



Managing Your Money: Personal Finance for Kids

Become a Money Maven: Activity Kit



Extra activities to help build your
financial skills!



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Become a Money Maven: Activity Kit

Welcome to the activity kit for *Managing Your Money*! *Managing Your Money* is an exciting new title from Kumon Publishing North America, and we're thrilled to provide some additional activities you can use to get kids engaged in this vital topic!

About the book:

Managing Your Money will teach kids the basics of personal finance. This book covers the foundational topics everyone should know before they become responsible for their own finances. Important information is provided in a friendly and inviting format through cartoons and dialogues that walk the reader through the ins and outs of how to responsibly earn, spend, and save money, as well as what to know before using credit or investing. Activities interspersed throughout allow kids the chance to apply math skills, do their own research, and create plans to achieve their financial goals. This book is aimed at ages 11–13, or at any learner who wishes to master the fundamentals of managing their money.

About this guide:

This guide is for educators and booksellers. You'll find activities to support and complement the activities in this book, as well as a discussion guide in the back. The activities align to the most important topics covered in *Managing Your Money*, including estimating wages and salaries, creating a budget, analyzing marketing techniques, and understanding how interest is calculated.

Table of Contents

Calculating Income	page 3
Needs and Wants	page 4
Advertising Activity 1	page 7
Advertising Activity 2	page 9
Interest	page 10
Discussion Questions	page 11

Questions or comments? Contact us at books@kumon.com

Calculating Income

Instructions

Materials: Copies of *Managing Your Money*, scrap paper, pens/pencils, calculators optional but recommended.

Invite three volunteers to read aloud the dialogue on p. 14. Then ask the group to tell you how much money they would make if they were paid \$10 an hour and worked the following number of hours:

- 4 hours
- 8 hours
- 10 hours
- 40 hours

Then ask the following:

- If you made a salary of \$12,000 a year, how much would you earn per month?
- If you made \$52,000 per year, how much would you earn each week?

Be sure to inform students that the total would really be less, since income tax would be taken out of their pay, but for the purposes of these basic exercises, we won't worry about tax.

Have students turn to the problems on page 15. Distribute scrap paper and calculators if needed. Read the first problem aloud and ask students how to go about calculating the weekly income. They can look at the gray text for a hint. Then do parts b and c as a group.

Ask a volunteer to describe how they carried out each step. Then ask everyone to complete the second question on their own. Have volunteers share their answer and explain how they solved the problem.

Repeat the process, solving the third question as a group and the fourth question individually.

Note that all answers can be found on page 123.

Needs and Wants Activity

Instructions

Materials: Printouts of the next two pages, pens or pencils, calculators (optional, but recommended).

Print out the following two pages, enough for each student to have their own. You can read the first page for them or invite volunteers to read aloud.

When they've finished, allow them to share some examples of needs and wants.

Now, give them each an activity sheet. Ask them to classify each item in the Needs and Wants chart and ask for volunteers to share their choices. Have them discuss why they feel something should be considered a need or a want.

Ask everyone to have a look at Casey's monthly budget. How would they spend *their* money if they were Casey? You can suggest that Casey might consider spending smaller amounts on some of the "want" categories, such as dining out, without cutting them completely.

Needs and Wants

Intro

You probably know that when you're spending money, you need to differentiate between needs and wants. A need is something that you, well, need. And a want is something you can live without. Sounds simple, right?

Not so fast!

Telling the difference between a need and a want can sometimes be very straightforward. You need a place to live, but you don't need brand name clothing, right? You need groceries, but you don't really *need* to go to the movies.

Sometimes it gets more complicated. Is a cell phone a need or a want? It depends on the person, and it depends on what you're using it for. For kids, it's probably not a need. If you're just using your phone to stay in touch with your friends, then it may feel important to you—but it's not essential. However, if you are an adult, you probably need a phone! It's hard to apply for a job or make a doctor's appointment without one.

And what about food? It's something that we need, but can it ever be categorized as a want? We all need to eat, but perhaps we can live without going to restaurants or getting take-out.

Yikes! This gets tricky in a hurry.

This activity will help you practice sorting needs and wants so that you can stick to your budget.

Needs and Wants Activity

Meet Casey! Casey is an 18-year-old college student who lives with a roommate. Below is a list of Casey's expenses. Categorize each one as a need or want:

Expense	Need/Want
Rent	
Groceries	
Gas	
Car payment	
Books/school supplies	
Clothing	
Dining out	
Entertainment	
Phone bill	
Savings	
TV streaming services	

Casey has a monthly budget of \$2300. How should she spend her money? Check off the things you would pay for. Can you stay within her budget? Do you have any money left over?

Expense	Price	Spend? (yes/no)
Rent	\$1200	
Groceries	\$250	
Gas	\$70	
Car payment	\$250	
Books/school supplies	\$150	
Clothing	\$85	
Dining out	\$100	
Entertainment	\$75	
Phone bill	\$75	
Savings	\$100	
TV streaming services	\$40	

Why did you prioritize the things you chose? What was most challenging when you were deciding how to budget?

