



# for Grades 3-5



## Educator Guide



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## WELCOME TO MONEY SMART

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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 in children ages 8 through 11. You can use **Money Smart** to add engaging and enriching activities to Math, English Language Arts, and Social Studies lessons while also helping your students build the foundation to become financially responsible adults.

In **Money Smart** you will find:

- **Eight Lessons** with hands-on, cross-curricular activities that engage third- through fifth-grade students in discussing and exploring key financial concepts
- **Teacher Presentation Slides**, which provide helpful visuals, as well as fill-in charts to support the activities in each lesson
- **A Student Guide** with handouts 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 21<sup>st</sup>-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](mailto:communityaffairs@fdic.gov).

## GETTING STARTED

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**Money Smart** provides a comprehensive, developmentally appropriate program for upper elementary 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** on pages 48-57 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 21<sup>st</sup>-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**, 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 eight 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 of 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. 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.
- **Wrap Up** provides a reflection question or activity to review lesson concepts and allow students to demonstrate their understanding.
- **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.
- **Extended Exploration** provides teachers with additional opportunities to extend financial literacy concepts throughout the school year within core and creative content areas including English Language Arts, 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) and **Teacher Presentation Slides** provide dynamic instructional support. Student handouts create an opportunity for students to apply their knowledge and for teachers to assess their understanding. Teacher presentation materials offer visuals and interactive activities corresponding with each lesson, and can be projected for whole-group activities, or copied for small-group use.
- 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. The vocabulary words can be used to create flash cards or a classroom Word Bank list. Students can also make their own Word Banks and refer to the lists as needed.

## MONEY SMART AT HOME

The **Money Smart** curriculum includes a helpful **Parent/Caregiver Guide** that corresponds to the classroom resources. Families of young children 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 present short skits about financial concepts they have learned.
- Send student handouts from each lesson home in each child's homework folder for parents to review and sign.

## SMART BUCKS

Additional incentives can be used to promote positive financial behaviors and study habits throughout the *Money Smart* curriculum and school year. Introduce **Smart Bucks** to recognize students' positive financial and classroom behaviors.

**Smart Bucks** can be earned for the following behaviors:

- Accomplishment of a goal(s)
- Completion of homework
- Exceptional classroom conduct
- Keeping the classroom clean and neat
- Participating in discussions or responding to questions
- Excellent group collaboration or individual work
- Completing daily work
- Respectful behavior

As students accumulate **Smart Bucks**, they may spend them on prizes, toys, or special activities (for example: extra computer time, free reading time, game board time) at the end of the week or month, or whenever you normally provide rewards.

**Smart Bucks** may be tracked using a chart (displaying desired behaviors and goals), stored in a classroom "treasury" box, or in a cash register (if a class "store" is set up), and handed out to students using play money. Provide price tags or stickers on items or activities to be "sold." The presentation for cashing in **Smart Bucks** can be as simple or elaborate as you choose.

Aside from being a fun way to reward positive behaviors, **Smart Bucks** can help foster an application of the financial literacy concepts covered in *Money Smart* lessons.

With **Smart Bucks**, students can practice:

- Math skills when adding the total of "Smart Bucks" earned
- The concept of making change without using a calculator
- The value of saving as they choose to save instead of spend, or set a goal to save for a more desired choice

Use **Smart Bucks** during *Money Smart* lessons or continue throughout the year.

## 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*.
- Play games that focus on numeracy skills and financial concepts (such as Monopoly).
- Feature children's literature selections that cover financial literacy concepts in the library or during classroom reading time. See the **Parent/Caregiver Guide** for more literature suggestions.

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.

# LESSONS AT-A-GLANCE

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Lesson Title	Topic	Learning Objectives	Time Required
4 Save Your Money	Saving	<ul style="list-style-type: none"><li>• Explain what banks do and what interest is</li><li>• Name benefits of saving money in a bank versus at home</li><li>• Understand risks and why it's important to save for emergencies</li><li>• Evaluate real-world scenarios that focus on saving for emergencies, unexpected events, or purchases</li><li>• Create an infographic to show possible risks for a real-world scenario</li></ul>	60 min





# LESSON 4: SAVE YOUR MONEY

GRADES  
3 - 5

## LESSON OVERVIEW

As students' financial judgments continue to grow throughout each module, add **interest** to their financial knowledge bank by exploring how and where to save money through the understanding of **banks** (federally insured financial institutions). This module will introduce the concept of **risk**. Learners will also evaluate real-world scenarios that address saving for emergencies.

