



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

FIVE STEPS TO FINANCIAL SUCCESS

WHAT'S INSIDE

- Learn the five steps to a secure financial future.
- Compare the cost of living in each of the 50 states, using the map on page 4 of the magazine.
- Who decides how much things cost? Financial expert Jean Chatzky explains on page 4.

SUMMARY

Jean Chatzky shares five tips for financial success.

TEACHING TIPS Before Reading

Check Prior Knowledge

- Ask: What do you think it means to be “financially secure”? How do people achieve financial success?

Build Comprehension Recall Key Details

- Have students read the cover story in pairs. As they read, they should underline the answers to the following questions: What is the average yearly household income in the U.S.? What percentage of your earnings should you save? Why should you invest only money you won't need for at least five years? Why do adults buy insurance for homes, cars, and other items? Review answers with the class.

Critical Thinking

- Have students write a paragraph explaining how they can practice one of the steps to financial

success right now. Allow time for students to share their plans with the class.

Analyze Nonfiction Features

Note Story Structure

- Point out that money expert Jean Chatzky broke up her financial advice into five steps. Ask: Why do you think Chatzky chose this structure over a typical article structure? Do readers need to follow the steps in order? Explain.

Extend Learning

Write to Inform

- Brainstorm with the class a list of ways that young people can begin to build a financially secure future. (*Students might suggest starting a business, saving a portion of their earnings, opening a bank account, investing in the stock market, sticking to a budget, considering needs and wants before making purchases, and so on.*) Then have students use these ideas to write a step-by-step article, informing young people about money-smart habits that they can start developing right away.



a note from *Jean*

Dear Teachers,

I don't know about you, but I have my best ideas when I'm out for a run or in the shower. This is an example of the latter. I'd been writing about personal finance for well over a decade when I had the epiphany that if you accomplish the five steps in this month's cover story habitually and consistently, you will never have a problem with money. A decade later, that still holds true. So I'm delighted to have the opportunity to share these steps with your students. The younger you are when you learn them, the better off you will be.

Best,
Jean

FINANCIAL-LITERACY STANDARDS ADDRESSED

Grades K–12 I. Earning Income, III. Saving, VI. Protecting and Insuring

COMMON CORE STATE STANDARDS ADDRESSED

Grade 4 RI.4.1, RI.4.2, RI.4.5, SL.4.1, W.4.2

Teaching PAGE 4

How Much Does It Cost to Live in Your State?

Have you ever heard adults complain about the cost of living? The term describes the price you pay for things you need, including housing, food, taxes, and health care. These costs vary widely depending on where you live. Less money will go further in cheaper states, but might not be enough in more expensive parts of the country. Look at the map below to see how much \$100 is really worth in your state! The lower the number on the map, the more expensive the state.

ASK JEAN
Jean Chatzky is a money expert. She decides how much things cost. She reads, she writes, she determines the price. If the market decides the price is too high, the product will not sell. People won't buy it. That's when companies typically put their products on sale. Do you have a question? Write to Jean at jean@jeanchatzky.com.

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TEACHING TIPS

Use these tips to support close reading of the U.S. map and the Ask Jean feature on page 4.

Before Reading

Build Background

- Have students complete the worksheet "The Cost of Living" on page 4 of this guide. Review answers with the class.

Start a Discussion

Critical Thinking

- Ask: Which factors do you think make a state more expensive to live in? (Answers might include: large population, large urban areas, thriving industries, high concentration of culture and entertainment venues.)

Extend Learning

Make Real-World Connections

- Compare the cost of

living in cities in your area. Use this interactive map: coolmaps.esri.com/costofliving.

Create a Chart

- Read aloud the Ask Jean feature on page 4 of the student magazine. Have students complete these "if/then" statements based on the reading: If a product costs a lot to make, then the price will be _____. If a product is not selling, then the price may _____. If an item is popular, then the price will likely _____. Challenge students to create cause/effect charts illustrating the events that make prices go up and down. Allow time for students to present their work to the class.

School / Home CONNECTION



Share these tips with your students' families.

- Encourage students to complete with parents the bonus questions in the worksheets on pages 3 and 4 of this guide and share their results with the class.
- Challenge students to make a list of their valuables, including electronics, collectibles, and other items. Tell them to work with a parent to answer the following: How much would it cost to replace these items? If you could insure the items for \$100 a year, would you? Why or why not?
- Suggest that students and parents choose a stock and do research to find out how it performed over the past year. Imagining that they bought five shares in the company, they should answer the following questions: How much money did you make or lose? How would your initial investment (the cost of the five shares) have fared in a savings account over the same time period?

ADDITIONAL RESOURCES

councilforeconed.org/standards

Visit the Council for Economic Education's website for free teaching resources and to download the K-12 national standards for financial literacy.

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

From College to Career

1. petroleum engineering; early childhood education 2. \$68,000 more 3. true 4. Answers will vary.

