



**Money
Smart**

for Grades 6-8



Educator Guide



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WELCOME TO MONEY SMART

Welcome to **Money Smart**, an exciting interactive exploration of the concepts of money. This standards-aligned, cross-curricular program is designed to promote financial understanding for middle school students in grades 6 through 8. You can use **Money Smart** to add engaging and enriching activities to financial literacy and economics instruction. Extension activities support English Language Arts, Math, Social Studies and Economics, and Technology, while also helping your students build the foundation to become financially responsible adults.

In **Money Smart** you will find:

- **Twelve Lessons** with hands-on, cross-curricular activities that engage sixth-through eighth- grade students in discussing and exploring key financial concepts
- **Teacher Presentation Slides**, which provide helpful visuals, as well as challenge exercises and reflective prompts to support the activities in each lesson
- **A Student Guide** with handouts, worksheets, and resources that let students explore the topics covered in each lesson and apply their new knowledge
- **A Parent/Caregiver Guide** with information about topics and terms being covered in class, conversation starters, online and literary sources, along with activities to try at home and around town

Developing positive financial habits equips students with 21st-century skills and tools that last a lifetime. We hope you and your students enjoy learning about money and its many uses.

We are eager to hear from you about how you use this curriculum. We would like to know what works well and what could be improved to make **Money Smart** even better. If you have any questions, we would like to help. Please contact us with your comments and questions via e-mail at communityaffairs@fdic.gov.

GETTING STARTED

Money Smart provides a comprehensive, developmentally appropriate program for middle school students to build an understanding of key financial concepts.

There are many features that help make the **Money Smart** curriculum engaging, motivating, and easy to use. Each lesson includes learning objectives, essential questions, supplies needed, and preparation required, as well as the following features and components to support easy integration of **Money Smart** activities into your instructional day.

STANDARDS

Each lesson promotes real-world connections through student-centered learning experiences and aligns to the following education standards and learning outcomes, including Common Core State Standards in mathematics and English Language Arts. The **Education Standards Chart** identifies which standards are met in each lesson.

- Financial Literacy JumpStart Standards
- English Language Arts Common Core State Standards
- Mathematics Common Core State Standards
- National Standards for Financial Literacy by the Council for Economic Education
- Partnership for 21st-Century Skills

GRADE-LEVEL MODIFICATIONS

Please note the modifications identified throughout lessons to differentiate learning experiences for beginner and advanced students. Modifications provide developmentally appropriate activity recommendations and extension opportunities.

PRESENTATION TIME

Each lesson plan includes an estimated time needed to teach the lesson. Actual time required will vary from classroom to classroom. The estimation includes instructional time spent on the **Warm Up**, **Guided Exploration**, **Group Exploration**, **Independent Exploration**, and **Wrap Up**. Activities may also be taught as several short lessons over a period of days or weeks. **Extended Exploration** activities are included to extend financial literacy learning opportunities throughout the year and provide easy ways to integrate the topics into various content areas.

ASSESSMENTS

A variety of assessments are integrated throughout each of the twelve lessons. Assessments are designed to build value, meaning, and context around a topic, while providing teachers with opportunities to evaluate prior student knowledge, and collect evidence their new understandings of lesson concepts and skills. Pre- (formative) and post- (summative) assessments are noted on the first page of each lesson. Assessments include discussions, reflections, questions and answers, reading, writing, and problem-solving exercises. Assessments are aligned to standards so that teachers may track students' mastery of standards. Student handouts are an especially useful form of written assessment.

LESSON STRUCTURE

Each lesson is designed to include the following:

