



for Young People
Grades 3 – 5
Parent/Caregiver Guide

A fun way for parents and caregivers to help kids get smart about money.

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Caution: Coins are a leading cause of choking-related injury and death for young children, particularly for those aged 3 and under.

FDIC Disclaimer:

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What is *Money Smart*?

Welcome to the *Money Smart* guide for parents and caregivers of children in grades 3–5. Discussing money early in a child’s life helps to build a strong foundation for healthy financial habits in the future. Within these pages you will find information, resources, activities, and conversation starters about money to help build that foundation.

This guide corresponds to the *Money Smart* curriculum that would normally be delivered by an educator in a classroom or other group setting. This resource can also be used by all families with children, whether or not your child is learning about these topics in school.

To support everyday explorations of money, each module includes the following:

- **About This Topic:** A brief overview of each module.
- **From the Classroom:** Parent and caregiver information about the topic in the form of key questions that are used as part of the *Money Smart* curriculum in the classroom. Questions are answered in the same language used by educators to provide consistency from classroom to home.
- **Words to Know:** Key vocabulary terms about money.
- **Resources:** Books, games, and other online resources that engage children and help reinforce the topics. These are just a few of many existing resources, and are not endorsed by the Federal Deposit Insurance Corporation.
- **Conversation Starters ... Ask Your Child:** Thought-provoking conversation starters that can be discussed anywhere, at any time, and will lead to interesting discussions between you and your child around the topic of finances.
- **Try This ... :** Simple and fun activities to do at home, or around town, that engage children in the topic while supporting parents in their job of raising children.

We hope you find these pages useful and fun for the whole family! To find more resources, visit:

- www.fdic.gov/moneysmart (for the FDIC’s financial education curriculum)
- www.consumerfinance.gov/parents (to find age-appropriate information and activities for children)
- www.mymoney.gov (to find financial education resources from more than 20 federal agencies)

Your Child’s Future

Part of building a strong foundation for your child’s financial future is making sure his or her personal information stays secure. Controlling and limiting access to a child’s information is one of the best ways to protect children from identity theft.

Keep in mind that scammers also use social networking sites to gather even small tidbits of information that can be used to commit fraud. Parents and caregivers can learn more about how to help keep their child safe when using mobile phones and computers by visiting **OnGuardOnline** (www.onguardonline.gov), the federal government’s website to help you be safe, secure, and responsible online.

Tips For Talking About Money

Children are naturally curious and ask a lot of questions. Sometimes, questions about money can be awkward or seem hard to answer, but it's important to engage children in the process of understanding how money works and its value. This guide includes "Ask Your Child" questions and fun and useful "Try This" activities to support these conversations and allow children an opportunity to share their thoughts and wonderings. Furthermore, they also allow you to bond with your child as you create comfort in discussing money matters.

Use the "Ask Your Child" questions and "Try This" activities to ask about specific topics that may have been covered in the classroom. Or use them as boredom busters while running errands or eating dinner. They are designed to fit into your schedule and make it easier to talk to your child about money.

However you engage with your child around the topic of money, you are sure to gain some wonderful insight into your child's interests and understanding of the world. And remember, you are your child's best role model. You may not have all the answers, but engaging in these conversations and activities offers opportunities to learn together.

About the Resources

The resources listed in this guide are just a few possibilities available in the wide world of children's books, apps, and games that explore the topics found in these pages. A local librarian or your child's teacher may have other suggestions.

Ways to Use Books:

- **Read together.** This is a wonderful way to bond with your child and support his or her emerging literacy skills while talking about money.
- **Ask for a summary.** Whether your child reads with you or alone, ask him or her to explain what the words or pictures are about.
- **Have a discussion.** Use the books as conversation starters to talk about the concepts of money and how it applies to your lives.

Ways to Use Games and Online Resources:

- **Play and learn together.** Spend time using the online resources with your child. Notice how your child approaches decision-making. Ask: *What did you discover while visiting this website or playing this game?*
- **Discuss games.** After your child has explored the games on his or her own, ask: *Which one was your favorite? What skills did the game require? What did you learn about money?*

Youth Banking Programs

Youth banking programs are partnerships between schools and banks in which your child is given the opportunity to open and deposit money into a real savings account in school as part of a financial education program. Having and using a bank account not only reinforces what your child learns about money in the classroom, but also gives your child opportunities to form healthy financial habits. Youth banking programs can:

- Prepare your child to open and learn about how a bank account works, which better positions them for economic opportunities.
- Prepare and empower your child to make sound financial decisions.
- Reinforce what your child is learning in the general curriculum, in math, social studies, and other subjects.

