*

**Discussion 2**

Are they happy with their portfolio’s performance? Why or why not? Are there two portfolios with stock – did they perform exactly the same? Why do you think they performed differently? Would the teens keep the same portfolio for the next 10 years or would they prefer to have a different portfolio? Why or why not? If they had the opportunity to sell (which they don’t) at this point in time would they? If yes, where would they put their money?

**Distribute Report 3** *(The value of each portfolio at this time is presented on Report 3)*

**Check-in point 20 years on January 4, 2010**

*SW: “There was a large, global economic downturn that started in 2007. During this time, a lot of businesses had problems staying afloat and many company stocks lost significant value. While many people thought the economy would improve in 2010, others thought it might take many years before economies around the world were strong again.”*

**Discussion 3**

Are they happy with their portfolio’s performance? Why or why not? Are there two portfolios with stock – did they perform exactly the same? Why do you think they performed differently? Would the teens keep the same portfolio for the next 10 years or would they prefer to have a different portfolio? Why or why not? If they had the opportunity to sell at this point in time would they? If yes, where would they put their money? Knowing what they now from being an “investor” for 20 years, what would they do differently? If they were 35-40 years old and were cashing out their portfolio, how do they think they would use the money in their portfolio (savings, spend on luxuries, take a trip, buy a house or business, etc)?

You’ve heard diversification is important, so you’ve spread your investments across stocks, bonds and cash, and for the stocks, you’ve also invested in a range of industries. You’ve got diversified risk – you’re guaranteed to get your money back up to the FDIC limit, but also the lowest returns.
**Portfolio 1: January 3, 2000**
Electronics and technology stocks
Total Value: $295,026.34 in stock holdings*
Holdings: Circuit City, Microsoft, Motorola, Sony

**Portfolio 2: January 3, 2000**
Total Value: $168,370.96 in holdings*
$163,584.11 in stock holdings*: Charles Schwab, GAP, Microsoft, Coke, Johnson & Johnson, Chase (which later turned into JP Morgan Chase), Exxon, Walmart, AT&T, Ross Stores, 3M, Proctor and Gamble, Boeing, Hewlett Packard, Walt Disney, Caterpillar, Intel, Best Buy, General Electric and Walgreens
$3,148.48 in bonds*
$1,638.37 in a savings account*

**Portfolio 3: January 3, 2000**
Total Value: $16,383.74
Holdings: Cash in a savings account*

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**Portfolio 1: January 4, 2010**
Electronics and technology stocks
Total Value: $197,609.63 in stock holdings*
Holdings: Circuit City, Microsoft, Motorola, Sony

**Portfolio 2: January 4, 2010**
Total Value: $188,380.48 in holdings*
$180,396.50 in stock holdings*: Charles Schwab, GAP, Microsoft, Coke, Johnson & Johnson, Chase (which later turned into JP Morgan Chase), Exxon, Walmart, AT&T, Ross Stores, 3M, Proctor and Gamble, Boeing, Hewlett Packard, Walt Disney, Caterpillar, Intel, Best Buy, General Electric and Walgreens
$5,817.04 in bonds*
$2,166.94 in a savings account*

**Portfolio 3: January 4, 2010**
Total Value: $21,669.45
Holdings: Cash in a savings account*
*Note: Stock value was calculated based on close of business price and includes income from dividends. For portfolios containing stock, the original investment was equally divided among stock holdings. Return on the bond investment is represented by the Barclays Capital US Aggregate Bond Index return. Return on the cash investment/savings account is represented by the Citigroup 3-Month T-Bills return.

KEY TAKEAWAYS

- Investing is for the long term, because of the normal ups and downs of the markets. It’s very hard to time the markets, so if you think you’ll need your money within five years, savings is generally a better route.
- A well-diversified portfolio helps protect against individual company risk, and offers you some protection against market ups and downs - while you might forego some appreciation along the way, you’ll also protect yourself against a company or industry falling on hard times.
- Over the long term, investing has traditionally offered the best opportunity to grow a nest egg, and has provided much better returns than basic savings.
INTRODUCTION
Use the following dialogue to introduce youth to Unit 3: Planning for College: College as an Investment.

SAY: “You may not have even thought about college yet. But college is a fantastic investment in your future. If you go to college, you’ll make more money over your lifetime, it’s as simple as that. And college is a blast – being more independent, experiencing more freedom than you have previously, making new friends, having the opportunity for all kinds of new experiences, exploring your interests, making your own decisions and learning all kinds of new things.

“College isn’t something where you can just wake up in your senior year and decide to go. It requires specific steps, beginning with the ninth grade or even earlier. Do you want a two-year college, a four-year college or a trade school? Are you taking the right classes and engaging in extracurricular activities that will help your college application? Have you thought about how to pay for college?”

Experiential Activities
Visits to colleges and post-secondary institutions offer teens a first-hand look at which college options suit their individual needs and personality. It will help remove the mystery, worry and fears that surround being away from home and the Club after high school. Suggested field trips for this unit should include visits to various colleges, universities, community colleges and technical schools, as well as admissions and financial aid offices at each of the above.
Activities 3A & 3B: TURBO-CHARGE YOUR EARNING POTENTIAL

Objective: Members will understand the direct relationship between education and earnings, as well as between education and employability.

Key Messages:
- Regardless of your career choice and interests, some post-secondary education will likely be needed to pursue that career.
- There is a direct relationship between finishing college and the amount of money you earn. Generally speaking, those who earn college degrees are more likely to get employed and remain employed.

Materials:
- Activity 3A
  - "Income and Employability Cards" handout, one copy for the group, individual cards cut out (pages 56-57)
  - "Income and Employability Answer Key," one copy for the facilitator (page 58)
- Activity 3B
  - "Getting Into College Checklist" handout, one copy for each member (pages 59-60)
  - Pencils/pens

Estimated Time: 45 minutes for each activity

Activity Overview:
SAT: "What is a career? A career is providing something of value to your community and being rewarded for it. A career isn’t tied to one particular employer, but is rather a set of skills, expertise and training that you can carry with you in life as your means to provide for yourself and your family. A great career also means something beyond money – fulfillment, a sense of doing something you’re really great at. Most careers, especially those in demand and high paying careers, require some form of post-secondary education: trade school, an associate’s degree, a college degree, or a post-graduate degree, like one from medical school or law school.

"Getting into a post-secondary institution does not mean you need a 4.0 average and perfect scores on the SAT. Not that those aren’t helpful, but most post-secondary institutions, especially colleges, are looking at a wide range of factors when they decide whom to admit. For example, you probably wouldn’t aspire to attend a four-year university if your individual career goal is to become an electrician; a technical college would be a better way to gain the necessary skills. On the other hand, if you wanted to own an electrical wiring company, a college degree in business might help you manage your company’s revenue and expenses, develop a marketing plan, and get investors interested.

There are many college entrance requirements and you should focus on several aspects of your lives to gain admission – not just academics and test scores. There are several options for jump-starting your college and the amount of money you earn. Generally speaking, those who earn college degrees are more likely to get employed and remain employed, as well as their income level. Those with college degrees typically earn more money and are more likely to be employed.

Ask the members to read the statement on their card and go around the room to find the other two members whose cards match their card. Note: If you have fewer than 12 participants, please use only the amount of cards needed for the activity. Use the "Income and Employability Answer Key" to determine which cards to remove. If you have more than 12 participants, break the teens into two groups. Provide each group with a set of cards and instruct them to work together as a team to match the corresponding items. The first team to match all of the items correctly wins.

