



My Money Habits

Habits are simple acts that can have a big impact on your life. Good habits might include brushing your teeth every day, wearing sunscreen, or drinking plenty of water. When it comes to money, you can develop positive habits that help you reach your goals and protect your finances. Start by becoming aware of your spending habits, understanding what debt means, finding out how to protect your money, and getting to know some investment basics.

Steps

1. Explore ways to exchange money
2. Find out what influences spending
3. Manage your spending habits
4. Learn investing basics
5. Investigate how to be a safe and savvy shopper

Purpose

When I've earned this badge, I'll know what it means to invest, manage my spending habits, and make informed money decisions.





Step 1: Explore ways to exchange money

Money is a medium of exchange—something people can use to buy and sell goods and services. In our society, money allows us to get what we need to live. Money is not always cash; it comes in different forms and can be transacted in different ways. Find out more!

Choices—do one:

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Find out about mobile peer-to-peer services. Peer-to-peer (P2P) apps are used to transfer money between two people without having to have cash on hand. For example, you might use one if you want to pay a friend money for a meal you shared or if they bought the tickets to a show. Generally, P2P apps aren't meant for buying something at a store. Go online to check out three mobile P2P apps—how they work and what the pros and cons might be for each. Do this by comparing the features and user agreements. What kind of protection do people have when using these services?
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Check out online payment systems. Search marketplace websites and check out payment options. Look at three checkout carts for three retail websites to see what payment methods they accept. What other online payment systems do they use besides credit cards? Look into one online payment system and find out how it works and how it compares to using a credit card.
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Investigate credit cards. Credit cards are generally more convenient than carrying cash. But credit cards are not money. They represent an arrangement in which the credit card company will lend you money and transfer it to the business so you can make your purchase. That's why you need to choose and use credit cards wisely. Banks, other financial institutions, and businesses issue credit cards so you can buy items and services now and pay later. But if you get a bill and pay only the minimum amount, the credit card company charges interest. Look into three different credit card types and fill out the "Credit Card Comparison." You might not find everything on the list but find what you can. Also, learn the difference between credit and debit (or cash) cards.

Credit Card Comparison

Name of Bank or Store Offering Card:			
Annual fee: Charge to cardholder on a yearly basis.	\$	\$	\$
APR (annual percentage rate): The amount of interest a cardholder pays in a year in addition to the regular balance. It's important to note that an APR can be fixed or variable.	\$	\$	\$
Credit limit: The maximum amount a credit card company allows a cardholder to charge on their credit card.	\$	\$	\$
Foreign transaction fees: Fees charged when making purchases outside the U.S.	\$	\$	\$
Grace period: The time between a purchase and the point where a person has to pay interest on a credit card purchase.	\$	\$	\$
Late fees: Fees charged when a cardholder pays late, even by one day, or if they don't pay the minimum amount due.	\$	\$	\$
Rewards: Rewards are points, miles, or cash back earned from every dollar a person spends. Does the credit card offer rewards?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Special offers: Sometimes a credit card company will entice people to sign up with a special offer, such as deferred interest on payments or a reward for spending a certain amount in your first six months. Does the credit card have a special offer? Offers?	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO

Spending Survey

What do you spend most of your money on?

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What's the biggest-ticket item you've purchased?

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Do you have a credit or debit card? How often do you use it?

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Do you use an electronic system to pay bills or buy things? Or do you usually pay in cash, cards (credit or debit), or some other way?

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What (or who) influences your spending?

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How often do social media posts or commercials influence what you buy?

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Do you shop mostly online or in stores?

Step 2: Find out what influences spending

Maybe you learned how to spend money from a family member, or maybe you're motivated to purchase something after seeing an ad or hearing about it from a friend. Be aware of what influences your spending so you can make informed choices.

Choices—do one:

Observe other people's buying habits. For one week, go to a mall or shopping center and analyze what people are buying. Without being invasive, observe what's in their carts or at the checkout. In a notebook, write your observations. Do shoppers seem hurried or happy? What do they tend to be buying? Do shoppers tend to come at certain times? Is there anything you would not buy if you were trying to save money? Can you think of lower-cost options for what you want, like buying something secondhand instead of new? Share your findings with family or friends.

Survey your friends and family. Give the "Spending Survey" questionnaire to at least ten friends and family members. Find out if there are any patterns in what and how they buy. Share and compare your findings with your troop.

Analyze your own purchases. Take inventory of three things you recently purchased. They could be small, like an accessory, or big, like a computer. Then, for each purchase, answer the questions from "Analyze Your Spending" and see what spending patterns you might have. Share your spending analysis with family or friends to get their feedback.

Career Track

If you like analyzing why people buy what they buy, you can pursue it as a career. Consumer psychology is a branch of social psychology that studies buyers and their behavior by looking at the decision-making process, social persuasion, and motivation influence. Businesses will often use consumer psychologists to help determine their marketing, packaging, and product placement.

