

Your Kids' Dreams and Their Money

Notes:

Learner Outcomes

Outcome #1: Participants will be able to compare a short-term and a long-term financial goal.

Outcome #2: Participants will be able to state a measurable, short-term financial goal.

Outcome #3: Participants will be able to list steps to making a short-term financial goal.

Target Audience

Parents of elementary-age kids (grades 3 to 6)

Materials

1. Flip chart and markers or a dry-erase board and dry-erase markers
2. Name tags (downloaded for free from the Bank It Web site), one for each participant
3. A pen or pencil for each participant
4. Kitchen timer, stopwatch, or clock to track time
5. Evaluation Pretest #1-DR-PE for each participant
6. Evaluation Posttest #1-DR-PE for each participant
7. Take-Home Notes #1-DR-PE for each participant
8. Optional: PowerPoint Presentation PDF #1-DR-PE
9. Optional: Handout #1-DR-PE for each participant

Timing

1 hour

Want more background and training tips? See the free, downloadable Bank It Elementary Quick Start Leader's Guide at www.bankit.com.

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1. Welcome and Overview (5 minutes)

Arrive early. We highly recommend that you use the optional PowerPoint Presentation PDF and the optional handout. Both will greatly enhance your session. If you're using the PowerPoint Presentation PDF, show the "Welcome to Bank It" slide as participants enter the room.

Greet participants individually and learn their names as they arrive. Have them create a name tag with their first name only.

Give participants a copy of the Notes #1-DR-PE and either a pen or pencil. Encourage them to take notes during your session on the notes handout. Have them sit in clusters of about four people. If possible, have them sit at tables. Then welcome the whole group to the session.

Say: Welcome to Bank It. Bank It delivers real-world financial topics and tools for kids and parents that make it easier to understand, talk about, and manage money. Bank It was developed by Capital One and Search Institute. I'm glad each one of you is here.

Today we will focus on your kids' dreams and their money, and we plan on meeting three goals. One: By the end of this session, you will be able to compare a short-term and a long-term financial goal. Two: You will be able to state a measurable, short-term financial goal. Three: You will be able to list the steps to making a short-term financial goal.

If this session is not the first session you're presenting to this group, consider briefly discussing the challenge you may have given participants at the end of your previous session.

2. Pretest and Activity (15 minutes)

Say: The first activity we'll do is a short pretest. The pretest has only six questions, and I don't want you to worry about how well you'll do on it. We'll take this exact test again at the end of our session after we have learned about the money concepts on this test.

What matters most is how much you learn and how well you do on the test at the end of our session, not on how well you do on this test.

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Distribute the Evaluation Pretest #1-DR-PE to each participant. Give them time to complete the pretest. Then collect the pretests when they have finished. The Evaluation Key #1-DR-PE has all the answers for your information.

Ask: *What is the definition of a financial goal?* Give participants time to respond. Don't be surprised if participants don't fully understand what a financial goal is. On a flip chart, write: A financial goal is a money target you're aiming for.

Say: *When we talk about financial goals, we tend to talk about two major kinds. One is a short-term financial goal. The other is a long-term financial goal.*

Ask: *What is the difference between a short-term financial goal and a long-term financial goal?* Give participants time to respond. On a flip chart write: A short-term financial goal is usually achieved in less than one year. A long-term financial goal is usually achieved in five years or more.

Ask: *Is saving for retirement a short-term or a long-term financial goal?* Give participants time to respond. The answer is: Saving for retirement is a long-term financial goal because it will take more than five years to save for retirement.

Once participants understand the difference between a short-term and long-term financial goal, say that you're going to do a quick activity called "Short Term or Long Term?" Explain that you're going to name a money goal.

If participants think it's a short-term goal, they should hold one hand in front of them and use their thumb and their finger to measure about an inch. If they think it's a long-term goal they should hold out both of their arms in front of them like they're measuring out six feet.

