



# 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, Managing Editor, TIME For Kids

## Teaching the cover story MEET JEFF XIE

### WHAT'S INSIDE

- A New Jersey teen won \$75,000. Find out how far his money will go.
- Financial expert Jean Chatzky answers readers' money questions.
- Should parents tell kids how to spend their money? TFK Kid Reporters weigh in on the debate.

### SUMMARY

A New Jersey teen won big playing the game show Jeopardy!. The cover story explores how he'll use his winnings.

### TEACHING TIPS

#### Before Reading

##### Make Real-World Connections

- Tell students they are going to read about a teen who won \$75,000. Ask: What would you do with that much money?

#### Build Vocabulary

##### Define Words in Context

- Draw students' attention to the Power Word *budget*. Read the definition aloud. Then read the paragraph in which the word appears. Ask: What is Jeff's travel budget? Why is it a good idea to know your budget before traveling? When in life might you have to stick to a budget? How can a monthly budget help a family?

#### Build Comprehension

##### Recall Key Details

- What was Jeff Xie's strategy for getting on the game show?
- How does Jeff plan to use the money he won?

### Start a Discussion

#### Take a Poll

- How do you think Jeff should use the prize money? Have students raise their hands to vote for the following options: 1. Put the money in a savings account. 2. Invest the money in the stock market. 3. Spend the money now. 4. Choose a mix of saving, investing, and spending. Discuss the benefits and risks of each option.

### Extend Learning

#### Write a Financial Plan

- In pairs, have students create a chart that shows how \$75,000 could grow in 10 years in a savings account with a 2% yield annually (or find savings rates for your area) compared with how it could grow invested in the stock market, with an 8% yield annually. Provide an example of how to calculate the interest:  $\$75,000 \times .02 = \underline{\hspace{2cm}}$  and  $\$75,000 \times .08 = \underline{\hspace{2cm}}$ . Remind students to calculate the new balance ( $\$75,000 +$  interest earned) for each year before calculating the following year's interest.
- Have students write a plan that shows how they would use \$75,000.



a note from Jean

Dear Teachers,

Welcome to Your \$. The goal of this magazine—a collaborative effort from the PwC Charitable Foundation, TIME For Kids, and me—is to give you a tool to help teach your students about money. We aim to be fun and educational while we help you meet standards. You can help us with feedback and suggestions for future issues. Together, we can boost financial literacy for the next generation.

Best,  
Jean

COURTESY JEAN CHATZKY

#### FINANCIAL LITERACY STANDARDS ADDRESSED

Grades K–12 II. Buying Goods and Services; III. Savings; IV. Financial Investing

#### COMMON CORE STANDARDS ADDRESSED

Grade 5 RI.5.1; RI.5.10; 5.NBT.B.7; W.5.2  
Grade 6 RI.6.1; RI.6.10; 6.RP.A.3.C; W.6.2

## Teaching the story KIDS WEIGH IN

**YES! NO!**

**All About Income Taxes**  
If you're a parent, you know that taxes are a big part of your budget. But do you know how to calculate them? This guide explains how to figure out your tax liability and how to take advantage of deductions and credits.

**Share these tips with your students' families.**

### Before Reading

#### Take a Poll

- Have students weigh in on the debate question through a show of hands. After taking the poll, ask: Why might some people think it's a good idea for parents to tell their kids how to spend their money? Why might some people think it's not such a good idea?

### Start a Discussion

#### Critical Thinking

- Point out that the article presents the debate from two points of view: those who believe parents should tell their kids how to spend their money and those who do not. Ask: Is there middle ground, or an area of possible agreement

### FINANCIAL LITERACY STANDARDS ADDRESSED

**Grades K-12** I. Earning Income; II. Buying Goods and Services; III. Savings

### COMMON CORE STANDARDS ADDRESSED

**Grade 5** RI.5.1; RI.5.3; RI.5.8; RI.5.10; W.5.1

**Grade 6** RI.6.1; RI.6.3; RI.6.8; RI.6.10; W.6.1

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## TEACHING TIPS

**Use these tips to support close reading of the debate: Should Parents Tell Kids How to Spend Their Money?**

between the two sides? How can that middle ground be reached?