You should say, “For example, a person with a college degree will have, on average, a weekly income of $1,200 and will have only a 3 percent chance of being unemployed. Find the two members that match the statement you have.” (Work with members to help ensure they are paired properly.)

Once everyone is paired, ask the groups to read their statement out loud.

After each reading, use the answer key to verify the correct answer. Make sure members understand what makes the answer correct. Open each statement up for discussion; ensuring members realize that post-secondary training is directly correlated with financial independence and employability.

Say to the members, “Notice 15.2 percent of high school dropouts were completely unemployed – meaning they couldn’t find any kind of work, not even those low paying jobs. Those who dropped out of high school were, in fact, the group that had the highest number of unemployed.”

Also state, “At the same time, about a third of those enrolled, only 4.9 percent, of college graduates were unemployed. These are pretty impressive statistics! Notice how the percentage of those unemployed decreased with the more education you had.”

9. Explain to the group that the amount of post-secondary training increases your chances of finding a job, even during times of high unemployment rates. Going to college provides more and better opportunities. (You should discuss the various post-secondary training options like college, vocational/trade school, community college, etc.)

10. Have the group discuss both the monetary and non-monetary importance of going to college.

Activity 3B Instructions:
1. Hand out pens and the "Getting Into College Checklist" (pages 59-60) to all participants.

Note: The handout is front and back.
2. Ask members to fill out only as much as they can. There may be some things they haven’t thought about or done yet. Not everything will apply to them.
3. The important thing is that they really think about what steps they need to take. Some of them are easy; if their state requires four years of English classes to attend a university and they have only had two years so far, then they would need to take two additional English courses. But needs or requirements might not be so clear. For example, letters of recommendation: Most colleges ask for two, if members had to pick two adults today – ideally a teacher, coach or employer – who would they pick?
4. Allow members to raise hands and ask questions of you and the group as they fill out the checklist. Keep reminding them that this is a big work in progress. Sometimes just hearing the question can provide an answer. Just because you’ve never done a summer internship doesn’t mean you can’t try to find one for next summer!
5. Once they have completed the checklist, ask them to pick two things they can start working on immediately – two plans they can set into action. Ask for volunteers to share one of their immediate plans with the group.
6. At the end of the session, encourage members to take their checklists with them to show to their parents or guardians and also to their high school guidance counselor, as a conversation starter. Parents, guardians and counselors can help keep them on track with their plan as time goes by. Pick several pairs of participants to act out various role-play scenarios: A teen discussing their plan with their parents; another teen discussing their plan with their school counselor and asking the counselor for help on the plan.

Key Takeaways:
- Post-secondary plans should be based on individual career goals. For example, you probably wouldn’t aspire to attend a four-year university if your individual career goal is to become an electrician; a technical college would be a better way to gain the necessary skills. On the other hand, if you wanted to own an electrical wiring company, a college degree in business might help you manage your company’s revenue and expenses, develop a marketing plan, and get investors interested.
- There are many college entrance requirements and you should focus on several aspects of your lives to gain admission – not just academics and test scores.
- Even a few rough grades or poor test scores can be overcome – don’t give up!
- College admission requires planning and starting early. The process is very competitive.
- The more education you have, the greater your earning potential and employability.
- There are several options for jump-starting your career after high school.
MEDIAN WEEKLY INCOME = $440.00
UNEMPLOYMENT RATE = 13.8 percent
SOME HIGH SCHOOL

MEDIAN WEEKLY INCOME = $629.00
UNEMPLOYMENT RATE = 10.1 percent
HIGH SCHOOL GRADUATE

MEDIAN WEEKLY INCOME = $737.00
UNEMPLOYMENT RATE = 8.3 percent
SOME COLLEGE OR ASSOCIATE’S DEGREE

MEDIAN WEEKLY INCOME = $1,138
UNEMPLOYMENT RATE = 4.5 percent
BACHELOR’S DEGREE OR HIGHER
### INCOME AND EMPLOYABILITY

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#### ANSWER KEY

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<thead>
<tr>
<th>Education Level</th>
<th>Median Weekly Income</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Some High School</td>
<td>$440</td>
<td>13.8 percent</td>
</tr>
<tr>
<td>High School Graduate</td>
<td>$629</td>
<td>10.1 percent</td>
</tr>
<tr>
<td>Some College or Associate Degree</td>
<td>$737</td>
<td>8.3 percent</td>
</tr>
<tr>
<td>Bachelor’s Degree or Higher</td>
<td>$1,138</td>
<td>4.5 percent</td>
</tr>
</tbody>
</table>

**Source:** U.S. Bureau of Labor Statistics, July 2010

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### Getting into College Checklist

#### What I’ve done so far

- Social Sciences (U.S. history and geography, world history, culture and geography, U.S. government, civics and economics)
- English (Grammar, composition, literature)
- Algebra I, Algebra II, Geometry
- Natural Science (Earth Science, biology, chemistry, physics)
- Other courses (1 or more years in foreign language, vocational education, performing fine arts, life management, 1 or 2 years in physical education, and other electives)
- Community service and volunteer work
- Talk to high school guidance counselor
- Read a guidebook of colleges
- Go to a college fair
- Go on a college tour
- Talk to alumni from different colleges
- Talk to college financial aid office
- Summer internships or jobs
- After school jobs or internships

#### Additional steps I can take

- Talk to alumni from different colleges
- Talk to college financial aid office
- Summer internships or jobs
- After school jobs or internships

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*Note: You’ll need to take certain courses to graduate from high school. Since every state has different requirements, be sure to check with your guidance counselor to find out what courses to take.*

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**Name: __________________________________________**

**Date: ___________________**

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**HANDOUT – ACTIVITY 3B**
### Activity 3C: Paying for College

**Objective:** Members will learn about applying for scholarships, grants and other forms of financial aid.

**Key Messages:**

- Paying for college can be a frightening thought. However, the key to paying for college is to start planning, saving, and researching early.
- It is never too early to start saving or planning for college.
- There are many ways to pay for college – scholarships, grants, 529 savings plan, parent or student loans, and work-study.
- Every student can qualify for at least one scholarship. It simply requires advanced planning and diligent searching.
- Consult with your parents, school guidance counselors, Club staff, or Schwab volunteers to explore your options.

**Materials:**

- “Scholarship Worksheet” handout, one copy for each member (pages 62-63)
- Pencils/pens
- Computer(s) with Internet access

**Activity Overview:**

SAY: “Most students pay for college with a combination of sources: parents, loans, part-time jobs, summer jobs, work-study and scholarships. A savings account is a great way to start saving for college or college expenses, and the sooner the better. Members should consult with their parents or guardians, high school guidance counselor or your Schwab volunteer about other ways to prepare and save for college expenses. Qualified Tuition Programs (QTP) enable students or their families to save towards tuition, with earnings and withdrawals being federally tax-free, meaning there is no federal income taxes on the interest earned – www.collegeboard.com. Members can learn more about financial aid by filling out the FAFSA 4Caster (www.fafsa4caster.ed.gov) as early as ninth grade to get a sense of how much federal aid they are eligible to receive. Scholarships and grants are another great way to pay for college expenses. Some of these are based on grades or schoolwork, while others are based on sports, music, writing or other talents.

