

TIME FOR KIDS YOUR \$

FINANCIAL LITERACY FOR KIDS

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From the Editor: Thanks to the PwC Charitable Foundation, *TIME For Kids* is pleased to offer teachers, students, and their families a monthly financial-literacy magazine. —*Nellie Gonzalez Cutler, Editor, TIME For Kids*

Teaching the cover story

THE COST OF NATURAL DISASTERS

WHAT'S INSIDE

- Find out how to help your family prepare for unexpected events.
- Giving to a charity? Follow the tips on page 4.
- Check out how much money the Red Cross has given to aid natural-disaster relief efforts over the years.
- Are you old enough to get a job? Money expert Jean Chatzky has the answer.

SUMMARY

The cover story highlights ways to prepare for natural disasters and other unexpected events.

TEACHING TIPS

Before Reading

Make Real-World Connections

- Some risks can be anticipated. Ask: What are the risks of riding a bike or a skateboard? Make a list. What can you do to avoid these risks?
- Tell students that when it comes to homes, cars, and other belongings, people can protect themselves from unexpected harm or loss: They can buy insurance. Ask: What unexpected events might damage your property? How does insurance provide protection?

Build Comprehension

Preview the Cover

- Ask: Have students look at the cover photo. Ask: How might a tornado affect people and their possessions? What can people do to prepare for natural disasters and other unexpected events?

Recall Key Details

- Read the cover story together, stopping to discuss important

facts and details along the way. Ask: Why do people buy insurance? What does the typical homeowner's policy protect against? What events might a typical homeowner's policy not protect against? What is a home inventory? Why should you create one?

Extend Learning

Design an Ad

- The cover story suggests ways to prepare for unexpected events. Have students work in pairs to create an ad that convinces people of the importance of protecting their property. Tell them they can choose from among these three topics for their ads: buying home insurance, creating a home inventory, or checking smoke alarms. Challenge them to think about how they will persuade people to take precautions. Encourage them to do research so they can include statistics (floods are the Number 1 natural disaster in the U.S.) or personal stories (a newspaper account of someone who lost a home in a natural disaster). Remind them to include images that they think will have maximum impact.



a note from *Jean*

Dear Teachers,

Explaining the rationale behind insurance is not easy, whether you're talking to children or adults. After all, why would you pay a lot of money for something you hope never to use? The answer is that if you don't buy insurance, you could wind up in a much more precarious position—financially. That, combined with the fact that natural disasters are occurring much more frequently these days, is why we decided to tackle the topic. If your students have questions or observations, please take a moment to jot them down and send me a note. They'll help us when we return to the topic in the future.

All the best,
Jean

FINANCIAL-LITERACY STANDARDS ADDRESSED

Grades K–12 III. Saving
VI. Protecting and Insuring

COMMON CORE STATE STANDARDS ADDRESSED

Grade 5 RI.5.1, RI.5.3, RI.5.5, SL.5.1, W.5.1
Grade 6 RI.6.1, RI.6.3, RI.6.5, SL.6.1, W.6.1

Teaching PAGE 4

What You Can Do
Charities ask for money every year and need it more than ever. Make sure to give wisely. Consider an organization of your own or your community. Make sure to give wisely. Consider an organization of your own or your community. Make sure to give wisely.

ASK JEAN
All school bags can kids get to school? That depends on your definition of "all." The average weight of a school bag is at least 14 lbs. It's not just the weight of the books, but also the lunch, water bottles, and other items. And, if you're carrying it, you can wear only up to three hours per school day and eight hours per weekend day. But there are many things you can do to make sure it's not too heavy for your child. Consider buying a backpack with adjustable straps, and use a rolling bag. You can also use a rolling bag with a backpack. Or you can use a rolling bag with a backpack. Or you can use a rolling bag with a backpack.

By the Numbers
If you're looking to calculate the total cost of natural disasters, here's some data from recent years. This data, from Catastrophe, sometimes how much we spend on disaster relief, and how much we spend on disaster relief.

