VOL. 1, NO. 5
MAY 2015

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 POWER OF MONEY

WHAT'S INSIDE

- Find out how to manage the tricky link between money and emotions.
- Financial expert Jean Chatzky advises readers on how to start saving money.
- Should you be forced to save money? TFK Kid Reporters share their views.
- Learn the secret to billionaire Warren Buffett's success.

SUMMARY

Emotions can have a big impact on your spending habits. Learn how to train your brain to save money over the long run.

TEACHING TIPS Before Reading

Make Real-World Connections

- Which emotions do you feel when you think about money? (e.g., *sad, mad, happy, safe, scared*) Have students write a paragraph explaining their choice. Ask: Is it important to know how money makes us feel? Why or why not? Can this knowledge help us make better choices with money? How so?

Build Comprehension Recall Key Details

- Read the cover story together, stopping to discuss important details. Ask: What is “immediate gratification”? What impact does the need for immediate gratification have on long-term goals? What has research shown about children who are good at delaying gratification?

Make Inferences

- Do you think the “purchasing pause” is a good strategy to combat the need for immediate gratification? Explain your reasoning.

Have you ever tried it? Describe your experience.

Analyze Nonfiction Features

Note Story Structure

- Have students read the sidebar tips on how to avoid marketing traps. Ask: Do you think this information is useful? Explain. Why do you think this information is in a sidebar rather than incorporated into the story?

Start a Discussion

Critical Thinking

- Ask: What other strategies do stores use to encourage shoppers to spend money? (*Provide samples of food, drinks, perfume, or other items; place sale signs outside and inside of the store; place items such as candy, gum, or magazines near the cash register*)

Extend Learning

Ask an Expert

- Take a field trip to a local bank or other financial institution, or invite a financial expert to your class. Request a presentation on saving strategies, the difference between saving and investing, and information on how to open a bank account.



a note
from Jean

Dear Teachers,

This month, we dig into a topic I find fascinating: your brain and your money. We all do things with our money that we know aren't in our best interest, like buying shoes or digital devices when we should be saving. Recent brain research explains this impulse and can help us do the opposite. I hope you enjoy reading this issue as much as my team and I enjoyed pulling it together. Please drop me a note to let me know how your students react.

Best,
Jean

COURTESY JEAN CHATZKY

FINANCIAL-LITERACY STANDARDS ADDRESSED

Grades K–12 II. Buying Goods and Services, III. Saving, V. Financial Investing

COMMON CORE STATE STANDARDS ADDRESSED

Grade 5 RI.5.1, RI.5.2, RI.5.5, SL.5.1, W.5.2
Grade 6 RI.6.1, RI.6.2, RI.6.5, SL.6.1, W.6.2

Teaching the story KIDS WEIGH IN

KIDS WEIGH IN Should you be forced to save money?

ASK JEAN Jean Chatzky is a money expert.

YES! **Liliana Scott, 8** Sparrows Point, Maryland Facing kids to save money helps them learn about what will help them successfully manage their money in the future. Bad money management is not just a problem for the individual but also for society as a whole. When people control their own money, they can make better choices about saving, investing, and interest rates. If people make bad money choices, it can lead to a higher cost of living, less money on a positive side, and they will have to be more financially responsible adults. That's good for all of us.

NO! **Emily Valentino, 12** Middleton, New Jersey Parents should help kids learn to save their money, even if it's for their own good. Parents can offer advice, but the one should have the power to save. You know your child better than anyone else. People often waste money when they see their cover and can't afford to save it. If you can't afford to save, then you shouldn't. If you can't afford to save, then you shouldn't. If you can't afford to save, then you shouldn't. If you can't afford to save, then you shouldn't.

Made possible by the Ford Charitable Foundation

TEACHING TIPS

Use these tips to support close reading of the debate: Should you be forced to save money?

- Emily Valentino argues that “it’s important to learn from your mistakes.” Ask: What kinds of mistakes might people make with money? Make a list. (*spend too much; buy items they don’t need; rack up credit-card debt*) What lesson might you learn from these mistakes? In what ways might the lesson persuade people to change their habits?

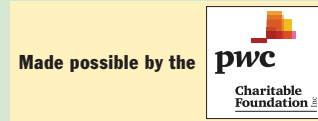
Extend Learning

Write to Persuade

- Imagine this scenario: Your child spends all his money immediately and doesn’t see the value of saving. How might you persuade him to change his habits? Write a letter from a parent’s perspective persuading the child to start saving for the future. Use information from the article and class discussion to support your views.