**TOPIC:** Saving

**TIME REQUIRED:** 60 minutes  
(excluding **Extended Exploration** activities)

### LEARNING OBJECTIVES:

Students will be able to...

- Explain what banks do and what interest is
- Name benefits of saving money in a bank versus at home
- Understand risks and why it's important to save for emergencies
- Evaluate real-world scenarios that focus on saving for emergencies, unexpected events or purchases
- Create an infographic to show possible risks for a real-world scenario

### SUPPLIES:

- Projector (for teacher presentation slides)
- Whiteboard or chart paper, markers
- Access to the Internet (**optional**)
- Suggested books (**optional**)
  - *Banking* by Barbara Allman

### PREPARATION:

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

Answer Key ..... 13  
Glossary with key vocabulary ..... 16

### STUDENT HANDOUTS:

(found in **Student Guide**)

- *What Are the Risks?*
- *Calculate the Interest*
- *Money Smart Book Comic Strip*

### TEACHER PRESENTATION SLIDES:

- *How Do Banks Work?*
- *Story Problems: Risks*
- *Saving for Emergencies*
- *Real-Life Emergencies*

### ESSENTIAL QUESTIONS:

- *What is a bank?*
- *How do banks work?*
- *What is interest?*
- *Why would keeping money in a bank be more useful than saving money at home?*
- *Why is it important to save for emergencies?*

### ASSESSMENT ACTIVITIES:

#### Pre-Assessment:

- *What Are the Risks?* handout
- *Calculate the Interest* handout

#### Post-Assessment:

- *Story Problems: Risks* slide
- *Money Smart Book Comic Strip* handout



## INSTRUCTION STEPS

### WARM UP

#### UNDERSTANDING WAYS TO SAVE MONEY [5 MINUTES]

Begin the lesson with a discussion about saving money. Ask students to raise their hands if they have a piggy bank or savings jar. Ask: *Why are you saving the money? What have you used your savings for? How long did you save for the last item you bought? Why is it important to save money?* (When you save, you will have money to use in the future. It also ensures you will have the money you may need in case of an emergency or a special event.) Then have students name ways they might be able to save more money (for example: cutting back on “wants,” bargain hunting, putting more money aside to save, putting money in the bank). Write students’ ideas on a whiteboard or chart paper.

### GUIDED EXPLORATION

#### DISCOVERING WHERE MONEY IS SAVED [15 MINUTES]

Assess prior knowledge by asking students: *Who has been to a bank? What is a **bank**?* (A **bank** is a business where people can deposit and withdraw their money.) *How do banks work?* (Banks offer people a safe place to keep their money and pay people interest by using their deposits to make loans.) If students have not yet mentioned the term **interest**, ask whether they have heard of the term as related to money, and what they think it means. (**Interest** is the amount earned from deposits in a savings account.)

Display the **How Do Banks Work?** slide to give students background information on the basic principles of how banks work. Ask: *Why would keeping money in a bank be more useful than saving money at home?* (It’s safer in a bank and can earn interest.) Explain to students that the next activity will teach them more about interest.

### MONEY SMART TIP!

**The Federal Deposit Insurance Corporation, or the FDIC for short, is a part of the federal government. The FDIC’s biggest job is to insure the savings of millions of Americans in all of the FDIC-insured banks across the country. Since the FDIC was established in 1933, no depositor has lost a penny of FDIC-insured funds.**

Explore the benefits of saving money in a bank by giving students the **Calculate the Interest** handout. It provides a real-life scenario and calculator chart to answer questions about interest on various amounts of money. Discuss the answers, and ask: *What are the benefits of saving more money?* (to earn more interest)

#### Grade-Level Modifications:

**Beginner:** Complete the activity as a whole class, in small groups, or individually. Ask students to explain how they solved each problem. If they need help with the third question, refer to the Answer Key and write the number sentence on a whiteboard or chart paper.



**Advanced:** Have students calculate interest rates on other amounts of money that are not on the calculator chart, such as \$350, \$1,000, \$2,500, and so on. You may also want to teach the formula for calculating interest: principal (the amount of money invested) x rate x time = interest. For example, if you invest \$1,000 (the principal) at a rate of .05 (a rate of 5 percent) x 2 years (time), it equals \$100 (interest).

