



**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
- **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 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 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
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5 Go with the Flow

Cash Flow and Budgeting

- Explain the purpose and value of budgeting
- Explain the budget categories: fixed expenses, variable expenses, and discretionary expenses
 - Create a budget accounting for income, expenses, and unexpected scenarios

50 min

Session 1 (25 min)

- What Is Cash Flow? (10 min)
- “Go with the Flow” Cash Flow Game Round 1 (15 min)

Session 2 (25 min)

- “Go with the Flow” Cash Flow Game Round 2 (15 min)
- Why Cash Flow Matters Discussion (10 min)



LESSON 5: GO WITH THE FLOW

GRADES
6 - 8

LESSON OVERVIEW

Learners continue to explore the concept of **budgeting** through a close examination of **cash flow**. The central purpose of the lesson is for learners to identify sources of **income** and **expenses**, and then to apply those concepts to a budget to demonstrate cash flow.

TOPIC: Cash Flow and Budgeting

TIME REQUIRED: 50 minutes
(excluding **Extended Exploration** activities)

LEARNING OBJECTIVES:

Students will be able to...

- Explain the purpose and value of budgeting
- Explain the budget categories: fixed expenses, variable expenses, and discretionary expenses
- Create a budget accounting for income, expenses, and unexpected scenarios

SUPPLIES:

- Projector (for teacher presentation slides)
- Die (or some other method of random selection from 1 to 6)
- Access to the Internet (**optional**)

PREPARATION:

- Make copies of student handouts
- Set up projector with presentation slides

Answer Key 16
Glossary with key vocabulary 17

STUDENT HANDOUTS:

(found in **Student Guide**)

- ***Go with the Flow***
- ***Expenses***

TEACHER PRESENTATION SLIDE:

- ***What Is Cash Flow?***

ESSENTIAL QUESTIONS:

- *What is a budget?*
- *When can I use a budget?*
- *Why is budgeting important?*
- *What budgeting strategies lead to a positive cash flow?*

ASSESSMENT ACTIVITIES:

Pre-Assessment:

- ***What Is Cash Flow?*** activity

Post-Assessment:

- ***Go with the Flow*** game, rounds 1 and 2
- ***Why Cash Flow Matters*** discussion



INSTRUCTION STEPS

WARM UP

WHAT IS CASH FLOW? [10 MINUTES]

Display the **What Is Cash Flow?** slide and ask students to draw conclusions about the meaning of the terms “positive cash flow” and “negative cash flow.”

Review the meaning of the term **cash flow** (**income** and **expenses** over a given period of time).

Then, discuss some or all of the questions below:

- *How do some people arrive at a positive cash flow? How will this affect them?*
- *How do some people arrive at a negative cash flow? How will this affect them?*
- *Do you think there are some people that always have a positive cash flow? How?*
- *What do you think it means to have a “balanced cash flow”? Is it possible? How?*

MONEY SMART TIP!

The Federal Trade Commission (FTC) offers an online budgeting form to help plan monthly income and expenses.

<https://www.consumer.ftc.gov/articles/pdf-1020-make-budget-worksheet.pdf>

GUIDED AND INDEPENDENT EXPLORATION

“GO WITH THE FLOW” CASH FLOW GAME [30 MINUTES]

Distribute copies of the **Go with the Flow** and **Expenses** handouts. Provide students or small groups with a die. (Note: Any random selection method from 1 to 6 may also be used.)

First, have students roll the die to determine their income. Next, have them log their income in the green income box under Round 1 on their handouts. Then, have students roll the die to determine their expenses, including housing, transportation, bills, and groceries.

Grade-Level Modifications:

Beginner: Provide fewer options on the **Expenses** handout, including income, and the expenses.

Advanced: Allow students to use computers to research possible expenses for their area and select their expenses for the month.

Once students have logged their income and expenses, ask them to do the math below the expenses box, writing in how much they have in income, how much total they have in expenses, and then subtract their expenses from their income. At the end, students should be able to determine whether they had a positive, negative, or balanced cash flow. See the **Answer Key** for a sample **Go with the Flow** handout with possible answers.



