

Budget and Finance

REQUIREMENTS

NOTE: Web site addresses were verified prior to posting on TRaClub.

1. Read the article “The Truth About Budgeting” from the Web site www.daveramsey.com. On this site, go to “Budgeting Tools” and download the “Quickie Budget” form to use in requirement 3.

2. Discuss tithing with a pastor of your church. Before you meet, watch a five-minute video rap from 12 Stone Church on tithing: <http://www.youtube.com/user/12stonechurch>. Search for the Tithe Rap. Concepts to discuss with your pastor should include:
 - a. How does your tithe affect the local church? How does not tithing affect the local church?
 - b. How is tithing both an act of worship of God and an act of obedience to God?
 - c. What is the difference between a tithe and an offering?
 - d. How is tithing important in budgeting and finance?
 - e. Should we tithe on our gross or net income? Cite three Scripture references that support your answer.

3. Working with your group leader, parents, or guardian, prepare a personal budget that will track your expected income and expenses for the next sixty days. Use the “Quickie Budget” form downloaded in requirement 1. When the form is completed, one of three results will occur: (1) income exceeds expenses resulting in a surplus; (2) expenses exceed income resulting in a deficit; or (3) income equals expenses (balanced budget).
 - a. If income exceeds your expense, how will you best use the excess funds?

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- b. If expenses exceed income, what will you reduce or eliminate to achieve a balanced budget?
4. When consumers purchase items, they sometimes experience “buyer’s remorse.” What is meant by this term?
5. With the permission of your parents, open a checking or savings account at a local bank or credit union. Choose a bank that has a no-fee student account. Maintain and balance the account for a minimum of sixty days.
6. Schedule an interview with TWO of the following three financial professionals: banker, life insurance agent, or financial planner.
Ask both of them what kind of training they need to do their jobs, what interests them about their job, and the following questions specific to their positions:
- a. Banker
 - i. What different types of loans are available?
 - ii. What types of savings products does the bank offer? How risky are they?
 - iii. How does balancing your checkbook help avoid paying overdraft fees to the bank?
 - iv. What is the difference between the interest rate and the annual percentage rate (APR)?
 - v. What are the differences between a debit card, a credit card, and a charge card?
 - vi. What do credit reports tell a banker? What other areas of life are impacted by your credit report besides the rate on a loan?
 - b. Life Insurance Agent
 - i. Why does someone need life insurance? What happens to family members when someone dies without life insurance?
 - ii. What are the differences between whole life and term insurance?

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- iii. How does someone determine how much life insurance is needed?
 - iv. How can life insurance be used as an investment?
 - c. Financial Planner
 - i. What are the differences between simple interest and compound interest?
 - ii. What does the term “risk tolerant” mean? How does a financial planner determine a client’s risk tolerance?
 - iii. What is the difference between saving and investing? Why would someone choose saving over investing and vice versa?
 - iv. What are the best ways to save for retirement?
7. Pick ONE of the following publicly traded companies: Walmart (WMT), Coca-Cola (KO), Apple (AAPL), Google (GOOG) or Walt Disney Company (DIS). Then go to www.investorguide.com to search the stock you selected. Answer the following questions:
- a. What is the 52-week high and low for the stock?
 - b. What is the current asking price for the stock?
 - c. What is the current yield on the stock?
 - d. What is the average volume of shares sold?
8. Working with another member of your patrol, prepare a brief (seven to nine minute) multimedia presentation (PowerPoint presentation, movie, overhead projector, handouts, etc.) based on what you have learned about budgeting and finance. Present it to your Expedition Rangers group. Include relevant points in your interviews with local financial professionals and talk about your experience opening and maintaining a checking account. At the conclusion of your presentation, be prepared to have a question and answer time for the audience.

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