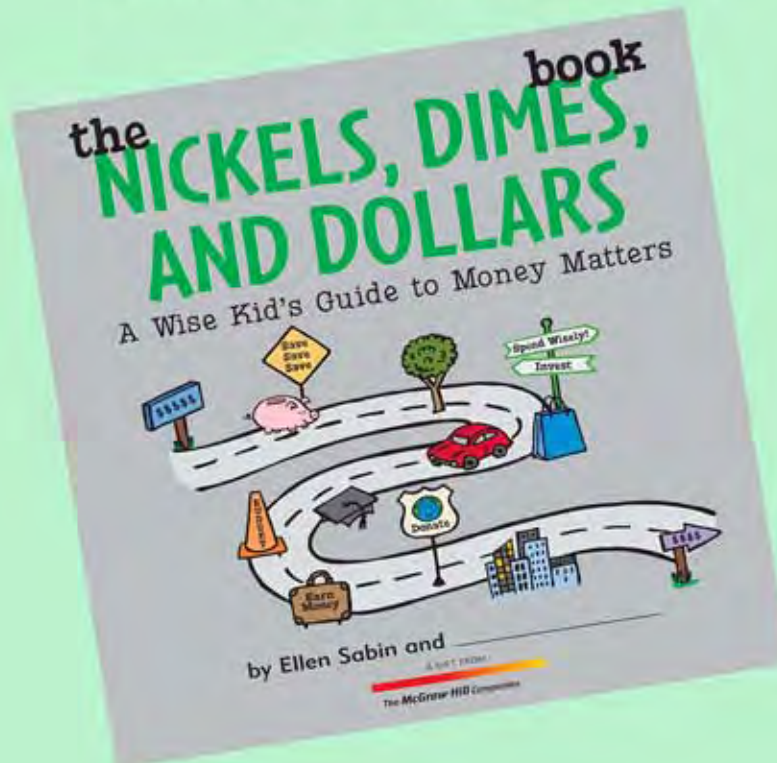


The Nickels, Dimes, and Dollars Book: A Wise Kid's Guide to Money Matters

PARENT'S GUIDE



To be used with *The Nickels, Dimes, and Dollars Book* from Watering Can Press.
For more information, visit www.wateringcanpress.com.



A MESSAGE FROM THE MCGRAW-HILL COMPANIES:

Developing personal financial skills and providing opportunities for economic empowerment can start young, and The McGraw-Hill Companies' Financial Literacy Now campaign is focusing on the youngest learners to spread this message. That's why McGraw-Hill is sharing copies of Ellen Sabin's book:

The Nickels, Dimes, and Dollars Book: A Wise Kid's Guide to Money Matters, an interactive, educational book that teaches elementary school children about spending, sharing, saving, earning, and growing their money.

For information about the author's other award-winning books that grow kids with character, visit www.wateringcanpress.com.

Kids and Cash: Inspiring Children to Be Smart About Money Matters

We all know the financial pitfalls our children may face as they get older -- challenges related to earning, saving and spending money. That's why we might give children an allowance or do other things to try to teach them the value of making wise financial decisions. But is it enough? How can we really get children to grasp abstract concepts like the value of money, balancing spending wants and needs, and saving for future security?

With recent research showing today's college students are graduating with more debt than ever before, it is critical that we instill a foundation of financial knowledge and healthy money habits at a young age, before children are making decisions that can negatively impact their future. Award-winning author Ellen Sabin created *The Nickels, Dimes, and Dollars Book: A Wise Kid's Guide to Money Matters* to engage, educate and empower children and their families around these issues.

This guide is designed to help parents like you to use *The Nickels, Dimes, and Dollars Book* and the experiences in your everyday life to build your child's foundation for a lifetime of healthy money habits.



GETTING STARTED



The Nickels, Dimes, and Dollars Book is designed so children can use it on their own, but it's even more effective when families participate together. Even if your children have the skills to read this book independently, they will benefit from your input, experiences and insights.

In addition to introducing concepts of money basics, managing and planning for goals, and budgeting, there are four major topics covered in the book and highlighted in this guide: Earning, Saving, Sharing and Spending. On the following pages, you will find activities under each topic that allow you to use the book and your family's financial routine to give your children the information and skills they need to make smart decisions about money today and in the future.

Here are some quick tips to keep in mind as you get started:

The Earlier, The Better:

Many parents think the teen years are when you should start talking about money. In reality, it's important to start much younger so that a child's perceptions of money and attitudes about financial issues develop in age appropriate, balanced, and healthy ways. This book is designed for children ages 6 to 11, but many of the activities could be adjusted to be useful for younger children as well. Remember, many of the lessons important to financial responsibility - working hard, planning, decision-making, sharing with others - are also qualities important in building overall character.



Read the Book WITH your Child:

Before you begin the activities in this guide, you may want to read the entire book with your child. The book is designed to be interactive and flexible - so feel free to jump around to focus on the areas most important to you and your family.

It's THEIR Journey:

The Nickels, Dimes, and Dollars Book isn't just a narrative - it is a journal and a scrapbook that lets children capture their thoughts and feelings as they learn more about financial issues and develop money management skills. Expressing their ideas and priorities is a key part of the process - so encourage them to be the co-author of their book and to write in it, decorate it and make it their own.





