



BOYS & GIRLS CLUBS

TEEN PERSONAL FINANCE GUIDE

THIS BELONGS TO:

**MONEY
MATTERS**
make it count 



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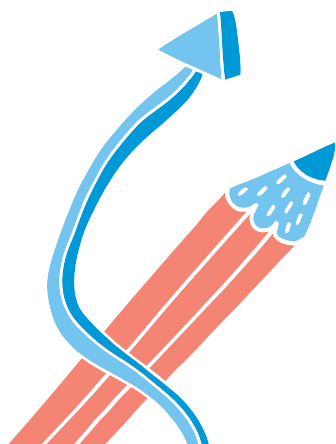
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WELCOME

Welcome

Welcome to Money Matters: Make it Count!SM This financial education program was designed just for you, to help you make decisions about money that get you closer to achieving the future of your dreams.

It's never too early to start working on your goals for the future because the decisions you make now, as a teen, can affect your life in the coming years. In Money Matters, you'll learn financial strategies you can use at different points in your life:

- Now as a teen (Unit 1)
- A few years after graduating from high school (Unit 2)
- In your 20s and beyond (Unit 3)

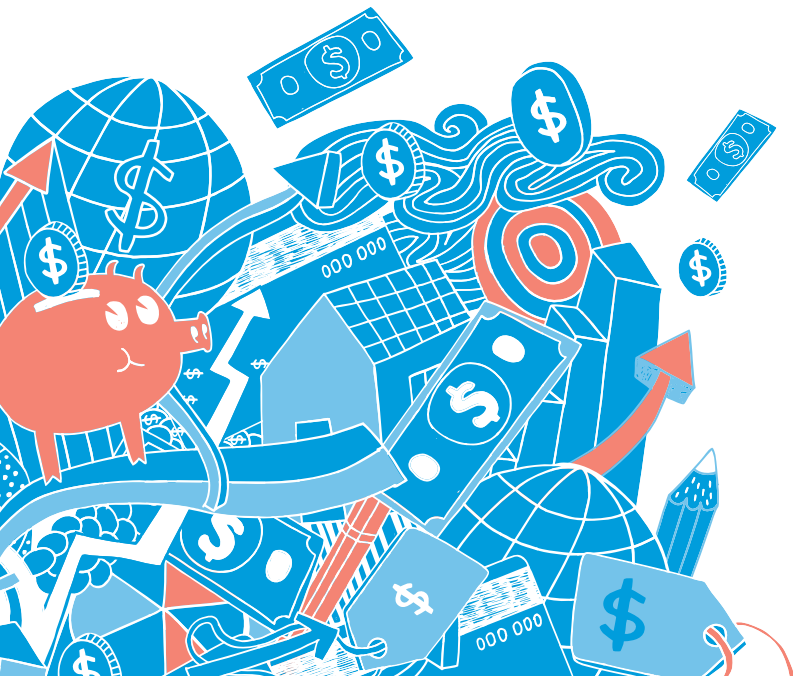
How to Use This Guide

This teen guide is yours to keep. You can put your name on it, write in it and make it your own! Club staff will let you know when to use this guide when you meet for Money Matters. At the end of the entire program you can take it home. Inside you'll find handouts to use while participating in the activities. There are also other resources to help you explore financial topics on your own and key terms to help you understand the materials.

You'll see a "My Future Self Form" with questions and space for reflection after Money Matters sessions. The questions will help you think about how what you've learned can help you reach your goals.

We also hope that you will be able to experience Reality Store, a fun, interactive event that gives you a salary and family, and lets you experience managing the daily expenses of everyday life! Reality Store Reflection questions will help you think about **WHAT HAPPENED!?** during the event. You can use the financial strategies you've been learning to help you play!

This guide was created to give you the tools to help you through Money Matters, and to give you financial information you can use throughout your life! We want this program to help you reach your dreams!



A vibrant blue background collage featuring various financial and business icons. It includes a piggy bank, a target, a clock, a calculator, a bar chart, a pie chart, a globe, and several dollar bills. The overall theme is personal finance and budgeting.

UNIT

1

My Life Right Now

How Do Today's Decisions Impact My Future?