### UNDERSTANDING RISKS AND THE IMPORTANCE OF SAVING FOR EMERGENCIES [30 MINUTES]

Ask students: *What is a risk?* (The possibility that something bad might happen.) Give an example of a child riding a bicycle. Distribute the **What Are the Risks?** handout to have students list the risks (falling, a flat tire, and so on) and ways to avoid or reduce those risks (wearing a helmet, riding in a safe area away from cars, carrying a bicycle pump, and so on). Discuss ideas as a class.

**Grade-Level Modifications:**

**Beginner:** Ask students: *Have you ever ridden a bicycle, scooter, or skateboard, or gone roller-skating or inline skating?* Have students talk about their experiences relating to risks, such as falling, and ways they avoided or reduced the risks.

**Advanced:** Ask students to write another example of a scenario that could pose risks and ways to reduce those risks.

Display the **Story Problems: Risks** slide and have students work in small groups to create a chart that shows their understanding of the possible risks and ways to avoid or reduce each risk for one of three scenarios listed on the slide. Have students share their answers.

Explain that risks carry the potential to cost people time and effort, as well as money. As much as you try to avoid or reduce the risks, emergencies can happen. That is why it is important to save for an emergency or something unexpected. Display the **Saving for Emergencies** slide. As a class, list the possible expenses of the scenario.

Then display the **Real-Life Emergencies** slide, and discuss. Have students reflect on the question: *Why might it be important to save for emergencies?* (to make sure you have enough money to pay for emergencies, because they are unplanned and unexpected)

## WRAP UP

### CLASS REFLECTION [10 MINUTES]

Ask students: *Why is it useful to keep your money in a bank instead of saving it at home? Why is saving for emergencies important?* As a final assessment, have students draw a comic strip using the **Money Smart Book Comic Strip** handout to show why it's useful to keep money in a bank.

**Grade-Level Modification:**

**Advanced:** Ask students to use the cartoon to demonstrate why it is important to save for emergencies and unexpected events or purchases.



### EXTENDED EXPLORATION

**Note:** Use the following activities to extend the lesson topic throughout the year. Activities can be completed as a class or in small groups. Duration of activities will vary.

- Have students work together to create smart shopping tips for their families and schoolmates.
- Invite students to test their budgeting skills by playing Mad Money at [http://pbskids.org/itsmylife/games/mad\\_money\\_flash.html](http://pbskids.org/itsmylife/games/mad_money_flash.html). The game includes emergency spending situations.
- Ask students to research the history of banking in the United States, using books (such as *Banking* by Barbara Allman) and online resources. Then have each student write an essay to summarize what he or she has learned and provide a list of sources.
- To explain the difference between keeping money in a bank and at home, have students create posters, and display in the library or around the school.

# ANSWER KEY

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## for Student Handouts (found in Student Guide)

### LESSON 1: MONEY MATTERS

**Student Handout 1: *Sort It Out*.** Answers will vary.

**Student Handout 2: *What Should I Buy?***

**Situation A:** 1. want, 2. want, 3. need, 4. backpack, 5. Answers may include: Maya should spend her money on a new backpack. It is the most important because it is a need. Her old backpack is badly damaged.

**Situation B:** 1. want, 2. need, 3. want, 4. a pair of sneakers, 5. Answers may include: Travis should spend his money on a new pair of sneakers. It is the most important because it is a need. His old sneakers are getting too small.

**Student Handout 3: *Trade-Offs*.** Answers will vary.

**Student Handout 4: *Money Smart Book*.** Answers will vary.

### LESSON 2: GET SET FOR GOALS

**Student Handout 1: *Short- and Long-Term Goals***

**Situation A:** 1. Ella wants to challenge her brother to a basketball game. 2. Ella plans to join the basketball team when she gets to middle school. 3. She can keep practicing to improve her basketball skills.

**Situation B:** 1. Max wants to get a good grade on his French test next week. 2. Max wants to visit France when he is older. 3. Answers will vary, but may include: Max can keep studying and practicing French. Max can save money for a trip to France.

**Student Handout 2: *What Are Your Goals?*** Answers will vary.

**Student Handout 3: *Saving Together***

1. Their savings goal is \$150 to buy a tablet computer. 2. They want to reach their goal in one year. 3. It is a long-term goal. 4. They still need to save \$120 ( $\$150 - \$20 = \$130 - \$10 = \$120$ , or  $\$150 - (\$20 + \$10) = \$120$ ). 5. Each child will pay \$75 ( $\$150 \div 2 = \$75$ ). 6. Answers will vary.