- 2015 Hurricane Patricia: \$4.3 billion
- 2015 Superstorm Sandy: \$68.3 billion
- 2010 Hurricane Katrina: \$155.8 billion
- 1999 Hurricane Andrew: \$46.4 billion
- 1989 Loma Prieta Earthquake: \$6 billion
- 1988 Hurricane Hugo: \$12.5 billion
- 1972 Hurricane Andrew: \$5 billion
- 1969 Hurricane Camille: \$9.1 billion

TEACHING TIPS

Use these tips to support close reading of "What You Can Do," on page 4.

delay your donated stuff from getting to the people who need it? What makes sending money a faster way to help people in need?

Extend Learning Act It Out

- Challenge students to put on a skit that demonstrates the importance of one of the donating dos and one of the donts. They might portray the complications that arise when people donate their clothes (i.e., getting the right sizes to the right people), or students might portray a family duped by a fake charity and the lesson they learned as a result.

Take Action

- Brainstorm with the class a list of ways students might raise money for a charity.

Before Reading Check Prior Knowledge

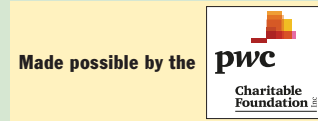
- Ask: Why should we research charities before making donations? What questions about a charity would you want answered before you made a donation?

Critical Thinking

- In pairs, have students read "What You Can Do," on page 4. As students read, they should create a list of donating dos and donts. (Dos: Research the charity, send money, or raise money and donate the proceeds. Donts: Donate stuff, text donations.) Then start a class discussion. Ask: Why should you donate money rather than stuff? What complications might

FINANCIAL-LITERACY STANDARDS ADDRESSED
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Grade 5 RI.5.1, RI.5.2, SL.5.1, SL.5.4, W.5.3
Grade 6 RI.6.1, RI.6.2, SL.6.1, SL.6.4, W.6.3



School / Home CONNECTION



Share these tips with your students' families.

- Suggest that students talk with a parent about natural events—hurricanes or tornadoes, for instance—that could possibly happen in their area. Then create a plan with steps the family can take to make sure they are prepared.
- Challenge students to enlist the help of a parent to hold a tag sale of all the belongings the family no longer uses. Remind them to use the tips in "What You Can Do," on page 4, before donating the proceeds to a charity.
- Have students share with a family member the "Ask Jean" feature, on page 4. Next, they should work together to make two lists: 1) the student's talents and skills, and 2) ways to make money using those talents and skills.

ADDITIONAL RESOURCES

councilforeconed.org/standards
Visit for free teaching resources and to download the K-12 national standards for financial literacy.

mymoney.gov
Visit this website to learn the basics of money management. Choose "protect" on the navigation bar for steps to take to protect your financial future, such as saving for emergencies and buying insurance.

ANSWER KEY FOR WORKSHEETS

Home Safe Home: **1.** \$840 **2.** A tree fell on the roof. **3.** \$17,000 / \$1,000 **4.** Circle *police report, photos of damage, repair estimate.* Photos help insurance companies verify and assess the damage. **5.** Answers will vary. **The Claim Game:** **1.** hail **2.** exterior wind damage **3.** non-weather-related water damage **4.** Answers may include: rain, melting ice, and snow / Answers will vary. **5.-6.** Answers will vary.

Your name _____ Date _____

HOME SAFE HOME

We buy insurance to protect our homes, cars, and other belongings against loss or harm. After a hurricane hit their home, the Walker family filed an insurance claim for money to repair the damage. (A claim is an application for payment by an insurance company.) Read the claim below. Then answer the questions.

Background
The Walker family has owned their home for six years.
Cost of home insurance: \$70 per month
Deductible: \$1,000 (A deductible is the amount of money that an insured person must pay before an insurance company will pay the rest of a claim.)