EARNING

Book Activity: *What do YOU want to do?*

Page 52 of the book encourages children to think about what type of work they want to do when they get older. After identifying two potential occupations, the book asks them to interview people with these jobs to learn more about them. You can bring this activity to life by using your contacts in the community to locate the best people for these interviews. You could also arrange for your child to visit them at work so they get a first-hand understanding of the job.

Real World Activity: *A Dollar Earned*

Helping children understand the value of earning money and instilling a strong work ethic in children means making them understand that the quantity and quality of their work can have a direct impact on how much money they earn. Try setting specific tasks that a child can complete that result in a defined wage. So, for example, assign \$2 each to a specific list of chores. If they need extra funds for a special occasion or outing, create additional opportunities for them to earn that money. This strategy can help prevent entitlement and truly teach the value of a dollar earned.



QUICK TIP: RESUME REVIEW

To get children thinking about what it takes to get a job, take a few minutes and review your resume or past experiences with them. Point out the education and experiences that helped you get to your current job.



SAVING

Book Activity: *Spotlight on Saving*

Page 47 of the book encourages children to interview adults they know about their experiences, opinions and advice when it comes to saving money. Make photocopies of this page so children can interview multiple people and get different perspectives. Then sit down and review the interview forms and discuss the similarities and differences of each. This will help them understand that everyone's savings plan differs based on their situation and priorities, and the most important thing is that we all take the time to determine our own savings plan.

Real World Activity: *Want It, Need It...Save for It*

As parents, we want the best for our children and so it is often easy to say "yes" when they really want something, but remember it's also important to teach them the concept of prioritizing. Give your child(ren) examples of household expenses that are "needs," like utilities and medical expenses, and those that are "wants," like new furniture or DVDs. When a child asks for things, have them create a list so they can categorize and prioritize their own "needs" and "wants." Then encourage them to save money they earn or receive to make the purchases they think are most important.



QUICK TIP: SAVINGS BANK

The Nickels, Dimes, and Dollars Book teaches children a set of saving categories: money to spend soon, money for charity, money for short-term savings and money for long-term savings. Make jars or piggy banks that are labeled with each category and encourage your child(ren) to put a portion of their allowance into each based on their priorities and needs. It's a visual and tangible way to teach children about saving strategies.



SHARING

Book Activity: *Your Wishes for Others*

Page 36 of the book encourages children to think about their wishes for others and the world around them so they can create priorities for their charitable giving. Take this activity a step further by having children write each of their wishes for the world on a cut-out shape or a paper plate and then decorate it with drawings or images that are related to that wish. Hang these in their room or a visible place in the house to remind them of their priorities as they are working through the book and starting to set aside money to share with others.

Real World Activity: *The Power of Sharing*

Donating money to charity is often a difficult concept to get children to embrace. A good way to help them experience the rewards of helping others is to give them some money, perhaps in conjunction with a birthday or a holiday, that can only be donated to a charity. Work with them to brainstorm on what they most want to change in the world and then research nonprofit organizations that are working toward that goal. If they love animals, find a wildlife preservation organization and use websites or a trip to the zoo to help them see firsthand how that organization is making a difference. After they gain an appreciation of how their money can make a difference for others, encourage them to set aside a percentage of the allowance they earn to donate to a charity or tithe.



QUICK TIP: CURRENT EVENTS

Every day children hear about sad events or situations in the world from natural disasters to illness to crime. Whether they hear these things at school, see them on TV or read them online, they are all teachable moments. When a child is upset by current events, talk to them about causes or charities that are working to resolve that problem. This simple activity can teach children how to turn their reactions to difficult events into action that can help others.



BUDGETING & SPENDING

Book Activity: *A Thoughtful Spending Exercise*

Page 31 of the book asks children to do some virtual shopping. They are asked to imagine they live in a place that is really cold and then asked to make decisions about what they would buy with \$100. You can do this activity with your child in the book, or you can spice it up by creating an actual store in your home. Find all of the items listed on page 31 in your home and tag them with the corresponding prices. You can also throw in additional items that your child would like to make the choices more challenging. Set them up on the dining room table or in the living room and have your child “spend” their \$100. Once the shopping is finished, ask them to talk about their choices and which items were “wants” and which were “needs.”

Real World Activity: *Budgeting 101*

As children begin to appreciate the importance of hard work, prioritizing expenses, saving and sharing with others, they will also start budgeting in their own ways. Help them formalize this process by using a budget worksheet, like the one available in *The Nickels, Dimes, and Dollars Book*, that has them outline the things they’ll need in the coming months and things they want to buy or do. They can then estimate their earnings for that time period and develop a plan for their expenses and any charitable donations. Using this exercise early can help children develop the habit of thinking before they spend and focusing on the future when making financial decisions.



QUICK TIP: TALK ABOUT IT

Have open discussions about money in your household, especially issues related to budgeting, prioritizing and charitable giving, so children become comfortable with these issues. Most importantly, let your child(ren) be involved in expressing what is important to them when they are earning, spending, saving and donating money. *The Nickels, Dimes, and Dollars Book* has an interactive, journal format that allows children to create a scrapbook of their journey towards smart money habits.