



ASSOCIATED
CREDIT UNION

YOUTH ACTIVITY PACKET



**MIDDLE
SCHOOL**

LIVE. BANK. GROW.®

Use a budget to shop for a party

Your child will learn about budgets and then use one to decide what food to buy for an imaginary party.

Key money concepts

- A budget is a plan people create for their money.
- Knowing how to make a budget is an important skill that helps people reach their financial goals.
- This activity can help your child learn about using a budget and making the spending choices that are best for them.

Setup

- Set aside 15–30 minutes for this activity.
- Print the worksheet or access it using a computer, tablet, or another electronic device.

Directions

1. Use suggestions from the “Things to talk about” section to explain what a budget is and why it’s important.
2. Tell your child they’ll pretend to be in charge of buying food for an imaginary party. They get to choose how many friends to invite.
3. For each person at the party, your child has a budget of \$10 for food. So if they invite two friends, they should budget \$30 for three people.
 - You may choose to limit the amount of money your child can pretend to spend (for instance, no more than \$40).



Things to talk about

Before your child starts the activity

- Explain that a budget is a plan for how to spend and save money.
- Consider sharing a budget you’ve created.
- Tell your child that people use a budget to set a limit on how much they’ll spend on certain things like groceries or a vacation.

After your child completes the activity

Ask your child:

- “What did you think about as you made your choices for the party?”
- “How would your choices change if you had less money to spend? Or more money?”
- “Is there anything I can do to help you create a budget for now or in the future?”

4. After your child has their budget, they'll choose food from a list, making sure they get enough for everyone without going over their budget.
 - First, they'll choose different foods for the party.
 - Next, they'll add up the costs of the foods they chose. If their selections total more than their total budget, they'll need to make different choices.
5. Use suggestions from the "Things to talk about" section on the previous page to ask your child about their choices.
6. Consider taking your child to the store to show them how much the food for the party would really cost.

Learn more about building your child's money skills

This activity helps develop your child's planning and self-control skills. To build these skills, they should practice things like planning ahead, remembering information, and solving problems. It also develops money habits and values. To build these skills, they should practice having a positive attitude about saving and spending. [Learn more about building your child's money skills.](#)

Use a budget to shop for a party

Planning and budgeting are important skills that will help you manage your money.

Instructions

- 1 Imagine that you're planning a party. You're in charge of getting the food, and you have \$10 to spend for each person you invite. You need to get enough food for yourself and all your friends.
- 2 Use Table 1 below to calculate how much money you need to spend based on how many people will be at the party.
- 3 Review the foods in Table 2 below and choose what you want to buy. The costs shown are the totals for that item for one person.
- 4 Multiply the cost of each food you chose by the number of people at the party and write the total in the "Total cost" column.
- 5 Add up your choices. If you go over your budget, go back and select different foods.

TABLE 1

Number of friends I want to invite	
Number of people at the party x \$10 each =	
My party budget:	

