

for Young People Grades Pre-K – 2 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.

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What is *Money Smart*?

Welcome to the *Money Smart* guide for parents and caregivers of children in grades Pre-K–2. 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 young 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 utilized 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 at home, or around town, that engage children in the topic while supporting parents in their job of raising kids.

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: Counting Coins

TOPIC: Understanding Currency

About This Topic:

Exploring how money is used and where it comes from helps children develop the skills to be financially responsible adults.

From the classroom:

What is money? Money is an object we use to purchase goods and services. Money can be printed bills or minted coins. Money looks different in different places around the world.

Where can I use it? Money can be used in stores, marketplaces, and even online. Money is not unlimited, so it is important to consider choices about how to use money.

Where did it come from? Money has not always looked like it does today. Long ago, people traded items like shells, beads, or pieces of metal for things they wanted. Today, the U.S. Mint makes coins, and the U.S. Bureau of Engraving and Printing produces U.S. currency notes. It eventually travels to banks around the country for people to use.

Words To Know:

Currency: A form of money that is generally accepted to measure value.

Money: Money is an object you can use to purchase goods and services. Money looks different in different places around the world.

Resources:

Books:

- *Bunny Money* by Rosemary Wells: Max and Ruby are on a mission to find the best birthday present for their grandmother; when emergencies arise, however, they have to spend their carefully saved money.
- *Monster Money Book* by Loreen Leedy: The Monster Club has money to spend, but how will they ever decide what to do? Lucky for them, Sarah comes for a visit to share ways they can use their money.
- *One Cent, Two Cents, Old Cent, New Cent: All About Money* by Bonnie Worth: Join the Cat in the Hat as he discovers fun facts about the history of money.

Games and Online Resources:

- **U.S. Mint H.I.P. Pocket Change:** Play these fun games from the U.S. Mint like Wishing Well, Coin Memory Game, or Break the Bank. www.usmint.gov/kids/games/
- **Practical Money Skills Peter Pig's Money Counter:** Identify, count, and sort money with Peter the Pig. www.practicalmoneyskills.com/games/peterpigs/
- **Practical Money Skills Ca\$h Puzzler:** Solve the puzzle to complete the bills and discover fun currency facts. www.practicalmoneyskills.com/games/puzzler2/index.php

Conversation Starters ... Ask Your Child:

- If you found \$5, what would you do with it?
- Where do you think money comes from?
- How many kinds of money do you know? (nickels, quarters, pennies, and so on)
- Where are some places we use money?

Try This ...

at Home:

Learning About Currency: Show your child various coins and explain their value.

Show your child how, for example, five pennies have the same value as one nickel. And two nickels have the same value as one dime.

Coin templates are available at www.usmint.gov/kids/teachers/coincurricula/.

Hide-and-Seek: Color and cut out pretend money, and have your child hide them in a room for you to find. Or, you hide them and encourage your child to go seek. Afterward, discuss how the bank would be a safer place to keep money. Coin templates are available from the U.S. Mint at www.usmint.gov/kids/teachers/coincurricula/.

at the Grocery Store:

Comparison-Shopping Game: Ask your child if he or she can find an item for less than and more than \$5 (or any amount). Compare two similar items. Can your child tell which is more expensive? Why is the price different?

Around Town:

I Spy Places to Buy: See if your child can spot places where money is used as you run errands together. While driving or walking around the neighborhood, discuss how money is used at different locations (to buy food at the grocery store, to pay for a service at the cleaners).

at the Bank:

Counting Coins: Gather change from around the house or from the piggy bank to take to the bank and convert to dollars.



Lesson 2: Learn to Earn

Topic: Earning Money

About This Topic:

Talking about jobs and the value of work is a useful way to teach children the concept of earning money.

From the classroom:

What is a job? A job is something we do to earn money by providing services or goods to others. There are many different kinds of jobs.

How can I make money? Some kids make money by helping out with chores such as mowing the lawn or taking care of a pet (providing a service). Other kids have teamed up with their families or friends to sell items such as lemonade or used toys at a garage sale (providing goods).

Words To Know:

Earn: To receive money in exchange for goods or services.

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

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

Resources:

Books:

- *Arthur's Funny Money* by Lillian Hoban: Arthur is looking for ways to earn enough money to get a new hat and t-shirt. Teaming up with his sister Violet, he's sure to have some adventures as he works toward his goal.
- *Arthur's Pet Business* by Marc Brown: Arthur starts a pet-sitting business and gets his hands full with all sorts of crazy creatures.
- *Little Nino's Pizzeria* by Karen Barbour: Tony may be small but he's ready to help with all the business in his family's pizza shop.

