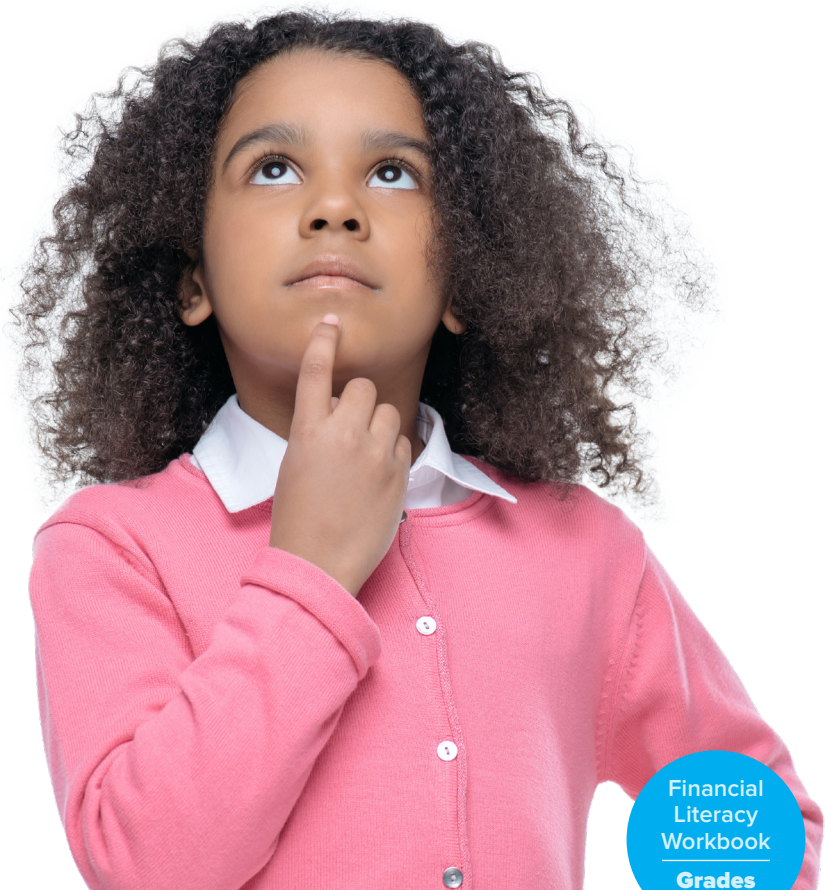


WHAT IS MONEY?

Preparing for Your Financial Future



Financial
Literacy
Workbook

Grades
1-4



BANC OF
CALIFORNIA

TOGETHER WE WIN™

UNDERSTANDING CURRENCY

What Is Money?

Money is used to buy things you need and want. Money usually comes in the form of coins and bills. Money has a different look and value in other places around the world.

..... Color and match the currency



Nickel — Quarter — Penny — Dime

History of Money

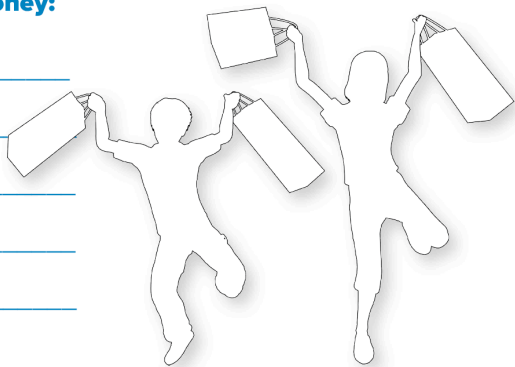
Did you know that before there was money, people used to buy things using their own belongings? This act of trading was called bartering. People would use things like feathers, beads, shells, leather, gems and other precious metals to pay for things that they wanted to buy. Money is easier to carry around, comes in different amounts and keeps its value. A form of money that is generally accepted to measure value is called currency.

Ways Money Can Be Used

Money can be used in stores, marketplaces and even online. Money is not unlimited, so it is important to consider choices about how to use money.

