



Book 1

Money Fun-damentals



A Youth Guide for Learning About Money

Name _____

Group _____



REVIEWED & RECOMMENDED
National 4-H Curriculum

Acknowledgements

Curriculum Design Team

Marilyn Furry, Ph.D., Penn State University – Team Leader

Claudia Mincemoyer, Ph.D., Penn State University – Team Leader

Suzanne Badenhop, Ph.D., University of Kentucky

Jan Carroll, Ph.D., Colorado State University

Lynn Garland, University of New Hampshire

Diane Johnson, The Ohio State University

Kevin Keith, National FFA Organization, Indianapolis, Indiana

Maria Pippidis, University of Delaware

Nancy Porter, Ph.D., Clemson University

Wanda Shelby, University of Arkansas

Alan Smith, Ph.D., United States Department of Agriculture, Washington, D.C.

Rebecca J. Travnichek, Ph.D., University of Missouri

Amanda J. Travnichek, 4-H youth representative, Savannah, Missouri

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Design and Production: Liz Kasper, Northern Design Group, Minnesota

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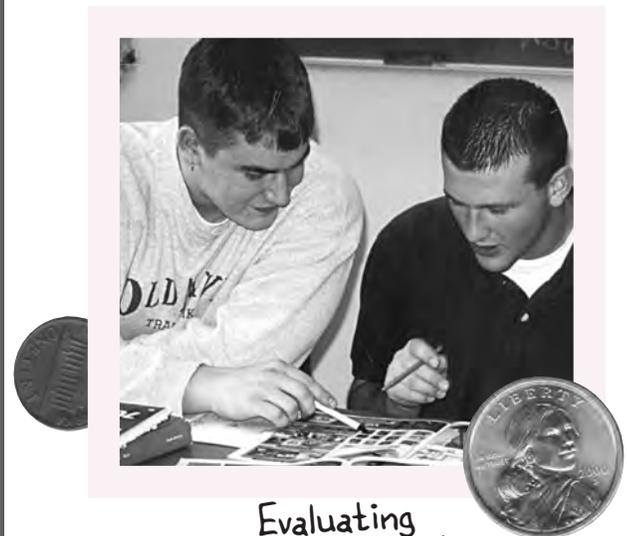
Brenda Holcomb and Kimberly Boonie, staff assistants, made this project possible with their patience and attention to detail.

Academic Standards

Applicable academic standards are included in the *Financial Champions Helper's Guide*, page 43.

Money does not occur in nature, and no version or analog of it exists among any members of the animal kingdom. Money, like language, is uniquely human.

Jack Weatherford



Evaluating needs and wants

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Welcome to Money Fun-damentals!

No matter what you choose to do with your life, you will have to learn to manage money to be successful. *Money Fun-damentals* will help you discover and apply sound money management principles while at the same time helping you learn more about yourself. Knowing your money personality is the basis for learning to distinguish between needs and wants. Knowing what motivates you will help you be smart about money. Knowing how to talk about money will help you set goals. Before you know it, you'll have your own budget and a course to follow that will lead you to success with your goals.

This book will help you learn to make sound decisions related to spending and saving your money. You will learn a lot about yourself. In learning about your strengths and limitations, you will identify areas needing improvement relating to money and personal finance.

Part of being a good financial manager is to take responsibility for your own behaviors and actions. The activities in this project will help you think about goals, how to gather information, how to assess risks and consequences and how to evaluate your progress towards financial goals. Doing activities in *Money Fun-damentals* will give you the opportunity to practice communicating with others and solving problems. The two life skills you will most practice are decision-making and managing yourself.

Money Fun-damentals will help you think about money as a "tool" to use in achieving your goals. You will use what you have (money, time, talents, etc.) to get what you need or want (goals).

 An adult helper may guide you through the activities in this book or you can explore them on your own. Internet resources may help you learn more about a concept. Use the Achievement Program on page 26 to record the activities you complete.



Each activity ends with questions to help you think about what you learn, and how to apply the knowledge to other parts of your life. Here are the question categories:

- **Talking Money with the Champions**
(Share)
- **Champions Maneuvering Money**
(Process)
- **Making Cents with the Champions**
(Generalize)
- **Financial Champions: Heroes for Life**
(Apply)

Champions' Challenge will offer you more ways to deepen your understanding of the activity.

