Lesson 1
Money, Money, Money!

Does Money Interest You?

Money is a tool. If you have money, you can get things you need like food, clothing, and shelter. If you don’t have money, you have to depend on others to provide for your needs. Money doesn’t make one person worth more than another, but no matter how you feel about money, one thing is certain — money gives you independence, opportunities, and choices about your life.

1. What do you like to spend your money on?

2. How do you like to earn money?

3. Do you think it is more fun to make money or spend money?

4. List some reasons people are so interested in money:

5. Describe your attitude toward money. (Rank from 1 to 6, where 1 = essential and 6 = not at all important.)
   ___ Money provides security.
   ___ Money provides social status.
   ___ Money provides personal happiness.
   ___ Money provides independence.
   ___ Money provides power.
   ___ Money provides basic needs.
6. How do you feel when you have money?

7. How do you feel when you don’t have money?

Attitudes about money usually vary from person to person, but the need and desire to have money is universal. In our culture, it takes money to get through the day!

**Mad About Money**

Money is obviously very important! Think about all the words we use to describe money: Bank, bread, bucks, cheese, mad chedda, cabbage, chips, coin, dough, funds, green stuff, loot, moolah, papers, and stash.

Now it’s your turn. Use this space to list some of the slang terms you’ve heard for money:

**Did you know…**

If you had 10 billion $1 coins and spent one every second of every day, it would take you 317 years to go broke.

**Money — Who Needs It?!**

Just as gasoline is needed to run a car, it takes money to run your life. When you pay for a burger, you hand over some bills or coins. Historically, people around the world have paid for goods with everything from chickens and feathers to dogs’ teeth and bars of salt. Indeed, people from the Pacific island of Yap used giant stone wheels as money — some measuring 12 feet tall. That is definitely big money!
1. Do the math and calculate how much money you receive:
   
   a) Every week

   b) Every month

   c) Every year

2. How much of this money do you spend and on what?

3. How much do you influence spending decisions when it comes to planning family vacations, eating out, going to the movies, or getting a new computer?

4. In the past month, how many family purchases have you influenced in some way? Estimate how much money this might add up to.

5. Considering how much you spend and how much you influence family purchases every month, what is the total of all this spending in a year?
Now take a look at these statistics and see how your spending habits might compare to other young people across the US:

| 8 to 14 year olds have an annual spending power of approximately $39 billion |
| 15 to 24 year olds have an estimated purchasing power of $485 billion per year |
| 68.5% of teens in the US have savings accounts, but only 10.3% have credit cards |
| 72.1% of teens say they have an influence on family purchasing decisions |
| 26.5% of teens say they donate money to a religious institution, and another 16.6% give money to specific charities |

6. How do these figures compare with your spending habits?

7. Are you happy with the way you spend all this money, or would you like to make changes?

8. Do you think you could live for a week without spending money?

9. What would your life be like without money for six months?
Making Decisions about Money

We constantly make decisions that involve money, and we don't always make careful decisions. In fact, much of the time we make "snap" decisions and don't consider the long-term effects of our spending.

1. For every $10 you have, how much do you spend wisely?

2. Of that $10, how much do you waste due to "snap" (unwise) decisions?

3. Why is it important for you to understand how to manage money?
   a)
   b)
   c)

Recognizing the difference between what you want and what you need is the key to managing your cash.

**Needs** are things you can't live without, and **wants** are things you **CAN** live without — things you simply desire. Smart money managers use their money to get the things they truly need before they spend money on things they simply want.

In our consumer-oriented culture, all of the advertising directed at young people often makes it hard to tell the difference between a need and a want.

4. List five items you could not live without in life:
Extension Task 1: Discussion Activity

Money Madness?

Just before Christmas, three teenagers were asked: How much money do you spend during the holidays? Compare their answers.

**Charlie:** "I have no idea. I buy presents for my family, but that's about it. I don't spend that much."

**Joshua:** "Over the holidays I usually spend at least $300. I save up money for the holidays, so that the amount I spend does not generally cause havoc with my finances."

**Sam:** "I definitely spend more during the holidays than during the rest of the year. Last year I decided I was going to buy something for all of my family. I spent almost $500! This year I'm going to be more sensible and only spend about $200."

Which teenager is the most “savvy” money manager?

Who do you think is most likely to set a budget and stick to it?

Why?
Extension Task 2: A Money Diary

How much money do you spend each week? Do you spend your money on things you need or do you waste money on things you think you want? Learn more about your spending habits by keeping a money diary for several weeks. In a short time, you will see the patterns of your spending, and this can help you change/improve your purchasing decisions.

Directions:

1. Take a look at your finances. Empty your pockets, look in your wallet/purse, count the money in your piggy bank, and look for money under your bed. In fact, look everywhere you may have stashed or lost money. Count all your money and see how much you have.

2. Get a notebook to use as a money diary. Write the date and the words, “Beginning Balance” on the first page. On the right, write the total amount of money in your possession today.

3. For the next week, carry your notebook around with you and write down every purchase made. Beside each item, make a note of whether your purchase was a need or a want.

4. If you earn money or get allowance, enter these amounts in your diary also. Keep a running total of your balance at all times.

5. At the end of the first week, study the entries in your diary. What do you see about your spending? Decide on any changes you would like to make.

6. Continue your money diary for a second week. At the end of the week, analyze your spending again. Did you do better this week or do you need to make additional changes?

7. Keep the diary a third week and analyze your spending in the same way again.

By the end of the third week, you should have a very good idea of your strengths and weaknesses with regards to money. Discuss what you learned about your financial habits with your parents or peers. If this project was helpful, consider continuing your money diary.
Money indeed may be considered as the most universal and expressive of all languages.

Samuel Butler