**Activity Instructions:**

1. Pass out the Scholarship Worksheet and have members fill them out as thoroughly as possible.
2. Members will take turns logging on to the Money Matters, CareerLaunch and Fastweb websites to search for scholarships, and the FAFSA websites to apply for financial aid and learn of other scholarship opportunities. The answers they’ve written down on the worksheet will make filling out the online forms much easier. Note: Younger members, when it’s their turn, should instead fill out the FAFSA 4Caster (www.fafsa4caster.ed.gov).
3. Both the FAFSA and Fastweb websites may require some input from parents or guardians. If members have Internet access at home, have them write down the web address, and the username and password they created so that they can resume work on their applications at home. If they don’t, print out the screens that require parent input for members to take home and have parents fill out. Members can come back and finish their applications at the Club on a later date.
4. Members should also complete the application online for the Charles Schwab Foundation Scholarship opportunities.

**Key Takeaways:**

- There are number of ways to pay for college. However, the best sources (529 plans, scholarships, grants, work-study) require planning, saving, and diligent research.
- If you are not able to secure scholarships or grants, you can still obtain post-secondary education through student and parent loans.
The following is only a partial list of information that you may need to have on hand to apply for various scholarships. Fill this out as best you can; you might want to ask your family to help you with any missing information:

**GENERAL INFORMATION**
- First name:
- Last name:
- Gender:
- Country of birth:
- Hobbies:

**ACADEMIC SCHOLARSHIPS**
- GPA:
- Extra-curricular activities:
- Majors you’re interested in:
- Academic and professional goals:

**TALENT-BASED SCHOLARSHIPS or CONTESTS**
- Awards:
- Sports you play:
- Musical instruments you play:
- Special talents:
- Leadership abilities:

**NEED-BASED SCHOLARSHIPS**
- Do you have any disabilities:
- Family members with disabilities:
- Total household taxable annual income:

**SCHOOL-SPECIFIC or PROMOTIONAL SCHOLARSHIPS**
- Organizations you belong to:
- Majors you’re interested in:
- Career objectives:

**BACKGROUND or DEMOGRAPHIC-BASED SCHOLARSHIPS**
- Ethnicity (list all):
- Countries where your ancestors came from (list all):
- Organizations your parents belong to:
- Colleges attended by your immediate family members:
- Did your parents serve in the military?
- Parent or Guardian careers:
- Do your parents belong to a union:
- Fraternities/Sororities for your immediate family members:

**RELIGIOUS SCHOLARSHIPS**
- Religious affiliation or church you belong to:
- How long have you been a member:
- What types of community service are you involved in:
- Additional information:

**Helpful links to find scholarships just for you!**
- [www.fastweb.com](http://www.fastweb.com)
- [www.scholarships.com](http://www.scholarships.com)
- [www.fafsa.ed.gov](http://www.fafsa.ed.gov)
Unit 4
Credit and Debt
INTRODUCTION

Use the following dialogue to introduce youth to Unit 4: Credit and Debt: Protect Your Future

SAY: “In the unit on savings, you learned how quickly your savings can grow thanks to compound interest. But when credit cards come into play, interest rates are higher – and the shoe is on the other foot – and debt can grow incredibly fast in a gigantic snowball effect. This can cost you a ton of money! The safest policy is not to use credit cards. Or, if you must, use them wisely. Never miss a payment. Never be late. Pay off balances in full every month. Think of using a credit card only as a convenience when you have no alternative (for example, for an airplane ticket or online purchase) – but even then, you need to have the money in your bank account to pay off the bill at the end of the month – but resist using a credit card for routine purchase or to pay for things over time. Then you’re spending money you don’t have. Treat your credit card like cash and remember that your credit card transactions and payment history is stored on your credit report and affects your credit score.

As teenagers, now is the time to start building up good credit, to prove to future lenders that you are responsible. This will be very important when you eventually apply for other types of credit such as a car or home loan, when you want to rent an apartment, get a job or even apply for a business loan. The best way to prove your creditworthiness is to always stick to your monthly budget. Don’t make impulse purchases that aren’t on your budget, and make sure your budget doesn’t exceed your income.”

Experiential Activities

Creating a field trip or inviting guests to the Club enhances teens’ knowledge of maintaining good credit and protecting against huge debt. Suggested field trips include the local consumer counseling center, a credit card company or a local bank that offers debit cards. Please visit www.credability.org or www.nfcc.org to connect with a reputable nonprofit consumer counseling agency.
The final scenario does not include a credit card. They’ve missed too many credit card payments and as a result they no longer have a credit card. And their credit score is terrible. How can they possibly afford the console? A friend tells them about this great rent-to-own place. They have video game consoles for only $13.99 a week. And their credit score is terrible. How can they afford the $13.99 each week is no problem. The rent-to-own contract says you get to keep the console after 74 weeks. So it’s about a year and a half before you’re officially the owner. Ask members to guess how much they ended up paying for the console after 74 weeks. So it’s about a year and a half before you’re officially the owner. Ask members to guess how much they ended up paying for the console. The rent-to-own contract says you get to keep the console after 74 weeks. So it’s about a year and a half before you’re officially the owner. Ask members to guess how much they ended up paying for the console. The rent-to-own contract says you get to keep the console after 74 weeks. So it’s about a year and a half before you’re officially the owner. Ask members to guess how much they ended up paying for the console.
A – Actually, they may send this advertisement to almost everyone. It doesn’t really mean anything – just that you may have met some broad criteria. You still may have to meet more specific criteria to actually be approved. You may end up getting approved for a credit card, but it may have a low credit limit of only $500. Or you may not be approved at all.

B – That means you pay no interest at all. However, fine print indicates that you only get 0 percent if you qualify based on a great credit history; you’re not actually guaranteed this advantage. And usually this 0 percent only lasts for an introductory period. And even if you do qualify, if you’re late making a payment, they can take back this intro rate and bump you up to a higher rate.

C – For most credit cards, if you use your credit card to get a cash advance, you pay an immediate fee of 3 percent of the amount. Then you may pay about 21.99 percent* interest on this cash advance, which is higher than your regular credit card charges. Often times, there is no grace period, so interest charges start as soon as you get the money. Here’s a quick example. Let’s say you take a $500 cash advance and you pay it back over 6 months – and we’ll assume you’ve made NO other purchases on your credit card. At the end of the 6 months, you will have paid $570 for that $500. If you had used your bank card at the ATM, you would have been withdrawing your own money from your own account, and you wouldn’t owe anyone anything. But by using a credit card, you’re taking out a loan – one with a very steep rate of repayment.

D – Those reward points are actually worth about $0.006 each. About half a penny. So let’s say you buy $100 worth of books and music. You just earned 100 Reward Points. That sounds great, except that they’re really only worth about 60 cents. But you didn’t even get 60 cents off your purchase, you still paid full price for your stuff. You now have a separate account with 60 cents worth of Reward Points.

E – For the first six months, if you qualify for the 0 percent rate, you won’t pay any interest, but those six months will fly by quickly. After those six months are up, depending on your credit score, this interest rate will go up considerably. If you have excellent credit, it might be around 8.99 percent. If your credit is average, it will more likely be closer to 17.24 percent* interest. If your credit isn’t very good (most teens don’t have established good credit), the rate will actually be *18.24 percent or even as high as 21.24 percent*. (Remember, in most savings accounts, your bank is paying you about 1 percent interest. Credit card companies sometimes charge 20 times as much.)