Financial education and real-life experience saving in an account can be a powerful combination. Research shows that having a bank account *boosts the effect of financial education* in the classroom. In addition, in-school banking *increases account ownership* and *improves attitudes toward banking*.

Children in grades Pre-K–2 are ready to start forming healthy money habits and learn norms and rules of thumb that relate to money. They also are learning basic numeracy, how to understand and work with numbers. By second grade, children are developing basic money management skills. Youth banking programs for your child’s age group can promote your child’s development in these areas.

As a parent or caregiver, you can look for opportunities to get your child involved in one of these innovative programs.

- Ask your child’s teacher if the school offers a youth banking program or whether offering one is a possibility.
- Check with your bank to see whether they offer any programs or events that combine school-based financial education with the experience of saving in a bank account.
- If there is not a program in place at your school, consider putting the school in touch with a bank or nonprofit engaged in youth financial capability. Together, they can choose from a wide range of options to create a program that is a great fit for the school, the bank, and – most importantly – the students. Encourage them to visit FDIC’s Youth Banking Resource Center online at www.fdic.gov/youthsavings to learn more.

Once you find a youth banking program for your child, be supportive by:

- **Returning any required forms or permission slips.** If you have questions about forms, ask!
- **Building a habit of saving.** Even small amounts add up over time, so help your child stick to a habit of putting a bit into savings out of every amount they earn or receive.
- **Showing interest.** The conversations starters, family activities, and other resources in this Parent/Caregiver Resource Guide are a great way to show interest and reinforce learning.
- **Volunteering.** Ask how you can lend a hand. For example, help prepare supplies and materials for lessons. Or chaperone a field trip to a local bank branch.
- **Participating.** Many youth banking programs include special events for parents and families to learn and have fun doing it.



Lesson 1: Money Matters

TOPIC: Buying Decisions

About This Topic:

Understanding the difference between needs and wants helps children learn to prioritize how they use their money so they can spend it wisely.

From the classroom:

What is the difference between a need and a want? A need is something you cannot live without (for example: food, water, shelter); a want is something you would like, but can live without (toys, candy, the latest fashions, and so on).

How can one person's need be another person's want? One person might need something, while someone else already has it and wants another. For example, you might need shoes when your only pair is getting too small. Someone else might want another pair of shoes when he or she already has several pairs.

How can comparing choices help you decide what to buy? Comparing choices can help you decide which item is more important to buy or has the best value. People can choose between needs and wants. A person may need shoes, but not a pair that costs \$100. The expensive pair would be a want. People can also choose between different brands, stores, prices, quality levels, and so on.

What is an opportunity cost? An opportunity cost is the “trade-off” of making one choice over another. If you choose to play outside, you might be giving up the opportunity to read a book indoors. If you have only \$3, and choose to buy a notebook with the money, you give up the opportunity to buy something else, such as stickers.

Words To Know:

Need: Something you must have to survive, such as clothes, shelter, or food.

Opportunity Cost: The next best thing that you give up in order to do something else; a trade-off of a decision you make.

Want: Something that you would like to have but that you could live without.

Resources:

Books:

- *Do I Need It? or Do I Want It?: Making Budget Choices* by Jennifer S. Larson: This nonfiction book teaches children about needs and wants, making choices, saving, spending, and budgets.
- *Erandi's Braids* by Antonio Hernandez Madrigal: A girl named Erandi, from a poor Mexican village, has several choices to make as she picks a birthday gift and offers to sell her hair to help her family buy a new fishing net.

- *The Money Tree* by Sarah Stewart: Miss McGillicuddy, who is not affected by a money tree growing in her yard, watches as her greedy neighbors pick all of the money.
- *Tops and Bottoms* by Janet Stevens: This Caldecott Honor Book, a folktale about a lazy bear and a hardworking rabbit, demonstrates opportunity cost, as the bear must repeatedly choose between the “tops” or “bottoms” of crops, and always ends up with the inedible parts.

Games and Online Resources:

- **Practical Money Skills Ed’s Bank:** Help Ed collect coins to buy items he wants at the store.
http://www.practicalmoneyskills.com/games/ed_bank/
- **Kids.gov Ca\$h Puzzler:** Take a virtual field trip to the Money Factory in Washington, D.C., to learn how cash is made.
<http://kids.usa.gov/watch-videos/money/money-factory/index.shtml>

Conversation Starters ... Ask Your Child:

- What are some things on your wish list (wants)?
- What are some things that you need?
- What is money and why do we use it?
- If you had \$50, how would you use it, and why?
- What did you give up today in order to do something else? Why?

Try This at ...

Home:

Play “I Spy”: Take turns playing an “I Spy” guessing game. Give clues to different items around the house (clothes, food, toys, and so on). For example, “I spy something we eat that is round.” After the correct item is guessed, identify whether it is a need or a want, and explain why.