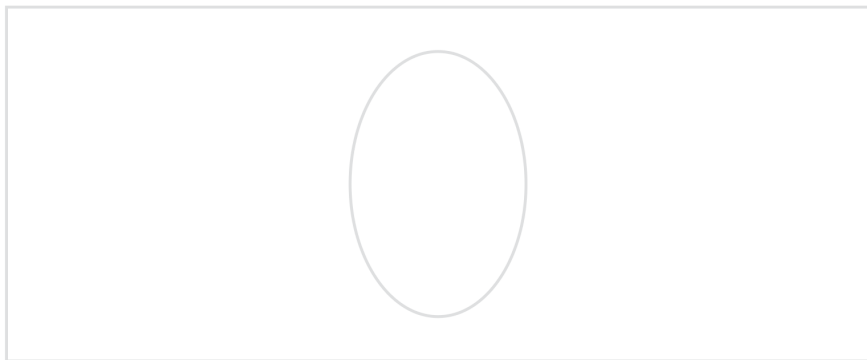
List 5 places where you can use money:

1. _____
2. _____
3. _____
4. _____
5. _____



Design Your Own Bill

Who will you add to your bill? Don't forget to include the amount of your bill in all four corners.



LEARN TO EARN MONEY

Color and match each job with the correct action word



Chef



Nurse



Construction Worker

What Is a Job?

A job is a specific duty, task or activity someone completes using his or her time, skills and energy to earn money.

I want to be a _____

when I grow up because _____



Scientist



Artist



Police Officer

CARE

COOK

RESEARCH

PROTECT

PAINT

BUILD

As they get older, most adults have jobs that pay them money called an income. Some people get income by being paid for every hour they work, and some get paid a certain amount no matter how much they work; this is called a salary. Most people work for a company, but some people use their special talents to start their own businesses. They are called entrepreneurs.

Some kids make money by helping out with chores (providing a service). Other kids have teamed up with their families or friends to sell items such as lemonade, cookies or used toys at a garage sale (providing goods). What are some ways that kids can make money?

GOODS VS. SERVICES

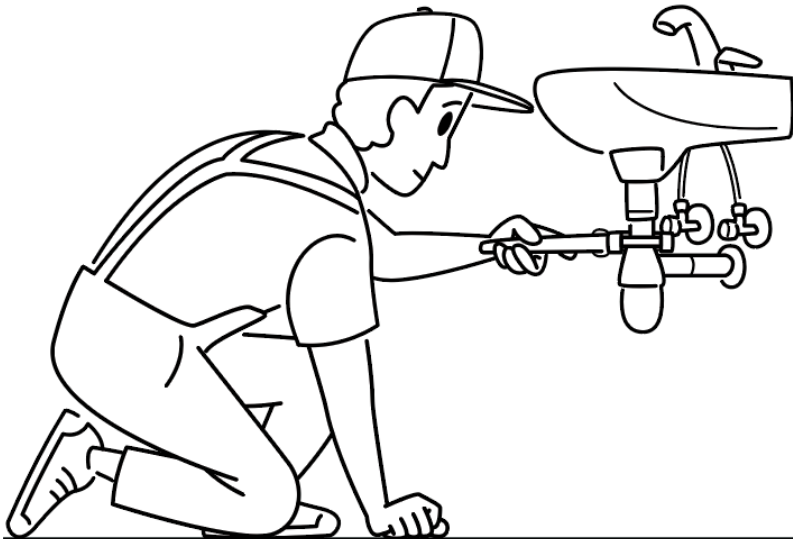
Goods = Objects

Goods are things that are made or grown.



Services = Actions

A service is work that someone does for someone else.



NEEDS VS. WANTS

Needs are things that we need to live a healthy life. Some things we **NEED** are nutritious food, water, shelter, clothes, healthcare and an education. Wants are things we would like to have but can live without. Some things we **WANT** are toys, video games, candy and electronics.

