



PEER-REVIEWED
PRODUCT # 01442Y

My Financial Future

A Financial Literacy Curriculum



Saving



Spending



Credit Cards



Purchasing



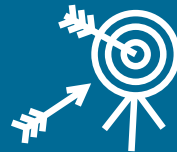
Financial Records



Risk Management



Investment



Goal

Youth Notebook – Advanced

THIS CURRICULUM IS A PROJECT OF:



AUTHORS

Michael Gutter, PhD

Judith Levings, PhD

Brandon Peterson, MS

Amanda Blanco, MS

Brittany Stahl

PROJECT DIRECTOR

Tara D. M. Wheeler, MPA

National 4-H Council

PROJECT MANAGER AND DEVELOPMENTAL EDITOR

Justin A. Wiebers, MS

National 4-H Council

For ordering information contact National 4-H Council Supply Service at:

(301) 961-2934 or www.4-Hmall.org.

Copyright © 2014 National 4-H Council. All rights reserved.

The 4-H Name & Emblem is protected under 18 USC 707.



Support for this publication was provided by the New York Life Foundation.



Contents

Module 1: Earning Income and Career Planning

- 1.1 Identifying Sources of Personal Income 4
- 1.2 Exploring Career Options 8

Module 2: Organizing Your Flow

- 2.1 Setting SMART Goals 12
- 2.2 Systems for Financial Records 17
- 2.3 Developing Spending and Savings Plans 23

Module 3: Working with Banks and Credit Unions: Bank on It

- 3.1 Using Different Methods of Payment 28
- 3.2 Using a Checking Account 36
- 3.3 Building a Positive Relationship with a Financial Institution 48

Module 4: Making Your \$ Work 4 U

- 4.1 Investing in Your Financial Well-Being 57
- 4.2 Evaluating Investment Alternatives 61


Module 5: Credit and Consumer Breadcrumbs

- 5.1 Consumer Skills in Purchasing Decisions 67
- 5.2 Credit Records and Borrowers' Rights 74
- 5.3 Debt Management and PowerPayment 80

Module 1: Earning Income and Career Planning

Activity 1.1: Identifying Sources of Personal Income

Opening Questions:

- 
- ▶ Is a dollar today worth a dollar tomorrow?
 - ▶ Do you have a job or do you earn an allowance?
 - ▶ How often are you paid?
 - ▶ Do you get the same amount every week, or do you get paid for each job you complete?

Have you ever heard someone tell you, they used to be able to buy something for a fraction of what you pay? For instance, have you ever heard someone say, “When I was a kid, we got a candy bar for \$0.25.”?

Introduction:

Depending on the job, people get paid a wage, salary, or commission. If your job pays you a **salary**, you will receive the same amount of money every pay period, regardless of whether you work more or less than 40 hours. If your job pays you a **wage**, you will get paid for each hour you work. If you earn a **commission**, you will get paid for each product you make or sell.

Inflation is a progressive increase in price over time. Overall, inflation has average about 3% per year over the last 85 years or so. If your income and savings do not increase at the current rate of inflation, you may actually be able to purchase less or have less money over time. It is important to think about the cost of inflation and what we can invest in to improve our income growth.

Let’s learn how to reduce the effect of inflation on your purchasing power!



Activity

1. Discuss with your group the difference between working **full-time** and **part-time**.
2. Discuss the difference between **earning a salary** vs. **earning an hourly wage** vs. **working for commission**.
3. Work with your group facilitator to split into **three “jobs”**, listed below. You will have **five minutes** to complete each job.
4. Record your experience and pay in the space provided.

JOB #1: PAID A SALARY

Aerospace Engineer

Design and fly ten quality paper airplanes. Airplanes must fly six feet in the air to count as a quality piece of work.

JOB #2: PAID A COMMISSION

Professional Writer

Write about as many animals as possible. To get paid, you must write a paragraph about an animal. Each paragraph must be at least four sentences long.

JOB #3: PAID AN HOURLY WAGE

Maintenance Worker

Enjoying your job cleaning up after a basketball game, make as many baskets as possible during the round. (Shoot as many paper balls as possible into an empty trash.)

"Talk it over..."

➔ Write in your answers, then discuss the following questions.

Share	
▶ Which payment method was most successful for you? Salary, commission, or hourly wage?	
▶ What methods of payment have your family members experienced throughout their working years?	
Process	
▶ What are some of the benefits of getting paid a salary? What are some of the negative outcomes for getting paid a salary?	
▶ What are some benefits of getting paid a commission? What are some negative outcomes for getting paid a commission?	
▶ What are some benefits of getting paid a wage? What are some negative outcomes for getting paid a wage?	
Generalize	
▶ Which types of income are more likely to keep pace with inflation?	
▶ What types of jobs have a salary? Wage? Commission?	
▶ What might influence whether a job has income that keeps pace with inflation?	
Apply	
▶ How does the way in which one gets paid influence other aspects of personal financial management? How does it affect savings decisions?	
▶ What type of income is associated with your dream job?	



News and Careers

Inflation is a concern for everyone; not just policy makers, economist and those in financial services. Inflation is of concern to manufacturers and others who must obtain materials to make products. Families are also affected by high inflation since things such as groceries and gas cost even more.



Did You Know?

Most regular savings accounts have not had a rate of return above inflation for many years.

GLOSSARY WORDS

Inflation—A progressive increase in prices.

Salary—A fixed compensation paid regularly for services.

Wage—A monetary payment made in exchange for labor or other services. Typically made according to a contractual obligation and based on an hourly, daily, piecework, or set value basis.