**Student Handout 4: *My Savings Goals*.** Answers will vary.

### LESSON 3: MAKE A PLAN

**Student Handout 1: *Jake's Budget***

Total monthly expenses: \$1,620. **Questions:** 1. \$180, 2. \$1,800, 3. \$910, 4. \$510 ( $\$410 + \$100 = \$510$ ), 5. \$25 ( $\$200 - \$175 = \$25$ ), 6. Answers will vary, but may include clothes and entertainment (movies, bowling, sports games, concerts, etc.).

## ANSWER KEY (continued)

### Student Handout 2: *Finish That Budget!*

Monthly Income: Taking care of younger brother: \$8, Getting the neighbor's mail: \$2, Total: \$10; Monthly Expenses: Snacks and supplies: \$9; Monthly Savings: \$1. **Questions:** 1. 25 cents (\$1 or 100 cents – 75 cents = 25 cents), 2. \$12 (\$1 per month, or  $\$1 \times 12 = \$12$ ), 2. Answers will vary, but may include: She can spend less on snacks and supplies, compare prices, get another job.

### Student Handout 3: *My Budget*

Answers will vary, unless students use the suggested numbers of \$15 monthly income and \$8 monthly expenses. If so: Monthly Savings: \$7. **Questions:** 1. \$84 ( $\$7 \times 12 \text{ months} = \$84$ ), 2. Answers will vary, but may include: I can spend less by comparing prices, buying fewer wants.

## LESSON 4: SAVE YOUR MONEY

### Student Handout 1: *Calculate the Interest*

1. C (\$2), 2. B ( $\$300 + \$3 \text{ interest} = \$303$ ), 3. A (\$800, based on the chart, solutions may include:  $\$8 \times 100$  or  $\$8$  is the sum of  $\$3 + \$5$ , which corresponds to  $\$300 + \$500 = \$800$ )

### Student Handout 2: *What Are the Risks?*

Risks of Riding a Bicycle: Answers will vary, but may include: falling, getting hit by a car, a flat tire.

Ways to Avoid or Reduce the Risks: Answers will vary, but may include: wearing a helmet, riding in a safe area away from cars, carrying a bicycle pump.

**Student Handout 3: *Money Smart Book Comic Strip.*** Answers will vary.

## LESSON 5: WHICH WAY TO PAY?

### Student Handout 1: *Payment Options: True or False?*

1. True, 2. True, 3. False (Credit cards and debit cards are made of *plastic*.), 4. True, 5. False (If you use a credit card, you receive a *monthly* bill.), 6. False (Credit cards do set limits to how much you can spend.), 7. True, 8. False (A debit is money *removed from* an account.), 9. True, 10. True

### Student Handout 2: *Payment Decisions*

1. She should pay using the credit card because she doesn't have enough cash.  
2. He should pay with cash because the store only accepts cash.  
3. She should pay with her debit card because she doesn't have enough cash.

4. He should pay with his debit card because he has enough money in his checking account(\$2,800).

He shouldn't use his credit card because he has a \$3,000 credit card limit and has already charged \$800. ( $\$3,000 - \$800 = \$2,200$ . That is \$100 less than his car bill of \$2,300.)

### Student Handout 3: *Test Your Payment Knowledge*

1. A (checks and debit cards), 2. C (month), 3. C (using a credit card), 4. B (check), 5. B (Keep your personal information private.)

## ANSWER KEY (continued)

### LESSON 6: GET INVESTED

#### Student Handout 1: *Complete the Story*

My friend Ty is always talking about his long-term money **goals**. He plans to manage his money **wisely**. When he is older, he wants to **invest** money in several places. First, he says he'll buy a **CD** from the bank so he can earn **interest**. He may also buy a **bond** from the government. Later, he is going to buy **stocks** so he can own shares of a company. If the company makes a big **profit**, he could make a lot of money! But if the company does not, he could **lose** his money. Ty told me that's a chance he'll have to take. One day he might even start his own **company**.