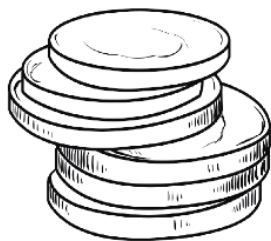


THE CYCLE OF MONEY

Where Does the Cycle of Money Begin? Where Does It End?



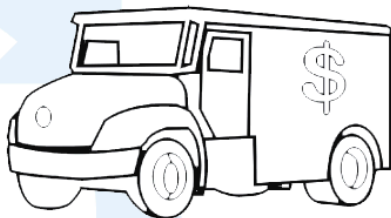
Old money is collected and recycled.



Money is printed or made.



Money is spent by a shop owner.



Money travels to the bank for use.

Money is earned by a worker.



Money is spent by a worker.



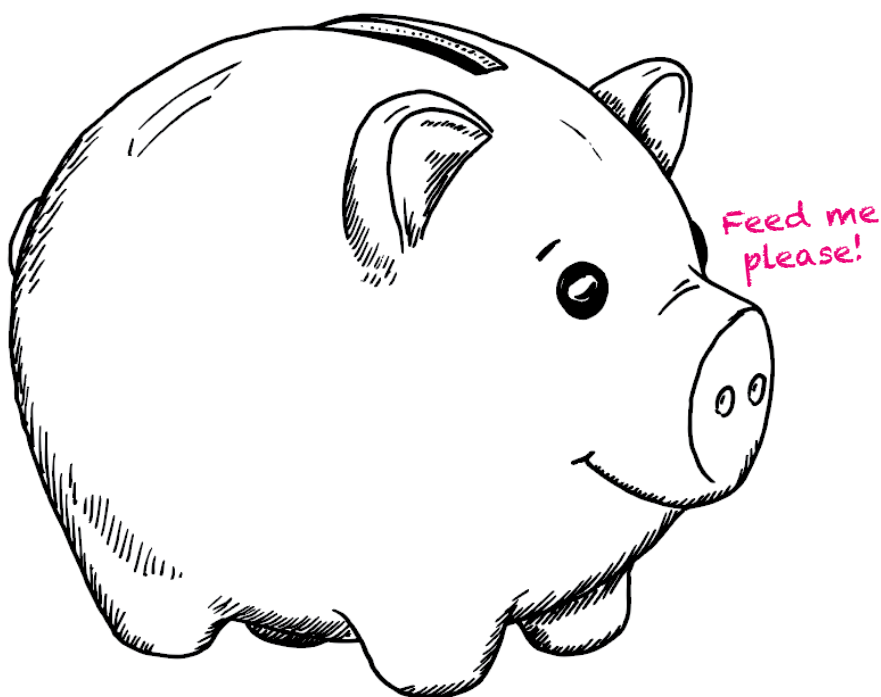
Money is earned by a shop owner.

READY, SET, GOAL

When we have something we want to be able to do, we set a goal for ourselves. A goal is something, such as an outcome, you wish to achieve or accomplish in a specific amount of time. A goal can be saving money to buy something or learning how to do something new. Setting goals helps us focus on the things we want to work toward.

Savings Goal

There are many reasons to pay yourself first. Think about some of the things that you would like to buy. Write down or draw a picture of something you would like to buy with the money you have saved and then think about some ways you could save money.