FINANCIAL-LITERACY STANDARDS ADDRESSED
Grades K-12 III. Saving

COMMON CORE STATE STANDARDS ADDRESSED
Grade 5 RI.5.1, RI.5.2, RI.5.8, SL.5.1, W.5.1
Grade 6 RI.6.1, RI.6.2, RI.6.8, SL.6.1, W.6.1



School / Home CONNECTION



COMSTOCK IMAGES

Share these tips with your students’ families.

- Have students work with a family member to analyze the techniques used by salespeople to encourage customers to spend more. Are the strategies the same as those in the sidebar on page 3 of the magazine? Does the store use any other strategies? Have students report findings to the class.
- Tell students to explain the “purchasing pause” to a family member and then to try the technique together. Have them answer the following questions: Did it work? Why or why not? Would you try it again? Why or why not? Ask students to share their experiences with the class.
- Have students complete the bonus question on the worksheet “It Pays to Save.” Encourage students and families to visit a bank or another financial institution to get their questions about savings and investments answered.

ADDITIONAL RESOURCES

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

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

Not Your Parents’ Money Book
by Jean Chatzky (Simon & Schuster, 2010)
Financial expert Jean Chatzky shares tips on how to make, spend, and save money.

ANSWER KEY FOR WORKSHEETS

Be a Smart Shopper
1. \$398.31 2. \$1.69 3-5. Answers will vary.

It Pays to Save
1. \$1 a day 2. \$31,489 3. \$54,379 4. true
5. Answers will vary.

Your Name _____

Date _____

BE A SMART SHOPPER

Samantha got \$400 for her birthday. She used the cash for a shopping spree. Look over the receipts below to see how she spent the money. Then answer the questions.

PATTY'S PIZZA

Item	Amount
Small Pizza	\$10.00
Soda	\$4.00
Subtotal:	\$14.00
Tax:	.84
Total:	\$14.84

SOURCE: OPENCLIFPART

EUREKA ELECTRONICS

HEADPHONES	\$99.95
BLUE CELL-PHONE CASE	\$15.00
PINK CELL-PHONE CASE	\$15.00
SUBTOTAL:	\$129.95
TAX:	\$7.81
TOTAL:	\$137.76

1. How much did Samantha spend in total? \$ _____

2. Samantha started with \$400. How much does she have left over? \$ _____

3. The cover story suggests saving 10% of your money. That means Samantha should have saved \$40 of her birthday money. (400 x .10 = \$40) Look at her purchases. How could she have saved about \$40? Cross out the items. Explain why you chose them.

4. Do you think Samantha is a smart shopper? YES NO Explain your reasoning. Use evidence from the receipts to support your view. _____

5. Samantha wants to save money for a computer. Based on these purchases, what advice would you give her? _____



DASHING FASHION

WHITE HOODIE SWEATSHIRT	\$15.90
RED HOODIE SWEATSHIRT	\$15.90
PURPLE CARDIGAN SWEATER	\$17.90
BLACK CARDIGAN SWEATER	\$17.90
BLUE CARDIGAN SWEATER	\$17.90
FLARED JEANS	\$14.90
WHITE JEANS	\$24.90
CROPPED JEANS	\$24.90
WHITE T-SHIRT	\$12.90
BLUE T-SHIRT	\$12.90
BLACK DRESS	\$27.90
BLUE DENIM DRESS	\$27.90
SUBTOTAL:	\$231.80
TAX:	\$13.91
TOTAL:	\$245.71



IT PAYS TO SAVE

Let's say you save \$365 a year for 50 years. That's just \$1 a day. The table shows how much your investment would earn over those 50 years at different interest rates.

Investment: \$365 X 50 (years) = \$18,250

Power Words:

investment: money that is put aside with the goal of making a profit

interest: the profit made on money that is saved or invested

savings: money that is put aside for future use

FREEPIK.COM

COMPOUND INTEREST EARNED	
Annual interest rate	Total saved over 50 years
2%	\$31,489
4%	\$57,952
6%	\$112,331
8%	\$226,181
10%	\$467,310
12%	\$981,131

1. How much would you have to save per day to save \$18,250 over 50 years? _____
2. Your savings earns a 2% annual interest rate. According to the chart, what is your savings total over 50 years? \$_____
3. How much more money could you save at 6% interest than at 4%? \$ _____
4. True or false: Each 2% increase in the interest rate more or less doubles your money. _____
5. Do you think it's important to start saving money at a young age? Explain your answer. _____

Bonus: Ask a family member to discuss the difference between putting money in a savings account and investing it. Which of the rates in the chart might a savings account earn? Which might investing earn? What are the pros and cons of each?

