



WHAT'S INSIDE

- Got a savings goal? Five steps will help you achieve it. Turn to page 2 of the student magazine.
- Find out how interest grows over time. See page 4.
- Money expert Jean Chatzky explains how business owners get paid.



a note from Jean

Dear Teachers,

Let's admit it: There's a reason most New Year's resolutions are broken by February. Resolutions in and of themselves are daunting, particularly because so many of us have trouble succeeding at even short-term goals. That's why we decided to focus this issue on a very specific, much-needed type of goal: saving for something. You'll see we supplemented the cover story with anecdotes about what some students around the country are saving their money for. I'd love to be able to follow up with a few specific stories of savings success. Please let us know if your students have one to share.

All the best for a terrific 2018!

Jean



YOUR \$

FINANCIAL LITERACY FOR KIDS

VOL. 4, NO. 5
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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 SAVE SMARTER!

SUMMARY

The cover story highlights five steps readers can take to reach their savings goals.

TEACHING TIPS

Before Reading

Make Connections

- Ask: Have you ever saved up to buy something you really wanted? How did you reach your goal? Was it difficult? Explain.

Build Comprehension

Make Inferences

- Read the cover story aloud. Stop after each step in the savings plan to discuss the problems people might encounter if they don't follow that specific step.

Analyze Story Structure

Note Nonfiction Features

- Ask: Why did the author give readers steps on how to save? Could you skip a step? Does breaking the plan into steps make the goal seem easier to achieve? If so, why?

Extend Learning

Convey a Money Lesson

- Have students underline these quotes in the story: "People don't meet goals

when they bite off more than they can chew" and "Everyone fails, and that's when you grow." Challenge them to write a short story in which a character learns one of these money lessons. Or they might write an essay persuading people of the truth of one of these statements, using personal experience or the experience of someone they know.

Evaluate a Savings Plan

- Read the sidebar, "Eyes on the Prize." Have students choose the savings goal that seems the most difficult to achieve and write a sentence explaining why. Then have them write a paragraph with advice on what the kid should do next. Ask students to consider this question when writing the advice: Should the kid change the goal or change the plan?

Devise a Savings Plan

- Assign student groups a hypothetical savings goal such as paying for a pair of sneakers, a computer, or a trip. Have them come up with a plan for achieving it by addressing each step in the cover story. Tell students to get specific (decide which brand of sneakers, for instance), research prices, and choose a time frame for attaining the goal. Have each group present its savings plan to the class. Then ask the other students to provide feedback and constructive criticism.

FINANCIAL-LITERACY STANDARDS ADDRESSED
Grades K–12
Ill. Saving

COMMON CORE STATE STANDARDS ADDRESSED
Grade 4 RI.4.1, RI.4.5, W.4.2, W.4.3, SL.4.1

Teaching the story on COMPOUND INTEREST

THE POWER OF COMPOUND INTEREST

The money you put in a piggy bank grows only when you add more. But if you put that money in a savings account, it will earn interest. Every year you interest for having your money with them. The longer the money stays in the bank, the more the money grows. That's because of something called compounding, which means earning interest on your interest.

Look at the chart below. Let's say you started with \$100 and earned interest at an annual rate of 10%. At the end of the first year, you'd have \$110—more \$100 plus 10% of \$100, which is \$10.

Right now, bank interest rates are not nearly as high as 10%. But it is possible to earn long-term returns of that size by investing in stocks and mutual funds. The goal is for your money to work just as hard for you as you work for your money.

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Annual Earnings on a \$100 Investment at 10% Interest

Year	Amount
1	\$110.00
5	\$161.05
10	\$238.02
15	\$344.37
20	\$672.75

ASK JEAN

I understand getting a paycheck from an employer, but my mom does. But how does the main boss or business owner get paid?

—Dakota, 8, Olympia, Washington

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

Made possible by the PwC Charitable Foundation

Before Reading Make Connections

- Ask: What is interest? (a charge for borrowed money, usually a percentage of the amount borrowed) How can you earn interest? (Keep money in an interest-earning savings account or invest it in stocks or mutual funds.)

