



Saving and Investing for Your Future

EPISODE #118

LESSON LEVEL

Grades 4-6

KEY TOPICS

- Entrepreneurship
- Financial planning
- Saving and investing

LEARNING OBJECTIVES

1. Understanding of how to get enough money to reach your goals.
2. Identify investing options for kids.
3. Learn the value of starting to save and invest early.
4. Learn financial terms.

EPISODE SYNOPSIS

You'll learn along with the Biz Kid\$ about the powerful potential of starting a savings plan early in life. You'll also discover various savings and investing options available to young people. As always, you'll meet individuals who are successful at saving and at their businesses.

NATIONAL STANDARDS CORRELATIONS

Aligned to *National Financial Literacy Standards* from the **JumpStart Coalition for Personal Financial Literacy**.

Financial Responsibility and Decision Making

Standard 1: Take responsibility for personal financial decisions.

Standard 4: Make financial decisions by systematically considering alternatives and consequences.

Planning and Money Management

Standard 1: Develop a plan for spending and saving.

Standard 6: Develop a personal financial plan.

Saving and Investing

Standard 2: Explain how investing builds wealth and helps meet financial goals.

Standard 3: Evaluate investment alternatives.

Aligned to *Voluntary National Content Standards in Economics* from the **Council for Economic Education**.

Standard 2: Decision Making

Standard 14: Entrepreneurship

Aligned to **Common Core State Standards Initiative's** standards for *Literacy in History/Social Studies, Science and Technical Subjects*.

Standard 1: Read closely to determine what the text says explicitly and to make logical inferences from it; cite specific textual evidence when writing or speaking to support conclusions drawn from the text.

Standard 4: Interpret words and phrases as they are used in a text, including determining technical, connotative, and figurative meanings, and analyze how specific word choices shape meaning or tone.

Standard 7: Integrate and evaluate content presented in diverse formats and media, including visually and quantitatively, as well as in words.

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LESSON PREP & SCREENING

Getting Started

Familiarize yourself with the episode ahead of time. It will serve as a springboard for student learning, discussions, vocabulary exploration, and hands-on activities. Determine what equipment is required to show the episode in your classroom and request it if needed. Choose an activity (each one takes between 45-60 minutes), and gather supplies. Students will need a pen or pencil and copies of the activity worksheets. Have fun!

Screening

Introduce the series and the episode. Explain that Biz Kid\$ is a public television series that teaches kids about money and business. Mention that the bizkids.com website has lots of video clips, games, a blog, and other resources to help kids start businesses and learn about money. Prior to playing the episode, lead your students in a discussion with the preview questions on this page.

About the Episode

You'll learn along with the Biz Kid\$ about the powerful potential of starting a savings plan early in life. You'll also discover various savings and investing options available to young people. As always, you'll meet individuals who are successful at saving and at their businesses.

Episode Preview Questions

Before you show this Biz Kid\$ episode, lead your students in a brief discussion of the following questions:

- What are some ways you get money?
- Do you save some of your money?
- How can you have your money make more money?

Next Steps

Show this episode. After the episode, read the Summary and Conclusion to the class.

Summary and Conclusion

Many credit unions and banks have programs to help kids learn about appropriate investment choices. It is important to learn about different investment opportunities and risks. The earlier you begin saving and investing, the more time you have on your side to help your money grow.

Family Connection

Distribute a copy of the Family Activity Sheet to each student to share what they've learned with their families.



FAMILY ACTIVITY SHEET

Episode Synopsis

You'll learn along with the Biz Kid\$ about the powerful potential of starting a savings plan early in life. You'll also discover various savings and investing options available to young people. As always, you'll meet individuals who are successful at saving and at their businesses.

Activity Suggestions

Before your child invests his or her money, it is extremely important to learn as much as possible about different investment opportunities. In addition to talking to investment professionals, books can also help explain the benefits and drawbacks of investments. Look for these books at your local library:

The Young Investor's Guide to Retiring Young by Monte Malhotra

The Young Investor: Projects and Activities for Making Your Money Grow by Katherine Bateman

The Teenage Investor by Tim Olsen

Another source of information is the Mutual Fund Alliance website (www.mfea.com). The website lists information about more than 600 mutual funds that require \$50 or less to open.

There are many investments that are safe for children. Introduce your child to investments that are guaranteed to earn more. Visit a local financial institution with your child to learn more about savings accounts, certificates of deposit, and savings bonds. Many credit unions and banks have special programs to help children learn about investment choices that are appropriate for young people.



