#### **EDITION 4**

# TIME YOUR S VOL. 3 NO.5 JANUARY 2017

FINANCIAL LITERACY FOR KIDS

TEACHER'S GUIDE

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

# WHAT'S INSIDE

- Find out how to help your family prepare for unexpected events.
- Giving to a charity? Follow the tips on page 4.
- Check out how much money the Red Cross has given to aid natural-disaster relief efforts over the years.
- Are you old enough to get a job? Money expert Jean Chatzky has the answer.



Dear Teachers,

Explaining the rationale behind insurance is not easy, whether you're talking to children or adults. After all, why would you pay a lot of money for something you hope never to use? The answer is that if you don't buy insurance, you could wind up in a much more precarious position financially. That, combined with the fact that natural disasters are occurring much more frequently these days, is why we decided to tackle the topic. If your students have questions or observations, please take a moment to jot them down and send me a note. They'll help us when we return to the topic in the future.

All the best, Jean Teaching the cover story

## THE COST OF NATURAL DISASTERS

#### **SUMMARY**

The cover story highlights ways to prepare for natural disasters and other unexpected events.

# **TEACHING TIPS**Before Reading

#### **Make Real-World Connections**

- Some risks can be anticipated.
   Ask: What are the risks of riding a bike or a skateboard? Make a list. What can you do to avoid these risks?
- Tell students that when it comes to homes, cars, and other belongings, people can protect themselves from unexpected harm or loss: They can buy insurance. Ask: What unexpected events might damage your property? How does insurance provide protection?

# **Build Comprehension**Preview the Cover

 Ask: Have students look at the cover photo. Ask: How might a tornado affect people and their belongings? What can people do to prepare for natural disasters and other unexpected events?

#### **Recall Key Details**

 Read the cover story together, stopping to discuss important facts and details along the way. Ask: Why do people buy insurance? What does the typical homeowner's policy protect against? What events might a typical homeowner's policy not protect against? What is a home inventory? Why should you create one?

# Extend Learning Design an Ad

• The cover story suggests ways to prepare for unexpected events. Have students work in groups to create an ad that convinces people of the importance of protecting their property. Allow students to choose from among these three topics for their ads: buying home insurance, creating a home inventory, or checking smoke alarms. Before students get started on the ads, hold a class discussion. Ask: What can you include in the ad to convince people of the importance of taking precautions? What kinds of images might persuade someone to buy home insurance, do a home inventory, or check smoke alarms? What facts and details from the cover story could you include? What makes those details persuasive?

## FINANCIAL-LITERACY STANDARDS ADDRESSED

**Grades K–12** III. Saving VI. Protecting and Insuring

## COMMON CORE STATE STANDARDS ADDRESSED

**Grade 4** RI.4.1, RI.4.3, RI.4.5, SL.4.1, W.4.1

COURTESY JEAN CHATZKY

# TEACHER'S GUIDE

## **Teaching** PAGE 4



#### **Before Reading Check Prior Knowledge**

• Ask: Why should we research charities before making donations? What questions about a charity would you want answered before you made a donation?

#### **Critical Thinking**

• In pairs, have students read "What You Can Do," on page 4. As students read, they should create a list of donating dos and donts. (Dos: Research the charity, send money, or raise money and donate the proceeds. Donts: Donate stuff, text donations.) Then start a class discussion. Ask: Why should you donate money rather than stuff? What complications might

## **TEACHING TIPS**

Use these tips to support close readina of "What You Can Do," on page 4.

delay your donated stuff from getting to the people who need it? What makes sending money a faster way to help people in need?

#### **Extend Learning** Act It Out

• Challenge students to put on a skit that demonstrates the importance of one of the donating dos and one of the donts. They might portray the complications that arise when people donate their clothes (i.e., getting the right sizes to the right people), or students might portray a family duped by a fake charity and the lesson they learned as a result.

#### Take Action

• Brainstorm with the class a list of ways students might raise money for a charity.

FINANCIAL-LITERACY STANDARDS ADDRESSED Grades K-12 I. Earning Income VI. Protecting and Insuring

**COMMON CORE STATE STANDARDS ADDRESSED Grade 4** Rl.4.1, Rl.4.2, SL.4.1, SL.4.4, W.4.3

Made possible by the PWC



School / Home



Share these tips with your students' families.

