

Consumer Education Level I

Project Area Guide



Authored by:

Christopher T. Sneed, PhD, Department of Family and Consumer Sciences

Marci Hethmon, MS, Department of Family and Consumer Sciences

Jennifer K. Richards, PhD, Department of Agricultural Leadership, Education & Communications

Reviewed for Pedagogy:

Molly A. West, PhD, Department of Agricultural Leadership, Education & Communications



Activity #1

Let's Make Some Money

Project Outcome

- Identify sources of income.

Words to Know

- Income
- Rent

Have you ever thought about how much money you would make as an adult? Is it \$50,000? \$100,000? Or a super high dollar amount such as \$500,000? The money you receive, whether it is from a job, chores or a gift from someone is called **income**.

For the piggy bank below, write a source of income you have on each of the coins. For example, if you get paid \$5 a week to walk a neighbor's dog, write that amount on the coin.



It's easy for us to not think about income when we are young, but it is something that we should always be thinking about!



Scan the QR code (or click the QR code, if you are viewing this online) to read a *Forbes* magazine article on 44 ways adults can earn money. **Can you use any of these ways to earn money? If so, use the space below and write them down.**

Most adults earn income through their jobs, but in addition to the ways discussed in the article above, there are even more ways to earn income. For example, if you own property that you don't use, you can **rent** it to someone else. Renting is allowing someone to use your property and pay you a specific amount of money for using it. This is similar to what people do when they rent an apartment or home.

Using the drawing below, circle places where *you* would spend money, then draw a square around the places that *only adults* might spend money.



Now, it is your turn. In the space below, draw a picture showing at least two ways that you might earn income as an adult. Be creative and share your ideas with your parents or another adult in your life!

Income Option #1

Income Option #2

Let's take it further. Ask your parents or another adult about their job and what led them to that job or field of work. Together, research their career online. Submit your findings to your digital 4-H portfolio.

Activity #2

What do you want to be when you grow up?

Project Outcome:

- Identify interests and potential careers related to those interests.

Words to Know:

- Career

In Activity 1, you learned about how to earn an income. One of those ways is through a job or **career**. A career is an occupation or job that someone works on for a long period of time during the life. Now, you will identify what interests you have and how those interests can lead to a career.

Do you like to work with other people? Do you like to solve problems? Do you like working with animals? Are you really interested in how machines work? Think about all the things you really enjoy doing. In the graphic organizer below, fill the six boxes with things you enjoy doing that complete the following sentence, "I like to _____."

Do you think others around you may be interested in the same things? Researchers have found that people who have specific traits tend to work well in specific job settings. Scan the QR code (or click the image) to take a quiz to determine what career fields your interests fall into. After you complete the quiz, write down your top three career results.



Top Three Career Areas:

1. _____

2. _____

3. _____

This quiz shows you areas based on your interests right now. Interests can change over time so this gives you a good starting point of possible careers that you could pursue after you graduate from high school.



Visit the linked website, O*Net, and click on “Career Cluster” under the “Find Occupations” tab. Use the career areas listed and research two careers from each area that interests you. Fill out the table on the next page with your research.

Once you complete your research. Let’s take it further! With an adult’s permission, interview someone in one of the careers you researched to learn more. You might need to ask your club volunteer or agent to help identify a professional in the field. Present this information with your 4-H club. Upload your presentation to your digital 4-H portfolio.

1-2 YEARS IN PROJECT

Activity #3

Where to Store Your Money

Project Outcome

- Define a spending plan (budget) as a guide to help people balance money coming in (income) and money going out (expenses).
- Make a plan for spending, saving and sharing.
- Identify different places to store money and discuss advantages and disadvantages of each.

Words to Know

- Banks
- Credit Unions
- Savings Account
- Checking Account
- Certificate of Deposit

Where do you store the money that you have? Where do grown-ups store their money? There are many places where you can store money. Each of these places has their own set of advantages and disadvantages. Using the lines below take a few minutes to list as many places that you can think of where you can store money.

Where can you store money? List five locations below.

1. _____
2. _____
3. _____
4. _____
5. _____

Some possible locations are a wallet or purse, bank or credit union, checking account, savings account or piggy bank.

