## 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 saving goal is:

## Draw a picture of your goal or cut out pictures from magazines or the Internet and paste them here.

## Open a Savings Account!

Why not just hide your money at the back of your


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.
5. Take your coupons and your list with you whenever you shop.


## Budget tip *1

Keep track of the money you spend - every penny!

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 IN | $\$$ |
| 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.

Wish List through this ga

## Gotta Have It Gauge

Item:

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?

## 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

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.

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?


The Budget: $\$ 250.00$
Make your choices and add them here:

|  | \$ |
| :---: | :---: |
|  | \$ |
|  | \$ |
|  | \$ |
|  | \$ |
|  | \$ |
|  | \$ |
|  | \$ |
|  | \$ |
|  | \$ |
| Total Spent \$ | \$ |
| Total Budget \$250 Money Left Over | $\$ 250$ |

## 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!

## 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.

## How to write a check

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


## Now it's your turn!

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

## 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
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
Checking Challenge!
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. The amount will equal your final balance.

| Check number | date | transacton description <br> PAYMENT | Deposit <br> AMOUNT | BALANCE <br> AMOUNT | $\$ 650.00$ |
| :---: | :---: | :--- | :--- | :--- | :--- |
|  | $5-5-10$ | Debit card for pizza | $\$ 8.63$ |  | A. |
| 101 | $5-8-10$ | Check for books | $\$ 150.00$ |  | B. |
|  | $5-10-10$ | Gift from Uncle Buck |  | $\$ 250.00$ | C. |
| 102 | $5-11-10$ | Check for MP3 player | $\$ 99.00$ |  | D. |
| 103 | $5-15-10$ | Check for ice cream cake | $\$ 17.00$ |  | E. |
|  | $5-20-10$ | Debit card for 3 DVDs | $\$ 54.54$ |  | F. |

\$650.00
A.

A.
A.

- 150.00
B. $\square$
B.
$+250.00$
C. $\qquad$
c.
99.00
D.

D.

|  |
| :--- |
| $-\quad 17.00$ |

E.
E
YOUR FINAL

E. $\square$