SUPER SAVERS

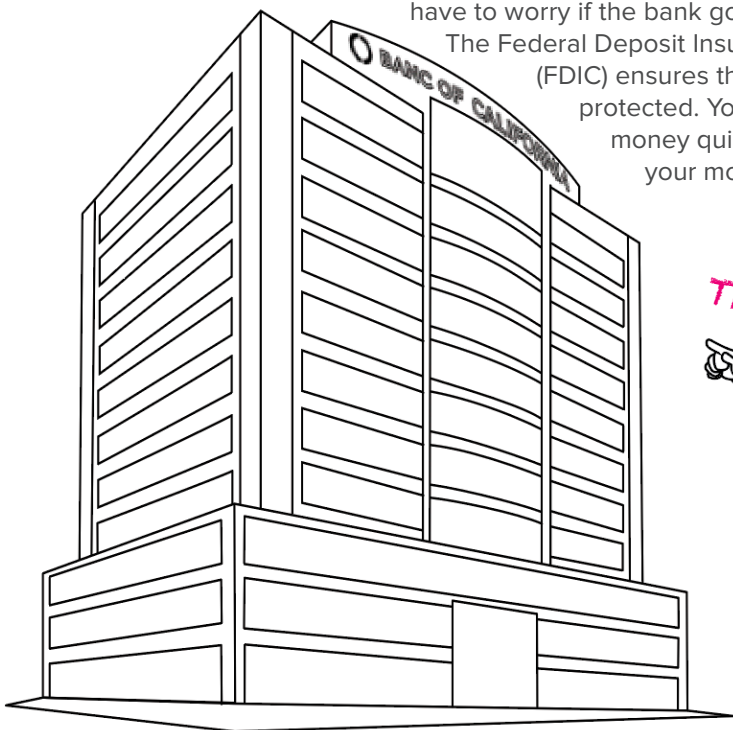
Saving is when we keep money to use at a later time. We can save money to get things we want to buy in the future. It is important to save money for emergencies and special events.

Spending is when we use money to buy goods or services. Thinking about your spending lets you plan for the future. You can also compare prices and consider needs and wants when you plan ahead. You can plan your spending by using lists and keeping track of what you spend your money on.

Where Can You Keep Your Money Safe?

A bank is a business where people can put and store their money and take their money out of. Money is safe in a bank because you won't be able to lose it or have anyone steal it. You also don't have to worry if the bank goes out of business.

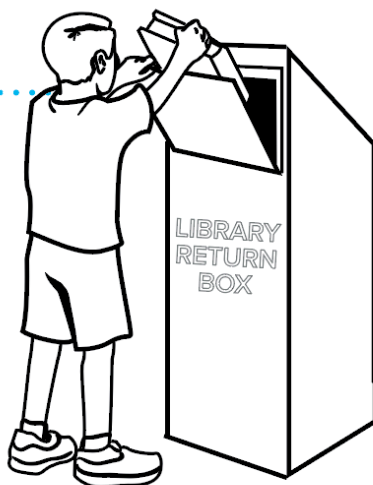
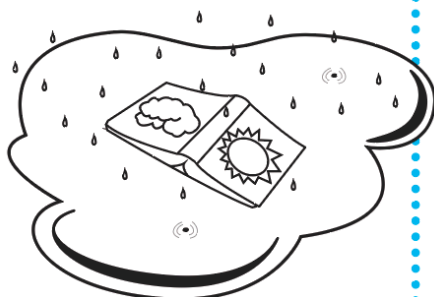
The Federal Deposit Insurance Corporation (FDIC) ensures that your money is protected. You can get your money quickly and easily if your money is in a bank.



BORROWING AND LENDING

Borrowing is using someone else's property with his or her permission. When you borrow, you get the chance to use something you might not be able to use or have otherwise. How is lending different from giving? When you lend someone something, it needs to be returned. We can be responsible by taking care of items we borrow, returning them when we say we will and being respectful to the person who let us borrow the item.

.... Color in the examples of how we should treat things that we borrow or share



PARENT TIPS

Discussing money early in a child's life helps to build a strong foundation for healthy financial habits in the future.

Your Child's Future

Part of building a strong foundation for your child's financial future is making sure his or her personal information stays secure. Controlling and limiting access to a child's information is one of the best ways to protect children from identity theft. Keep in mind that scammers also use social networking sites to gather even small tidbits of information that can be used to commit fraud.