The Cost of Living

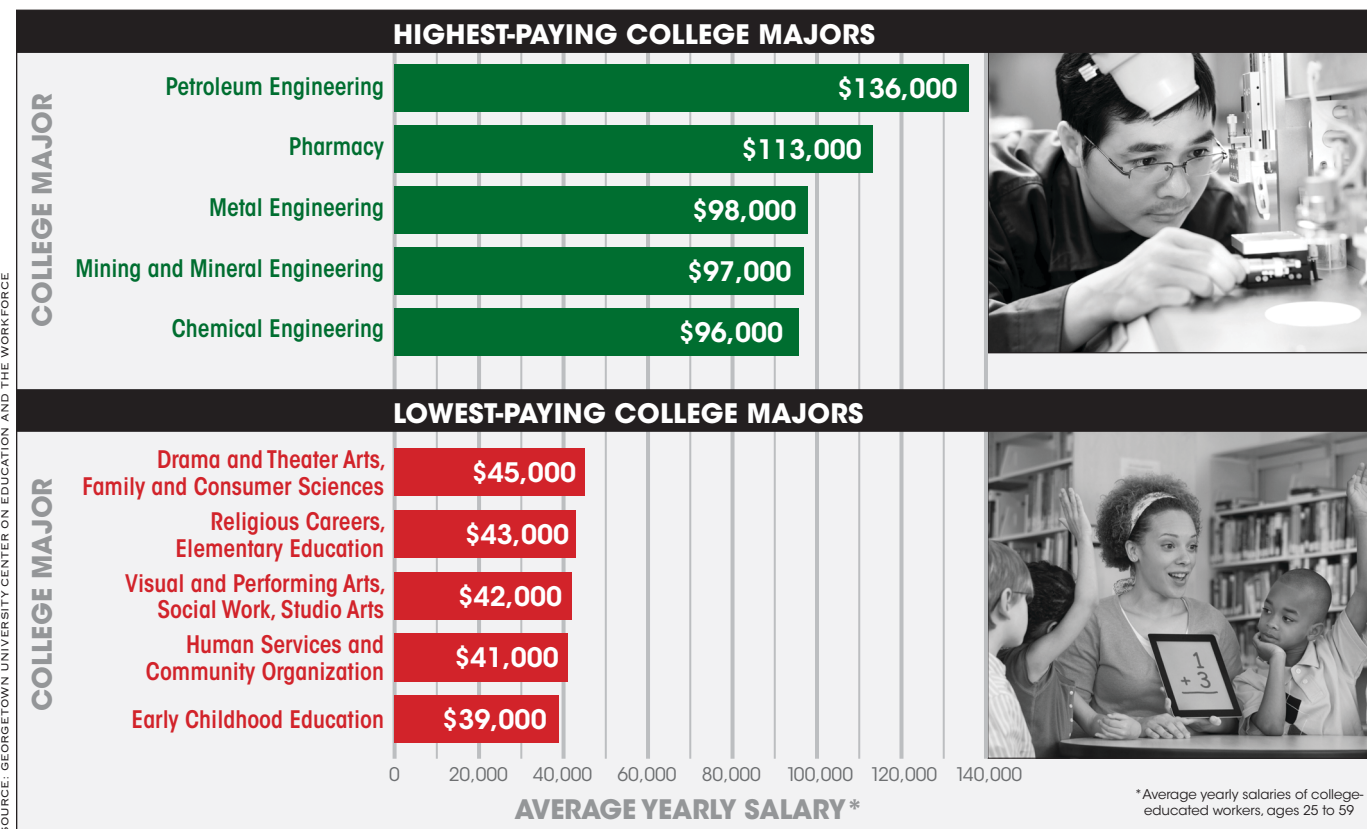
I. SD, NC, FL, CA, NY II. 1. Blue; answers on page 2. Orange; answers on page 3. \$10.53 more 4. Answers will vary. III. Yes, you get more for your dollar in Kentucky than in New York.

Your Name _____

Date _____

FROM COLLEGE TO CAREER

The bar graphs below show the college majors that lead to the highest and the lowest salaries. Study the graphs. Then answer the questions.



1. Which major leads to the highest salary? \$_____

Which major leads to the lowest salary? \$_____

2. How much more do pharmacy majors earn than drama majors? \$_____

3. True or false: The college majors that lead to the highest-paying jobs are in the science field. _____

4. Should future salary play a role in choosing a college major? Explain your reasoning.

Bonus Talk with a family member about a college major that interests you. What do you find interesting about it? What kinds of jobs are available in this field?

THE COST OF LIVING

The U.S. map on page 4 of the magazine shows the value of \$100 in each state. Use the map to complete the following activities.

I. HOW THE STATES STACK UP

Put the following states in order from
least expensive to most expensive:

**North Carolina, Florida, South Dakota,
California, New York.**

II. COMPARE THE COST

1. Which color are the states where \$100 is least valuable? _____ Mark each of these with an X.
2. Which color are the states where \$100 is most valuable? _____ Place a check on each of these states.
3. How much more is \$100 worth in Arkansas than in Texas? \$ _____
4. Find your state on the map. How would you describe your state's cost of living? Is it expensive or inexpensive compared with other states? Explain. _____

III. TIME FOR A RAISE?

Imagine that you live and work in Kentucky. Your boss asks you to move with the company to New York. Should you ask for a raise? Why or why not? Use specific evidence from the map to support your reasoning. _____

Bonus Challenge adult family members to complete "How the States Stack Up" without looking at the map on page 4 of the magazine. Ask them to explain how they estimated which states were more expensive and which were less expensive to live in.