Games and Online Resources:

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Conversation Starters ... Ask Your Child:

- What jobs are you most interested in? Why?
- What kind of jobs do we see in our community?
- What would you like to learn about the jobs you find interesting?
- Do you have classroom jobs at school? Which ones do you like best?

Try This ... at Home:

Chores Chart: Helping out around the house allows your child to feel useful and provides an opportunity to discuss jobs. Make a chart to track tasks your child is responsible for completing.

Lemonade Stand: Creating and running a business for an afternoon is a fun way for children to learn about selling a product and earning money. Your child can sell lemonade, snacks, homemade cards, or even old toys.

Start a Business: Ask your child to think about what kind of business he or she would start if they could. Work together with your child on a simple business idea. Have your child design a flyer to hand out around the neighborhood offering services such as car washing, watering plants, bringing in the mail and newspaper while neighbors are on vacation, raking leaves, or pulling weeds.

Check out Careers: Identify and discuss jobs while running errands. What kinds of jobs in your community interest your child? Has he or she seen jobs or careers on television that look interesting?

at the Bank:

Jobs at the Bank: Many Banks will provide tours or have bankers available to talk about their jobs with children. Ask at your local bank to see what is available.



Lesson 3: Weighing Needs and Wants

Topic: Needs and Wants

About This Topic:

Tackling the topic of needs versus wants helps children develop decision-making skills while learning about wise spending.

From the classroom:

What are needs and wants? We have a limited supply of resources, so we must make decisions about how to use them. Wants are things that we might like to have but can live without. Some examples of wants are ice cream, toys, or electronics. Needs are things we must have in order to live a healthy life. Some things we need are water, food, and clothes.

How do I choose between needs and wants? Choosing between needs and wants can be tough. It is important to consider what we must have to be healthy and secure. Deciding between two things we want is a great opportunity to think about what things are most important. Sometimes, a need can be a want. We need food. But we may want to eat dinner at a restaurant instead of at home.

Words To Know:

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

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

Resources:

Books:

- *Arthur's TV Trouble* by Marc Brown: Arthur sees a TV commercial for a doggy treat timer and sets his mind to having a dog of his own. He sets a goal to raise enough money to buy his very own furry friend.
- *Aunt Lucy Went to Buy a Hat* by Alice Low: Aunt Lucy is on a wild shopping trip to find a new hat. Can she find it without getting sidetracked by all the spending choices?
- *Bunny Money* by Rosemary Wells: Max and Ruby are on a mission to find the best birthday present for their grandma. But, when emergencies arise, they have to spend their carefully saved money.

Games and Online Resources:

- **Econ Ed Link** *The Perfect Pet*: Decide between needs and wants for a virtual pet.
www.econedlink.org/resources/a-perfect-pet/
- **Brain Pop Jr.** *Needs and Wants*: Find the three things you need to live in each of the pictures using a magnifying glass.
www.brainpopjr.com/socialstudies/economics/needsandwants/search/

Conversation Starters ... Ask Your Child:

- What are the differences between needs and wants?
- Why is it important to know the difference between needs and wants?
- When getting ready for a new school year, what things might you need? Want?
- How would you decide between two things you want?

Try This ...

at Home:

Need or Want Game: Think of items around the house (food, toys, blankets, clothes, electronics). Call out an item and have your child determine whether it is a need or want. Have your child explain why that particular item is a need or want.

Cleanup Sort: Make cleaning the bedroom or playroom fun, and teach a lesson at the same time. Have your child first clean up or put away the items that are needs (bed, pillows, clothes, food, and so on). Next, clean up the wants (toys, electronics, and so on). This may lead to an interesting discussion.

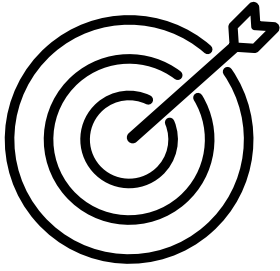
at the Bank:

Save for a Want: If your child wants to buy a special item, open up a savings account for him or her. He or she can add money to the account each time you visit the Bank.

at the Store:

Shopping Basket I Spy: While shopping or while waiting in line to check out, ask your child to find or name three items that are needs. Then find or name three items that are wants. Your child can even sort items in the cart into two sections: needs and wants.

