

AMERICAN
CONSUMER
CREDIT
COUNSELING

The Credit Counseling Professionals

Money Mania

For Kids in 3rd-6th Grade



"Earn, Budget,
Save, and Borrow!
I can do it all!"

Do you receive a weekly allowance, get birthday cash or gift cards, or do you get paid to rake your neighbors leaves?

Now that you have your own money it's up to you to decide how to budget it, spend it, and save it! *How Exciting!*

When you are done with Money Mania you will be an **expert** in the following:

- Making Choices
- Needs and Wants
- Earning
- Budgeting
- Saving

"Race ya to
the bank!"

Some might even say you're a **MONEY MANIAC!**

It's going to take practice to become a MONEY MANIAC!

But once you get the hang of it, you'll be able to tackle anything that comes your way.



Making Choices

"You can't always get what you want"

Everyone has a *limited amount of money* they can use to buy things they need or want. We call this **scarcity**. Because our money is *scarce* we can't have whatever we want whenever we want it. It's a fact of life that we have to make **choices** when it comes to how we earn, spend, and save our money.

When you make a **choice**, you give something up. That thing you give up is your **cost**. The thing you choose is your **benefit**.

Here is an example. You have to choose whether to go see a movie or go to the mall. If you choose to go to the mall, you give up the opportunity to go see a movie. The movie is the **cost** and the mall is the **benefit**.

Making choices is all about weighing the **costs** and **benefits** of each decision.

"Candy bar or pizza?
You decide."

- Did you have to make a choice today?
How did you decide which choice to make?

Fill in the blanks below

If I spend my money on _____
I have to give up _____



Needs and Wants

"I need that video game!"

"No, you WANT that video game!"

Okay, we already talked about scarcity. Because of scarcity, and the fact that everyone has a limited amount of money to spend, we have to make **smart choices** about how to spend the money we do have. Do you know what that means? It means choosing between things that we **need** and things that we **want**.

Things that we can't live without, such as shelter, food, and clothes are **needs**. We can't survive without these things.

Other things are nice to have, but aren't necessary to live, like video games, candy, or toys. These are **wants**. Although we might not want to live without these things we can survive without them.

We all need and want different things. When it comes to making choices about money there is no right or wrong answer.

Below, write down 5 things you need and 5 things you want. Then rank the importance of each thing. Number them from "1" to "5". "1" is the most important and "5" is the least important.

Things I NEED

Importance (1-5)

Things I WANT

Importance (1-5)

.....○ A MONEY MANIAC
always puts needs
before wants!

Earning

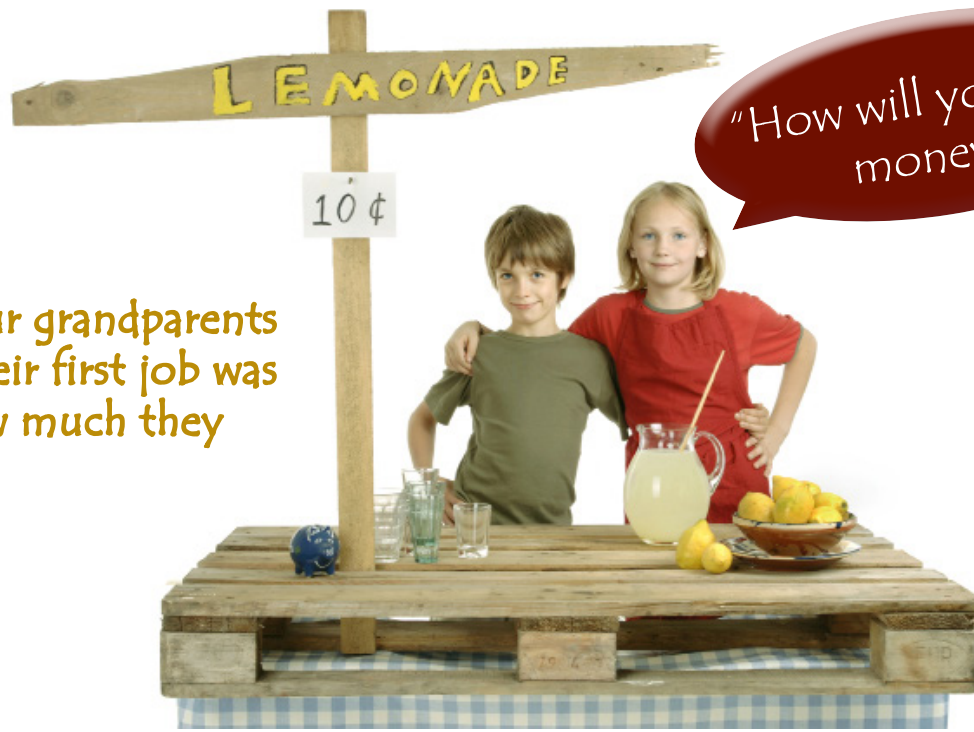
"You have to make it before you spend it, right?"