You've got dreams for the future. Big dreams. So, what can you do now? In this unit, you'll learn how to:

- Determine your needs and wants
- Recognize your spending habits
- Develop spending and savings plans
- Avoid the pitfalls of debt

Unit 1, Session 3**SAVVY SPENDERS
MAKEOVER AUDITIONS****1 Casey's Car**

Casey is working and saving money to go to college. Her first tuition payment of \$3,000 is due next month. Casey already has \$5,000 saved. Casey needs a car to go to work because her job is not close to public transportation. Her current car has just broken down and it will cost \$2,000 to fix. Casey is tired of having car problems and wants a new one. Casey decides to put a down payment of \$5,000 on a new car that costs \$25,000. Monthly payments for the car are \$500. Casey is excited that she now has a reliable car to go to work as she drives her new car off the lot.

- **Which items are wants? Which items are needs?**
- **What did Casey spend more money on, wants or needs?**
- **What type of impact does Casey's spending have on her long- and short-term goals?**
- **How can you make over Casey's spending so she is a Savvy Spender?**

2 Stephan's Saxophone

Stephan plays the saxophone in his school's band. He hopes to become a professional saxophone player and practices every day. Stephan has saved \$60 of his allowance money to go to a one-day class this Saturday called "How to be the Best Saxophone Player." The class costs \$50 and requires a practice book that costs \$10. Stephan has also been invited to attend a concert with his friends on the same night. The concert ticket costs \$20. Stephan decides to go to the concert and no longer has enough money for the class.

- **Which items are wants? Which items are needs?**
- **What did Stephan spend more money on, wants or needs?**
- **What type of impact does Stephan's spending have on his long- and short-term goals?**
- **How can you make over Stephan's spending so he is a Savvy Spender?**

3 Terri's Treat

Terri walks to and from school each day and is always hungry on the way home. Terri has started buying a bag of popcorn and a drink every day for \$5. Terri also needs some new sneakers because their current ones are getting old. A name-brand pair of sneakers costs \$130, and an off-brand pair would cost \$65. Right now Terri has \$45 saved, but can't seem to save enough for a new pair of sneakers.

- **Which items are wants? Which items are needs?**
- **What did Terri spend more money on, wants or needs?**
- **What type of impact does Terri's spending have on their long- and short-term goals?**
- **How can you make over Terri's spending so they are a Savvy Spender?**

Unit 1, Session 3

**STOP, DROP AND THINK
BEFORE YOU BUY TEST**

What do I want to buy within a month?

Do I **NEED** this or do I **WANT** it? (Check One)

NEED

WANT

If I don't need it, why do I want it?

Exactly when will I use (or wear) it?

Can I find it for less somewhere else, use something I have, or borrow it?

Are there any needs I won't be able to get if I buy this?

How will this affect my goals? What will I have to give up by buying this now?

It's time to make a decision!

In six months, will I think this was a good purchase?

Yes No

Do I make the purchase?

Yes No

Unit 1, Session 4

BUDGETING 101

Budget Breakdown

To build a budget for your monthly net pay, you should strive for the 50/30/20 rule. That is where 50% of your net pay (money after taxes) goes to needs such as food and transportation; 30% goes to wants like entertainment and name-brand clothes, and 20% goes to savings. It may take a while to get your finances aligned to this rule, and you may have to dip into your “wants” category to pay for some “needs.” You can manage your spending and stay on track to reach your goals by using this rule.

Expense Category	Percent of Budget
Needs	50%
Housing, utilities, mobile device	25%
Transportation, car insurance, car payments, gas	15%
Food (groceries)	10%
Wants	30%
Personal spending (clothes, personal care, etc.)	15%
Entertainment (streaming services, online games, etc.)	10%
Occasional spending (gifts, party supplies, etc.)	5%
Savings	20%
Emergency and short-term savings	10%
Long-term savings	10%

For example, if your take-home pay, or net pay, is \$800 per month, your expenses should look like this:

