



Making Sense of your Dollars & Cents

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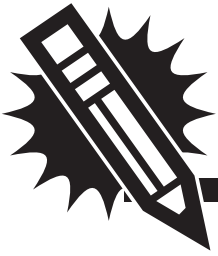
J.P.Morgan CHASE 

Family Guide

This guide provides information and activities that support the *Making Sense of Your Dollars and Cents* exhibit. The intention of this Guide is to introduce your family to the basic concepts of financial literacy including earning, spending, saving, budgeting and how banks work.

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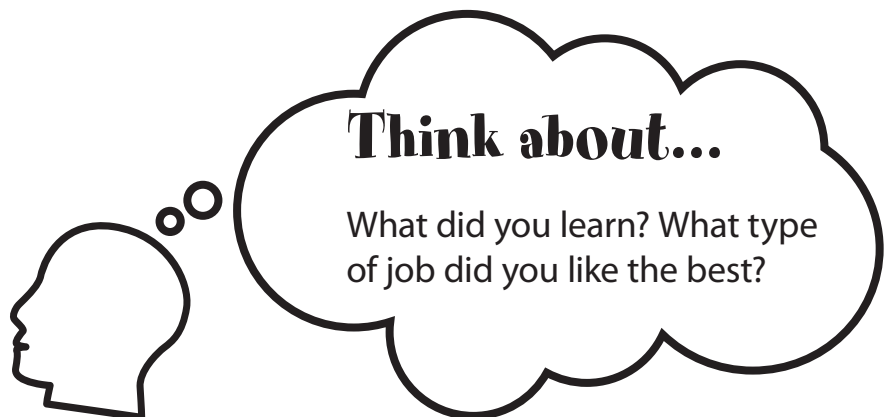
Learn to Earn

Have you ever thought about what kind of job you would like to have when you grow up? There are so many amazing jobs! You could become a teacher, an engineer, work in a store, hotel or restaurant, or even fly a plane! What kinds of jobs do the adults around you have?

Earning money is really important as an adult, isn't it? With money, we can buy things for ourselves and our families – paying for everything from rent or mortgage, to food and clothes, to going on a family vacation! We can also give money to charity to help improve others' lives.

To learn what kind of job you might like to have, you can interview some adults you know. What types of questions do you think you might want to ask them? Below, write down four questions you would like to have them answer (you could think of many more!):

1. _____
2. _____
3. _____
4. _____



Learn to Earn

Earning money is also really important for you! It's a great way for you to start learning about how to manage the money you earn. (It also comes in handy when you want to buy a new toy, or go to the movies with your best friend!)

If you are already earning money, what are you doing? What suggestions can you make to your friends on ways they can earn money too? List a few ideas of how to earn money:

1. _____

2. _____

3. _____

4. _____

Think about...

What are you doing with the money you make now? Are you saving any? What are the kinds of things you like to buy?





It's Up to You!

Sometimes you have to make choices between what you want and what you need. Everything you do costs you something. It might not cost you money, but it limits or costs you other choices you could have made.

For example, if you get pizza for lunch, the cost is not being able to have tacos. If you spend your allowance on a movie ticket, the cost is passing on a trip to the water park with your best friend. **This is called an *opportunity cost*.**

At home, cut out each square and make two piles: one for things you **want**, and the other for things you **need**. What did you put into each pile? Why? Do you think you gave up something you really need, like water or food, for something that you just wanted, like a new cell phone or a video game?



**video
games**

food

ice cream

water

movies

tv

books

cell phone

shelter

sports

music

shoes

toys

clothes

electricity

computer

friends

sleep

shopping

swimming



Building your Budget

Making your own budget will help you see how much money is coming in (your **income**), and how much is going back out (your **expenses**).

Your income could be from one of those great ideas you had about a job you could do, money your grandfather gave you for your birthday, or from your allowance. Expenses could be things like treats at school, a trip with your friends to see a new movie, or your cell phone. Don't forget to save a little, too! That should also come out of your expenses.

On the next page you have a chance to make your very own budget! After you have filled in the sections, add up all of your income and expenses then subtract the amount you spent from the amount you earned. **How did you do?**

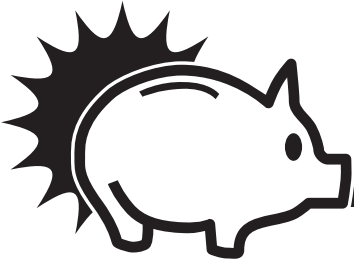
Building your Budget

How did you earn your money?	How much did you earn?	What did you spend your money on?	How much did you spend?
	Total of what you earned \$ _____		Total of what you spent \$ _____

Think about...

How much money do you have left over? Did you include savings as one of your expenses? How can a budget help you manage your money?





Into the Piggy Bank

Saving money is a really important thing to do! It's there if something unexpected comes up, like if you need something for a school project or you need buy your brother or sister a birthday present.

Let's say your school is taking an exciting trip to a science museum, and you need to save \$20 for lunch and have money left to buy something at the science store.

Based upon the budget you just made, and the amount you put into savings, how long will it take for you to earn money for your trip?

Let's see how long it will take you to save the \$20 for your trip:

If you save \$2 per month, how many months will it take? _____

If you save \$5 per month, how many months will it take? _____





Spending Your Money

Now that you have earned and saved up some money, know what you want to buy and that you can afford it, how are you going to pay for the trip?

There are several ways you can pay: **cash**, **check**, and **credit** or **debit card**.



Cash

Purchase paid off right away

Accepted almost everywhere

Helps control your spending

Can be unsafe to carry around



Checks

Safer than carrying cash

Good for expenses requiring a paper trail

Takes time to clear bank

Gives your personal information



Credit Cards

Can be used online

Allows purchases to be paid off over time

Debit Cards

Use like credit card

Overspending not possible because it comes right out of money you have at the bank.

Think about...

What do you think is the best way for **you** to spend your money? Why?
How do the adults in your family spend their money. Why?





The Story of Banks

Many kids think that a bank is just a building full of money, but banks are actually much more complicated than that!

Banks give us checking accounts so we can access our money without having to carry it with us, provide us a place to save money, and even pay us interest! They also let us borrow money (but **we** have to pay interest). We also give banks our money so they can invest it and make it grow.

Banks have vaults where you can keep things like stocks and bonds, jewelry, gold and other valuables. They also have ATM machines (automated teller machines) where you can make deposits and take out cash anytime.

**What happens when you put your money in a bank?
Let's check it out!**

What Happens to My Money at the Bank?



This is Mr. McMoney. He is putting \$100 into his savings account. He takes it to the bank and deposits it.



The bank teller updates Mr. McMoney's account balance, but he doesn't just put the money in a safe.

The bank loans Ms. Sweet the money that Mr. McMoney deposited. She will pay a little back at a time.



This is Ms. Sweet. She wants to open a bakery, so she goes to the bank for a loan.



Ms. Sweet pays interest on the loan – a fee for borrowing money. She pays back more than she borrows.



Over time, Mr. McMoney collects interest on his \$100. He will end up with more money than he deposited.

Think about...

Why would Ms. Sweet take out a loan if she has to pay back more than she borrowed? What would happen if no one put their money into the bank? What do you think a bank would need to know about you before they decided to give you a loan?