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Cash and Stuff

4-H Home Management Project



Money Management Unit I

EXTENSION DIVISION
Virginia Polytechnic Institute
and
State University

Record Book 77
Reprint June 1976

This Money Management Project will help you to:

1. Learn how to use money wisely.
2. Learn that individuals have to decide which wants are "must haves" and which are "nice to have" and which "nice to haves" will bring the greatest satisfactions.
3. Plan for the future and learn to save for some of the goals you have set.
4. Learn how to keep a record of expenses and income and how to use these records.

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EXPLORING ECONOMICS

MONEY MANAGEMENT

When you were four years old would you have known the way to school? Probably not, but now that you are older you know that to get to your school you must go along a certain road or street. If you were going to New York what would you need to do? You would need to decide:

What will you need to take with you? What is the best road to follow? How will you travel? Everyone has to learn how to travel if he is going anywhere.

Everyone has to learn how to use money also. You have already learned that a dime is worth two nickels and that it takes more money to buy some candy bars than others. You probably know a lot more about money than this but do you know that using money is like taking a trip?

Just as we learn how to travel, we must learn to manage money if we expect to get our money's worth.

When we are planning a trip, the first thing we must decide is where we are going. If we don't know where we are going, we probably will never get there. We might leave home and wander around for a long time. In the wandering we might happen to see some friends; we might happen to see some interesting scenes or find some interesting or beautiful places. If we did it would be by chance and we have just as great a chance to miss these as to find them. But if we plan to go to a certain place our chance of getting there is fairly certain. So our goal becomes to get to a certain place.

Planning the use of our money is much the same as planning a trip. We need to know what we want our money to buy for us. We can always spend money as soon as we get it for what we happen to want at that moment. This is wandering around, though, without knowing where we are going. Chances are we will get a few things that we will really enjoy; but there are more chances that we will always end up with a lot of little things, many of which we really don't want.

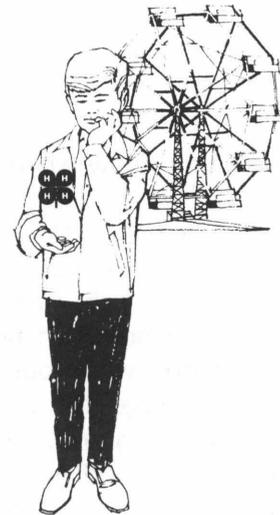
Have you ever bought anything that you really didn't want a little while after you had bought it? This won't happen very often if you do better planning before you start using your money. No one person will ever be able to go to all the places he wishes to visit so he must choose the ones he wants most to see. It is the same with spending money.

One 4-H member was taking a money trip. Money seemed to burn a hole in his pocket just as soon as he got it. He would buy candy or a hot dog.

He wished he had kept out some of his money toward camp. Mother and Dad thought he might get to go to camp if he saved some of his money each week. He really tried to do this, but there were so many things he wanted right then. He found it very hard work to hold onto enough money toward camp expenses.

He learned, however, that before he spent his money, it paid to think about some of the things he wanted, and then to decide which

Mapping Your Money Tip



ones were most important to him. He found, too, that he got more for his money when he made a written list of the things he wanted, and kept a list of how he used his money.

So you see this 4-H member started planning what he wanted his money to do for him.

The last time you had money to use as you wished, how did you use it? _____

Were you happy with the way you used it? _____

Why? _____

Where do you want to go on your money trip? What are your goals or what are your needs and wants for the next few weeks? Remember, you can't go everywhere, nor can you have everything you want, so you must decide or do some planning as to what you want most. To help you in planning, list what you decide to do with your money, how much each want will cost, and when you will buy it.

<i>What I Need or Want</i>	<i>Cost</i>	<i>When I Will Buy It</i>
(Example) Birthday Gift for Mother	\$1.00	February—1st week (in 4 weeks)
_____	_____	_____
_____	_____	_____
_____	_____	_____

Now you know where you are going, what will you need to take with you?

On your trip to New York what will you need to take? Some of the necessary things are clothes and money. You might choose to take: ticket, maps, a lunch, sunglasses, games to play along the way, camera and radio depending on how you will travel and who you are with. Different people will choose different things.

Your luggage for reaching your money management goal, of course, will be money. How much will you have to pack? A good money trip or good money management means knowing how much money you have and will need.

You may get your money in several ways.