- **Warm Up** introduces students to the topic and sparks inquiry.
- **Guided Exploration** integrates cross-curricular and developmentally appropriate learning activities and assessments while focusing on the key financial literacy learning objectives of the lesson, with teacher guidance.
- **Money Smart Tips** are provided throughout lessons to offer additional guidance, interesting and relevant financial facts, and additional ideas to help make *Money Smart* a success in your classroom.
- **Group Exploration** allows students to work in small groups to explore concepts and solve problems together. Cooperative learning is considered a “best practice” in middle school instruction.
- **Independent Exploration** activities are designed to engage students in the process of learning through individual discovery, research, and interpretation. These activities are more independent than the Guided and Group Exploration activities and may also be used as homework assignments or independent study.
- **Wrap Up** provides a reflection question or activity to review lesson concepts and allow students to demonstrate their understanding.
- **Extended Exploration** provides teachers with additional opportunities to extend financial literacy concepts throughout the school year within core content areas including English Language Arts and Math. Activities can be completed as a class, in small groups, or by students individually. Useful resources (such as books, web links, games, or videos) are also included to promote even more student engagement. The books and online resources suggested in this guide are just a few of the many available resources that explore these topics, and are not endorsed by the FDIC.
- **Student Handouts** (found in the **Student Guide**), **Group Handouts** (found in this guide), and **Teacher Presentation Slides** provide dynamic instructional support. Student and group handouts create an opportunity for students to apply their knowledge and for teachers to assess their understanding. Teacher presentation slides offer visuals and interactive activities corresponding with lessons.
- The **Answer Key**, **Glossary**, and **Standards Chart** house all of the information needed to check for understanding, define key terms, and check which activities meet specific education standards. Vocabulary words are **bolded** in each lesson as they are introduced. It may be helpful to distribute copies of the entire glossary to students as a reference.

MONEY SMART AT HOME

The *Money Smart* curriculum includes a helpful **Parent/Caregiver Guide** that corresponds to the classroom materials. Families may also use it independently of the curriculum. It contains resources, activities, games, and conversation starters on financial literacy topics covered in each lesson. Use the following ideas to encourage parents to use the guide at home:

- Introduce parents to the *Money Smart* program and share the **Parent/Caregiver Guide** at the start of the school year.
- Discuss the *Money Smart* program during parent-teacher conferences or in monthly parent newsletters home, and emphasize the importance of building healthy financial habits from an early age.
- Hold a *Money Smart* family night. Play games and have students share short skits about financial concepts they have learned.
- Send student handouts from each lesson home in homework folders for parents to review and sign.

INTERDISCIPLINARY PROJECTS

Interdisciplinary project-based learning provides the connectedness that many middle school students need as they make the transition from single classroom instruction in elementary school to subject-specific classrooms at the secondary levels. This section provides a few ideas for connecting financial literacy across disciplines into single projects.

1. Financial Literacy Assembly or Community Awareness Campaign

Use arts-integration to allow students a creative outlet to demonstrate their learning from one, some, or all *Money Smart* lessons. Some options include:

- **Drama:** Write and perform a play, a video advertisement, or a news broadcast. For example: students could combine their learning from **Lesson 1: *The Path to Success*** and **Lesson 2: *Bread and Butter*** to write a play about how to select a career field, how to get a job, and what happens once you get a job.
- **Visual Art:** Study and develop public service announcement (PSA) posters for the school or the community. For example: students could use their learning from **Lesson 10: *Protecting Yourself*** to develop PSA posters on what identity theft looks like, how to avoid it, and what you should do if you suspect that you are a victim of it.
- **Music/Choir:** Write and perform a song or rap. For example: students can demonstrate their learning from **Lesson 12: *Spend, Save, or Give?*** by writing a song that helps other students identify the various ways that they can spend, save, or give their money. The song can be played on the school PA system, posted on the school website or performed at an assembly.
- **Technology:** Create PSAs using PowerPoint, Prezi, Microsoft Publisher, online cartoon creators like <http://www.abcya.com/animate.htm> or <http://scratch.mit.edu/>, or other design programs. For example: students could create an online cartoon to share with others that demonstrates their understanding of **Lesson 7: *How to Stash Your Cash***.

2. Managing a Budget

Planning a field trip, an assembly, or a school party? Develop an interdisciplinary project to allow students to create and manage the budget. Some options include:

- **Social Studies:** Assess the needs and wants of the event. Prioritize necessary items and then wanted items. Students can use their learning from **Lesson 4: *Being a Savvy Shopper*** to research to identify and evaluate costs.
- **Math:** Develop a suggested budget based on assessing needs and wants for the event. If and when the budget is accepted, manage the spending to ensure that the event does not go over budget. Students can use their learning from **Lesson 3: *Designing Dreams*** and **Lesson 5: *Go with the Flow***.
- **English:** Write a persuasive letter to the school administration explaining the needs and wants of the event, analyzing the suggested budget, and requesting the funds to execute the event. Students can use their learning from **Lesson 3: *Designing Dreams*** and **Lesson 5: *Go with the Flow***.

