

# How You Can Get Money

Notes:

## Learner Outcomes

Outcome #1: Participants will be able to explain the difference between a wage and a salary.

Outcome #2: Participants will be able to identify jobs children can do to earn money.

Outcome #3: Participants will be able to define what a tax is.

## Target Audience

Elementary-age kids (grades 3 to 6)

## Materials

1. Flip chart and markers or a dry-erase board and dry-erase markers
2. Name tags (downloaded for free from the Bank It Web site), one for each participant
3. A pen or pencil for each participant
4. Kitchen timer, stopwatch, or clock to track time
5. Evaluation Pretest #2-EA-E for each participant
6. Evaluation Posttest #2-EA-E for each participant
7. Take-Home Notes #2-EA-E for each participant
8. Optional: PowerPoint Presentation PDF #2-EA-E
9. Optional: Handout #2-EA-E for each participant

## Timing

1 hour

**Want more background and training tips?** See the free, downloadable Bank It Elementary Quick Start Leader's Guide at [www.bankit.com](http://www.bankit.com).

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## 1. Welcome and Overview (5 minutes)

Arrive early. We highly recommend that you use the optional PowerPoint Presentation PDF and the optional handout. Both will greatly enhance your session. If you're using the PowerPoint Presentation PDF, show the "Welcome to Bank It" slide as participants enter the room.

Greet participants individually and learn their names as they arrive. Have them create a name tag with their first name only.

Give participants either a pen or pencil. Have them sit in clusters of about four people. If possible, have them sit at tables. Then welcome the whole group to the session.

*Say: Welcome to Bank It. Bank It delivers real-world financial topics and tools for kids and parents that make it easier to understand, talk about, and manage money. Bank It was developed by Capital One and Search Institute. I'm glad each one of you is here.*

*Today we will focus on how you can get money, and we plan on meeting three goals. One: By the end of this session, you will be able to explain the difference between a wage and a salary. Two: You will be able to identify jobs children can do to earn money. Three: You will be able to define what a tax is.*

If this session is not the first session you're presenting to this group, consider briefly discussing the challenge you may have given participants at the end of your previous session.

## 2. Pretest and Activity (15 minutes)

*Say: The first activity we'll do is a short pretest. The pretest has only six questions, and I don't want you to worry about how well you'll do on it. We'll take this exact test again at the end of our session after we have learned about the money concepts on this test.*

*What matters most is how much you learn and how well you do on the test at the end of our session, not on how well you do on this test.*

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Distribute the Evaluation Pretest #2-EA-E to each participant. Give them time to complete the pretest. Then collect the pretests when they have finished. The Evaluation Key #2-EA-E has all the answers for your information.

*Say: Let's begin by learning the difference between a wage and a salary. A wage is a payment you receive by the hour for working. A salary is a payment you receive to complete the work required by a company or small business. Most salaries are stated in monthly or annual amounts.*

Explain that when children work they tend to get a wage. They get paid by the hour.

*Say: There are other sources of income other than a wage and a salary. The one you may receive as a child is called interest. Interest is the money you earn when you have an interest-bearing account, such as a savings account at a bank or credit union.*

Say that you're going to do a quick activity called "Good Ways or Bad Ways to Get Money?" Ask everyone to stand. Explain that you're going to name a way to get money. If it's a good way to get money, turn to the right. If it's a bad way to get money, turn to the left.

*Say: Work for money. Good or bad? Give participants time to either turn to the right (if it's a good way) or turn to the left (if it's a bad way). The correct answer is: A good way (turn to the right).*

Give other examples, one at a time, such as these: *Steal money (turn to the left). Borrow from a lot of people at the same time (turn to the left). Get an allowance (turn to the right). Sneak money out of your parent's purse or wallet (turn to the left).*

*Receive a money gift for your birthday (turn to the right). Borrow a little money and pay it back as soon as you can (turn to the right). Bet money on a game (turn to the left). Do home projects to earn money (turn to the right).*

Explain that when we know good ways to get money, we can earn money well.

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### 3. Present (15 minutes)

Ask: *How can children earn money?* Give participants time to answer. Make sure they name these four ways: 1. Running a lemonade stand. 2. Doing yard work (such as raking leaves or shoveling snow). 3. Walking a dog. 4. Babysitting (starting at age 11).<sup>1</sup>

If you plan to distribute the optional handout, use it at this time. If you want participants to become more active in the learning process, consider doing the Ways Kids Can Make Money activity listed under Optional Activities at the end of this session.

Say: *As we earn money as teenagers and adults, we need to pay taxes on the money we make. A tax is a federal, state, or local fee to pay for public services. A public service includes schools and roads. We get a lot of benefits from the taxes we pay.*

Say: *I just said that a tax is a federal, state, or local fee to pay for public services. What does the word federal mean?* Give participants time to respond. Explain that *federal* refers to the government that runs our entire country. So our federal government is the United States of America.

Ask: *Which state are we in?* Give participants time to respond. Explain that our state government also has taxes to help the people who live in that state.

Ask: *Which city, town, or county are we in?* Give participants time to respond. Explain that our local government is based in the city, town, or county we live in. Our local government also uses taxes to help the people who live in our community.

Say: *There are two major taxes: sales tax and income tax. A sales tax is a consumption tax paid when you buy a good or service. That means when you buy something at the store, you pay a sales tax.*

Say: *An income tax is a tax based on earning money. When you get a job as a teenager or an adult, the company will withhold income taxes. Then once a year, on April 15, you will file income taxes to the federal government and to your state government.*

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*Say: The federal government, which is based in Washington, D.C., uses tax revenues to pay for a lot of things. The one you may be most familiar with is schools. The school you go to gets some money from the federal government, which is from the taxes we pay.*

If you want participants to become more active in the learning process, consider doing the Tax activity listed under Optional Activities at the end of this session.