Make a Shopping List: Make a list with your child of items you need or want to buy for the family (for example: food, toilet paper, toothpaste, birthday cards, clothes, markers). Ask your child to identify the needs and wants, and to prioritize the items by numbering them in order of importance.

Grocery Store:

Sort Checkout Items: While waiting in line, examine items in the checkout area. Ask your child whether those items are needs or wants. Discuss how stores purposely place items that are wants near the registers to encourage impulse buying. Ask them what they think “impulse buying” means (an unplanned decision to buy something).

Around Town:

Identify Trade-Offs: Take turns with your child identifying different opportunity costs (the “trade-off” of making one choice over another) while walking around the neighborhood. For example, you might say, “If we choose to walk down the street, we give up the opportunity to jog.” Your child might then say, “If I choose to play on the playground, I give up the opportunity to read a book.”



Lesson 2: Get Set for Goals

Topic: Setting Goals

About This Topic:

By setting goals and evaluating the purpose of advertising, children can make better saving and spending decisions.

From the classroom:

What is a goal? A goal is something you plan to achieve.

What is the difference between a short-term goal and a long-term goal?

A short-term goal is something you want to achieve soon, such as today, this week, or next month (for example, getting a good grade on an upcoming test). A long-term goal is something you want to achieve in the future, such as in one year, five years, or when you are grown up (for example, learning to play the violin or going to college).

Why is it important to set goals? Setting goals helps you focus on the things you want to achieve.

What is a savings goal? A savings goal is an amount of money you plan to put aside to buy something.

What is the purpose of advertising? The purpose of advertising is to persuade others to buy the product so the company who paid for the ad can make money.

How might advertising influence your decisions to spend or save money? Advertising may influence you to want to spend money instead of saving it, or spend more money than you were planning to spend.

Words To Know:

Advertisement or Ad: A public notice or announcement that a company pays for to help promote and increase sales of a product or service.

Long-Term Goal: Something you want to achieve in the future, such as in one year, five years, ten years, or more.

Savings Goal: The amount of money you plan to put aside for a specific purpose

Short-Term Goal: Something you want to achieve soon, such as in two weeks or a few months.

Resources:

Books:

- *It's a Habit, Sammy Rabbit!* by Sam X Renick: Sammy learns a secret about saving that he puts into practice, which ends up helping his whole family.

- *Danny Dollar Millionaire Extraordinaire—The Lemonade Escapade* by Ty Allan Jackson: Eleven-year-old Danny Dollar chases his dream to become a millionaire while teaching readers about financial literacy.
- *Lulu Walks the Dogs* by Judith Viorst: Lulu works to earn money to reach her mysterious “super special” long-term goal.

Games and Online Resources:

- **FTC Admongo:** Play this adventure game to find out about ad literacy. <http://game.admongo.gov>
- **PBS Don't Buy It:** Learn more about advertising tricks with these fun quizzes. <http://pbskids.org/dontbuyit>

Conversation Starters ... Ask Your Child:

- What are your short-term goals? How do you plan to reach them?
- What is one of your long-term goals? How could you work toward that goal?
- What commercials or other kinds of ads did you see today? Describe the one you remember the most.
- How did that ad try to influence people to buy their product?

Try This at ...

Home:

Create a Goals Chart: Share some of your short-term and long-term goals, and how you plan to meet them. Ask your child to do the same. Write them down on a chart to track your progress together.

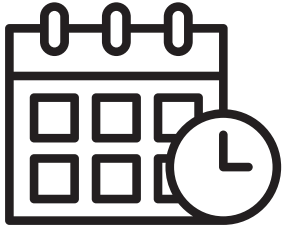
Talk About Commercials: Turn television time into a teachable moment by discussing commercials that you see. Talk about the purpose of each commercial, how it is trying to influence people to buy the product or service, and who the intended audience could be. You may also want to talk about advertising that you hear on the radio or see on the Internet.

Doctor's Office:

Examine Magazine Ads: While sitting in the waiting room, identify and discuss advertising that you see in magazines. Talk about the purpose of each ad and how it is trying to influence people to buy the product or service.

Bank:

Open an Account: Open up a savings account for your child. He or she can save up for a long-term spending goal by adding to the account after money is earned or gifted.



Lesson 3: Make a Plan

Topic: Budgeting

About This Topic:

Creating a budget helps children plan how they will spend their money.

From the classroom:

What is a budget, and how it is useful? A budget is a spending plan. It is useful because it can help you decide how much money can be spent and how to spend it.

Why is it important to set spending limits? Setting spending limits can stop you from overspending and running out of money.

How can you stay within a budget? You can stay within a budget by writing it down, checking it regularly, and sticking to your plan. If your plan is too difficult to achieve, you can always change it.