Now, let's look at the advantages and disadvantages of each by using the internet. Fill in the chart below with your research. Describe each place you can store money, then list two advantages and two disadvantages for each.

		Description	Advantages	Disadvantages
At Home (Piggy bank, under mattress)				
Wallet or Purse				
Bank or Credit Union	Savings Account			
	Checking Account			
	CD (Certificate of Deposit)			

Storing all your money **at home** or in your wallet or purse may seem like a simple option. There are no costs or fees to storing your money at home and your money is easy to access whenever you need it. However, storing your money at home does have disadvantages. Your money is not safe from loss, fire or other disasters. There is a high risk of theft when you store all of your money at home or in your wallet or purse.

Banks and Credit Unions offer a variety of ways, often called products, for you to store your money including savings accounts, checking accounts, and CDs (Certificate of Deposits) just to name a few examples.

A saving account is a place at a bank or credit union where you can securely store your money. Savings accounts typically earn interest – money paid to you by the bank or credit union. Savings accounts are considered a very safe option for saving money. Putting your money in a savings account may mean that you are less tempted to spend your money. Many people use savings accounts as a way to save money for major purchases or as a way to save money for an emergency. You can often open a savings account with a small amount of money. In fact, many banks and credit unions have special savings accounts just for children and teens. It is important to keep in mind that savings accounts typically offer very little interest. In addition, savings accounts have restrictions on the number of withdrawals you can make in a given amount of time. Finally, some savings accounts may have fees or required minimum balances.

A checking account is a deposit account at banks or credit unions that allows you to deposit money and make withdrawals. Checking accounts are liquid, meaning that you can get to your money fairly easily by simply writing a check, using your debit card or going to the bank or credit union to make a withdrawal. Checking accounts earn very little interest. When using a checking account, you have to be careful that you don't overdraw your account or spend more money than you have in your account. If you overdraw your account, you are typically charged a fee called an overdraft fee. Most banks and credit unions will charge you this fee every time you overdraw your account which means the fees can add up quickly. Additionally, many banks and credit unions charge a monthly fee for your checking account. Typically, banks and credit unions have checking accounts for children and teens that have little to no fees.

Certificate of Deposit or **CDs** are like saving accounts. CDs are another option offered by banks and credit unions where you can save your money. CDs typically offer a higher interest rate than savings accounts. However, unlike savings accounts, you are not able to easily access your money in CDs. When you put your money into a CD, you agree to leave your money there for a specific amount of time (6 months, 1 year, 5 years, etc.). In exchange for leaving your money in the CD, the bank or credit union will pay you interest. If you withdraw your money from the CD before the agreed upon time, you will be assessed a penalty. Because of this, many people use CDs as a place to save money that they do not need to get to immediately.

Based on what you have learned, answer the following question in two or three sentences: Which option above is best for you and your money? Why?

Working with an adult, visit a bank or credit union. During your visit, find out what other options (or products) are available for storing your money. List the other options below.

Activity #4 Needs and Wants

Project Outcome

- Distinguish between wants and needs.

Words to Know

- Wants
- Needs

You are in Luck! You have been given \$300 that you can spend on anything you want! With this in mind, visit one of the retailers below - Amazon, Walmart or Target - and decide how you are going to spend your money.



In the box below list the items that you are going to purchase with your \$300 and their price. If you would like, you can also cut and paste a picture of the items into the box.

Look at your items in the box on the previous page. Ask yourself, did you mainly pick items that were needs, or did you mainly pick items that are wants? Circle your answer.

Wants

Needs

Think back over the last two days. On the lines below, list at least eight items that you used during these two days that either you or an adult paid for.

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

7. _____

8. _____

Reviewing your list above: Underline the items that are needs. Circle the items that are wants.

Based on how you have categorized the items above, write a definition for:

Needs

Wants

--	--

Double check your answers based on the information below. If need be, modify your table.

- **Needs** are things that are necessary for survival including food, clothing and shelter.
- **Wants** are things that you would like to have.

In truth, we have very few needs. Many people have unlimited wants but limited resources to obtain those wants. We cannot have everything that we want, and we often have to look for the most affordable alternatives.