F – Besides accruing interest you’ll have to pay back, you’ll also pay $15 each time you’re late, if your balance is under $100. If your balance is up to $250, you’ll pay a $29 fine. And if your balance is over $250, you pay a $39 fine. And if you are late making your payment, they consider your account in default. That means that even if you’re in the 0 percent introductory period, they can immediately switch you to the default interest rate of 29.99 percent*. You’re now paying 30 percent interest on all charges. You also have to face possible over limit charges.

* A NOTE ABOUT RATES: Credit card rates vary from company to company, as well as in different states. And depending on your credit report, there’s an even wider range of the kinds of rates you might be offered by a credit card company. But all of the rates, fees, and reward program terms listed above are fairly typical. (As of Feb. 2010, the average interest rate on a student credit card is 14.47 percent, and the average rate for someone with bad credit, or in default, is 24.86 percent. Source: “Weekly Credit Card Rate Report” CreditCards.com, 3 Feb. 2010. Web. 05 Feb. 2010. www.creditcards.com)
Getting a Cell Phone

Your credit history shows that you have unpaid electric and gas bills. Because of this, you have a low credit score. The cell phone company sees this on your credit report and charges you a $250 cash deposit before they’ll agree to give you a cell phone plan.

Although you haven’t had much activity at all on your credit history, at least there’s nothing bad on there, so your credit score is pretty decent. Getting a cell phone is no problem. They set you right up with an account and don’t ask you for a deposit.

Opening a Bank Account

You put a friend of yours on your cell phone plan. You’ve been paying your bills, but she hasn’t. But since the plan is in your name, your credit score has suffered. When you go to the bank to get that free checking account, they tell you that it’s not free for you. You’ll need to pay monthly maintenance fees and an account setup fee.

You’ve done a good job paying your cell phone bill each month, and your credit history is still nice and clean. You qualify for a free checking account – they even give you free checks and a debit card.

Applying for a Credit Card

Your credit must be awesome because you get an ad in the mail saying you’re prequalified for a credit card with a $20,000 limit and a 0 percent introductory interest rate. So you fill out all the forms. You didn’t notice the fine print that said they still have to check your credit score. They check it, and they see a lot of late and missed payments. You still get the credit card, but you have a $500 limit and the interest rate is 21.99 percent.

You get an ad saying you’re prequalified for a credit card with a $20,000 limit and a 0 percent introductory interest rate. Once they check your credit history they see you’ve been doing a great job – no late or missing payments. You don’t get that $20,000 limit, but you do get a $5,000 line of credit, and 0 percent interest for 6 months, after which it will go up to 12.9 percent.

You’ve got a great job interview lined up. Now you can finally get a great job, make some money, and pay off all of those bills you’ve let pile up. But this job will be your ticket out of debt. Oops – looks like you didn’t realize that employers look at your credit score, too. This employer sees how irresponsible you are with your finances. You don’t get the job.

Interviewing for a Job

Time for an interview for your first dream job. On the application, you have to give your social security number and birth date. Why? Because some companies pull your credit report to see how responsible you’ve been in your life so far. Good news! You have a real good credit score for someone your age. The employer is impressed with your interview and your resume. You get the job!

Interviewing for a Job

You’ve got a great job interview lined up. Now you can finally get a great job, make some money, and pay off all of those bills you’ve let pile up. You have five different credit cards, and you’re behind on paying your bills. But this job will be your key to getting out of debt. Oops – looks like you didn’t realize that employers look at your credit score too. This employer sees how irresponsible you are with your finances. You don’t get the job.

Application for a Credit Card

Your credit must be awesome because you get an ad in the mail saying you’re prequalified for a credit card with a $20,000 limit and a 0 percent introductory interest rate. So you fill out all the forms. You didn’t notice the fine print that said they still have to check your credit score. They check it, and they see a lot of late and missed payments. You still get the credit card, but you have a $500 limit and the interest rate is 21.99 percent.

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### Money Matters: Make it CountSM | Facilitator’s Guide

**Unit 4: Credit and Debt: Protect Your Future**

#### Buying a Car

You still don’t have a job, but you really need one, so you think if you have a car you can drive around and find work more easily. Except that when the car dealership looks at your credit score, they tell you that you don’t qualify for financing – no auto finance company thinks you’re worth the risk, so if you want a car, you’ll have to pay all in cash. Where are you going to get that kind of money?

#### Buying a Car

Now that you have a great new job, you decide you should start driving to work, so you go to a car dealership. They pull your credit score, and since your record is clean, you qualify for a really good car loan rate. You get the keys and you hit the road!

#### Moving into an Apartment

You think that it is time to move into your own place. When you fill out the application, the landlord sees your low credit score and realizes you have a history of not paying bills on time. The landlord decides to give you a chance by approving your application but requires you to make a down payment equal to two months rent. Now the gas company, electric company, phone company and cable TV all would have to pull your credit report.

#### Moving into an Apartment

You’ve got the job, the car, a good bank account where you’re saving up money – you’ve been using your credit card the same way you’d use cash – and paying off your bills each month, and on time. You’re ready for your next bit of independence – your own apartment. The landlord sees your good credit score and welcomes you to move in. All the utility companies turn service on for you without requiring any kind of deposit.

#### Starting a Business

You had a hard time finding a job, because every time your potential employer looked at your credit score, they decided you weren’t very trustworthy. So you decide to start your own business. You need some startup money, so you apply for a Small Business Administration loan. The loan officer lets you know right away that with a credit score as low as yours, there’s no way you’ll qualify. Maybe if you at least owned a house and put that up as collateral they would consider it...

#### Starting a Business

You’ve learned so much at your job, and you and a partner think that you have something new to offer – and you decide to start your own business. You have money saved up, but you still need some extra financing. You apply for a Small Business loan, and after they review your financial background by looking at your credit history, they approve your loan. Now you’re in business for yourself!

#### Buying a House

You have a family now, and you really want to buy a house. But there’s no way to buy a house without financing some of it. You go to the bank to apply for a first time home buyer loan. But they see how much debt you already have – much more than your income can repay. They also see the history of late and missed payments. The bank denies you a home loan.

#### Buying a House

Your new business is doing great. Not only do you pay all of your bills on time, but your business also pays its creditors back according to schedule. You have a family now and you’re ready to buy a home. Your good credit history qualifies you for a great rate on a 30 year mortgage. You’re now a proud new homeowner!
Unit 5
Entrepreneurship
INTRODUCTION

SAY: “Some people are happiest in an environment in which they are an employee in someone else’s company. This usually means a steady paycheck, regular working hours, and it’s not up to you to keep the doors open if the economy gets rough. On the other hand, you’re working for someone else and doing the things they feel are important to be done.

“Other people prefer to run their own business and create their own products or services. They’re willing to put the time and effort it takes into starting their own business because they want to be their own boss. However, this means they’re also assuming all the risk. If the economy goes sour or their business is unsuccessful, it’s all on them – they could lose their job and their business. But if it goes well, they get the recognition … and the profit.

“Are you an entrepreneur type or an employee type? Say you want to start a business to raise money for your Keystone Club so everyone can go to the conference – do you know how to go about it? What are your skills that you could turn into a business? What does the community need or want? Maybe you’ll invent the next Walmart, Microsoft or Taco Bell, all of which were started by entrepreneurs.”