What does “pay yourself first” mean? When you receive money, make sure to save some of it before you spend it.

Words To Know:

Budget: A plan that outlines what money you expect to earn or receive (your income) and how you will save it or spend it (your expenses) for a given period of time.

Expense: The cost of goods and services; the amount of money that is spent.

Save: Setting something, like money, aside to use in the future.

Savings Goal: The amount of money you plan to put aside for a specific purpose.

Resources:

Books:

- *Budgeting (How Economics Works)* by Sandra Donovan: This book teaches children how to create and stick to a budget so they can spend and save money wisely.
- *The Lemonade War* by Jacqueline Davies: Evan and his younger sister, Jessie, compete to earn money by selling lemonade.
- *The Everything Kids' Money Book: Earn It, Save It, and Watch It Grow!* by Brett McWhorter Sember: Full of information, this book covers everything about finance, including the basics of budgeting.

Games and Online Resources:

- **Visa Money Metropolis:** Travel through a neighborhood as you work to reach your goal by earning and saving. www.practicalmoneyskills.com/games/moneymetropolis/
- **Biz Kid\$ Dollar a Glass:** Test your business skills as the owner of a lemonade stand. <http://bizkids.com/games/dollar-a-glass>

Conversation Starters ... Ask Your Child:

- If you won \$10,000, what would you do with the money?
- When you are a grown-up, what are some expenses you might have?
- How might you be able to save more money?
- Can you name some ways that we can save money as a family?

Try This at ...

Home:

Sell a Product: Brainstorm business ideas for selling a product (lemonade, baked goods, or old toys) or a service (raking leaves, pulling weeds, and washing cars), and choose one. Have your child advertise the product or service by creating posters and/or flyers to hand out to neighbors. Ask your child to create a budget and keep track of money spent (for example, on supplies, such as lemons, sugar, paper cups, and poster paper) and money earned. Then ask him or her to figure out the profit.

Plan to Save: Have your child read grocery store flyers and circle items for things you need to buy. Then make a shopping list together.

Grocery Store:

Stay Within Budget: Ask your child to bring the store flyer and shopping list with you. Give your child a specific amount of money (your budget) and ask him or her to help find the items you need while staying within that budget. Encourage comparison-shopping. After you get the receipt, have your child figure out whether you stayed within the budget and, if so, then calculate how much money you saved.

Check Your Progress: Ask your child to save your grocery store receipts for a week. At the end of the week, to help with the family budget, have your child add up how much money was spent on food. Discuss ideas to save money on future food shopping trips to meet budget goals. You can also invite your child to collect the receipts for a longer period of time (several weeks or months) to keep track of progress toward goals. Check in regularly to discuss as a family.

Bank:

Record Expenses: Ask a bank teller for a checkbook register for your child. Explain the purpose of the register and tell your child that, for now, he or she can use it to record and deduct the money spent on food shopping (see grocery store activity above). You can also print a check register online (such as at <http://www.activitiesforkids.com/printable-checks/> by clicking on "Printable Check Register" listed under "Materials") or create your own.



Lesson 4: Save Your Money

Topic: Saving

About This Topic:

Exploring what banks do builds understanding of the benefits of setting aside money for future use by saving it in a bank.

From the classroom:

What is a bank? A bank is a business where people can deposit and withdraw their money.

How do banks work? Banks offer you a safe place to keep your money and pay you interest by using your deposits to make loans. When you have a savings account, you are lending money to the bank. The bank lends your money to other people. They pay the money back to the bank with interest. The bank gives you a small amount of the money they make.

Why is it important to save? When you save, you will have money to use in the future. It also ensures you will have the money you may need in case of an emergency or a special event.

What is interest? Interest is the amount you earn from deposits in your savings account.

Why would keeping money in a bank be more useful than saving money at home? Money kept in a bank is safe and can earn interest. Money kept at home does not earn interest.

Why is it important to save for emergencies? Emergencies are unexpected. If you save for emergencies, you will not have to worry about how to pay for them. You will already have the money saved.

Words To Know:

Bank: A financial institution and business that accepts deposits and makes loans.

Emergency Fund: Money set aside to pay for unexpected expenses.

Interest: Money that a bank or other financial institution pays you for keeping money on deposit with them, or the amount of money you pay a bank as a fee when you borrow money.

Save: Setting something, like money, aside to use in the future.

Savings Account: A bank account that you can use to set aside money, and that pays you interest.

Resources:

Books:

- *Banking (How Economics Works)* by Barbara Allman: Discover all about banks and banking, including savings accounts and key banking terms.
- *I Got Bank! What My Granddad Taught Me About Money* by Teri Williams: Jazz Ellington is a 10-year-old boy with a bank account who knows how to save money.