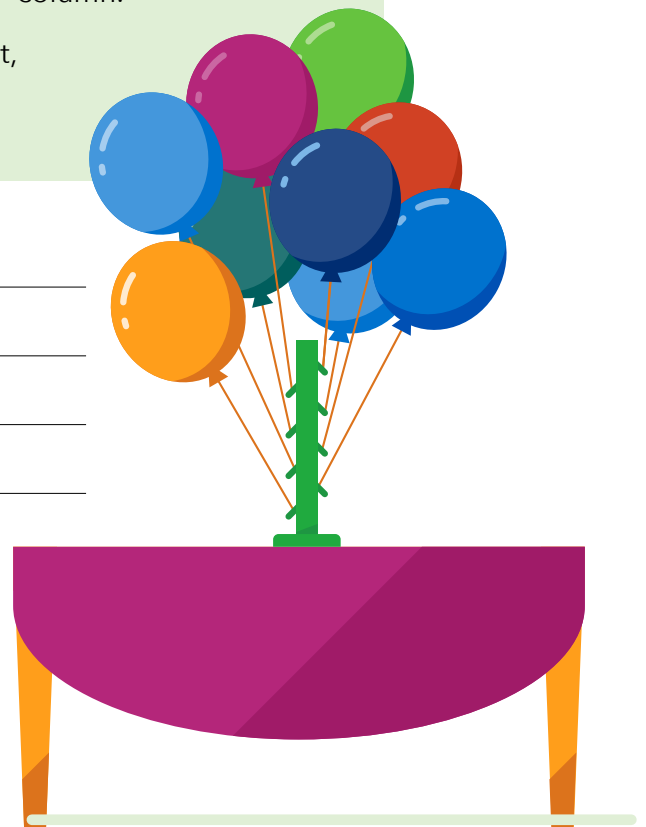






TABLE 2

Food for the party	Cost*	Total cost
 <input type="checkbox"/> Green salad	\$4	
 <input type="checkbox"/> Potato salad	\$3	
 <input type="checkbox"/> Celery and carrot sticks	\$1	
 <input type="checkbox"/> Hamburgers and buns (meat or vegetarian)	\$5	
 <input type="checkbox"/> Hot dogs and buns (meat or vegetarian)	\$5	
 <input type="checkbox"/> Watermelon	\$2	
 <input type="checkbox"/> Oranges	\$1	
 <input type="checkbox"/> Pears	\$1	
 <input type="checkbox"/> Cupcakes	\$2	
 <input type="checkbox"/> Cookies	\$2	
 <input type="checkbox"/> Lemonade	\$1	
 <input type="checkbox"/> Ice water (from home)	\$0	
Total food cost		

*The prices are for the purposes of this activity. Actual prices may be higher or lower.

Surprise Money Gift

Key idea: Prioritizing

Getting started:

1. Greet the group and ask the members to introduce themselves.
2. Explain to the group that today's session will start with an activity to help us recognize how we prioritize our money choices. Explain that prioritizing includes deciding how best to use our limited money or other resources. You might want to use the definition for prioritizing in the Key ideas table.

Activity:

To begin, tell the group that each person has just received a surprise gift of \$100. Ask each person to think about what she would do with the money. You can have each person write down her response or say it out loud.

Next, go around the group and ask members how they would use the money. How many were going to save their money? How many were going to use the money on something they needed? How many were going to use the money to buy something they wanted? How might they have spent the money differently if they had worked to earn the \$100 or if they had borrowed the \$100?

Use the discussion to get the group to notice how they prioritize their choices when they have limited money resources.



Where to Stash Your Cash

LESSON 10: STUDENT ACTIVITY SHEET 1

There are lots of different choices when it comes to saving and investing your money. Understanding your options will help you make more informed decisions. Study the table below to familiarize yourself with different savings and investing strategies.

Strategy	What is it?	What's the risk?	What are the pros?	What are the cons?
Certificate of Deposit (CD)	Savings certificate issued by a bank or credit union	Minimal risk because it is insured by the Federal Deposit Insurance Corporation (FDIC) through a bank and the National Credit Union Share Insurance Fund (NCUSIF) through a credit union	<ul style="list-style-type: none"> - Higher interest rates than a traditional savings account - Not risky - The longer the term, the higher the interest you usually earn 	<ul style="list-style-type: none"> - Must be left in the bank for a fixed amount of time - Steep penalties for withdrawing money early - Minimum balances required
Savings Account	A deposit account that earns interest and is issued by a bank or credit union	Minimal risk because it is FDIC or NCUSIF insured	<ul style="list-style-type: none"> - Not risky - No restrictions on withdrawals - Low or no minimum balances required 	<ul style="list-style-type: none"> - Lowest interest rates - Some banks charge fees for opening and maintaining accounts
Money Market Account	A type of checking and savings account issued by a bank or credit union	Minimal risk because it is FDIC or NCUSIF insured	<ul style="list-style-type: none"> - Higher interest rates than a savings account - Can withdraw money (with some restrictions) 	<ul style="list-style-type: none"> - Higher minimum balance required - Some withdrawal restrictions (e.g., limits on number of withdrawals per month) - Subject to fees if balance below certain amount
Retirement Account	An account such as an IRA and 401(k) that helps you set aside money for retirement	Investment choices range from very secure government bonds to higher risk stocks	<ul style="list-style-type: none"> - Tax-deferred growth - Some employers will match contributions - Helps create long-term savings 	<ul style="list-style-type: none"> - Steep penalties for withdrawing money before retirement - Contribution limits

Continued on the next page.