#### Synthesize Findings

- Based on what you read, what might be the long-term goal of parents telling kids how to spend their money?
- Think about the views of those who are opposed to parents telling kids how to spend their money. How might this group recommend reaching that long-term goal?

#### Extend Learning

##### Write a Persuasive Essay

- Challenge students to write an essay arguing for the point of view opposite from their own. For step-by-step instructions, go to [timeforkids.com/persuasive](http://timeforkids.com/persuasive).

## School / Home CONNECTION



**Share these tips with your students' families.**

- Have students work with a family member to develop a plan for achieving a short-term financial goal, such as buying a new bike or a pair of sneakers. The plan should include ways the student will earn and save money, as well as a timetable for achieving the goal.
- Suggest that students and parents each choose a company's stock to follow over a period of at least two months. Have students report to the class on how the stocks performed. Ask: Why did you choose that particular stock to follow? If you had invested in the stock, would you have made money?
- Tell students to interview a family member to learn how interest, checking accounts, loans, or some other aspect of banking works. Have students report their findings to the class.

## ADDITIONAL RESOURCES

[councilforconed.org/standards](http://councilforconed.org/standards)

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

[themint.org](http://themint.org)

The site provides tools to help kids develop money smarts. There are resources for parents and teachers too.

## ANSWER KEY FOR WORKSHEETS

### Page 3: Mind Your Money

**1.-2. Tuesday:** Total Spent: \$14.50; Total Saved: .50 **Wednesday:** Total Spent: \$12.50; Total Saved: \$2.50 **Thursday:** Total Spent: \$13.50; Total Saved: \$1.50 **Friday:** Total Spent: \$11.50; Total Saved: \$3.50 **Saturday:** Total Spent: \$15.00; Total Saved: \$10.00 **Sunday:** Total Spent: \$29.50; Total Saved: .50 **3.** Total Spent: \$107; Total Saved: \$23 **4.-5.** Answers will vary.

### Page 4: Money Matters

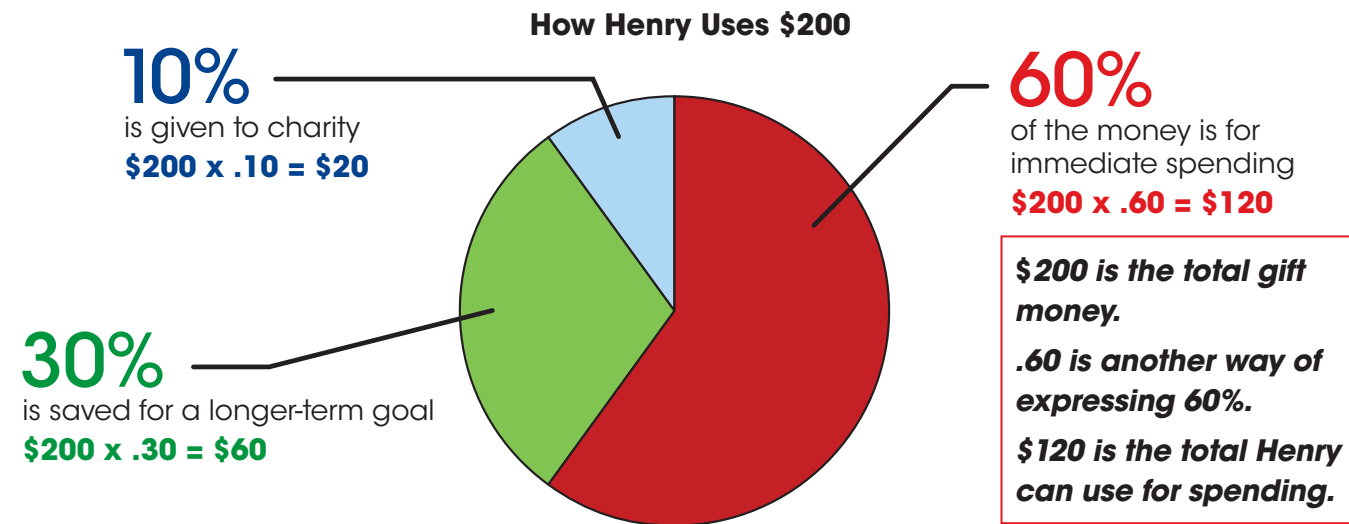
**1.** 30% **2.** \$120 **3.-4.** Answers will vary. **5.** \$60; \$30; \$10 **6.** Answers will vary.

