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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. —*Nellie Gonzalez Cutler, Editor, TIME For Kids*

Teaching the cover story THE POWER OF MONEY

WHAT'S INSIDE

- Find out how to manage the tricky link between money and emotions.
- Financial expert Jean Chatzky advises readers on how to start saving money.
- Should you be forced to save money? TFK Kid Reporters share their views.
- Learn the secret to billionaire Warren Buffett's success.

SUMMARY

Emotions can affect your spending habits. Learn how to train your brain to save money over the long run.

TEACHING TIPS Before Reading

Make Real-World Connections

- Which emotions do you feel when you think about money? (e.g. *sad, mad, happy, safe, scared*) Have students write a paragraph explaining their choice. Ask: Is it important to know how money makes us feel? Why or why not? Can this knowledge help us to make better choices with money? How so?

Build Comprehension Recall Key Details

- Read the cover story together, stopping to discuss important details. Ask: What is “immediate gratification”? How does the need for immediate gratification affect long-term goals? What does research show us about children who are good at delaying gratification?

Make Inferences

- Do you think the “purchasing pause” is a good way to resist the need for immediate gratification?

Explain your reasoning. Would you give it a try? Why or why not?

Analyze Nonfiction Features

Note Story Structure

- Have students read the sidebar tips on how to avoid traps that encourage shoppers to spend more money. Ask: Do you think this information is useful? Explain. Why do you think this information is in a sidebar and not included in the story text?

Start a Discussion

Critical Thinking

- Ask: What other strategies do stores use to encourage shoppers to spend money? (*Provide samples of food, drinks, perfume, or other items; place sale signs outside and inside of the store; place items such as candy, gum, or magazines near the cash register*)

Extend Learning

Ask an Expert

- Take a field trip to a local bank or other financial institution, or invite a financial expert to your class. Request a presentation on saving strategies, the difference between saving and investing, and information on how to open a bank account.



a note
from Jean

Dear Teachers,

This month, we dig into a topic I find fascinating: your brain and your money. We all do things with our money that we know aren't in our best interest, like buying shoes or digital devices when we should be saving. Recent brain research explains this impulse and can help us do the opposite. I hope you enjoy reading this issue as much as my team and I enjoyed pulling it together. Please drop me a note to let me know how your students react.

Best,
Jean

FINANCIAL-LITERACY STANDARDS ADDRESSED

Grades K–12 II. Buying Goods and Services, III. Saving, V. Financial Investing

COMMON CORE STATE STANDARDS ADDRESSED

Grade 4 RI.4.1, RI.4.2, RI.4.5, SL.4.1, W.4.2

Teaching the story KIDS WEIGH IN

KIDS WEIGH IN Should you be forced to save money?

Parents will make it hard for kids to make choices on the spot. They have to think about managing money. Some parents think their kids should be able to have more choices and mistakes. The kids' responses will be more varied than those of the adults.

YES! Lilianna Scott, 12, **Northvale, New Jersey** Forcing kids to save money helps them form a habit that will help them in the future. Good money management is a problem for the individual and for society. When people control only their own money, they are responsible for their own consequences. If parents make kids save money, they will learn how to handle money, and they will grow to be more financially responsible adults. That's good for all of us.

NO! Emily Valentino, 12, **Northvale, New Jersey** No one should force you to save your money, even if it's for your own good. Parents can offer advice, but the choice should be yours. You know your needs better than anyone. If you want to save, you should. If you don't, you shouldn't. It's your choice or control. One day you'll face a big decision and you won't know what to do. Plus, it's important to learn from your mistakes.

ASK JEAN Jean Chatzky is a money expert. How can I start saving money? When saving money is an automatic habit, you are more likely to succeed. Many adults have money taken out of their paycheck and put into a savings account before the paycheck is even sent to them. They don't get the money so they don't spend it. It also helps to have a separate account for money that you are saving. You can have a goal for how much you want to save. Ask your parents to put that amount into a separate place for you. They'll get credit for the job. Sometimes a savings account can be set up for the child.

Hair Today, Gone Tomorrow Billionaire Warren Buffett has run his company for 50 years. He's been successful for 50 years. He's also been successful for 50 years. He's also been successful for 50 years. He's also been successful for 50 years. He's also been successful for 50 years.