Explain that even though people complain about paying taxes, taxes actually help us a lot. Taxes pay for schools. Taxes pay for roads and highways. Taxes pay for the parks that we have.

## 4. Discuss (5 minutes)

*Say: Take some time to talk to the people near you. Talk to about two or three people. Take turns. I want you to do two things: 1. Say your first name. 2. Talk about a time when you have enjoyed making money.*

*Start with the person who has had the most broken bones in his or her life. Then have each person take a turn.*

## 5. Review and Evaluate (15 minutes)

Review what was accomplished during this session. Ask: *What is the difference between a wage and a salary?* (Answer: 1. A wage is a payment you receive by the hour for working. 2. A salary is a payment you receive to complete the work required by a company or small business.)

Ask: *What is a source of taxable income other than a wage or a salary?* (Answer: Interest.)

Ask: *What are jobs children can do to earn money?* (Answer: 1. Running a lemonade stand. 2. Doing yard work, such as raking leaves, shoveling snow, or planting seeds. 3. Walking dogs. 4. Babysitting, starting at age 11.)

Ask: *What is a tax?* (Answer: A federal, state, or local fee to pay for public services.)

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Ask: *What is the difference between a sales tax and an income tax?* (Answer: 1. A sales tax is a consumption tax paid when you buy a good or service. 2. An income tax is a tax based on earning money.)

Ask: *What does the federal government use tax revenues to pay for?* (Answer: Schools.)

At the end of the review, distribute Evaluation Posttest #2-EA-E to each participant. Give participants time to fill out the posttest. Collect all the posttests after participants finish so you can find out the measurable outcomes for the session. The Evaluation Key #2-EA-E has all the answers for your information.

## 6. Close (5 minutes)

Do a short activity for the closing. Ask: *How can kids make money?* Encourage participants to raise their hands and name a way to make money. After each person has spoken, have the entire group say together, “Yes, we can!” Have the group say this phrase after each moneymaking idea.

Say: *Kids can make money in great, helpful ways.* Distribute the Take-Home Notes #2-EA-E. Challenge participants to talk to family members about this topic, which is listed under the Talk about It section of their Take-Home Notes. Thank participants for coming and for being involved.

## Optional Activities

**1. Distribute Handout #2-EA-E: How Can Kids Make Money?** Give participants the handout to complete. Afterward, discuss their answers.

**2. Show the PowerPoint Presentation PDF #2-EA-E.** Use the presentation to accompany the one-hour session.

**3. Do the Ways Kids Can Make Money Activity.** Have young people form groups of three or four people. Give each group a piece of paper and something with which to write.

Have groups list as many jobs they’ve either had or have heard of other kids having. Encourage groups to make as long a list as possible. Give groups time to do this. If you wish, have groups research ideas through your school or local library or the

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Internet. A helpful link is Money Instructor at [www.moneyinstructor.com/art/waysforkids.asp](http://www.moneyinstructor.com/art/waysforkids.asp).<sup>2</sup>

When groups finish, have them take turns naming one idea from their list. Write their ideas on a flip chart. See how many different ideas the entire group can create because of all the work of the small groups.

Debrief the activity by explaining that there are many ways kids can make money. When we hear about the ways other kids make money, we can get more ideas.

**4. Do the Tax Activity.** Create three signs. On one, write: "Federal." On another, write: "State." On the other, write: "Local." Hang these three signs in different parts of the room.

Review the differences between federal, state, and local. Emphasize how *federal* refers to our entire country. *State* refers to our specific state, and *local* refers to our community, city, or county.

Explain that these three branches of government use taxes to pay for things that benefit the people who live in those areas. Say that you're going to name a benefit of taxes. Young people are to run to the correct sign: federal, state, or local.

Explain that they need to listen closely. They'll hear the word *state* for the ways the state uses taxes. They'll hear the word *local* for the ways the local government uses taxes. They'll hear the word *national, United States, or interstate*, for the way the federal government uses taxes.

Clear an area so young people can easily run from sign to sign. Say: *A playground at your local park. Federal, state, or local?* Give participants time to decide and run to the appropriate sign. The correct answer is: local.

Name other examples, one at a time, giving time for participants to move. *State health care.* (Answer: state.) *The United States Army.* (Answer: federal.) *A state park.* (Answer: state.) *Interstate highway.* (Answer: federal.) *A local garbage pickup.* (Answer: local.)

*A national park.* (Answer: federal.) *A local permit to remodel your house.* (Answer: local.) *A state highway.* (Answer: state.) If you wish, name other examples.

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Debrief the activity if you wish. If you want more ideas, visit [www.kids.gov](http://www.kids.gov). Click on either “Grades K–5” or “Educators.” Look for links and ideas under “government” or “money.”

**5. Give Participants a Challenge.** Encourage participants to use the next week to ask their parents how they got money when they were kids. (If you wish, follow up during your next session to find out how the challenge went.)

Questions? Looking for more ideas? Visit [www.bankit.com](http://www.bankit.com) for answers and more resources.

## For More Information

*National Standards in K–12 Personal Finance Education* (Washington, D.C., Jump\$tart Coalition for Personal Financial Literacy, 2007), standards 2 and 3 in the area of Income and Careers.

*An Asset Builder’s Guide to Youth and Money* by Jolene Roehlkepartain (Minneapolis: Search Institute, 1999).

## Sources

<sup>1</sup>The American Red Cross offers the Babysitter’s Training course for 11- to 15-year-olds. Learn more by visiting the organization’s Web site at [www.redcross.org](http://www.redcross.org).

<sup>2</sup>Money Instructor is a Web site that has money worksheets, money lessons, interactive money activities, informative money articles, and useful money links.