

Financial Management – Keeping Money
State Contest 2001 - Intermediate
Situation

Fourteen year-old Christian got a baby-sitting job for two days after school and every other Saturday morning. He will be taking care of seven-year-old Aaron.

Christian and Aaron's parents agreed that he will get paid \$10 per time he baby-sits. They will pay Christian every other week, on the Saturday he baby-sits. Christian is very excited about this income as he is planning to buy a new CD player.

In talking with his parents, Christian decided that he needs to have a place to keep his money. He wants something affordable as he's trying to make money, not spend it. As he will be getting paid every other week, Christian knows that he will want the place where he keeps his money to be relatively easy to get to. If he doesn't get the money put away right away he has a tendency to spend it quickly! Christian also knows that he needs a safe place to keep his money. With his little brother, Jake, around, he wants to make sure none of his money is stolen. Also, Christian knows that it will take a lot of money to get the CD player he wants so he knows that he will need a place to keep money for quite awhile. Finally, Christian's parents hope that through this babysitting job he will learn some financial management skills.

Criteria:

1. Affordable
2. Easy to get to (deposit money)
3. Safe place
4. Able to keep money there for quite awhile
5. Financial Management Skills

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Intermediate
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#1

Billfold

- Cost: \$8
- Always carries it with him (school, etc.)

#2

Shoe Box

(hidden under his bed)

#3

**Give money
to his parents**

#4

**Savings account
at the bank**

**(Located down the street
from where Christian lives)**

**Financial Management – Keeping Money
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Official Placing**

**Placing: 4-3-2-1
Cuts: 3-2-2**

I placed this Financial Management Class of Keeping Money 4-3-2-1.

I found #4 to meet all of Christian's criteria: it is affordable as savings accounts are free, it's easy to get to as it's just down the street from Christian, it is the safest choice for storing his money as only he will be able to access it, there is no timeline on a savings account so Christian can keep it as long as he likes, and he can learn many financial management skills as he can learn how to track interest, keep a money ledger and compare monthly bank statements to his own records.

In my top pair, I placed #4 over #3. I think that #4 would be even easier in terms of accessibility for Christian, it would be much easier to give his parents the money versus having to walk to the bank. Three is affordable as it will not cost anything for Christian's parents to hold onto his money. I do question what kind of skills Christian would gain by having his parents keep track of his money. He would need to keep good records as well. I also am concerned about the safety of Christian's money. Pending where his parents keep the money; it could be a bit risky.

In my middle pair I placed #3 over #2. I am most concerned about the safety of #2. With a younger brother around, he could easily find where Christian keeps the shoe box with the money. Christian would have to use good skills in keeping track of how much money he puts into the box and when. Also, I think it would be easier for Christian to take money from the box for things other than savings for the CD player. By giving the money to his parents, he would have to go through them to get any money.

In my bottom pair I placed #2 over #1. While #2 is not very safe under Christian's bed, #1 is even more unsafe as it goes everywhere with Christian. The tendency for Christian to spend the money versus saving it would be most high with the billfold. Also, although only \$8, this item is the most expensive of Christian's choices.

For these reasons, I placed this class of Keeping Money options 4-3-2-1.

1234 – 27
1243 -- 30
1324 -- 29
1342 -- 34
1423 -- 35
<u>1432 -- 37</u>
2134 -- 29
2143 -- 32
2314 -- 33
2341 -- 40
2413 -- 39
<u>2431 -- 43</u>
3124 -- 33
3142 -- 38
3214 -- 35
3241 -- 42
3412 -- 45
<u>3421 -- 47</u>
4123 -- 42
4132 -- 44
4213 -- 44
4231 -- 48
4312 -- 48
4321 -- 50