

# Financial Fitness:

A Guide to Everyday Money



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## Acknowledgments

This document was written and produced by the **National Center for Family Literacy (NCFL)** for **Kentucky Adult Education (KYAE)**.

Kentucky Adult Education's core business is to raise the educational levels of eligible adults by providing academic instruction that leads to strong literacy skills and GED attainment, which are the gateways to postsecondary education and highly skilled employment.

### Core Values:

**Excellence** – We are committed to a quality adult education system that is accountable, efficient and meets the needs of students.

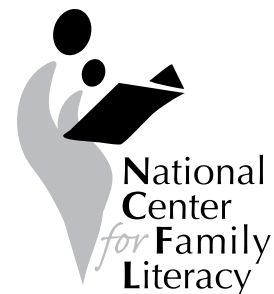
**Service** – We value and respect adult students and providers and deliver services in a courteous, timely and productive manner.

**Innovation** – We encourage creative ideas and strive for continuous improvement in all aspects of adult education.

**Synergy** – We believe that by working together we can achieve more than individuals working separately.

**Professionalism** – We support knowledgeable and dedicated educators by encouraging professional growth and self-improvement.

The **National Center for Family Literacy (NCFL)** is the worldwide leader in family literacy, an intergenerational approach to help families escape poverty through education. More than 1 million families have made positive educational and economic gains as a result of NCFL's work, which includes training more than 150,000 teachers and thousands of volunteers. Educators, policy makers and philanthropists rely on NCFL to mobilize family literacy efforts, conduct research and develop new, effective tools to leverage the learning relationship between parents and children. Family literacy, pioneered by NCFL, is a powerful community strategy for raising educational levels, improving workforce skills and breaking the cycle of poverty.



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## Introduction

Success with money management begins when there is a solid financial literacy foundation that delves into the many aspects of money and how it impacts everyday living. Whether it's one dollar or thousands of dollars, management of the dollar has far-reaching and lasting impacts for people of all ages and economic levels. In 2007, Senator Michael B. Enzi wrote in the preface for *Financial Literacy: Improving Education*,

***A life of financial success and security begins with a strong education. Every generation of Americans is introduced to the realities of spending, saving and finance at a younger age than the last. Yet for many years, our nation's financial literacy has not kept pace.***

The amount of money one has or does not have should not be the determining factor for good solid financial literacy education. Every consumer needs good money management skills to be a wise consumer who makes responsible choices.

Inside this booklet are activities that explore and explain how everyday money management practices can lead to lifelong effective money management skills. The activities teach short and long term planning for education, personal spending and investing. The activities are designed for family learning as well as for individual adult learners and school-age children with different literacy skill levels.

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## Activity 1: Know Your Money

### Learning Tools

Bills  
Loose coins  
Paper  
Pencils

### Learning Treasures

- It is easier to count coins starting with those that have the largest value.
- Counting money is important when making purchases.

### Family Financial Fun

1. With your child, arrange bills or coins on the table.
  - Name and say the value of each bill and coin for your child.
  - Then, ask your child to name and say the value of each.
  - After your child has learned the name and value of the bills and coins, arrange the money in different orders and ask your child to name the money.
  - Who are the people on the front of the coins and bills?
  - What is on the back of each one?
2. Can you and your child identify the faces on the money with the money face down on the table? Take turns guessing the faces and keep score to see who gets the most right.
3. Arrange a variety of coins on the table - enough to equal a dollar.
  - Ask your child how many of each coin it takes to equal a dollar.
  - Practice together.
  - Practice counting out one dollar in different combinations.
4. Make various combinations of coins and bills for your child to count.
  - Make various combinations that total the same amount of money.
  - For example, two quarters equal the same amount as five dimes or 10 nickels.

## Let's Count!

With your child, practice counting the amount of money shown in the following examples. Practice with real coins and bills when the opportunity arises.



\$

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\$

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\$

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## Activity 2: A Look into the Future

### Learning Tools

Pencil  
Crayons or markers  
Paper

### Learning Treasures

- A dream is something that you hope will happen.
- You set goals that will help make your dreams come true.
- You work to reach your goals.

### Family Financial Fun

#### 1. Goal Setting for the Future.

Ask your child:

- To close his/her eyes and imagine life as an adult.
- What do you want to do (or be) when you become an adult?
- What kinds of things do you like to do?

Talk about:

- Her/his skills and abilities.
- Dreams and goals for the future.

Ask your child to “Write or draw a picture showing what you will be when you become an adult. What are your career goals?” (Label the picture for young writers.)



Write two possible career goals in the boxes below. Draw pictures, too, if you want to.

Career Goal	Career Goal

# Section 1

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## 2. Educational Goals.

Ask your child to share three of his/her future education goals. You can visit your local library, or use online resources to learn about educational programs and their requirements.

Goal #1 \_\_\_\_\_

Education needed \_\_\_\_\_

Time, effort and money needed \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Goal #2 \_\_\_\_\_

Education needed \_\_\_\_\_

Time, effort and money needed \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Goal #3 \_\_\_\_\_

Education needed \_\_\_\_\_

Time, effort and money needed \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### 3. Personal/Family Goals.

Some goals we have are personal goals and others are family goals.

- Share one of your personal goals and one of your family goals with your child.
- Ask your child to tell you one of his/her personal goals.
- What family goal does your child have?
- Write your goals and your child's goals in the boxes below.

#### Personal Goals

**Adult's Goals:**

**Child's Goals:**

#### Family Goals

**Adult's Goals:**

**Child's Goals:**

## Activity 3: Shopping Decisions

### Learning Tools

Pencil  
Scissors  
Markers or crayons  
Newspaper ads, catalogs, or computer with Internet access

### Learning Treasures

- Income is the money you receive for doing things or as a gift.
- You can spend, save, or invest money for the things you want to buy.

### Family Financial Fun

#### 1. Money to Spend.

Ask your child, If you could buy anything, what would you like to buy?

\_\_\_\_\_

Why do you want this thing? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## 2. Purchases to Make.

With your child, pretend you have \$20 to spend.

- Look in newspaper ads, catalogs or online to find an item your child would like to have.
- Ask your child to draw or paste a picture or write about what he/she would like to buy in the box below.

How much did the item cost? \$ \_\_\_\_\_

How much money is left from the \$20? \$ \_\_\_\_\_

Why will this be a good purchase? \_\_\_\_\_

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## **For Older Children.**

Ask your child follow-up questions about the item he/she wants to buy, so you can discuss brand, quality and size.

- Is there another brand or size available? \_\_\_\_\_
- Are both brands the same quality? \_\_\_\_\_
- How long will the item last? \_\_\_\_\_
- Is one brand a better buy than the other for the money? \_\_\_\_\_
- Is it worth it? \_\_\_\_\_ Yes      \_\_\_\_\_ No      \_\_\_\_\_ Don't know

## **3. Red Light/Green Light.**

With your child, play this revised version of red light/green light using advertisements.

- As you and your child are going through newspaper, catalog or magazine ads, if you see something that seems too good to be true, say red light and list the item in the box below.
- If the ad shows something that seems to be worth the money, say green light and list the item in the box below.
- Discuss your decisions.

<b>Green Light Items</b>	<b>Red Light Items</b>

## 4. Money Saving.

With your child, clip coupons and count the money savings using coins to track your savings. Put the savings into a jar. Discuss with your child how the money can be used for a special treat.

- List the product coupons you clipped. \_\_\_\_\_

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- How much money did you save? \_\_\_\_\_

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- What special treat will be/was purchased with the savings? \_\_\_\_\_

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## 5. Transitions.

Ask your child to think about what the next school grade might be like.

- Follow up by asking your child to think about middle school, high school and college.
- Ask your child to draw or paste a picture or write about the next grade or college in the box below.

Ask your child:

- “How much do you think it will cost to go to college?” \_\_\_\_\_
- “Do you have any money for college?” \_\_\_\_\_
- “How much do you think you will need?” \_\_\_\_\_
- “How much do you need to save?” \_\_\_\_\_
- “How do you think you can save money to go to college?” \_\_\_\_\_

Look for answers to these questions by using your local library, adult education program, school resource center or online access to college information.

Share an example from your life with your child about something you saved for when you were in school or as an adult. Maybe you wanted to own a washing machine, but had to save to be able to buy it. Now you no longer have to go to the laundromat!

Explain how long you saved, how much you saved each week or month and why you were willing to make the sacrifice to save.



## Activity 4: Choosing Between Needs and Wants

### Learning Tools

Pencil

### Learning Treasures

- A **need** is something you must have to live, like food to eat and clothes to wear.
- A **want** is something you would like to have, but it is not necessary to live, even though it may be important to you.