	Percent of Budget	Budgeted Amount
Net Pay (Total Monthly Budget)	100%	\$800
Expense Category		
Needs	50%	\$400
Housing, utilities, mobile device	25%	\$200
Transportation, car insurance, car payments, gas	15%	\$120
Food (groceries)	10%	\$80
Wants	30%	\$240
Personal spending (clothes, personal care, etc.)	15%	\$120
Entertainment (streaming services, online games, etc.)	10%	\$80
Occasional spending (gifts, party supplies, etc.)	5%	\$40
Savings	20%	\$160
Emergency and short-term savings	10%	\$80
Long-term savings	10%	\$80

You can calculate percentages two different ways:

- Use the % sign on a calculator: $(\$800 \times 50\%) = \400 or $(\$800 \times 30\%) = \240
- Move the decimal point two places in front of a number: $(\$800 \times .20) = \160 or $(\$800 \times .05) = \40

Unit 1, Session 4

NATE'S BUDGET

Nate is a junior in high school and works 15 hours a week at the mall. His net income after taxes is \$600 a month. Nate lives with his family, and doesn't pay rent or utility expenses. Nate uses his older brother's car to commute to work and pays \$100 a month for gas. In addition to gas, Nate spends \$100 on groceries to help his family, \$30 on gifts for the person he is dating, \$70 for his mobile device, \$75 on clothes, \$20 on a haircut and \$150 to go out on dates and with his friends each month. Nate would like to buy his own car, and has opened a savings account. He deposits any extra money he earns, which is usually \$90 a month.

Is Nate on track to save enough money to buy a car? Review Nate's budget and answer the questions below. The "budgeted" column is based on the 50/30/20 rule and the "actual" column is what Nate actually spent. Add up all the expenses in the actual column to see how much Nate is actually spending per month.

	Percent of Budget	Budgeted \$	Actual \$
Net Pay (Total Monthly Budget)	100%	Amount	Amount
Expense Category			
Needs	50%	\$ 300	\$ 270
Housing, utilities, mobile device	25%	\$ 150	
Transportation, car insurance, car payments, gas	15%	\$ 90	
Food (groceries)	10%	\$ 60	
Wants	30%	\$ 180	\$ 275
Personal spending (clothes, personal care, etc.)	10%	\$ 60	
Entertainment (streaming services, online games, etc.)	10%	\$ 60	
Occasional spending (gifts, party supplies, etc.)	10%	\$ 60	
Savings	20%	\$ 120	\$ 90
Emergency and short-term savings	10%	\$ 60	
Long-term savings	10%	\$ 60	
Total			

Based on your observations about Nate's budget, answer the following questions:

Are Nate's expenses and savings less than his income?

Does the 50/30/20 budget match the "actual" column?

Does Nate have any money to put toward the purchase of a car?

What advice would you give Nate to improve his budget?

Unit 1, Session 4

BUILD YOUR BUDGET

Now it is time to build your own budget! Using the 50/30/20 plan below as an example, try to develop a monthly budget that works for your goals. Remember a budget is an ongoing process.

Budget Template:

	Percent of Budget	Budgeted Amount
Net Pay (Total Monthly Budget)	100%	\$
Expense Category		
Needs	50%	
Housing, utilities, mobile device	25%	
Transportation, car insurance, car payment, gas	15%	
Food (groceries)	10%	
Wants	30%	
Personal spending (clothes, personal care, etc.)	10%	
Entertainment (streaming services, online games, etc.)	10%	
Occasional spending (gifts, party supplies, etc.)	10%	
Savings	20%	
Emergency and short-term savings	10%	
Long-term savings	10%	
Total		

Build Your Own Budget

You can create your own budget categories and percentage breakdowns within “Needs,” “Wants” and “Savings” to make this plan work for you. Even if you don’t currently have a job or other source of income, think about all the ways that you could earn income. Can you help out your neighbors? Can you make something and sell it? What if you want something six months or a year later? How do you adjust your budget and spending to reach that goal?

BUILD YOUR BUDGET, CONT.

