



BIZ KID\$
Episode 304: "Where's My Allowance?"

Day Two
Introduction

Play part of the theme music for "Biz Kid\$" from the episode intro to motivate and engage the students. Then stop the music, welcome the students to today's session, and introduce yourself. If needed, ask students to please use their name tags.

Review and Connect with the Previous Session

Different families handle "allowances" in different ways, as shown in Episode 304. Basic financial planning begins when you receive money, however your family apportions it. Having an allowance teaches you how to manage your money so that you can save some, share some, and spend some. You can also learn how to set short term, medium term, and long term financial goals.

We met "Biz Kids" Ryan and Nathan in this episode. Ryan's allowance was tied to doing chores, while Nathan was given an allowance to learn how to manage money. Both of them saved and invested part of their allowances. The earlier you start investing your money, the more you have to gain over time. It's never too early to begin learning about investments, the stock market, mutual funds, and other financial organizations and tools. One of the suggestions made is to "pay yourself first". That means setting priorities for your money, not just spending it all.

"Biz Kids" Ethan and Jacqueline, the twins, decided that it was more meaningful for them to earn their allowances by doing chores. They became co-directors of a camp where Ethan taught tennis and Jacqueline taught art.





The significance and value of money was associated with hard work. They learned to budget for supplies, and how to manage bank accounts.

Research shows that kids who are part of a family discussion about money and budgeting are more successful in managing their own finances. It used to be that talking about money was taboo...not done...considered to be rude. Times have changed and everyone needs to know from an early age how to manage their financial resources wisely.

The Kerr Family makes money a family affair. Two adult sisters and their children all live together. They have an open discussion of family finances; the kids understand the family's money situation so they are very careful about asking for things. They have "moon jars" or money boxes that have sections for spending money, savings, and money to share. The children are more money savvy than their parents were growing up.

Taryn was the virtual allowance expert. Her family participated in the Fam Zoo Virtual Family Bank. It is a virtual money management system that uses technology to teach financial management. There are categories for general spending, long term savings, charitable giving, and so forth. Since it's a virtual program, kids can afford to make mistakes without serious consequences. The objective of Fam Zoo is teaching how to balance your allowance.

Sydney is the "Biz Kid" who turns chores into change. She honed some skills and created a business of face-painting and being a balloon artist for children's parties. She thinks the best part of earning money is being able to share or make donations to causes and organizations she values, like the ASPCA, which cares for animals. She uses a financial journal to track her income and expenses.





Activity

Give students a moment to stretch, and then ask them to please be seated. Distribute blank paper and pencils to students. Have them fold the paper into thirds, either vertically or horizontally. Label one section Save, one section Share, and one section Spend. In each section have students list a short-term financial goal, a medium-term goal, and a long-term goal. (You may need to give them a few examples, such as saving for a DVD, saving for a trip to Six Flags, or saving for a car.)

Next, have students list for each goal approximately how much they think it will cost.

If they receive an allowance of \$10 per week, how would they allocate the money to put some in each category?

How long will it take them, approximately, to reach their financial goals if they start receiving this allowance when they are ten years old?

Are there things they can think of to do to earn more money? If so, have them list those ideas on the back of the paper.

Now involve the entire group in brainstorming ideas to raise more money. Have students share their skills and talents that they might market.

Also discuss the various local charities to which they might donate part of their earnings.

Ask students if this episode and activity will cause them to think more carefully about how they spend their money.

Invite students to share this information with their families in the hope that a family discussion will lead to better understanding and communication about financial affairs.





Distribute the "Family Activity Sheet" and the "Biz Terms Sheet" for Episode 304 to each student.

Thanks students for their attention and participation.