### Family Financial Fun

#### 1. School Needs and Wants.

It is important for your child to understand the difference between wants and needs. Explain to your child that it helps to decide what to spend money on right now and to think about what you want to save. Some needs and wants have to do with school.

- Are the items below needs or wants?
- Can any of these be both needs and wants?
- Ask your child to place a check mark (✓) for each item in either the *Need* or *Want* column.
- What other needs and wants would your child add?

Need	Item	Want
	Pencils, pens, markers or crayons Notebooks Calculator Sports equipment for practice New clothes	

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## 2. Everyday Needs and Wants.

Ask your child, besides school, what other needs and wants he/she has. Birthdays and holidays are times when we think a lot about things we want! Your child might want a new toy or a special kind of bike, but that is not the same thing as a need.

- Are the items listed below needs or wants?
- Ask your child to place a check mark (✓) for each item in either the *Need* or *Want* column.
- Add your child's other needs and wants to the list.

Need	Item	Want
	Computer game Scooter Bike New toy New clothes New shoes	

## Activity 5: Earning Power

### Learning Tools

Pencil or marker  
Paper

### Learning Treasures

- When you plan your finances you have to make choices.
- One way we get things we want and need is to buy them.
- Working is the most reliable source of income.

### Family Financial Fun

#### 1. Getting Money.

Explain to your child that there are many ways people get money. Ask your child to name ways people get money and list them below.

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Tell your child that people can earn or receive money from working or people can give them money. Explain that working is the most reliable source of income, although money can be received as a gift.

- Ask your child to name ways a child can earn money.
- Have your child list ways he/she could earn money (some ideas might be painting, weeding the garden, raking leaves, or sweeping).
- See “Allowances Sheet” and “Chore Sheet” in the Resources section to discuss earning money.

What I Could Do	When I Would Do It	What I Would Earn

## 2. For Older Children.

Suggest to your child that one way you can let others know that you want to work or earn money is by creating a business card, flyer or brochure.

Ask your child to create a business card, flyer or brochure for one of the jobs that he/she can do.

## 3. For Younger Children.

Ask your child to draw a picture of himself/herself doing a job that he/she really wants to do.

## Activity 6: Deciding How to Spend Money

### Learning Tools

Pencil  
Paper

### Learning Treasures

- When you plan your future, you have to make choices.
- When you make a choice, you give up something else.
- Good choices can lead to a good financial future.

### Family Financial Fun

#### 1. Choices.

Ask your child, “What types of choices do you think adults have to make about spending money?”

Ask your child to share his/her ideas about things that adults spend money on for their families and themselves. Write suggestions in the chart below.

Family	Personal

#### 2. Spending Decisions.

Read the short stories on the next pages about spending. Then talk about each child’s spending decisions.

With your child, answer the questions following the story.

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## **Brianna's Decisions**

Brianna gets an allowance every week for helping with household chores. She brings in the mail, makes her bed, helps to set the table and takes the dishes to the sink after dinner. She also helps by playing with her baby brother when her mother has work to do. She earns two dollars each week.

One day a toy catalog came in the mail, and Brianna saw a washable tattoo kit that she thought would be really fun! Brianna's mom said she would have to ask for it for Christmas because it cost \$20. However, she also suggested that Brianna might save her allowance money and pay for it herself. That's what she decided to do.

If she saved 50 cents each week, she and her mother figured it would take 40 weeks. Brianna thought that was too long to wait. She decided to try to save half of her allowance (\$1) every week. That would take 20 weeks, and that still seemed like a long time. She saved her money for 6 weeks, and she had more than \$10 because a neighbor paid her for helping to walk their dog.

Then Brianna's mother told her she would actually need more than \$20 because when you order from a catalog you have to pay shipping costs. That would cost another \$6! Brianna wasn't happy about that. Her mother was proud that Brianna was saving her money, so she told her she would give her \$4 of the shipping cost.

A few weeks later, when Brianna had saved \$14, she saw a calculator on sale at a toy store. She liked it because it showed what the numbers look like when you write the problem on paper. She was having a hard time with multiplication at school, so she decided to buy the calculator. She used up almost all of her savings, but she liked the calculator.

What would you do if you had \$14 to spend?

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Do you think Brianna made a good decision? Why?

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## Josh's Decisions

Josh has a regular job helping his grandmother. She lives just two blocks away, so Josh can walk or ride his bike to her house. She was hurt in an accident and now needs help with lots of everyday activities. Josh spends at least one hour every day after school and on the weekends helping her in lots of little ways. She pays him \$5 every week.

Usually he spends the money on snacks and going to the movies with his friends. One week, he noticed that he hadn't spent all of his money, so he decided to put \$2 in his bank. He liked knowing he had this "extra" money, so he decided to try to save some of his money every week. After a few weeks he had \$10.75!

His friend Zack told him he should spend it, but Josh liked knowing he had the money. Then Zack showed him his new guitar. It was just the right size, and Josh really liked it. He asked Zack's dad how much it cost. He started saving as much as he could every week. When he had \$33, he went to the store and bought the guitar!

Josh's dad suggested that he should start saving again, so he could go to summer camp at school or take the art lessons Josh had asked about last summer. His dad said he would help with the cost if Josh saved \$20 by the end of the school year.

Josh wasn't sure he liked those ideas. Instead, he wanted to buy the case for his new guitar.



What would you do if you had \$33 to spend?

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Do you think Josh made a good decision? Why?

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*Spending money on learning is a good decision, because learning stays with us! When you're finished with the toys and snacks, you'll still have your knowledge and skills.*

## Activity 7: Money in the Bank

### Learning Tools

Pencil

Markers or crayons

Materials to make a bank

Access to a local bank's children's banking information

Check register

Pretend checks

Advertisements

### Learning Treasures

- Savings is the money you set aside to use in the future.
- Saving money in a bank can protect money from fire or loss.
- Saving money in the bank can keep you from spending it.

## Family Financial Fun

### 1. Where to Put Your Money.

Ask your child, "Where do people put money when they save it?" Write his/her answer here.

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Explain the difference between the various options for where you can put money. You can do this by using saving tools, such as piggy banks, or by playing pretend banking with deposit slips, a safe or a lock box, etc.

Why would someone want to put his or her money in a bank? Have your child write his/her answer here.

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Explain to your child that there are advantages to using a bank for saving rather than keeping money in the house.

- In the house, it would be possible to lose money due to fire or theft.
- In a bank, money is insured from loss and locked away in a fireproof vault.
- When money is in a bank, a person might not be as tempted to spend it!

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## 2. Paying Yourself and Savings.

Ask your child, “Do you know what *pay yourself* means?”

- Explain to your child that pay yourself means you set aside a specific sum of money each month before paying any bills. The first bill you should consider each month is you - pay yourself. As your money accumulates, you can consider investing the money.
- Explain that savings means setting aside a certain amount of money that may be used at another time for a special purchase or an expected expense.
- Demonstrate to your child how this works by making a plan for paying yourself and for saving.

<b>Month</b>	<b>Earnings</b>	<b>Self-pay</b>	<b>Savings</b>	<b>Percent Saved</b>
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				

## 3. Checking Accounts.

Another service available at the bank is a checking account. With this kind of account your money is available to use by writing checks.

- Show your child your checkbook and explain that when you write a check to someone, he or she receives the money from the bank; you do not have to give them the cash. This makes bill paying easier.
- Using the sample check, have your child practice writing a check. Your child can set up a pretend checking account and pay bills using checks and the check register.

Mary Jane Doe 123 Main Street Sometown, KY 12345	123-12 9090	111
	DATE _____	
PAY TO THE ORDER OF _____	\$ _____	
	_____ DOLLARS	
My Friendly Bank Sometown, KY		
MEMO _____	_____	
:0909090909:	:1091919111010:	111

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## 4. Automatic Teller Machine (ATM).

Ask your child what an ATM machine is and then ask your child to describe how you use the machine. Make sure your child understands you are withdrawing money from your own bank account.

- Make a pretend ATM card.
- Using pictures that are cutouts of an advertisement, ask your child to pretend to make purchases using the ATM card.
- Enter your purchases in the check register below.
- Start your register balance off with \$50.

Check No.	Date	Description	Payment Amount	Deposit Amount	Balance
					\$50.00

## Activity 8: Borrowing, Renting, and Credit

### Learning Tools

Library card  
Pencil  
Magazine/newspaper pictures  
Calendar

### Learning Treasures

- When you borrow something, you have to return it to its owner.
- When you rent, you are paying to use something for a set amount of time.
- It is important to return borrowed items on time.
- It is important to pay rent on time.

### Family Financial Fun

#### 1. Borrowing.

Take your child to the library and check out books that you and your child will enjoy reading. After you have checked out the books, discuss with your child the meaning of the return date for the library book.