3. School Store

Whether your school has a school store, or it is something that the students might be interested in starting, consider developing a project to provide students with ownership, while allowing them to learn more about financial literacy. Some options include:

- **Social Studies:** In coordination with other students and staff in the building, develop an inventory of needs and wants that can be supplied in the school store. Use research to identify and evaluate costs. Students can use their learning from **Lesson 4: *Being a Savvy Shopper***.
- **Math:** Develop a budget for purchasing bulk items. Consider options for and create sale prices for each item. Create a cash flow statement to determine the amount of product that must be sold in order to turn a profit. Students can use their learning from **Lesson 3: *Designing Dreams*** and **Lesson 5: *Go with the Flow***.
- **Art/Design:** Use advertising techniques to advertise and sell the school store products. Students can use their learning from **Lesson 4: *Being a Savvy Shopper***.
- **English:** Write a persuasive argument to open a school savings account to keep school store profits in a safe place and earn interest. Alternately, write a persuasive argument can to invest the profits in an investment vehicle like stocks or bonds. Students can use their learning from **Lesson 7: *How to Stash Your Cash*** and **Lesson 8: *Money Doesn't Grow on Trees***.

4. Create and Use Financial Literacy Games

Playing games is a great way to engage students in learning. Even better, is to allow students to create their own games to play. Students can demonstrate their learning from one, some, or all **Money Smart** lessons. These games can be created and played in several subject areas including Social Studies, English, Math, and Art. Some options include:

- **The Path to Success:** Create a game where you must make choices about your education, your career, the jobs you get and the associated income, the taxes you pay on your income, and the insurance purchases that you can make. **Money Smart** connections: **Lesson 1: *The Path to Success***, **Lesson 2: *Bread and Butter***, **Lesson 11: *Risky Business***.

- **Charge It!** Create a game where you can make choices about which credit card to apply for, make purchases with credit versus cash, and build credit. **Money Smart** connection: **Lesson 9: Credit and Debt.**
- **Money, Money, Money:** Create a game where you can make choices about how to earn and spend money, factoring in cash flow, saving, and charitable giving. **Money Smart** connections: **Lesson 5: Go with the Flow, Lesson 12: Spend, Save, or Give?**

5. Solve a Community Problem

The intersection of problem-solving and real-life application is important for middle school students. What better way to combine the two than to solve a community-wide problem? Start by considering problems in your community. Problems could be split along content lines, for example:

- **Science:** Does your community recycle? How “green” is your community? Investigate science career fields and discover how students might make a career of solving these community problems, using **Lesson 1: The Path to Success.**
- **Technology:** Who has access to technology in your community? Inform your community about online threats after covering **Lesson 10: Protecting Yourself.**
- **Arts:** Does any part of your community need beautifying? Determine a method to raise and spend money on community beautification using **Lesson 5: Go with the Flow.**
- **Foreign Language:** Do non–English speaking members of your community need access to resources? Consider developing a foreign-language PSA that ties to student learning from **Lesson 4: Being a Savvy Shopper.**

Encourage students to use the financial literacy topics learned in **Money Smart** lessons to identify a community problem and develop and maintain a budget for solving the problem.

FINANCIAL LITERACY ALL YEAR LONG

Highlight financial literacy at your school all year long, especially in April, during National Financial Literacy and School Library Month.

- Create bulletin boards or posters with students about financial literacy themes learned in **Money Smart.**
- Develop interdisciplinary projects that incorporate financial literacy topics.
- Create a class or school newsletter with students to distribute to the school community about money skills and financial concepts covered in class.
- Integrate real-world applications of financial literacy into content area classes.

The more students are exposed to financial literacy, and the more opportunity they have to practice applying their new knowledge and understanding of concepts, at school and at home, the more prepared they will be to live **Money Smart** lives.