While the definitions of needs and wants seem pretty clear, this is not always the case. For example, we need food in order to live. However, do we really need food from an expensive restaurant in order to live, or is that a want? We need shoes, but do we need the latest designer shoes, or are those wants?

Activity #5: Goods and Services

Project Outcome:

- Distinguish between goods and services.

Words to Know:

- Goods
- Services

Items we buy are either a good or a service. Businesses are in business because they produce goods or services that consumers need or want to purchase. **Goods** are tangible or touchable objects that satisfy a need or want, such as bread, toys, books, etc. **Services** are actions that satisfy what consumers want or need. Services might include car repair, teaching, house cleaning and others.

Scan the QR code and watch the video about people your age who have started their own businesses. As you watch the video, complete the table below. Upload your table to your digital 4-H portfolio.



Owner	Company	Good or Service	Explanation
Isabel and Caroline Bercaw			
Alina Morse			
Jack Bonneau			
Callum Daniel			

Activity #6: Set and Reach a Savings Goal

Project Outcome:

- Set and reach a savings goal.

Words to Know:

- Goal

Have you ever set a goal for yourself in any part of your life? Maybe your goal was to make the basketball team. Maybe your goal was to win the 4-H public speaking contest.

Whether you put them on paper or not, you set many goals for yourself every day! Just like you set goals for yourself each day, you can also set goals for your money.

Think back to your list of needs and wants in Activity 4. There are things on your wants list that you would love to have, but don't have the money to buy right now. In the space below, draw or paste a picture of two items that are on your wants list that you currently do not have the money to buy. Include the price of each item.

In order to eventually buy these items, you will have to set a goal and make a plan for saving money. To make sure that you reach your goal, you want to set SMART goals. In order for a goal to be SMART, it must be:

- **S – Specific.** Your goals should be **SPECIFIC** including dates, resources and dollar amounts you will need to accomplish them.
- **M – Measurable.** Your goals should be **MEASURABLE** whether that be by date, dollar amount or another appropriate unit.
- **A – Attainable.** Your goals should be **ATTAINABLE**. You will want to set goals that are possible for you to reach.
- **R – Relevant.** Your goals should be **RELEVANT** to your life and what you are wanting to accomplish. Remember, your goals are ultimately about and for you.
- **T – Timely.** Your goals should be **TIMELY** meaning that you should set a specific timeline within which you want to accomplish your goals.

Here is one example of a SMART goal:

William wants to buy a new television for his room. The television he wants costs \$120. In order to save enough money for the television, William has set the following SMART goal: I will save \$40 per month that I earn doing yard work for my neighbors for three months in order to have \$120 for the television I want to purchase.

Now it's your turn. Choose the item from above that you want to buy. Use the space below to make your own SMART money goal that will help you save to purchase that item.

Specific	
Measurable	
Achievable	
Realistic	
Timely	

Check your goal again...is it SMART? If not, fix it! Upload the final version to your digital 4-H portfolio.

When setting a savings goal, the amount of money is not important. What is important is that you develop a habit of saving. This is a habit that will stick with you throughout your life.

Now, review the chart you made in Activity 3 on the advantages and disadvantage of storing money in different places. Based on your SMART goal, where is the best place for you to store your money?

More About Money Goals

There are lots of other reasons you will want to save money throughout your life other than just to make big purchases.

Talk to an adult in your home or family and create a list of five reasons that you might need to save money in the future.

1. _____
2. _____
3. _____
4. _____
5. _____

Activity #7: Sharing

Project Outcome:

- Identify two ways of sharing as giving and paying taxes.
- Identify ways we share by giving.
- Identify common assets and services funded by taxes.
- Report on a public asset such as a state or national park system, highway system or public institution.

Words to Know:

- Help

We all know how to spend money and we probably do that every day. Other than spending money, there are two other things that you can do with money. You can also save your money and share your money.

Sharing your Money

What is the first thing that comes to your mind when you hear the phrase “sharing your money”? Write your response below.

Sharing your money means giving some of your money to other people or organizations in order to help them. This could include giving money to a faith-based organization like a church or giving money to a local community group that helps people who are in need. You can also share your money with people in your family and with your friends when they are in need.

Sharing your money not only helps others, it also helps you develop confidence that you can make a difference in the world!

How can you help by sharing your money?