Tips for Talking About Money



Children are naturally curious and ask a lot of questions. Sometimes, questions about money can be awkward or seem hard to answer, but it's important to engage children in the process of understanding how money works and its value. This guide includes "Ask Your Child" questions and fun and useful "Try This" activities to support these conversations and allow children an opportunity to share their thoughts and wonderings. Furthermore, they also allow you to bond with your child as you create comfort in discussing money matters.

However you engage with your child around the topic of money, you are sure to gain some wonderful insight into your child's interests and understanding of the world. Remember, you are your child's best role model. You may not have all the answers, but engaging in these conversations and activities offers opportunities to learn together.

GAMES

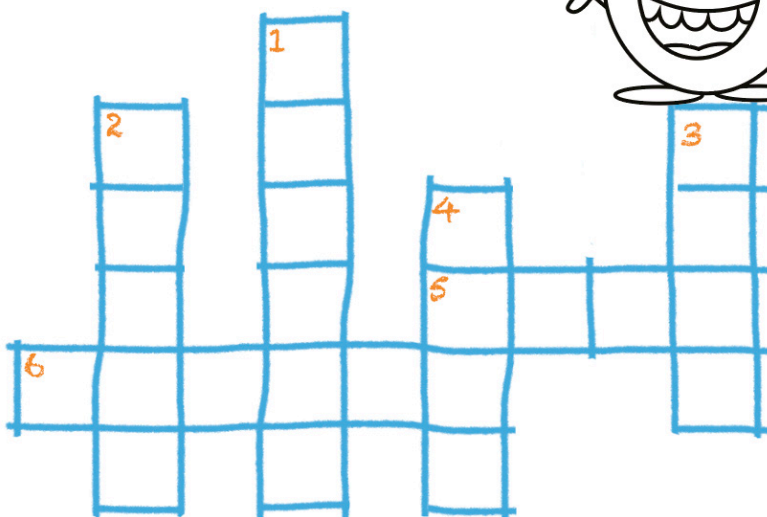
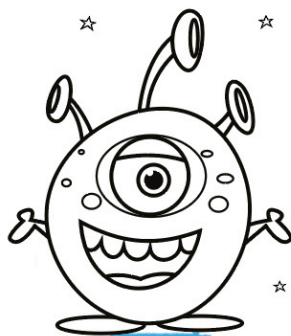
DOWN:

- 1 To receive something on loan with the understanding that you will return it
- 2 The act of using money to buy goods or services
- 3 The act of giving something to someone with the understanding that they will give it back to you
- 4 Something you must have to survive, such as clothes, shelter or food

ACROSS:

- 5 To receive money in exchange for goods or services
- 6 Money that you receive from jobs, gifts, allowances, interest, dividends and other sources

Very
easy!



Hint: Answers can be found on page 14 in the Glossary.

GLOSSARY

- BANK:** A financial institution and business that accepts deposits and makes loans
- BORROW:** To receive something on loan with the understanding that you will return it
- CURRENCY:** A form of money that is generally accepted to measure value (banknotes, bills, coins and so on)
- EARN:** To receive money in exchange for goods or services
- FDIC:** **Federal Deposit Insurance Corporation** preserves and promotes public confidence in the U.S. financial system by insuring deposits in banks and thrift institutions for at least \$250,000. An independent agency of the federal government, the FDIC was created in 1933
- GOAL:** Something, such as an outcome, you wish to achieve or accomplish in a specific amount of time
- INCOME:** Money that you receive from jobs, gifts, allowances, interest, dividends and other sources
- JOB:** A specific duty, task or activity someone completes using his or her time, skills and energy to earn money
- LEND:** The act of giving something to someone with the understanding that they will give it back to you
- MONEY:** An object you can use to purchase goods and services. Money looks different in different places around the world
- NEED:** Something you must have to survive, such as clothes, shelter or food
- SAVE:** Setting something, like money, aside to use in the future
- SPEND:** The act of using money to buy goods or services
- WANT:** Something that you would like to have but that you could live without

NOTES

Bye-bye!