LESSON AT-A-GLANCE

Lesson Title	Topic	Learning Objectives	Time Required
12 Spend, Save, or Give?	Personal Financial Choices	<p>Create a balanced budget that takes into consideration spending, saving, and giving</p> <ul style="list-style-type: none">Analyze personal decisionmaking when crafting a budget	<p>55 min</p> <p>Session 1 (25 min)</p> <ul style="list-style-type: none">What Goes into a Budget? (5min)Spend, Save, or Give? —Personal Thinking Stations (20min) <p>Session 2 (30 min)</p> <ul style="list-style-type: none">Personal Budgeting (20min)Explaining My Budget Quick-Write (10 min)



LESSON 12: SPEND, SAVE, OR GIVE?

GRADES
6-8

LESSON OVERVIEW

Gaining strides in their compounding financial knowledge, learners delve into personal decision making in this 12th and final lesson by applying their budgeting skills to determine when and how to **save**, **spend**, or give with their money. Exploring **charitable giving** as part of a spending plan, learners discover how giving adds value to a financial life.

TOPIC: Personal Financial Choices

TIME REQUIRED: 55 minutes
(excluding **Extended Exploration** activities)

LEARNING OBJECTIVES:

Students will be able to...

- Create a balanced budget that takes into consideration spending, saving, and giving
- Analyze personal decision making when crafting a budget

SUPPLIES:

- Access to the Internet(**optional**)
- Loose-leaf paper for stations

PREPARATION:

- Make copies of student handout and group handouts
- Set up **Spend**, **Save**, and **Give** stations
- Set up individual or group computers with access to the Internet(**optional**)

Group Handouts 15
 Answer Key 18
 Glossary with key vocabulary 19

STUDENT HANDOUT:

(found in **Student Guide**)

- **Personal Budget**

GROUP HANDOUTS:

- **Spend** (stationset)
- **Save** (stationset)
- **Give** (stationset)

ESSENTIAL QUESTIONS:

- *How should spending, saving, and giving be incorporated into a personal budget?*

ASSESSMENT ACTIVITIES:

Pre-Assessment:

- **What Goes Into a Budget?** activity

Post-Assessment:

- **Personal Budget** handout
- **Personal Budget Explanation Quick-Write** activity



INSTRUCTION STEPS

WARM UP

WHAT GOES INTO A BUDGET? [5 MINUTES]

If necessary, introduce students to the vocabulary term **budget** (“spending plan”). Ask students: *Your parent or caretaker is creating a family budget. He or she has remembered to include how much money the family makes (income) and how much money the family spends on food and bills (expenses). What do you think is missing from your parent or caretaker’s budget?* Allow students to share answers. (Possible answers: spending on other things like mortgage or rent, clothing, entertainment; savings account(s); investing in stocks, bonds, or mutual funds; charitable giving in the form of monetary donations)

GUIDED EXPLORATION

SPEND, SAVE, OR GIVE? – PERSONAL THINKING STATIONS [20 MINUTES]

Set up the classroom in three stations, with group handouts at each station:

- Station 1: **Spend**
- Station 2: **Save**
- Station 3: **Give**

(If you are concerned about the number of students at each station, the stations can be doubled to make two sets of stations, or six stations total.)

Instruct students that, at each station, they will view a slide that asks them to think about how they relate to the station. As they move to each station, they should talk about their answers with their station peers and/or record answers on a sheet of loose-leaf paper. Allow students five minutes at each station.

Grade-Level Modifications:

Beginner: Limit the slide to one or two key questions. Allow these students to discuss their answers with a peer before recording their answers on loose-leaf.

Advanced: Ask students develop one additional question related to spending, saving, or charitable giving that can be used by the next group to visit the station.

MONEY SMART TIP!

Provide each station with a laptop or Internet-connected device to allow students to do additional research with any remaining time.



INDEPENDENT EXPLORATION

PERSONAL BUDGETING [20 MINUTES]

When they return to their seats, provide students with the **Personal Budget** student handout. Also give them a monthly income that they can use to create their budgets. (Note: You may want to give everyone in class the same budget, say \$2,000, or you may want to vary the monthly budgets that students can work with.)

Using their responses to the station questions, students will fill out their **Personal Budget** student handout, factoring in expenses, savings, and giving decisions. (Note: You might help students brainstorm some of the possible items on the budget.) See a possible student response to the **Personal Budget** student handout on the **Answer Key**.