Analyze Your Spending

- Is this item a want or a need?
- Did the price justify the purchase?
- How did you pay for it?
- Are you happy with it? Does it serve its purpose?
- Did you research the item before buying it?
- What motivated, influenced, or inspired you to buy it?
- How long did you think about buying the item before you made the purchase?





Step 3: Manage your spending habits

Earning money can be empowering, but it can also lead to the temptation to overspend. Keep track of everything you spend money on so you can identify patterns. Find strategies to stay focused on your financial goals.

Choices—do one:

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Keep a spending diary. For two weeks, record your expenses in a journal or online expense tracking app. Place your expenses into categories such as clothing, food, and entertainment. Look for patterns. How do you feel about your spending? Are there ways you can spend less, like setting a savings goal and sticking to it, or avoiding stores for a couple of weeks?
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Come up with a budget strategy. Set a budget with spending, saving, and sharing goals. Be aware of how much money you have and prioritize what to spend on. Track your spending for two weeks to see if you reach your savings goal. Identify what strategy works best for you—do you immediately put a percentage of your money into savings? How can you adjust your budget for an emergency?
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Get help from a pro. Prepare a list of questions you have about managing spending. Then seek out a financial expert—family member or friend—who can help guide you. Do your own research and learn from financial experts by reading books, watching videos, or listening to podcasts. Or look for a teen money influencer on social media with a reputation for offering good financial advice.

Are You an Emotional Spender?

Sometimes emotions can trigger us to buy things we may not need.

Do you shop for trends to keep up with your peers?

Even if it's in your budget, the good feeling you get from your purchase might only be temporary, until the next trend rolls around. Focus on what feels good for you to buy, not based on what other people are buying.

Does shopping help boost your mood?

Shopping can release endorphins (happy hormones) but if you're buying for just that reason, you may overspend. Consider building happy habits that won't break your budget, such as going outside for a stress break, playing with your pet, or spending time with a friend.



Custodial Account

If you're under legal age but want to start investing, you can do so by having an adult set up and maintain a custodial account for you. Here's how it works:

Your parent or guardian will ...

- open a custodial account for you
- “gift” funds into it. (This might consist of money you've already saved or money from another source, like an actual money gift.) There's a limit to how much can be gifted into an account.
- help you invest and make trades
- turn the account over to you once you reach legal age



Step 4: Learn investing basics

Investing means spending money with a goal to have more money in the future. Check out “Investments and Savings: Potential and Risks” on the next page and consider what would work for your budgeting plan. Are you looking to earn money to spend now or save for the future? Which investment or saving option feels safest? Then do one of these choices.

Choices—do one:

Get advice from an investment expert. Talk to an adult with investment experience about options for investing now and in the future. How does a compound interest account work? Which ones earn the most money? Learn what it means to have an IRA, what a mutual fund is, and how to buy stock in a company you care about.

► **For more fun:** Find out how to read a stock market report like the Dow Jones and NASDAQ. Learn what the codes mean and how company names are abbreviated.

Do online research. Take a free investment class, follow an investment advisor online, or search for an investment expert and follow their blogs and social media. Find out what opportunities teens have to invest. How old do you have to be to invest in stocks? Read the “Custodial Account” box, then find out what some of the best ones are. Check out a micro savings app to learn how it works. (Micro savings is an option for people with limited income who want to build their assets.)

Find out about socially responsible investing. Investing can be intimidating, but it can help to invest in companies that follow your moral, ethical, or environmental values. For example, you may be interested in environmental issues, so you might buy shares in a solar energy company. Look at the 17 Sustainable Development Goals set by the United Nations. Then research companies that strive to achieve the goals that matter most to you. Many companies or funds are committed to environmental or social causes, such as clean food and energy, affordable housing, and animal rights.

Investments and Savings: Potential and Risks

Bonds

When you buy a bond, you lend money to a company or government for a set amount of time. It can be as long as 30 years. The borrower promises to pay your money back with interest. If they are not able to pay the money back, you could lose your money.

Compound interest

This is a low-risk savings option where, in addition to the interest you earn on your savings deposit, you earn interest on your interest. The longer you keep your money in the account, the more interest you can earn.

CDs (certificates of deposit)

When you buy a CD from a bank, you deposit funds for a set term. It can be six months, one, two, or five years. At the end, the bank pays you back the money with interest. This is a low-risk investment.

Stocks

When you buy stock in a company, you own a tiny piece of a company. If the company's stock price rises, you make money. Some stocks pay out extra money, called dividends. If the stock price lowers, you lose money. You can also make money by selling your shares to another buyer for more than you paid.

Words to Know

Budget: A plan for what you need and how much money you'll need to spend.