	Percent of Budget	Budgeted Amount
Net Pay (Total Monthly Budget)	100%	
Expense Category		
Needs (List a need on each row)	50%	
Wants (List a want on each row)	30%	
Savings (List your budgeted amount based on your income for each type of savings)	20%	
Emergency and Short-Term Savings	10%	
Long-Term Savings	10%	

Unit 1, Session 6

WHY YOU SPEND IT

1 Stress

- **What is it?** You're feeling anxious about a difficult event or challenge. You've been working really hard and feel you deserve something.
- **Why buy?** Your stress causes you to make impulse-spending decisions to quiet your anxiety.
- **What can happen?** You may spend money on something you can't afford, adding to your stress. It may prevent you from buying something else now or in the future, or even prevent you from reaching a long-term goal. You may still feel stressed even after you purchase an item.
- **How to avoid it?** When you are stressed, think about what's causing the stress and things that help you relieve stress. What are healthy ways to address stress, outside of making purchases?

2 Emotional Highs and Lows

- **What is it?** Something that triggers a negative or positive feeling. You might feel sad, restless, overwhelmed, carefree, empty, joyous or any number of emotions.
- **Why buy?** You want to buy something that makes you feel better, different, celebrated or expressive.
- **What can happen?** You may spend money on something you can't afford. It may prevent you from buying something else now, or in the future. You may not feel better or any happier after you purchased an item – you may even feel regret or guilt.
- **How to avoid it?** When you are sad, what do you do to feel better? If you want to celebrate a success or express your emotions, how can you do it in ways that don't require money?

3 Social Pressure

- **What is it?** When your friends or other people are purchasing items.
- **Why buy?** You see people spending money or sharing new purchases online or offline and think you also need to purchase these items to impress them, please them or fit in.
- **What can happen?** You may spend money on something you can't afford. It may prevent you from buying something else now or in the future. It may not even be an item you want or need and now, you could be stuck with it. Also, it may not be something that reflects you or your values.
- **How to avoid it?** What are ways to show others how unique you are without spending money? If you have to spend money to impress someone or fit in, is it really worth it?

4 Special Events and Holidays

- **What is it?** Special events or occasions that don't happen all of the time such as a birthday party or graduation.
- **Why buy?** You feel it's OK to spend money because you're making a one-time purchase and you want to celebrate.
- **What can happen?** You may spend money on something you can't afford. It may prevent you from buying something you need now or in the future. You may have buyer's remorse if you feel forced into buying.
- **How to avoid it?** Focus on what or who you are celebrating and why it's important to celebrate. What are less expensive ways to celebrate? Also, having a budget and saving for the celebration will help you to stay on track.

WHY YOU SPEND IT, CONT.

5 Consumer Marketing

- **What is it?** Marketing we see or hear online, on TV, billboards, the radio, etc., promoting different items directly to individual buyers. Websites and social media platforms have “cookies” that will show you similar ads based on what you have purchased previously or recently viewed online. (“Cookies” are data used to track you online.) You might see “sales” and promotions to get your attention.
- **Why buy?** Marketing is designed to convince you that you urgently want or need something. Marketers use information about you, or people like you, to send messages that will make you more likely to buy the product they’re advertising. For example, websites target you with ads for products they think you may like based on other websites you’ve visited or other things that you may have bought. A product or service might use a celebrity spokesperson to try to influence you.
- **What can happen?** You may spend money on something you can’t afford. Buying now may also prevent you from being able to buy something you need or want in the future. You may continue to buy items that you don’t need and can’t afford because of the effectiveness of marketing.
- **How to avoid it?** Think about the strategies marketers are using to get you to buy. Determine if an item is something you need. If it’s a want, can you purchase it later or not at all?

GUIDING QUESTIONS TO USE FOR YOUR PEER CONSUMER ADVISOR SESSION

- What is motivating the purchase (e.g., stress, emotional highs and lows, social pressure, special events and holidays, or consumer marketing)?
 - How will you pay for the purchase?
 - How will your future goals be affected by spending the money now?
 - How does your spending now impact your future?
-

And Don’t Forget!

STOP, DROP AND THINK BEFORE YOU BUY

Ask yourself ...

- Do I need this or want this?
- If I don’t need it, then why do I want it?
- Exactly when will I use (or wear) it?
- Can I find it for less somewhere else, use something I have, or borrow it?
- If I make this purchase, are there any needs it will prevent me from purchasing?
- How will this affect my goals? What will I have to give up by buying this now?
- In six months, will I think this was a good purchase?
- Do I buy it now? Yes or no?

