

WHAT'S INSIDE

- Read the story of a trendy toy's rise and fall. See pages 2 and 3.
- What's the next hot toy trend? Read expert predictions on page 4.
- Make the most of your gift cards.
- Get Jean Chatzky's expert advice.



a note from Jean

Dear Teachers,

As a parent, I've been on the receiving end of pleas from my children to buy one hot toy or another as prices started to soar. It's frustrating. And I'm sure you hear the same sentiments in your classroom, as some children get these trendy items and others don't. That's why this month, we decided to explore the rise and fall of Rainbow Loom, a toy your students no doubt remember. Our hope is that the story will lead to discussions about value, the wisdom of following crowds, and what it means for something to be "worth it."

Wishing you a happy, healthy holiday season,

Jean



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. —**Andrea Delbanco, Editorial Director, TIME Education**

Teaching the cover story TOY STORY

SUMMARY

The cover story traces the rise in popularity of a hot toy and the factors that led to its decrease in popularity.

might people pay more for a popular product when supply is low? Why do prices fall when demand decreases?

TEACHING TIPS

Before Reading

Make Connections

- Ask: Have you ever begged your parents to buy you a popular toy? Why did you want it? Is it still popular?

Start a Discussion

Critical Thinking

- Point out the last paragraph of the second section, in which the author warns the reader not to “beg your parents to pay a lot for a hot toy!” Discuss: Do you think this is good advice? Why or why not?

Build Comprehension

Read for Details

- Read the story with your class. Ask: What factors helped to make Rainbow Loom so popular? (*online buzz, word-of-mouth, the right combination of supply and demand*) How were online buzz and word-of-mouth generated? (*Videos of Ng's daughters weaving bracelets went viral. Stores offered bracelet-making classes.*) What caused the craze to fade? (*Copycat looms sprang up.*)

Extend Learning

Identify Cause-Effect

- Tell students to underline two principles of supply and demand in the article's last section: 1) Sometimes, demand for a toy rises and the supply doesn't keep up. The price can double or even triple as a result. 2) But if supply increases or demand decreases, prices can fall just as quickly. Have students create charts illustrating these two principles. Ask: How does Rainbow Loom illustrate the first principle of supply and demand? (*As demand for Rainbow Loom increased, the price rose from \$15 to \$20 and as high as \$60.*) How does it illustrate the second principle? (*Supply increased when copycat looms sprang up. The craze began to fade so demand decreased, and the price fell to \$9.95.*)

Build Vocabulary

Define Words in Context

- Read the definition of *supply and demand* aloud. Then read the paragraphs that describe how this economic principle works. Ask: Why

**FINANCIAL-LITERACY
STANDARDS ADDRESSED**
Grades K–12

II. Buying Goods and Services

**COMMON CORE STATE
STANDARDS ADDRESSED**

Grade 4 RI.4.1, RI.4.4, RI.4.10, W.4.2, SL.4.1

Teaching the story FAD OF THE FUTURE?

YOUR'S

FAD OF THE FUTURE? Remember Hatchimals, last year's holiday must-have? The plastic pink lion-like whimsies to storm. They probably surprised even the people who made them. What will this year's hot toy turn out to be? Experts give us their predictions.

Collectible Toys Collectible line Stragglers will be hot, says Toy Industry Association CEO Steve Passolunghi. The same prediction that shoppers will buy up "blind packs." These are mystery toys that you discover only after opening.

Science and Tech Toys The popularity of toys with a science or technology theme is on the rise. Plus, parents like them because they are often more educational.

GET SMART ABOUT GIFT CARDS! A gift card is more than a piece of plastic. It's a loaded with money that you won't want to waste. Here's how to make the most of your gift cards.

Keep the card safe. About \$1 billion worth of the money on gift cards goes unused each year. Many cards are forgotten or lost. Ask a parent or guardian to put your gift cards in a safe place. Note their expiration dates.

Ask Jean: Why do we say that we aren't home when we are making monthly payments on it?
—Candice Clark, 18, Blacklick, Ohio

When a family makes monthly payments on a home, they are helping to pay back the bank. A loan is a responsible purchase. It costs too much for most people to pay all at once. We make what are called mortgage payments. This allows us to pay back the loan month by month. Every time we make a mortgage payment, we own a little more of the home. It takes time to pay for one year of the loan and save a little more money.

Do you have a question? Write to Jean at thelibrary@thelibraryofohio.com.

Made possible by the PNC Charitable Foundation

TEACHING TIPS

Use these tips to support close reading of the story “Fad of the Future?” on page 4.

School / Home CONNECTION



Share these tips with your students' families.

- Suggest that students and parents work together to set limits on purchases of fad products. They might consider, for instance, waiting an agreed-upon amount of time before purchasing a fad product. This gives students a chance to see if either the price or their desire for the product decreases. Send home the worksheet on page 4 of the Teacher's Guide.
- Have students share the article “Get Smart About Gift Cards!” on page 4 with a parent to talk about which strategies would work best for their family. Is there a strategy they could try right away?
- Tell students to share the Ask Jean feature on page 4 with a parent. Then examine an amortization schedule online to see how the equity on a 30-year mortgage builds over time. Go to bankrate.com/calculators/mortgages/amortization-calculator.aspx.