A **handout** is money that your parents give as you need it to buy certain things like school supplies, tickets, gifts or just spending money. It usually comes when you have a certain need and the amount you receive each week is uncertain. If you receive only handouts it isn't easy to do very much planning as to how you will use your money.

An **allowance** is a specific amount of money given each week. Usually there is an understanding between your parents and you as to what the allowance will cover. These may be school supplies, gifts and treats. It may cover only recreation and treats. It is for you and your parents to decide how to spend it.

If you do not get a regular allowance you may do one of two things. Keep a record for a month of the amount of money your parents give you. Divide this by four to get the weekly average. They may then agree to give you this amount each week. If this doesn't work in your family you can still put yourself on an "allowance" basis by figuring your most important needs for the next week and limit your requests for money to once a week. Your parents will probably approve of this and you will have some freedom in making choices as to how you will use the money.

What should be done if you spend all of your allowance at once? This may happen when you first receive an allowance or if you have an emergency to come up. You should talk with your parents about what you need and how you used your money. If it seems agreeable and fair, some additional money may be given but this should happen rarely. Or, it may be that you should do without something you need or want so that you will spend more wisely next time.

Another way to solve the problem is to borrow from parents and pay them back. But, just remember it is very hard to pay back and credit costs money. Shouldn't you be expected to pay interest on the loan? When you buy on credit you have less money to spend on other wants.

Now there is another way to solve this problem. The best money managers put a little back each week or month to build an emergency fund. Then, when real unexpected surprises come along they are prepared.

How much money is enough? Almost everyone knows that the more we get the more we want, but more money is not likely to solve money problems. The way a person uses his money is the most important. This is what money management is about. The actual amount of money you receive from your family will depend on:

1. How much money your family has.
2. How much of that money it takes to buy food, clothing, to pay rent or house payments, and many other things that are needed.
3. How many are in your family?
4. Where you live and opportunities you have to spend money.

You can be careful not to ask for more than your share. You can also help by taking care of what you have and not being wasteful. All of this makes for better money management for you and your family.

Earnings are money that you get from work. You may have a regular job in the neighborhood or the community or you may earn money only occasionally.

Perhaps you sometimes get paid for special jobs at home. But, let's get this straight, it doesn't mean that you get paid for your share of the family work. Each family member causes work to be done around the house. What is some of the work that must be done because you are there? You cause more laundering and ironing, more bed making, more dish washing and more cleaning. Shouldn't you be expected to hang up your own clothes, make your own bed and to share some of the other routine work as a member of your family? After you share some responsibility, maybe you could be paid to do special jobs like painting, washing windows, washing walls, etc. You must first learn to do a good job so that you help instead of creating more work to be done. It is





only fair too, that your payment should be based on how well and how quickly you do the work.

Many 4-H'ers use projects to earn money. There is no way to list all the ways to earn money through projects. 4-H'ers have earned money through selling baked bread, 4-H garden vegetables, plants, handmade toys, washing cars, washing windows, and running errands for other people. What is it possible for you to do? This will depend on where you live, what kind of things you like to do, what you know or can learn to do, what you have to work with and your age. There is probably something you could do.

You may receive gifts of money on certain occasions. Usually, however, you can't count on these and they should be considered as nice surprises.

Remember the extra things that you might like to take to New York? What do you think the extras might be on your money trip? These are the things you can do to make your money go farther. You won't pack all of these at once or you won't use each one every day but there will be times you can use each one.

Sharing. Two brothers each wanted a sled. They couldn't save enough for two sleds. They finally decided to buy one together. One shared was better than none at all. Could they have bought two secondhand ones?

Mike gave a pretty card to his mother on her birthday. On the card he promised to do some special tasks to help his mother for a certain length of time, and he did what he said he would do, too! His mother liked that gift best of all.

Community Services

Often you can stretch your dollars by using some of the services your community provides. Check out library books to read, use public playgrounds and parks for fun instead of going to a movie or some place that costs money. Many times a group can plan together for a picnic or other group activities that save money and are lots of fun. You can play on your community recreational teams, or watch these games and programs. Either way you can have fun without spending money.

Your Own Work

When you need something, can you or a member of your family make it for less cost than buying it? Can you pop corn at home to take to a drive-in? Can you pack a lunch any time to save buying food? Can you pack a snack to eat after swimming? Can you figure out less costly ways to get what you want?

You will also learn that you have a lot of fun when you do things for yourself.