Unit 1, Session 7**SHOULD I TAKE ON DEBT?**

Debt can be a useful tool to help you achieve your goals. But before you decide to take on debt, ask yourself the following questions:

- Is it good debt or bad debt?
- Will the debt be funding a want or a need?
- Could I save my money to pay for this instead of borrowing money?
- Will this help me achieve my goals?
- Will I be able to include the payments in my current budget?
- Do I know when I can pay the debt back?
- Is it worth the price when I consider the additional interest costs I'll have to pay?

If you answered “yes” to the last four questions, you may be ready to take on debt. Remember, even if it is good debt, you have to manage it responsibly for the payoff to be worth it.

Tips for Managing Debt

- Don't take on debt that you're unable to pay off.
- Never miss a payment.
- Never make a late payment.
- Use credit cards as a convenience – not to borrow money you don't have.
- Pay off the full credit card balance once you get your credit card bill.
- If you can't pay off an entire credit card bill, pay as much as you can to minimize interest payments – and stop using the card so you don't increase your balance.
- If you're unable to make a debt payment, contact the loan company before you are late – they may be able to help by adjusting the due date or payment terms.

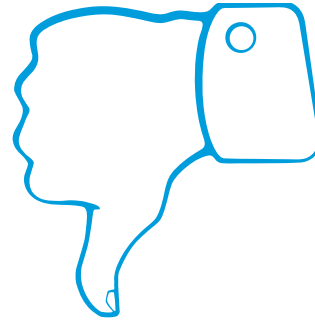
Unit 1, Session 7

THE GREAT DEBT DEBATE PREPARATION GUIDE



Good Debt

Debt that can help develop a skill, increase your income, or grows in value over time.



Bad Debt

Debt for a purchase that does not grow in value or help improve your financial future.

Make Your Case for Preparing Your “Good” or “Bad” Debt Debate Argument

- **Research Your Issue.** Make sure you understand the basic background of your case.
- **Use Your Resources.** Use the Should I Take on Debt? page in your Teen Personal Finance Guide to plan your case.
- **Think About the Other Side.** Prepare for what the other group will say against your case.
- **Be Aware of Time.** You only have two minutes to make your case and two minutes to present a rebuttal and summary. Make sure your argument is clear!
- **Involve All Team Members.** Give everyone on your team a role.

Unit 1, Session 8

WAYS TO PROTECT YOUR IDENTITY*

Use strong passwords based on the following characteristics:

- At least eight characters long
- Doesn't contain your user name, real name, company name or something personal
- Doesn't contain a complete word
- Significantly different from other account passwords
- Contains characters including uppercase letters, lowercase letters, numbers and symbols

Want to find out just how easy it would be for a computer to crack different passwords? Visit howsecureismypassword.net and type in example passwords, and the site will let you know just how quickly that password could be hacked!

Turn off geotagging: When you post online from your phone and let people know exactly where you are, it's easier for someone to obtain your personal information.

Monitor your friend requests: When someone asks to be your friend on social media, make sure you know who they are. Scammers can become your friend on social media, hack your information, access your friends list, create a profile with your name/information and/or post new scams.

Change your social media page to private: When your social media settings are private, only your friends can see your information – others are blocked. Remember that your friends can take a screenshot of what you post and share it with others.

Beware of quizzes, games and surveys: Some companies set up fake gaming sites. Once you enter your information, they can access your personal information. If they ask for personal information like the name of your pet or your mother's maiden name, don't provide it.

Beware of email scams: Some scams will tell you that you need to change your password to your account by sending you an email and asking you to click a link. Legitimate companies will never ask for your information that way. To be safe, always log onto that company's website directly, rather than using a link. Sometimes these scam emails are easy to spot because there are misspelled words and incorrect grammar in the email, but other times, they can look just like the real thing.

Never open or click on links in emails asking you to send money: Some scammers pretend they are your friends and send an email asking you for money. Scammers will also try to send you a check with the implication that you can keep part of the money if you deposit the check into your account. These are all ways to access your info.

