



BIZ KID\$
Program 118: "Saving and Investing
(Save Early, Save Often)"

Introduction

Explain that "**Biz Kid\$**" is a program to help people become financially educated, learn work-readiness skills, and to even become entrepreneurs...Biz Kids!!!

Pre-viewing question:

Raise your hand if you've ever used money to buy something.

Would someone volunteer how they got the money? Accept multiple student responses. Responses likely will include that they:

- Received money as a gift
- Received money from parents or others
- Earned the money

How many of you spend all the money you receive or earn?

Do any of you save some of your money?

If you save some money, where do you keep it; in a piggy bank, a jar on your desk, or under the mattress???

When you save money in the above mentioned places, the only way to get more money is to add more.

There are ways to make your money "grow" or increase without having to add more to it. Your money can work for you if you **invest it**.

Investing means allocating your money to use as an investment, in a venture or opportunity, that offers the possibility of increasing its value as interest, income, or worth.

Raise your hands if you'd like to see your money grow without having to add more money to the total.

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Post-viewing:

Activity 1:

Raise your hand if you would like to lose money by investing in something risky...just making sure everyone is listening! 😊

It's common for young people to think that investing is something for adults only because many investment options include some level of **risk**.

Risk is the possibility of financial loss or harm. Most young people have only a small amount of money and do not want to lose it. However, there are safe ways that you can invest money so that it will still grow.

What were some of the methods learned in this Program of “**Biz Kid\$**”?

Record responses on a blank overhead transparency if available.

Responses should include:

- Savings accounts
- CDs
- Money market accounts
- Bonds

Ask for questions that students may have regarding these types of investments. Record their questions on a blank overhead transparency for later review.

Activity 2:

Provide a sheet listing **Investment Vocabulary**. Distribute the sheet to all participants, and display the **OHP Transparency**.

Briefly review each of the investments.

Explain that most of these options are considered relatively safe investments, because the investor will receive all of his or her money back after some period of time. With some of the investment options, the investor is guaranteed to earn additional money.

Distribute a copy of the “**Risk/Reward Pyramid Sheet**” to each person and display the **OHP Transparency**.

Point out that the least risky investment options are at the bottom of the pyramid. Be sure to mention, they also earn the least amount of money for the investor. (Less risk, less earnings.)

Demonstrate, that as they move up the pyramid, the investment types become ever more risky. If the risk pays off, the amount of money that the investor earns can be great; but it is also possible they could lose all of the money invested.

Some good tips from the “**Biz Kid\$**” Program you watched mentioned that your financial goals and the time frame you have in mind can help determine which investment is best for you. “Pay yourself first” was emphasized!

You were introduced to **Jeri Lee**, a Biz Kid with four investment accounts. She invents and sells games like “*Speed Spell*” and “*Choir*”. One thing she does is diversify her investments. She also uses a jar system to manage her cash at home.

Bella, a really young Biz Kid, uses a system of piggy banks at home to manage her money. She makes sure to pay herself first!

Then there was **Ramit**, a very successful entrepreneur, who started a personal financial blog called “*I Will Teach You to be Rich*”. He also co-founded a company on the Internet called “*pbwiki*”. His advice was to start saving early because it can definitely make a difference.

Martina, another Biz Kid, has her own pod cast, “EMO Girl Talk”, with listeners all around the world. She has an investment CD that’s “locked”, meaning that she can’t cash it in until

a certain time period expires. She likes it "locked" since she tends to be a big spender! She also pays herself first!

Tanna, the professional rodeo cowgirl, has more risky investments. Her returns on her investments are never guaranteed, so she has added pressure to perform well and earn money on the rodeo circuit to make enough money to pay her bills.

Activity 3:

Introduce the group to the "**Onward and Upward**" board game. Putting what they learned in the program to use.

Separate the students into pairs.

Explain that they will work in pairs to play this game that challenges their memory.

Distribute an "**Onward and Upward Game Board**", two game pieces (pennies or buttons, etc), one Die, and an "**Onward and Upward Answer Sheet**" to each pair.

Explain that the answer sheet should remain face down unless it is needed to verify and confirm a player's answer.

If possible, display an OHP Transparency of the **Game Instructions**.

Onward and Upward Game Instructions

Object: To be the first player to successfully move through the Game Board and reach the Investment Whiz spot.

Game Play:

1. Roll the Die to see who goes first. The player with the highest roll number takes the first turn.
2. Roll and move your game piece according to the number on the Die.
3. Answer the question on the Game Board. Your partner will check your answer using the answer sheet.
4. If you are **correct**, stay on the space where you landed. This ends your turn.
5. If you are **incorrect**, move your game piece back one space. This ends your turn. You will roll again on your next turn.
6. If you land on a solid-colored space, stay there. This ends your turn. You will roll again on your next turn.
7. Alternate taking turns with your partner until one player reaches the Investment Whiz spot.