Grade-Level Modifications:

Beginner: Limit the number of expenses to the options and prices on the group handouts. Also, limit how students use their money for savings and giving. For savings, beginner students can focus on putting money into a simple savings account. For giving, beginning students can determine how much money they'd give away.

Advanced: Advanced students can have unlimited expenses and ways to save and give money. They might have a few methods of saving and a few methods of giving included in their personal budgets. Also, advanced students may want to provide one another with ongoing peer feedback to ensure that they include all expenses.

When students are finished with their budgets, they will choose one interesting part of it to present to the small groups from their stations. For example: some students may think that the way they factored giving into their budget is interesting, or how they limited their expenses to have more money in their savings accounts.

Students will then present their budget to their small group, focusing on what makes their budget interesting. Peers will use peer feedback norms to provide the students with budget “glows and grows.” During “glows,” peers will offer positive feedback on the budget. During “grows,” peers will offer some suggestions or questions that might prompt change or improvement of the budget.

WRAP UP

EXPLAINING MY BUDGET QUICK-WRITE [10 MINUTES]

Have students respond to the prompt in writing: *You will be turning in your budget, but you will not be present when the teacher reviews it. Write an explanation of how you set up your budget and the decisions you made so that the budget will make sense to someone else (your teacher).*



EXTENDED EXPLORATION

Note: Use the following ideas to extend financial literacy concepts throughout the school year within core content areas through English Language Arts, Math, Social Studies and Economics, and Technology activities, projects, and discussions. Duration of activities will vary.

ENGLISH LANGUAGE ARTS

- **Writing Prompts:**
 - Imagine that you've just been gifted with \$1,000,000. How would you spend, save, or give the money? What lessons have you learned about financial decision making that have influenced your choices?
 - What do you think should be the most important part of financial decision making: spending, saving, or giving? Write a convincing argument for your selection.
- **Additional Reading/Resources:**
 - *Spend* by the Financial Literacy and Education Commission: Tips for students about how to spend money. <http://www.mymoney.gov/spend/Pages/spend.aspx>
 - *Save and Invest* by the Financial Literacy and Education Commission: Tips for students about how to save and invest money. <http://www.mymoney.gov/save-invest/Pages/saveandinvest.aspx>
 - *Ten Wise Giving Tips* by the Network for Good: Tips on how to give your money. <http://www1.networkforgood.org/for-donors/tips-and-tools/giving-wisely>

MATH

- **Activity/Project Ideas:**
 - Imagine that you've just been gifted with \$1,000,000. Create a detailed budget about the amount of money you spend, save, or give. Use financial calculators to determine interest gained on savings, and potential risk or reward on investments.
 - Investigate the finances of a variety of nonprofit organizations in your community. Complete calculations to determine how much of their budget is from charitable donations and what might happen if charitable donations decreased.

SOCIAL STUDIES AND ECONOMICS

- **Activity/Project Ideas:**
 - Research the incentives that the government has placed on charitable giving, such as tax deductions. Evaluate whom the government incentives are geared toward and whether or not the incentives increase charitable giving.

TECHNOLOGY

- **Online Games/Tools:**
 - *The Great Piggy Bank Adventure* by the Disney Corporation: A game that helps students set a financial goal and carry through with their plans. <http://piggybank.disney.go.com/game/>



SPEND

Directions: Distribute one copy at station for **Spend, Save, or Give? — Personal Thinking Stations** activity.

Consider that some expenses are **fixed**, or never change from month to month, and other expenses are **variable**, or may vary from month to month. Categorize the expenses below as either fixed or variable.

Two-Bedroom Apartment Rent \$800	Phone Bill \$50	Entertainment (movies, travel, etc.) \$150
Going Out to Eat \$100	Renter's Insurance \$12	Bus Pass \$50
TV and Internet \$100	Magazine Subscription \$12	Utilities (gas, electric, water) \$75
Groceries \$150	Taking Care of My Pet (food, litter) \$40	

What other expenses might people have, aside from those listed above?
Are those expenses fixed or variable?

Of the variable expenses above, what could you do to decrease or increase your spending?
What would your life be like if you increased or decreased spending?

Are fixed expenses fixed for the rest of your life?