Build Comprehension Provide Background

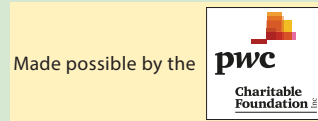
- Tell students that investing comes with risks. Money in the bank may not grow quickly, but it won't lose value. Stocks and other investments can lose value. For more information, have students read the November 2016 issue of *Your \$*, "Ready, Set, Invest!" To download a copy, go to timeforkids.com. Scroll down to the *Your \$* archive.

Critical Thinking

- Have students examine the

FINANCIAL-LITERACY STANDARDS ADDRESSED
Grades K-12 III. Saving; V. Financial Investing

COMMON CORE STATE STANDARDS ADDRESSED
Grade 4 RI.4.1, RI.4.4, SL.4.1, 4.NBT.B.6



School / Home CONNECTION



Share these tips with your students' families.

- Encourage students to work with parents or guardians to set a savings goal for the family. Perhaps they would like to save money for a new TV or a fun family outing. Ask them to plan how they will achieve the goal by following the steps outlined in the story on pages 2 and 3 of the student magazine.
- Suggest that parents or guardians use apps, such as Savings Spree or Renegade Buddies, to teach their kids valuable savings and budgeting lessons.
- Tell students to share with a parent or guardian "The Power of Compound Interest," on page 4 of the student magazine. Challenge them to compare the interest rates for savings accounts, certificates of deposit, and other investments at local banks and credit unions. Afterwards, they should discuss which investment would be best, and why.

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

How to Turn \$100 into \$1,000,000
 By James McKenna and Jeannine Glista, with Matt Fontaine (Workman Publishing Company, 2016)

This book teaches young people the basics of earning, saving, spending, and investing money.

ANSWER KEY FOR WORKSHEETS

MONEY TROUBLES, p. 3: Answers will vary.

STEP UP YOUR SAVINGS, p. 4: Answers will vary.

Your name _____

Date _____

MONEY TROUBLES

Read the scenarios below about kids who are trying to save money. Use information from the cover story, "Save Smarter," to complete the activity. Include your own ideas, too.

Worth the Wait?

Emily is saving for a \$120 skateboard. Two weeks in, she has \$40. It will take her four more weeks to earn the total. She is growing impatient. What advice would you give her?

Stick to It!

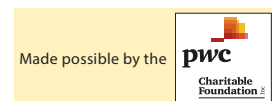
Jason wants a \$200 drone. He can earn the money in two months. But he'll have to stick to a tight budget. That means no more weekly trips to the movies with friends. What can he do to make it easier to stick to the plan?

A Matter of Time

Alex planned to save for a \$1,000 computer in 15 weeks. He makes \$50 a week walking dogs. He's behind in his weekly savings goal. But he's determined not to give up. What advice would you give him?

A Lesson Learned

Claire was putting away \$75 a week from her babysitting job. She hoped to buy a phone. She spent her whole savings on new clothes instead. Now she regrets her decision. What can she learn from this lesson?



Your name

Date



STEP UP YOUR SAVINGS

Learn the steps you can take to reach your savings goals. Read the cover story, "Save Smarter!" Then get to work on a plan for managing your money. Begin by completing the activity below.

Step 1: Get specific.

What I'm saving for: _____

Cost: _____

Step 2: Set a time frame.

What type of savings goal are you aiming for? Check one.

_____ a short-term goal (This might take days, a few weeks, or months.)

_____ a long-term goal (This might take several months or a year or more.)

Explain your choice. _____

Estimate the number of weeks, months, or years it will take to achieve the goal: _____

Step 3: Establish benchmarks.

Break your overall goal into smaller benchmarks. Divide the total cost by the number of days, weeks, or months it will take you to achieve your goal.

_____ (cost) ÷ _____ (number of days, weeks, or months) = _____

Step 4: Picture success.

What is one possible obstacle, or difficulty, that could get in the way of your success? Describe it.

How would you overcome the obstacle, or difficulty? _____

Step 5: Track progress.

The cover story suggests you keep track of your savings progress to stay motivated. Do you agree that this is a good idea? Why or why not?

What is another way to stay motivated as you work toward your savings goal?

BONUS: Share this page with your family. What do they think of your savings strategy? Do they have any advice on how you can improve it?