PERSONAL MANAGEMENT MERIT BADGE

Prepared by:
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Updated by:
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Target group:
Second year campers and above

Time allotted:
Two one-hour blocks

Pre-requisites:
Requirement 2 - Thirteen-week budget
Requirement 8 - 7 Day Plan

Materials needed - Staff:
Personal Management Merit Badge pamphlet
Copy of worksheet packet for each scout (included in this document)
Extra pencils or pens for unprepared scouts
Set of money cards described in Tuesday activity
Access to internet in the Geiger Museum for stock trade activity and career research

Materials needed - Scout:
Pencil or pen and paper
Attentive attitude

Note: The following is only a teaching outline. The instructor should teach the material as he sees best fit. The Eagle Area Director must approve any changes to the outline of this badge and all other Eagle Area merit badges.

MONDAY

Requirement 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.

Staff Instruction:
(Pass out pens and paper to those who need it. Encourage them to get as much done today as possible but if they don't get it done, there will be time tomorrow to finish it.)

Requirement 10

Do the following:
a. Choose a career you might want to enter after high school or college graduation. Discuss with your counselor the needed qualifications, education, skills, and experience.
b. Explain to your counselor what the associated costs might be to pursue this career, such as tuition, school or training supplies, and room and board. Explain how you could prepare for these costs and how you might make up for any shortfall.

Staff Instruction:
(Inform the scouts to start thinking about a career they might want after high school or College and that they will be researching this career later in the week.)

TUESDAY

Requirement 9
(Have the scouts finish their Written Project Plan if they didn't yesterday. Make sure to keeps scouts that have already finished busy.)

Requirement 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.

<u>Staff Instruction</u>:
(Although it says only do five, I recommend doing all eight)

(Optional game if time allows: "Card Money" Deal a set of cards, face down to Scouts. The cards have different amounts of money on them. Turn them over one scout at a time. Ask them what they would do if they received that much money. How will they spend it? Will any of them share with others? What kind of items will they buy? Will they save or invest any money?)

WEDNESDAY

Requirement 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 and how they are related.
c. The concepts of simple interest and compound interest.
d. The concept of diversification in investing.
e. Why it is important to save and invest for retirement.

Requirement 6
Explain to your counselor why people might purchase the following types of insurance and how they work:
a. Automobile

b. Health
c. Homeowner’s/renter’s
d. Whole life and term life

Requirement 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.

(Optional game if time allows: “Stock Trade game” Each scout gets a single stock worth three points. Each round, the counselor will flip a coin. The scouts write down their guess on whether it is right or wrong. If they guess correctly, they gain a point depending on how much each round is worth. If they guess incorrectly, they lose the point(s). As the game progress, rounds can be worth from 1 to 3 points, to even 5 points or double-or-nothing. If the scout does not want to trek any further, they may "sell" their stock and be out of the game with the price they ended up with. If any scout reaches zero due to losing points or failing double-or-nothing, they are out of the game with zero. The scout with the highest stock wins.)

THURSDAY

Requirement 5

Explain to your merit badge counselor what the following investments are and how each works:

a. Common stocks
b. Mutual funds
c. Life insurance
d. A certificate of deposit (CD)
e. A savings account
f. A U.S. savings bond

Requirement 10

Do the following:

a. Choose a career you might want to enter after high school or college graduation. Discuss with your counselor the needed qualifications, education, skills, and experience.

b. Explain to your counselor what the associated costs might be to pursue this career, such as tuition, school or training supplies, and room and board.
c. Explain how you could prepare for these costs and how you might make up for any shortfall.
<u>*Staff Instruction*</u>*:*
(The scouts should've had a career picked out by now. Using an approved web browser on the iPads, have the scouts go to the Bureau of Labor Statistics (bls.org) and research their chosen career. Inform them that they will be presenting their career tomorrow so it's a good idea to write a few things down)
Activity
Pretend you have $1,000 to save, invest, and help prepare yourself for the future. Review 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

<u>*Staff Instruction*</u>*:*
(Although part of this activity was done on Wednesday, the following portion is not part of the requirement but is still a good activity and lesson.)

("Give" each scout $1,000 in unexpected income. The final part of this section requires the scout to say how they would spend the money on the six terms mentioned for investing and savings (Mutual funds, Life insurance, etc.). Do NOT let them put the full $1,000 in just savings. Tell them they should split it up at least three ways, and have them explain why. This way, you know they understand the material.)

FRIDAY

Requirement 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 rating 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?

Activity
Pretend you have $1,000 to save, invest, and help prepare yourself for the future. Review to your merit badge counselor the advantages or disadvantages of saving or investing in each of the following:
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