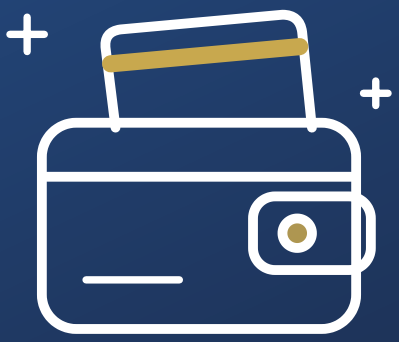
Tuscaloosa VA FEDERAL CREDIT UNION

A Community Chartered Credit Union

GRADES 6–8



Money Moves

Budgeting, Banking & You

A TUSCALOOSA VA FEDERAL CREDIT UNION WORKBOOK

MY NAME _____

Your money, your call

You are old enough now to make real money decisions: what to buy, what to skip, what to save. This book gives you the tools. You will build a budget, keep an account register, work out how interest helps you and how it costs you, and learn to see through the ads aimed at you.

WHAT IS INSIDE

Six lessons

1. Build Your First Budget — p. 3
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For teachers: Six lessons, two pages each, plus a third page of goal planning in Lesson 4. Lessons 1 and 2 pair well as a single unit on cash flow. Lesson 6 works as a discussion class, since students bring their own examples of advertising they have seen this week.

Build Your First Budget

A budget is just a plan for your money. Every plan has two sides: **income** (money that comes in) and **expenses** (money that goes out). For example, say you get $10 allowance, $15 in birthday money, and earn $20 mowing a lawn. That is $45 coming in. If you spend $8 on snacks and $12 on a game, that is $20 going out. The goal is to spend less than you bring in so there is something left over.

WORKSHEET

Fill in your own monthly budget

Write in a dollar amount for each row that fits you. Leave a row at $0 if it does not apply.

MONEY IN	AMOUNT
Allowance	$
Gifts	$
Earnings (chores, jobs)	$
Other: _____	$
Total money in	$

MONEY OUT	AMOUNT
Snacks	$
Games & fun	$
Clothes & shoes	$
Other: _____	$
Other: _____	$
Savings	$
Giving	$
Total money out	$

Left over = money in minus money out = $ _____

Try this: Aim to send some of your "money in" straight to savings *before* you spend the rest. Paying yourself first is the habit that builds wealth.

When the Numbers Do Not Work

Sometimes money out is bigger than money in. That is not a failure, it is information. A budget's real job is to show you the gap early, while you can still do something about it.

FIXED OR FLEXIBLE

Sort your expenses

A **fixed** expense is the same every month and hard to change. A **flexible** expense changes and is easier to cut. Write **FI** for fixed or **FL** for flexible next to each. Some could go either way; be ready to explain.

_____ Phone plan your family pays

_____ Snacks after school

_____ A streaming subscription

_____ Video games

_____ Bus fare to school

_____ Going out with friends

SCENARIO

Close the gap

> **DEVON, AGE 13**
>
> Money in: $50 a month. Money out: $62 a month. That is snacks $20, games $25, phone case fund $10, savings $7.

1. How much is Devon short each month? $ _____
2. Which two flexible expenses would you cut, and by how much?

   _____
3. Devon wants to keep saving $7 no matter what. Is that a good call? Explain.

   _____
4. Name one way Devon could raise the "money in" side instead of cutting.

   _____

Checking Accounts & Debit Cards

A **checking account** holds money you use for everyday spending. A **debit card** is linked to that account. When you tap or swipe it, the money comes straight out of your balance. That is different from a credit card, which borrows money you have to pay back. The catch with a debit card: if you spend more than your balance, that is an **overdraft**. The purchase is declined, or, if you signed up for overdraft coverage, it goes through and you pay a fee. So it pays to always know your balance.

WORKSHEET

Keep an account register

Every time money moves, write it down and update the balance. The first two rows are done for you. Fill in the balance for the other four rows.

DATE	DESCRIPTION	MONEY OUT	MONEY IN	BALANCE
9/1	Starting balance		—	$40.00
9/3	Movie ticket	$12.00		$28.00
9/5	Babysitting		$25.00	
9/8	Snack	$4.50		
9/12	Gift		$20.00	
9/15	Phone case	$18.00		

THINK ABOUT IT

Answer in a sentence or two

1. Your balance is $28 and you want to buy something for $35. What happens if you use your debit card anyway?

2. Name one habit that helps you avoid an overdraft.

Debit, Credit, or Cash?

