ARE U MONEY SAVVY?



Why is Saving Smart?

Everyone has an idea of what saving money means. A lot of us think saving just means not spending. While not spending is part of it, that sounds pretty boring doesn't it?

Here's our definition of saving: Savings means holding onto a certain amount of money for spending in the future. (Notice we didn't say holding onto all your money.) Plus, the future part is what makes saving fun. Dream big and set goals!

Smart savings starts with a goal that is:

Specific Measurable Achievable Results-based Timed

My SMART short-term	Draw a picture of your goal or cut out pictures
saving goal is:	from magazines or the Internet and paste them here.
My goal will take	
month/years and	
\$ to accomplish	

Open a Savings Account!

Why not just hide your money at the back of your closet in that ugly pair of shoes your mom made you wear to your cousin's wedding?

Hanging onto your money where you can keep an eye on it may seem like a good idea, but a bank is a much better place. Here's why:

Security. Say your sister's gerbil gets loose and decides to make a nest in your closet out of chewed up money. You're out the money you stashed in your shoe! But when you deposit your money in a bank, it's insured—up to \$250,000 for one person, which means it's safe.

The bank pays you. That's what interest means. When you deposit money in a bank account, the bank uses that money to make other business deals. The bank pays you interest for allowing them to do that. Which means if you put \$100 in an interest-bearing savings account it will be worth more than \$100 over time. \$100 left in a shoe will still be worth \$100 no matter how long it sits there. (And may not smell so good either.)

Go Coupon Crazy!

We all know what coupons are. The little rectangles you cut out (or print online) that give you a discount on a particular product or service. Coupons are everywhere -- in the Sunday and daily papers, in the mail and on the Internet. Clip and save coupons to help stretch your dollars!

- 1. Keep a pair of scissors where you know they'll be every time you need them (in other words, hide them if family members tend to "borrow").
- 2. Ask your mom or dad to set aside all mail and newspaper advertising.
- 3. Go through the pile on Sunday night and cut out coupons for the products you use (cents off on your shampoo brand; rebate on your next haircut.)
- 4. Only cut coupons for things on your list. Also check online for coupons before you make a purchase.
- 6. Take your coupons and your list with you whenever you shop.





Use the **Money Diary** to keep track of the money you spend and the income you receive. After the first week, you may be surprised at how much money you spend and what you spend your money on. Now look at your income. Think about where you get money. Is it an allowance? Or, do you receive money for special holidays? Or, do you have a job where you earn some money? Now that you see what you spend in a week, does your income cover that spending? If not, it's time to rethink your spending.

My Money Diary for the week of//		
INCOME - MONEY THAT CAME I	N	
Allowance	\$	
Job	\$	
Gifts	\$	
Other: (specify)	\$	
Other: (specify)	\$	
Other: (specify)	\$	
TOTAL INCOME	\$	

EXPENSES - MONEY THAT WENT OUT	
Money for SAVE	\$
Money for DONATE	\$
Money for INVEST	\$
Gifts	\$
School lunch	\$
School supplies	\$
Computer, cell phone, texting expenses	\$
Clothes	\$
Shoes	\$
Shampoo and Conditioner	\$
Make-Up	\$
Eating out (pizza, fast food, restaurants)	\$
Sports equipment/uniforms	\$
Books and magazines	\$
DVDs	\$
Movie tickets	\$
Other: (specify)	\$
Other: (specify)	\$
TOTAL EXPENSES	\$

Budget tip #2

Each time you spend money, ask yourself if you really need or want the item.

Use the **Gotta Have It Gauge** to really think about what you need and what you want. Now make a list of those needs and wants and then prioritize the entire list. What are the top 3? Any surprises? Each time you make a

purchase it should already be something you have listed on your wants and needs list. Otherwise, you have just spent money on something that was not as important.

My Spending Wish List In Order

1. 2.

3.

4.

5.

6.

7.

8.

9.

10.

11.

12.

Run each item on you	ur Wish List through this gaug
My Spending Wish List	Gotta Have I
	Item:
	1. Do I need this?
	2. If not, do I really Will I still want it
	3. Is this something now or can I tak think about it?
	4. Am I sure that it used or worn fre
	5. If I buy it now, w enough money b the other things
	Rewrite your Wish List

Gotta Have It Gauge

- 1. Do I need this?
- 2. If not, do I really want it? Will I still want it tomorrow?
- 3. Is this something I must buy now or can I take some time to think about it?
- 4. Am I sure that it will get used or worn frequently?
- 5. If I buy it now, will I have enough money left over to buy the other things I'll need soon?