SAVE

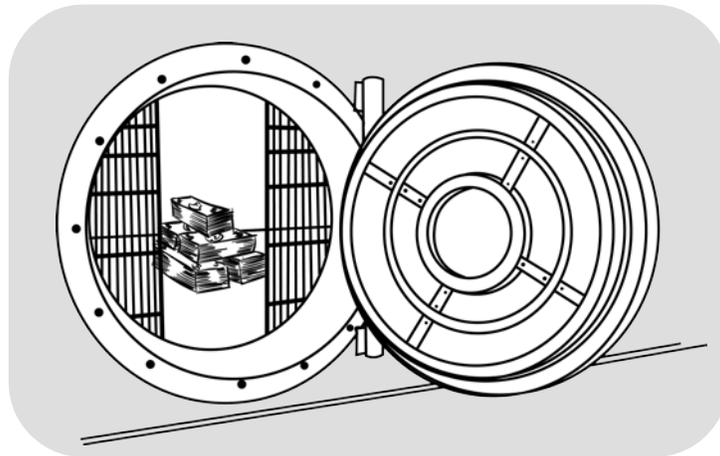
Directions: Distribute one copy at station for **Spend, Save, or Give? — Personal Thinking Stations** activity.

What does it mean to save money?

Why do people save money?

What are some things you could do to save money?

Are there certain methods for saving money that are better than others? Why?





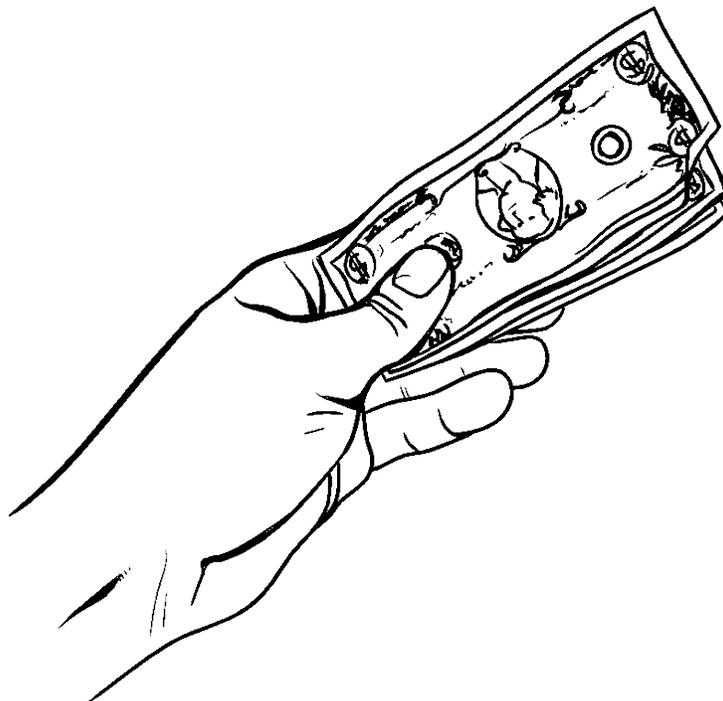
GIVE

Directions: Distribute one copy at station for **Spend, Save, or Give? — Personal Thinking Stations** activity.

What are different ways that you can give back? (Hint: think beyond money)

Why do people choose to give back?

If you had lots of money, what organizations would you choose to give money to? Why?



ANSWER KEY

for Student Handouts

LESSON 12: PERSONAL BUDGET

Monthly Income (after taxes): **\$2,150**

MY EXPENSES

Expense	Amount per Month
Rent	\$800
Utilities (gas, electric, and water)	\$75
Phone	\$50
TV and Internet	\$100
Bus Pass	\$50
Food and Household Supplies	\$150
Going Out to Eat	\$100
Taking Care of My Pet Cat (food, litter)	\$40
Entertainment	\$150
Magazine Subscription	\$12
Renter's Insurance	\$12
Utilities (gas, electric, and water)	\$800

Money remaining after expenses are deducted: **$\$2,150 - \$1,539 = \$611$**

MY SAVINGS

How much of the remaining money do you plan to save? Explain your savings plan.

\$500 in my savings account, because it will get interest, but I can access it for emergencies.

MY GIVING

How much of the remaining money do you plan to give? Explain your giving plan.

\$50 to a group that provides after-school programs to kids (like the YMCA) because I benefited from those programs and it helped me become who I am today.