- Mark the return date on a calendar as a reminder.
- Ask your child, “What happens if you don’t return the books on time?”
- Share with your child, “If you don’t return your library books on time, there is a cost.”
- With your child, figure out how much daily library fines are.

1 day fine \_\_\_\_\_ 2 day fine \_\_\_\_\_ 3 day fine \_\_\_\_\_

1 week fine \_\_\_\_\_ 2 weeks fine \_\_\_\_\_ 3 weeks fine \_\_\_\_\_

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Ask your child, "What happens if your library book is lost? How much would you have to pay for the book?" With your child, look on the inside of the front cover or on the back cover of several books to see how much they cost. You might also look on the Web site of a bookstore to get an idea about prices.

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What are other things that you or your child might borrow?

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## 2. Renting.

When you rent, you don't own what you are renting and you pay a cost while you use what you are renting. People rent things like movies, houses, apartments and cars.

- When you rent a movie, you pay a cost, and then you have to return the movie on time. It's like borrowing, but it's not free.
- If you rent a house or an apartment, you also have to pay a fee as long as you are living there. You pay a certain amount every month.
- Renting a car works the same way - you pay as long as you drive the car.

Ask your child:

- What are other things that people rent?

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- What happens if you are late returning a movie you've rented?

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- What happens if you don't return a movie you've rented from a store?

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- How much do movie videos and DVDs cost? Check in a store, check a newspaper ad, or look online to get an idea of the cost.

VHS Cost \_\_\_\_\_ DVD Cost \_\_\_\_\_ Blu-ray DVD Cost \_\_\_\_\_

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### 3. Credit.

Ask your child, "What is credit?"

- Explain to your child that credit is borrowed money that you can use to purchase things you need when you need them and then repay the funds at an agreed-upon time.
- When you use credit, you have to repay and there is a cost you pay for using credit.
- The cost is called "interest."

Ask your child, "How is credit different from borrowing and renting?"

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Ask your child to cut out pictures of things he/she likes. Draw a chart like the example and label the columns *Borrowing*, *Renting* and *Credit*. Have your child put the pictures under the appropriate headline.

<b>Borrowing</b>	<b>Renting</b>	<b>Credit</b>

### **For Older Children.**

- It is important to pay anything you owe on time.
- Having a good record of on-time payments is important when you want to borrow money.
- If you want to buy a car or a house or borrow to pay for college tuition, the banks that lend money look at your record of paying on time – that is your credit record or credit rating.

You might not be able to get a loan if you don't have good credit. You want to have a reputation as an honest, hard-working person and your credit rating is like your reputation. A good credit rating says you are a responsible person.

Ask your child, "Why will you need a good credit rating when you grow up?"

## Activity 9: The Value in it

### Learning Tools

Pencil  
Markers or crayons  
Board games

### Learning Treasures

- An asset is something of value owned by an individual or an organization.
- Going to school helps us improve or increase our personal assets, which can help us get a good job.

### Family Financial Fun

#### 1. Assets.

An asset is something of value that is owned by a person or an organization. There are personal assets and physical assets.

- *Physical assets* are those things that you can touch and that can be sold or taken from us. Physical assets usually refer to toys, clothing, equipment, real estate, inventory and properties owned.
- *Personal assets* are those things that we personally possess and that can't be sold or taken from us. Personal assets can be our knowledge, skills, values, health and drive.

## **2. Physical Assets.**

Ask your child if he or she has any physical assets.

- List those assets.
- Remind your child of his/her toys, bicycle, etc.
- Ask your child to write about or draw a picture of his/her favorite physical assets.

## **3. Board Games.**

There are several board games your family can play that reinforce financial skills.

- Ask your child's teacher or your adult education teacher or search online or in a store that sells games for suggestions.
- Make sure the game is age appropriate for your child and teaches the skills you want your child to learn.

*Education and training are the most important investments you can make in your personal assets. These are ways you can invest in your future. Getting the best grades you can now is an investment! A high school and post-secondary education will raise your future income. Education or training will increase your skills and make you a more valuable worker. Going to school and getting an education is the most important investment you can make.*

## Activity 10: Turning Dreams into Goals

### Learning Tools

Pencil

Dream bowl or basket

Slips of paper to write dreams on

Large sheet of paper to draw, mind map or plan dreams

### Learning Treasures

- You make your dreams come true by setting goals to achieve your dreams.
- You have to work and save for what you want.
- Planning will help you save for your dreams.

### Family Financial Fun

#### 1. Dreams.

With your child, individually write down different dreams you each have on slips of paper and put them in a bowl.

- Pull one dream from the bowl and together plan the steps for achieving that dream.
- When you pull out an adult dream slip from the bowl, explain to your child how you think this dream could come true and ask your child if he/she has any ideas to share.
- As you write the steps for the dreams, share with your young child what you are writing.

**2. The Cost of Dreams.**

What do you think the cost will be for the dream you just planned?

- Write down the cost beside each step.
- Help your child figure the cost of his/her dreams.

<b>Dream Steps</b>	<b>Cost</b>	<b>Weekly Earnings</b>	<b>Weekly Savings</b>	<b>Total Weeks Required</b>

### Activity 1: Dollars and Sense

#### Learning Tools

Pencil  
Newspaper  
Bills and loose coins  
Computer with Internet (optional)  
Combination cards

#### Learning Treasures

- It is easier to count coins from largest value to smallest value.
- Counting back change insures that you gave back the correct amount.

#### Family Financial Fun

##### 1. U.S. Money Facts.

Use the U. S. Money Facts below to have fun with your child. See who can get the most correct answers. Match the information in the second column with the first column.

- |  |  |
|--|--|
| ___ Dimensions of U.S. paper currency  | <b>A.</b> Paper Currency   |
| ___ Ben Franklin   | <b>B.</b> 1 cent, 5 cents, 25 cents, and 50 cents                                  |
| ___ A gold bullion reserve   | <b>C.</b> 38 million notes (face value of about \$541 million)                     |
| ___ Amount of paper money printed daily                                      | <b>D.</b> The Bureau of Engraving and Printing                                     |
| ___ Issued to make up for the shortage of coins and to finance the Civil War | <b>E.</b> 2.61 inches wide by 6.14 inches long, and the thickness is 0.0043 inches |
| ___ The Indian Head one-cent coin  | <b>F.</b> Made from 1858 through 1909  |
| ___ Who prints money?  | <b>G.</b> Fort Knox Depository   |
| ___ First denominations of paper currency                                    | <b>H.</b> 100 dollar bill  |



## 2. Count Down.

Arrange bills and coins face down on a table. Take turns with your child guessing whose face is on the money. Use the combination cards template to practice counting back money.

- With your child, turn over a combination card from the stack of cards and race to make the correct change from the amount spent.
- The dollar amount in the upper right corner is the amount of money given and the large amount in the center is the amount spent.

## 3. Every Penny Counts.

### *Grocery Shopping*

Ask your child to help you make a list of groceries you need. Together, research the prices using newspaper ads or the Internet. You have \$43.80 to spend on groceries.

- What will you get?

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- How much did you spend?

---

- If you pay for your purchase with two twenty and one ten dollar bills, how much change would you get back?

---

- Do you have everything to make one meal for the family?    Yes    No

### *Fast Food Stop*

Everyone in your family purchases two things from the \$1 menu. Additionally, two people each purchase another item for \$1.49. (You may or may not include tax.)

- You give the cashier a twenty-dollar bill.
- Ask your child how much change you will get back or how much you will be short.

## Section 2

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### 4. Change Back.

Help your child practice making change from the following purchase scenarios. What coins and bills could you receive?

The purchase totals \$8.47. You give the clerk a \$10 bill. What is the change?

---

What bills and coins can you give back in change?

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The purchase totals \$39.79. You give the clerk four \$10 bills. What is the change?

                                                                            
Dollars      Quarters      Dimes      Nickels      Pennies

The purchase totals \$52.52. You give the clerk three \$20 bills. What is the change?

                                                                            
Dollars      Quarters      Dimes      Nickels      Pennies

Combination Cards

\$40 <b>\$36.24</b>	\$100 <b>\$87.52</b>	\$80 <b>\$72.16</b>
\$140 <b>\$129.29</b>	\$20 <b>\$9.23</b>	\$20 <b>\$15.36</b>
\$60 <b>\$56.56</b>	\$50 <b>\$42.48</b>	\$110 <b>\$108.81</b>
\$140 <b>\$134.65</b>	\$100 <b>\$91.51</b>	\$30 <b>\$23.77</b>

### **Activity 2: A World of Possibilities: Dreams and Setting Goals**

#### **Learning Tools**

Pencil  
Paper  
Calendar

#### **Learning Treasures**

- A dream is a futuristic hope or vision that may be achieved by setting and pursuing goals.
- Your goal has to be within your power for you to make it happen.
- Realistic goals require time and effort.