Activity #1:

BIZ TERM\$

WORKSHEET FOR STUDENTS

Biz Term\$

- Allocate
- Bonds
- Certificate of Deposit
- High-risk investment
- Interest
- Low-risk investment
- Maturity
- Money market deposit account
- Stock
- Venture

Directions

With students, read aloud the Biz Term\$ and each question. Call on volunteers for answers, and have them explain why they chose the term they believe to be correct.

Biz Term\$ Episode Review

1. A fee charged for borrowing money is _____.
2. A share of ownership in a company is _____.
3. If you set aside a sum of money for a specific purpose, you _____ the money.
4. A _____ is an agreement to lend someone money in return for specific interest.
5. A bond investor can receive their initial investment back on the date of _____.
6. A financial account that holds your money on deposit for a specific period of time is a _____.
7. An investment in which you stand a greater chance of losing money is a _____.



CURRICULUM CONNECTIONS

Language Arts

- Have students construct sentences, write a paragraph, or create a story, skit, or dialog using Biz Term\$.
- Have students create a class Dictionary of Financial Terms using Biz Term\$.
- Have students start their own Journal of Personal Financial Education and continue to add to it.

History/Social Studies

- Have students use the internet or a local library to learn about the New York Stock Exchange (NYSE). List three facts you have learned that interest you.

Mathematics

- You are going to invest in Certificates of Deposit for 1 year. There are several banks and credit unions to choose from. One is offering a \$100 CD at 4% annual interest. Another offers a \$50 CD at 4.2% annual interest. You have \$150 to invest. What is the best combination of investments you can make, and how much will you earn in one year?

Economics

- Have students research how the Truth in Lending Act (TILA) of 1968 benefits consumers. What protections does it offer? How is it enforced?

Optional Vocabulary Extensions

Make Art!

Ask students to create personal illustrated glossaries using sketches or cartoons to visually represent the meaning of each Biz Term.

Make It Personal!

Provide students with dictionaries and ask students to re-write formal definitions for each Biz Term in their own words to demonstrate comprehension.



Activity #2:

WHAT'S THE RISK

WORKSHEET FOR STUDENTS

Directions

Risk is part of investing. Many investments have very low risk, but some investments have a higher risk of losing your money. Each person has their own comfort level with risk, so there are no right or wrong answers. For the investments below, decide if you consider them to be low risk or high risk, and explain why.

Example:

1. Savings account at a credit union or bank: _____ Low Risk _____
This is low risk because a savings account at a bank or credit union is insured by FDIC or NCUA. _____

2. Buying one share of stock online : _____

3. Buying a Certificate of Deposit at a credit union or bank: _____

4. Buying a money market account at a credit union or bank: _____

5. Buying a bond at a credit union or bank: _____

6. Buying an apartment building to rent out apartments: _____

7. Buying solid gold coins: _____

8. Buying a piece of fine art: _____

Have students discuss these ideas and share their answers with the class.



Activity #3:

STOCK MARKET RESEARCH

WORKSHEET FOR STUDENTS

Directions

Using the internet or your local library, look up information about the following companies.

The Coca Cola Company

- What is their stock ticker symbol? _____
- How much does it cost to buy one share of stock in this company? _____
- Does this company pay a dividend? _____
- What products does this company sell? _____
- Do you think this is a good investment? Why or why not? _____
- _____
- Who is their biggest competitor? _____

Apple, Inc.

- What is their stock ticker symbol? _____
- How much does it cost to buy one share of stock in this company? _____
- Does this company pay a dividend? _____
- What products does this company sell? _____
- Do you think this is a good investment? Why or why not? _____
- _____
- Who is their biggest competitor? _____

Ford Motor Co.

- What is their stock ticker symbol? _____
- How much does it cost to buy one share of stock in this company? _____
- Does this company pay a dividend? _____
- What products does this company sell? _____
- Do you think this is a good investment? Why or why not? _____
- _____
- Who is their biggest competitor? _____

Have students discuss these ideas and share their answers with the class.



BIZ TERMS DEFINITIONS

- *Allocate*: To set apart for a particular purpose.
- *Bond*: An agreement to lend money to a borrower for a period of time for which you will be paid interest.
- *Certificate of Deposit (CD)*: A financial account that requires your money be held on deposit for a specific amount of time.
- *High-risk investment*: Using your money in a venture where the possibility of loss is greater.
- *Interest*: A fee charged for borrowing money.
- *Low-risk investment*: Using your money in a venture that has a lower risk of loss.
- *Maturity*: The date on which a bond investor can receive the initial investment.
- *Money market deposit account*: Offered by a bank or credit union, this account works like a checking account except the number of transactions per month is limited. It pays a higher interest rate than a savings account.
- *Stock*: Shares representing ownership of part of a company.
- *Venture*: A business undertaking involving risk in the hope of profit.



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