Checkout Impulse Buys: While in line, examine items at the checkout together. Are they needs or wants? Discuss how stores purposely place items that are wants near the checkout to encourage impulse buying.



Lesson 4: Ready. Set. Goal.

Topic: Setting Goals

About This Topic:

Setting goals can help your child learn how to make choices and develop positive decision-making habits. Even the littlest learners can begin identifying small short-term goals for themselves during everyday moments.

From the classroom:

What is a goal? A goal is something we work toward completing or accomplishing. It can be saving money to buy something special or learning how to do something new.

Why are goals important? Setting goals helps us focus on the things we want to work toward.

How can I set goals for myself? Think about what we might want to do or learn, and then think about how long it might take to accomplish. We don't want to be frustrated, so make sure the goal is achievable and realistic.

Words To Know:

Goal: Something you wish to achieve or accomplish in a certain amount of time.

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

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

Resources:

Books:

- *Amelia Makes a Movie* by David Milgrim: Amelia is determined to make a movie, but it won't be easy. As she finds out, it sometimes takes a lot of hard work and compromise to reach a goal or achieve a dream.
- *The Little Engine That Could* by Watty Piper: One small train shows how believing in yourself can make all the difference as you reach for your goals.
- *Arthur's TV Trouble* by Marc Brown: Arthur sees a TV commercial for a doggy treat timer and sets his mind to having a dog of his own. He sets a goal to raise enough money to buy his very own furry friend.

Games and Online Resources:

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Conversation Starters ... Ask Your Child:

- What things have you accomplished this school year? (riding a bike, jumping rope, learning to read, and so on)
- What is something you would like to learn how to do?
- How could you practice or work toward that goal?
- What goals are you working toward in school?

Try This ... at Home:

Create a Goal Chart: Have your child identify something he or she wants — a toy, an outing, or a privilege. Determine the amount of currency (stickers/stamps/tokens) it would take to reach that goal, and also how to earn those tokens (good behavior, chores, and so on). As your child earns “currency” to meet that goal, track the progress on a goal chart.

at the Bank:

Open a Savings Account: Consider opening a savings account with your child. He or she can begin depositing money earned or received on birthdays or holidays. Many banks give children coin holders or coloring books. Discuss how you choose an account. Your child may not understand everything now, but it helps establish a foundation for later in life.

at the Store:

I Want It Later: Next time you are at a store with your child, help him or her set a goal for a wanted item. This is a great way to practice delayed gratification as well as to avoid shopping battles or emotional/impulse buying. Instead of buying a toy, have your child write it down or draw a picture of it. Young kids can circle images in the store circular as they walk around the store. Save this list for special occasions like birthdays or holidays, or use it for ideas when creating a goal chart.

If I Keep My Dollar ... : When a spending dilemma arises in the store, see how many ideas your child can come up with for the benefit of saving. For example: If I keep my dollar I could get bubblegum tomorrow. If I keep my dollar I could share my money with a friend and buy a treat at lunch. If I keep my dollar I could save enough to buy a new toy truck.



Lesson 5: Super Savers

Topic: Saving and Spending

About This Topic:

Build your child's understanding of how money is used by exploring saving and spending. Having these early conversations develops children's critical thinking skills around choosing what to do with money.

From the classroom:

What is spending? Spending is when we use money to purchase goods or services.

What is saving? Saving is when we keep money to use at a later date.

Why should I save? Saving money gives us the option to get things we want at a later date. It also ensures we will have the money we may need in case of an emergency or a special event.

How can I save my money? Money can be saved in a piggy bank or bank.

Why should I plan my spending? Thinking about our spending lets us plan for the future. We can also compare prices and consider our needs and wants when we plan ahead.

How can I plan my spending? We can plan our spending by using lists (like a grocery list) and recording how we use our money.

Words To Know:

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

Spend: The act of using money to buy goods or services.

Resources:

Books:

- *The Berenstain Bears' Trouble with Money* by Stan & Jan Berenstain: Saving up for video games takes hard work. Brother and Sister Bear join forces to find ways to make and save money.
- *Bargain for Frances* by Russell Hoban: Frances gets tricked into buying a friend's tea set. Will Frances friend learn the value of friendship over a bargain?
- *If You Made a Million* by David M. Schwartz: Have you ever wanted a million dollars? Discover ways to make and spend a lot of money with Marvelosissimo the Mathematical Magician and his friends.