#### **Family Financial Fun**

##### **1. Planning for the Future.**

With your child, find key words in the word search on the following page. These words can be used to write a definition for dreams and goals.

S E M S C A P G A S A M I R  
 I V O I T C U O A C T I O N  
 D U I N R E R A T A T P N A  
 R T R S H O P L U R L U M S  
 E F G P I F O S D A K R E P  
 A U T I O O E H N J I P M I  
 M T E R A M N N S U P A S R  
 S U I E M C I G E H O P E A  
 M R R D T N R C O U W G F T  
 O I I L G K L D O N E U F I  
 P S E A P U R P O S E R O O  
 K T T A L L M A N O R A R N  
 A I I B E I A S I D U O T W  
 I C M R A T T A I N A B L E  
 M A E R E A L I S T I C G N  
 D P O W E R R D E S U C O F

Action  
 Aim  
 Aspiration  
 Attainable

Dreams  
 Effort  
 Focused  
 Futuristic  
 Goals

Hope  
 Inspired  
 Planning  
 Power  
 Purpose

Realistic  
 Steps  
 Time  
 Vision

## Section 2

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### 2. Defining Dreams and Goals.

With your child, write your own definitions for dreams and goals. Use words from the word search if you would like to.

Dreams:

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Goals:

---

---

### 3. Turning Dreams into Goals.

Having a dream – both you and your child can:

- Identify each of your dreams (only you know your dream).
- Make a plan to achieve your individual dream/set goals.
- Take action to achieve your dream
- Stay focused and on course to achieve the goals that lead to your dream.

Setting goals to achieve your dream – both you and your child can:

- Define the goal.
- Outline the steps needed to achieve it.
- Consider possible obstacles and ways of dealing with them.
- Set deadlines.

Ask your child to list one or more of his/her dreams and the short and long term goals for achieving the dream(s). You can do the same thing for your dream(s).

<b>Dream</b>	<b>Goals</b>
	<p>Long-term:</p> <ul style="list-style-type: none"><li>• _____</li><li>• _____</li><li>• _____</li></ul> <p>Short-term:</p> <ul style="list-style-type: none"><li>• _____</li><li>• _____</li><li>• _____</li></ul>
	<p>Long-term:</p> <ul style="list-style-type: none"><li>• _____</li><li>• _____</li><li>• _____</li></ul> <p>Short-term:</p> <ul style="list-style-type: none"><li>• _____</li><li>• _____</li><li>• _____</li></ul>

## Section 2

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### 4. Financial Considerations.

Look at the dreams and goals you and your child have established.

- Consider how you and your child can make your dream(s) come true with the right finances.
- What goals require a financial commitment?
- See “Financial Goal Setting” sheet in the Resource section as another resource for tracking your goals.

Goal	Financial Commitment (funds needed)



## Activity 3: Financial Fitness

### Learning Tools

Pen  
Paper  
Computer with Internet access  
Calculator  
College brochures

### Learning Treasures

- Tracking your spending with a spending diary helps you save money.
- It is never too early to start thinking about and planning for college.
- Carrying cash helps you spend less.

### Family Financial Fun

#### 1. Spending Choices.

##### *Option #1*

Discuss spending habits with your child.

- Each of you track your spending for one week using a spending diary, such as the one shown on the following page.
- At the end of one week, discuss your spending and discuss spending leaks (see Glossary for definition).

## Section 2

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### *Option #2*

Discuss your family's spending habits with your child. Together, track your family spending for one week and look for family spending leaks.

### *Personal Spending*

Date \_\_\_\_\_

	<b>Mon.</b>	<b>Tues.</b>	<b>Wed.</b>	<b>Thurs.</b>	<b>Fri.</b>	<b>Sat.</b>	<b>Sun.</b>
<b>Item &amp; Cost</b>							
<b>Item &amp; Cost</b>							
<b>Item &amp; Cost</b>							
<b>Item &amp; Cost</b>							

### *Family Spending*

Date \_\_\_\_\_

	<b>Mon.</b>	<b>Tues.</b>	<b>Wed.</b>	<b>Thurs.</b>	<b>Fri.</b>	<b>Sat.</b>	<b>Sun.</b>
<b>Item &amp; Cost</b>							
<b>Item &amp; Cost</b>							
<b>Item &amp; Cost</b>							
<b>Item &amp; Cost</b>							

What did you spend this week?

- Let your child add the amounts.
- Weekly Total \_\_\_\_\_

What are some other ways you can track how you spend money?

- Set aside a specific amount to spend each week.
- Make a budget.
- \_\_\_\_\_
- \_\_\_\_\_

## 2. Educational Spending.

Discuss with your child what school will look like next year and in the following years. Make a list (each of you) of the expenses that may occur. Compare your lists and discuss. Consider things like sports activities, school pictures, proms, and field trips.

6th	7th	8th	9th	10th	11th	12th

## Section 2

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### 3. Future Planning.

Ask your child:

What do you think you would like to do after high school?

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---

How much money do you think you will need to reach this goal?

---

How much do you think it will cost to attend a post-secondary school?

---

How would you find out about the cost of going to a post-secondary school?

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## ***Post-secondary Education or Training Cost***

Ask your child to look online or at brochures to find out the costs at three different schools he/she might want to attend.

<b>Name of School</b>	<b>Tuition/Fees</b>	<b>College Major</b>

See “Spending Leaks” and “Seasonal and Occasional Spending” in the Resources section for other ways to track spending.

### Activity 4: Decision-making

#### Learning Tools

Scissors  
Pencil  
Timer  
Markers or colored pencils  
Newspaper ads, catalogs, or computer with Internet access

#### Learning Treasures

- A want is something we desire, but isn't necessary to live or survive.
- A need is a condition or situation in which something is required.
- Well-thought-out purchases influence present and future financial stability.
- Education empowers financial opportunities.

#### Family Financial Fun

##### 1. Wants vs. Needs.

Set a timer for one-minute and working separately, you and your child make a list of your wants and needs.

- Discuss your lists.
- Take each of your lists and group your wants and needs into different categories (school, work, fun, medical, etc.).
- Rank the needs and wants by the most important.

Category	Needs	Wants

## 2. Branding.

With your child, list different products and brands that are popular for your child's age group.

- Together, research the cost for products using online or newspaper ads and catalogs.
- Talk about alternatives to brand name items.
- Discuss why and when to choose alternatives.

## 3. Purchase Powers.

Separately, you and your child make a list of things you each would like to purchase or achieve that require money.

Right Now	Next Year	In Three to Five Years

Compare your lists and discuss ways to get these things.

- How can a person save money to make a desired purchase?
- How long might a person be willing to save to make a purchase?

Talk with your child about planning a purchase and why it is important to plan. Share how you have planned for purchases (everyday household, back-to-school, holidays, etc.). Also, discuss the quality of the item to be purchased, how long it will last, its intended use and options available.

## Section 2

Ask your child to consider the things that he/she does and likes to do. Have him/her think about the costs.

	<b>Education</b>	<b>Entertainment</b> Movies, dances, eating out, skating, school games, etc.	<b>Electronics</b> CDs, music, downloads, cell phone, MP3, iPod, etc.
<b>Right Now</b>			
<b>Next Year</b>			
<b>After High School</b>			

#### 4. Education Planning Power.

	<b>Technical</b> (9 months - 1 year)	<b>Community</b> (2 years)	<b>University</b> (4 years)
<b>What are the names of post-secondary options?</b>			
<b>How much does it cost?</b>			
<b>What are other expenses?</b>			



## 5. Needs and Wants for Education.

Talk with your child about what students who are in a training program or college need. Identify wants or needs for training or college from the list below.

Need - Why?	Item	Want - Why?
	Bicycle/motor bike Books Calculator Car Cell phone Computer Computer games iPod MP3 player New clothes Skateboard Sports equipment Textbooks Tuition/fees for training/college	

### Activity 5: Money Sources

#### Learning Tools

Note cards  
Pencil  
Paper  
Community resource book

#### Learning Treasures

- Earning money by working is the most reliable source of income.
- Money is accepted as a way of getting services and things needed.

#### Family Financial Fun

##### 1. Money Talk.

With your child, use the glossary in the back of this workbook to write the definitions of the following words on note cards.

- Write the words on one card and the definitions on another.
- Keep the words in one stack and the definitions in another.
- Shuffle each of the two stacks.
- Place the word cards face up on the table.
- Take the first card from the definition stack and match it to its correct meaning.
- Take turns matching the words to their definitions.