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TEACHING TIPS

Use these tips to support close reading of the debate: Should you be forced to save money?

Before Reading Build Background

- Ask: Why might parents insist that their children save money? (to learn the value of money; to build a secure future) What circumstances might force people to dip into their savings? (losing a job; unexpected expenses, such as a house or car repair)

Start a Discussion Critical Thinking

- Liliana Scott says “forcing kids to save money helps them form a habit that will help them in the future.” Ask: How might saving money now help kids in the future? Make a list. Are these good reasons to force kids to save money?
- Emily Valentino argues that “it’s important to learn from your mistakes.”

FINANCIAL-LITERACY STANDARDS ADDRESSED

Grades K-12 III. Saving

COMMON CORE STATE STANDARDS ADDRESSED

Grade 5 RI.4.1, RI.4.2, RI.4.8, SL.4.1, W.4.1

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School / Home CONNECTION



COMSTOCK IMAGES

Share these tips with your students' families.

- Have students work with a family member to study the techniques used by salespeople to encourage customers to spend more. Are the strategies the same as those in the sidebar on page 3 of the magazine? Does the store use any other strategies? Have students report findings to the class.
- Tell students to explain the “purchasing pause” to a family member, and then try the technique together. Have them answer the following questions: Did it work? Why or why not? Would you try it again? Why or why not? Ask students to share their experiences with the class.
- Have students complete the bonus question on the worksheet titled “Time Is Money.” Encourage students and families to visit a bank or other financial institution to get their questions about savings and interest answered.

ADDITIONAL RESOURCES

councilforeconed.org/standards

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

themint.org

The site provides tools to help kids develop money smarts. There are resources for parents and teachers too.

Not Your Parents' Money Book

by Jean Chatzky (Simon & Schuster, 2010)

Financial expert Jean Chatzky shares tips on how to make, spend, and save money.

ANSWER KEY FOR WORKSHEETS

Be a Smart Shopper

1. \$297 2. \$3 3.-5. Answers will vary.

Time Is Money

1: 10 years old 2. \$1,319 3. true 4. \$8,515

5. Answers will vary.

Your Name _____

Date _____

BE A SMART SHOPPER

Samantha got \$300 for her birthday. She used the cash for a shopping spree. Look over the receipts below to see how she spent the money. Then answer the questions.

SOURCE: OPENCLIPART

Item	Amount
Small Pizza	\$11.00
Soda	\$4.00
Subtotal:	\$15.00
Tax:	1.00
Total:	\$16.00

EUREKA ELECTRONICS	
HEADPHONES	\$65.00
BLUE CELL-PHONE CASE	\$15.00
PINK CELL-PHONE CASE	\$15.00
SUBTOTAL:	\$95.00
TAX:	\$6.00
TOTAL:	\$101.00

