# TEACHER'S GUIDE 



## 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 positionfinancially. 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

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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 financialliteracy magazine. -Nellie Gonzalez Cutler, Editor, TIME For KIDS

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 <br> Grades K-12 III. Saving <br> VI. Protecting and Insuring

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## Teaching

PAGE 4


Before Reading
Check Prio
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 starta a class discussion. Ask: Why should you donate money rather than stuff? What complications might

TEACHING TIPS
Use these tips to support close reading 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 Grades K-1
COMMON CORE STATE STANDARDS ADDRESSED Grade 4 RI.4.1, RI.4.2, SL.4.1, SL.4.4, W.4.3

## School / Home

## CONNECTION



- 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. non-weather-related water damage 4. Answers may include one of the following: rain, melting ice, and snow / Answers will vary 5.-6. Answers will vary.

## 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.

## Background

The Walker family has owned their home for six years.
Cost of home insurance: $\$ 70$ per month
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.)


1. How much does the Walker family pay for insurance each month? $\qquad$ What do they pay each year? $\qquad$
2. How was their roof damaged in the hurricane?
3. What is the total cost of repairs?
$\qquad$ 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? $\qquad$
5. How does having insurance help the Walker family? Explain your response $\qquad$

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.

1. What is the cause of $15 \%$ of home insurance claims
2. What percentage of claims are for wind damage?

## Most Common Causes of Home Insurance Claims


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? $\qquad$

How might that type of weather damage a home? $\qquad$
5. Why do you think insurance companies collect this information? How might they use it?
$\qquad$
$\qquad$
$\qquad$
6. How might this information help homeowners? $\qquad$

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?


[^0]:    COMMON CORE STATE STANDARDS ADDRESSED
    Grade 4 RI.4.1, RI.4.3, RI.4.5, SL.4.1, W.4.1