Where to Stash Your Cash

LESSON 10: STUDENT ACTIVITY SHEET 1

Strategy	What is it?	What's the risk?	What are the pros?	What are the cons?
529 Savings Account	A savings account designed specifically for educational expenses	Risk varies depending on investment choice. Some accounts offer FDIC or NCUSIF insurance while others can be invested in higher risk stocks	<ul style="list-style-type: none"> - Low minimum starting balance - Some states offer tax breaks - Tax deferred growth 	<ul style="list-style-type: none"> - Have to use the money for college or face a 10% penalty
Mutual Funds	A collection of stocks, bonds or other investments that are professionally managed in a portfolio	Risk varies depending on the type of mutual fund	<ul style="list-style-type: none"> - Creates an opportunity to diversify investments 	<ul style="list-style-type: none"> - Return is not guaranteed - If portfolio is professionally managed, it may be subject to high fees
Stocks	A stock is a share in the ownership of a company	Risk varies depending on investment choice	<ul style="list-style-type: none"> - If the market value increases, there is potential for great gain 	<ul style="list-style-type: none"> - If the market value decreases, there is the potential for great loss - No guarantee for a return on investment and principal could be lost - Managing stock options may require professional help
Bonds	A bond is a loan in which you are the lender and the government is the borrower	Risk varies depending on investment choice	<ul style="list-style-type: none"> - Usually provides more security than stocks 	<ul style="list-style-type: none"> - Historically lower return rates



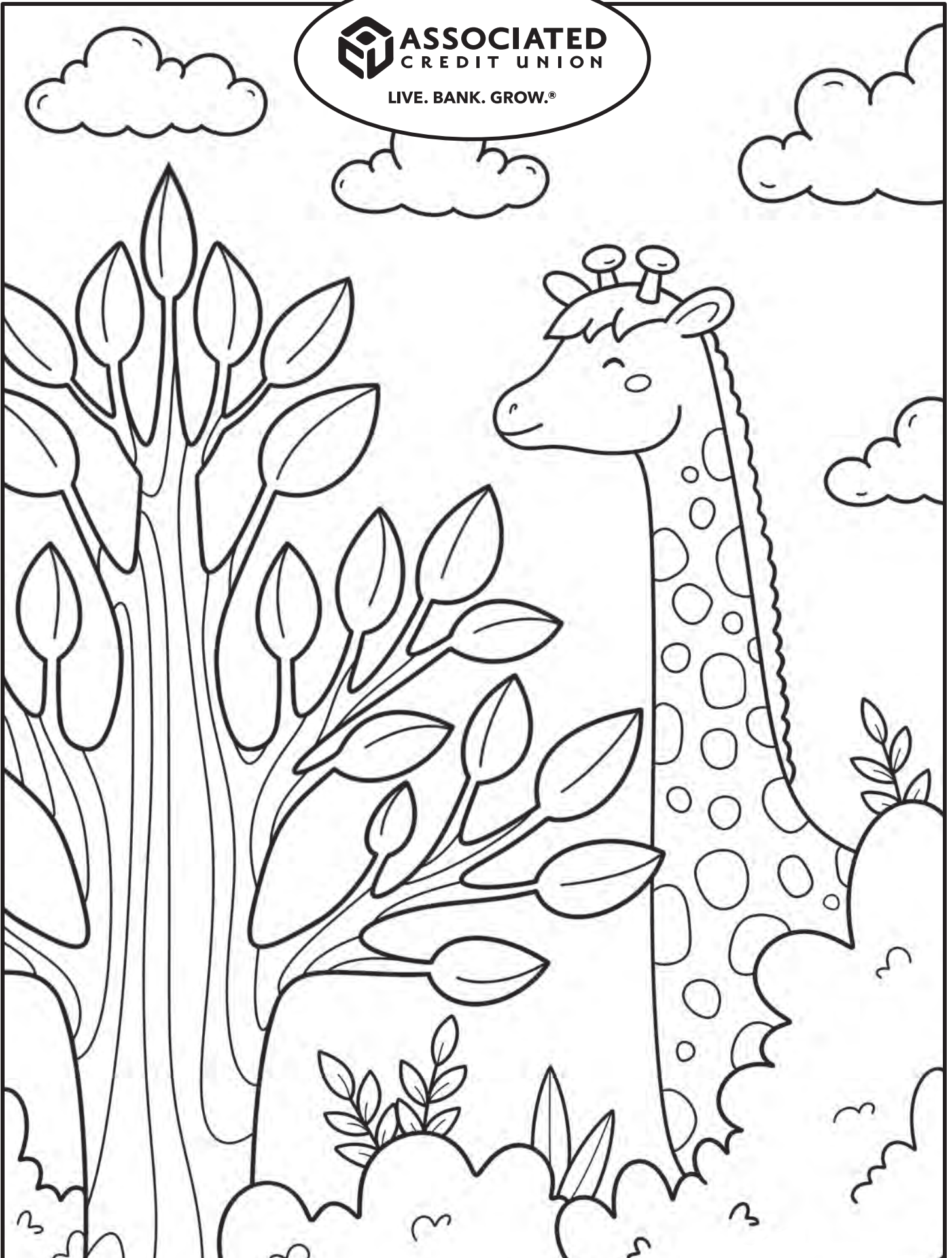
STUDENT TIP

When you invest your money in CDs, savings accounts or money market accounts, a bank will insure your money through the Federal Deposit Insurance Corporation (FDIC) and a credit union insures your money through the National Credit Union Share Insurance Fund (NCUSIF). While the interest rates may be lower than other investment options, your money is always protected.



