

# Personal Management Merit Badge

## Homework Activity #1

### Requirement 1

Do the following:

- A. Lead a discussion with your family to identify one family financial goal that must be saved for out of family income. Choose a goal that has strong personal interest for both you and your family (a family trip or vacation, a new VCR, or a family car, for instance).
- B. Discuss the goal in detail (where to go on vacation, for example, or what kind of car to buy), the cost of the goal, and when you want to reach the goal.
- C. Develop a written shopping strategy for the purchase identified in requirement 1a.
  - 1) Determine the quality of the item or service (using consumer publications or rating systems).
  - 2) Comparison shop for the item. Find out where you can buy the item for the best price. (Provide prices from at least two different price sources.) Call around; study ads. Look for a sale or discount coupon. Consider alternatives. Can you buy the item used? Should you wait for a sale?

### Worksheet for Requirement #1:

**1 A: Have a discussion with your family. Choose an item that your family might want to purchase that is considered a major expense.**

Goal (Item) \_\_\_\_\_

Family Member Initials: \_\_\_\_\_

**1 B: After your family discussion, state the anticipated price range of the item. State the target date that ample savings will be available to purchase the item. Finally, calculate the amount of monthly savings that will be necessary to achieve your goal.**

Anticipated Cost Range \$ \_\_\_\_\_

Target Date \_\_\_\_\_ (to make the purchase)

Monthly Amount \$ \_\_\_\_\_ (monthly savings needed)

Projected cost of the item divided by the amount of monthly savings toward the item = number of months to save toward the purchase.

Too many months to wait? Perhaps the family could consider measures of cost cutting on other family expenses. (Reducing fuel costs, spending lunch money more wisely, car pooling etc.)

**1 B: How will the savings plan affect the rest of the family budget? How can every member of your family reach this goal?**

Family Member Initials: \_\_\_\_\_

**1 C: Develop a written shopping strategy for the purchase identified in requirement 1A:**

- 1) Determine and briefly describe the quality of the item or service using consumer publications or ratings systems:**

Ratings Services <http://www.consumerreports.org/> ; [http://reviews.cnet.com/Reviews/2001-1\\_7-0.html](http://reviews.cnet.com/Reviews/2001-1_7-0.html); <http://www.outpost.com/>

How does your product rate against similar products? Which brand name is the best quality for the price?

- 2) Comparison shop for the item. Find out where you can buy the item for the best price. (Provide prices from at least three different price sources.) Below are a few web links that may be helpful:**

Misc. major household items <http://www.bestbuy.com> ; <http://www.sears.com/>  
<http://www.kbb.com/> (Autos); Travel <http://www.travelocity.com/>  
Coupons <http://www.savings-center.com/>

Where can you find this item for the best price?

Store: _____	Price: _____
Store: _____	Price: _____
Store: _____	Price: _____

Call around; study ads. Look for a sale or discount coupon. Consider alternatives.

\_\_\_\_\_

Can you buy the item used? \_\_\_\_\_

\_\_\_\_\_

Should you wait for a sale? \_\_\_\_\_

After choosing the right item for the price, reconsider the amount and time of saving for this purchase (1a).

Family Member Initials: \_\_\_\_\_

Counselor Checked Date: \_\_\_\_\_ Counselor Initials: \_\_\_\_\_