



TEACHING THE COVER STORY

INSERT COIN

“Free” games and apps come at a price. We reveal that you’re paying for them, even if you don’t know it.

FINANCIAL-LITERACY STANDARDS
II. Buying Goods and Services

COMMON CORE STANDARDS
RI.1, RI.9, W.2

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**

MAKING INFERENCES

Engage the Reader

- Have students write a paragraph about a product they have recently purchased. They should describe the product, and explain why they bought it and how they decided it was worth the money. Invite students to share their reflections on the purchase.
- Tell students they are going to read about how some digital games get players to pay for special features. Ask: What games do you play that have been downloaded from an app store? Have you ever spent money to earn extra lives or other special features? Do you think that was money well spent? Why or why not? How do these purchases differ from those you make at a store?

Read the Text

- Have students read the cover story. Tell them to take notes on the benefits, costs, and risks of in-app purchasing. (*Benefits: You get another chance at winning a game. You save money by watching an ad instead of paying for another chance. This way, you get the benefit of an in-app purchase but the game is technically still free. Costs: Digital games manipulate you into spending money. You end up wasting time watching ads to avoid paying for special features. Risks: Some ask you to install an app with malware that could steal information from your device.*)
- Bring the class together to review students’ findings. Ask: What are the benefits of in-app purchases and ads for game developers? (*They make money.*) What strategies do game designers use to entice players to make purchases? (*They ask a player to pay with either their money or their time for another chance at a game just as the player is about to fail. They use fake money in the form of tokens*

and virtual coins to make players forget that they paid real money for virtual currency.)

Respond to the Text

- Ask students to circle the phrase *opportunity cost* in the first paragraph of the section titled “They’re Selling Ads.” Tell them they can think of an opportunity cost as a trade-off. When you decide to spend time watching an ad, you are making a trade-off, or giving something up. Have students underline the examples of the trade-offs described. (*You give up doing things you want or need to do, like hanging out with friends, or doing homework.*) Ask: What other opportunity costs can we add to that list? What if a player decides to pay for another chance? What is the opportunity cost, or trade-off, in that scenario? (*Students might suggest that the money could be saved to buy something else that they need.*) Why is it important to consider the opportunity cost of the decisions we make?

Extend Learning

- Challenge students to design a game and consider whether or not they want to incorporate in-app purchases in order to make a profit. The resource “You Be the Game Designer,” on page 3 of this guide, will help them to get started.

WITHIN THIS GUIDE

- Read money expert Jean Chatzky’s letter about her own gaming habits and lessons learned.
- Give students a chance to invent a game and decide which in-app purchases to include.
- Send a letter home to help families discuss this month’s topic.



A NOTE FROM JEAN

Dear Teachers,

Here's a confession: I play games on my phone. Years ago, I paid for the no-ad version of Words with Friends. More recently, my mom turned me on to Wordscapes, and I've been gritting my teeth through the ads that show up every few levels. After editing this issue, I've decided I'm either going to pay the \$2.99 for the version with no ads or delete the game from my phone. Why? Because the story renewed my consciousness of how much of my valuable time games like this eat up. And if adults like you and me are not aware of the true cost of these free games, how can we expect our students to be? I hope you've enjoyed this school year with Your \$. We're already starting to plan for September and thinking about how we can help you make the topic of money resonate in your classrooms. We would love to hear your ideas! Please reach out to me at tfkasks4you@timeforkids.com.

Enjoy the summer!

Jean

ADDITIONAL RESOURCES

councilforeconed.org/standards

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

commonsensemedia.org

Curious about what other parents and educators are saying about a certain app? Visit Common Sense Media's App Reviews section on their website to learn more.

ANSWER KEY FOR WORKSHEET

“You Be the Game Designer,” p. 3:
Answers will vary.

YOUR \$

INSERT COIN

Counting computers know exactly how to get in headed, explains Steve D. Matsumoto, cofounder of PwC, a company that has built more than 100 apps. “You like your favorite musician to really good at playing, and you want to pay money to their app,” he says. Before an app is downloaded, it will use that information to apply the most money to that app, says Matsumoto.

“When you win a game, it feels good, and when you lose, it can feel frustrating or bad. Counting computers know that we want to prevent those bad feelings, so the game will strategically ask us to purchase or get a second chance just as we are about to fail. They may seem unfair, but these companies have to earn money to stay in business. If you get a game app once about \$2.99, and companies have to generate a return on investment, you’ll think that’s fair,” says president of Don & Don, a digital creative agency that has built more than 100 apps, its other way of saying, “You” apps are not really free. The developers are still making money.

THEY'RE SELLING ADS
For every ad you watch, the company that makes the game gets paid a few cents by the advertiser, based on the click. In the app ad world, you’re like TV commercials. Unfortunately, not all ads are safe. Some ask you to install another app. That can be very dangerous, because you might be downloading malware software called malware that can steal personal information off your phone.

“You should understand that the game getting for it with time you could have spent studying or with friends or doing homework,” says Victoria Stiles, 16, who has built more than 100 apps. “It’s a waste of time because your brain isn’t being stretched,” she says.

