

THE GREEN EVENT

Financial Field Trips

PARENT PACKET



THE GREEN EVENT

4-H STRONG FUTURE



Dear Parent / Guardian,

We are excited to have your child participate with us in Utah's 4-H Strong Futures Green Event program. I assure you that your child will have a fun and educational experience learning personal and financial management skills with our volunteers and other camp participants.

Because learning these "real life" skills extends out beyond the classroom, we have tried to integrate as many real world scenarios as possible. We encourage you to discuss what they have learned with you, and reinforce the way that you apply these skills in your life.

In addition, we challenge you to continue your child's learning beyond the camp. We are enclosing for you a packet of financial field trips for you to take with your child. These financial field trips have been adapted for the Green Event program from the original text by Sharon Lechter, C.P.A. and co-author of the book *Rich Kid, Smart Kid: Giving your Child a Financial Head Start*. They are developed as dialogues or scripts for you to use to teach basic financial concepts.

Utah State University Extension applauds you for the work you do with your child and his or her peers on a daily basis. Only through this can we make a stronger and more financially prepared community.

Warm Regards,

Financial Field Trips

Financial Field Trips to the Dining Room Table

Pay Your Monthly Bills

Have your children sit with you as you pay your monthly bills. Let them look at each bill and explain to them what each covers. This will give them a better understanding of the expenses of life. You do not need to provide total disclosure of your finances to your children, but start with a simple awareness of the basics.

1. Pay Yourself First

Your child has been taught the financial saving principle of “Pay Yourself First”. This principal was taught that the first expense incurred from income at the beginning of every month is to put a designated percentage of income aside for savings. Your child will emulate your behavior as you place a priority on saving.

2. Pay Household Expenses

Explain the utilities bills and let your child review the bills. It will give your child a better understanding about how an average household’s money is spent. Understanding that you pay separately for lights, water, gas, trash pickup and other household maintenance expenses will open their eyes to the number of businesses are needed to support one household. Another added benefit – you might find your child start turning off the lights more often and taking shorter showers after this lesson.

3. Pay Your Mortgage Payment

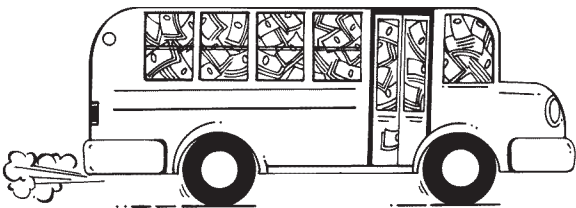
Explain your mortgage payment to your child in very simple terms. Explain how the bank helps you buy your house by loaning you most of the money and then you agree to pay the bank over time. In order to be able to do this you must pay the bank a certain fee, or interest, until the total amount is paid back to the bank. Your child, though young, can and will understand the basic concepts of interest paid on a loan.

4. Pay Your Credit Card Bills

Explain your credit card bill with your child. This may be a difficult exercise for you if you have a large amount of credit card debt. Nevertheless, it is important for your child to understand the negative as well as the positive side of credit card debt.

5. Encourage Your Child's Curiosity

Encourage your child to ask questions and answer the questions as honestly as you can. If your child asks you a question that you cannot answer, seek someone who can answer the question, and learn with your child.

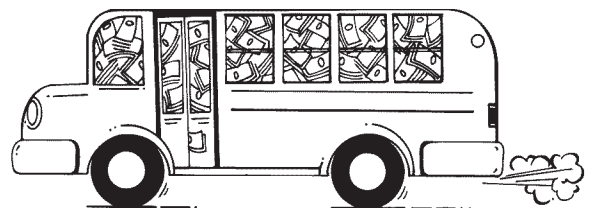


Financial Field Trip to the Grocery Store

When you go to the grocery store, you are constantly making decisions related to quality and pricing. Instead of talking to yourself silently, talk to your kids about the process. Show them how the stores provide price per unit comparisons, and let them tell you which can of beans is a better bargain.

It might be equally important for you to explain why you may be less expensive, you choose to buy the more expensive can. The quality of the beans may justify the difference in price. You may want to buy both cans so that you can show the difference to your child at home.

