

DRIVING MY FINANCIAL FUTURE

You may not realize it, but money and financial management affect much of your day-to-day life. When you earn your Financial Literacy badges, you learn how to save, build credit, research, comparison shop, and negotiate. These are the same skills you'll need when deciding how to spend money and navigating your successful financial future.

Get ready to rev your engines, **Juniors**, **Cadettes**, **Seniors**, and **Ambassadors**! We've developed activities for each of you to learn savvy finance skills while earning your Financial Literacy badges.

How? First, take a look at the Financial Literacy badges in *The Girl's Guide to Girl Scouting*. Each level includes five steps for earning a badge.

Next, read through the financial planning activities below for your badge level. Note how the activities are matched to a step (or steps) from the original badges in *The Girl's Guide*. Complete the activity for the corresponding step. These activities will help deepen your understanding and enhance your financial planning skills by using real-life situations. Once you're finished, complete all five steps from *The Girl's Guide* to earn your badge.

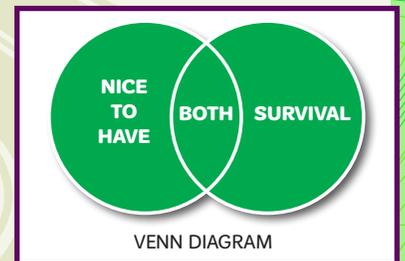
JUNIOR



DETERMINE WHAT YOU NEED AND WHAT YOU WANT

Junior Badge: Savvy Shopper

The Savvy Shopper badge teaches the difference between needs and wants and how to smartly save for both. For **Step 1**, make a list of the items you really need (survival) and the items you want (nice to have). In some cases, the items will fall into both categories. Add the items to the appropriate circle in a Venn diagram (see example illustration). Now that you've determined which is a want and which is a need, for **Step 5**, select any item to research how much it costs, make a budget, and set a goal of what you will need to do to buy that item in a set amount of time.



ADVICE FROM AN EXPERT

Junior Badge: Business Owner



What do you need to know about getting a loan to start a business? Using **Step 3**, set up a mock interview with a loan officer. Ahead of the appointment, imagine your business and its goals, and then write a business vision statement. Being as realistic as possible, develop a list of business expenses for one year, such as inventory, promotion, supplies, rent, utilities, car, insurance, etc. (Hint: be ready to support the cost list as it relates to your business vision.) Estimate the amount needed for your business to break even and to turn a profit. Before the interview, develop a list of discussion topics, including how you would use your cost list and projected profit to get a loan. Ask the loan officer for tips about next steps.

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CADETTE

IMAGINE YOUR CAR AND START SAVING

Cadette Badge: Budgeting

It may seem like a dream right now, but buying your own car could very well be in your future! It's never too early to plan to make that dream a reality. For **Steps 1 and 2**, make a list of all the qualities you value in a car. Is it a sporty two-seater? A roomy SUV? A gas-saving hybrid? Now put these qualities in the order that's most important to you. If you're feeling artistic, draw your dream car or create a collage of magazine photos of cars that appeal to you. In **Step 3**, brainstorm how you'll save money for the car. Will you stash away part of your allowance, babysitting earnings, or birthday money? Consider decorating a "car jar" and start saving coins; you'll be surprised how fast the change adds up!

BUDGETING

LEARN TO COMPARISON SHOP

Cadette Badge: Comparison Shopping

Buying a car can be confusing—there are hundreds of choices! How do you begin? For **Step 1**, pick one type of car, such as a sedan, hybrid/electric, convertible, hatchback, station wagon, luxury, SUV, or small car. Then, go online to compare the cost of three cars in your chosen category. Researching cars is a good way to learn the pros and cons of individual models. For **Step 2**, read online reviews to see what experts and consumers say about your car. Did you read anything that changed your mind?

Comparison Shopping

MAKE A BUDGET

Cadette Badge: Financing My Dreams

For **Step 5**, add "dream car" to your dream budget worksheet. Go online or check newspaper ads to determine the cost of the car you want. Then, add in the costs for gas (estimate how much fuel you'll use in a year), maintenance (talk to a mechanic about what this includes), and insurance. This total will be your rough cost. Next, come up with an estimated amount you'll put away each month. How much will you need to save each month to reach your goal of car ownership? What are you willing to give up to get a car you can afford?