Three ways to pay, three different things happening behind the scenes. Knowing which is which keeps you out of trouble.

COMPARE

What is really happening

Fill each empty box with **Yes**, **No** or **Sometimes**.

	CASH	DEBIT CARD	CREDIT CARD
Whose money is it?	Yours	Yours	Borrowed
When does the money leave you?	Right away	Right away	When you pay the bill
Can you spend more than you have?			
Does it charge interest?			
Does it build a credit history?			

THE COST OF NOT CHECKING

Overdraft math

ONE BAD AFTERNOON

Your balance is $12, and you signed up for overdraft coverage. You buy, in this order, a $4 drink, a $9 sandwich, and a $6 phone charger. Each purchase that leaves your balance below $0 costs a $30 fee.

1. Your balance after each purchase (leave the fees out for now; write a balance below $0 with a minus sign, like −$1): drink $ _____, sandwich $ _____, charger $ _____
2. How many purchases took your balance below $0? _____
3. How much in fees? $ _____
4. Purchases plus fees: what did the afternoon really cost? $ _____

Protect yourself: Turn on balance alerts in your credit union's app, and check your balance before you spend, not after. For everyday debit card purchases, you can only be charged an overdraft fee if you signed up for overdraft coverage. Without it, a purchase you cannot cover is simply declined.

Interest & Why Credit Unions Are Different

Interest is the price of using money. When you **save**, the financial institution pays *you* interest for keeping your money there. When you **borrow**, you pay interest to *them*. Example: put $100 in savings that earns 4% a year and you would have about $104 after one year. The extra $4 is interest you earned. Borrow $100 at 22% and you would owe about $122. That $22 is interest you paid.

COMPARE

Bank vs. credit union: what is the difference?

Each row is a pair. Circle the side that would matter most to you, and be ready to say why.

○ **Bank:** owned by outside investors	○ **Credit union:** owned by its members
○ **Bank:** aims to earn profit for shareholders	○ **Credit union:** not-for-profit, for members
○ **Bank:** customers	○ **Credit union:** members with a say and a vote

Because a credit union works for its members instead of investors, it can often pay a little **more** interest on savings and charge a little **less** on loans.

Did you know? Tuscaloosa VA Federal Credit Union is member-owned and not-for-profit. When you open a savings account, you are not just a customer. You become a member and part-owner.

Interest Working For You and Against You

Same word, two very different outcomes. The side you are on depends entirely on whether you are the saver or the borrower.

DO THE MATH

Saving at 4% a year

How to do it: change the percent to a decimal (4% = 0.04). **Interest = amount × 0.04.** Then **total = amount + interest.** The first row is done for you.

YOU SAVE	INTEREST AFTER 1 YEAR	TOTAL
$100	$100 × 0.04 = $4	$100 + $4 = $104
$200	$	$
$500	$	$
$1,000	$	$

DO THE MATH

Borrowing at 22% a year

Same steps: 22% = 0.22. **Interest = amount × 0.22. You owe = amount + interest.**

YOU BORROW	INTEREST AFTER 1 YEAR	YOU OWE
$100	$100 × 0.22 = $22	$100 + $22 = $122
$200	$	$
$500	$	$
$1,000	$	$

Compare the two tables. On $1,000, how much more is the borrowing interest than the saving interest? $ _____