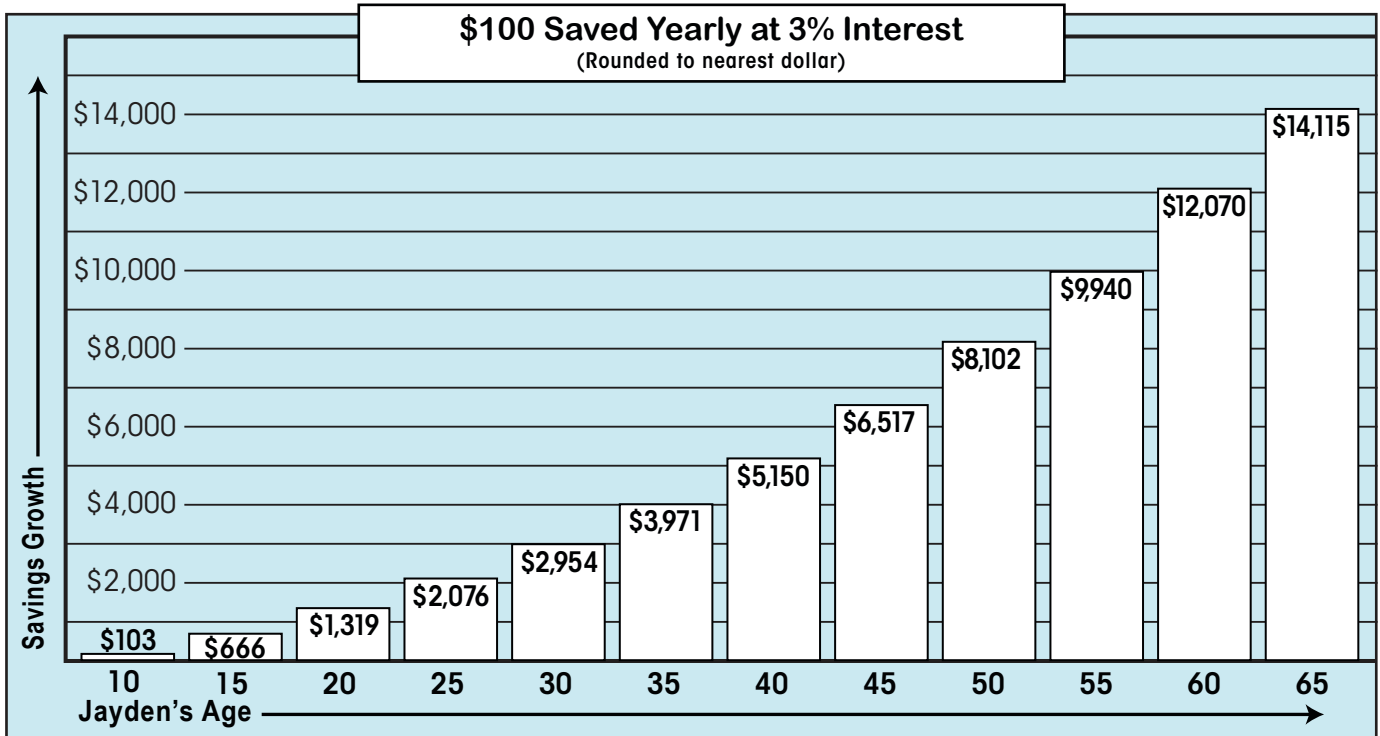
DASHING FASHION	
WHITE HOODIE SWEATSHIRT	\$15.00
RED HOODIE SWEATSHIRT	\$15.00
PURPLE CARDIGAN SWEATER	\$18.00
BLACK CARDIGAN SWEATER	\$18.00
BLUE CARDIGAN SWEATER	\$18.00
WHITE JEANS	\$25.00
CROPPED JEANS	\$25.00
WHITE T-SHIRT	\$12.00
BLUE T-SHIRT	\$12.00
PURPLE T-SHIRT	\$12.00
SUBTOTAL:	\$170.00
TAX:	\$10.00
TOTAL:	\$180.00

- How much did Samantha spend in total? \$ _____
- Samantha started with \$300. How much does she have left over? \$ _____
- The cover story suggests saving 10% of your money. That means Samantha should have saved \$30 of her birthday money. (300 x .10 = \$30) Look at her purchases. How could she have saved about \$30? Cross out the items. Explain why you chose them. _____
- Do you think Samantha is a smart shopper? YES NO Explain your reasoning. Use evidence from the receipts to support your view. _____
- Samantha wants to save money for a computer. Based on these purchases, what advice would you give her? _____

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TIME IS MONEY

Starting at the age of 10, Jayden saved \$100 each year in a bank account. The account earned 3% annually. The graph shows how Jayden’s money grew over time. Use the graph to answer the questions.



Power Words interest: the profit made on money that is saved or invested

savings: money that is put aside for future use

- At what age did Jayden start saving? _____
- How much money did Jayden save by age 20? \$ _____
- True or false: The savings account total increased more from ages 60 to 65 than from ages 10 to 15. _____
- Jayden deposited \$5,600 in total over the years. How much interest did he earn? \$ _____
- Do you think it's important to start saving money at a young age? Explain your answer on the back of this page. _____

\$14,115	(amount in account at age 65)
- 5,600	(total deposited over the years)
<input type="text"/>	(interest earned)

Bonus: What questions do you have about savings and interest? Write them on a separate page. Visit a bank with a family member to get your questions answered.