Earnings	Barter	Exchange	Services	Goods	Earn
----------	--------	----------	----------	-------	------

## 2. Money Sources.

Ask your child to tell you how people in these age groups can earn money (see “Allowances” and “Chore Sheets” in the Resources section).

Ages 11-14	Ages 15-18

Ask your child, “What skills and abilities do people in these jobs need?”

Babysitter \_\_\_\_\_

Lifeguard \_\_\_\_\_

Fast food worker \_\_\_\_\_

Paper delivery \_\_\_\_\_

## Section 2

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### 3. Earning Money.

Ask your child to list chores or jobs he or she can do and what the earnings could be.

Chores	Jobs	Earnings

Ask your child to complete these statements:

I want to earn money for \_\_\_\_\_ .

I would like to earn \$ \_\_\_\_\_ each week.

I would like to save \$ \_\_\_\_\_ each week.

I would like to save \$ \_\_\_\_\_ in six months.

I will keep my money \_\_\_\_\_ .

## Activity 6: Spending Money

### Learning Tools

Pencil  
Paper  
Highlighter

### Learning Treasures

- When you make a budget, you should stick to that budget.
- Setting spending goals helps you to make wise decisions about spending.
- Pay yourself before you spend your money.

### Family Financial Fun

#### 1. Spending Options.

Read one of the following stories with your child. As you read the story together, highlight key information, such as:

- The names of the jobs
- Money amounts
- Material items

#### 2. Spending Decisions.

Ask your child to answer the questions at the end of the following stories.

## Section 2

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### **Ashley's Decisions**

Ashley has a regular babysitting job. She watches a neighbor's young child on Tuesday and Thursday evenings, while the neighbor is at work. She makes \$36 every week. She has been saving money for college and already has \$250 in her savings account at the bank.

Ashley's mother plans to help with college costs, and they are hoping for a scholarship or a state loan. Ashley is in the eighth grade. She and her mother think that if Ashley keeps on saving until she graduates and their other plans work out, they will be able to afford tuition and books at the local community college.

Of course, sometimes Ashley is tempted to spend her money. She goes to the mall with her friends on the weekends. They look at clothes, music, and jewelry. One Saturday, Ashley saw a skirt she had to have! She knew she only had about \$10 in her purse, but she had some money at home in her dresser drawer. Usually, she put the money in the drawer, and then she or her mother would go to the bank once a month to make a deposit in her savings account.

Ashley knew she had that money. She thought, "What if I took out \$25? Then I would have enough and I could come back tomorrow and get the skirt." It was on sale, so it seemed like a good buy. Her friends encouraged her to do it.

The next day, Ashley bought the skirt. Her mother asked her how much it cost and seemed surprised that she could afford it.

What would you do if you had \$35 to spend?

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Do you think Ashley made a good decision? Why?

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## Section 2

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### Brandon's Decisions

Brandon is in the 11th grade. He works weekends at a fast-food restaurant. His usual “take-home pay” is between \$45 and \$50. He spends some of his money on food and other things when he’s “just hanging out” with his friends. Even so, he usually still has quite a bit to spend on high school sports events, concert tickets, CDs, and movie rentals.

One day one of his teachers talked to the class about saving money for large purchases and future goals, like postsecondary education. The teacher showed how quickly savings can grow if we save even a small amount every week. Brandon thought about a video game he wanted. One of his classmates had the game, and Brandon really liked it. He thought he would never be able to get one because the game system cost \$350. On his way home from school, though, he thought about what the teacher had said about saving.

When he got home, he did some multiplication. He figured out that if he saved \$20 each week, he would have enough to buy the game system in less than five months. If he saved \$25 a week, he could buy it in less than four months. In fact, if he worked more hours after school was out in the summer, he could save even more. Brandon decided to start out saving \$20 a week. Every week, he gave the money to his dad so he wouldn't be tempted to spend it.

It was hard to get used to having less money. Sometimes he asked his dad to give him some of his savings. His dad usually gave him a few dollars, but he always reminded Brandon, “Whatever you spend now, you won't have later.”

It took five months to save the money, but he finally had enough, and he bought the video game system. He really liked it! He discovered that he now had another way to spend his money. There was always a new game he wanted!

Brandon's mother and father were proud of him for learning how to save. They suggested that he should think about saving for the future. They explained how much it cost to go to college. They hoped Brandon would start saving at least \$15 each week to help with college costs. Brandon was surprised to learn that college was so expensive. He told his parents that he might not need to go to college to get a good job. He said he was tired of saving his money.



What would you do with your money if you earned \$45 to \$50 every week?

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Do you think Brandon made good decisions? Why?

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### Activity 7: Safekeeping

#### Learning Tools

Pencil  
Computer with Internet access

#### Learning Treasures

- Money placed in a bank for safekeeping will earn interest.
- Money in a bank is insured against loss.
- When money is in the bank, a person might not be tempted to spend it.
- Interest is money paid by the bank for its use.

#### Family Financial Fun

##### 1. Personal Choice.

Think about yourself and saving and complete this chart.

What I Saved For	How Long it Took Me to Save	How Much I Saved	Where I Kept My Savings

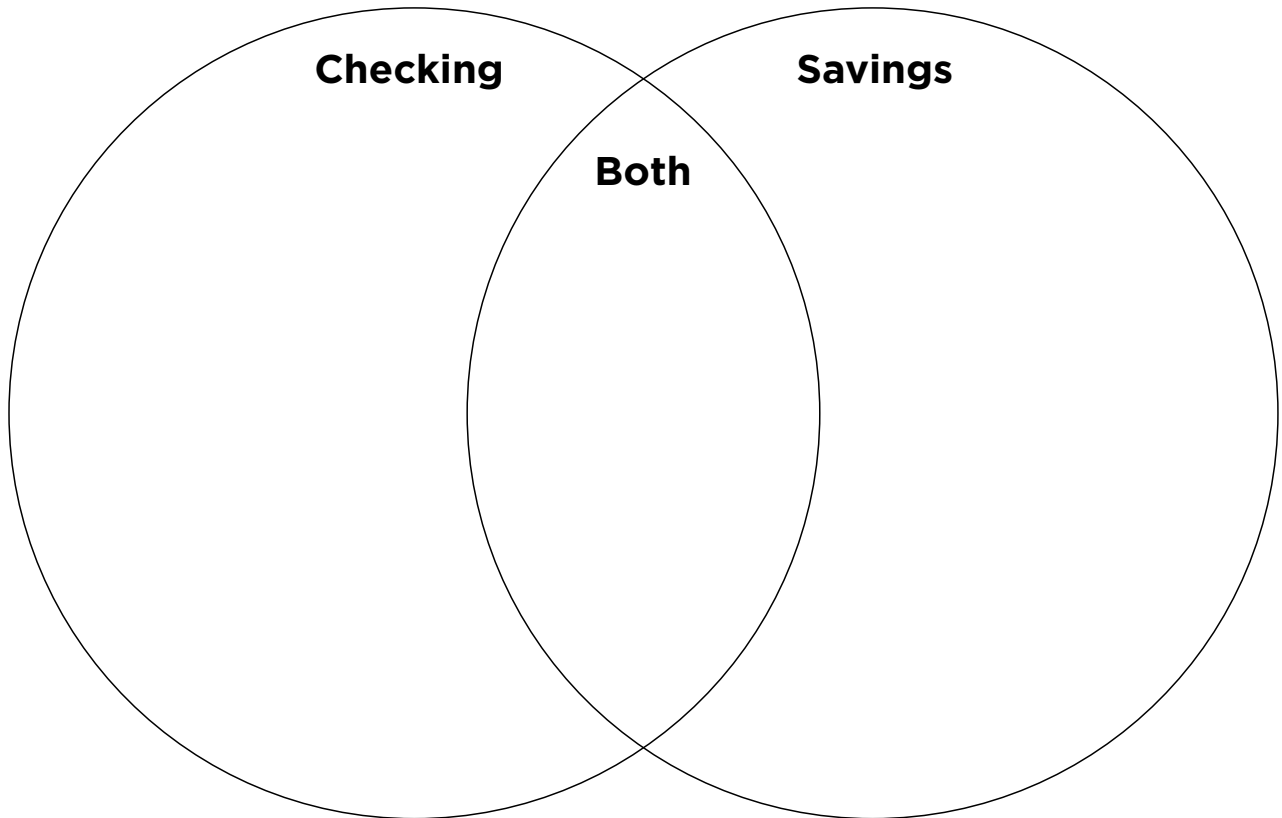
Share this information with your child. Then you and your child, answer these questions:

- Why do people save?
- Where do people keep their savings?

## 2. The Banking Process.

Ask your child to think about what he/she knows about checking and savings accounts. Use the Venn diagram and the words below to compare and contrast checking and savings accounts.

