



WHAT'S ON THE MENU?

FINANCIAL EDUCATION FOR FAMILIES



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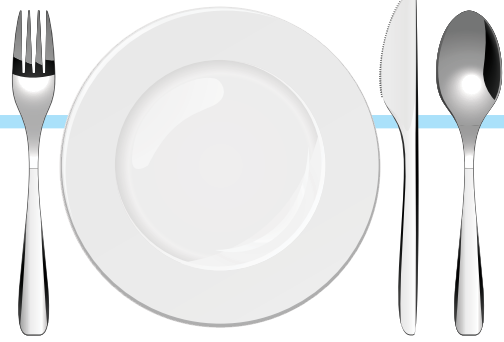
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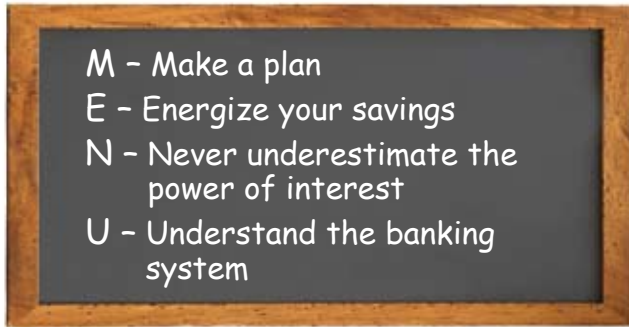
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A MENU to Your Child's Success



M — MAKE A PLAN

What is a budget? Why is it important? A budget is a step-by-step plan for managing money during a period of time. Budgeting helps you know how much money you have and where your money will be spent every month. This will help you take control of your money.

INGREDIENTS FOR PARENTS:

The benefits of creating a budget are that it helps relieve anxiety, gives you a sense of control, and helps you save money.

E — ENERGIZE YOUR SAVINGS

When you get paid, the first thought that often comes to mind is to pay your bills, but it is extremely important to put a designated amount in a savings account during your bill-paying process.

INGREDIENTS FOR PARENTS:

The reasons to save are as different as each of us. But unless you prioritize and really think about what you need and want, you may never reach your financial goals.

Below are some reasons people save:

1. In case of unexpected events
2. A down payment for a house, car, or other large purchase
3. Education
4. Retirement

Think about "found" money...

Can you buy reusable items like plastic sandwich containers for your kids' lunch instead of plastic bags, or use bleach or

Three steps to creating a budget:

1. Track how you spend money each day.
2. The month before, figure out how much money you will make and what your bills will be. Also consider long-term goals and upcoming large purchases.
3. Cut back on unnecessary spending.

INGREDIENTS FOR KIDS:

Recipe #1—I Want That

This activity will use a catalog as a tool for introducing funds and budgeting for items that are "needs" and items that are "wants."

1. Discuss the difference between needs and wants.
2. Give your child a catalog.
3. Ask him/her to circle items that he/she "wants."
4. Review the items that he/she chose.
5. Choose one item and discuss how your child could obtain that item through budgeting and saving.

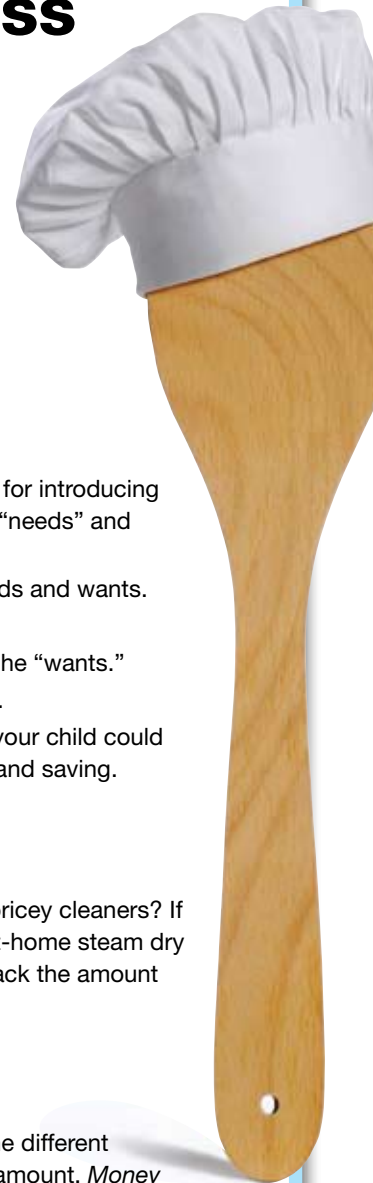
vinegar to clean *everything* instead of pricey cleaners? If you use the dry cleaner, purchase an at-home steam dry cleaner—in two years, you will make back the amount you paid for the steamer.