REFLECTION

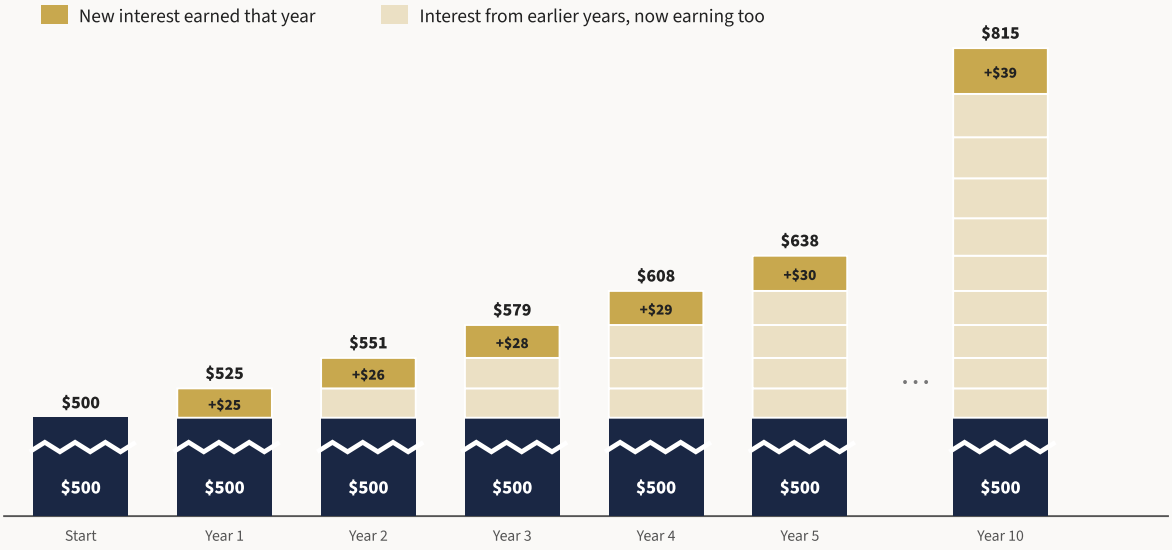
In your own words, why do lenders charge more interest than savers earn?

Saving for Big Goals

Small goals take weeks. Big goals take years, and they need a different tool: **compounding**. Compounding means you earn interest on your savings, and then you earn interest on that interest too. Your money starts making money.

SEE IT GROW

$500 saved at 5% a year, and never touched



The dark block is the $500 you saved (drawn short so the interest is easy to see). Each slice stacked on top is interest. Each new slice is a little **bigger** than the one before, because it is 5% of a bigger pile, including the slices you already earned. Compare year 1's +$25 with year 10's +$39. By year 10 the interest alone is $315, and you never added a penny.

THE STEPS

How to work out one year

1. Change the percent to a decimal: 5% = 0.05.
2. **Interest = starting total × 0.05.** Year 1: $500 × 0.05 = $25.
3. **Ending total = starting total + interest.** Year 1: $500 + $25 = $525.
4. Next year starts where this year ended. Year 2 starts at $525.

Do the Compounding

Now you try. Follow the four steps from the last page, one year at a time. When you finish, check your totals against the chart.

WORKSHEET

Watch $500 compound at 5%

Round each answer to the nearest dollar. Year 1 is done for you. Copy each year's ending total into the next year's starting total.

YEAR	STARTING TOTAL	INTEREST = START × 0.05	ENDING TOTAL = START + INTEREST
1	$500	$500 × 0.05 = $25	$500 + $25 = $525
2	$525	$	$
3	$	$	$
4	$	$	$
5	$	$	$
Years 6 to 9 work the same way. We skipped ahead to Year 10.			
10	$776	$39	$815

How much interest did the $500 earn in 10 years? $815 − $500 = $ _____

THINK ABOUT IT

Two savers

> **ROSA AND ELI**
>
> Rosa saves $20 a month starting at age 13. Eli saves $40 a month but does not start until age 23. Both stop at 33.

Who put in more of their own money? Work it out: months per year × years × dollars per month.

Rosa: 12 × 20 × $20 = $ _____ Eli: 12 × 10 × $40 = $ _____

Who do you think ends up with more? Use the word *compounding* in your answer.

Your Goal Ladder

Most people need three kinds of savings at once: something soon, something big, and something for emergencies. Splitting them up stops one from eating the others.

PLAN IT

Three goals, three timelines

Months to go = cost ÷ save per month. If it does not come out even, round up.

GOAL TYPE	WHAT IT IS	COST	PER MONTH	MONTHS
Short (under 6 months)		$	$	
Medium (1 to 2 years)		$	$	
Long (3+ years)		$	$	

EMERGENCY FUND

The one goal that is not fun

An emergency fund is money you set aside for surprises: a broken phone, a lost jacket, a bike repair. It is boring until the day you need it, and then it is the best money you ever saved.

A surprise cost that could realistically hit me: _____

About what it would cost: $ _____

If I saved $ _____ a month, I would be ready in _____ months.

Make it automatic: The savers who succeed are rarely the ones with the most willpower. They are the ones who set up an automatic transfer on payday so the money moves before they can spend it.