- One oval is marked for words that describe “Checking” and the other oval for “Savings.”
- For words that have to do with both kinds of accounts, place them in the area that overlaps - “Both.”



Deposit  
Saving  
Signature Card  
Overdraft Protection

Withdrawal  
Passbook  
Interest

Direct Deposit  
Check Register  
Statement

Checks  
Debit Card  
ATM

## Section 2

### 3. Opening a Checking Account.

Investigate opening a checking account with your child if he is old enough to have a checking account. Consider a joint account with children who are too young to open an account. Compare services and fees at two local banks.

Item	Bank #1	Bank #2
Bank hours		
Location of branches, ATM		
Overdraft protection		
Required balance		
Interest earned		
Fees (per check, bounced check, ATM)		
Cost of checks		
Monthly fees		

### 4. Financial Language.

With your child, use a dictionary or the glossary in the book to make your personal financial or educational dictionary using the words below. You may have other words you would like to add.

#### *Option #1- Money Saving Lingo*

Interest	ATM	Credit	Availability	Insufficient Funds
Debit	Savings	Access	Funds	Teller
Insured	Bill Pay	Checking	Loan	FDIC

#### *Option #2- Education Lingo*

GPA	Registration	Financial Aid	Grants
Student Loan	Federal Loans	Personal Loan	Consolidation Loan
Subsidized	Tuition	Fees	Scholarship

## Activity 8: Borrowing, Renting, and Credit

### Learning Tools

Paper  
Pencil  
Computer with Internet or newspaper ads

### Learning Treasures

- When you rent, you pay a cost while you rent.
- When you borrow something, you have to return what you borrowed.
- Credit is borrowed money that you must repay at a later date.

### Family Financial Fun

#### 1. Where Do I Go?

Discuss with your child:

- The difference between borrowing, renting and owning, and using a credit card.
- What happens if you are not careful to return what you have rented or if you don't pay your rent on time?
- The cost of borrowing money.

Which column should the following words go in?

ATM Card	Cable TV	College Degree	House
Furniture	Training Certificate	High School Diploma	Loan
Library Book	Library Card	Walmart Charge Card	New Dress
Grant	Car	Food	

Own	Borrow	Rent	Credit

## Section 2

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### 2. Language Fit.

Ask your child to place the following words in the appropriate columns.

Adjustable Rates Fees Loan Temporary	Contract Interest Monthly Payment	Damage Deposit Interest Rates Mortgage	Deposit Late Charges Return
---	---	--	-----------------------------------

<b>Own</b>	<b>Borrow</b>	<b>Rent</b>	<b>Credit</b>

### 3. Check Your Knowledge.

What do you know about renting, credit and educational cost? With your child, answer as many questions as you can. For those you can't answer, research the answers.

#### *Renting*

What would you have to pay if you didn't return a movie you rented?

---

---

How much does it cost to rent videos and DVDs?

Online \_\_\_\_\_

Video Store \_\_\_\_\_

Other \_\_\_\_\_

How much does it cost to rent a house or an apartment? Look online and in newspaper ads and rental magazines.

Monthly Rent \_\_\_\_\_

Deposit \_\_\_\_\_

First and Last Month \_\_\_\_\_

## Section 2

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### ***Credit***

A credit rating is an estimate of the amount of credit that can be extended to a company or person without too much risk.

- Your credit rating is like your reputation.
- You want to have a reputation as an honest, hard-working person.
- A good credit rating says you are a responsible person.

Ask your child, “Why will you need a good credit rating when you are an adult?”

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### ***Education***

You need to borrow money to pay for technical training or college tuition. Talk with your child about whom you could borrow from.

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---



How much interest will there be? Look online or contact a bank for this information.

---

How long will you have to pay back the loan?

---

***General Information about paying for college.***

The Kentucky Higher Education Assistance Authority provides information about paying for college. Read the overview at **[www.kheaa.com/website/kheaa/paying?main=3](http://www.kheaa.com/website/kheaa/paying?main=3)**

More specific information is found in the booklet, *Affording Higher Education: Financial Aid Programs for Kentucky Students*. It is available online at **[www.kheaa.com/website/kheaa/planning?main=3&display=KY\\_affordingEd](http://www.kheaa.com/website/kheaa/planning?main=3&display=KY_affordingEd)**

You and your child also may contact the student financial aid office at the school you want to attend.

Ask your child, “What is the first thing you need to find out about paying for higher education or training?”

---

---

What will you do to learn this?

---

---

### Activity 9: Growing Your Resources

#### Learning Tools

Pencil  
Markers or colored pencils  
Highlighter  
Note cards

#### Learning Treasures

- A high school and post-secondary education will increase the opportunities for a better paying job and increased income.
- Good grades help students get scholarships that will make paying for post-secondary education easier.
- Getting more education and training makes a person more valuable to an employer.
- Education and training are the most important investments we can make in our personal assets.
- Personal assets are those things that can't be sold or traded from us.
- Personal assets can be our knowledge, skills, values, health and drive.
- Experiences from working or school will be important personal assets you take with you to a job.
- Physical assets are those things that can be sold or traded.

## Family Financial Fun

### 1. Adding Meaning to Resources.

Make note cards using the following words:

Asset	Traded	Goods
Investment	Property	Personal Assets
Physical Assets	Sold	Services

- With your child, write your definitions of, or words that give meaning to, the words above on note cards.
- Look the words up in the dictionary or in the glossary in this book to check your definitions.
- Write the definition on the back of the card.
- Add to your definition so that the meaning is clear or correct.

### 2. Education Resource.

- Ask your child to identify which are personal and which are physical assets.
- Have him/her rank from 1-5 the ones he/she is willing to invest in.

Item	Personal Asset	Physical Asset	Ranking
Good grades			
Money			
Scholarship			
Calculator			
Car			
Study skills			
Dictionary			
College education			
Computer			

## Section 2

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### 3. Grow Your Resources.

Ask your child, "What assets do you think you will need at age 18?" List those assets.

_____	_____
_____	_____
_____	_____
_____	_____

Ask your child, "How can you acquire three of these assets?"

_____
_____
_____
_____

## Activity 10: Realizing a Dream

### Learning Tools

Paper  
Pencil

### Learning Treasures

- We have to work and save for what we want.
- Planning what to do with earnings and savings allows you to pay for your dreams.
- Saving money isn't easy, but it is possible if you pay yourself first.

### Family Financial Fun

#### 1. I Have A Dream.

Ask your child to write down a dream he/she has.

- Together write down steps to achieve the dream.
- Transfer each step to either the short-term, intermediate or long-term space.
- Beside each step, ask your child to write down the cost that may be incurred for achieving that step.
- Then, have him/her add up the cost for each step.

Dream	Goals
	<p>Short-term:</p> <ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> <li>• _____</li> </ul> <p style="text-align: right;">Cost: _____</p> <p>Intermediate:</p> <ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> <li>• _____</li> </ul> <p style="text-align: right;">Cost: _____</p> <p>Long-term:</p> <ul style="list-style-type: none"> <li>• _____</li> <li>• _____</li> <li>• _____</li> </ul> <p style="text-align: right;">Cost: _____</p>

## Section 2

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List ways to cover the cost of your dream.

_____	_____
_____	_____
_____	_____
_____	_____

How much money do you earn to achieve your dream?

	<b>Week</b>	<b>Month</b>	<b>6 Months</b>	<b>Year</b>
Allowance				
Chores				
Job				
Other work				
TOTAL				

How much of what you earn can you save? \_\_\_\_\_

## 2. I Have A Dream for my Future Education.

Ask your child, "What is your dream for your future education?"

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Ask your child, "What do you think your education will cost?"

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Have your child:

- Write the amounts in *Column 1* of the chart on the following page (he/she might need to estimate). Add and write the total cost. Find out how long a course or semester will last. Write that in *Column 1*, too.
- Write his/her weekly earnings in *Column 2*. Ask him/her to think about different ways he/she can earn money. Write the total earnings at the bottom of the column.
- Multiply his/her earnings by the number of weeks to find out how much he/she will earn during the semester or course. Write the answer (or answers) in *Column 3*. Write the total at the bottom of the column.
- Fill in the amount he/she plans to save each week in *Column 4*.
- Multiply his/her weekly savings by the number of weeks to find out how much he/she will save during the semester or course. Write this total at the bottom of *Column 5*.

## Section 2

<b>Column 1: Cost of Education</b>	<b>Column 2: Weekly Earning</b>	<b>Column 3: Earnings</b> (during semester or course)	<b>Column 4: Weekly Saving</b>	<b>Column 5: Savings</b> (during semester or course)
<ul style="list-style-type: none"> <li>• Tuition or fees (for semester or course) _____</li> <li><i>Number of weeks</i> _____</li> <li>• Books _____</li> <li>• Other _____</li> </ul>				
<b>Total Cost</b> _____	<b>Total</b> _____	<b>Total</b> _____	<b>Total</b> _____	<b>Total Savings</b> _____

Have your child figure it out: Compare the total cost (*Column 1*) with total savings (*Column 5*).

