

# AMBASSADOR BADGES TO DO AT HOME



Knowing how to create and stick to a budget is a skill that will help you throughout every stage of your life, from graduating high school all the way through your retirement years. (Even if your parents plan to pay for your future education, you'll still need to budget how much you spend on clothes, meals, and entertainment!) Far too many people don't start thinking about creating a budget until they find themselves deep in debt. By earning this badge, you'll know how to avoid financial pitfalls while also helping you be independent and live your dreams.

### Steps

1. Plan for where you'll live
2. Plan for your daily needs
3. Plan for having fun
4. Plan for the unexpected
5. Plan for sharing with others

### Purpose

When I've earned this badge, I'll understand the importance of creating a budget—a skill that will help me wherever life leads.

# On My Own

To earn this badge, please complete one option per step.

STEPS	BADGE REQUIREMENTS	OPTION 1	OPTION 2	OPTION 3
Step 1	Plan for where you'll live.	<p><b>Take a tour</b>  <a href="#">Take a virtual open house tour of an apartment or home</a> that's for rent or for sale. Research online to learn more about the rent/purchase process and how the "asking price" compares to others in the neighborhood.</p>	<p><b>Interview a tenant or homeowner (by phone)</b>                      Find a young woman who has recently lived in a dorm or rented an apartment. Interview her to find out all of the steps she had to take before moving in. Did she have any financial surprises? What were the costs associated with moving that she would tell you to be ready for (first and last month's rent, rental insurance, moving truck rental, utility/cable or internet fee, etc.)? Be sure to ask what helped her make her final decision and if there was anything she would have done differently. TIP: check out episodes of HGTV's House Hunters to see how others make decisions.</p>	<p><b>Be chart smart</b>                      Create a map of the area you'd like to live, whether it's the freshman dorms at your college of choice or a neighborhood you've always loved. Then, do research on a at least a six available rooms or homes to find out how living expenses differ and what kind of compromises you might have to make. For example, when renting in a college town, you'll likely have to pay more to be close to campus, but living farther way could mean a bigger place. Create a chart comparing the various costs and tradeoffs you've discovered, and pick a winner! TIP: use Zillow or Realtor.com to search for houses that are for sale or rent.</p>

<p><b>Step 2</b></p>	<p><b>Plan for your daily needs.</b></p>	<p><b>Focus on your finances</b>          Keep track of every personal item you use in a month. Include everything from toiletries and clothes to things like your phone or internet service. Once your list is complete, review it with a friend or family member and ask them to add items you might have missed. Then total the cost of everything so you can get a rough idea of your monthly spending habits.</p>	<p><b>Shop talk</b>          Volunteer to create you family's shopping list needs for several weeks or month, keeping track of everything that your family would spend on a regular basis. Categorize the items (food, toiletries, clothing, etc.) and review the list with your entire family to see if there are any places where might be saved. Do research online to comparison shop!</p>	<p><b>Audit request</b>          An audit is a review of someone's financial documents. Ask a friend or family member living on their own if you can audit them by asking them to save a month's worth of receipts and bills. Organize all their spending by category (food, run, rent, etc.) and review the totals together. If your friend or family member don't already keep a budget, the results might make them start! TIP: research mobile or web apps and determine what resources you can recommend to friends and family to create a budget and stick with it!</p>
<p><b>Step 3</b></p>	<p><b>Plan for having fun.</b></p>	<p><b>Hooray for hobbies</b>          Do you have a hobby that you just can't live without? Whether it's collecting concert posters or mastering photography, you'll need to build the costs of your hobby into your budget. Review how much money you've spent on your hobby over the past year. Then divide that total by 12 to figure out how much you need to put aside per month. You might even consider setting up a separate savings account for this money.</p>	<p><b>Treat yourself</b>          Find out how much of your budget needs to be dedicated to treating yourself. If you're the type of person who is happy to spend nights at home with a library book, then you might only need to use 5 percent of your budget. But if you love going to movies and meeting friends for dinner often, you might need closer to 15 percent. Make a list of all the things you like to do for fun, research the cost of each, add them up, and divide by 12 to know how much you need to save each month. (Remember to include all costs. For example, a night at the movies includes not just the ticket, but also transportation to the theater and snacks from the concession stand.)</p>	<p><b>Class act</b>          Gym membership. Cooking classes. A tennis league. Most people have classes or activities that need to be included in their budget. One key to maximizing your purchase power, however, is searching out the best deal. Pick something like a gym membership and research all the available options in your area, keeping in mind extra costs like membership fees or locker rentals. Rank your options in order from best to worst, and see what a difference research can make on your budget's bottom line. TIP: spend some time comparison-shopping online to get the best deals!</p>

<p><b>Step 4</b></p>	<p><b>Plan for the unexpected.</b></p>	<p><b>Interview your network</b>          You'll often find that the people around you have the best advice. Talk to your network of family and friends and ask them about different financial emergencies they've faced and how they've dealt with them. For example, maybe someone had a car accident. Even if they have insurance, they may have been surprised by a large deductible or loss of wages from missing work. Make a list of five unexpected situations that you learned about and research how much it would cost to deal with each one.</p>	<p><b>Interview a financial guru</b>          Part of a financial adviser's job is to prepare their client for the unexpected. Look for online video or magazine interviews with a financial adviser to learn how they advise clients to save for emergencies. What are the typical issues they have seen while working with clients? How much money should someone have in the bank if they lose their job? What are their tips for building a "rainy day" fund?</p>	<p><b>Interview an insurance expert</b>          Life insurance, car insurance, and homeowners insurance are all there in case of the unexpected. Look for online video or magazine interviews with insurance agents to learn more about the important world of insurance. Find out how much the different kinds of insurance cost. Compare the cost with the likelihood that something will happen-and with the actual cost of replacing or repairing the items insured.</p>
<p><b>Step 5</b></p>	<p><b>Plan for sharing with others.</b></p>	<p><b>Plan for presents</b>          With gifts, it truly is the thought that counts. But if you don't think about gifts in your budget, you might not have any funds available if you want to give them. Make a list of everyone you'd like to get presents for (parents, siblings, friends) throughout an entire year, along with how much you'd like to spend on each gift. Add up the total and divide by 12 to see how much you need to budget each month for presents. You may find that your wish list for giving is greater than what you can afford, but it's better to know ahead of time so you can adjust your spending.</p>	<p><b>Budget for your time</b>          Do you want to be a Girl Scout volunteer? Or do you have plans to volunteer for your favorite environmental or social-justice cause? If so, investigate two ways that you might be able to help as a young adult by talking to people who have already volunteered. Find out if there are any costs involved. If so, how would you work those into your budget? And be sure to find out how much time would be required of you. You'll have to make room for that time in your busy life as well!</p>	<p><b>Charity starts... with a budget</b>          Do you have a desire to make the world a better place through philanthropy? Perhaps you have a favorite charity or your place of worship has projects you'd like to support? Even if you don't have any money to donate at this time, your budget can help. Think about it this way. Donating a single dollar might not create much change. But what if you used your budget to figure out how to save a single dollar each and every day? After a year, you'd have an impressive donation indeed.</p>