You'll see glossary words at the end of the activities. The glossary words are in boldface type in the activities.

Phrases and quotes about personal finance are scattered throughout the book under the heading of "Pocket Change." There also are jokes, quotes or proverbs to make you think about money and its implications to your life.

Have fun and learn more about
Money Fun-damentals by
playing the Financial Champions
Web game at:
<http://pa4h.cas.psu.edu/FinancialChampions/>



Your Money Personality

Your Bottom Line: You'll better understand what motivates your money decisions.

Understanding You and Money

Money is just a tool to help you reach your goals. By itself money has no value. It is only when you use money that it assumes meaning. How you use money is influenced by your personality.

Each person is unique in how he or she makes decisions about money. What's important to you, how and where you grow up, your values, how your parents communicate about money and make financial decisions can all influence your money personality. Most people are a mixture of different attitudes, values and beliefs.

Money managers understand money is a tool. They are interested in learning how to use money

effectively and how to balance the money-personality profiles you'll learn about in the following activity. Money managers think through their decisions and recognize they may need to ask questions or communicate with others in their decision-making process.

Even experienced money managers can make mistakes. However, they learn from their mistakes, just as you will. You may gain new insight about how you value money, but don't **stereotype** yourself or others into a single category. The following quiz will help you determine your **money motivators**.

How to Complete Your Money Personality Profile

Read all the statements carefully in each category and then rank them from 1 (least like you) to 6 (most like you). Try to use each number just once in a category. If you read a statement that you feel is absolutely not like you, place a "0" next to the statement. You can use the "0" option more than once in each category.

Example: Shopping

- 4 I know a real deal when I see one because I shop around.
- 1 I like everything I try on; it's hard not to buy it all.
- 5 Name brands fill my closets and drawers.
- 3 I like to make my own fashion statements.
- 6 When I go shopping, I buy something that will help me accomplish my goals; I buy with purpose.
- 2 I go shopping to make myself feel good.



Money Personality Profile

General

- a. _____ Watching my savings grow gives me great pleasure.
- b. _____ Wandering around stores puts me in a good mood.
- c. _____ Making my own financial decisions makes me happy.
- d. _____ Being free of rules and stereotypes is my dream.
- e. _____ The more money I have, the more I'll be able to do what I want.
- f. _____ I work hard and I want to be valued for the work I do.

Shopping

- a. _____ I know a real deal when I see one because I shop around.
- b. _____ I like everything I try on; it's hard not to buy it all.
- c. _____ Name brands fill my closets and drawers.
- d. _____ I like to make my own fashion statements.
- e. _____ When I go shopping, I buy something that will help me accomplish my goals; I buy with purpose.
- f. _____ I go shopping to make myself feel good.

Eating Out

- a. _____ When I eat out with others, everybody pays for their own food.
- b. _____ I order whatever I want and like to leave big tips.
- c. _____ I like to buy food for others because I have the money.
- d. _____ I prefer paying my own way.
- e. _____ I like to pay for others to impress them.
- f. _____ Paying for others helps me feel good about myself.

Lifestyle

- a. _____ I spend money when I need something rather than when I want it.
- b. _____ Spending now is definitely more important than saving for the future.
- c. _____ Having things that I want is my goal.
- d. _____ Possessions tend to drag me down so I don't own much.
- e. _____ Saving money gives me the freedom to do things that cost money in the future.
- f. _____ Having things helps people know who I am.

Saving

- a. _____ I have a secret stash of money just in case I need it.
- b. _____ Saving money is hard for me. I always have something I want to buy.
- c. _____ When I take charge of my money, I feel in control.
- d. _____ Saving money is easy because I'd rather be doing things that don't cost a lot.
- e. _____ The more money I have saved, the more options I have open to me.
- f. _____ Having a large amount of savings makes me feel valuable.