What You Can Do If You Are the Victim of Identity Theft

- Contact the companies that you do business with, like your bank, credit card and utility companies. Let them know you've been a victim of identity theft. They can help block the spammers from further access to your information.
- Contact the Federal Trade Commission (ftc.gov) and submit an official statement about the crime. This may help you with creditors in the future.
- Contact your local police department and log an official statement about the crime, which may help you with creditors in the future.
- Contact at least one of the three credit reporting agencies (Experian, Equifax or TransUnion), if you're worried about the theft impacting your credit, to correct any false information. Ask for a fraud alert and/or place a freeze on your account.
- Change any passwords or information associated with the theft (logins, etc.).

*Adapted from lifelock.com/education/teens-risk-identity-theft and consumer.ftc.gov/articles/0040-child-identity-theft

REASONS TEENS DON'T SAVE

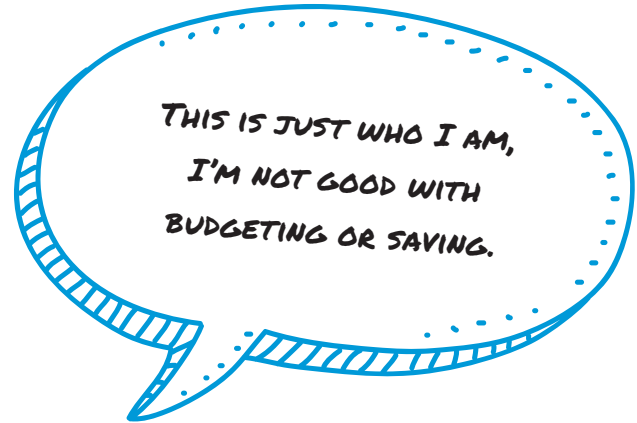
“ Spending for my needs and wants now is more important than spending for my needs and wants in the future. ”

“ I don't have any place to keep my savings. ”

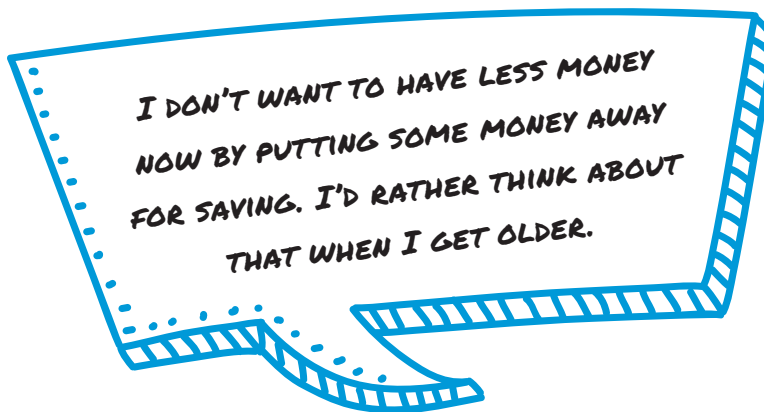
“ I'll make more money when I'm older by getting a good job, so I don't need to save right now. ”

“ I can't save money – I'm spending all the money I have on things I need now. ”

“ I don't really know how savings accounts work, so it's easier for me to just keep my money in cash. ”



“ Nothing negative is going to happen to me in the future to require a savings account, so why save? ”



“ I know how to control my spending, so I don't need to put away money to save. ”

“ I don't know what's going to happen in the future, so I may as well spend now. ”

“ You only live once, so you might as well spend what you have now. ”

“ Life can be hard – spending now makes me feel better than saving for the future. ”

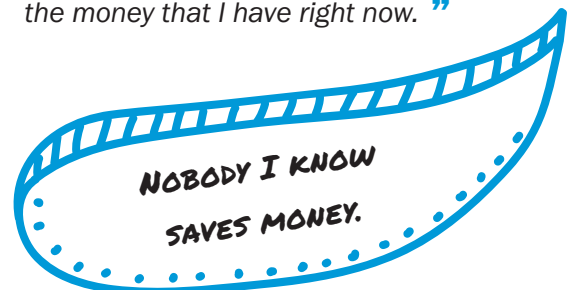
“ My parents and adult relatives always give me money when I need it, so I don't need to save. ”

“ I can't think of anything right now I'd want to save for. ”

“ I don't have a steady income, so I need all of the money that I have right now. ”

“ I'm going to marry rich, so I don't need to save money. ”

“ All my friends wear the most current clothes and I need to keep up with them. ”



“ I don't have enough money to save. ”