



PERSONAL MANAGEMENT

- 1) Do the following:
 - A) Choose an item that your family might want to purchase that is considered a major expense
 - B) Write a plan that tells how your family would save money for the purchase identified in requirement 1a.
 - 1) Discuss the plan with your merit badge counselor.
 - 2) Discuss the plan with your family.
 - 3) Discuss how other family needs must be considered in this plan.
 - C) Develop a written shopping strategy for the purchase identified in requirement 1a.
 - 1) Determine the quality of the item or service (using consumer publications or rating systems).
 - 2) Comparison shop for the item. Find out where you can buy the item for the best price. (Provide prices from at least two different price sources.) Call around; study ads. Look for a sale or discount coupon. Consider alternatives. Can you buy the item used? Should you wait for a sale?

- 2) Do the following:
 - A) Prepare a budget reflecting your expected income (allowance, gifts, wages), expenses, and savings. Track your actual income, expenses, and savings for 13 consecutive weeks. (You may use the forms provided in this pamphlet, devise your own, or use a computer generated version.) When complete, present the results to your merit badge counselor.
 - B) Compare expected income with expected expenses.
 - 1) If expenses exceed income, determine steps to balance your budget.
 - 2) If income exceeds expenses, state how you would use the excess money (new goal, savings).

- 3) Discuss with your merit badge counselor FIVE of the following concepts:
 - A) The emotions you feel when you receive money.
 - B) Your understanding of how the amount of money you have with you affects your spending habits.
 - C) Your thoughts when you buy something new and your thoughts about the same item three months later. Explain the concept of buyer's remorse.
 - D) How hunger affects you when shopping for food items (snacks, groceries).
 - E) Your experience of an item you have purchased after seeing or hearing advertisements for it. Did the item work as well as advertised?
 - F) Your understanding of what happens when you put money into a savings account.
 - G) Charitable giving. Explain its purpose and your thoughts about it.
 - H) What you can do to better manage your money.

- 4) Explain the following to your merit badge counselor:
 - A) The difference between saving and investing, including reasons for using one over the other.
 - B) The concepts of return on investment and risk.
 - C) The concepts of simple interest and compound interest and how these affected the results of your investment exercise.

- 5) Select five publicly traded stocks from the business section of the newspaper. Explain to your merit badge counselor the importance of the following information for each stock:
 - A) Current price.
 - B) How much the price changed from the previous day.
 - C) The 52-week high and the 52-week low prices.