Insurance Claim			
Date of damage	October 7, 2016		
Time	7:20 a.m.	Place	Miami, Florida
Description of damage	Tree fell on roof during a hurricane		
Who the damage was reported to	Police		
Date the damage was reported	October 7, 2016		
Total cost of damages	\$17,000		
These documents must be included with the claim:			
<input checked="" type="checkbox"/> Police report	<input checked="" type="checkbox"/> Photos of damage	<input checked="" type="checkbox"/> Repair estimate	

- How much does the Walker family pay for insurance each year?

- How was their roof damaged in the hurricane?

- What is the total cost to repair the damage? _____
How much of that cost will the Walker family have to pay? _____
- What documents did the Walker family have to include with the claim? Circle them. Why do you think an insurance company would want to see photos of the damage?

- How does having insurance help the Walker family? Explain your response. _____

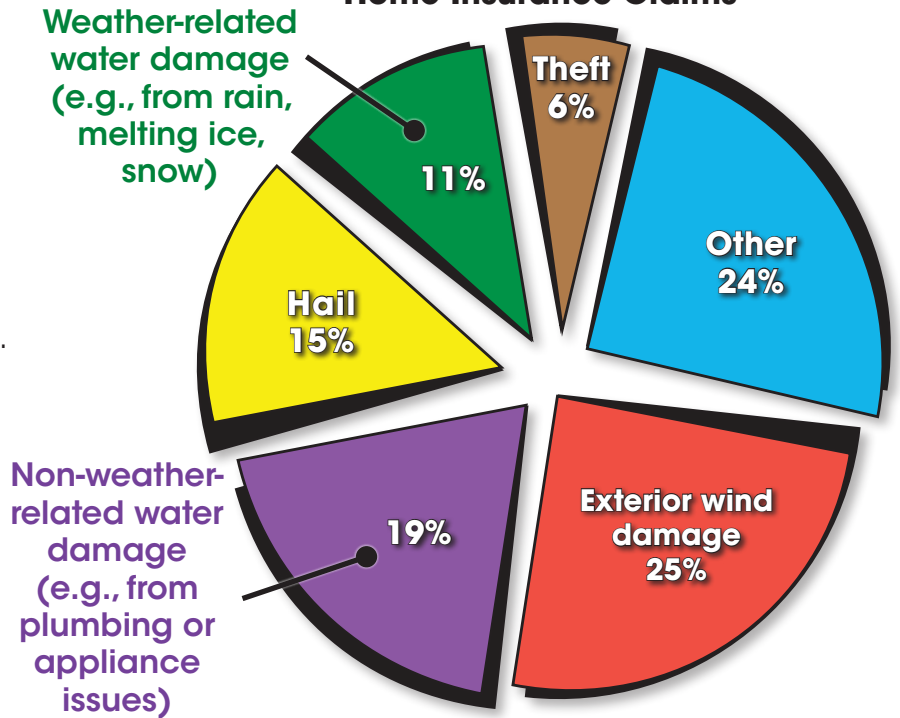
BONUS: Talk with an adult family member about the pros and cons of paying to insure a home, car, or other belongings.



THE CLAIM GAME

Damages to a home can be costly. That's why homeowners buy insurance. If their home is damaged by an event that is covered by their insurance policy, homeowners can file a claim to pay for repairs. What are the most common reasons homeowners file insurance claims? Read the graph to find out. Then answer the questions.

Most Common Causes of Home Insurance Claims



SOURCE: THE TRAVELER'S COMPANIES, INC., BASED ON U.S. HOMEOWNERS INSURANCE CLAIMS FROM 2009 TO 2015

1. What is the cause of 15% of home insurance claims?

2. What is the cause of 1/4 of all home insurance claims?

3. Which happens more often, weather-related water damage or non-weather-related water damage? _____

4. What is one example of a source of weather-related water damage? _____

How might that type of weather damage a home? _____

5. Why do you think insurance companies collect this information? How might they use it?

6. How might this information help homeowners? _____

BONUS: Share the graph with an adult family member. Ask: How would the information in the graph impact your decisions about how to protect your home?