GLOSSARY

Annual Percentage Rate (APR): The cost of borrowing money on a yearly basis, expressed as a percentage rate.

Bank: A financial institution and business that accepts deposits, makes loans, and handles other financial transactions.

Budget: A plan that outlines what money you expect to earn or receive (your income) and how you will save it or spend it (your expenses) for a given period of time.

Career: The type of work a person pursues for the majority of their life that may involve formal education, special training, or be within a specific industry.

Cash Flow: Income and expenses over a given period of time.

Credit: The ability to borrow money and pay it back later.

Credit Card: A plastic card that can be used to obtain credit (such as to purchase goods and services).

Debit: An amount of money taken out of a deposit account to pay for something.

Debit Card: A plastic card that can be used to deposit or withdraw cash from a checking or other bank deposit account, such as at automated teller machines or at retail locations that accept cards.

Debt: Money that is owed.

Discretionary Expenses: Money that is not essential to spend; money spent on wants.

Diversification: The approach of spreading your money among various investments with the hope that if one investment loses money, the others will make up for those losses; also referred to by the phrase "don't put all your eggs in one basket".

Earned Income: Money you get from working, such as wages, commissions and tips.

Expense: The cost of goods and services; the amount of money that is spent.

Federal Deposit Insurance Corporation (FDIC): Preserves and promotes public confidence in the U.S. financial system by insuring deposits in banks and thrift institutions for at least \$250,000. An independent agency of the federal government, the FDIC was created in 1933.

Financial Institution: A bank or credit union.

Fixed Expense: An expense that does not change from month to month.

Goal: Something you wish to achieve or accomplish in a specific amount of time.

Identity Theft: When someone steals another person's identity to commit fraud, such as by using his or her name or Social Security number to get something. Identity theft is a crime.

Income: Money that you receive from jobs, allowances, gifts, interest, dividends, and other sources.

Income Tax: Taxes on income, both earned (salaries, wages, tips, commissions) and unearned (interest, dividends). Income taxes can be levied on both individuals (personal income taxes) and businesses (business and corporate income taxes).

Insurance: A contractual relationship that exists when one party (the Insurer), for a fee (the

GLOSSARY (continued)

premium) agrees to reimburse another party (the Insured or third party on behalf of the Insured) for a specific loss.

Interest: Money that a bank or other financial institution pays you for keeping money on deposit with them, or the amount of money you pay a bank as a fee when you borrow money.

Invest: To put money at risk with the goal of making a profit in the future.

Investment Vehicles: The methods that a person (or business) can use to invest money.

Job: A specific duty, task, or activity someone completes using his or her time, skills, and energy to earn money.

Mutual Fund: An investment tool that pools the money of many investors and invests it in stocks, bonds, and money market assets, or other securities.

Need: Something you must have to survive, such as clothes, shelter, or food.

Opportunity Cost: The next best thing that you give up in order to do something else; a trade-off of a decision you make.

Payroll Deduction: Money that an employer withholds from earnings.

Phishing: When fraudsters impersonate a business or government agency to try to get you to give them personal information, such as through an email or text message. Can also be thought of as “fishing for confidential information”.

Profit: The money gained or left over after money spent (expense) is subtracted from money earned (income).

Return: Money made (profit) from an investment.

Risk: The possibility that something unplanned or unintended may happen (such as losing money). Uncertainty about outcomes that are not equally desirable. In finance, it refers to the degree of uncertainty about the rate of return and the potential harm that could arise when financial returns are not what the investor expected.

Risk Management: The process of calculating risk and choosing approaches to minimize or manage loss.

Save: Setting something, like money, aside to use in the future.

Savings Account: A bank account that you can use to set aside money, and that pays you interest.

Savings Bond: People lend money to the Government so it can pay its bills. Over time, the Government gives that money, plus a bit extra (interest), back to those people as payment for using the borrowed money.

Stock: An investment that represents a share of ownership in a company.

Tax: Money that has to be paid to a government to provide public goods and services.

Variable Expense: Money that a person spends or gives away that varies from month to month.

Want: Something that you would like to have but that you could live without, such as a TV or tickets to a baseball game.



**Money
Smart**

for Grades 6-8

Student Guide



A fun way to help kids get smart about money.



