



PERSONAL MANAGEMENT

Merit Badge Requirements

1) Do the following:

- A)** Lead a discussion with your family to identify one family financial goal that must be saved for out of family income. Choose a goal that has strong personal interest for both you and your family (a family trip or vacation, a new VCR, or a family car, for instance).
- B)** Discuss the goal in detail (where to go on vacation, for example, or what kind of car to buy), the cost of the goal, and when you want to reach that goal.
- C)** Discuss how your family could accumulate funds to reach this goal, how the goal will affect the rest of the family budget, and how you could help your family achieve the goal.

2) Do the following:

- A)** Prepare a personal budget or spending plan for three months, including a “pay yourself first” savings plan. Keep track of everything you buy. Balance all income with expenses and savings at the end of each month.
- B)** Share your three-month budget with your merit badge counselor. Explain how you determined discretionary income (income not spent to meet fixed expenses) how much you saved, and what you spent money on. Did you spend more or less than you budgeted?

3) Do the following:

- A)** Identify a personal financial goal and make a plan to achieve that goal.
 - 1)** Write down the goal you want to achieve. (This may be a small, short-term goal such as buying clothes, or it may be a major, long-term goal such as saving for college.)
 - 2)** Develop a financial plan to accomplish the goal. Determine how much the goal will cost, how much time you have to reach the goal, how you will earn money to pay for the goal, and what adjustments you could make if you cannot reach the goal in the desired time with the income you earn.
 - 3)** Discuss you plan with your counselor

OR (A or B)

- B)** Determine a spending/savings plan for living on your own.
 - 1)** Choose a realistic job based on your age, skills, education, and experience (working at a fast-food restaurant, movie theater, or college library, for example). Determine how much you would probably make per hour and how many hours you would work each week. Determine your spendable income (after taxes and other deductions are taken out) for a month.
 - 2)** Make a list of all basic monthly living expenses: rent, food, transportation, clothing, telephone, etc. Ask family or friends, or call sources to help determine costs.
 - 3)** Compare projected income with projected expenses. Would you have enough income to live on? Would any be left over for fun? For savings?
 - 4)** If expenses exceed income, determine what options you would have for bringing the two into balance. Could you reduce or eliminate expenses? Work more hours a week? Get a higher paying job?
 - 5)** Discuss your final plan with your counselor

4) Do the following:

- A)** Choose an item you would like to buy. Be specific. (For example, identify the brand name of a pair of shoes you want, or the title of a CD.)
- B)** Comparison shop for the item. Find out where you can buy the item for the best price. Call around; study ads. Look for a sale or a discount coupon.
- C)** Consider alternatives. Could you buy the item used? Should you wait for a sale?
- D)** Discuss your shopping strategy with your counselor

5) Do ONE of the following:

A) Visit a bank. Ask a bank representative to explain checking accounts, savings accounts, loans, and automated teller machines (ATMs). Explain to your counselor the difference between a checking account and a savings account. Discuss with your counselor the minimum requirements to open and maintain the accounts or to take out a loan.

OR

B) Visit another type of financial institution, such as a stock brokerage firm or an insurance company. As a representative what the firm does and how it works with consumers. Explain to your counselor the differences in services offered by the following types of financial professionals: financial planner, stockbroker, insurance agent, accountant, tax preparer, banker, estate planning attorney.

6) Do the following:

A) Explain the difference between saving for a goal and investing for a goal.

B) Explain the two basic methods of investing: loaned and owned.

C) Explain the concepts of simple and compound interest and how compound interest can be used to increase your savings and investments more rapidly.

D) Explain the concepts of yield, profit, and total return, and how they are used to evaluate investment performance.

E) Explain the basic features of the following types of investments, including risks and rewards and whether they involve lending or owning: bank savings accounts, certificates of deposit, U.S. Savings Bonds, shares of stock, shares in a mutual fund, real estate.

7) Do the following:

A) Explain what a loan is, what interest is, and how the “annual percentage rate” measures the true cost of a loan.

B) Choose something that you want to buy or do, but currently cannot afford. Set up an imaginary loan so you can “achieve” that goal. Identify the “principal” amount, interest rate, and repayment schedule. Determine the total cost of the loan (principal plus interest). Determine how it would affect your total cost if you paid back the same amount every two weeks instead of once a month.