Discuss:

- *What type of cash flow did you have – positive, negative, or balanced?*
- *Why did you think you had that type of cash flow? (Possible answers: I had a positive cash flow because I spent less than I earned in income. I had a positive cash flow because I limited some of my expenses, like I didn't spend money on the most expensive type of house. I had a negative cash flow because I do not earn much in my monthly income and I spent on some of the more expensive things.)*

Ask: *How much money do people with a positive cash flow statement have left over?* Explain that this money could be left over for **discretionary expenses**, which is spending for wants or non-essential items, rather than needs. Discuss discretionary expenses:

- *What types of things could be considered discretionary expenses?*
- *If you have a positive cash flow, do you have to use the additional money on discretionary expenses? How else could you use it? (Possible answers: putting the money into savings, investing the money, giving the money to a charitable organization.)*

Ask students to review their **budgets**. If this were their real-life budget, is there anything that they would be able to change from month to month? (Students should be able to identify that their month-to-month salary and housing numbers wouldn't change, but their transportation and bills could change, depending on their habits.)

Explain to students that the expenses that could change month to month based on their habits are called **variable expenses** because from month to month their cost will vary. (For example: one might decide one month to ride a bike to work because the weather is especially nice and it would save on gas.) Have students mark their variable expenses on their handouts with a "V."

Remind students that there are some expenses – such as car insurance – that may be paid only once or twice a year, and that are not included on this worksheet.

Explain to students that the expenses that won't change from month to month are called **fixed expenses**. Although these could change over a longer period, they will likely not change from month to month. (For example: after their lease is up at an expensive apartment, they could get a new lease for a cheaper apartment.) Tell students to use the key on their handout to label the fixed expenses with an "F."

Now students get a chance to create a positive cash flow statement in Round 2. Tell students that they no longer need to use their die to determine their variable expenses; they may select their expenses themselves based on how they would like their cash flow statement to read at the end of the month. Students may not, however, change their fixed expenses. Allow students to use the **Expenses** handout to select their variable expenses and complete Round 2 of the **Go with the Flow** game.

Discuss:

- *What changes did you make to develop a positive cash flow?*
- *Were you successful in developing a positive cash flow? Why or why not?*
- *Do you think you will be able to manage a budget like this when you get older? Why or why not? How will things be different when you do this in real life?*



WRAP UP

WHY CASH FLOW MATTERS DISCUSSION [10 MINUTES]

Explain to students that understanding cash flow and creating positive cash flow is a problem for many Americans. In the United States, 19 percent of individuals reported that, over the past year, their household spent more than their income (not including the purchase of a new home, car, or other big investment), while 26 percent reported having medical bills that were past due.

<http://www.usfinancialcapability.org/results.php?region=US>

Discuss:

- *How would understanding cash flow strategies help Americans who are in debt?*
- *How do you think so many Americans got to be in debt?*
- *Based on what you've learned today about fixed, variable, and discretionary expenses, what advice would you give to Americans who are in debt?*

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:**
 - Write a narrative about a family that is managing their cash flow. Your narrative could be about a family that has a successful positive or balanced cash flow and the strategies that they use, or it could be about a family that has a negative cash flow and the lessons that they learn about their finances along the way. Your narrative should read like an interesting memoir or novel. Include characters, dialogue, plot, and an interesting conflict.
 - Write a letter to the editor of a local news publication explaining the current state of debt in the United States and include some tips for preventing debt.
- **Additional Readings/Resources:**
 - *Spend* by the Financial Literacy and Education Commission: A short overview of tips on student spending, including tips on budgeting and a sample budgeting worksheet.
<http://www.mymoney.gov/spend/Pages/spend.aspx>
 - *Budgeting Worksheets* by the Financial Literacy and Education Commission: A collection of budgeting worksheets for student use.
<http://www.mymoney.gov/Fast/Pages/Results.aspx?k=Budgeting%20worksheets&s=All>



MATH

- **Activity/Project Ideas:**
 - Have students develop a cash flow statement at home for themselves and/or for their families. Over time, they should track how much income they have and the cost of their fixed and variable expenses. Ask them to consider whether their cash flow is positive, balanced, or negative, and then to explain the changes they would like to make on their cash flow statement.

