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FINANCIAL LITERACY FOR KIDS

VOL. 4, NO. 9
MAY 2018

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**

WHAT'S INSIDE

- Start your own business this summer. Find out how on pages 2 and 3 of the student magazine.
- Should kids have to earn their own spending money? Two TFK Kid Reporters share their views.
- Can a kid have more money than an adult? Financial expert Jean Chatzky explains on page 4.



a note
from *Jean*

Dear Teachers,

I hope you have enjoyed another year of Your \$. As you head toward summer vacation, I wonder if you'd take a few minutes to drop me a note about what you'd like to see from this magazine in the next school year. What could we do differently? What could we do better? We've already heard that aligning the Teacher's Guide with math standards would be helpful. Please email any other suggestions to me at tfkasks4you@timeforkids.com. We're open to all ideas. Thanks for taking the time to teach your students about money. Together, we'll create a generation of financially literate citizens, one child at a time. Happy summer!

Jean

Teaching the cover story START IT UP!

SUMMARY

The cover story shares tips on how kids can start a summer business.

TEACHING TIPS

Before Reading

Make Real-World Connections

- Have students imagine they want to open a pizza parlor near the school. What questions would they have to think through first? (Examples: Are there other pizza parlors nearby? How much should I charge per slice?) Make a list.

Build Comprehension

Read for Information

- The cover story poses four questions that kids starting a business should ask themselves. As students read the story independently, have them take notes on how Frank answered each question about his lawn-mowing business.

Build Vocabulary

Define Words in Context

- Point out the Power Words *competitor* and *promotion*. Read the definitions aloud. Then reread the section of text in which the words appear. Ask: Who are Frank's competitors? What did he do to make sure he could compete with them? How did he use promotion to gain an advantage over his competitors?

Start a Discussion

Critical Thinking

- Have students read the sidebar and circle promotion tips that require in-person interaction. Ask: How might the tips that require in-person contact result in more business? Why is it important to have face-to-face interactions when promoting a business?

Extend Learning

Create a Business Plan

- Have students create a business plan for Frank. Tell them Frank's goal is to make a \$1,200 total profit mowing lawns in June, July, and August. He charges \$8 per lawn. Gas for the mower costs \$1.50 per lawn. He will set aside \$5 per week for expenses like lawn mower repairs. Have students in groups answer these questions: How many lawns will Frank have to mow each day to earn his target profit by the end of August? If he doesn't use the repair money, how much extra profit will he have made? Is Frank's profit goal realistic? Why or why not? What additional services could he provide to make more money?

Launch Your Own Business

- Have students answer the questions posed in the cover story about a business they would like to start. Ask: Do you think your business idea could work? Why or why not?

**FINANCIAL-LITERACY
STANDARDS ADDRESSED**
Grades K-12
I. Earning Income

**COMMON CORE STATE
STANDARDS ADDRESSED**

Grade 5 RI.5.1, RI.5.3, RI.5.4, SL.5.1, 5.NBT.B.7

Grade 6 RI.6.1, RI.6.3, RI.6.4, SL.6.1, 6.NS.B.2

Your name _____

Date _____

AN EYE FOR BUSINESS

Read “Start It Up!” to learn about a kid entrepreneur named Frank Giaccio. Then answer the questions below. They will help you analyze Frank’s lawn-mowing business strategy.

1. Frank considered dog walking and house-sitting. Why did he decide to start a lawn-care business instead? Do you think he made the right decision? Why or why not? _____

2. What did Frank do to make sure he could compete with similar businesses in his area? _____

Why is standing out from the competition important for someone just starting a business? _____

3. If Frank’s business loses money, what can he do to try to turn a profit? Write two ideas. _____

4. What is one way mowing the White House lawn helped Frank’s business? _____

5. Frank shares his future goals in the cover story. Choose one. How will his experience running a lawn-care business help him achieve that goal? _____

Try It: Brainstorm a list of businesses you could start. Ask an adult to help you choose the best and most realistic option. Come up with two ways to make your business competitive.