Advertising Activity I

Instructions

Material: Printouts of the next page, as well as three advertisements selected in advance. Choose three ads that demonstrate different marketing techniques, for instance: a celebrity endorsement, a limited edition item (or time-sensitive sale), an emotional appeal or bandwagon appeal.

Print out the following page for students with information about the advertising industry. Conduct a read aloud, or invite volunteers to take turns reading aloud.

Ask if anyone has seen these strategies in ads before and allow kids to make connections to advertisements they may have seen in their own life. You can also ask if they have ever felt the pressure to buy something in order to avoid missing out or to feel part of the in-crowd. Did they buy the product? Did it live up to their expectation?

Now distribute the ads you gathered and have students analyze them. Challenge them to find as many techniques as possible and ask them if they find the techniques effective. Why or why not?

Advertising

Intro

The advertising industry is a huge, multibillion dollar industry, and most of us encounter ads every day. If you're driving in your car, you might see a billboard or hear a commercial on the radio. Watching TV or listening to a podcast? There's another commercial! If you're reading a magazine or newspaper, odds are you'll see an ad there too. And ads are everywhere online: at the beginning of a video you're streaming, on the sides of an article you're reading, or at the top of a search engine. Social media has ads too! Sometimes it's a normal advertisement, and sometimes it's a celebrity or influencer recommending a product they like. It can feel like everywhere you look there is something to spend money on!

Since you can't avoid ads, you need to learn to understand how they work and how you can resist advertising tactics. After all, you can't buy everything you see! Understanding some common marketing techniques can help you stay in control of your spending.

Here are some common tactics to look for:

- using a celebrity to make the product seem cooler
- using a discount to make it seem like a good deal
- making the purchase time-sensitive (limited edition or temporary discount) so that you rush to buy before it's too late
 - emotional appeals that make us feel a strong emotion while we view the ad
 - encouraging consumers to “jump on the bandwagon” and do something everyone else is doing

Advertising Activity 2

Instructions

Material: Paper, pens/pencils, markers and/or crayons.

The purpose of this activity is to have kids use what they know to design their own advertisement. You can choose to leave the product up to their choice, or brainstorm a product together as a group. Alternatively, you can use this prompt to get them started:

You are an advertiser, in charge of selling a new line of sunglasses called SUNnies.

Have kids brainstorm what appeals and techniques to use in their ad, and then sketch out an ad for their product.

Interest Instructions

Materials: scrap paper, pens/pencils, copies of *Managing Your Money*.

Explain that interest is money that builds over time. If you have a savings account and deposit money into it, it will earn a certain amount of interest each year. And what's more, each year you will not only earn interest on your initial deposit, but you will also earn interest on the interest you got in the previous years! This is called compound interest.

Ask the kids if they would rather receive \$500 deposited into a savings account with 5% interest, or get \$700 cash. Take a vote and see which option is more popular.

Then have them calculate the total of the savings account at the end of ten years. Show them that they can multiply \$500 by 0.05 to see what five percent is, and then add it to \$500. ($500 \times .05 = 25$. Then $\$500 + \$25 = \$525$). Or, they can multiply \$500 by 1.05. ($\$500 \times 1.05 = \525). The total (\$525) is how much they will have after one year. Tell them to keep going, and figure out what it will be after ten years. You can refer to this chart to check their responses:

Year	Starting Amount	Interest Earned	End Amount
1	\$500	\$25	\$525
2	\$525	\$26.25	\$551.25
3	\$551.25	\$27.56	\$578.81
4	\$578.81	\$28.94	\$607.75
5	\$607.75	\$30.39	\$638.14
6	\$638.14	\$31.91	\$670.05
7	\$670.05	\$33.50	\$703.55
8	\$703.55	\$35.18	\$738.73
9	\$738.73	\$36.94	\$775.67
10	\$775.67	\$38.78	\$814.45

They should get an answer of \$814.45. Take a poll and see if they were surprised that it was worth more than the offer of \$700.

Have students read page 79. Invite volunteers to take turns reading aloud about the Rule of 72.

Then solve question 1 as a group. Answers can be found on page 127.

Discussion Questions

- Do you receive an allowance or earn money (maybe from babysitting, walking dogs, etc)? What do you need to do to receive this money? Do you feel that the amount you get is fair?
- When you receive money, what do you like to do with it? Do you spend it or save it? If you spend it, what do you spend it on? If you save it, what are you saving it for?
- Have you ever raised money for a charity or organization (Girl Scouts, sports team, etc)? What did you do to raise money? How much were you able to raise? Was it easy or difficult?
- Do you know what job you want to do one day? What type of school or training will you need to prepare for that job? Do you know how much the job is expected to earn and what kind of lifestyle you might be able to afford?
- Have you ever thought about having your own business? What type of product or service would you offer? What would make your business special?
- Have you ever left a tip before? How did you know how much you should leave?
- What is the most memorable ad you can think of? What makes it stand out to you? Did it make you interested in the product or company?