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FOR KIDS

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FINANCIAL LITERACY FOR KIDS

TIME FOR A CHANGE



**Studies show girls and boys are taught differently about money.
Here are some important things everyone needs to know.**

ON THE MONEY

Girls and boys need to learn the same set of financial skills. So why are they being taught differently?



ILLUSTRATIONS BY MIKE DIETZ FOR TIME FOR KIDS

What do your parents talk about when they talk about money? A researcher asked kids this question. Some answers were to be expected. Saving money topped the list, followed by spending and earning it. But a surprising trend was revealed: Parents are talking to their sons and daughters about different things.

Boys were more likely to be taught about investing, borrowing, and the economy. Girls more commonly learn about family finances, spending, and how to manage a checking account. Another study revealed that parents talk more about money with their sons than with their daughters.

A Problem from the Past

Why the differences? In part, the problem is rooted in history. Until 60 years ago, a woman couldn't open a bank account without her husband's permission. Women could only get credit cards on their own starting in 1974. Historically, when a husband and wife divided up the household to-do list, the husband managed the investments while the wife paid the bills.

The world has changed. Today, 40% of women are the main **breadwinners** for their family. Yet parents tend

to teach their children what their own parents taught them. That could be why girls today, when they graduate from college, still have lower expectations than boys for **compensation**, and women are less confident as investors than men.

To stop the cycle, girls and boys need to understand some basic financial concepts. Money expert Ron Lieber helps explain three that everyone can master.

—By Kelly Hultgren



FAMILY CHALLENGE

Talk about it.

Ask a family member to recall learning the basics of managing money. How have times changed? What should you know that he or she didn't learn?

Learn how to pay bills.

Most adults keep money in a checking account. They use that money to pay bills, either online or by mailing a check (see box).



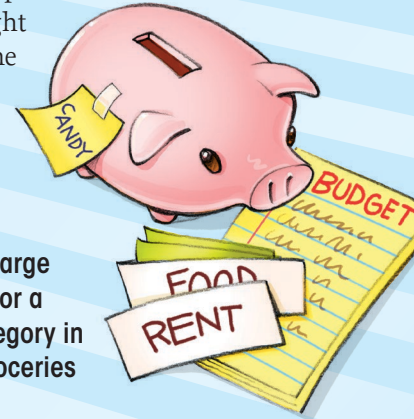
Ask to be in charge of one household bill. Open it and watch a parent pay it. Keep track of how it fluctuates from month to month.

Learn how to budget.

A budget is a set amount of money for a list of items, like groceries or school supplies, or for a goal, like a night out at the movies. The challenge is to stay at—or under—that amount.



Ask to take charge of budgeting for a particular category in your household, like groceries



for the week. Set the budget. Make a list of what you need to buy. (It would help to search for coupons and study a past grocery receipt, if your parents happen to have one.) At the store, have an adult help you keep a list of your expenses as you go through each aisle. Look for areas where you could spend less in order to meet your goal.

Learn how to lend or borrow with interest.

If your sibling asks to borrow \$5, it's an unofficial arrangement. But borrowing with interest comes at a cost: You'll have to repay an extra percentage in addition to the original amount of the loan.



The next time someone asks for a loan, tell him or her you will charge interest. If your sibling asks you for \$5, ask him or her to repay you, plus an extra 10 cents every week until you get your money back.

POWER WORDS

breadwinner *noun*: a person who earns most of the money to support a family

compensation *noun*: payment given for doing a job

Check, Please

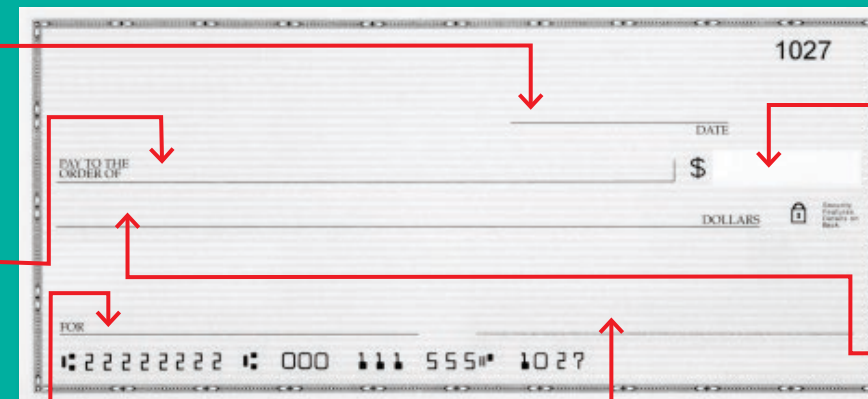
In addition to cash and credit, there are so many ways to pay these days, including PayPal and Venmo. But you still need to know how to write a check, which is basically a written order telling your bank to take a certain amount of money out of your account

to give to the check's recipient.

The numbers have dropped, but more than 12 billion checks are still written every year, and certain transactions still require a check. Read the directions below so you're ready to write a check when the time comes.

1. Date The month/day/year you write the check

2. Pay to the Order of The name of the person or business receiving the money



3. Number amount The amount you're paying, in numerals (like \$25.75)

4. Written amount The amount with the dollars in words and the change in numerals (*Twenty-five and 75/100*)

5. Memo A note to the recipient or a reminder for yourself of what the check is for

6. Your signature Banks reject any check that isn't properly signed, in cursive.

The Pink Tax



It's a cute name, but don't be fooled about the pink tax. It's a problem, and it's all too common. The term refers to the practice of charging higher prices for products and services marketed to women and girls. In 2015, the New York City Department of Consumer Affairs (DCA) surveyed nearly 800 products that had female and male versions. On average, the women's version cost 7% more.

This practice dates back to when women were responsible for the shopping in most households. Marketers saw an opportunity to raise the prices on products that had extra appeal to women, and it worked. Here's how to avoid it.



1 Don't buy the color pink. The color alone can drive up the price of a product, as with the shirt shown below.



2 Buy the boys' version.

Girls' toys, on average, cost 7% more than the same toys marketed to boys. For example, DCA research showed the same scooter cost \$24.99 in red, but \$49.99 in pink. If style matters, find a creative solution. Buy the red scooter and add pink ribbons!

3 Look for generics.

Personal-care products cost an average of 13% more when they are marketed to women—48% more for hair-care products! Shop for generic, gender-neutral store brands to save on products including washes, creams, and deodorants. For more savings, go fragrance-free.

*ALL PRICES QUOTED FROM 2015 NYC DEPARTMENT OF CONSUMER AFFAIRS REPORT.

Dear, Time For Kids, The Financial Literacy for kids inspired me to start my own school newspaper business called the SMS TIMES. Thanks For the inspiration. Our 6th newspaper which is the October edition. The first 5 came out last year. In the beginning, I would type the paper at home and then share it to my class mates. Now the school has begun to print it as the official school paper.

From: Nicholas
Age: 8

Write to us!

Readers, we are so happy when we hear from you. We got this letter from Nicholas, a student in Connecticut. We loved learning about his new business. Write to us! How has *Your \$* affected your attitude—and actions—about money? Maybe you'll see your letter in a future edition.