C) Explain the differences between a charge card, a debit card, and a credit card.

D) Identify the factors that affect the costs of credit. Tell which factors can be controlled.

E) Explain credit reports and how personal responsibility can affect your credit record.

F) Describe ways to reduce or eliminate debt.

8) Do the following:

A) Explain the five ways to manage risk.

B) Explain the six basic types of insurance and why someday you might need one or more of them.

C) Define the two major types of life insurance (term and permanent) and compare their advantages and disadvantages.

9) Do the following:

A) Identify a job or career that interests you and do basic research about it at your library or through other information sources. Make a presentation to your troop or counselor about the job or career. Your report should include:

1) An explanation of your interest in the job or career (how you learned of it, what about it that interests you, what its job prospects are, and how you think the job or career will change in the future).

2) Any qualification required (education, skills, experiences) and how you might become qualified for the job.

3) The job’s functions and responsibilities (the duties of the job or career).

4) The organizations, trade associations, professional associations, governmental regulations, or licenses involved in the career field.

B) Do ONE of the following:

1) Prepare a personal resume for the job.

OR

2) Interview someone in the job or career field and prepare a summary of the interview

C) Discuss with your counselor your personal goals and ambitions in life. Relate these to your intellectual, physical, spiritual, and moral development. How has Scouting helped you in accomplishing your goals and ambitions? Share your thoughts with your family.

Requirement 1

In the discussion you lead with your family, what family financial goal did you identify that must be saved for out of family income?

List some of the details of the selected goal. Include the cost of the goal and the timeframe for the goal. _____

How can your family get the funds to reach this goal? _____

How will the goal affect the rest of the family budget? _____

How can you help your family reach this goal? _____

Requirement 2

This requirement has you prepare a personal budget or spending plan for three months. Attached to the back of this worksheet is an example of a spending register that you can use or you may choose to use another method to do your financial tracking.

Use this area to help you decide on what your spending plan and/or personal budget should look like or contain. Also, use this area to decide what items you want or need to budget for. Examples include clothing, entertainment, CDs and food expenses.

_____ Keep track of your finances for 3 months. Balance all income with expenses and savings at the end of each month.

_____ After the three-month period share your budget with your merit badge counselor.

Briefly explain how you determined income not spent to meet fixed income: _____

How much money did you save over the three-month period? _____

What did you spend most of your money on? _____

Did you spend more or less than you budgeted? _____

Requirement 3

Option A

List the financial goal you would like to achieve: _____

What is your plan to achieve this goal? _____

How much will it cost? _____

How much time will you have to reach the goal? _____

How will you earn the money to achieve this goal?

If you cannot reach this goal in the desired time, what kinds of adjustments could you make to your plan or to your goal?

_____ Discuss your plan with your counselor

Option B

Briefly describe the spending/savings plan you created for living on your own: _____

What is the job you selected? _____

How much does the job pay? _____

How many hours a week will you have to work? _____

After taxes, how much money will you have to spend each month? _____

List all basic living expenses for a one-month period:

Item: _____	Cost: _____	Item: _____	Cost: _____
Item: _____	Cost: _____	Item: _____	Cost: _____
Item: _____	Cost: _____	Item: _____	Cost: _____
Item: _____	Cost: _____	Item: _____	Cost: _____
Item: _____	Cost: _____	Item: _____	Cost: _____

Using information above, what would your projected income be for one month? _____

What would your projected expenses be for a one month period? _____

Would you have enough income to live on? _____

Would any be left over for fun or savings? _____

Consider the following question:

If your expenses exceed income, what options would you have for bringing the two into balance?

Some options may include eliminating some expenses, work more hours in a week or get a higher paying job. List some of the options you would have and choices you would make if you were faced with this question. What would you do to make ends meet? _____

_____ Discuss your plan and solutions with your merit badge counselor.

Requirement 4

What item would you like to buy? _____

After doing some comparison shopping, list the different prices you found for the item you listed above: _____

Who has the item for the best price? _____ Was it on sale? _____ Is a coupon available for your item?