THEY GET YOU TO BUY STUFF
Finally, keep in mind that whenever you buy something from the app store—even when you’re buying virtual clothes you can use to keep playing, rather than something you can hold in your hands—your credit money. Part of why app developers make it so hard to find for you to remember that it will money pay to upgrade.” Matsumoto explains.

—By Katelyn Taylor

GET SMARTER IN THREE MOVES

- We know you can't wait to stop playing your favorite games, but you can't wait to stop playing them either. Here are three tips:
- **AdBlock:** You can use AdBlock to block ads on your phone. It's a free app that you can download from the App Store or Google Play. It will block ads on most apps, but it won't block ads on all apps. You can also use AdBlock to block ads on your computer.
- **Do not click on ads:** If you see an ad for a game that you don't want to play, don't click on it. Clicking on an ad can lead to a website that you don't want to visit.
- **Do not give your personal information:** If you see an ad that asks for your personal information, do not give it. This information can be used to steal your identity.
- **Do not click on ads that say "click here to win":** These ads are often used to trick you into clicking on a website that you don't want to visit.

OPINION WRITING

ARTICLE: “INSERT COIN,” (PP. 2–3)

After students have read this month's cover story, “Insert Coin,” ask them to recap its topic and express two opposing viewpoints one might have about this topic. (*One example might be the viewpoint of a disgruntled consumer getting pop-up options while playing a game, and an opposing viewpoint could be that of an appreciative consumer who has the choice to “level up” or continue playing for a very small fee.*) Explain to students that they will be participating in a debate today. As a class, determine which two viewpoints you would like to debate. Divide the class into two groups and assign each a viewpoint. Then ask students to take time to write from that viewpoint, with supporting evidence from the text. (Note: Their marked-up text from the cover lesson might be helpful here.) When they're done with this, student groups should prepare for the debate.

Arrange the room with one half of the desks facing the other half, and have students take part in a classroom debate. Open with the question “Should video-game developers build in upgrade options that cost money?” When students have debated this, bring the class together to discuss the activity and new information gained from the debate.

PAIRED TEXT

DISCUSS A SIMILAR TOPIC WITH TFK

- Once students have read the cover story, “Insert Coin,” have them go to timeforkids.com to read “Hooked on Games” (9/14/18). This story discusses health experts' warning that video games are taking over lives.
- After students have read the two articles, tell the class: Both articles discuss how the brain is affected by gaming. Who makes these claims, and what evidence supports them?

Your name

Date



YOU BE THE GAME DESIGNER

Read "Insert Coin" (May 2019) to learn how in-app purchases work. Then consider the role of such moneymaking strategies in a game that you create. Complete the organizer to get started.

Name of your game: _____

Number of players: _____

Characters: What do they look like? What are their skills? _____

Setting: Where does the game take place? _____

Goal: How do players win the game? _____

Which in-app purchase would you include? Put a ✓ next to one that you think is worth paying for and an X next to one that is not worth paying for.

____ second chance ____ coins to redeem for upgrades ____ new characters

____ extra tools for more functionality ____ unlocking the game's next level

____ virtual clothes or other belongings for avatars ____ other

Explain your choices. _____

Can you think of a way to keep your game challenging and make a profit without offering in-app purchases? Explain. _____

Think! How are in-app purchases different from buying products like a skateboard or baseball mitt? Do you think in-app purchases are worth it? Why or why not? Respond on the back of this page.

Common Core State Standards: RI.5.3, RI.6.3

To connect families with the financial topics being discussed in the classroom, we are including this monthly newsletter featuring family resources. Teachers, please take a moment to photocopy this page and send it home with your students.

DEAR FAMILY,

This month's *Your\$* addresses an important topic, not only for kids but for adults, too. Video-game development continues to advance technologically, and that includes the development of in-app purchasing and hidden fees.

In the article "Insert Coin," we have identified ways in which kids can be conscious consumers. While researching the topic, we also learned about the option to turn off in-app purchases and avoid surprise charges to your credit card. Let's take the lead on conscious gaming and talk to our kids about what they should be on the lookout for.

MONITORING IN-APP PURCHASES

On an iPhone, follow these steps:

1. Go to Settings.
2. Go to Screen Time (with hourglass icon).
3. Go to Content & Privacy Restrictions.
4. Go to iTunes & App Store Purchases.
5. Here, you can adjust your settings. You can turn off in-app purchases completely or require a password for every purchase, not just the first one.

On an Android phone, follow these steps:

1. Open the Google Play App.
2. Click the hamburger menu button.
3. Go to Settings.
4. Find the User Controls section.
5. Click the Require Authentication For Purchases option.
6. Here, you can adjust your settings. You can require a password at all times, every 30 minutes, or never.



AT-HOME ACTIVITY

Lots of kids play video games, but restrictions and regulations vary by the household. One thing we might all agree on, though, is the benefit of creative play offscreen.

Engage your kids in a real-world activity (and also learn a bit about the games they are playing) by challenging them to create something inspired by their favorite game. One idea is to create an obstacle course in the driveway mirroring Mario Kart. Or use recycled boxes to construct a scene from Minecraft. Or challenge them to create a game inspired by their favorite arcade game, such as the one above!