Allow time for game play. When the game is over, collect the dice and the game pieces, but allow them to keep the papers.

Summary and Review

Invite students to share the "**Investment Vocabulary Sheet**", the "**Risk/Reward Pyramid Sheet**", and the "**Onward and Upward**" board game and **Answer Sheet** with their families.

Be sure that every participant has a copy of the sheets mentioned above.

Distribute the "**Family Activity Sheet**" and the "**Biz Terms Sheet**" for this Program.

Happy saving and investing.



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Biz Terms

1. allocate
2. banks
3. bonds
4. Certificate of Deposit (CD)
5. credit unions
6. high-risk investments
7. interest
8. investing
9. investor
10. low-risk investments
11. maturity
12. money market deposit account
13. risk
14. savings account
15. savings bond
16. stocks
17. venture
18. worth

Suggestions for using Biz Terms include:

- Have students research and write dictionary definitions.
- Discuss the use of these terms in the Program of "**Biz Kid\$**".
- Have students construct sentences using these terms.
- Have students write paragraphs, stories, or dialogs using these terms.
- Create math word problems using these terms.
- Create crossword puzzles using these terms.
- Write personal financial goals using these terms.

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Family Activity Sheet

Program 118 Synopsis:

The early bird catches the IRA. The Biz Kid\$ learn the powerful potential of starting a savings plan early in life. They also take a detailed look at the savings and investing options available to young people.

Family Activities:

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 well suited for young people.

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.

Some great books to help children learn more include:

- *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 (who was profiled on the "Biz Kid\$" program)

The Mutual Fund Education Alliance web site (www.mfea.com) lists information about more than 600 mutual funds that require \$50 or less to open.

Many of these stocks hold some meaning for young people, including investments in toy, electronic, and fast-food companies. Be aware, these can be slightly riskier investments.

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Program 118: "Saving and Investing (Save Early, Save Often)" Equipment/Materials/Prep:

TV
DVD Player
DVD of Program 118
Overhead Projector if available
Blank OHP Transparencies
Pens for OHP

Nametags (optional)
Pens or pencils for each person

Chalkboard and chalk **OR** Dry-Erase Board and Dry-Erase Markers **OR**
Large chart paper and one set of colored markers

OHP Transparency and student copies of the following:

The "**Investment Vocabulary Sheet**"
The "**Family Activity Sheet**" and the "**Biz Terms Sheet**"
The "**Onward and Upward Game Board**"
The "**Onward and Upward Answer Sheet**"
The "**Risk/Reward Pyramid Sheet**"

Two game pieces per pair (Use pennies, buttons, or plastic disks)
One Die per pair



Episode Investment Vocabulary Sheet

Investment Vocabulary Sheet

Certificate of deposit (CD): A receipt issued by a bank to a person depositing money in an account for a specified period of time at a fixed rate of interest.

High-risk investments: Investments that are quite risky and may or may not result in financial growth. High-risk investments can grow quite rapidly, but they also can lose money quickly.

Interest: Payment from a financial institution for allowing it to use a person's money.

Investing: Allocating money to use in a venture or opportunity that offers the possibility of increased value as interest, income, or worth.

Investor: A person who puts his or her money into an investment.

Low-risk investments: Investments that are not very risky and almost always result in financial growth. The financial growth of low-risk investments generally is quite small.

Maturity: The investment has reached the end of its specified period of growth.

Money market deposit account: A short-term deposit account that permits limited check writing. These accounts generally earn the investor a bit more interest than a savings account, but require a larger amount of money to open than either a checking or savings account.

Risk: The possibility of financial loss or harm.

