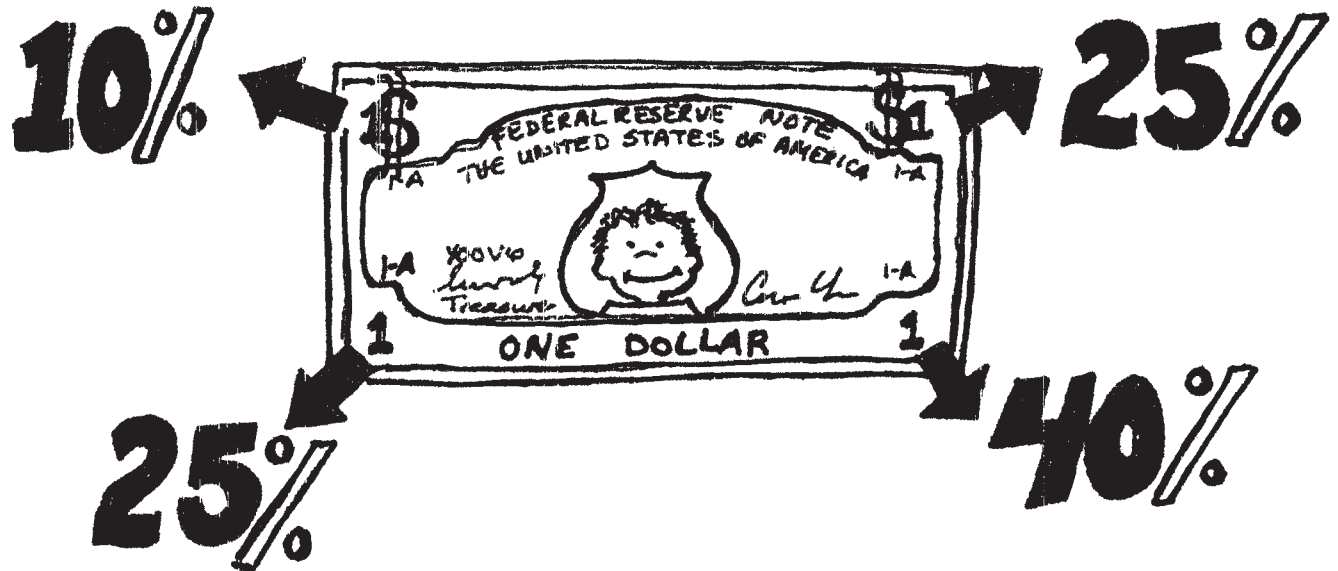


# Wise Use of Your Money



You can use **money** in three basic ways. You can **save** it, **spend** it, or **give** it away. It is wise to do all three. Below is a possible rule for kids when making a **budget**. Divide every dollar earned in the following way:

Give (church, charity, etc.)	10% = 10 cents
Spending Money	40% = 40 cents
Short Term Savings	25% = 25 cents
<u>Long Term Savings</u>	<u>25% = 25 cents</u>
	100% = \$1.00

**Short-term savings** is for goods and services that you want to purchase in the near future (e.g. movie tickets, CD's, haircuts, games, clothes).

**Long-term savings** is for goods and services that you want to purchase in the more distant future (e.g. education, car repair, special vacation). Adults use their long term savings for their **retirement** income.

## Questions About Wise Use of Your Money

1. Name the three basic ways to use money. (*save, spend, give away*)
2. Which of the three is usually the easiest to do? (*spend*). Which are more difficult to do? (*save and give away*)
3. Name places to keep money safe. (*piggy bank, wallet, bank, credit union, etc.*)
4. Discuss the difference between long-term and short-term savings? Give examples. (*See definition and examples on previous page.*)
5. Why is it important to give some money away? (*People often have difficult circumstances in their lives and need help.*) Name some charitable organizations that might need your donations and why? (*homeless shelter, missions, church, Cancer Society, Red Cross, Salvation Army, United Way, animal shelter, etc.*)
6. What is a budget? (*monthly plan for managing income*) Why is a budget important? (*helps to manage income and expenses*) What are major bills that people pay? (*house and car payments, utilities, insurance, doctor bills, clothing, food, entertainment, etc.*) What happens if you don't pay your bills on time? (*car can be taken away, poor credit, bill collectors will call, phone service cut off, etc.*)

## Other Activities and Questions for Your Students

1. Make a list of ways to get money. (*allowance, job, gift, inheritance, etc.*)
2. Complete the "What I Would Do With My Gift!" worksheet.
3. Research charitable organizations, explaining how they use donations. Collect fund-raising letters requesting donations and post them on a Charitable Organizations bulletin board.
4. Examine the yellow pages and make a Charitable Organization Directory, including name, address, phone number, and type of charitable organization.
5. Have students make a collage showing "Consumer Goods I Want to Purchase." For each good, estimate a price and then indicate if it would probably be purchased with spending money, short term savings, or long term savings.
6. Put students into small groups and have them design creative brochures that promote and give ideas on helping people become wiser consumers.
7. Complete the "Money Sayings" worksheet.
8. In groups, decide on four important long-term savings goals. Rank the goals and share results with the class. Compare and contrast different opinions.

Literature Connection: See Appendix A for children's literature lessons.

# WHAT I WOULD DO WITH MY GIFT!



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

You can spend, save, or give money away. Pretend that you just received two gifts — one for \$30 and also \$200! Decide what you would do with each gift. First, draw a picture of what you would buy, if anything. Then complete the saving and giving decisions.

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## \$30 Gift

**Spend:** What I Would Buy (Draw picture)

Approximate Price \_\_\_\_\_

**Save:** Amount for Short-Term Saving \_\_\_\_\_ Saving Goal \_\_\_\_\_

Amount for Long-Term Saving \_\_\_\_\_ Saving Goal \_\_\_\_\_

Where I Would Save \_\_\_\_\_

**Give:** Total Amount I Would Give Away \_\_\_\_\_

To Whom? \_\_\_\_\_

\_\_\_\_\_

## \$200 Gift

**Spend:** What I Would Buy (Draw picture)

Approximate Price \_\_\_\_\_

**Save:** Amount for Short-Term Saving \_\_\_\_\_ Saving Goal \_\_\_\_\_

Amount for Long-Term Saving \_\_\_\_\_ Saving Goal \_\_\_\_\_

Where I Would Save \_\_\_\_\_

**Give:** Total Amount I Would Give Away \_\_\_\_\_

To Whom? \_\_\_\_\_

\_\_\_\_\_

# Money Sayings



Directions: Write the meaning for the "money sayings" below. Then, find other money sayings and write their author and meanings, too. (Ask your parents for help or do an Internet search!)

"A penny saved is a penny earned." Benjamin Franklin

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"Remember that time is money." Benjamin Franklin

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"Lack of money is not an obstacle; lack of an idea is an obstacle!" Ken Hakuta

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"How much better it is to get wisdom than gold!" Bible — Proverbs 16:16

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"A man is usually more careful about his money than his principles."

Oliver Wendell Holmes

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"You can't get rid of poverty by giving people money." P.J. O'Rourke

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"Wealth consists in not having great possessions, but in having few wants." Epicurus

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"Money made through dishonest practices will not last long." Chinese proverb

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"Money talks, but all it ever says is goodbye." Unknown

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