SOCIAL STUDIES AND ECONOMICS

- **Activity/Project Ideas:**
 - Research and develop an argument about whether or not the government should have to have a balanced cash flow. You may begin with the U.S. News & World Report at <http://www.usnews.com/debate-club/does-the-united-states-need-a-balanced-budget-amendment>

TECHNOLOGY

- **Online Games/Tools:**
 - Mint's online budgeting tool. <https://www.mint.com/t/hzpc/>

ANSWER KEY

for Student Handouts

LESSON 5: GO WITH THE FLOW

Answers will vary. Completed sample:

Go with the Flow—Round 1

Monthly Income: <u>\$2,500</u> (includes salary and interest earned from bank accounts)	
Expenses	
Monthly Housing Cost: <u>F \$700</u>	Type of Housing: <u>one-bedroom apartment</u>
Monthly Transportation Cost: <u>V \$350</u>	Type of Transportation: <u>expensive car</u>
Monthly Bills (gas, electric, phone, cable) <u>V \$650</u>	Details: <u>utilities, phone, cable, Internet</u>
Monthly Grocery Bill: <u>V \$250</u>	Details: <u>expensive groceries</u>
Total Income (\$2,500) – Total Expenses (\$1,950) = \$550	
Is your cash flow statement positive, negative, or balanced? <u>Positive</u> Label your cash flow expenses as: F–Fixed or V–Variable	

Go with the Flow – Round 2

Monthly Income: <u>\$2,500</u> (includes salary and interest earned from bank accounts) STAYS THE SAME AS IN ROUND 1	
Expenses	
Monthly Housing Cost: <u>\$700</u>	Type of Housing: <u>one-bedroom apartment</u>
Monthly Transportation Cost: <u>\$200</u>	Type of Transportation: <u>car with gas</u>
Monthly Bills (Gas, Electric, Phone, Cable): <u>\$850</u>	Details: <u>utilities, phone, prem. cable, Internet</u>
Monthly Grocery Bill: <u>\$250</u>	Details: <u>expensive groceries</u>
Total Income (\$2,500) – Total Expenses (\$2,000) = \$500	
Is your cash flow statement positive, negative, or balanced? <u>Positive</u>	

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.





GO WITH THE FLOW

Name: _____

Go with the Flow – Round 1

Monthly Income: _____ (includes salary and interest earned from bank accounts)	
Expenses	
Monthly Housing Cost: _____	Type of Housing: _____
Monthly Transportation Cost: _____	Type of Transportation: _____
Monthly Bills (Gas, Electric, Phone, Cable): _____	Details: _____
Monthly Grocery Bill: _____	Details: _____
Total Income: _____ – Total Expenses: _____ = _____	
Is your cash flow statement positive, negative, or balanced? _____	
Label your cash flow expenses as: F — Fixed or V — Variable	

Go with the Flow – Round 2

Monthly Income: _____ (includes salary and interest earned from bank accounts)	
STAYS THE SAME AS IN ROUND 1	
Expenses	
Monthly Housing Cost: _____	Type of Housing: _____
Monthly Transportation Cost: _____	Type of Transportation: _____
Monthly Bills (Gas, Electric, Phone, Cable): _____	Details: _____
Monthly Grocery Bill: _____	Details: _____
Total Income: _____ – Total Expenses: _____ = _____	
Is your cash flow statement positive, negative, or balanced? _____	



EXPENSES

	Monthly Income	Monthly Housing	Monthly Transportation	Monthly Bills	Monthly Groceries
1	\$1,500	\$500 Shared apartment	\$20 Walk mostly, bus occasionally	\$100 Shared basic utilities	\$50 Shared grocery expenses
2	\$2,000	\$600 Studio apartment	\$40 Bike with maintenance	\$200 Basic utilities	\$100 Basic groceries
3	\$2,500	\$700 One-bedroom apartment	\$75 Monthly bus pass	\$300 Basic utilities and phone	\$150 Basic groceries, plus groceries for hosting a party
4	\$3,000	\$800 Shared house	\$120 Mostly bus, sometimes taxi	\$450 Basic utilities, phone, cable, and Internet	\$200 Basic groceries from the expensive grocery store
5	\$3,500	\$1,500 Small house	\$200 Car with gas	\$650 Basic utilities, phone, cable, and high-speed Internet	\$250 Expensive groceries
6	\$4,000	\$2,500 Large house	\$350 Expensive, gas-guzzling car	\$850 Basic utilities, phone, premium cable, and Internet	\$250 Expensive groceries from the expensive grocery store