Your Name \_\_\_\_\_

Date \_\_\_\_\_

# MONEY MATTERS

Henry's parents suggest he use his birthday money in a certain way. The pie chart shows how his parents advise him to use the money. Use the chart to answer the questions.



- What percentage of Henry's money is saved for future purchases? \_\_\_\_\_%
  - What amount can Henry spend right now? \$ \_\_\_\_\_
  - Why do you think Henry's parents suggest he save a portion of his money? \_\_\_\_\_
  - Why do you think Henry's parents suggest he give part of his money to charity? \_\_\_\_\_
  - Let's say Henry receives \$100 for good grades on his report card. If he follows his parents' advice,
 

how much can he spend immediately?	\$100 x .60 = \$ _____
how much will he save for future use?	\$100 x .30 = \$ _____
how much will he give to charity?	\$100 x .10 = \$ _____
  - Do you think the way Henry's parents suggest he use his birthday money is wise? Explain your answer on the back of this page.
- BONUS** Talk to a family member about what to do with gifts of money and other earnings. Does your family member agree with the way Henry uses his money? Why or why not?



Your Name \_\_\_\_\_

Date \_\_\_\_\_

# MIND YOUR MONEY

The chart shows the money Emma earns and spends in one week. Use the chart to answer the questions.

**EMMA'S MONEY DIARY**

MONDAY		TUESDAY		WEDNESDAY		THURSDAY		FRIDAY		SATURDAY		SUNDAY	
<b>Amount Earned</b>		<b>Amount Earned</b>		<b>Amount Earned</b>		<b>Amount Earned</b>		<b>Amount Earned</b>		<b>Amount Earned</b>		<b>Amount Earned</b>	
Walked dogs for one hour	\$15.00	Walked dogs for one hour	\$15.00	Walked dogs for one hour	\$15.00	Walked dogs for one hour	\$15.00	Walked dogs for one hour	\$15.00	Allowance	\$25.00	Walked dogs for two hours	\$30.00
<b>Amount Spent</b>		<b>Amount Spent</b>		<b>Amount Spent</b>		<b>Amount Spent</b>		<b>Amount Spent</b>		<b>Amount Spent</b>		<b>Amount Spent</b>	
School lunch	\$6.50	School lunch	\$6.50	School lunch	\$6.50	School lunch	\$6.50	School lunch	\$6.50	Movie	\$8.00	Video game	\$17.00
Snack	\$1.00	Snack	\$1.00	Snack	\$1.00	Snack	\$1.00	Snack	\$1.00	Popcorn	\$6.00	Book	\$10.00
Pack of pencils	\$3.00	Notebook	\$7.00	Music for iPod	\$6.00	Ice-cream cone	\$4.00	<b>TOTAL SPENT</b>		<b>TOTAL SPENT</b>		Pretzel	\$2.50
<b>TOTAL SPENT</b>	<b>\$10.50</b>	<b>TOTAL SPENT</b>		<b>TOTAL SPENT</b>		<b>TOTAL SPENT</b>		<b>TOTAL SPENT</b>		<b>TOTAL SPENT</b>		<b>TOTAL SPENT</b>	
<b>TOTAL SAVED</b>	<b>\$4.50</b>	<b>TOTAL SAVED</b>		<b>TOTAL SAVED</b>		<b>TOTAL SAVED</b>		<b>TOTAL SAVED</b>		<b>TOTAL SAVED</b>		<b>TOTAL SAVED</b>	

1. Add the amount Emma spent each day. Fill in the blanks above for the total spent.
2. Subtract the total amount spent each day from the total earned. Fill in the blanks for the amount saved.
3. How much did Emma spend in total? \_\_\_\_\_ How much did she save? \_\_\_\_\_
4. Emma is saving for a pair of \$75 sneakers. She must buy school lunch during the week. What changes can Emma make to her other spending to help save the money? Create a new spending schedule for Emma based on your suggestions. Use the back of this page.
5. If Emma takes your suggestions, about how many weeks would it take her to save for the sneakers? \_\_\_\_\_ Explain your answer on a separate page.

**BONUS** Talk to a family member about ways you can earn money to buy a particular item. Create a weekly earning-and-saving plan that will help you reach your goal.