Games and Online Resources:

- **Sesame Street Finances for Kids:** Short videos and games bring to life the notions of saving, spending, and decision-making.
www.sesamestreet.org/toolkits/save
- **PBS Kids CyberChase Money Videos:** Short, animated videos help kids practice math skills while exploring saving and spending.
<http://pbskids.org/cyberchase/find-it/money/videos/>

Conversation Starters ... Ask Your Child:

- What are some things you would like to save for?
- Have you ever spent money and then wanted to buy something different afterwards?
- What are some ways you could save money?
- Why is it important to save money?

Try This ...

at Home:

Savings Tip Handout: Read and discuss the *Savings Tip* handout with your child. Let him or her color the page while you discuss the importance of saving.

Make a Piggy Bank: Create and decorate a piggy bank out of materials from around the house, such as a shoebox or jar. Cut a hole in the top of the box or jar big enough for coins and dollar bills. Then let your child decorate it.

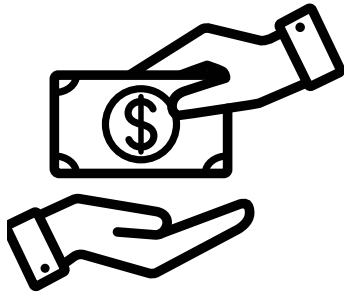
Delayed-Gratification Game: It takes time to save for something you want. Practicing to take turns while playing board games or other activities helps children learn to wait.

Around Town:

Counting Banks: See how many Banks you and your child can spot as you drive/walk around town. Ask your child what kinds of things can be done at banks.

at the bank:

Saving Up: Bring your child along when going to the Bank and encourage him or her to bring any change he or she has saved. Help him or her fill out a savings deposit slip. This can be a great way for children to get used to regularly adding to their savings account.



Lesson 6: Borrowing Bills

Topic: Borrowing and Lending

About This Topic:

Sharing is caring ... but borrowing and lending also bring responsibilities. It's important for children to understand how to take care of each other's property and return something that is borrowed. Exploring strategies for sharing (lending) and caring (borrowing) builds problem-solving skills and responsible habits.

From the classroom:

What is borrowing? Borrowing is using someone else's property with his or her permission.

Why do you borrow? Borrowing gives us the chance to use something we might not be able to use or have otherwise.

What is lending? Lending is sharing something you have with someone else. When you give a friend an item to borrow, you are lending it to him or her.

How can I be responsible when borrowing? We can be responsible by taking care of items we borrow, returning them when we say we will, and being respectful to the person who let us borrow the item.

Words To Know:

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

Borrow: To receive something on loan with the understanding that you will return it.

Lend: The act of giving something to someone with the understanding that they will give it back to you.

Resources:

Books:

- *The Rainbow Fish* by Marc Pfister: Rainbow fish finds the joy of sharing as he builds new friendships with the fish in the sea.
- *Brody Borrows Money* by Lisa Bullard: Brody borrows money from a friend to buy a cool new rock but can't pay it back. Can his dad help him solve the problem and learn about responsible borrowing?
- *Kuku and Mwewe: A Swahili Folktale* by Marta Munte Vidal: Kuku's and Mwewe's friendship is put to the test when one of the friends doesn't take care of the item she borrowed.

Games and Online Resources:

- **Hit the Road A Financial Adventure:** Explore saving, spending, and debt management taking a virtual road trip across the country. www.mycreditunion.gov/financial-resources/hit-road-financial-adventure

Conversation Starters ... Ask Your Child:

- What are some things we can borrow?
- What are some things we cannot borrow?
- What happens if we don't return things we borrow, or they get damaged?
- What would you do if you borrowed something and it got ruined?
- What are some ways I can show responsibility and caring?

Try This ...

at Home:

Sharing List: Help your child create a list of items he or she either borrowed or lent to friends or siblings, along with the date received and date due, to practice responsible borrowing/lending and begin to explore accountability.

at the Bank:

Ask a Banker: Banks lend money to responsible borrowers. Next time you are at the Bank with your child, let your child fill out a withdrawal slip (for pretend) and talk to the banker to learn what banks look for in people before lending them money.

at the Library:

Borrow Books: Get a library card if your child doesn't already have one. Help your child choose books to borrow.

Same and Different: Ask your child to name three things the library has in common with a bookstore. What are three things that are different? Do bookstores allow us to borrow items? Do we use money at the library?

Meet the Librarian: Talk to the librarian about how to treat books we borrow, or to learn what happens when books aren't treated well.