- Suggest that students talk with a parent about natural events—hurricanes or tornadoes, for instance—that could possibly happen in their area. Then create a plan with steps the family can take to make sure they are prepared.
- Challenge students to enlist the help of a parent to hold a tag sale of all the belongings the family no longer uses. Remind them to use the tips in "What You Can Do," on page 4, before donating the proceeds to a charity.
- Have students share with a family member the "Ask Jean" feature, on page 4. Next, they should work together to make two lists: 1) the student's talents and skills, and 2) ways to make money using those talents and skills.

### ADDITIONAL RESOURCES

councilforeconed.org/standards

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

#### mymoney.gov

Visit this website to learn the basics of money management. Choose "protect" on the navigation bar for steps to take to protect your financial future, such as saving for emergencies and buying insurance.

#### **ANSWER KEY FOR WORKSHEETS**

Home Safe Home: 1. \$70 / \$840 2. A tree fell on the roof. **3.** \$17,000 / \$1,000 **4.** Photos help insurance companies verify and assess the damage. 5. Answers will vary.

The Claim Game: 1. hail 2. 25% 3. nonweather-related water damage 4. Answers may include one of the following: rain, melting ice, and snow / Answers will vary. **5.-6.** Answers will vary.

Your name



# HOME SAFE HOME

We buy insurance to protect our homes, cars, and other belongings against loss or harm. After a hurricane hit thier home, the Walker family filed an insurance claim, A claim is an application for payment from an insurance company. The Walkers will use the payment to repair the damage. Read the claim below. Then answer the questions.

#### **Backaround**

The Walker family has owned their home for six years.

Cost of home insurance: \$70 per month

Date of damage

**Deductible:** \$1,000 (A deductible is the amount of money that an insured person must pay the rest of a claim before an insurance company will pay a claim.)

**Insurance Claim** 

October 7, 2016

	Time	7:20		Place	Miami, Florida	
	Description of damage Tree fel		on roof during a hurricane			
AGES	Who the damage was reported to			Police		
DEEPBLUE4YOU—GETTY IMAGES	Date the damage was reported			October 7, 2016		
ou—GE	Total cost of damages \$17,000					
LUE4Y(	These documents must be included with the claim:					
DEEPB	✓ Police report ✓ Photos of damage ✓ Repair estimate					
How much does the Walker family pay for insurance each month?						
What do they pay each year?						
2. How was their roof damaged in the hurricane?						
<u> </u>						
3. What is the total cost of repairs?						
·						
What is the deductible? (This is the amount the Walkers have to pay)						
4. Find the documents the Walkers will have to include with the claim. Why do you						
think an insurance company would want to see photos of the damage?						
	, ,			'		
5. How does having insurance help the Walker family? Explain your response						
					•	

**BONUS:** Talk with an adult family member about the pros and cons of paying to insure a home, car, or other belongings.

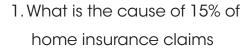


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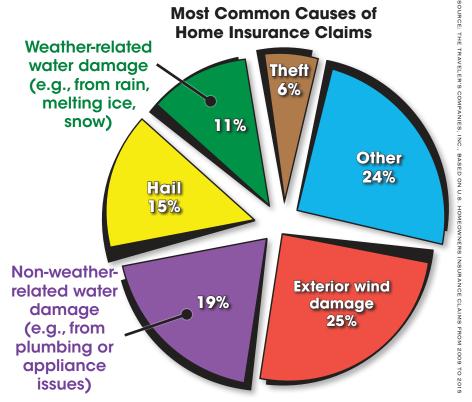


# THE CLAIM GAME

Damages to a home can be costly. That's why homeowners buy insurance. If their home is damaged, homeowners can file a claim to pay for repairs. What are the most common reasons homeowners file insurance claims? Read the graph to find out. Then answer the questions.



2. What percentage of claims are for wind damage?



- 3. Which happens more often, weather-related water damage or non-weather-related water damage? \_\_\_\_\_
- 4. What is one example of a source of weather-related water damage? \_\_\_\_\_\_
  - How might that type of weather damage a home? \_\_\_\_\_
- 5. Why do you think insurance companies collect this information? How might they use it?
- 6. How might this information help homeowners? \_\_\_\_\_

**BONUS:** Share the graph with an adult family member. Ask: How would the information in the graph affect your decisions about how to protect your home?