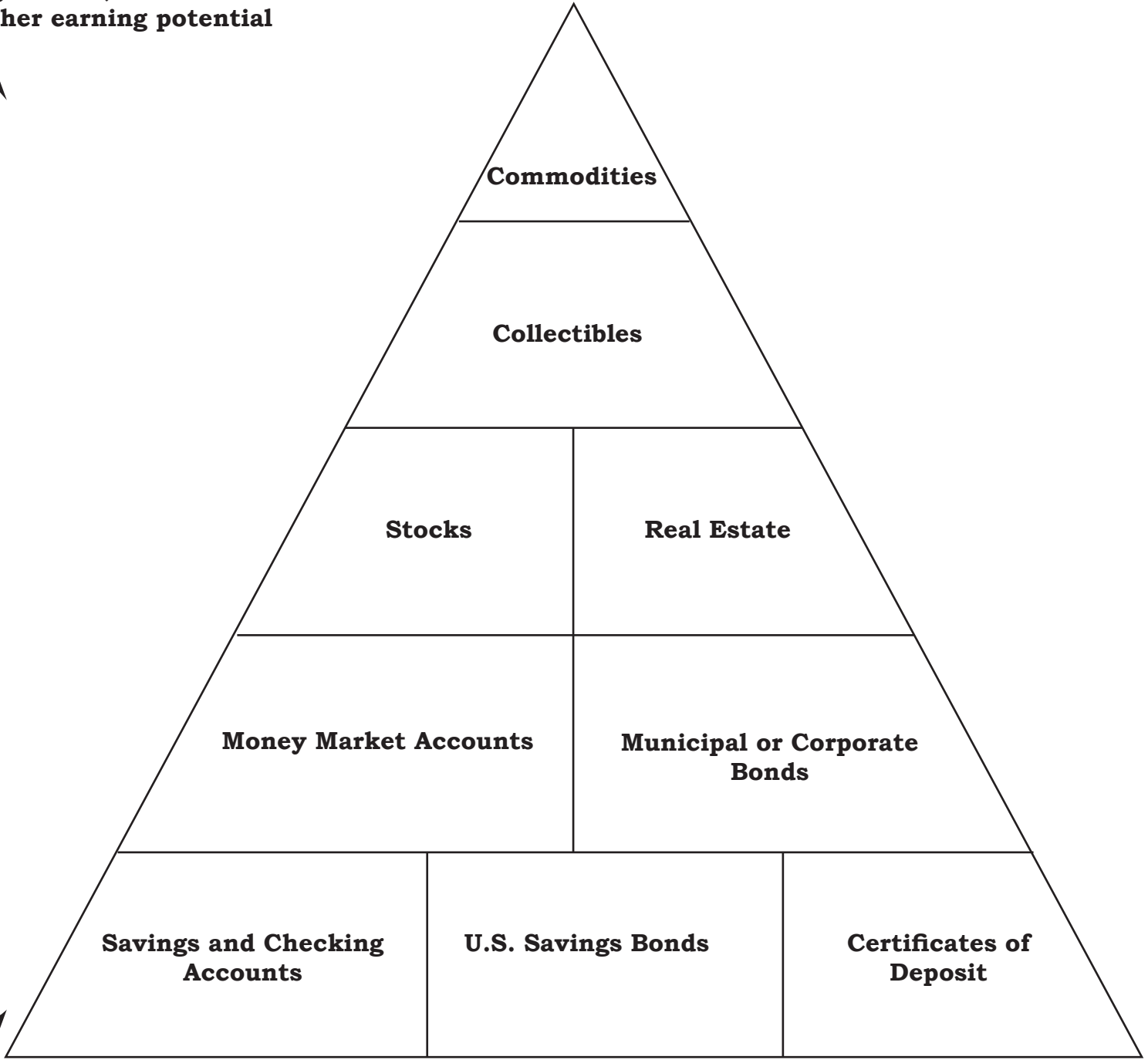
Savings account: An account held at a financial institution that helps the investor accumulate and save money while earning interest. The investor is able take money out of the savings account at any time without any penalty.

Savings bond: A loan that is made to the federal government for a specific length of time. When making this loan, the investor buys a piece of paper, from either the government or a financial institution, which lists the terms of the bond. The government repays the loan with interest at the end of the bond's time period.



Risk/Reward Pyramid

Higher risk,
higher earning potential



Lower risk,
lower earning potential





Onward and Upward Answer Sheet

Onward and Upward Answer Sheet

- 1** **Question:** Low _____ investments are fairly safe.
Answer: risk
- 2** **Question:** The initials CD stand for _____ of deposit.
Answer: certificate
- 3** **Question:** True or false: People can take money out of their savings accounts at any time.
Answer: True
- 4** **Question:** _____ are items that are fairly rare in number.
Answer: Collectibles
- 5** **Question:** Money market deposit accounts are similar to _____ accounts.
Answer: checking
- 6** **Question:** Investments that are _____ in risk usually have smaller returns.
Answer: low
- 7** **Question:** True or false: When you invest in a CD, you are loaning money to a financial institution for a set period of time.
Answer: True
- 8** **Question:** U.S. savings bonds typically pay _____ rates of interest than savings accounts.
Answer: higher
- 9** **Question:** True or false: When a bond reaches maturity, the investor can no longer use his or her money.
Answer: False
- 10** **Question:** Collectibles are a _____ risk investment.
Answer: high
- 11** **Question:** True or false: You may only buy a U.S. savings bond from the federal government.
Answer: False
- 12** **Question:** True or false: Savings accounts are considered high-risk investments.
Answer: False
- 13** **Question:** When you get a U.S. savings bond, you are _____ money to the federal government.
Answer: lending