Complete the chart to learn more about organizations you can help by sharing your money. Visit each website and answer the questions. In the last row, identify an organization that you would be interested in sharing your money with.

<i>Organization</i>	<i>How can you donate money?</i>	<i>What are donations used for?</i>
<i>Feeding America</i> 		
<i>The American Red Cross</i> 		
<i>American Diabetes Association</i> 		
<i>Organization of your choice:</i>		

Who do you want to help by sharing your money?

Use the space below and write two ways that you would like to help by sharing your money. For each, write a SMART goal for exactly how much money you are going to share, when and how.

<i>I want to help...</i>	<i>SMART Goal</i>
<i>Organization #1.</i>	
<i>Organization #2.</i>	

Upload your goals for these two organizations to your digital 4-H portfolio.

Activity #8: All About A Spending Plan

Project Outcome:

- Make a plan for spending, saving, and sharing.
- Define a spending plan (budget) as a guide to help people balance money coming in (income) and money going out (expenses).

Words to Know:

- Income
- Expenses

Think Back

Everything that we have been doing so far, has been building up to this one, very important lesson – *creating a spending plan*.

In order to keep track of your income, fulfill your needs and wants and obtain your money goals, you must have a plan – a spending plan. This lesson will show you what a spending plan is and why it is so important.

What is a Spending Plan?

A **spending plan** or a budget is a written record of what you do with your money. A spending plan includes all the money you have coming in, all the money you spend, all the money you save and all the money you share. Regardless of age or income, everyone needs a spending plan.

Scan the QR code and watch the video to learn more about spending plans or budgets.



Spending Plan Basics

Income. The first step to developing a spending plan is to list all the sources of money or income you have. Think back to the earlier lessons. What are some of the sources of money you have? List them below. Sources of money could include allowance money, money you are given for work performed such as yard work or house work, or money you receive as gifts.

Expenses. What are some expenses that you have? List those below. The expenses might include movie tickets, piano lessons or even dinner out with friends.

Read the two scenarios below and use the information you've been given to create a basic spending plan for each scenario.

Scenario #1:

William has participated in the 4-H sewing project for a few years. He has become very good at making decorative pillows and enjoys sewing them for his loved ones. Recently, William started selling his pillows to others. William sells each pillow for \$30 and typically sells five pillows each month. For each pillow, William spends about \$15 in supplies. William would like to purchase a new sewing machine by saving money he makes each month selling pillows.

Help William figure out how much money he is earning each month based on his pillow sales and how much money he spends on supplies each month for making the pillows. Complete the table below.

Income	Source	Frequency

Based on what you have entered in the table above, add up how much money William has coming in for a month. Write that total below.

INCOME: _____

For each pillow, William spends about \$15 in supplies. He typically sells five pillows a month. Fill in the chart below with this information

Supply	Price

Once you have written down all the expenses, total them up and write that total in the box below.

EXPENSES: _____

Income vs. Expenses

Now, compare William's income that you wrote in the first box to William's expenses you wrote in the last box. How do they compare?

The sewing machine William would like to purchase costs \$250. Assuming William continues to sell five pillows each month, how long will it take him to save the \$250 to purchase the sewing machine?

Scenario #2:

Beth is working on the veterinary 4-H project and is enjoying learning more about the care of animals. On the side, Beth works as a pet sitter in her community. She loves caring for others' animals while they are away. Currently, she charges \$20 a day for the care of dogs and \$15 a day for the care of cats. On average, Beth spends five days a month caring for dogs and four days a month caring for cats. Beth's spends about \$4 a day for each dog she cares for and \$4 a day of each cat she cares for.

Help Beth figure out how much money she is earning each month based on the information you have been given. Complete the charts below.

Income	Source	Frequency

Based on what you have entered in the table above, add up how much money Beth has coming in for a month. Write that total below.

INCOME: _____

In the space below write down Beth's expenses:

Supply	Price

Once you have written down all the expenses, total them up and write that total in the box below.

EXPENSES: _____

Income vs. Expenses

Now, compare Beth's income and expenses. How do they compare? Is the income more than expenses? Are expenses more than income?

If your expenses are more than your income, you have to make some choices.

You will either need to earn more money or you will need to cut back on your expenses. This choice may seem easy right now. However, this can be a very difficult choice for many families.