Experiential Activities

For those teens who are considering starting their own business, BizCamp, which is NFTE’s (National Foundation for Teaching Entrepreneurship at www.nfte.com) two-week, intensive summer program for students ages 13 to 18, should be a consideration if you live in one of the areas where the program is offered. Field trips to the local government’s Small Business Administration (SBA) office are also helpful. They offer tons of great information on business plans, and other startup assistance. In addition, many vocational schools, colleges and universities offer entrepreneurial programs and degrees.
Objective: Members will learn to identify their long-term career goals and marketable personal strengths and interests. Members will learn some of the basics of creating a business plan, and will learn the connection between making an individual budget and a budget for a business.

KEY MESSAGES:

- Owning your own business is very attractive and can be very rewarding. However, it requires great discipline and plenty of hard work.
- Everyone may not possess what it takes to be a business owner. The key is to discover the skills necessary to be an entrepreneur and determine if that path is right for you.
- When starting a business, it is important to first develop a business plan that lays out the target population, need for the product or service, estimated earnings, and potential pitfalls – to name a few.

Estimated Time: 90 minutes (Note: This activity can be broken into two sessions if necessary)

Materials:

- Activity 5A
  - “Entrepreneurial Survey” handout, one copy for each member (page 79)
  - “Marketing Myself” handout, one copy for each member (page 80)
  - Pencils/pens

- Activity 5B
  - “Business Budget” handout, one copy for each member (pages 81-83)
  - Pencils/pens
  - Calculators

Activity Overview:

SAY: “Being an entrepreneur has great advantages – you’re the boss and you call the shots. But with greater power comes greater responsibility. You’re responsible for running a business, offering products or services. You’ll have all kinds of responsibilities that a normal employee never has to deal with like legal, accounting and insurance issues, as well as permits and different kinds of paperwork to file with city, state and federal authorities. But for some people – for the true entrepreneur – that enormous risk of starting your own business is worth it.

“The key to a successful business is providing high quality goods or services that are in high demand in the community, at a fair price. Another way to measure success, besides financially, is in terms of personal happiness and satisfaction. There’s a famous saying that goes, ‘Choose a job you love, and you’ll never have to work a day in your life.’ The spirit behind that saying is that you should find something within yourself – some skill or passion – that is marketable, meaning that people will pay you money for it, and there you can find the opportunity for a successful business in every sense of the word.

“A typical business plan includes a description of the business, as well as background about the owners, and a study of the marketplace. Some hard numbers are also required. These basically break down into expenses (how much it will cost to start and run the business) and revenue (how much income the business will generate). Typical business plans also include assets (things that your business will own and that have a financial value; for example, if you purchase an oven for your restaurant, that becomes an asset of the business) and liabilities (money you owe; for example, if you had to take out a loan to start the business).

“In today’s activity, you will begin to assemble a sense of direction for your future, whether this means being a successful entrepreneur or being successful in a career. You’ll also practice the basics of planning and starting up your own business, which can be very helpful if, for example, your Keystone Club wants to raise money by selling something or by offering a service.”

Activity 5A Instructions

1. Distribute pens and copies of the “Entrepreneurial Survey” and ask participants to complete it individually. Tell members to add up their scores from each line, then call out the different scoring categories (below) so that teens know where they fall in the entrepreneurial spectrum. Share with members that this is just a guide to let them know if being an entrepreneur might be a good fit for them.

Scoring Categories

36-45
Excelling Entrepreneur: Being your own boss is something you could really succeed at. You are good at setting goals and meeting them. You are not intimidated by new challenges.

27-35
Enthusiastic Entrepreneur: You are motivated and ready to do what it takes. Although you are still perfecting your skills, you are ready to pursue your idea. You are confident in your abilities.

18-26
Eager Entrepreneur: You may have a sincere interest in becoming an entrepreneur, but may need to develop your skills before you can begin to pursue starting your own company. You may experience challenges following up on an original idea.

0-17
Earnest Employee: Being your own boss may not be something that appeals to you. You enjoy a structured work environment. You dislike taking chances with your future.

2. Tell members that if their results indicate that they would probably be better working in a career, not starting a business, the next handout will help them determine what their ideal career should be. Note: A good follow-up for those with scores indicating strength in working for themselves is to arrange for a visit to a local entrepreneur or invite an entrepreneur into the Club to speak to the group and answer any questions members might have regarding entrepreneurship.

3. Pass out the “Marketing Myself” handout to each member. Instruct members to list things they are good at making, if members are stuck, you can mention some ideas like webpage design, organization, pancakes, flower arrangements, etc. It’s ok if they can’t think of five things – as long as they can come up with one.

4. Next, on the right-hand side, ask them to brainstorm some kind of job or business they think they would probably be better working in, or if they they may be interested in fashion design or medicine – both of which could lead to highly marketable skills – but they’ll need to further their education before they can begin deriving income from these areas of interest.

5. Next, ask members to list things they are good at doing. This could be playing football, drawing, playing guitar, reading, playing video games, etc. They should have no problem coming up with five things.

6. Now ask them to see if they can think of a way to make one or more of these items marketable. Not every skill is marketable. They may be awesome at watching TV, but does that mean they’d make a good television critic for a newspaper or website? Maybe. See if they can come up with a way to translate their skills into a source of income.

7. In the next section, members will pick any five topics that they’re passionate about, even if they currently lack the required training. For example, they may be interested in fashion design or medicine – both of which could lead to highly marketable skills – but they’ll need to further their education before they can begin deriving income from these areas of interest.

8. In the last section, members will write down their top five career goals based on the above categories, and then try to brainstorm a way to market these desires into a source of income.

9. Ask them to look over and analyze all of the ideas they’ve come up with for marketing themselves. Did a couple of ideas keep popping up? Of all the ideas they came up with, is one really standing out?

Activity 5B Instructions

1. Pass out the “Business Budget” handout, pencils and calculators. Explain to members that in this activity, they will create a budget for a fictional pizza parlor. Some of the numbers are already filled in for them.

2. Tell them to complete the other sections in pencil, so that they can see how the numbers add up if they make different choices. For example, charging $10 for a pizza might make you a lot of money per sale, but you won’t have very many customers. Charging 20 cents for a pizza would likely have the opposite effect.

3. Ask members to fill in the first section, Background, in which they briefly describe the business.

4. In the Startling Costs section, tell members to use the calculator to add up the total startling costs and write this number in cell A.
5. In the Operating Costs section, ask members to add up the total operating costs per month and write this number in cell B.

6. In the Pricing section, give members their own choice – it’s up to them to decide what they want to charge for pizza, calzones and soft drinks based on the costs they have incurred.

7. In the Sales Forecast section, ask members to predict the number of customers per day, and to calculate the amount of the average sale, based on the pricing they selected.

8. Ask them to imagine what the typical customer will buy (i.e., two slices of pizza and a soft drink) and then add up those prices.

9. For growth (G and H), ask members to predict the amount of growth their business will enjoy in its second and third year in business. For example, they may feel that their business will grow 20 percent in the second year, and another 30 percent the year after that. They should have a good rationale for why the business is or is not growing.

10. Have members complete the rest of the calculations in the Sales Forecast and Calculations sections using the formulas provided.

11. Go around the room and ask members to reveal how much profit (or loss) their business made at the end of their first, second and third year, according to these projections.

12. Ask the members with the biggest profits and the biggest losses to share their numbers with the group. Can we learn something from their choices?

13. After this discussion, give members an opportunity to go back and change some of their numbers and redo the calculations.