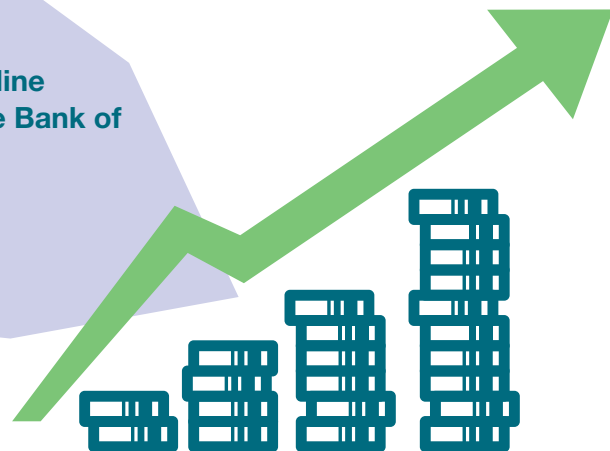
Commission—A fee for services rendered based on a percentage of an amount received or collected or agreed to be paid.

Full-time—To work for 35-40 hours per week.

Part-time—To work less than 35 hours per week.

Learn More

Check out the Great Inflation Online Course from the Federal Reserve Bank of St. Louis by visiting the website:
4-H.org/curriculum/money



Module 1: Earning Income and Career Planning

Activity 1.2: Exploring Career Options

Opening Questions:

- ▶ Are you interested in being your own boss someday?
- ▶ How often have you been asked:

What do you want to be when you grow up?

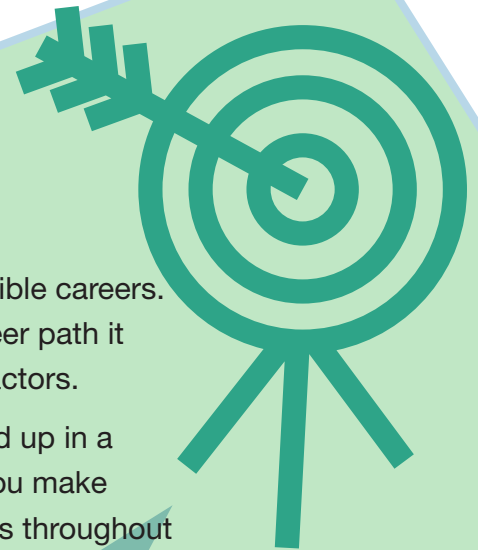
What do you want to do after high school?

Introduction:

It is important to consider many factors when researching possible careers. Your interests, your skills, the educational requirement, the career path it takes to get there, and expected income are just a few of the factors.

Many people may start off their careers in one direction and end up in a very different one. Therefore, keep in mind that the decisions you make now are not final. You are likely to change jobs and even careers throughout your working years.

The knowledge and experience you gain along the way can be seen as an investment in your human capital. **Human capital** is the consideration and valuation of your competencies, knowledge, habits, and abilities.





Activity

Research a Possible Career Option!

1. Visit the following website to access a web-based course on Career Options.
www.4-H.org/curriculum/money
2. Spend some time researching different careers by visiting the **Bureau of Labor Statistics** (visit the curriculum website at 4-H.org/curriculum/money for the link).

Use the following steps to complete research for one possible career option.

- ➔ Pick an area in which you have an interest. What subject do you enjoy?
- ➔ Click on that subject and choose at least two careers in that subject area.
- ➔ What does someone do who has each job? Does one job sound more appealing to you than another? If so what is it that makes it more appealing?
- ➔ Do the jobs offer similar pay? Does one job have higher pay? What type of income do these jobs pay? (i.e. salary, commission, or hourly wage)
- ➔ Pick one job that seems like a good fit for you based on the above. What type of education or training is required for this job? If you need to go to college, what subject would you need to major in during college?
- ➔ Review the remaining information for this career on the site.
- ➔ Click on the “How to Become One” Tab.
- ➔ Think about the following:
 - How will you complete any education requirements?
 - Does a school you were interested in have a program for this area?
 - What skills or qualities does the job require?
 - Will you need other experiences, like internships?

"Talk it over..."

→ Write in your answers, then discuss the following questions.

Share

- ▶ For the career you chose, what type of education or experience do you need? Is that consistent with the expectations that you already had for your future?

Process

- ▶ How will your family play a role in your pursuit of this career?
- ▶ What events or people do you think have influenced your career ideas?

Generalize

- ▶ Compare the amount you need to invest in your career with the financial reward you expect.
- ▶ What are the steps you need to take to pursue your career?

Apply

- ▶ If you plan on attend college, what is your plan for financing it?
- ▶ If you plan to attend some other form of training, what is the cost and requirements for doing so?
- ▶ What can you do now to explore your interests and career options? How can you initiate a job shadowing experience with someone who is doing a job or business you are interested in?



Did You Know?

The average person may go through five or more careers during their working years.

GLOSSARY WORDS

Human Capital—A term to describe the knowledge, experience, skills, talents, and other traits an individual possesses.

FAFSA—Free Application for Federal Student Aid.

Pell Grant—Needs based financial aid that does not need to be repaid.

Stafford Loan—Common form of federal student loan that can be subsidized or unsubsidized.

Perkin's Loan—A need based form of federal student loan.

Subsidized Loan—Loan where the interest owed does not accrue while you are in school.

Unsubsidized Loan—Loan where the interest owed does accrue while you are in school.

Learn More



There are many options available to you that can help pay for college. By filling out a federal student aid application, you can be connected with grant and loan opportunities. You can also apply for scholarships to help pay for college costs.

To fill out a FAFSA application, go to <https://fafsa.ed.gov/>