- *Saving Money (How Economics Works)* by Philip Heckman: Learn about banks and secrets to saving for the future.

Games and Online Resources:

- *Program for Kids*: Explore budgets, credit, and other money lessons with a friendly alien guide. <http://www.handsonbanking.org/htdocs/en/kPBS> *Mad Money*: Test your budgeting skills and save for emergency situations. http://pbskids.org/itsmylife/games/mad_money_flash.html

Conversation Starters ... Ask Your Child:

- If you received a gift of \$20, would you spend it or save it? Why?
- Is there anything unexpected that you need to buy with an emergency fund? Why might having an emergency fund be a good idea?
- Are you saving money to buy something? If so, how do you plan to reach your goal?
- Why might it be a good idea to keep your money in a bank?

Try This at ...

Home:

Decorate a Savings Container: Have your child create and decorate a savings container to keep money in one place until she or he can make a bank deposit.

Bank:

Learn the Interest Rate: If you haven't yet opened an account for your child, open one. Ask a bank teller to explain the saving account interest rate to your child.

Check Your Balance: After several months of your child making savings account deposits, go to the bank to check on her or his balance to see how much interest was earned.

School:

Youth Banking Programs: Youth banking programs are partnerships between schools and banks in which your child is given the opportunity to open and deposit money into a real savings account in school as part of a financial education program.

Having and using a bank account not only reinforces what your child learns about money in the classroom, but also gives your child opportunities to form healthy financial habits. Youth banking programs can:

- Prepare your child to open and learn about how a bank account works, which better positions them for economic opportunities.
- Prepare and empower your child to make sound financial decisions.
- Reinforce what your child is learning in the general curriculum, in math, social studies, and other subjects.

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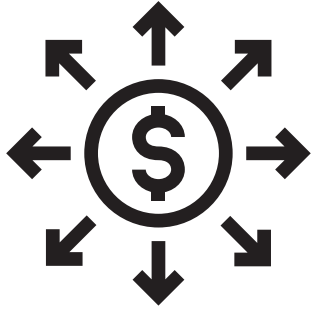
Children in grades 3–5 are still forming money habits and learning norms and rules of thumb that relate to money. Children are developing basic money management skills. As they gain knowledge and experience, they can gain self-confidence in their ability to manage their money. Youth banking programs for your child’s age group can promote your child’s development in these areas.

As a parent or caregiver, you can look for opportunities to get your child involved in one of these innovative programs.

- Ask your child’s teacher if the school offers a youth banking program or whether offering one is a possibility.
- Check with your bank to see whether they offer any programs or events that combine school-based financial education with the experience of saving in a bank account.
- If there is not a program in place at your school, consider putting the school in touch with a bank or nonprofit engaged in youth financial capability. Together, they can choose from a wide range of options to create a program that is a great fit for the school, the bank, and – most importantly – the students. Encourage them to visit FDIC’s Youth Banking Resource Center online at www.fdic.gov/youthsavings to learn more.

Once you find a youth banking program for your child, be supportive by:

- Returning any required forms or permission slips. If you have questions about forms, ask!
- Building a habit of saving. Even small amounts add up over time, so help your child stick to a habit of putting a bit into savings out of every amount they earn or receive.
- Showing interest. The conversations starters, family activities, and other resources in this Parent/Caregiver Resource Guide are a great way to show interest and reinforce learning.
- Volunteering. Ask how you can lend a hand. For example, help prepare supplies and materials for lessons. Or chaperone a field trip to a local bank branch.
- Participating. Many youth banking programs include special events for parents and families to learn and have fun doing it.



Lesson 5: Which Way to Pay

Topic: Payment Options

About This Topic:

Having conversations about payment options helps children understand that credit and debit are not an endless supply of free money, but are linked to an account. Actual cash is then either deducted from an account (debit) or must be paid back by a certain date (credit).

From the classroom:

What is credit and debit? Credit is a loan. When you pay using credit, you are borrowing money with the agreement to pay it back by a later date. A debit is money taken out of a checking account as payment for an item or service.

What are checks? Checks are a type of debit. They are paper forms that a person fills out to make a payment. When you write a check, you give the person to whom you wrote the check the right to ask your bank to take money from your account.

Why might someone choose to pay with cash, credit, or debit? Someone may choose to pay with cash if a store accepts only cash. A person may pay with credit or debit when she or he is not carrying enough cash or it is quicker and more convenient.

What is debt? Debt is an amount of money that is owed.

What information should not be shared with others to prevent identity theft? Personal information should not be shared with anyone without a parent's permission, especially when you are online. That information includes birth date, phone number, home address, school address, bank account number, a parent's credit card number, and passwords. If you use a social networking site, only share your page with friends you know and trust.