Gifts

- a. _____ It's easier to give gifts to others than to buy them for myself.
- b. _____ I love buying the perfect gift for someone.
- c. _____ I buy expensive gifts because it means more.
- d. _____ Handcrafted or homemade gifts have more meaning for me and people think they are special.
- e. _____ The gifts I give others say I like them or that I want them to like me.
- f. _____ The price of my gift earns me respect for being able to afford it.

Determining Your Scores:

- A. Add up all the numbers you put next to the "a" statements, and put the total here _____ to determine your tendency toward being like Frank and Frances Frugal
- B. Add up all the numbers you put next to the "b" statements, and put the total here _____ to determine your tendency toward being like Patricia and Paul Pleasure
- C. Add up all the numbers you put next to the "c" statements, and put the total here _____ to determine your tendency toward being like Sergio and Sasha Success
- D. Add up all the numbers you put next to the "d" statements, and put the total here _____ to determine your tendency toward being like Nicole and Ned Not Important
- E. Add up all the numbers you put next to the "e" statements, and put the total here _____ to determine your tendency toward being like Pedro and Pamela Powerful
- F. Add up all the numbers you put next to the "f" statements, and put the total here _____ to determine your tendency toward being like Sharise and Steven Self-Worth

Your scores will show which personality profiles you favor. The higher the number for each profile, the more this tendency may motivate your money behavior. It's okay to be high in several profile areas. It just shows that your financial decisions are based on a variety of motivators or beliefs. The closer together in number the totals are, the more "balanced" you may be in your motivators. If you have one or two profiles that have high numbers, it may mean that your financial decisions are more strongly influenced by those motivators.

Financial decisions are based on a variety of motivators or beliefs.



Meet the Financial Families

Match your high scores to the descriptions of characters and see if they are true to your personality. List two strengths and two weaknesses by each profile. Remember, money personality profiles reflect your money beliefs, your understanding of yourself, of others and the world in which you live. Money beliefs can influence how people spend, save and use money. The same motivators often extend beyond money to include how a person may deal with other issues and resources. As you read through these profiles, you may learn something new about yourself, friends or family members.

Money is Security

Frank and Frances Frugal love to hold and save their money. They have a hard time spending money on luxury items or even on necessities. They save money because they believe money will offer protection from life's uncertainties; money makes them feel more secure. This pair is good at budgeting, prioritizing and waiting until later to buy things. They buy used goods whenever possible, and always search for low prices. They track their spending and they maintain a modest lifestyle.

Strengths _____
Weaknesses _____

Money is Unpleasant

Nicole and Ned Not Important avoid money like the plague. Although they know money is a tool to use in the world, they would rather not place a lot of importance on money. They sometimes feel nervous about money. They would much rather be spending time and resources on doing other things such as hobbies they enjoy, sports, theater or being outdoors.

Strengths _____
Weaknesses _____

Money is Pleasure

Patricia and Paul Pleasure love to spend money on whatever will make them happy. They can't keep money in their pockets. They have a hard time understanding there are limits on how much they can spend. Paul and Patricia don't like saving. They often borrow money from friends and family to spend now. They are generous to themselves and others and they enjoy life in the moment. They shop at prestigious stores. They tend not to track expenses and they buy on impulse.

Strengths _____
Weaknesses _____

Money is Power

Pedro and Pamela Powerful aspire to make things happen. They view money as power and believe the most powerful people in the world are rich. The more money they have, the more they will be able to do anything they want. Money makes them feel in control of their lives. They will take risks to have more money. They will work hard to make money so they can enjoy power.

Strengths _____
Weaknesses _____

Money is Happiness

Sergio and Sasha Success are devoted to looking good and buying the highest quality available. This couple thinks that having money and brand name "things" bring them happiness and contentment. They always wish they had a little more money or a few more things because then they'll be happier. They assume people can't be happy or successful without possessions. Sasha and Sergio are often the first to try new goods or services.

Strengths _____
Weaknesses _____

Money is Self Worth

Sharise and Steven Self-Worth measure their self-worth by how much money they have. They think that people judge them on the amount of money they have. Sometimes they feel guilty if they have more money than other people. They spend time calculating how much they should be paid for work or chores. They feel better about themselves if they are doing something to make more money. They value how much they have accumulated, not their relationships or contributions to the lives of others.