Say: *You need to pay someone back for \$50. Is saving \$50 a short-term or long-term money goal?* Give participants time to signal whether they believe it's a short-term money goal (with their fingers) or a long-term money goal (with their arms). The correct answer is: short term (fingers).

Then say other scenarios, such as these, one at a time, giving time for participants to signal short term (fingers) or long term (both arms): *You want to save \$1,000 to buy something special.* Answer: long term (both arms). *You need to pay back a loan for \$5,000.* Answer: long term (both arms).

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You want to save \$100. Answer: short term (fingers). You want to save \$4,000. Answer: long term (both arms). You need to pay back your brother for \$20. Answer: short term (fingers). Note that depending on the amount of money adults have access to, some may have different answers.

After you've finished the activity, debrief it. Then say: When we set money goals, we are more likely to realize our dreams.

3. Present (15 minutes)

Ask: How does setting a financial goal help you realize your dreams? Give participants time to respond. On a flip chart write: 1. You know where you're going with your dreams and your money. 2. You can develop a plan for your future. 3. It gives you a target to aim for.

If you plan to distribute the optional handout, use it at this time. The Handout Key #1-DR-PE has all the correct answers for your information.

Say: We've talked about what short- and long-term money goals are like. Let's talk briefly about what a financial goal looks like for an adult versus a child. Saving \$200 is a long-term goal for a child, but saving \$200 is a short-term goal for an adult. Why is that?

Give participants time to respond. Say: We've talked about how a short-term money goal is something that is usually achieved in less than a year. For a child, saving \$200 doesn't fit that because they don't receive as much money as an adult does. A working adult can more easily save \$200 within a year if the adult is using money well.

Say: Let's talk through the steps of pursuing a short-term money goal. On a flip chart, write these steps while talking about each one. Step #1: Name your money goal. Step #2: Make a plan with a timeline to meet your money goal. Step #3: Work toward your money goal. Step #4: Achieve your money goal. Step #5: Make changes to your plan if you're hitting obstacles.

Say: Let's walk through an example. Let's say your child wants to save for a video game. You and your child look at the video game at the store, and you discover your child needs to save \$50. What's Step #1? Give participants time to respond.

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On a flip chart, write: Step #1: Money goal = Save \$50 for a video game. Ask: *What's Step #2?* Give participants time to respond. This should create a discussion about taking stock of how much money kids have coming in. This could come from an allowance, doing small jobs, and getting money as gifts.

Say: *Let's go with the fact that your child receives \$5 a week for an allowance. What's Step #2 in this situation?* Give participants time to respond. Participants will discuss how much of the \$5 their child could plan to save. On a flip chart, write: Step #2: Your child will save \$3 a week.

Say: *We've identified only one part of Step #2. We now need to create a timeline. How many weeks will it take your child to get to \$50?* Ask for a volunteer to walk the group through how to get to \$50.

The answer is to divide \$50 by three. If someone uses a calculator, that person will get 16.66666. Ask: *If you get an answer of 16.66666, how do you translate that into the timeline?* Don't be surprised if this stumps some participants.

Explain that it will take your child 16.66666 weeks to save \$50. Say: *In this situation, it's best to round up. How many weeks will it take to save \$50?* Give participants time to respond. The answer is 17 weeks. On a flip chart, add to Step #2 so that it says: Your child will save \$3 a week for 17 weeks.

Ask: *What's Step #3?* Give participants time to respond. Explain that some kids will just make sure that they save \$3 every week and put their money in a safe place. Kids who have a harder time saving will actually write down the weekly date and the amount that should be saved by each date.

Ask: *What's Step #4?* Give participants time to respond. The answer is: In 17 weeks, your child should have saved \$50 to achieve his or her goal. Your child can now take the \$50 and go to the store to buy the video game, which was your child's goal.

Ask: *What if your child didn't achieve Step #4? What would be Step #5?* Give participants time to respond. One answer could be changing the amount saved each week. Maybe it's easier for a child to save \$2 a week. Or maybe it's easier for a child to save the entire \$5 each week to get to the goal faster.