Compound interest: When you deposit money into a savings account, your money earns more money, called interest. Compound interest can help you earn even more money over time.

Credit: Money a company is willing to loan a person to purchase goods and services with the agreement that the money will be repaid with interest.

Credit card: A card issued by a bank, other financial institution, or business that allows consumers to purchase goods and services on credit. Credit cards are specific kinds of loans.

Custodial account: An account set up and maintained by an adult but intended for a person under legal age. When the person is old enough, the account reverts to their name.

Debt: The amount of money owed to lenders.

Debit card: A card used to pay for goods and services directly from a checking account by transferring funds electronically to the store's account to pay for a purchase; also called check cards.

Fraud: Misleading, cheating, or tricking.

Identity theft: When someone steals another person's information and uses it for their personal gain.

Income: Money you receive from different sources. Earned income is money from a job, tips, or your business. Unearned income comes from cash gifts, interest on a savings account, or stocks, bonds, and other investment income. You may pay taxes on both earned and unearned income.

Interest: Additional money that can be earned on a savings account, or additional money that must be paid on a credit card.

Investment: Putting money in things like stocks, bonds, and real estate—anything that can help money grow.

Micro savings: A savings option that helps people with limited income build their assets. It allows them to save even the smallest amounts of money over time.

Online marketplace: Also referred to as an ecommerce marketplace, this is a website where consumers can shop for products and services from many different sources.

Peer-to-peer: Means from user to user.

Savings: Money that is not spent and has been set aside to use later.

Scam: A dishonest scheme, usually to get money from someone.

Stocks: A way to invest in a company by buying shares. If the company does well, the investor receives extra money called dividends.

U.S. savings bond: A long-term investment option backed by the full faith and credit of the U.S. government.

Step 5: Investigate how to be a safe and savvy shopper

Almost everything you do online, from chatting with friends to searching for an item to buy, can be collected, stored, and sold as data. Hackers can also steal your data and personal information. Find out how to protect your information and guard against fraud and scams.

Choices—do one:

Talk to a financial security expert. This could be a bank fraud investigator or someone who specializes in financial transactions. You might also contact someone from the Better Business Bureau or talk to a local businessperson with a successful online operation. Find out how to shop online safely and spot the warning signs of fraud.

Act out a scam story. Team up with your Cadette friends to find at least three stories of people who were scammed online or in person. Come up with a short skit and act it out for friends and family. You can also create a short video to share with friends. Have them ask questions so you can share what you learned about being a savvy shopper.

Research online frauds and warning signs. Find out about common scams. Learn how to protect your money online by searching for fraud protection services. Find out what they do and how to use them. If you use peer-to-peer mobile payments, what are safe practices? Also, find out how retailers track your spending and what you can do to avoid it. For example, you can regularly clear your cookies, download a tracking detector, never use a retailer's wi-fi when you're in a store, or try to browse in incognito mode. Create an online shopping safety tip sheet to share with a friend or family member.





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Volunteer's Guide to the My Money Habits Badge*

Find tips and ideas to help guide your troop through this badge.

Step 1: Explore ways to exchange money • 30–40 minutes

Ask: How do you pay when you buy something?

Share: Money is a medium of exchange used to swap for goods and services. It allows people to get what they need to live. Money is more than cash; it comes in different forms and can be transacted in different ways. Find out more.

Choices—do one:

- **Find out about mobile peer-to-peer services.** Before your meeting, find the top three P2P apps. Start the meeting by talking about how they work. Divide Cadettes into teams to find the pros and cons of each of the apps, then share their findings and decide how the three compare.

Materials: computers, smartphones, or tablets; paper; pens

- **Check out online payment systems.** Divide Cadettes into small groups to search marketplace websites for payment options. Have them look at the checkout carts for three retail websites to see what payment methods they accept. After they investigate one, have them share their findings with the group.

Materials: computers, smartphones, or tablets; paper; pens

- **Investigate credit cards.** As a group, talk about credit cards and how they work. Then, give each team of Cadettes a “Credit Card Comparison” sheet. Have each look into three credit cards for their fees and interest plus the rewards they offer. Ask one team to compare credit and debit cards. Have teams share their findings.

Materials: computers, smartphones, or tablets; paper; pens; “Credit Card Comparison”

Step 2: Find out what influences spending • 30–40 minutes

Ask: What influences how you spend money?

Share: Maybe you learned spending habits from a family member, or you made a purchase after seeing an ad. Become aware of how external influences can impact your choices.

Choices—do one:

- **Observe other people's buying habits.** Arrange a field trip to a department store or mall to analyze consumers' buying behaviors. Give Cadettes notebooks to record findings, such as how many people enter and exit the store and how many walk out with packages. What products draw the shoppers' attention? Can Cadettes tell if shoppers are smiling, relaxed, or hurried? Have Cadettes share their findings with the group.