Taking Care of What You Have

Betsy likes to play the piano. She was to play in a recital so her mother paid for a special piece of sheet music. Betsy was very proud of the new sheet music but she left it on the floor. Her baby sister, who liked to chew on paper, found the music on the floor. Before long the music was ruined. Because of Betsy's not taking good care of the music, another copy had to be bought. Therefore, money was wasted.

Can you take better care of your clothes, books, and hobby equipment? Do you put things up when you finish using them? Do you hang up your clothes so they will look nice longer?

A careful shopper gets more for his money than a person who buys without much thought to "how to buy."

For instance, in buying a simple thing like a pair of socks you can waste money or you can get full value for it. Maybe you have had the experience of buying a pair of socks that were too small after they were washed. Suppose you paid 50 cents for the socks and wore them once. That one wearing cost 50 cents. Now if the socks had been fitted properly you should have worn them many times. For example, if you had worn them once a week for twenty-five weeks or twenty-five times each wearing would have cost—50¢ divided by 25 would be 2¢ a wearing.

In learning how to be a careful shopper you need to learn to:

1. Decide what you want before you go shopping. If you are buying socks what style, color, size do you want? (Socks should be $\frac{1}{2}$ inch longer than your foot when you are standing.) How much will you pay for them?
2. Shop around—look at several kinds of the article before deciding which you will buy.
3. Read the label. Are they machine washable? Are the toes and heels reinforced to give longer wear?

Before we go on a trip we must decide which road we will take. In money management a plan will help us decide what we want to do with our money and how we will use our money to buy the things we want most.

Sometimes it is hard to know which comes first—deciding where we will go or which route we will follow. It depends on how much money we have and what we want to do with our money.

If we were taking a trip, we could ask a friend who had been on the trip which route he traveled. On our money management trip it doesn't help to ask a friend how we should use our money because none of us follow the same route. So, we must make our own route as we go along. This really isn't as hard as it seems. It is really knowing how we used our money in the past so we can make plans for the future.

To know how you use your money keep a record for the next four weeks. Write in the record forms on Pages 8 and 9 how you spent your money. Keep in mind the three ways you use money.

1. Spend for everyday needs and wants.
2. Share with others, through charities or by gifts.
3. Save for something you hope to buy later.

You may be surprised how you have been spending money each week. You may find that most of it just goes and you don't have anything to show for it. Do you share any with others? Do you save for something you really want?

Learn How To Buy

Which Road Will You Follow?



How I Used My Money the First Week

Date	Day	What I Spent My Money For	Amount I Shared	Amount I Spent	Amount I Saved	Total Amount I Used
	Sunday					
	Monday					
	Tuesday					
	Wednesday					
	Thursday					
	Friday					
	Saturday					

Totals

I received from:

Allowance _____

Gifts _____

Other _____

Handout _____

Earnings _____

TOTAL _____

How I Used My Money the 2nd Week

Date	Day	What I Spent My Money For	Amount I Shared	Amount I Spent	Amount I Saved	Total Amount I Used
	Sunday					
	Monday					
	Tuesday					
	Wednesday					
	Thursday					
	Friday					
	Saturday					

Totals

I received from:

Allowance _____

Gifts _____

Other _____

Handout _____

Earnings _____

TOTAL _____

How I Used My Money the 3rd Week

Date	Day	What I Spent My Money For	Amount I Shared	Amount I Spent	Amount I Saved	Total Amount I Used
	Sunday					
	Monday					
	Tuesday					
	Wednesday					
	Thursday					
	Friday					
	Saturday					

Totals

I received from:

Allowance _____

Gifts _____

Other _____

Handout _____

Earnings _____

TOTAL _____

How I Used My Money the 4th Week

Date	Day	What I Spent My Money For	Amount I Shared	Amount I Spent	Amount I Saved	Total Amount I Used
	Sunday					
	Monday					
	Tuesday					
	Wednesday					
	Thursday					
	Friday					
	Saturday					

Totals

I received from:

Allowance _____

Gifts _____

Other _____

Handout _____

Earnings _____

TOTAL _____

For Four Weeks

Total I received \$ _____
Total I shared, saved, spent \$ _____
Total I had left \$ _____

(Subtract the total you shared, saved and spent from the money you received.)

Now you have traveled part of the way on your money management trip. How did you do? You are ready now to map your trip for the next four weeks.

How much money will you have to use in the next four weeks?