ASSOCIATED
CREDIT UNION

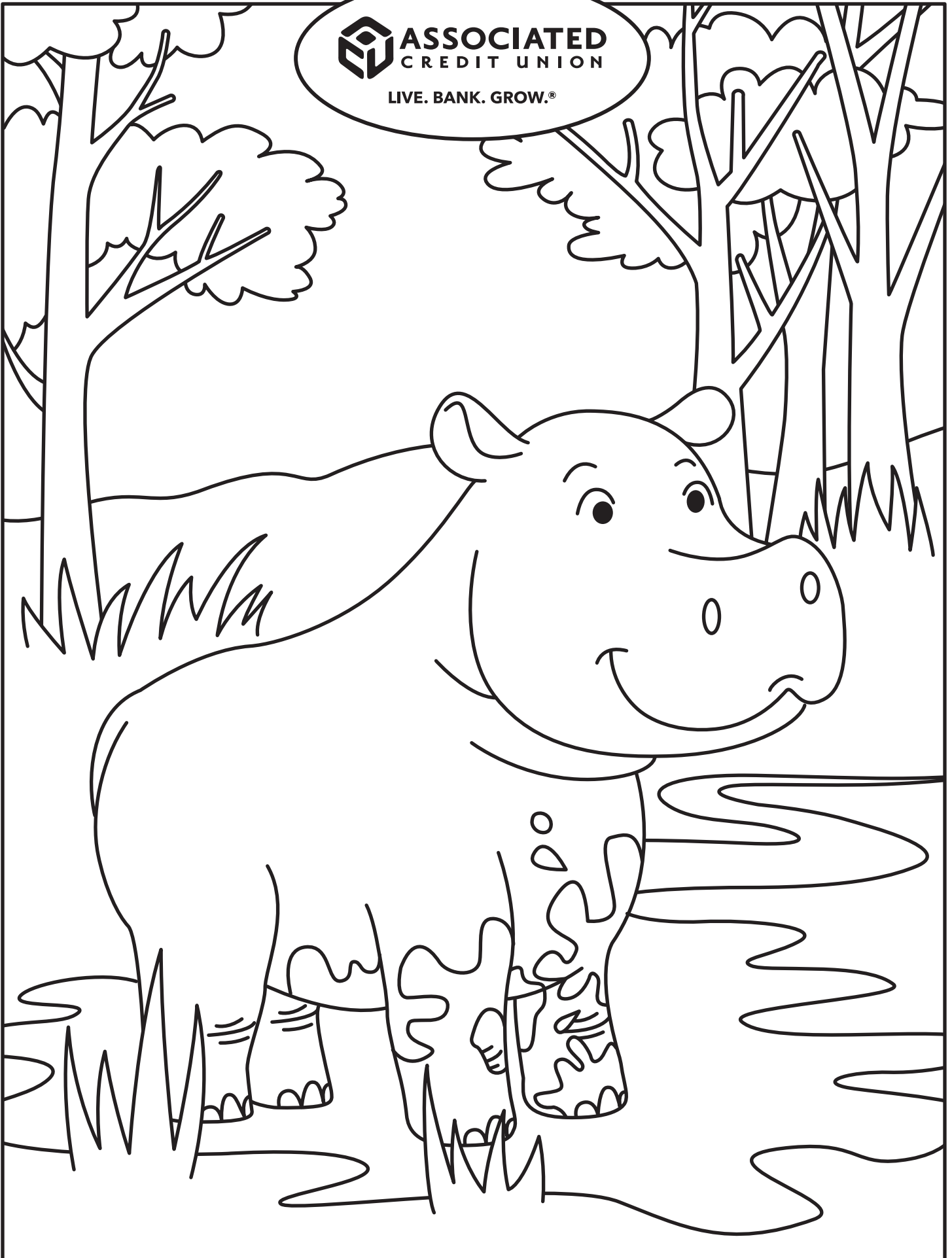
LIVE. BANK. GROW.®





ASSOCIATED
CREDIT UNION

LIVE. BANK. GROW.®





ASSOCIATED
CREDIT UNION

LIVE. BANK. GROW.®