INGREDIENTS FOR KIDS:

Recipe #2—Money Match

This activity will focus on money and the different combinations that represent the same amount. *Money Match* will assist you in teaching your children how to count different combinations of money.

1. Start with a pile of loose change.
2. Pull out two dimes and a nickel.
3. Ask your child, "How much money is that?"
4. Ask your child to create piles with different coins that equal 25 cents.
5. Continue this process using different amounts each time.



N – NEVER UNDERESTIMATE THE POWER OF INTEREST

Small amounts of money tucked away in a savings account can add up over time. The power of interest depends on three factors: the rate of interest, the sum of money deposited, and the amount of time that money stays in a savings account.

INGREDIENTS FOR PARENTS:

Interest is the money that banks pay you to keep your money at their bank. Compound interest is the really exciting stuff; as you make interest that money is added to your money... then the next time they figure your interest the bank figures it on the new balance. Making more money, for you!

	No Interest	With 5 Percent Daily Compound Interest
Year 1	\$365	\$374
Year 5	\$1,825	\$2,073
Year 10	\$3,650	\$4,735
Year 30	\$10,950	\$25,415

The Rule of 72 tells you how long it will take to double your money at a given interest rate.



Example:

You have an interest rate of 4 percent.
 $72 \text{ divided by } 4 = 18$
 (It will take 18 years to double your investment.)

You can also use the Rule of 72 to determine the interest rate you need to double your money in a set amount of time. If you want to double your money in 12 years:

$$72 \text{ divided by } 12 = 6$$

(A 6 percent interest rate is what you need for your money to double in 12 years.)

INGREDIENTS FOR KIDS:

Recipe #3—Math M-E-N-U

This activity focuses on multiplication facts.

1. Use the multiplication cards in your kit or write multiplication facts on index cards. You'll need to start with 10-12 multiplication facts. Flash one card at a time.
2. If your child gets it right, you write an M (for "M-E-N-U") on the back of the card. It then goes back in the pile for the next time.
3. If your child gets it wrong, no letter is written on the back and the card goes back in the pile.
4. This continues until the child has spelled M-E-N-U on the back of the card. The card is then retired from the pack and you add a new card with a new multiplication fact on it. This continues until your child has answered enough facts correctly to spell M-E-N-U.

U – UNDERSTAND THE BANKING SYSTEM

Choosing the bank that is right for you depends on a couple of factors. Do you feel comfortable there? Are they offering competitive interest rates? Is the location good for you? Is your deposit insured by the FDIC (Federal Deposit Insurance Corporation)? Does the bank take an interest in your community?

INGREDIENTS FOR PARENTS:

It is important that you know who does what at a bank and where to go if you need help.

Branch Manager/Banking Center Manager:

Responsible for overall customer satisfaction.

Teller: Cashes checks, makes deposits/withdrawals, and helps with loan payments.

Financial Services Representative: Helps people fill out loan papers, open accounts, and select the right products and services.

Here are some bank terms you should know:

1. Balance—The total amount of money you have in your bank account.

2. Credit History—A record of an individual's borrowing and paying habits.
3. Debt—Money owed to others.
4. Down Payment—A deposit made on a large purchase, such as a house or a car.
5. Principal—The amount you are borrowing on a loan or the original amount of money invested.

INGREDIENTS FOR KIDS:

Recipe #4—Take a Field Trip

Go to the bank that you use regularly. Introduce yourself and your children to the employees at that branch. It's important to have a personal relationship with the people who help you with your money.





Welcome to the **What's on the Menu?** workshop. This workshop is about making sure basic math skills become a part of your child's daily routine. It's also about developing an understanding, from a young age, of how math relates to managing money—from spending and saving to budgeting and investing.

This guide is for you—the parent—and it's based on the great ideas and banking expertise of our team who develop creative ways to manage money for their own families. It's been designed with you in mind—in consideration of the fact that you're a busy mom or dad. We provide you with easy-to-use suggestions on ways to help your child not only become great in math, but also ready to apply it to real-world financial situations. After all, you are your child's first teacher!

We know you will enjoy trying some of the ideas, and I urge you to create your own activities to teach your child the value of math and money. As the mom of two young children, I'm also eager to learn from you. You can share all you've learned with your family and friends; copies of this brochure and more resources are available free at www.volunteerusafoundation.org.

Sincerely,

Liza McFadden
President & CEO
Volunteer USA Foundation



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