

TIME
FOR KIDS

YOUR



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FINANCIAL LITERACY FOR KIDS

Beau Shell earns cash
with an ice-cream
business he created.

SUMMERS WELL SPENT

Forget about
lazy days. Read
about three kids
who used their
summer vacations
to learn job skills
or run a business.



How I Spent My SUMMER

Summer can rush by in a blur of sunscreen, video games, and the community pool. But kids are earning money and building skills to move ahead in life, get into college, or start a booming business. These three kids share their summer stories.



COURTESY DIEGO BLANCO

Diego Blanco, 15 Altadena, California

If the crowds at *Jurassic World* are any indication, kids love dinosaurs. Diego Blanco turned his passion for them into a **profitable** business. He spent his summer appearing as a dinosaur expert at children's parties. "Set goals as to how much you want to make, and know how you plan to manage the money," says Diego, who met with a financial adviser to make his own plan.



COURTESY BEAU SHELL

Beau Shell, 11 Athens, Georgia

For his eighth birthday, Beau Shell asked for an ice-cream cart to house the \$325 freezer his parents had purchased for him. Beau spent \$155 on ice cream, raised the price, and made \$308 selling it at his first event. Now 11, he just wrapped up his fourth summer as the Lil' Ice Cream Dude. In the past year, Beau has earned almost \$20,000. "A business will make a profit if you work hard enough," says Beau. He regularly donates a percentage of his earnings to his community. "I want to help people who helped me," he says.



COURTESY JOSEPHINE LO

Josephine Lo, 17 Shepherdstown, West Virginia

Josephine Lo learned a lot from a few hours of work at her dad's tech company. "It challenged my mind and showed me how important it is to have a job you're interested in," she says. So she signed up for Girls Who Code, a summer camp that teaches skills for careers in the tech industry. The U.S. Department of Labor estimates there will be 1.4 million tech-job openings by 2020, the year Josephine will graduate from college. And it's **lucrative** work—a computer scientist earns an average of \$90,000 a year.

What I Learned During My Summer Vacation: Advice from Beau, Diego, and Josephine

1. Explore your passions. If you find something you enjoy, it won't feel like work.
2. Give back. Beau said it best: Helping others makes you feel good.
3. Get help from friends and family. They can help you make connections and share their experiences.
4. Save your earnings. Spend a little, but save for big goals, like college.
5. Invest in your future. Josephine didn't earn money this summer, but she learned valuable skills that will pay back over the years.

POWER WORDS

lucrative adjective: well-paid
profitable adjective: money-making

FAMILY CHALLENGE

It's never too soon to start planning!

Discuss with your family what you might like to do next summer. How do you think it will have a positive impact on your future?

—By Kelly Hultgren and Arielle O'Shea

How to Read a Paycheck

Hours The number of hours you worked within the pay period

Pay period The time period for which you are being paid

Rate The amount you are paid per hour

YTD Stands for year to date, and reflects the total amount you've earned this year

Deductions Your employer will subtract certain things from your gross pay, including state and federal taxes (see box below) and contributions for Medicare, which pays for health care for people 65 and over, and Social Security, which

can provide income for people who are retired, disabled, or unemployed

Gross pay
The total amount you earned during the pay period, determined by the number of hours you worked multiplied by the amount you are paid per hour

123 - John R. Doe				Pay Period 6/02/15 to 06/16/15		Required Deductions	
Earnings						Federal Income Tax	
Hours	Rate	This Period	YTD			00.00	00.00
50	9.00	450.00	900.00			06.08	12.16
Gross Pay						WI State Income Tax	00.00
		450.00	900.00			25.92	51.84
						Other Deductions	
						Health Insurance	00.00
						401k	00.00
						Parking	00.00
						NET PAY	\$418.00
							\$836.00

Your Employer 1234 Any Street Milwaukee, WI ZIPCODE		Check Number: XXXXXX Pay Date: 06/19/15	
PAY ***Four hundred eighteen dollars and 00 cents*****\$418.00			
To the order of John R. Doe 555 Some Street Milwaukee, WI ZIPCODE			

Net pay
The amount of money you actually receive once all the deductions are subtracted from your gross pay

COURTESY JEAN CHATZKY



ASK JEAN

Jean Chatzky is a money expert.

How does a bank make money?

—Brooks Harrington, 8, Norwalk, Connecticut

Think about a lemonade stand. It makes money when you sell lemonade for more money than it costs to make it. The difference between the cost to obtain the lemonade and the price you sell it for is the profit. A bank does the same thing, but its product is money. When you put your money in a bank, the bank pays you interest on your deposits. Then the bank turns around and loans your money to someone else, charging a higher rate of interest than it is paying you. The difference between the cost of bringing the money in and the price at which the bank loans it out is its profit. A bank uses that profit along with fees it charges customers for things like using ATMs to operate and pay its employees.

Do you have a question? Write to Jean at tfkasks4you@timeforkids.com.



RUSS WILSON—GETTY IMAGES

Meet Uncle Sam

Many people associate Uncle Sam with income taxes. On your paycheck, you'll notice deductions for state and federal taxes. It may seem unfair that a large portion of the money you earned has been taken away. But taxes pay for services you use every day, including public schools and teachers, the local park, paved streets, and your town's public pool. The amount you pay in taxes depends on how much you earned. The more you earn, the more you pay. If you earn more than \$10,150 this year, you have to file a federal tax return. But even if you don't make that much money, you may want to file because you may get some or all of the money you paid back as a tax refund. *Woo-hoo!*