14. Coming up with a business budget is a long process that requires many drafts, and lots of careful planning and consideration.

KEY TAKEAWAYS:

- Entrepreneurship requires discipline, hard work, dedication and risk. However, it can be rewarding if that is the proper path for you.
- Not everyone has what it takes to own their own business or even desires to be an entrepreneur. However, you can still have a successful career. You must choose the career that matches your talents and interests.
- Everyone has some skill, gift, or talent that they are good at and are passionate about.
- The areas in which you are passionate and excel are the ones that should govern your career decisions. Those are also the areas where you can experience the greatest financial success.
- Before starting a business you must do your research to ensure that there is a demand for your product or service.
- When starting a business, you must be able to provide something unique that your competitors cannot provide.

Entrepreneurial Survey

Name: ____________________________ Date: __________________

Please rate yourself on the following characteristics using the following scale: 1= Low 5 = High

Passion: Strong belief in your work and your product or services

Drive: A push to succeed

Creativity: Originality

Vision: A clear idea of what the future should look like

Persistence: Dedication, staying power

Competitive: Enjoyment of competition and a desire to win

Self-Confidence: Trust and faith in yourself

Organization: Ability to create order and structure

Risk-Taking: Willingness to take chances even if it may mean losing

Name: ____________________________ Date: __________________

Please rate yourself on the following characteristics using the following scale: 1= Low 5 = High

Passion: Strong belief in your work and your product or services

Drive: A push to succeed

Creativity: Originality

Vision: A clear idea of what the future should look like

Persistence: Dedication, staying power

Competitive: Enjoyment of competition and a desire to win

Self-Confidence: Trust and faith in yourself

Organization: Ability to create order and structure

Risk-Taking: Willingness to take chances even if it may mean losing
**Things I am Good at Making**
(Example: Cakes and Pies)
1. 
2. 
3. 
4. 
5. 

**Business in this Field/Industry**
(Example: Bakery)
1. 
2. 
3. 
4. 
5. 

**Things I am Good at Doing**
(Example: Writing)
1. 
2. 
3. 
4. 
5. 

**Business in this Field/Industry**
(Example: Magazines)
1. 
2. 
3. 
4. 
5. 

**Things I’m Really Interested In**
(Example: Computers)
1. 
2. 
3. 
4. 
5. 

**Business in this Field/Industry**
(Example: Computer Technician)
1. 
2. 
3. 
4. 
5. 

**Top Five Career Goals**

**Business in this Field/Industry**
1. 
2. 
3. 
4. 
5. 

Did any items show up more than once on the right-hand column? If so, list them:
_____________________________________________________________________

Of all the ideas for marketing myself above, the one or two that interest me the most is/are:
_____________________________________________________________________

**Marketing Myself Business Budget**

Name: __________________________________________ Date: ________________

**BACKGROUND**

Name of Business:

Description of Business:

Identify local competitors:

What advantages do you have over your competitors?

What products or services will you offer?

List your relevant experience:

**STARTING COSTS**

Professional Fees (Legal, Accounting, Consulting) $1,800

Placemats, Stationery, Business Cards $1,100

Renovation/Building Costs $8,300

Marketing $2,500

Equipment $10,000

Insurance/Licenses $350

Website Development $1,000

Initial Inventory $6,000

Uniforms $500

Security Deposit $4,000

Furniture $3,500

**Total Starting Costs** A

(cont...)
### Operating Costs (Monthly)

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
<td>$2,000</td>
</tr>
<tr>
<td>Utilities</td>
<td>$550</td>
</tr>
<tr>
<td>Advertising</td>
<td>$2,000</td>
</tr>
<tr>
<td>Cost of Goods (ingredients, inventory, components)</td>
<td>$3,000</td>
</tr>
<tr>
<td>Insurance</td>
<td>$125</td>
</tr>
<tr>
<td>Employee salaries</td>
<td>$8,500</td>
</tr>
<tr>
<td>Cleaning supplies</td>
<td>$75</td>
</tr>
<tr>
<td>Loan repayment</td>
<td>$550</td>
</tr>
</tbody>
</table>

**Total Operating Costs Per Month**: B

### Pricing

<table>
<thead>
<tr>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whole Pizza</td>
</tr>
<tr>
<td>Slice of Pizza</td>
</tr>
<tr>
<td>Calzone</td>
</tr>
<tr>
<td>Soft Drink</td>
</tr>
</tbody>
</table>

### Sales Forecast

<table>
<thead>
<tr>
<th>Category</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average number of customers per day</td>
<td>C</td>
</tr>
<tr>
<td>Average amount of each sale</td>
<td>D</td>
</tr>
<tr>
<td>How many days will you be open each year?</td>
<td>E</td>
</tr>
<tr>
<td>Average annual sales – First Year</td>
<td>F</td>
</tr>
<tr>
<td>Percent growth in second year</td>
<td>G</td>
</tr>
<tr>
<td>Percent growth in third year</td>
<td>H</td>
</tr>
<tr>
<td>Annual sales in second year</td>
<td>I</td>
</tr>
<tr>
<td>Annual sales in third year</td>
<td>J</td>
</tr>
</tbody>
</table>

### Calculations

<table>
<thead>
<tr>
<th>Description</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of $ needed to start business</td>
<td>K = A + (B x 3)</td>
</tr>
<tr>
<td>Money available in savings to start business</td>
<td>L = A + (B x 3)</td>
</tr>
<tr>
<td>Amount needed to borrow to start business</td>
<td>M = K - L</td>
</tr>
<tr>
<td>Operational cost for first year plus start up costs</td>
<td>[(B x 12) + A]</td>
</tr>
<tr>
<td>Profit/Loss at end of first year</td>
<td>F - M</td>
</tr>
<tr>
<td>Profit/Loss at end of second year</td>
<td>F + I - A - (B x 24)</td>
</tr>
<tr>
<td>Profit/Loss at end of third year</td>
<td>F + I + J - A - (B x 36)</td>
</tr>
</tbody>
</table>

*(cont...)*
SUMMARY OF WHAT’S INCLUDED

This appendix contains valuable resources to help you run your program smoothly and effectively, as well as additional items to help you extend the program beyond the listed activities. These resources include:

**Sample Press Release.** To help you get the word out about your efforts and improving financial literacy in your community.

**Pre- and Post-tests.** To assist you in measuring the effectiveness of the Money Matters program on the knowledge and attitudes of participating members.

**Letter to Caregivers.** A template for reaching out to the families and guardians of your members to encourage their participation.

**Letter to Request Guest Speakers.** A template to customize and send to financial professionals requesting their time as guest speakers or volunteers.

**Glossary of Common Financial Terms.** A guide to all of the financial terms referenced throughout this guide.
Sample Press Release

How to Use this Press Release: If you’d like to let your local news organizations learn about your Club’s efforts to improve financial literacy among the teens in your community, a press release is the way to do it. Take the sample provided and add in your own information about your Club, and about any special enhancements, guest speakers, field trips or other activities that you’ll be including in your Money Matters program.

For suggestions on best practices when sending press releases to the local media, please visit the Boys & Girls Clubs of America marketing website at http://marketing.bgca.org/.

FOR IMMEDIATE RELEASE

Boys & Girls Clubs of your city) Improve Financial Literacy With Innovative Money Matters Program for Teens

Teen members of (insert your Club’s name here) will receive valuable guidance and education in financial literacy, including budgeting, saving, avoiding debt and saving for college in a new after-school enrichment program.

