

MERIT BADGE SERIES



PERSONAL MANAGEMENT



BOY SCOUTS OF AMERICA®



STEM-Based

BOY SCOUTS OF AMERICA
MERIT BADGE SERIES

PERSONAL MANAGEMENT



"Enhancing our youths' competitive edge through merit badges"



BOY SCOUTS OF AMERICA®

Requirements

1. Do the following:
 - a. Choose an item that your family might want to purchase that is considered a major expense.
 - b. Write a plan that tells how your family would save money for the purchase identified in requirement 1a.
 - (1) Discuss the plan with your merit badge counselor.
 - (2) Discuss the plan with your family.
 - (3) Discuss how other family needs must be considered in this plan.
 - c. Develop a written shopping strategy for the purchase identified in requirement 1a.
 - (1) Determine the quality of the item or service (using consumer publications or ratings systems).
 - (2) Comparison shop for the item. Find out where you can buy the item for the best price. (Provide prices from at least two different price sources.) Call around; study ads. Look for a sale or discount coupon. Consider alternatives. Can you buy the item used? Should you wait for a sale?
2. Do the following:
 - a. Prepare a budget reflecting your expected income (allowance, gifts, wages), expenses, and savings. Track and record your actual income, expenses, and savings for 13 consecutive weeks. (You may use the forms provided in this pamphlet, devise your own, or use a computer-generated version.) When complete,

- present the records showing the results to your merit badge counselor.
- b. Compare expected income with expected expenses.
 - (1) If expenses exceed income, determine steps to balance your budget.
 - (2) If income exceeds expenses, state how you would use the excess money (new goal, savings).
 3. Discuss with your merit badge counselor FIVE of the following concepts:
 - a. The emotions you feel when you receive money.
 - b. Your understanding of how the amount of money you have with you affects your spending habits.
 - c. Your thoughts when you buy something new and your thoughts about the same item three months later.
Explain the concept of buyer's remorse.
 - d. How hunger affects you when shopping for food items (snacks, groceries).
 - e. Your experience of an item you have purchased after seeing or hearing advertisements for it. Did the item work as well as advertised?
 - f. Your understanding of what happens when you put money into a savings account.
 - g. Charitable giving. Explain its purpose and your thoughts about it.
 - h. What you can do to better manage your money.
 4. Explain the following to your merit badge counselor:
 - a. The differences between saving and investing, including reasons for using one over the other.
 - b. The concepts of return on investment and risk.
 - c. The concepts of simple interest and compound interest and how these affected the results of your investment exercise.

Always be sure
to have proper
permission before
using the Internet.

To learn about
appropriate
behavior and
etiquette while
online, consider
earning the BSA
Cyber Chip. Go to
www.scouting.org/

Training/
[YouthProtection/
CyberChip.aspx](http://YouthProtection/CyberChip.aspx) for
more information.

5. Select five publicly traded stocks. Explain to your merit badge counselor the importance of the following information for each stock:
 - a. Current price
 - b. How much the price changed from the previous day
 - c. The 52-week high and the 52-week low prices
6. Pretend you have \$1,000 to save, invest, and help prepare yourself for the future. Explain to your merit badge counselor the advantages or disadvantages of saving or investing in each of the following:
 - a. Common stocks
 - b. Mutual funds
 - c. Life insurance
 - d. A certificate of deposit (CD)
 - e. A savings account or U.S. savings bond
7. Explain to your merit badge counselor the following:
 - a. What a loan is, what interest is, and how the annual percentage rate (APR) measures the true cost of a loan.
 - b. The different ways to borrow money.
 - c. The differences between a charge card, debit card, and credit card. What are the costs and pitfalls of using these financial tools? Explain why it is unwise to make only the minimum payment on your credit card.
 - d. Credit reports and how personal responsibility can affect your credit report.
 - e. Ways to reduce or eliminate debt.
8. Demonstrate to your merit badge counselor your understanding of time management by doing the following:
 - a. Write a “to do” list of tasks or activities, such as homework assignments, chores, and personal projects, that must be done in the coming week. List these in order of importance to you.