Words To Know:

Cash: Money such as coins and bills.

Check: A written order of payment that instructs a financial institution (such as a bank) to withdraw a specific amount of money from the check-writer's account, and pay or deposit it to the person, or business, named on the check.)

Credit: The ability to borrow money and pay it back later.

Debit: An amount of money taken out of a deposit account to pay for something.

Debt: Money that is owed.

Resources:

Books:

- *Cash, Credit Cards, or Checks: A Book About Payment Methods* by Nancy Loewen: A father and his children discuss different payment options while shopping together.
- *Double Fudge* by Judy Blume: Peter Hatcher's younger brother, Fudge, is money obsessed. Their family travels to the Bureau of Engraving and Printing in Washington, D.C., where they run into their long-lost relatives.
- *Show Me the Money: How to Make Cents of Economics* by Alvin Hall: This colorful book is filled with photos, illustrations, and fun facts about money, including information about methods of payment.

Games and Online Resources:

- **Kids.gov** *Field Trip to the Money Factory*: Take a virtual field trip to the Bureau of Engraving and Printing in Washington, D.C., to learn how cash is made.
<http://kids.usa.gov/watch-videos/money/money-factory/index.shtml>
- **UMSL (University of Missouri—St. Louis)** *Giving Vicki Credit*: Read the story to learn more about credit, and take the interactive quiz.
www.umsl.edu/~wpockets/Clubhouse/library.htm
- **The Mint** *Writing a Check and Tracking Your Checking Account*: Practice writing a check and balancing a checking account using this interactive site.
www.themint.org/kids/get-some-practice.html

Conversation Starters ... Ask Your Child:

- Have you ever lent something to a friend and not gotten it back? How did that make you feel?
- How might you decide whether you can risk lending money to someone? What are the qualities that make someone trustworthy?
- Have you ever borrowed money from a friend? How did it feel to pay it back?
- If you had your own credit card, how would you use it?
- What would you do if a person or a website asked you to share personal information (birth date, home address, bank account, and so on)?

Try This at ...

Home:

Play “Customer” and “Cashier”: Ask your child to help you count your loose change (saved in a change jar or other container) and/or practice paying with cash by playing the roles of customer and cashier. For example, pick a price as the cashier, such as \$4.25, and have your child pay the correct amount using bills and coins. If your child doesn’t have exact change, return the difference. Then switch roles so your child, as the cashier, can figure out whether you need change back and how much change to give.

Practice Using Checks: If you have a checking account, show your child how to write a check and balance a checkbook. You also can go to <http://www.themint.org> with your child to practice together.

Read a Credit Card Statement: If you have credit card payments, show your child a credit card statement and explain how to read it. If not (or you don’t feel comfortable sharing it with your child), show your child how to read a credit card statement by going to www.federalreserve.gov/creditcard/flash/readingyourbill.html.

Grocery store:

Estimate and Pay: As you shop, have your child estimate how much money you are spending to help stay within a certain budget. Before you make your purchase, discuss payment options (cash, check, credit, and debit) with your child.

Bank:

Use an ATM: Show your child how you use the ATM. Explain that an ATM is not a free money machine—you are actually taking cash out of your own bank account—and that the receipt shows how much cash is deducted.



Lesson 6: Get Invested

Topic: Buying Decisions

About This Topic:

Building knowledge about investing helps children understand the value of long-term financial planning. Investments can increase in value and provide income.

From the classroom:

What is investing? Investing is spending money with the goal that it will make money (a profit) in the future.

Why is it important to have long-term money goals? Long-term money goals help you plan and save for the future.

What are the risks and returns of investing? When you invest money, you often risk losing money. Your investment also has the potential to grow in value. The money you make from an investment is called the “return.”

Words To Know:

Invest: To put money at risk with the goal of making a profit in the future.

Profit: The money gained or left over after money spent (expense) is subtracted from money earned (income).

Return: Money made (profit) from an investment.

Risk: The possibility that something unplanned or unintended may happen (such as losing money).

Resources:

Books:

- *Growing Money: A Complete Investing Guide for Kids* by Gail Karlitz: Complete with fun facts, activities, and quizzes, this guide introduces children to the world of investing.
- *Neale S. Godfrey’s Ultimate Kids’ Money Book* by Neale S. Godfrey: Financial expert Neale S. Godfrey teaches children all about money. This book is full of illustrations, photos, charts, and diagrams, and includes a chapter on investing.
- *The Toothpaste Millionaire* by Jean Merrill: During the 1960s, sixth-grader Rufus starts a toothpaste business with help from his friend Kate. Along the way, the characters learn about economics and solve real-life math problems.