Strengths _____
Weaknesses _____

If making money is a slow process, losing it is quickly done.



Talk it over

Take the time to talk over these questions with your helper, parent or friend. It's a good way to finish the activity and to see how money personalities affect your life.

Talking Money with the Champions

How did you feel when you finished your profile and discovered your styles?

What are the strengths and weaknesses of your major style?

Champions Maneuvering Money

How do you think characteristics of your money personality influence your behavior?

How does thinking about the money personality styles of your family members or friends help you relate to that person better?

Making Cents with the Champions

How does knowing about your money style help you make decisions in different situations?

Financial Champions: Heroes for Life

How does your money profile relate to other aspects of your life?



Glossary

- money motivators
- stereotypes
- personality profile

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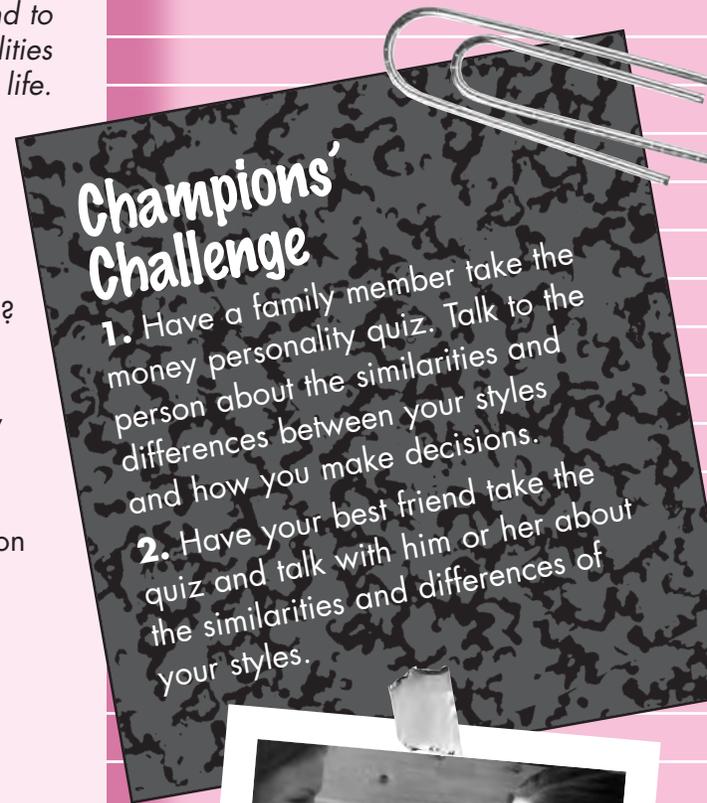
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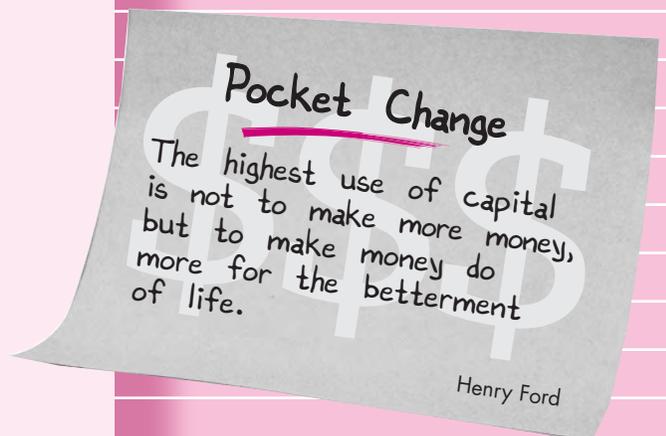
A mind is a terrible thing to waste.

Slogan of the United Negro College Fund



Champions' Challenge

1. Have a family member take the money personality quiz. Talk to the person about the similarities and differences between your styles and how you make decisions.
2. Have your best friend take the quiz and talk with him or her about the similarities and differences of your styles.



Pocket Change

The highest use of capital is not to make more money, but to make money do more for the betterment of life.

Henry Ford

Money often costs so much.

Ralph Waldo Emerson

I Really Need That

Your Bottom Line: You'll learn how needs and wants affect financial decisions.