- b. Make a seven-day calendar or schedule. Put in your set activities, such as school classes, sports practices or games, jobs or chores, and/or Scout or place of worship or club meetings, then plan when you will do all the tasks from your “to do” list between your set activities.
 - c. Follow the one-week schedule you planned. Keep a daily diary or journal during each of the seven days of this week’s activities, writing down when you completed each of the tasks on your “to do” list compared to when you scheduled them.
 - d. Review your “to do” list, one-week schedule, and diary/journal to understand when your schedule worked and when it did not work. With your merit badge counselor, discuss and understand what you learned from this requirement and what you might do differently the next time.
9. Prepare a written project plan demonstrating the steps below, including the desired outcome. This is a project on paper, not a real-life project. Examples could include planning a camping trip, developing a community service project or a school or religious event, or creating an annual patrol plan with additional activities not already included in the troop annual plan. Discuss your completed project plan with your merit badge counselor.
 - a. Define the project. What is your goal?
 - b. Develop a timeline for your project that shows the steps you must take from beginning to completion.
 - c. Describe your project.
 - d. Develop a list of resources. Identify how these resources will help you achieve your goal.
 - e. Develop a budget for your project.
10. Do the following:
 - a. Choose a career you might want to enter after high school or college graduation.
 - b. Research your anticipated career and discuss with your merit badge counselor what you have learned about qualifications such as education, skills, and experience.

Personal Management Resources

Scouting Literature

Boy Scout Journal; American Business, American Labor, Entrepreneurship, Family Life, Inventing, Salesmanship, and Scholarship merit badge pamphlets; also see merit badge pamphlets on particular careers or vocations.

Visit the Boy Scouts of America's official retail website at <http://www.scoutstuff.org> for a complete listing of all merit badge pamphlets and other helpful Scouting materials and supplies.

Books

Bamford, Janet. *Street Wise: A Guide for Teen Investors*. Bloomberg Press, 2000.

Bateman, Katherine R. *The Young Investor: Projects and Activities for Making Your Money Grow*. Chicago Press Review, 2001.

Bodnar, Janet. *Kiplinger's Money-Smart Kids*. Kiplinger Books, 1999.

Bolles, Richard Nelson, Carol Christen, and Jean M. Blomquist. *What Color Is Your Parachute? For Teens:*

Discovering Yourself, Defining Your Future. Ten Speed Press, 2006.

Covey, Sean. *The 7 Habits of Highly Effective Teens*. Simon & Schuster, 1998.

Gardner, David, Tom Gardner, and Selena Maranjian. *The Motley Fool Investment Guide for Teens*. Fireside, 2002.

Morgenstern, Julie and Jessi Morgenstern-Colon. *Organizing From the Inside Out for Teenagers*. Owl Books, 2002.

Morris, Kenneth M. and Virginia B. Morris. *The Wall Street Journal Guide to Understanding Personal Finance*, 3rd ed. Simon and Schuster, 2000.

National Association of Investors Corporation (NAIC). *Investing In Your Future*. South-Western Educational Publishing, 2001.

Pervola, Cindy, and Debby Hobgood. *How to Get a Job If You're a Teenager*, 2nd ed. Highsmith Press, 2000.

Organizations and Websites

Affordable Colleges Foundation

Website: <http://www.affordablecollegesonline.org/financial-aid/financial-aid-for-online-colleges>

Bureau of Labor Statistics

U.S. Department of Labor
Website: <http://www.bls.gov>

Center for Student Credit Card

Education Inc.

Telephone: 650-347-3327
Website: <http://www.csce.com>

Consumer Financial

Protection Bureau

Website: <http://www.consumerfinance.gov>

Federal Student Aid

Website: <http://www.studentaid.gov>

Federal Trade Commission

Consumer Information

Website: <http://www.consumer.ftc.gov/>

Independent Living Resources

Website: <http://www.ilrinc.com>

The Motley Fool

Website: <http://www.fool.com/familyfool/welcome.htm>

National Association of Investors Corporation

Toll-free telephone: 877-275-6242

Website:

<http://www.better-investing.org>

National Endowment for Financial Education®

Telephone: 303-741-6333

Websites: <http://www.nefe.org>

<http://www.smartaboutmoney.org>

<http://www.hsfpp.org>

<http://www.onyourown.org>

The SmartStudent™ Guide to Financial Aid

Telephone: 724-538-4500

Website: <http://www.finaid.org>

Students.gov

Website: <http://www.students.gov>

U.S. Department of Education's Federal Student Aid on the Web

Telephone: 319-337-5665

Toll-free telephone: 800-433-3243

Website: <http://studentaid.ed.gov>

YoungBiz.com

Website: <http://www.youngbiz.com>

Acknowledgements

The Boy Scouts of America extends thanks to Eagle Scout Brent A. Neiser, CFP, senior director of Strategic Program and Alliances at the Denver-based National Endowment for Financial Education® (NEFE®). Mr. Neiser wrote the 1996 edition of the *Personal Management* merit badge pamphlet upon which this edition is based. He was instrumental in this revision. NEFE® inspires empowered financial decision making for individuals and families through every stage of life.

NEFE® is a private, nonprofit, nonpartisan, and noncommercial foundation.

The NEFE® website has many tools for planning your college education and future. Visit www.nefe.org.