Rewrite your Wish List in order of most to least wante

Budget tip #3

Never spend more money than you have.

Break up into teams and tackle this Budget Exercise. You only have \$250 budgeted for this job and the rule is not to spend more than you have budgeted. When you are all done, listen to the other teams talk about what they thought they needed to spend their money on. Do you agree? Did anyone have any money left over?

You have \$250. With your team, "go shopping at Joe's Diving Store" and buy anything on the list, but remember you can't go over your budget. When you're done, a spokesperson from each team will explain to the class why his or her team made the decisions they made and how much money, if any, they have left.

JOE'S DIVING STORE

Diving Gear
Rubber Duck\$5
Waterproof Camera\$15
Sunscreen
Gatorade (per bottle)\$2
Sunglasses\$10
Beach Chair\$20
Life Jacket\$25
Beach Towel \$15
Energy Bar\$2
Deck of Cards\$2

Television \$200
Boom Box\$50
Beach Ball\$5
Sandwich
First Aid Kit\$12
Gym Shoes
Marshmallows\$5
Jacket
Case of 24 Twinkies\$10
Cell Phone \$50
Bottle of Juice or Water \$1

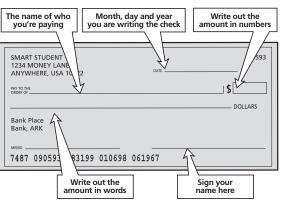
X & 00 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 &
The Budget: \$250.00
Make your choices and add them here:
\$
\$
\$
\$
\$
\$
\$
\$
\$
\$
Total Spent \$
Total Budget \$250 Money Left Over
Money Left Over

What is a Checking Account?

Do you have a checking account yet? It's an important tool that everyone should learn how to use. You'll definitely need a checking account when you start receiving paychecks from an employer so that you can easily deposit the money you've earned. Some employers will even electronically deposit your pay directly into your account, saving you a trip to the bank!

How to write a check

As you can see from this example, it's pretty easy to write a check:



Bouncing sounds like fun, but not when it comes to checks

Have you ever heard somebody say they "bounced" a check? It means they wrote a check for an amount greater than the amount of money they had in their checking account. The bank bounces it back to the store, and both

Why checks instead of cash?

In many ways, checks are the same as cash but offer you some advantages:

Checks are safer. If you walk around with a lot of cash and it gets lost or stolen, there's nothing you can do. If you lose your checkbook, you can contact your bank and they'll cancel your checks. Plus, it's risky to send cash in the mail.

Checks help you budget. Checks give you a written document of what you're spending. You record your checks in a check ledger, and the bank gives you a statement every month showing your deposits, withdrawals and any ATM and debit card charges. That way, you can see in black and white just where your money is going.

Now it's your turn!

- 1. Make the check payable to: SMART BOOK STORE
- 2. Write the check for \$150.00

SMART STUDENT 1234 MONEY LANE ANYWHERE, USA 10222	DATE	101
PAY TO THE ORDER OF		\$
		DOLLARS
Bank Place		
Bank, ARK		
MEMO		
1:0311006491:999999999999		

the bank and the store usually charge a huge "returned check fee." It can cost you \$60 or more in fines to bounce a \$5 check!

The best way to avoid bouncing a check is to keep a good record of the checks you've written (and don't forget the ATM withdrawals and debit card purchases!) You can get a checkbook that offers duplicate checks (thin paper inserted behind the check that carbon copies what you've written), or you can record every check in the check register at the end of your checkbook. Whichever method you choose, make sure you do it!

Take the

In this exercise, you will add the deposits to the checking account, and subtract the amount of those things that were bought with a check or debit card to keep your balance up to date. Checking Challenge! The amount will equal your final balance.

CHECK NUMBER	DATE	TRANSACTION DESCRIPTION	PAYMENT AMOUNT	DEPOSIT AMOUNT	BALANCE \$650.00
	5-5-10	Debit card for pizza	\$8.63		Α.
101	5-8-10	Check for books	\$150.00		В.
	5-10-10	Glift from Uncle Buck		\$250.00	С.
102	5-11-10	Check for MP3 player	\$99.00		D.
103	5-15-10	Check for ice cream cake	\$17.00		Е.
-	5-20-10	Debit card for 3 DVDs	\$54.54		F.
\$650.00 A. - 8.63	- 150.00	+ 250.00 - 1	E	54.54	YOUR FINAL BALANCE:
А. В.		D E	F	w.moneysavvy.cor	n • 800.413.0073

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