**FINANCING MY
Dreams**

SAFETY MEASURES

Factor safety into your car-buying equation. Explore cars with safety features you might want (a back-up camera, anti-lock braking, side air bags, electronic stability control, bluetooth, etc.) and find out the costs associated with each. Also research the cost of roadside assistance in case your car breaks down on the road, which you may get through an auto club, insurance, or as part of your car's warranty.

DRIVING MY FINANCIAL FUTURE

SENIOR

Buying Power

DO THE RESEARCH

Senior Badge: Buying Power

To start, select “car” as the major item you’d like to purchase. Then, proceed with all five of the following steps:

1. Go online or visit a car dealership to find out how your car’s optional features change your overall cost.
2. Read reviews and ask friends or family members to give you feedback about the car you want.
3. Ask a car salesperson or check car ads to learn what kind of down payment you need to buy the car.
4. Investigate online or talk to a car dealer about the best time to buy a car. Should you buy at year-end, when dealerships are getting rid of last year’s models, or over holiday weekends, when sales are traditionally advertised?
5. Fill out the savings plan worksheet. Don’t forget to include costs for insurance, repairs and maintenance, gas, and annual registration fees.

“Setting goals is the first step to changing the impossible to your possible.”

—Toyota Financial Services

Financing My FUTURE

FIND OUT ABOUT FINANCING

Senior Badge: Financing My Future

In this badge, you’ll explore your future education and come up with ideas for how to pay for it. Owning a car may be part of this plan, for example, if you’ll need a car to drive to campus or a job. Follow **Step 4** to research financial aid options for education as well as financial options for a car. Go online or talk to a car salesperson about how financing works, what it takes to get a loan, and what it means to buy or lease. For example, how much money should you put down to get a lower interest rate on your loan?



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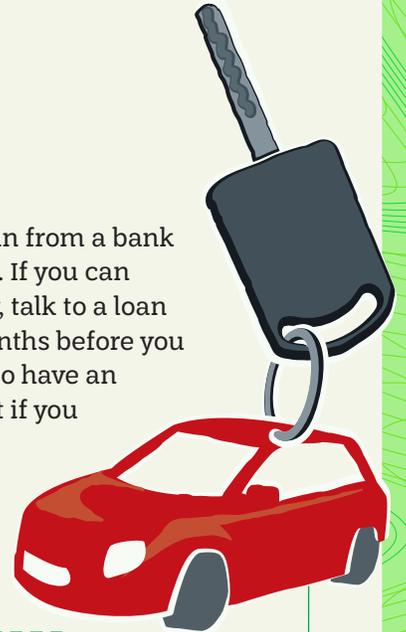
AMBASSADOR

Good
Credit

ESTABLISH CREDIT

Ambassador Badge: Good Credit

You'll likely need to borrow money to buy a car. To get a loan from a bank or another financial institution, you must have good credit. If you can establish good credit before you buy your car, great! Ideally, talk to a loan officer about how you can build good credit at least six months before you start car shopping. But as a teen, you'll probably still need to have an adult with good credit co-sign for your car. This means that if you don't pay the loan, your co-signer is responsible for the debt. For **Step 4**, ask the loan officer specific questions— will you still build your credit history if an adult co-signs your loan? If you pay on time, will a co-signed loan boost your personal credit rating?



“You are the root of your financial success or failure. If you work on the roots, the fruits will grow and take care of themselves.”

—Toyota Financial Services

On
My
Own

LEARN TO NEGOTIATE

Ambassador Badge: On My Own

For **Step 1**, research which kind of car you want based on your lifestyle and where you live. For instance, do you need a car to drive to work and to after-school activities? Will you need a car if you plan to go to college? Learn how to prepare for unexpected issues related to car ownership. In **Step 4**, check with a credible consumer information source, such as the Federal Trade Commission, for tips about negotiating the price of a new or used car. For example, understand the fine print in car ads. Know what questions to ask a salesperson about discounts, low prices, and special offers. Make sure your agreed-upon terms are on the final contract before you sign.