By now we know that money doesn't grow on trees. Most people get money by **earning** it. When you earn **income** you receive money for time and effort that you put into a job. The harder you work the more money you earn. And remember, you're never too young to earn your own money! Working will help you learn important life skills like how to use your time wisely and how to work with other people.

Think about the jobs you could do to earn money and figure out how much you could earn in one week or month.

	Amount you can earn by working one week	Amount you can earn by working one month
Earning Idea #1 _____	\$ _____	\$ _____
Earning Idea #2 _____	\$ _____	\$ _____
Earning Idea #1 _____	\$ _____	\$ _____

- Ask your grandparents what their first job was and how much they made.



"How will you make money?"

Budgeting

You need a budget! A **budget** is a plan that balances your money. With a budget you know what money is coming in (income) and what money is going out (expenses).

Income is all the money you earn from work, allowance, and even gifts. **Expenses** is all the money you plan to spend on things you need or want.

You will find that there are lots of things that you might want to buy but you don't have enough money to have everything you want. A budget will help you decide what you can buy now and what you can save for in the future.

"Don't run out of money! A budget will help."

Ask your mom and dad if they have a budget? What does it include?

"How and when will you spend your money?"

Exercise:

Julia gets an allowance of **\$7 per week**. She also washes her neighbors car, earning **\$10 per week**. Her birthday was this week and she recieved **\$20**. She has three sources of income this week.

Below are all the things she wants to spend her money on:

- Book for school: **\$8**
- Lunch at school (\$2/day): **\$10**
- Cell phone (one month service): **\$50**
- Downloads to her MP3 Player: **\$15**
- Birthday gift for her grandmother: **\$10**
- Movies: **\$14**
- Ice cream: **\$4**
- Donation to local food bank: **\$5**

She obviously can't have all these things. She needs to decide how to spend her money and if she even wants to have some left over to save. Use the budget worksheet on the next page to help her out. What can she buy this week and what does she have to save for?



Budget Worksheet

Income How much Julia earned this week		Expenses What Julia can spend her money on this week	
Source	Amount	item	Amount
Total:	\$	Total:	\$

How much is left over for Julia to save? _____

Can you change her expenses so she can save even more this month? _____

Saving

One of the best things you can do with your money is save it! **Saving** means putting your money aside now so that you can use it later.

Saving just a little bit of money per week will slowly add up to become enough money to buy something special.

Having a goal in mind when you save money is helpful. Do you want to save up enough money for a new bike, to go to an amusement park at the end of the summer, or to buy something nice for your grandmother's birthday?

You can save money at home in your piggy bank or you can put it in the **bank**. When you deposit money in a bank, it is kept safe in a special account for you. Money that is kept in a bank earns **interest**. Interest is money that the bank pays you for keeping your money there. The interest isn't usually a lot of money but the longer your money stays in the bank the more interest it earns and the more you can save!

Example: Johnny wants to save \$100 to buy a few new video games.

If he saves \$5 each week, how many weeks will it take to save \$100 _____

If he wants to save \$100 in 5 weeks, how much will he have to save per week? _____

DO YOU WANT TO SAVE FOR SOMETHING SPECIAL?

How much do you need to save? _____

How much time do you have (weeks) ? _____

How much do you have to save per week? (how much you need to save divided by the # of weeks) _____.

"Money doesn't grow on trees"

"But it does grow in the bank"

Ask your teacher if she ever saved money for something special as a kid

○.....



QUIZ

ARE YOU A MONEY MANIAC?

1. Everyone has a *limited amount of money* they can use to buy things they need or want. We call this _____.
2. We have to make _____ when it comes to how we earn, spend, and save our money.
3. _____ is what you give up to gain a _____.
4. Things that we can't live without, such as shelter, food, and clothes are _____.
5. Video games, candy, or toys are _____.
6. By now we know that money doesn't grow on trees. Most people get money by _____ it.
7. When you earn _____ you receive money for time and effort that you put into a job.
8. A _____ is a plan for your money.
9. _____ is the money coming in and _____ is all the money going out.
10. _____ means putting your money aside now so that you can use it later.
11. When you deposit money in a _____, it is kept safe in a special account for you.
12. Money that is kept in a bank earns _____.

MONEY MANIA

CERTIFICATE OF COMPLETION

I _____

Am officially a MONEY MANIAC!

Date: _____

Signature: _____

CONGRATULATIONS!





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