I now have \$ _____
I expect to have (1) Allowance \$ _____
(2) Earnings _____
(3) Others _____
TOTAL \$ _____

Perhaps you don't know how much you will have. If you don't write a sentence or two here to explain what you might have. _____

My Map (Plan) For My Money

Now that you have some idea about how much money you have to use, you need to make some plans as to how you want to use it. Usually you plan to spend some, share some and save some.

It's fun to give Christmas and birthday gifts. Other ways of sharing might include collections for Sunday School and Church and charitable donations. This is done through Red Cross, United Fund and other organizations. Time, talents, and hobbies are other ways to share. Can you think of any other ways—things you can share with people?

You can share your time by doing something for other people—mother, father, neighbor. You can do an errand, or perhaps you can play with a small child who lives next door and keep him while his mother is busy. Can you visit an older person, do errands for them?

How do you share your time, money and talents with other people? _____

In three or four short sentences tell how you shared something besides money. _____

One 4-H'er named Dan liked to share and do things for other people.

In his spending plan he allowed money for small Christmas gifts for Mother and Father and Nancy, his little sister. He would do something special for each on birthdays.

Besides sharing with his family, Dan always used some of his money for Sunday School and Church. In his spending plan, he also allowed a small amount for the Crippled Children's Fund.

To be sure he had money for these gifts, Dan had to stick to his plan. Many times Dan was tempted to take "just a little bit" from his share bank, but he learned that if he did he could not catch up later. So, he wouldn't have enough money to buy the present he had selected. He found that he could think and plan ahead so that he usually had money for things he really needed. Dan knows you will learn this, too.

Saving is keeping money to buy things you want or need in the future. It may be put in your bank. You may want to save money to go to 4-H Camp, to spend on vacation or buy something special. There are so many things to save for! What are you saving?

Saving For The Future

To reach your goal, you may need to change the way you used your money for the four weeks when you kept records. Did you save any? _____. Can you spend less on some things to save for something really special? _____. Where will you spend less?

Where will you put the money you saved? It will probably be easier to save if you have a special bank to save for special things. One bank can be used for sharing and one for savings. If you do not have a bank, make one with a small box or jar.

If you use a box cut a slot in the top just large enough to slip the money through. An easy way to make a bank from a pint jar is to use a round piece of pasteboard and a jar ring.

It would be fun to paste a picture of the things you are saving to buy on the box or jar. This may make saving easier when you are tempted not to follow your plan.

It isn't safe to keep money at home. There are many things that can happen and one of these is tempting yourself to "borrow" from your savings. After you have saved a few dollars you should take it to the bank. In this way you can use your money to make more money for you while you are saving to reach your goal. The bank will pay you interest for keeping or depositing your money with them.

At the end of the project answer these questions:

- Did you save money? _____
- Did you put it in a bank at home? _____
- Did you make a bank? _____
- Did you open a savings account at a bank? _____
- What are you saving your money for? _____

It takes a lot of planning for a big trip and for a money trip. The next step is to plan how you will use your money the next four weeks.



How I Plan To Use My Money-5th Week

Date	Day	What I Spent My Money For	Amount I Shared	Amount I Spent	Amount I Saved	Total Amount I Used
	Sunday					
	Monday					
	Tuesday					
	Wednesday					
	Thursday					
	Friday					
	Saturday					

Totals

I received from:

Allowance _____

Gifts _____

Other _____

Handout _____

Earnings _____

TOTAL _____

How I Used My Money the 5th Week

Date	Spend for Every-day Needs	Church & Gifts	For Something I Want	Total
(Example)	.60	.15	.25	1.00

My Plan

All along the way we need to keep up with how far we have traveled. We will have some changes in our plans because we can't see into the future. Because we do have changes we need to keep records. If we know how much we spend and then decide to change our plan we can look at records. Maybe the record shows that last week you spent all of your "Everyday Needs" money on food. Is this the way you really want to use your money next week?

How I Plan To Use My Money-6th Week

Date	Day	What I Spent My Money For	Amount I Shared	Amount I Spent	Amount I Saved	Total Amount I Used
	Sunday					
	Monday					
	Tuesday					
	Wednesday					
	Thursday					
	Friday					
	Saturday					

Totals

I received from:

Allowance _____

Gifts _____

Other _____

Handout _____

Earnings _____

TOTAL _____

How I Used My Money the 6th Week

Date	Spend for Every-day Needs	Church & Gifts	For Something I Want	Total
(Example)	.60	.15	.25	1.00
My Plan				