I Need It, I Want It

Jeans, tennis shoes, pizza, soda, a bedroom of your own. Are these **needs** or **wants**? Needs are generally the basics of staying alive. Wants are things you would like to have, but could live without. Sometimes you want something so badly it feels like a need. The two can be confused when emotional issues come into play.

Abraham Maslow defined a **hierarchy**, or a ranking in importance, of needs and values. A ladder is traditionally used to explain Maslow's theory. The goals are ranked from the bottom of the ladder to the top.



A Ranking of Needs

I. Physical

Physical needs are the basics that sustain life including food, clothing and shelter. Generally, your family will supply your physical needs. How much and the quality provided is a matter of family values and resources.

II. Safety

Safety means living without fear. Safety needs include a safe place to live, work, play and learn. Examples of safety needs being met might include deadbolt locks on the doors, smoke alarms, medical insurance and an abuse-free life.

III. Social

Many young teens are familiar with social needs. These needs include having friends, acceptance, love and belonging. Sometimes it is difficult to separate needs from wants in this area. For instance, you might want to purchase name brand jeans (want) to improve your feeling of belonging to a certain group (social need).

IV. Self-Esteem

Self-esteem involves self-respect, recognition by others and status. Positive actions often help you achieve self-esteem. Many people believe buying certain brands of products is a way of increasing their self-esteem. Your self-image should ideally be based on values instead of material items.

V. Self-Actualization

Self-actualization is the need to develop your greatest potential by being creative and open to new, diverse experiences.





Needs in Your Family

Needs tend to be basic to everyone, but values are based on cultures. Families usually define values that influence needs and wants. A **value** is something that is important to you and your family. A value is neither good nor bad. However, needs tend to refer to those items you and your family must have to survive, and should be met first before money goes to wants. Wants tend to refer to those things that make our lives more comfortable. Whether you define something as a need or want depends on your set of values. How much money you have can impact both needs and wants.

Families define needs such as food, clothing, shelter, safety and security differently. One family's needs may be another family's wants. Making the distinction between your needs and your wants will help you determine how to spend money.

Once basic needs are met, you begin to think about wants. Wants can affect needs. For example, eating a bologna sandwich will fill you up, but eating steak may be what you want. Likewise, you can take an art class at the community center, or at the Sorbonne in Paris. Everyone will view needs and wants differently.

One family's needs may be another family's wants.



1.



Exploring Needs and Wants

Cut out pictures of things important to you. Use magazines, newspapers or the Internet. Suggestions include: family, love, water, tennis shoes, jeans, computers, stereos, telephones, cell phones, pagers, shoes, music CDs or pets. Get pictures of **name brand** products (advertised brands). Also, cut out **generic brands** (products that are sold as store labels or as lesser-known brands). Get pictures of the exotic and pictures of the ordinary. Label a piece of paper with "Wants." Label another with "Needs." Now, sort the pictures under each heading.



Do I need that, or do I want it?

Certainly, there are lots of things in life that money won't buy, but it's very funny-have you ever tried to buy them without money?

Ogden Nash

2.



A Portrait of Me

Glue or tape a picture of yourself at the top of a piece of poster board. Take the pictures from the first activity and prioritize them from more important (at the top) to less important (at the bottom). The result will be a ranking of your needs and wants.

Never ask of money spent
Where the spender thinks it went.
Nobody was ever meant
To remember or invent
What he did with every cent.

Robert Frost





Needs and wants can be subjects of great debates! Here's your chance to discuss your thoughts about needs and wants.

Talking Money with the Champions

What is the difference between a need and a want?
How can a want become a need or a need become a want?

Champions Maneuvering Money

How has this activity increased your knowledge about yourself?
How does distinguishing between needs and wants affect your purchasing decisions?

Making Cents with the Champions

How can purchasing decisions affect your goal of self-actualization?
How do needs and wants affect your family's purchases?

Financial Champions: Heroes for Life

What will you do differently now that you understand needs and wants?



Glossary

- needs
- wants
- hierarchy
- values
- name brand
- generic brand



I really want that shirt... but I don't need it!

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People first, then money, then things.