



# Personal Management Merit Badge Worksheet

Requirements Were Completely Revised 01/01/98



**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).**

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- 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 the goal.**

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- 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.**

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**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.**

**Income**

	<b>Month 1</b>		<b>Month 2</b>		<b>Month 3</b>		<b>Total</b>	
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
Allowance	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Job	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Gifts	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Other	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
<b>Total</b>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

**Expenses**

	<b>Month 1</b>		<b>Month 2</b>		<b>Month 3</b>		<b>Total</b>	
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
Savings	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Church	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Scout Dues	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Snacks	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Gifts	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Entertainment	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Other	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
<b>Total</b>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

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?

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3. Do ONE of 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.)

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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 can earn.

Cost: \$ \_\_\_\_\_ Time to Reach Goal: \_\_\_\_\_

How I will earn the money: \_\_\_\_\_

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Adjustments: \_\_\_\_\_

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3) Discuss your plan with your counselor.

OR:

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.

Job: \_\_\_\_\_

Full Time Employee:

Wage: \$ \_\_\_\_\_ x Hours/week: \_\_\_\_\_ = Gross Income: \$ \_\_\_\_\_  
Minus Taxes & Deductions: \$ \_\_\_\_\_  
Minus Expenses: \$ \_\_\_\_\_  
Total Income/week: \$ \_\_\_\_\_  
Total Income/month: \$ \_\_\_\_\_

Part Time Employee (working while going to school):

Wage: \$ \_\_\_\_\_ x Hours/week: \_\_\_\_\_ = Gross Income: \$ \_\_\_\_\_  
Minus Taxes & Deductions: \$ \_\_\_\_\_  
Minus Expenses: \$ \_\_\_\_\_  
Total Income/week: \$ \_\_\_\_\_  
Total Income/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 you determine costs.**

### Basic Living Expenses

<b>Expense</b>	<b>Amount</b>
Savings	\$ _____
Rent	\$ _____
Groceries	\$ _____
Eating Out	\$ _____
Utilities	\$ _____
Telephone	\$ _____
Personal Grooming	\$ _____
Car/Transportation (gas, license, parking, bus fare)	\$ _____
Clothing/laundry	\$ _____
Insurance	\$ _____
Medical care	\$ _____
Church/charities	\$ _____
Entertainment (cable TV, movies, dating)	\$ _____
CDs, DVDs, tapes, etc.	\$ _____
Recreation	\$ _____
Sports/hobbies	\$ _____
Vacations	\$ _____
Books, magazines	\$ _____
Gifts	\$ _____
Miscellaneous (items not covered in other categories)	\$ _____
<hr style="border: 1px solid black;"/>	
Total monthly expenses	\$ _____

**3) Compare projected income with projected expenses. Would you have enough income to live on? Would any be left over for fun? For savings?**

Projected Income after Taxes and Deductions	\$ _____
Projected Expenses	\$ _____
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Difference	\$ _____

**Would you have enough income to live on?** \_\_\_\_\_

**Would any be left over for fun? For savings?** \_\_\_\_\_

**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.)**

Item: \_\_\_\_\_

**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.**

Calls: \_\_\_\_\_

Advertisements: \_\_\_\_\_

Internet \_\_\_\_\_

Coupons: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**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.

Checking Account: \_\_\_\_\_

\_\_\_\_\_

Minimum Requirements to Open: \_\_\_\_\_

Savings Account: \_\_\_\_\_

\_\_\_\_\_

Minimum Requirements to Open: \_\_\_\_\_

OR:

b) Visit another type of financial institution, such as a stock brokerage firm or an insurance company. Ask 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.

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.

Saving for a Goal: \_\_\_\_\_

\_\_\_\_\_

Investing for a Goal: \_\_\_\_\_

\_\_\_\_\_

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

Loaned Investing: \_\_\_\_\_

\_\_\_\_\_

Owned Investing: \_\_\_\_\_

\_\_\_\_\_

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

Simple Interest: \_\_\_\_\_

\_\_\_\_\_

Compound Interest: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

Yield: \_\_\_\_\_

\_\_\_\_\_

Profit: \_\_\_\_\_

\_\_\_\_\_

Total Return: \_\_\_\_\_

\_\_\_\_\_

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.

Bank Savings Accounts: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Certificates of Deposit: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

US Savings Bonds: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Shares of Stock: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Shares of 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.

A Loan is: \_\_\_\_\_  
\_\_\_\_\_

Interest is: \_\_\_\_\_  
\_\_\_\_\_

The Annual Percentage Rate is: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**b) Choose something 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.**

Item to Buy: \_\_\_\_\_ Cost: \$ \_\_\_\_\_

Principle Amount: \$ \_\_\_\_\_ Interest Rate: \_\_\_\_\_ %

Repayment Schedule: \_\_\_\_\_ Total Cost: \_\_\_\_\_

If Paid Back Every Two Weeks: \_\_\_\_\_ Total Cost: \_\_\_\_\_

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

**Charge Card:** \_\_\_\_\_

\_\_\_\_\_

**Debit Card:** \_\_\_\_\_

\_\_\_\_\_

**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.**

- 1). \_\_\_\_\_
- 2). \_\_\_\_\_
- 3). \_\_\_\_\_
- 4). \_\_\_\_\_
- 5). \_\_\_\_\_

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

- 1). \_\_\_\_\_
- 2). \_\_\_\_\_
- 3). \_\_\_\_\_
- 4). \_\_\_\_\_
- 5). \_\_\_\_\_
- 6). \_\_\_\_\_

**Why might you need one or more of these?** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

**Term Life Insurance:** \_\_\_\_\_  
\_\_\_\_\_

**Advantages and Disadvantages:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Permanent Life Insurance:** \_\_\_\_\_  
\_\_\_\_\_

**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)**

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

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**3) The job's functions and responsibilities (the duties of the job or career)**

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

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**b) Do ONE of the following:**

**1) Prepare a personal resume for the job [from the description in a) above] and.  
OR:**

**2) Interview someone in the job or career field [from the description in a) above] and prepare a summary of the interview.**

**c) Discuss with your counselor your personal goals and ambitions in life.**

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**Relate these to your intellectual, physical, spiritual, and moral development.**

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**How has Scouting helped you in accomplishing your goals and ambitions? Share your thoughts with your family.**

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