How I Plan To Use My Money-7th Week

Date	Day	What I Spent My Money For	Amount I Shared	Amount I Spent	Amount I Saved	Total Amount I Used
	Sunday					
	Monday					
	Tuesday					
	Wednesday					
	Thursday					
	Friday					
	Saturday					

Totals

I received from:

Allowance _____

Gifts _____

Other _____

Handout _____

Earnings _____

TOTAL _____

How I Used My Money the 7th Week

Date	Spend for Every-day Needs	Church & Gifts	For Something I Want	Total
(Example)	.60	.15	.25	1.00
My Plan				

How I Plan To Use My Money-8th Week

Date	Day	What I Spent My Money For	Amount I Shared	Amount I Spent	Amount I Saved	Total Amount I Used
	Sunday					
	Monday					
	Tuesday					
	Wednesday					
	Thursday					
	Friday					
	Saturday					

Totals

I received from:

Allowance _____

Gifts _____

Other _____

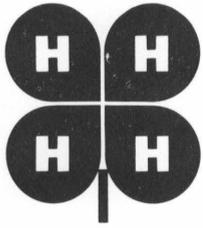
Handout _____

Earnings _____

TOTAL _____

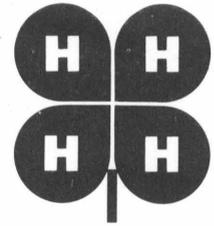
How I Used My Money the 8th Week

Date	Spend for Every-day Needs	Church & Gifts	For Something I Want	Total
(Example)	.60	.15	.25	1.00
My Plan				



Cash and Stuff 4-H Record —

19 . .



(Record to Be Completed in Member's Own Handwriting.)
Extra copies may be obtained from your Extension Office.

HAND RECORD TO ADULT LEADER WHEN PROJECT IS COMPLETED

NAME OF 4-H MEMBER _____

ADDRESS _____ CITY _____ ZIP CODE _____

NAME OF SCHOOL YOU ATTEND _____ NAME OF 4-H CLUB _____

AGE _____ YEARS IN 4-H CLUB WORK _____ YEARS IN THIS PROJECT _____

Find the required number of items to be made for the 4-H project you have PLEDGED TO DO. Circle the items for which this report is being made.

Requirements

Circle and do three or more tasks on reverse side of this record. Give an illustrated talk or demonstration on some phase of money management or a subject directly related to money or the history of money.

OR:

Prepare one or two exhibits for a 4-H club event.

Talks I have given related to this project.

Topic _____ Date _____ No. Present _____

Topic _____ Date _____ No. Present _____

Topic _____ Date _____ No. Present _____

Number of others to whom I have given help or literature. Youth _____ Adults _____

Kind of suggestions or help given to others _____

What help did you give to adults or your family on Cash and Stuff _____

Which task was most helpful to you and why? _____

Do three or more tasks.

Circle the number of tasks completed by you.

Select two of the tasks for exhibit to show at a 4-H Event such as a club meeting, achievement day or fair.

1. Make a scrapbook or file of booklets and literature on money management.

3. Make arrangements with your parents for copies of: (1) electric bills (2) phone bills (3) cleaning bills (4) school supplies (5) bills selected by you. Paste electric bills on one page, phone bills on one page, cleaning bills on one page, etc. At the bottom of the page explain why these bills were increased or decreased.
EXAMPLE: increase—heating bills increase during winter months.
EXAMPLE: decrease—school supplies decrease during the summer months.

4. Prepare a one-month credit report. Explain how you have used credit during the month (e. g. borrowing from friends and parents). Tell how you paid the money back and how long it took you.

5. Prepare a report showing how much you can save by buying large quantities rather than small purchases. Three different items should be in the report (e.g. food, school supplies, soap, etc.).

6. Compare the differences such as label features, price, ounces, etc. Do this for three different brands. Tell store manager that you are a 4-H member and that it is a 4-H project.

7. Compare the costs and quality of two different brands of bikes, radios, ball point pens, notebooks, electric clocks, or any other article. Make a report and list the good and bad qualities of each.

8. Keep a record of how much your parents spend for food for your family for a period of one month. What percent is spent for milk, meat, vegetables, fruit, etc.?

9. Write a two-page story on the history of money. The library is one place you can look for information.

10. Open a savings account and learn how to use withdrawal and deposit slips. Learn about the different interest rates offered on savings at banks and at savings and loan associations. Write a report on what you learned in this experience.

The Household Finance Corporation booklet on Money Management provided some ideas for tasks listed above.