(City), (State)-Date – Beginning this month, the teenage members of (your Club’s name) will participate in a financial literacy program called Money Matters. The Money Matters program was created by the Boys & Girls Clubs of America, in partnership with the Charles Schwab Foundation, to provide behavior-changing financial education to help teens get on the path toward budgeting, saving, and planning for college and financial freedom.

“We are delighted that Charles Schwab is sponsoring this nationwide financial education program, developed specifically to address the needs of at-risk teens,” said (name), the (Title) of (name of your Club). “This Money Matters program reaches teens at such a critical time. We hope to positively impact the saving and spending behaviors of our members by providing them with the knowledge and skills they need to make informed financial decisions throughout their lives.”

About Money Matters

The Money Matters program uses interactive activities to educate teens, ages 13 to 18, on critical aspects of financial literacy, including managing a checking account, budgeting, saving, avoiding debt, investing, paying for college and entrepreneurship. The Money Matters program was developed in a joint collaboration between Boys & Girls Clubs of America and the Charles Schwab Foundation.

www.moneymattersmakeitcount.com

About (name of your Club)

Located at (address), the (name of your Club) has served the youth of (your city) for (number) years. The Clubs provides programs for more than (number) boys and girls in the areas of character and leadership, educational and career development, health and life skills, the arts, and sports, fitness and recreation.

(insert your Club’s website)
Money Matters Pre-Test

How to Use this Pre-test: Ask members to complete this test at the very beginning of the first session, in order to gauge their level of financial literacy and personal saving and spending habits. When you hand out these forms, take time to explain that their answers will be kept confidential.

Upon completion of the pre-test, please assign each test a unique ID number that corresponds with the teen who completed it. Please note this ID for future use; it will be needed again when teens complete the post-test so that each member’s gains in knowledge throughout the course of the Money Matters program can be gauged. Using an ID number also assures the teens confidentiality when completing the test.

Pre-Test Answer Key
1) B; 2) A; 3) C; 4) A; 5) D; 6) B; 7) B

Please answer the questions below truthfully. These responses will be kept in confidence by Club staff.

1. Which of the following is a “need” rather than a “want”?
   A) A designer sweater
   B) Money to pay for your school lunch
   C) A new video iPod
   D) A new CD by your favorite band

2. What is a budget?
   A) A plan for how to spend the money you receive
   B) A check register
   C) The interest you pay on a loan
   D) A document required to get a mortgage or a loan

3. How much of their income should someone save each month?
   A) 1 percent
   B) 5 percent
   C) 10 percent
   D) 20 percent

4. Buying stock means that you are:
   A) Buying part of a company
   B) Lending money to a company
   C) Making a real-estate investment with a company
   D) Paying interest to a company

5. Which of the following are alternative ways to pay for college?
   A) Federal work study
   B) Student loans
   C) Private scholarships
   D) All of the above

6. Which of the following is NOT true about credit cards?
   A) Interest rates vary widely
   B) If you pay the minimum required each month, you won’t pay any interest
   C) Many require an annual fee
   D) Some credit cards give you rewards

7. Successful entrepreneurs usually:
   A) Dislike taking chances with their future
   B) Are good at setting and meeting goals
   C) Do not like working alone
   D) Enjoy a structured work environment

Money Matters Pre-Test

How important to you are each of these things:

<table>
<thead>
<tr>
<th>Having a great job that I love</th>
<th>Making a lot of money</th>
<th>Owning a car</th>
<th>Being free from debt</th>
<th>Giving back to the community</th>
<th>Going to college</th>
<th>Paying my bills on time</th>
<th>Living by a budget</th>
<th>Having a bank account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not at all important</td>
<td>Not very important</td>
<td>Not really</td>
<td>Pretty</td>
<td>Extremely</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>sure</td>
<td>Important</td>
<td>Important</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Date: ___________________   ID #: __________________________________________
Money Matters Post-Test

How to Use this Post-test: Ask members to complete this test at the end of the last session, in order to gauge their level of financial literacy and personal saving and spending habits. When you hand out these forms, take time to explain that their answers will be kept confidential.

Upon completion of the post-test, please mark each test with the corresponding ID number used for the pre-test so that each member’s gains in knowledge throughout the course of the Money Matters program can be gauged confidentially.

Post-Test Answer Key
1) B; 2) A; 3) C; 4) A; 5) D; 6) B; 7) B

Post-Test Answer Key
1. Which of the following is a “need” rather than a “want”? A) A designer sweater B) Money to pay for your school lunch C) A new video iPod D) A new CD by your favorite band
2. What is a budget? A) A plan for how to spend the money you receive B) A check register C) The interest you pay on a loan D) A document required to get a mortgage or a loan
3. How much of their income should someone save each month? A) 1 percent B) 5 percent C) 10 percent D) 20 percent
4. Buying stock means that you are: A) Buying part of a company B) Lending money to a company C) Making a real-estate investment with a company D) Paying interest to a company
5. Which of the following are alternative ways to pay for college? A) Federal work study B) Student loans C) Private scholarships D) All of the above
6. Which of the following is NOT true about credit cards? A) Interest rates vary widely B) If you pay the minimum required each month, you won’t pay any interest C) Many require an annual fee D) Some credit cards give you rewards
7. Successful entrepreneurs usually: A) Dislike taking chances with their future B) Are good at setting and meeting goals C) Do not like working alone D) Enjoy a structured work environment

Please answer the questions below truthfully. These responses will be kept in confidence by Club staff.

How important to you are each of these things:

Not at all important Not very important Not really sure Pretty Important Extremely Important

| Having a great job that I love |  |  |  |  |  |
| Making a lot of money |  |  |  |  |  |
| Owning a car |  |  |  |  |  |
| Being free from debt |  |  |  |  |  |
| Giving back to the community |  |  |  |  |  |
| Going to college |  |  |  |  |  |
| Paying my bills on time |  |  |  |  |  |
| Living by a budget |  |  |  |  |  |
| Having a bank account |  |  |  |  |  |

Date: ______________ ID #: ______________
Letter to Caregivers

How to Use this Template: This letter is intended to inform parents, guardians and other caregivers about their child’s participation in the Money Matters: Make It Count program and to encourage their support of your endeavors. Re-type the following copy, filling in the information in parentheses with your Club’s information, print it out on Club letterhead and distribute to member’s caregivers.

(Club logo here)

(Insert your Club’s name here)
Money Matters: Make It Count Program

Dear ____________,

(Insert member’s name) has chosen to take part in the Money Matters: Make It Count program. This program is designed to provide education and real-world skills related to finances and money management. As you well know, teens are faced with so many messages in the media encouraging them to spend their money, without regard to planning for the future. This program will promote financial literacy and decision-making skills to aid your child throughout life. Some of the topics we’ll cover include: saving for the future, making a budget, planning for college, avoiding debt, understanding the risks of credit cards and entrepreneurship.

We’re sending this letter home to all parents and caregivers to ask for your help in making this program a success. There are a number of ways you can be of assistance and we’d appreciate anything that you can do help make Money Matters even more of a success.

For example, (member’s name) may wish to talk to you about family spending, earning, saving and budgeting. To whatever extent you feel comfortable, please consider sharing some real world numbers to help (him/her) better understand the difficult decisions we all face daily when it comes to finances. (He/she) may also ask for help opening a bank account, applying for scholarships, or other such paperwork that may require your signature. Anything you can do to help us prepare our members for a brighter future would be greatly appreciated!