In addition to the expenses you listed, there is a very important expense that you need to pay every month and that expense is yourself. Yes, you read it correctly – yourself.

In order to develop the habit of saving and in order to have money for emergencies, you must pay yourself or put some money back for savings. Paying yourself first is an important budgeting skill and a step that most adults forget to do.

How can you pay yourself first? How much money would you like to put back each month for savings? In the space below write the amount that you would like to save each month. Then write a SMART goal for how you will make this happen.

Amount I plan to save monthly:

My **SMART** goal for saving:

Upload your savings goal and plan to your digital 4-H portfolio.

Budgeting is a skill that will last you all your life! Learning how to budget now will help you as you begin to earn more income and take on more expenses. Take this lesson and share it with a grown-up in your family. Talk with them to see if they have a budget written on paper.

Activity #9: Common Assets and Services Funded by Taxes

Project Outcome:

- Identify common assets and services funded by taxes.
- Report on a public asset such as a state or national park system, highway system or public institution.

Words to Know:

- Taxes

Before we start exploring this topic, take a second to talk with an adult in your household. Ask them to describe to you what taxes are. Record their response below:

**What are taxes?**

Taxes are a part of everyday life and are necessary expenses that allow local, state and federal governments to provide services for the common good. For example, you pay a tax when you purchase an item, go to the movies or go out to eat. When you are older and working, you will pay taxes every time you get a paycheck.

Why do we have taxes?

While taxes may have a bad reputation, they are necessary. Without them, we would not have essential services such as schools, parks, roads, libraries, military, police and fire protection. Taxes also help to keep our food and medicines safe.

Look at the picture below. Based on what you have learned, circle everything in the picture that is paid for by taxes.



As you can see, taxes may not be a favorite expense for everyone, but taxes are certainly necessary for keeping us safe, protected, educated and healthy.

Activity #10: Borrowing

Project Outcome:

- Explore how lenders make money from lending and borrowers pay extra to borrow money.

Words to Know:

- Borrow
- Loan
- Interest

Have you ever had to borrow something from a friend or classmate? Have you ever borrowed money from a grown-up? Did you pay it back? Did they charge you anything for the money you borrowed?

These are questions to ask yourself as you learn about borrowing. In this activity, you will learn about a specific kind of borrowing – **borrowing money**. You will learn about how and why we borrow money and how we pay back that money.

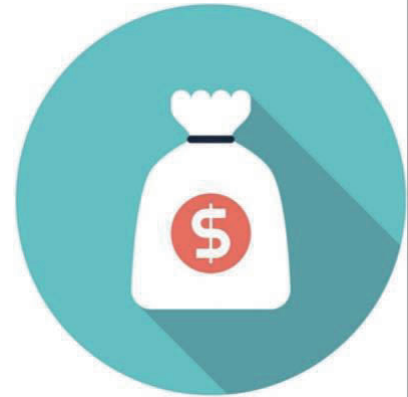
William completed vocational school and accepted his first full-time job! He is very excited about his new career. William has been driving the same car since high school. While it has served him well, the car needs major maintenance. In order to have reliable transportation for his new job, William decided to purchase a newer car. While William could save money to purchase a car, this would take him a few months to several years and he'd rather have a reliable car soon since he has to get to work. Since he does not have enough money saved to purchase a car, what can William do?

Thinking about your guesses, you might notice William plans go to a bank or credit union and **borrow money** to purchase the car. When you borrow money, you make a promise to the bank

or credit union to *pay back the money in a certain amount of time*. Credit unions and banks will not lend you money for free. Instead, they will charge you in the form of **interest** or money paid regularly at a particular rate for when you borrow money. With interest, it is important to know that if your loan has a higher interest rate, you will pay more for the loan in the end. If your loan has a lower interest rate, you will pay less for the loan at the end.

What is a loan?

A **loan** is money, property or other material goods given to someone in exchange for future repayment of the loan value along with interest. A loan may be for a specific, one-time amount, or it can be available as an open-ended line of credit up to a specified limit. In the example above, William would be taking out a loan for a specific, one-time amount to pay for his car. He would be expected to pay the loan back over a set amount of time with interest.