Ask your child:

- How much more will you need for each semester or course? \_\_\_\_\_
- Can you save more? \_\_\_\_\_ Will you have other income? \_\_\_\_\_
- Can your family help? \_\_\_\_\_ Will you need a loan? \_\_\_\_\_



## Resources

### Spending Leaks

#### 1. Reasons for Spending.

What causes you to spend money? Check the top ten that describe you. Add other words that describe why you spend money.

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> ATM Card       | <input type="checkbox"/> Dollar Store  | <input type="checkbox"/> Holidays            |
| <input type="checkbox"/> Bargains       | <input type="checkbox"/> Feeling bored | <input type="checkbox"/> I deserve a present |
| <input type="checkbox"/> Blank checks   | <input type="checkbox"/> Feeling happy | <input type="checkbox"/> New season          |
| <input type="checkbox"/> Credit cards   | <input type="checkbox"/> Feeling sad   | <input type="checkbox"/> Sales               |
| <input type="checkbox"/> Cash in pocket | <input type="checkbox"/> Gifts         | <input type="checkbox"/> Window shopping     |
| <input type="checkbox"/> Catalogs       | <input type="checkbox"/> Guilt         | <input type="checkbox"/>                     |
| <input type="checkbox"/>                | <input type="checkbox"/>               | <input type="checkbox"/>                     |

#### 2. How to Remove Spending Leaks.

Take your top ten spending causes and identify ways to stop your spending leaks.

Spending Leak	Ways to Stop Spending Leak
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

## Seasonal and Occasional Spending

<b>Expense</b>	<b>Amount</b>	<b>Expense</b>	<b>Amount</b>
January		February	
March		April	
May		June	
July		August	
September		October	
November		December	

Examples: Birthdays, anniversaries, weddings, prom, vacation, homecoming

**Financial Goal Setting**

<b>Goal</b>	<b>When</b>	<b>Total Cost</b>	<b>Amount/ Month</b>	<b>Completed</b>
Short-term (within 1 year)				
Intermediate (1 to 3 years)				
Long-term (more than 3 years)				

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## Allowances

- Acceptable amounts of money given to children as an allowance will vary from family to family.
- A parent's income needs to be considered and may mean children have to wait for their allowance or receive a smaller amount.
- "Debt Free Destiny" offers the following allowance amount guideline by children's age.

<b>Age</b>	<b>Weekly Allowance</b>	<b>Reason</b>
0-4	\$0	Generally, toddlers and children this young have no concept of money and Mommy and Daddy provide all their needs anyway.
5-7	\$2	Kids in this age group are starting to learn what money is and how it works. This is "dollar store" money.
8-10	\$3-4	Kids now understand that saving their allowance each week can help them buy things they really want.
11-12	\$5	Children now desire things that cost a little more, but they also are learning the value of saving and budgeting.
13-15	\$10	In these early teen years, kids are starting to want to spend money more. Keeping it at \$10 gives them more incentive to earn extra money.
16-18	\$20	Gas and food become big expenses because children are in many activities and they want to do things with their friends.

- Retrieved from Debt Free Destiny [www.debtfreedestiny.com/kids-and-money/whats-the-right-allowance-amount](http://www.debtfreedestiny.com/kids-and-money/whats-the-right-allowance-amount)

## Chores for Children

### Chores for two- and three-year olds:

- Putting books, newspaper and magazines away
- Cleaning up after eating
- Helping to make snacks
- Hanging up coats or jackets
- Helping to put away groceries
- Helping to set the table

### Chores for four-year olds:

- Helping to clean their room
- Helping to put away dishes
- Setting the table
- Putting away groceries
- Feeding the pets
- Helping with garden and yard work
- Helping with dusting
- Hanging up coats, sweaters, backpacks, etc.

### Chores for five-year olds:

- Taking out small containers of garbage
- Feeding the family pets
- Loading and emptying dishwasher
- Cleaning up after eating
- Setting the dinner table with items in correct positions
- Making beds and cleaning rooms, with some assistance
- Putting away dirty clothes in hamper
- Putting clean clothes away

### Chores for six-year olds:

- Watering the plants and flowers
- Preparing school lunch
- Hanging up clothing
- Carrying wood to the fireplace
- Taking pet out for a walk
- Raking leaves or pulling weeds
- Sweeping or vacuuming the floor

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**Chores for eight- and nine-year olds:**

- Folding napkins and setting table correctly
- Mopping floors
- Keeping closets and drawers clean and organized
- Folding and putting away laundry
- Cleaning up animal messes in the yard
- Reading simple recipes and assisting with simple cooking
- Assisting with bathing a younger sibling
- Sorting clothing for laundry
- Putting recycling bins on the curb for pickup

**Chores for ten-year olds:**

- Helping prepare family meals
- Changing sheets on bed
- Operating the washer or dryer
- Loading and running the dishwasher without assistance.
- Collecting the mail and sorting mail
- Making beds
- Walking the family pet
- Sweeping and mopping floors
- Clipping coupons
- Taking out trash
- Sorting recyclables

**Chores for teenagers**

- Sorting, washing and folding laundry
- Preparing meals
- Planning dinners
- Setting the table
- Cutting the lawn
- Babysitting siblings
- Taking out the garbage
- Ironing clothes
- Dusting furniture
- Vacuuming the house
- Washing and vacuuming the car
- Changing and making beds
- Grocery shopping
- Cleaning out refrigerator and cleaning other kitchen appliances
- Washing windows
- Walking the family pet

## Financial Literacy Glossary

**Access** — to find and use information, especially on a computer.<sup>2</sup>

**Adjustable Rates** — interest rate or dividend that is adjusted periodically, usually according to a standard market rate outside the control of the bank or savings institution, such as that prevailing on Treasury bonds or notes.

**Allowance** — money given to your child just for being your child. The child is not being paid to do chores.

**Assets** — items of monetary value (e.g., house, land, car), owned by an individual or a company.<sup>1</sup>

**ATM** — machines that let you take cash out of your checking or savings account without writing a check. You need a special plastic card and a personal identification number (PIN) to use an ATM.

**Auto insurance** — helps pay if your car is in an accident.

**Availability** — extent to which money is available, being easily accessible or attainable.

**Bank** — a financial institution, open to anyone, that offers services such as checking and savings accounts, loans, and credit cards.

**Bankruptcy** — a legal process used by people when their debt is overwhelming. It can erase their debts and help give them a fresh start.

**Bank Statement** — a periodic statement prepared by a bank for each client showing credits and debits.

**Barter** — to exchange goods or services instead of money.<sup>2</sup>

**Benefits** — things that help you (are of benefit to you). Some common employer benefits are vacation time and sick leave.

**Bill Pay** — an online bill payment service.

**Bonds** — an asset issued by governments, companies, banks, public utilities, and other large entities. They promise to pay back your money, plus a fixed rate of interest, at a specific end date.

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**Bounced check** — a check written for more money than you have in your checking account. Extra fees are charged for bounced checks. Also called an overdraft.

**Certificates of Deposit (CDs)** — investments issued by banks, credit unions, and savings and loans that pay interest for use of your money for a set period of time. Also known as “time deposits.”

**Checking account** — a bank account that lets you pay for things without cash.

**Checks** — pieces of paper that you write on to pay for things. The money is taken out of your checking account at the bank or credit union where you have an account.

**Check register** — a small book to help you keep track of money in your savings and checking accounts.

**Compound interest** — interest on money you invest, which continues to earn interest itself.

**Consolidation** — the process of combining one or more loans into a single new loan.<sup>4</sup>

**Contract** — the actual bilateral agreement between the buyer and seller of a transaction as defined by an exchange.

**Credit** — in business, buying or borrowing on the promise to repay at a later date; in any credit arrangement there is a creditor (a person, bank, store, or company to whom money is owed) and a debtor (the person who owes money).<sup>1</sup>

**Credit card** — a plastic card that lets you take out a loan to buy things without cash. These loans must be paid back. If they’re not paid back within a month, you pay interest.

**Credit counseling** — free counseling by a nonprofit organization to help people who owe a lot of money.

**Credit rating** — a score of how well a person uses credit. It covers the previous seven years.

**Credit repair companies** — for-profit companies — to be avoided — that charge money and often make untrue claims about helping people in debt “fix” their credit history.



**Credit report** — a report that describes your use of credit.

**Credit union** — similar to a bank except it is a nonprofit. Credit unions are usually formed by a church, a company, or a community. You have to be part of the church, company, or community to join a credit union.