Let your children pay and count out the money and change they receive. The concept of value and exchange is very important for your children to learn.



Develop a Budget for a Week of Meals

Now that your child has an understanding of paying bills and the ins-and-outs of the grocery store, it is time to introduce the concept of budgeting. Have your child plan the household menus for one week within a set budget. Your child needs to make the family happy as well as meet the budget.

1. Set a Budget

Determine how much you usually spend a week on food for the family. For convenience, you may want to only include breakfast and dinner. For the purposes of this exercise, we will use \$200 for a family of four for 7 breakfasts and 7 dinners.

2. Have Your Children Plan the Meals on a Chart

For each meal have your child record a menu. You may want to visit the grocery store first to give your child an idea about the basic costs of things.

3. Have Your Children Prepare a Shopping List

After menus are complete, have children prepare a shopping list before going to the store.

4. Have Your Child Shop for the Food

At the grocery store, watch your children as they review the items for purchase. They may need to bring a calculator along to make sure they remain in the budget.

5. Have Your Children Record what the Spent on Each Meal

Record the costs for each meal at home from the receipt. Did you stay within the budget?

6. Prepare the Meals

Depending on your children, you may need to assist in the preparation of the meals.

7. Analyze the Results

First, check to make sure the family is satisfied with their meals. Next, review what meals were spent over budget and which were spent under budget. What things could have been changed to balance the budget?

8. Review the Process

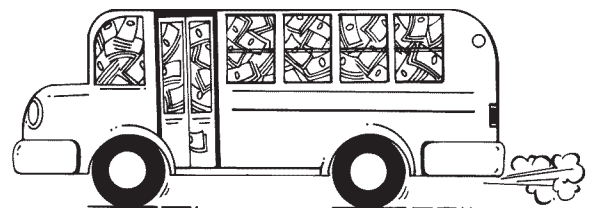
This is the most important part of the experience. Ask your children to share with you their thoughts about the experience. What did they learn? Was it easy? Was it hard? Listen to their observations.

9. Apply the Process

Now discuss with your children how you need to budget for all expenses. If you prefer not to disclose your specific financial information, create a sample budget. Discuss the need to budget what income is coming into the household and how it will be spent for all the expenses that need to be paid.

10. Follow-up

After a week or so has gone by, discuss the exercise with your children again. What do they remember from the experience? Would they like to repeat the exercise again? What about trying it for school shopping, back to school clothes, Christmas presents for grandparents, etc?



Financial Field Trip to the Bank

Initial exercise: Take your child to the bank. Point out the tellers and the customer assistance people sitting at the desks. If the bank is not busy, ask the teller or a customer assistance person to explain what they do. Have your child ask how much interest the bank pays on money deposited at the bank. Include savings accounts, certificates of deposit, and other bank instruments available through the bank. Have your child take notes.

Then have your child ask how much interest the bank would charge for a car loan, house loan, or consumer credit loan. If the bank issues its own credit card, have your child ask for the interest rate on the card's outstanding balances. Then, leave the bank and go somewhere quiet to fill out the following table.

Bank pays interest to you at:

Savings Account	_____	%
Money Markey Account	_____	%
CD	_____	%
_____	_____	%
_____	_____	%

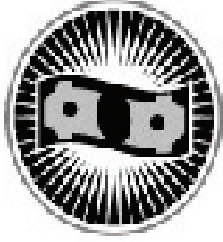
You pay interest to the bank at:

Car Loan	_____	%
Consumer Loan	_____	%
Credit Card	_____	%
Mortgage	_____	%
_____	_____	%

Review the question with your child:

Which column shows the higher rates?

Certificate of Completion



THE GREEN EVENT
4-H STRONG FUTURES



_____ HAS SUCCESSFULLY MASTERED
THE SKILLS OF PERSONAL FINANCIAL MANAGEMENT
AT THE GREEN EVENT LEVEL
IN THE 4-H STRONG FUTURES PROGRAM.

DATE _____

SIGNATURE _____