We thank you for your time and your support. Our success at (your Club’s name) begins at home.

Sincerely,

(Your name here)
Letter to Request Guest Speakers

How to Use this Template: You may already have staff or volunteers with financial literacy expertise, but if you do not or if you would like to add to your ranks, complete this template and send it to local banks/financial institutions, colleges and universities in order to recruit volunteers and guest speakers who can share their valuable knowledge with your members.

Dear [Recipient Name]:

[Your Club’s Name] is delighted to announce their participation in an afterschool financial literacy program called Money Matters: Make It Count. The Money Matters program was created by Boys & Girls Clubs of America, in partnership with the Charles Schwab Foundation, to provide behavior-changing financial education to help teens get on the path to financial independence by learning how to budget, save and plan for the future. The program uses interactive activities to educate teens, ages 13 to 18, about critical aspects of financial literacy, including managing a checking account, budgeting, saving, avoiding debt, investing, paying for college and entrepreneurship.

While our talented staff have a wide-range of personal experiences to draw upon, we lack your unique perspective on how financial resources come into play in your industry or profession. We would greatly appreciate it if you or any of your colleagues could take part in our program, to share your expertise and perspective with our teen members.

We will be happy to accommodate your schedule to the best of our abilities. For example, if you or a colleague wishes to act as a volunteer when we conduct these Money Matters activities, we will be meeting on [day of the week] from [hour to hour], starting on [start date] and ending on [end date]. Or, if you’d like to come visit us as a guest speaker for an hour, please let us know which of those dates would work best with your schedule. Lastly, if you have an idea for a field trip in which our members could visit you at [place of employment], we will make our best effort to facilitate such a visit.

In addition to promoting ideas of responsible money management and greater financial literacy, we also place a high value on career development, and it would be wonderful for our members to learn more about opportunities in the field of finance.

Please contact us at [Club’s phone number] or [e-mail address], at your convenience.

Thank you and we look forward to hearing from you!

Sincerely,

[Your Name]
[Your Title]
Glossary of Common Financial Terms

Throughout both the Facilitator’s and Teen Tips guides, you may encounter terms with which you are unfamiliar. The following is a comprehensive glossary of the financial terms found in both of these guides.

GLOSSARY OF COMMON FINANCIAL TERMS

401 (k) – A retirement savings plan in which an employee can save some of their salary with special tax benefits. Some employers will even match the employees’ contributions.

Asset – Anything you own that has value, such as shares of stock, a car, or a house.

Balance Sheet – Summary of a company’s liabilities and assets (what it owes, and what it owns).

Bankruptcy – The status of being unable to repay one’s debts.

Bond – An investment in which the investor loans money to an entity (a company or a government) for a set period of time at a specified interest rate and/or repayment of principal.

Buy and Hold – An investment strategy in which an investor buys stocks and holds them for a long period of time, regardless of fluctuations in the stock market.

Certificate of Deposit – Also known as a CD. Banks issue CDs to customers for a fixed term and with a fixed interest rate; the customer must wait until the term is complete for the CD to “mature,” at which time the money is withdrawn with accrued interest.

Compound Interest – Compound interest is interest that is paid on both the principal and also on any interest earned from the past. When principal, as well as past interest earn interest, a snowball effect of earnings occurs.

Corporation – A legal entity that is separate and distinct from its owners.

Credit – An agreement in which a borrower receives something of value and agrees to repay the lender at some future date.

Debit – A debit is a decrease in your account, such as when you pay a bill. Another term frequently used with debit is “debit card.” Debit cards look very similar to credit cards, but when used it is similar to writing a check – the money is debited from a checking account.

Debt – An amount that you owe.

Default – The failure to pay a debt or make a payment when it is due.

Default Risk – The risk that you will be unable to repay your debts, and therefore be “in default.”

Depreciation – The decrease in the value of an asset over time, sometimes due to normal wear and tear.

Diversification – A technique in which an investor tries to reduce risk by mixing a wide variety of investments within a portfolio.

Dividend – The distribution of a portion of a company’s earnings to its shareholders.

Dow Jones Industrial Average – An average made up of 30 large stocks that trade daily on the New York Stock Exchange.

Equity – Another name for stock, representing ownership in a company.

Financial Planner – An investment professional who helps clients meet their short- and long-term financial goals.

Fixed Asset – Something that a company owns and uses in the running of its business, and which doesn’t get used up in the process, such as equipment or fixtures.

Gross Domestic Product – The monetary value of all the goods and services produced within a country each year.

Income – Money received either as compensation, such as a salary, or profit from an investment, such as interest earned on savings, or dividends from owning stock.

Individual Retirement Account – Also known as an IRA. An account in which funds are set aside for retirement. There are several types of IRAs, some of which provide special tax benefits.

Inflation Rate – The rate at which the general level of prices for goods and services is rising, and therefore also the rate at which purchasing power is falling.

Junk Bond – A bond with an especially high risk of default.

Lease – An agreement in which one party gains the use of a fixed asset, such as a building or equipment, and the other party receives rent and possibly a form of secured debt.
Liability – Legal debts or obligations, in other words, where owing money, goods, or services.

Limited Liability Company – Also known as an LLC. A business structure which allows owners to have limited personal liability for the debts and actions of the company.

Liquidity – The extent to which an asset can be easily converted to cash.

Long-term Debt – Loans and other financial obligations that have a term over one year.

Market Timing – Trying to predict the future behavior of the stock market, by analyzing historical statistics and economic indicators.

Money Market Fund – A mutual fund that invests only in securities that can easily be converted to cash and tries to avoid credit, market and liquidity risk.

Mortgage – Specifically used with real estate purchases, this is a type of loan in which a house or property is used to secure the loan and which is repaid in installments over a set period of time.

Mutual Fund – A type of investment that pools money of many investors to buy various securities such as stocks, bonds and/or cash-equivalents. They can provide diversification for investors.

NASDAQ – The largest electronic screen-based equity securities trading market in the United States.

Net Income – After all taxes and deductions have been subtracted from your gross income, net income is what you’re left with.

Net Worth – In short, it’s the dollar value of how much wealth you have. It’s calculated by subtracting any liabilities from all of your assets.

New York Stock Exchange – Also known as NYSE. A stock exchange that lists securities for a wide range of companies. Several thousand companies are traded on the exchange.

Portfolio – The collection of assets – such as stocks, bonds and other investments – held by an investor.

Principal – 1. In a savings account, the amount you initially invest. 2. In a loan, the amount you originally borrowed, distinct from any accrued interest.

Profit Margin – Measures, usually as a percentage, how much out of every dollar earned, that a company gets to keep as profit, after expenses have been deducted from revenue.

Return – Income realized from an investment, usually expressed as a percentage.

Risk – The chance that a person can lose money on an investment.

Shareholder – Anyone who owns at least one single share in a company. Also known as a stockholder.

Stock – A type of security that represents ownership in a corporation. Owning stock in a company and having equity in a company mean the same thing.

Stock Split – The splitting of a company’s existing stock into multiple shares, where the total value of all the share remains the same. In a stock split, an individual could end up with more shares at a lower price per share, but with the same total share value as before the split.

Stockbroker – An agent who places orders for an investor to buy or sell stocks or other securities.

Yield – The annual rate of return from income (dividends, interest, etc.) on any type of investment, usually expressed as a percentage.