#### Student Handout 2: *Risk and Return*

1. A (Buy a CD or U.S. government bond.), 2. B (Do some more research about stocks. You may also lose your money.), 3. C (stocks and high-risk bonds)

### LESSON 7: IT'S GREAT TO DONATE!

#### Student Handout 1: *Story Problem: Giving*

1. \$100, 2. 32 magnets ( $\$64 \div \$2$  per magnet = 32 magnets), 3. \$40 profit ( $\$64 - \$24 = \$40$ ), 4. \$60 ( $\$100 - \$40 = \$60$ ), 5. 30 magnets ( $\$60 \div \$2$  per magnet = 30 magnets)

Student Handout 2: *Giving Plan and Budget*. Answers will vary.

### LESSON 8: CAREER CHOICES

Student Handout 1: *Different Jobs*. Answers will vary.

Student Handout 2: *Interest Survey*. Answers will vary.

#### Student Handout 3: *Salary and Education*

1. C (Master's), 2. \$54,200 ( $\$116,700 - \$62,500 = \$54,200$ ), 3. Answers may include: They all require a higher education degree and pay more than \$60,000 a year.

# GLOSSARY

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**Advertisement (Ad):** A public notice or announcement that a company pays for to help promote and increase sales of a product or service.

**Bank:** A financial institution and business that accepts deposits and makes loans.

**Borrow:** To receive something on loan with the understanding that you will return it.

**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:** Money such as coins and bills.

**Charity:** The act of giving help or money to help people, animals, or communities in need; an organization that helps people, animals, or communities in need or supports social causes.

**Check:** A written order of payment that instructs a financial institution (such as a bank) to withdraw a specific amount of money from the check-writer's account, and pay or deposit it to the person, or business, named on the check.

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

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

**Debt:** Money that is owed.

**Donation:** Something (including money, food, clothes, and toys) that you give to help people, animals, or communities in need or to a charity.

**Earn:** To receive money in exchange for goods or services.

**Emergency Fund:** Money set aside to pay for unexpected expenses.

**Entrepreneur:** Someone who creates and runs a business.

**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.

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

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

**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.



## GLOSSARY (continued)

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

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

**Lend:** The act of giving something to someone with the understanding that they will give it back to you.

**Long-Term Goal:** Something you want to achieve in the future, such as in one year, five years, ten years, or more.

**Money Order:** Similar to a check, but can be purchased at a bank or post office, and used to make a payment of a specified sum of money.

**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.

**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).

**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 Goal:** The amount of money you plan to put aside for a specific purpose.

**Short-Term Goal:** Something you want to achieve soon, such as in two weeks or a few months.

**Spend:** The act of using money to buy goods or services.

**Spending Limit:** The most amount of money a person is allowed (or allows themselves) to spend.

**Tax:** Money that someone has to pay to help finance a government.

**Want:** Something that you would like to have but that you could live without.



**Money  
Smart**

**for Grades 3-5**  
**Student Guide**



**A fun way to help kids  
get smart about money.**



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## CALCULATE THE INTEREST

Name: \_\_\_\_\_

When you put money into a savings account, you are paid **interest**. It is the money you earn from lending money to the bank.

**Directions:** Read the scenario and the calculator chart below. Then fill in the circle for the best answer to each question.

Juan, age 10, has a savings account. He has \$100 saved so far. He wants to figure out how much interest he would receive if he saved more money. The amount of interest the bank pays changes often. Right now, Juan's bank pays a rate of 1%.

CALCULATOR CHART	
Money	Interest After a Year (based on a rate of 1%)
\$100	\$1
\$200	\$2
\$300	\$3
\$400	\$4
\$500	\$5

1) If Juan saves \$200, how much interest would he receive after a year?

- 20 cents                       \$1                       \$2

2) If Juan saves \$300, how much money would he have in the bank at the end of the year?

- \$300                       \$303                       \$305

3) How much money would Juan need to save to receive \$8 of interest after a year?

- \$800                       \$900                       \$1,000



## WHAT ARE THE RISKS?

**Name:** \_\_\_\_\_

A **risk** is the possibility that something bad might happen. People can try to find ways to avoid or reduce a risk.

**Directions:** Read the scenario and complete the chart below.

You just got a new bicycle as a gift. It's shiny and red. You can't wait to ride it! Before you do, write a list of the risks and ways to avoid or reduce each risk.

<b>Risks of Riding a Bicycle</b>	<b>Ways to Avoid or Reduce the Risk</b>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____



# MONEY SMART BOOK **COMIC STRIP**

**Name:** \_\_\_\_\_

**Directions:** Draw a comic strip to show why it's useful to keep money in a bank.

**Title**