Let's look at two loan examples with different interest rates.

	LOAN A	LOAN B
Amount Borrowed	\$1,000	\$1,000
Interest	5%	10%
Time to Pay Back the Loan	1 Year	1 Year
Total Interest You Will Pay	\$50	\$100
Total Amount Borrowed	\$1050	\$1,100

In the examples, Loan A has a lower interest rate (5%) and will cost \$1,050 once paid back. Loan B has a higher interest rate (10%) and will cost \$1,100 when paid back.

As you can tell the amount of interest you are charged when you borrow money makes a **big** difference. These examples used simple interest calculations; however, in the real world, interest is calculated using more complex methods. You will explore this in future project area levels.

More About Borrowing

Banks and credit unions don't give money to anyone. Before they lend, they have to assess how risky it is. One of the best ways for assessing risk is by looking at someone's **credit history** or the record of a borrower's responsible repayment of debts. Your credit history will tell the lending institution how well you have managed your money in the past and whether or not you are a good risk for a loan. You will learn more about building a strong credit history in future project area levels.

The decision to borrow money is a major decision that requires a lot of thought and careful decision-making. While borrowing money is an option for larger purchases, it might require you to pay interest and borrowing impacts your credit. Therefore, it is important to know that borrowing should only be done occasionally. Borrowing money is a serious financial decision with long term ramifications or consequences.

Activity #11: Housing – An asset and an expense

Project Outcome:

- Identify housing as a primary asset and expense for most American households.

Words to Know:

- Asset

Finding a place to live is a basic human need and a major decision for families. There are many different types of housing options. Each of these options has their own advantages and disadvantages.

If you would like, watch this YouTube video for help and more details. Scan the QR code or click the image to get started!



Working with an adult, complete the table below learning about different housing options.

Housing Option	Advantages	Disadvantages
Living with Relatives		
Renting a Home		
Purchasing A Home		
Purchasing A Condo		
Living in an Apartment		

Home Ownership

There are a variety of housing options, but home ownership has often been thought of as the *American dream*. Shopping for and purchasing a home is a big decision. Ask an adult to use the internet and research the costs of homes in your community. Scan the QR codes below to visit real estate websites Zillow and Realtor. Find three homes in your community that you would like to purchase and complete the table below.



	Address	Purchase Price	Likes	Dislikes
House 1				
House 2				
House 3				

As a homeowner, you now have an **asset** or a valuable property owned by a person or company available to meet debts, commitments or legacies. By purchasing a home, you gain financial benefits from owning your home. As you own a home, it may start increasing in value over time.

A home's value might increase over time based on the country's economy, the location of the home, and the condition of the home (updates and cleanliness).

Housing will be your largest expense as an adult, but it is the number one way to build a family's wealth. It's important to remember that when you own a home, you have to pay for repairs, maintenance, electricity and water usage.

Activity #12: Capstone

Congratulations! You have almost completed the Beginner Consumer Education Project Curriculum. Let's show off all the new knowledge you've gained with one final activity.

TED Talks are typically short, powerful talks on one specific topic. You may have viewed one online or as part of a school assignment. For your final activity, create a TED talk on one of the following topics:

- Producing Income
- Managing Money
- Common Assets and Services

Don't worry, you don't need a fancy background, lighting or a stage.

Scan the QR code to watch an example of a TED Talk:

Record your TED talk and share it with your 4-H club. Maybe ask a friend who completes the photography project to assist in recording your TED talk. Upload your final product to your digital 4-H portfolio.



Now, you have completed the Beginner Consumer Education Project Curriculum! By completing this project book, you have learned about income and expenses, budgeting, plus saving and sharing money. Continue to seek opportunities to apply what you have learned in your project work so far and learn new things along the way.



More information can be found on the Tennessee 4-H Consumer Education Project page, including the project outcomes and curriculum for the Intermediate level.

1-2 YEARS IN PROJECT



UTIA.TENNESSEE.EDU

Real. Life. Solutions.™

W 978 3/21 21-0137

Programs in agriculture and natural resources, 4-H youth development, family and consumer sciences, and resource development. University of Tennessee Institute of Agriculture, U.S. Department of Agriculture and county governments cooperating. UT Extension provides equal opportunities in programs and employment.