Before Reading Make Connections

- Ask: Which toys (or other products) are popular with your friends? Why are they so popular? How did you hear about them?

Make Predictions

- Hand out toy-store flyers. Have students pair up to discuss which toy they think could take off in popularity this holiday season. Tell them to give at least one reason for their prediction.

Build Comprehension

Draw Conclusions

- Have the student pairs read the story and discuss whether or not they agree with the toy experts' predictions. Were the students' pre-reading predictions consistent with the experts' predictions?

Critical Thinking

- Ask: Why do parents like science and tech toys,

according to the article? Do you think Rainbow Loom (from the cover story on pages 2 and 3) is a toy that parents would like? Explain.

Extend Learning Write a Speech

- Challenge students to write a one-minute speech aimed at getting kids to rethink spending money on a fad toy like the ones highlighted on page 4. Tell them to use evidence from the cover story on pages 2 and 3 to support their argument.

Do Research

- Have pairs of students write about a past fad like Furbies, Rubik's Cube, Tamagotchi, or Cabbage Patch dolls. Challenge them to do research to discover what made the toy popular and why it ultimately fizzled. Invite them to report their findings to the class.

FINANCIAL-LITERACY STANDARDS ADDRESSED
Grades K–12 II. Buying Goods and Services

COMMON CORE STATE STANDARDS ADDRESSED
Grade 4 RI.4.7, RI.4.8, W.4.7, SL.4.1, SL.4.4

ADDITIONAL RESOURCES

councilforeconed.org/standards

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

ducksters.com/money/supply_and_demand.php

Visit the Ducksters education site for a more in-depth explanation, complete with charts, of how the principle of supply and demand works.

ANSWER KEY FOR WORKSHEETS

Rise and Fall of a Hot Toy 1. The company would stop making certain Beanies, creating a shortage. Collectors still wanted to buy them, creating high demand. / Answers may include the following: online buzz created by the video, word-of-mouth from friends or people who had taken classes at stores, and the right combination of supply and demand. **2.** Prices increased. / Customers compete for a small supply of toys and will pay more to get what they want. **3.** high supply / Copycat looms sprang up. **4.–5.** Answers will vary. **What Do You Want? 1.–6.** Answers will vary.



The Rise and Fall of a Hot Toy

Read about Rainbow Loom in “The Rise and Fall of a Hot Toy.” Then read about Beanie Babies below. Both describe the rise and fall in popularity of a trendy toy. Compare the stories by answering the questions.

The Beanie Baby Craze

Small stuffed animals called Beanie Babies became wildly popular in the late 1990s. The plush toys had names like Happy the Hippo, Inky the Octopus, and Sly the Fox. Most were inexpensive. They cost about \$5 each. Children and adults rushed to collect them all.

But the toymakers often stopped making a particular Beanie suddenly. This created high demand and low supply. The price of the discontinued stuffed animal rose sharply. Collectors paid sky-high prices. They did whatever it took to complete their collection.

Take the story of Stripes the Dark Tiger. It sold for \$5 when it arrived in stores in 1995. The toy company made 50,000 of the stuffed tigers. In 1998, it stopped making them. Suddenly, the price that collectors would pay for a Stripes toy increased. In 1998, the stuffed tiger was worth an estimated \$250. Ten years later, it was worth \$1,000.

Eventually, people lost interest. Demand for Stripes the Dark Tiger—and all Beanie Babies—decreased. Today, a Stripes toy sells for \$9.95. The toymaker now sells collectible Beanie Boos for a similarly low price.

1. What is one reason that demand for Beanie Babies increased? _____

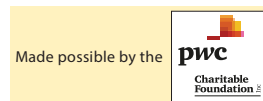
What is one reason that demand for Rainbow Loom increased? _____

2. What was the effect of high demand and low supply on the price of the two toys? Put an X next to the correct answer. _____ prices increased _____ prices decreased _____ prices stayed the same
Why do you think high demand and low supply affects prices in this way? _____

3. What partly caused Rainbow Loom’s decrease in popularity: low supply or high supply? Explain. _____

4. What lesson can you learn from the two stories about buying trendy toys? _____

5. Would you think twice about paying extra money for a trendy product after reading about Rainbow Loom and Beanie Babies? Why or why not? _____



Your name

Date



What Do You Want?

We all have wants and needs. Needs are things we must have in order to live. Food and water are needs. Wants are things we enjoy but do not require. A toy is an example of a want. Think about your biggest wants and their worth by completing the activity below.

1. Make a list of six items you want but don't need.

- | | |
|----------|----------|
| 1. _____ | 4. _____ |
| 2. _____ | 5. _____ |
| 3. _____ | 6. _____ |

2. Choose the item from the list that you would most like to own. Circle it.

3. Why do you want that item in particular? Explain. _____

4. How much does the item cost? _____
Could you buy a similar item at a lower price? Why or why not? _____

6. Do you think you'll still want the item one month from now? Explain. _____

Do you think it's a good idea to wait several weeks before buying a fad toy or product? Explain your answer on the back of this page.

Try It! Use the chart to track the price of a fad product and your desire for it over time.

Week	Price	How I Feel About the Product
1		
2		
3		
4		
5		