**Damage deposit** — a sum of money paid in relation to a rented item to ensure it is returned in good condition.

**Debit** — a sum of money owed by an individual or institution; a charge deducted from an account.<sup>1</sup>

**Debit card** — a plastic card that lets you buy things without cash. Unlike credit cards, you don't take out loans when you use a debit card. Instead, the money is taken out of your checking account.

**Deductions** — items that are subtracted. For example, taxes are taken out of (deducted from) your paycheck before you receive it.

**Deposit** — 1. a sum of money placed in a bank account or other savings account  
2. money given in part payment for goods or services.

**Direct Deposit** — a method of payment which electronically credits your checking or savings account.

**Diversifying** — spreading your money among different kinds of investments. Diversifying lowers your risk.

**Direct loan** — a loan for which the funds come directly from the federal government.<sup>4</sup>

**Earn** — to get money for the work you do.<sup>2</sup>

**Earnings** — the money that you earn by working.<sup>2</sup> *See also: pay, salary, income, wages.*

**Endorse** — to sign, as the payee, the back of a check before cashing, depositing, or giving it to someone else.<sup>1</sup>

**Equal sign** — a sign (=) meaning “is.” It shows a different name for the same thing.

**Exchange** — to give something to someone who gives you something else.<sup>2</sup>

**FFEL (Federal Family Education Loan)** — a loan for which funds come from a bank, credit union, or other lender that participates in the program.<sup>4</sup>

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**Federal Student Loans** — loans to help students pay for education after high school. The Department of Education acts as a lender, providing funds for Stafford loans and PLUS loans in the same amounts as the Stafford and PLUS loans offered through the Federal Family Education Loan Program (FFELP).

**Fees** — an amount of money that you pay for professional services or that you pay to do something.<sup>2</sup>

**FDIC (Federal Deposit Insurance Corporation)** — an independent agency of the federal government that insures deposits in banks.

**Financial aid** — the process of funding education beyond high school. The Free Application for Federal Student Aid (FAFSA) is the form used by virtually all two and four-year colleges, universities and career schools for the awarding of federal student aid and most state and college aid.<sup>4</sup>

**Funds** — money, especially money that is available to spend.<sup>1</sup>

**Goods** — things that are produced in order to be sold.<sup>2</sup>

**GPA (grade point average)** — the average score that a student earns based on all of his/her grades, in which an A is four points, a B is three points, a C is two points, a D is one point, and an F is zero points.<sup>2</sup>

**Grant** — an amount of money given to someone by an organization for a particular purpose.<sup>2</sup>

**Gross pay** — the total amount you earned in the pay period.

**Identity theft** — theft of your personal information (credit card numbers, Social Security number, etc.) that is then used to steal money from you.

**Income** — the money that you earn from working or making investments.<sup>2</sup> See also: *earnings, pay, salary, wages*.

**Insufficient funds** — when there is not enough money available in a checking account to make payment for a check that was written.

**Insured** — covered with insurance; an agreement was made to pay compensation or costs if a particular harm or loss occurs to somebody or something.<sup>3</sup>

**Interest** — the fee paid for the use of money; interest may be paid by an individual to a bank for credit card use, or by a bank to an individual for holding a savings account; interest is expressed in terms of annual percentage rate (APR).<sup>1</sup>

**Investment** — the money that you give to a company, bank, etc., in order to get a profit later; the act of doing this.<sup>2</sup>

**Loan** — what you take out when you ask someone to give you money. Loans from banks and credit unions require that you pay back the money that you borrowed plus some extra money (interest).

**Money** — a token that people will accept for what they have to trade.

**Money market accounts** — savings accounts that have many of the same services as checking accounts. Usually managed by a bank or a brokerage firm.

**Mutual funds** — pools of stocks and bonds run by professionals. You can buy shares in the funds.

**Net pay** — what is left in your paycheck after taxes and other deductions are subtracted. The amount you get to take home.

**Net worth** — what you own when your total debts are subtracted from your total assets.

**Over-limit fee** — a fee that may be added to your credit card bill if you charge more than the limit on your credit card.

**Overdraft** — a check written for more money than is currently in the account; if the bank refuses to cash the check, it is said to have “bounced.”<sup>1</sup>

**Overdraft protection** — a bank line of credit. It’s activated if you have insufficient funds to cover a check written against your account, up to a predetermined limit.

**Passbook** — a booklet given by the bank to the depositor to record deposits, withdrawals, and interest earned on a savings account.<sup>1</sup>

**Pay** — the money that you are given for working.<sup>2</sup> *See also: earnings, income, salary, wages.*

**Pay stub** — a record of what you earned and what is taken out of your paycheck.

**Payee** — an individual or company to whom a check is written; one who receives money as payment.

**Personal assets** — your personal characteristics, including your skills and experience.

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**Personal loan** — a loan that establishes consumer credit that is granted for personal use; usually unsecured and based on the borrower’s integrity and ability to pay.

**Promissory note** — a binding legal document you sign when you get a student loan which lists the conditions under which you’re borrowing and the terms under which you agree to pay back the loan. It will include information on how interest is calculated and what deferment and cancellation provisions are available to the borrower. It’s very important to read and save this document because you’ll need to refer to it later when you begin repaying your loan or at other times when you need information about provisions of the loan, such as deferments or forbearances.<sup>4</sup>

**Property** — something that someone owns; possessions.<sup>2</sup>

**Physical assets** — things you own that can be turned into cash.

**Quest card** — a debit card given to people receiving TANF that lets them withdraw money from an ATM.

**Real estate** — land, houses, condos, and commercial buildings are all real estate.

**Registration** — the process of officially arranging to attend a particular school, university, or class; enrollment.<sup>2</sup>

**Renter’s insurance** — pays if the things you own inside your apartment are damaged or destroyed.

**Repossessed** — if you get too far behind in paying for an item you bought with a loan, the lender can take the item back.

**Salary** — money that you receive every month as payment from the organization you work for.<sup>2</sup> “Salary” is used to note the pay that professional people, such as teachers or lawyers, earn. *See also: earnings, income, wages, pay.*

**Savings account** — like a piggy bank, except your money is kept safe in a bank, credit union, or savings and loan, and you earn interest on it.

**Scam** — a way that people try to steal from you.

**Scholarship** — an amount of money that is given to someone by an organization to help pay for his/her education.<sup>2</sup>

**Services** — work that does not make anything: jobs and businesses that provide something for other people, but do not produce tangible goods, e.g., banking and insurance.<sup>3</sup>

**Secured credit card** — a card with a low limit, which is “secured” by money you deposit in a savings account in advance.

**Secured loan** — a loan on property such as a car or house. It’s called “secured” because the property can be taken away if the person taking out the loan misses loan payments.

**Signature card** — card that a customer signs when opening an account at a financial institution. It identifies the depositor. Copies of signature cards are kept in the branch offices.

**Sold** — having given something to someone in exchange for money.<sup>2</sup>

**Spending diary** — a record of all the things you buy in a week.

**Spending leaks** — hidden, unplanned and unbudgeted spending that results in money shortages.

**Spending plan** — a budget. A comparison of income and spending to ensure that you are not spending more than you earn.

**Stocks** — shares in a company. The value of stocks rises or falls as the value of the company rises or falls.

**Student loan** — money that a student borrows to pay for college.<sup>2</sup>

**Subsidize** — to pay part of the cost of something.<sup>2</sup>

**Subsidized loan** — a loan for which a borrower is not responsible for the interest while in an in-school, grace, or deferment status. Subsidized loans include Direct Subsidized, Direct Subsidized Consolidation Loans, Federal Subsidized Stafford Loans and Federal Subsidized Consolidation Loans.<sup>4</sup>

**Tax credits** — reduction in your income tax for having children, paying for child.

**Teller** — someone whose job it is to receive and pay out money in a bank.<sup>2</sup>

**Trade** — to buy and sell goods and services.<sup>2</sup>

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**Tuition** — the money you pay for being taught.<sup>2</sup>

**Unsubsidized loan** — a loan for which the borrower is fully responsible for paying the interest regardless of the loan status. Interest on unsubsidized loans accrues from the date of disbursement and continues throughout the life of the loan. Unsubsidized loans include: Direct Unsubsidized Loans, Direct PLUS Loans, Direct Unsubsidized Consolidation Loans, and Federal Unsubsidized Stafford Loans, Federal PLUS Loans, and Federal Unsubsidized Consolidation Loans.<sup>4</sup>

**Wages** — the money you are paid each day, week, or month.<sup>2</sup> *See also: earnings, income, salary, pay.*

**Withdrawal** - money you take out of your banking, brokerage firm, or other accounts.

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