After considering the alternatives, could you buy the item used? _____ Should you wait for a sale? _____

_____ Discuss your shopping experience and decisions with your counselor

Requirement 5

Option A

Briefly describe what you learned about the following items during your visit to a bank:

Checking Account:

Savings Account: _____

Loans: _____

ATMs: _____

What is the difference between a checking account and a savings account?

What are the minimum requirements to open and maintain the accounts or to take out a loan?

Option B

What type of financial institution did you visit? _____

How do they work with consumers? _____

List the services provided by the following:

Financial Planner:

Stockbroker: _____

Insurance Agent: _____

Tax Preparer: _____

Banker: _____

Estate Planning Attorney: _____

Requirement 6

What is the difference between saving for a goal and investing for a goal? _____

There are two basic methods of investing. Please explain them both.

Loaned: _____

Owned: _____

Explain simple interest: _____

Explain compound interest: _____

How can compound interest be used to increase your savings and investments more rapidly?

Explain the concept of a yield: _____

Explain the concept of a profit: _____

Explain a total return:

Explain the basic features of the following types of investments:

Bank Savings Account: _____

Risks: _____

Rewards: _____

Do they involve lending or owning? _____

Certificates of Deposit: _____

Risks: _____

Rewards: _____

Do they involve lending or owning? _____

U.S. Savings Bonds: _____

Risks: _____

Rewards: _____

Do they involve lending or owning? _____

Shares of Stock: _____

Risks: _____

Rewards: _____

Do they involve lending or owning? _____

Shares in a Mutual Fund: _____

Risks: _____

Rewards: _____

Do they involve lending or owning? _____

Real Estate: _____

Risks: _____

Rewards: _____

Do they involve lending or owning? _____

Requirement 7

What is a loan? _____

What is interest? _____

After setting up your imaginary loan for a purchase, fill in the following information about your loan:

Principal Amount = \$ _____ Interest Rate = _____ %

What is the Repayment Schedule? = _____

What would the total cost of the loan be after you paid it back with all the interest? = \$ _____

How would the total cost be affected if you paid back the same amount every two weeks instead of once a month? _____

Explain the difference between the following items:

Charge Card: _____

Credit Card: _____

Debt Card: _____

List some of the factors that affect the costs of credit:

Which of the above factors can be controlled?

Explain a credit report:

How can personal responsibility affect your credit record? _____

Give several ways on how you can reduce or eliminate debt? _____

Requirement 8

Explain the five ways to manage risk:

- 1) _____

- 2) _____

- 3) _____

- 4) _____

- 5) _____

Explain the 6 basic types of insurance:

- 1) _____

- 2) _____

- 3) _____

- 4) _____

- 5) _____

- 6) _____

More than likely you will need some insurance in the future. Why? _____

Define two major types of life insurance. List their advantages and disadvantages.

Type: _____

Advantages: _____

Disadvantages: _____

Type: _____

Advantages: _____

Disadvantages: _____

Requirement 9

Identify a job or career that interests you: _____

After you research the career you are required to write a report about this job or career. Use this area to help you gather the necessary information that you will need to include in your report. Once all the information is gathered, write your report.

How did you learn of this job/career: _____

What interests you about it? _____

What are the job prospects? _____

How will the job change in the future? _____

What qualifications are required for the job (education, skills, experiences):

How can you become qualified for the job? _____

What are the functions and responsibilities of the job? _____

What organizations, trade associations, professional associations, governmental regulations or licenses are involved in this field?

Do ONE of the following options:

Option A

Prepare a personal résumé for the job you stated above. Attached to the back of this sheet is a commonly used outline of a résumé that you may use as a guide to create your résumé.

OR

Option B

After interviewing someone in the job or career field, use the following area to provide a summary of the interview:

NAME]
[Street Address]
[City, State/Province Zip/Postal Code]
[(###) ###-####]

OBJECTIVE: [This is where you would describe your objective]

PROFESSIONAL EXPERIENCE

[Company Name] Month, 19XX to
Present
[City, State/Province]
[Position Held]. [Details of Position]

[Company Name] Month, 19XX to
Present
[City, State/Province]
[Position Held]. [Details of Position]

EDUCATION

[Institution Name] 19XX to
19XX
[City, State/Province]
[Degree/Achievement]

ORGANIZATIONS

[Company/Institution Name] 19XX
[City, State/Province]
[Position Held]
