

Synergy cents

HELLO BOYS AND GIRLS,

TODAY I WANT TO TALK TO YOU ABOUT STICKING TO A BUDGET. WHAT'S THE BEST WAY TO GET SOMEWHERE YOU'VE NEVER BEEN BEFORE? YOU COULD JUST START WALKING, BUT YOU MIGHT GET LOST. A BETTER WAY IS TO HAVE A PLAN: LOOK AT A MAP TO SEE WHERE YOU ARE NOW, DECIDE WHICH PATH YOU WILL FOLLOW TO GET TO WHERE YOU WANT TO BE, AND THEN GET MOVING!

A BUDGET IS JUST LIKE A MAP FOR YOUR MONEY. WITH A BUDGET YOU CAN PLAN WHAT YOU WANT TO DO WITH THE MONEY THAT YOU HAVE OR WITH THE MONEY THAT YOU EXPECT TO EARN.

WHEN YOU MAKE YOUR BUDGET, YOU SHOULD SET ASIDE MONEY FOR YOUR NEEDS FIRST. A NEED IS SOMETHING THAT YOU MUST HAVE IN ORDER TO LIVE, LIKE FOOD, WATER AND CLOTHES. SAVINGS CAN ALSO BE CONSIDERED A NEED. AFTER THAT, YOU CAN SPEND THE LEFTOVER MONEY ON THINGS THAT YOU WANT, LIKE GAMES OR TOYS OR BOOKS.

WHAT HAPPENS IF YOU HAVE MORE WANTS AND NEEDS THAN YOU HAVE MONEY? THAT'S WHEN YOU HAVE TO SET YOUR PRIORITIES. THIS MEANS DECIDING WHICH OF YOUR WANTS ARE THE MOST IMPORTANT TO YOU. THIS MAY SOUND LIKE A BIG JOB, BUT IT'S A LOT OF FUN!

WHEN YOU SET YOUR PRIORITIES, YOU GET TO THINK ABOUT WHAT YOU REALLY WANT TO ACHIEVE. YOU CAN DREAM UP ANYTHING YOU WANT, BUT AFTER YOU HAVE THOUGHT ABOUT ALL OF YOUR FINANCIAL GOALS, YOU HAVE TO DECIDE WHICH ONES ARE THE MOST IMPORTANT. ONCE YOU KNOW THIS, YOU'LL HAVE A BETTER CHANCE OF REACHING YOUR GOALS.

WRITING DOWN EVERYTHING IN A NOTEBOOK IS A GOOD WAY TO KEEP TRACK OF YOUR BUDGET. IT LETS YOU SEE HOW YOUR WANTS AND NEEDS CHANGE OVER TIME, AND IT CAN SHOW YOU HOW MUCH PROGRESS YOU'RE MAKING. IF YOU STICK TO YOUR BUDGET, IT CAN TAKE YOU WHEREVER YOU WANT TO GO!

SINCERELY,

Penny D. Pelican

NEEDS OR WANTS?



Try to decide which of the following are needs and which are wants. Choose carefully! Some of them are similar and may be tricky!

can of soda
Notebook for school
sneakers to match my best friend's
Winter coat
Water
Halloween costume
eating at home
Playstation/xbox360
Laptop computer for schoolwork
coloring book

Book for english class
iphone
Sneakers to replace old ones with holes
Regular cell phone
Jewelry
Reading glasses
Video game
eating fast food
Designer jeans
School uniform



Now that you know the difference between needs and wants, you can budget your savings for both!

My Budget

MONTHLY ALLOWANCE = \$ _____

things I NEED this month

1. _____ = \$ _____

+

2. _____ = \$ _____

+

3. _____ = \$ _____

NEED TOTAL = \$ _____

things I WANT this month

1. _____ = \$ _____

+

2. _____ = \$ _____

+

3. _____ = \$ _____

WANT TOTAL = \$ _____

SAVINGS = \$ _____

Now add together your NEED TOTAL and WANT TOTAL. It cannot be more than your MONTHLY ALLOWANCE. You always want your NEEDS and WANTS to be less than your MONTHLY ALLOWANCE, so that you have money to save!!



Earning, Spending, Saving

There are many things you can do with money. The main things you can do are **earn** it, **spend** it, and **save** it. Let's talk about these three things and how they work.

Earning

In order to buy the things that we like, we have to have money. When your parents go to work, a company or person pays them for the time that they work. You can do things to earn money, too. You can cut grass, take out the trash, or feed your neighbor's dog while they're on vacation. You'll feel good when you're paid for a job well done.

There are special situations when you may earn money even when you don't work. You may get money for your birthday, Christmas, or an allowance.

Spending

Once you make money, then you have the option to spend it. You are making a contribution to the economy when you buy a good or service. When you buy a DVD, you are paying the store for the DVD. The store then must use some of that money to pay the people who made the DVD and those who shot the movie.

It's important to remember that in order to purchase something, you need the money. If you want to buy something that costs more than you have at the time, you will need to save.

Saving

Once you make money, you also have the option to save rather than spend it. Maybe it's not easy to wait for what you want while you save, but it always

feels really good when you reach your goal and can buy what you've been waiting for!

You don't always have to save up your money just to spend it all at once. It's a good idea to set goals for saving, and allow yourself to spend some of the money in between purchases. For example:

You want to buy a Wii game for \$40. You make \$10 a week in allowance. You could save all of your allowance for 4 weeks to buy the game. You could also save \$5/week and buy the game in 2 months, but you would have an extra \$5/week to spend on other items.

Remember, it's always good to save for the future, but also save for things that you really want.

Money Word Jumble

Unscramble each word and then unscramble the circled letters to answer the question.

T E D G U B

□ □ □ □ □ □

G S N P I E D N

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O T A T L

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ANSWER:

" □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ "

What did Sally say when she was asked how she knew so much about saving money?



Parents' Corner

Children model what they see, and in their early years you have a unique opportunity to shape their behavior with money. If you spend frivolously and then worry when you don't have enough left over for the things you need, children will pick up on that. And while they may see that this behavior isn't working for you, they may imitate it anyway because it's what they know.

Of course, the opposite is also true. If your children see that you're responsible and thoughtful when it comes to spending and saving, they're likely to adopt those behaviors.

Including your children in the decision-making process and encouraging them to think about their choices can be an excellent teaching strategy. If you're at the grocery, for instance, you can show them what you do to get the most for what you spend. Ask questions out loud: Does it make sense to buy some foods in bulk? Is the store brand cheaper than a national brand? How much can you save by clipping coupons? You can do the same at the mall. You may want some jewelry but you need a new pair of shoes. Which is the smarter choice? What is the difference between a want and a need?

Starting an age-appropriate money dialogue early on can build confidence and self-esteem. Money is a big part of life, and encouraging your child to develop the skills to manage it successfully can help them feel competent and secure.



WORD SCRAMBLE SOLUTIONS:
 BUDGET TOTAL EARNING SPENDING
 ALLOWANCE MONTHLY
 A LITTLE BIRD TOLD ME.

210 Synergy Center Boulevard
 985-851-3341
 1036 West Tunnel Boulevard
 985-851-1879
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 985-851-2619
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