Games and Online Resources:

- **National Credit Union Administration** *World of Cents*: a game for ages 5 and up designed to help teach the concepts of earning, saving and spending money, while incorporating basic math concepts.
www.mycreditunion.gov/Pages/world-of-cents-game.aspx
- **U.S. Securities and Exchange Commission** *Elementary School Students Quiz*: Take the investor quiz to see how much you know about investing.
<http://investor.gov/node/2351#.U-PQ8oBdWGN>

Conversation Starters ... Ask Your Child:

- What do you know about investing?
- If you were given \$1,000 to invest, where would you invest the money? Why?
- What would you do if you invested money and lost all of it?
- What would you do if you invested money and it doubled?

Try This at ...

Home:

Pick a Stock: Look at everyday products with your child. Ask him or her to determine what company makes the product. Have your child pick a company to follow their stock for a while on a stock exchange site, such as www.nasdaq.com. For a fun game on the go, invite your child to visit the site using a smartphone (while you are waiting in line at a store or in the car).

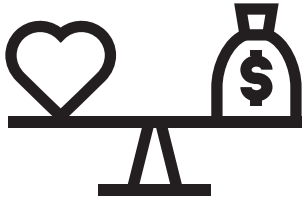
When I Was Your Age: Ask your child, “What do you think was the cost of a movie ticket (or another item or service) when I was your age?” After your child guesses and you tell him or her the answer (or a rough estimate), ask: “What do you think movie tickets (or another item or service) will cost when you are a grown-up? Give other examples of inflation (the overall rise in the price of goods and services) as you are walking or driving around town. For example, at the gas station, talk about the cost of gas ten years ago (or, five years ago, and so on) versus today, or, at the grocery store, mention the cost of milk and other items, then and now, and so on. Ask your child to calculate the difference in cost.

Library:

Follow a Stock: Have your child look at the business section of the *Wall Street Journal* or your local newspaper. Ask your child to find the page where the stocks are listed. Have him or her look at the list of companies to see which ones she recognized from everyday life. Ask him or her to look at high, low, and “close” or last price (the price for one share of the stock). Your child can also use a library computer to check this information at www.nyse.com.

Bank:

Check CD Rates: Check out the interest rates posted at the bank for different certificate of deposit (CD) terms, such as 6 months, 18 months, and so on. Ask a bank employee to explain the rates to your child.



Lesson 7: It's Great to Donate

Topic: Charitable Giving

About This Topic:

Helping those in need by making charitable giving part of a financial plan can give your child the “gift of giving.”

From the classroom:

What does the word “charity” mean? Charity is the act of giving help to people (and animals) in need. A charity is an organization that helps those in need or supports social causes.

Why is it important to help other people? Many people all over the world need help. Other people can make a difference in their lives by helping them. It is a kind thing to do that can make the world a better place.

How can you make giving a part of your budget? Plan for giving just like you would for saving and spending. Pay yourself first by saving money. Then pay your expenses. Plan ahead for how much you would like to give, and set aside that money for charity.

Words To Know:

Charity: The act of giving help or money to help people, animals, or communities in need; an organization that helps people, animals, or communities in need or supports social causes.

Donation: Something (including money, food, clothes, and toys) that you give to help people, animals, or communities in need or to a charity.

Resources:

Books:

- *Dog Days*, by David Lubar: The things Larry Haskins loves most are baseball and dogs. Along with playing ball, he spends his summer trying to save, and find homes for, stray dogs.
- *Marty McGuire Has Too Many Pets!*, by Kate Messner: Third-grader Marty McGuire comes up with two fundraising ideas, a talent show and pet-sitting business, so she can “adopt” chimpanzees at an animal sanctuary.
- *Sam and the Lucky Money*, by Karen Chinn: A boy named Sam receives money for Chinese New Year and has to decide how to spend it. He eventually decides to give the money to a homeless man.

Games and Online Resources:

- **KidsHealth Community Service: A Family's Guide to Getting Involved:** Read this article to learn more about why and how to get your family involved in volunteering.
<http://kidshealth.org/parent/positive/family/volunteer.html>
- **PBS Parents Charity Starts at Home:** Watch a video about a fun way one family raised money for charity. www.pbs.org/parents/adventures-in-learning/2013/11/teaching-kids-about-charity

Conversation Starters ... Ask Your Child:

- Have you ever received help from others? How did it make you feel?
- Have you ever helped someone? How did it make you feel?
- What is the best thing about helping others in need?
- What are some ways you can help others?
- If you were given \$10,000 to donate to charity, which organization(s) would you help, and why? What problems would you want to help fix? (For example: hunger, environment, rescuing animals, disease, homelessness)

Try This at ...

