

4-H

Finance Proficiency Program A

Member's Guide

OVERVIEW

The 4-H Finance Proficiency program helps you learn what you need to know about your 4-H project.

Your project leader will assist you in setting and achieving your goals. Through your project you will acquire an understanding of the principals of beginning finance. You will also learn how to make good use of your income and savings to maximize profits.

There are many resources to help you learn more about your project:

- The 4-H Publications Catalog lists a variety of project materials and resources recommended for use in your project.
- The 4-H Educational Resources Lending Library at your county 4-H office includes other books, videos and reference materials that can be checked out by members and leaders.
- Check to see if there are any local artisan groups or organizations in your community. These groups often conduct educational activities and sponsor craft shows.

There are five levels in the Project Proficiency Program. You may choose how many levels you wish to complete:

- Level I - "Explorer", you begin to learn about many different aspects of tracking your money.
- Level II - "Producer", you practice and refine the many skills involved in finances and the difference of banks and credit unions.
- Level III - "Consumer", you become an experienced investor and budgeting.
- Level IV - "Leader", allows you to show your own leadership potential and experience investor with your finances.
- Level V - "Researcher", allows you to practice your public speaking skills and gained knowledge related to finance expertise.

As you work through the proficiency program, your leader will date each skill item as you complete it. When all items in a proficiency level are completed, your leader will sign the Certificate of Achievement and notify the 4-H office. You will be awarded your Proficiency Medal at the Annual 4-H Achievement and Awards Night.

Finance Proficiency Level

I - Explorer

Date Completed

- _____ 1. Tour a bank
- _____ 2. Open a savings account: Shop together for the account and pay attention to the account balance needed to open and maintain it without incurring fees. Also point out the interest rate, as the "Annual Percentage Yield" (APY).
- _____ 3. Start a piggy bank to track your spending money
- _____ 4. Submit a deposit
- _____ 5. Keep a savings ledger
- _____ 6. Balance a fake (or real) checkbook
- _____ 7. Review why a portion of every dollar earned should be saved
- _____ 8. Review interest gained and paid
- _____ 9. Review of sales tax % in your area
- _____ 10. Choose an item to purchase. Research cost. Earn funds to purchase, don't forget tax, what will you do to earn income

Member's Name: _____

Date: _____

Project Leader's Signature: _____

Date: _____

KEEP IN YOUR RECORD BOOK WITH YOUR PROJECT RECORDS.

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Finance Proficiency Level II - Producer

Date _____
Completed _____

- _____ 1. How much money goes in rolled coins or bundles of cash?
- _____ 2. Reviewing a savings account statements that shows transactions.
- _____ 3. Discuss the difference of a bank and a credit union.
- _____ 4. Know that there are different ways to pay for things.
- _____ 5. Borrow responsibly: Children at this age generally don't understand the difference between buying and borrowing — they have to be taught how to be responsible for borrowed items and to return them on time. Help your member create and maintain a list of items he or she has borrowed from friends or relatives, along with the date due. Doing so will support the concepts of responsible borrowing and personal accountability.
- _____ 6. What is a Comparison Shopper?
- _____ 7. What is the difference of a saving account and a rainy day fund?
- _____ 8. What is delayed gratification \ instant gratification?

Member's Name: _____ Date: _____

Project Leader's Signature: _____ Date: _____

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Finance Proficiency Level III - Consumer

Date _____
Completed _____

- _____ 1. Create a monthly budget of your own income and expense (or an estimate of when you will have then) EX: market animals \ pets \ 4-H project

- _____ 2. Concept of present value. Every member should understand that a dollar today is worth more than a dollar in the future. This is the fundamental reason why the time to get started on retirement saving is now, regardless of how old you are. Every day of delay is a day in which the power of compound interest is lost.

- _____ 3. Concept of risk. Every member should understand that the financial market is a very uncertain place. You could make more money than you expect, but you also might lose more than you expect. If something sounds too good to be true, it probably is. Diversification is a good way to reduce risk, but diversification cannot eliminate risk.

- _____ 4. What is a retirement account? Compare and contrast 3 types.

- _____ 5. Review debt, loans, mortgage, re-finance, credit, and safety deposit box.

- _____ 6. How can you earn credit without risking debt? What is credit history? What is a credit score?

- _____ 7. What are down payments and how to they affect your purchase?

- _____ 8. How to protect yourself from financial crimes?

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Date: _____

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Finance Proficiency Level IV - Leader

Date _____
Completed _____

- _____1. Visit a financial planner and discuss your finances, investing, custodial account, Roth IRA for kids and retirement options , employer match\ sponsored retirement.
- _____2. Visit a tax consultant & discuss a tax return.
- _____3. Think about career goals and what you can do (beginning now) to help make them a reality.
- _____4. Review why money in a federally insured financial institution is safe.
- _____5. Examine the benefits and risks of non-deposit investments: stocks and bonds

stock market
- _____6. Review compound interest and how much can you save by paying extra on a loan
- _____7. Review a paycheck stub and discuss taxes & deductions
- _____8. What is gross pay vs net pay, W-4. salary vs hourly,
- _____9. What is automatic savings, if you have a paycheck set one up.
- _____10. Do a presentation to your club or project on crypto currency.

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Date: _____

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Finance Proficiency Level V - Researcher

Date _____
Completed _____

- ___ 1. Prepare a paper of 300 words or more on one of the topics you learned. Orally summarize report at project meeting or other educational event.
- ___ 2. Prepare a speech or illustrated talk to orally summarize your findings and present at a club meeting to encourage younger members to join the finance group and thinking financially at a young age.

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Date: _____

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