



BIZ KID\$

Episode 301: "Are You Financially Literate?"

Episode Synopsis

Understanding how to manage your money before you get to high school will make you even more successful when you head to college or move out on your own. Explore the skills of goal setting, budgeting, saving, and money management that make you Financially Literate!

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Biz Kid\$ Curriculum Package #301



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Biz Terms

1. balance of account
2. branch manager
3. budget
4. cash flow
5. certificate of deposit (CD)
6. check register
7. collection agency
8. compound interest
9. credit
10. credit card
11. debit card
12. decrease
13. expenses
14. financial goals
15. financial institutions
16. financial literacy
17. financial reputation
18. frugal
19. income
20. increase
21. interest
22. investing
23. journal
24. leveraged assets
25. line of credit
26. loan officer
27. long-term goal
28. medium-term goal
29. "NSF" insufficient funds fee
30. options
31. penalties
32. percent
33. permanent credit report
34. prioritize
35. profit
36. receipts
37. savings account
38. savings plan
39. short-term goal
40. teller
41. values
42. ventures



Suggestions for using Biz Terms include:

- Have students research and write dictionary definitions.
- Discuss the use of these terms in the episode of Biz Kid\$.
- Have students construct sentences, write personal financial goals, create a financial journal entry, or a math word problem.
- Have students write paragraphs, stories, dialogs, "raps", or lyrics.

Write personal financial goals using these terms:



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"Are You Financially Literate?"**

Equipment/Materials/Prep needed:

Day One and Day Two:

- TV or projection system
- DVD Player
- DVD of Episode 301
- Paper, pens, and/or pencils for each student

Day Two only:

- Student copies of the "Biz Terms" Sheet
- Student copies of the "Family Activity Sheet"

Preparation to be done prior to session:

- Check to be sure needed equipment is available and operational prior to the sessions.
- Gather listed materials.
- Make an appropriate number of copies of the "Biz Terms" Sheet and the "Family Activity Sheet".



Episode 301 "Are You Financially Literate?"

Day One Previewing Questions:

- What does being "financially literate" mean to you?
- Have you set short-term, medium-term, or long-term goals?
- Do you effectively manage cash flow?
- What items would you list on a personal budget?

Today's episode of "Biz Kid\$", titled "Are You Financially Literate?", will increase your knowledge of what it means to be financially literate, and introduce you to some young entrepreneurs who have made saving and financial goal-setting their habits. From the "City Chicks" to "YoYoYogurt", these Biz Kids have learned how to build wealth.

Let's watch the episode now.



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Day Two

Review and Connect with the Previous Session

In Episode 301 of "Biz Kid\$", you learned about the importance of setting financial goals; to commit to making saving a habit; to live on a budget and spend less than you earn; and the importance of managing debts and cash flow.

- 1. What are some examples of financial institutions that can help you reach your financial goals?**
- 2. What is the difference between short-term, medium-term and long-term goals?**

The "City Chicks" organic egg business, run by Jackson and Giorgia, is an example of an opportunity for young people to make money. Obviously, their parents supported that endeavor as well. We know that those Biz Kids had to gather the eggs, clean them, package them, and sell them. They had savings goals and put money in an account at the bank regularly.

- 1. What values do you think their parents were teaching them?**

What are some questions you have about what we didn't learn about the egg business? List students' ideas and keep them for future reference regarding starting a business.



Examples might include:

- **What costs were involved in building and maintaining the coops?**
- **Is a license needed for such a business?**
- **Are there zoning regulations to consider?**
- **What are the costs of the vet bills?**
- **What does chicken feed cost?**
- **Where do they get the cartons?**
- **What are the costs of their business cards and logo?**
- **What if they can't sell all the eggs to their neighbors?**

What could you do to get the answers to these questions?

In the episode, we also saw the financial institution run by students at Georgetown University. Students held the positions of teller, loan officer, and branch manager. They discussed a simple savings account, and also an account that would earn more interest, but involves greater risk.

They used terms such as a checking account linked to a savings account, "CD"s, debit card, check book, "NSF", a good credit history, compound interest, leveraged assets, and a financial reputation.

2. What did you learn from this part of the episode that was new information for you?

Jason, the "Pencil Bugs" creator, is a Biz Kid with big plans! He took us step-by-step through his financial goals and his dream of a "Pencil Bug Empire"! He told us it takes patience and planning...

Tracy, the Golden Gloves Boxer, has a goal of participating in the 2012 Olympics. He constantly evaluates "wants versus needs", and budgets his time hour by hour, and his money dollar by dollar. He



uses a laptop to track his spending and his schedule. Budgeting your time and money gives you independence.

Andrew, the owner of “YoYoYogurt” emphasizes how important it is to pay your bills on time.

All of the Biz Kids or young entrepreneurs featured in this episode have first-hand knowledge of financial literacy that they are sharing with you. Now it’s up to you to put some of these ideas into practice. In other words, you have to “earn your dragon”!

ACTIVITIES

1. Create a personal budget.

Either individually or working in small groups, have students create categories for a personal budget for themselves. They should include entertainment (movies, DVDs, CDs...); school supplies; clothes; savings; gifts; food treats; art supplies; charitable giving, and so forth.

They may use large chart paper, notebook paper, a word processor, or whatever is most appropriate for your class.

2. After about ten minutes, have a class sharing of categories, listing them as students suggest them so there are no duplicates, but as many categories as necessary.

3. Make the list available for students to see while they work on their “budgets”.

4. Have students use a specific amount of money, such as ten dollars a week, or whatever amount you deem most appropriate for your group, and have them allocate amounts in each category.



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Students may want to confer with each other as they complete this part, which is fine as long as the noise level is fine with you!

Again have a group sharing time, realizing that students will have different ideas about how they allocate their funds. It will be a learning experience in more ways than one!

Have students share their budgets with their families and see what suggestions and comments parents have regarding personal and family budgets. It may be the first time some families have discussed such issues. Students sharing what they've learned from this episode will facilitate the family discussion.

6. Financial goal setting.

Have students set specific short-term, medium-term, and long-term financial goals. Discuss time frames as well as their "wants".

Allow for a class discussion and group sharing so they can get a sense of what others are thinking as well. Remind them to review their goals frequently and make adjustments as needed. Plans can be adjusted!

Distribute the "**Family Activity Sheet**" and the "**Biz Terms**" Sheet for Episode 301 to all students to share with family and friends.



Episode 301 "Are You Financially Literate?"

Family Activity Sheet

Episode 301 Synopsis:

Understanding how to manage your money before you get to high school will make you even more successful when you head to college or move out on your own. Explore the skills of goal setting, budgeting, saving, and money management that make you financially literate.

Family Activity Suggestions:

The emphasis in this episode is on being financially literate. According to the Jump\$tart Coalition, a financially literate high school graduate should know how to:

- **Find, evaluate, and apply financial information**
- **Set financial goals and plan to achieve them**
- **Develop income-earning potential and the ability to save**
- **Use financial services effectively**
- **Meet financial obligations on time**
- **Build and protect wealth**

Our class sessions focused on creating a personal budget and setting financial goals. Students would like to share their "practice budgets" with you in order to open a family discussion of budgeting financial resources.

Perhaps your family has short-term, medium-term, and long-term financial goals. Help your student learn how to help the family reach those goals by making wise financial choices, spending less than they earn, and making saving a habit.