Home:

Donate Money: Choose a charity that your child wants to help. Have her or him save or earn money to donate to the charity. You may also want to raise money as a family. See the link above to watch the video *Charity Starts at Home* for one idea.

Donate Clothes and Toys: Instead of (or in addition to) donating money, have your child clean up his or her room to find old clothes and toys that he or she no longer uses to donate to children in need. Put all of the items in a box and take it to an organization, such as Goodwill or a local charity.

Volunteer: As a family, donate your time to help others. For example, help a neighbor shovel snow or visit the elderly at a nursing home. You may also want to volunteer at a local soup kitchen or join a community volunteer organization in your area.

Grocery store:

Help a Food Bank: Buy nonperishable items to donate to a local food bank. Give your child a \$5 or \$10 budget and have him or her help you choose the items. As you shop, ask your child to think about the best items to choose while staying within the budget. At holiday times, many grocery stores also have collection bins for local food bank donations. (As an alternate idea, start a neighborhood food drive. Visit your neighbors to collect nonperishable items to donate to other families in need.)



Lesson 8: Career Choices

Topic: Exploring Careers and Income

About This Topic:

Exploring personal interests, potential careers, and education levels gets children thinking about their futures.

From the classroom:

What is income, and how is it earned? Income is money that is earned by working, owning a business, or making investments.

What are different types of jobs that you can have? You can choose between hundreds of different types of jobs in fields including science, technology, engineering, math, art, and music.

What is an entrepreneur? An entrepreneur is someone who creates and runs a business.

What is tax and why is income taxed? Tax is a government fee on things such as income, property, and sales. The government uses the money collected from taxes to pay for things people need, such as schools, roads, and other public services.

Words To Know:

Career: The type of work a person pursues for the majority of their life that may involve formal education, special training, or be within a specific industry.

Income: Money that you receive from jobs, allowances, interest, dividends, and other sources.

Job: A specific duty, task, or activity someone completes using his or her time, skills, and energy to earn money.

Tax: Money that someone has to pay to help finance a government.

Resources:

Books:

- *Career Ideas for Kids Who Like Science* by Diane Lindsey Reeves: Along with providing information on different science careers, this guide also includes a self-assessment and activities for kids to learn more about their interests.
- *Earning Money (How Economics Works)* by Patricia J. Murphy: This book offers children ideas for how to start a moneymaking opportunity and keep track of the earnings.
- *Lunch Money* by Andrew Clements: Greg, a money-obsessed sixth-grader, starts his own comics company, forms a business partnership with his rival, and learns about business.

Games and Online Resources:

- **USA.gov Jobs:** Watch videos to learn about different careers.
<http://kids.usa.gov/jobs/index.shtml>
- **PBS *Be Your Own Boss*:** Choose a business and see if you can make it grow.
<http://pbskids.org/itsmylife/games/boss/>
- **US Department of Education *Checklists*** that start the student on the road to learning
<https://studentaid.ed.gov/sa/prepare-for-college/checklists>

Conversation Starters ... Ask Your Child:

- If you had to pick one career right now, what would it be? Why?
- What other careers do you know about? Are you interested in any of them?
- What careers would you like to learn more about?
- Can you name anyone who runs his or her own business?
- If you could start your own business, what would you sell, and why?
- Why is education important?

Try This at ...

Home:

Chore Chart: Ask your child to choose something he or she wants (such as a toy, outing, or privilege). Give your child jobs to do around the house and assign points for each job (such as 10 points for cleaning your room, 15 points for raking leaves). Share how many points it will take to earn a given reward. Create a chart to track the number of points earned.

Explore Interests: Have your child write a list of personal interests. Encourage your child to explore those interests on his or her own, or together as a family. For example, if your child has an interest in cooking, ask him or her to help you cook a meal.

Around town:

Name That Job or Career: Play a game to see how many different jobs or careers you can name based on people and places you see in town. If you can, ask people what they like the most and the least about their jobs/careers. Your child can also visit and interview someone who runs his or her own business (such as a grocer, hairdresser, dentist).

Bank:

Bank Jobs: Ask whether a bank employee has time to tell your child about some of the different jobs that people have at the bank. If possible, ask whether your child can be introduced to some of those people to find out more about their jobs and ask questions.

Deposit and Withdrawals: Remind your child that, when he or she is older and has a career, he or she will earn money and will want to save some of it. He or she should also know how to make a deposit or withdrawal from a bank account. If you have an account, demonstrate how to fill out the paperwork when making a deposit or a withdrawal, or take your child along as you use an ATM. You can also ask a bank employee to show your child how to fill out the deposit and withdrawal paperwork. Before you leave the bank, take some deposit and withdrawal slips home so your child can practice filling them out.