Materials: notebook, pens

- **Survey your friends and family.** Give each Cadette a “Spending Survey” activity sheet to fill out anonymously. On a whiteboard or large piece of paper, have the group compile the data and look for patterns.

Materials: “Spending Survey,” pens, whiteboard or large paper, markers

- **Analyze your own purchases.** Give each Cadette an “Analyze Your Spending” activity sheet and ask them to fill it out about three recent purchases. Have them share their findings to help analyze spending habits.

Materials: “Analyze Your Spending,” paper, pens

Step 3: Manage your spending habits • 20–30 minutes

Ask: How would you describe your spending habits?

Share: Earning money can be empowering, but it can also lead to overspending. Keep track of everything you spend so you can identify patterns. The goal is to feel good about the choices you make with money and find strategies to stay focused on your financial goals.

Choices—do one:

- **Keep a spending diary.** Have Cadettes create their own spending diary—for a few days or more, depending on how much they remember. If available, they can use an online expense tracking app. Direct them to look for

*Detailed choice activities, meeting tools, and additional resources and materials can be found within the Volunteer Toolkit on my.girlscouts.org.

patterns and write a short statement on their spending patterns to share, if they want. Encourage them to keep and update their spending diary.

Materials: *computers, smartphones, or tablets (optional); pens; paper*

- **Come up with a budget strategy.** Have each Cadette come up with a spend-share-save goal. Let them know: Spend is for things they'd like to buy right now, save is for future items, and share is for money to help others, like donating to a charity or buying school supplies for kids. Have them write a statement about their spend-save-share goal strategy to share with the group. For example, "I plan to put half my earnings into savings."

Materials: *pens, paper*

- **Get help from a pro.** Use your network to connect Cadettes with a financial expert to share how to manage spending habits. Before the meeting, have Cadettes prepare a list of questions about managing spending. After the meeting, have Cadettes write a spending habits tip sheet to share with others outside their troop.

Materials: *pens, paper*

Step 4: Learn investing basics

• 20–30 minutes

Ask: Do you know what it means to invest?

Share: One way to save for the future is to put your savings in a bank account that earns interest. You can also explore bonds, certificates, and stocks. Think about whether you're looking to earn money short-term or save for the long term. Which option feels safer?

Choices—do one:

- **Get advice from an investment expert.** Use your network to connect Cadettes with an expert speaker to share the basics of investing. (You can reach out to a local college and invite a business professor, call your local financial institution for recommendations, ask your council, friends, or family members to connect you, or reach out to experts in your area.) Have Cadettes look at "Investments and Savings: Potential and Risks" and come up with questions for their guest. Ask the expert to show Cadettes how to read a stock market report.

Materials: *computers, smartphones, or tablets (optional); paper; pens; "Investments and Savings: Potential and Risks"*

- **Do online research.** Before the meeting, find one or two free investment websites for teens with information and a video. Share "Custodial Account" and "Investments and Savings: Potential and Risks" with Cadettes. Ask them to

search the websites and come up with five investment tips.

Materials: *computers, smartphones, or tablets; paper; pens; "Investments and Savings: Potential and Risks;" "Custodial Account"*

- **Find out about socially responsible investing.** Share and discuss the "Investments and Savings: Potential and Risks" printout with the group. Divide Cadettes into teams to research financial institutions that offer socially responsible investments. Encourage them to look at how socially or environmentally conscious brands handle investments and participation in their company. Why is this important? Have them share their findings.

Materials: *computers, smartphones, or tablets; paper; pens; "Investments and Savings: Potential and Risks"*

Step 5: Investigate how to be a safe and savvy shopper • 20–30 minutes

Ask: Have you or anyone you know been taken advantage of by an online fraud or scam?

Share: Almost everything you do online, from chatting to shopping, can be collected, stored, and sold as data. Hackers can also steal your data and information. Learn how to protect your information and avoid fraud and scams.

Materials for all choices: *computers, smartphones, or tablets; paper; pens*

Choices—do one:

- **Talk to a financial security expert.** Use your network to connect Cadettes with a financial security expert. Have Cadettes prepare questions about how to shop online safely and spot the warning signs of fraud. Ask the expert to demonstrate how Cadettes can protect themselves online.
- **Act out a scam story.** Have the group look at the most common online scams on [usa.gov](https://www.usa.gov) and discuss. Then break into smaller groups to find a story about someone who was scammed, online or in person. Have them create a short skit to act out, then share what they learned about being a savvy shopper or protecting their information.
- **Research online frauds and warning signs.** Divide Cadettes into four groups: 1) Check out [usa.gov](https://www.usa.gov) for the most common online scams and frauds. 2) Research fraud protection services and how they work. 3) Investigate safety and privacy with peer-to-peer mobile payments. 4) Research how retailers track shoppers and how to avoid it. Have groups share their findings and create an online shopping safety tip sheet.