Your First Job

Your first paycheck will be smaller than you expect. That is not a mistake. Money gets taken out before you ever see it, and knowing what those deductions are keeps the surprise from stinging.

KNOW THESE WORDS

gross pay · net pay · deduction · FICA · W-4 · hourly wage

DEFINITIONS

What each one means

Gross pay: your pay before anything is taken out

Net pay: what actually lands in your account

Deduction: anything taken out of your gross pay

FICA: 7.65% that funds Social Security and Medicare

W-4: the form that tells your employer how much tax to withhold

Hourly wage: what you earn for each hour worked

DO THE MATH

Hours to dollars

Gross pay = hourly wage × hours.

HOURLY WAGE	HOURS A WEEK	GROSS PAY FOR THE WEEK
$11.00	8	$
$12.50	12	$
$15.00	15	$

Where Did It Go?

Take a real gross paycheck apart and see what is left. This is the single most useful piece of math in this book.

WORKSHEET

A two-week paycheck

Gross pay is $400. Fill in each deduction, then find net pay.

LINE	HOW TO FIND IT	AMOUNT
Gross pay	—	$400.00
Federal income tax	8% of gross	$
Social Security & Medicare (FICA)	7.65% of gross	$
State income tax (example)	4% of gross	$
Total deductions	add the three above	$
Net (take-home) pay	gross minus deductions	$

Percentages cheat sheet for $400: 1% = $4.00 · 4% = $16.00 · 7.65% = $30.60 · 8% = $32.00

THINK ABOUT IT

Answer using your numbers

1. What percent of the $400 did you actually keep? (net pay ÷ $400 × 100, rounded to a whole percent) _____ %

2. You were counting on the full $400 to buy something. What do you do now?

3. Why should you budget from net pay instead of gross pay?

Ads, Influence & Smart Spending

Companies spend enormous amounts to reach people your age, because habits formed now can last decades. The ads are not always obvious. A favorite creator using a product is an ad. A “limited drop” is an ad. Learning the techniques is how you stay in charge of your own money.

SPOT THE TECHNIQUE

Match the tactic to what it is doing to you

Draw a line from each tactic to what it is doing. The meanings are mixed up.

THE TACTIC	WHAT IT IS DOING TO YOU
Scarcity: “Only 4 left!”	Makes the price feel like a win regardless of value
Social proof: “10,000 sold this week”	Borrows trust you gave a person, not a product
Influencer: a creator you like uses it	Makes you fear missing out so you skip thinking
Anchoring: “$90, now just $39”	Suggests everyone else already decided for you

FIELD WORK

Find three ads aimed at you this week

WHERE YOU SAW IT	WHAT IT WAS SELLING	WHICH TECHNIQUE

The 24-Hour Rule

Most regretted purchases share one thing: they were fast. Putting a day between wanting and buying is the cheapest tool there is, and it costs nothing to try.

SCENARIO

Work it through

THE DROP

A brand you follow announces a limited hoodie for $75. The post says 200 made. You have $90 saved toward a $150 goal. Three people you follow have already posted theirs.

1. Which techniques from the last page are being used here? Name at least two.

2. Buying it drops your savings from $90 to $15. How much do you still need to reach $150? $ _____

3. Saving $10 a week, how many extra weeks does the hoodie cost you? (Round up.) _____ weeks

4. What would you tell a friend in this exact situation?

YOUR RULE

Write a spending rule you will actually follow

Fill in your own numbers. Example: “If it costs more than $25, I wait one day before buying.”

If it costs more than $ _____ , I will _____

Why this rule fits me:

Check Yourself

Work through these without flipping back. Then check the pages if you get stuck.

VOCABULARY

Write the word from the word bank next to its meaning

WORD BANK

budget · overdraft · interest · compound · net pay · member

1. Spending more than your balance and getting charged for it: _____
2. A plan for your money that lists what comes in and what goes out: _____
3. What you take home after taxes come out: _____
4. Earning interest on your interest, year after year: _____
5. What you are called at a credit union, instead of a customer: _____
6. The price of using money, paid to you when you save and by you when you borrow: _____

SET A GOAL

One money move you will make this month

_____

_____

_____

Nice moves!

You built a budget, tracked an account, and did the interest math. Those are the same skills adults use, just with smaller numbers for now.

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