Common Core State Standards: RI.5.1; RI.6.1

School / Home CONNECTION



COMSTOCK IMAGES

Share these tips with your students’ families.

- Tell students to work with a parent or guardian to answer the questions posed in the article about a business they would like to start. Encourage them to discuss the promotion ideas in the sidebar. Which do they think would work best for their business? Why?
- Have students go shopping with a parent to see the four Ps of marketing in action. Analyze at least one product. Ask: What is its price? Where is it placed? How is it promoted? Based on what you see, do you think the product will sell? What might improve sales?
- Have students get an adult family member’s views on the debate question on page 4 of the magazine. Does the family member agree with Erin or Luke about kids having to earn their own spending money? Are the family member’s reasons the same or different?

ADDITIONAL RESOURCES

councilforeconed.org/standards

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

Be a Young Entrepreneur

By Adam Sutherland (Barron’s Educational Series, 2016) This guide helps young people develop a game plan for launching, marketing, and growing their own business.

ANSWER KEY FOR WORKSHEETS

An Eye for Business, p. 3:

1. He didn’t think dog walking or house-sitting would generate enough business in his neighborhood. / Answers will vary. 2. He charges a lower price for his services. / Answers will vary. 3. Answers might include offering promotions, additional services, or advertising more. 4. Many people now know about Frank and his business. / They may trust him more since he successfully accomplished a high-profile job. 5. Answers will vary.

The Four Ps of Marketing, p. 4:

1.–8. Answers will vary.

Teaching the story KIDS WEIGH IN



TEACHING TIPS

Here are some ways to support students’ reading of the debate: **Should kids have to earn their own spending money?**

weak? Can the argument be strengthened? Explain.

- Point out that Luke suggests a way for parents to teach kids to appreciate money without making them earn it. Ask: How might this work? Do you think it’s a good idea? Why or why not?

Start a Discussion Make Inferences

- Ask: Which side of the debate do you think your parents would support? Why? What might persuade them to change their minds?

Extend Learning Write to Persuade

- Challenge students to write a letter arguing that parents should provide kids a limited amount of spending money. Students will have to explain how much parents should provide, what limits should be put in place, and why.

Before Reading Make Connections

- Have students create a list of products or services (beyond basic necessities) that they spend money on. Ask: How do you get money for the things you want?

Draw Conclusions

- Have students create a T-chart listing the pros and cons of kids having to earn their own spending money. Ask them to consider these questions: What might kids learn from earning their own spending money? How might a focus on earning spending money have negative effects?

Build Comprehension Critical Thinking

- Have students underline the strongest argument and circle the weakest argument on each side of the debate. Ask: What makes the argument strong/

FINANCIAL-LITERACY STANDARDS ADDRESSED

Grades K–12 I. Earning Income II. Buying Goods

COMMON CORE STATE STANDARDS ADDRESSED

Grade 5 RI.5.1, RI.5.3, RI.5.6, RI.5.8, W.5.1, SL.5.1

Grade 6 RI.6.1, RI.6.3, RI.6.6, RI.6.8, W.6.1, SL.6.1

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THE FOUR Ps OF MARKETING

The article “Start It Up!” describes the four Ps of marketing. Choose a product that you currently use that you think could be improved. Then put the four Ps to work in the activity below.

Product

1. Explain what the product does.

2. Describe a new feature that you will add to make it better. _____

Price

3. What is the original price? _____

How much more would you charge for the new version? _____

4. Put a check next to one strategy that you will use to increase sales.

___ coupon ___ sale ___ giveaway

Explain how it will work. _____

4Ps

Placement

5. Name two places where you will sell the new product.

(Examples: supermarket, door-to-door)

6. Describe how you will make the product stand out. _____

Promotion

7. Describe the person who is most likely to buy the product. _____

8. Put a check next to the best way to reach customers. ___ flyers ___ email

___ social media (Facebook, Twitter)

Explain your choice. _____

Try It! Work with a parent or guardian to write a slogan, or catchy phrase, that will help a new customer remember the product. Example: Nintendo’s new slogan is “There’s no play like it.”