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Explain that participants can follow this five-step plan for any money goal. It works for short-term money goals and for long-term money goals. Ask: *What do you think is the hardest step in this process?* Give participants time to respond. Most participants will answer Step #3: working toward your money goal.

Ask: *Why is this the hardest step?* Give participants time to respond. Answers could include: It takes a long time to work through this step. It's more interesting to set goals and achieve them, rather than work toward them.

Say: *When we learn about our dreams and money goals, it's important to know about another money concept.* On a flip chart write: Household asset. Ask: *What is a household asset?* Give participants time to respond. Don't be surprised if some have never heard of this term before.

Say: *A household asset is something you own that has monetary worth. In other words, it's something valuable. When we talk about household assets, we're talking about valuables in your home. This includes cash and items in your home that are valuable, such as a refrigerator or a diamond ring.*

4. Discuss (5 minutes)

Say: *Take some time to talk to the people near you. Talk to about two or three people. Take turns.*

I want you to do two things: 1. Say your first name. 2. Talk about a long-term dream you have for your child. Remember that a long-term goal is usually one that will take five years or more to achieve.

Start with the person who most recently achieved a goal, such as losing five pounds, paying off a debt, or going a month without drinking soda pop. Then have each person take a turn.

5. Review and Evaluate (15 minutes)

Review what was accomplished during this session. Ask: *What is the definition of a financial goal?* (Answer: A financial goal is a money target you're aiming for.)

Ask: *What is true about short-term and long-term financial goals?* (Answer: 1. A short-term financial goal is usually achieved in less than one year. 2. A long-term

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financial goal is usually achieved in five years or more. 3. Saving for retirement is an example of a long-term financial goal.)

Ask: *How does setting a financial goal help you realize your dreams?* (Answer: 1. You know where you're going with your dreams and your money. 2. You can develop a plan for your future. 3. It gives you a target to aim for.)

Ask: *What is an example of a short-term financial goal for a working adult?* (Answer: Saving \$200.)

Ask: *What are important steps for pursuing a short-term money goal?* (Answer: 1. Naming your money goal. 2. Making a plan with a timeline to meet your money goal. 3. Working toward your money goal. 4. Achieving your money goal. 5. Making changes to your plan if you're hitting obstacles.)

Ask: *What is an example of a household asset in your home?* (Answer: 1. Your used car. 2. Your family's refrigerator. 3. Your wedding ring.)

At the end of the review, distribute Evaluation Posttest #1-DR-PE to each participant. Give participants time to fill out the posttest. Collect all the posttests after participants finish so you can find out the measurable outcomes for the session. The Evaluation Key #1-DR-PE has all the answers for your information.

6. Close (5 minutes)

Do a short activity for the closing. Have participants create a circle. Ask for a volunteer. Have that person say his or her first name and a big dream for his or her child. Then go around the circle and have participants each take turns talking, naming individual dreams for their children.

Say: *We can realize our dreams and our money goals. We can help our kids realize their dreams and their money goals.* Challenge participants to talk to family members about this topic, which is listed under the Talk about It section of their Notes. Thank participants for coming and for being involved.

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Optional Activities

- 1. Distribute Handout #1-DR-PE: Could Your Child Possibly Do This?** Give participants the handout to complete. Afterward, discuss their answers. Handout Key #1-DR-PE has the correct answers for your information.
- 2. Show the PowerPoint Presentation PDF #1-DR-PE.** Use the presentation to accompany the one-hour session.
- 3. Give Participants a Challenge.** Encourage participants to use the next week to ask their child when they have made a money goal. (If you wish, follow up during your next session to find out how the challenge went.)

Questions? Looking for more ideas? Visit www.bankit.com for answers and more resources.

For More Information

National Standards in K-12 Personal Finance Education (Washington, D.C., Jump\$tart Coalition for Personal Financial Literacy, 2007), standard 6 in the area of Planning and Money Management and standard 4 in the area of Financial Responsibility and Decision Making.

An Asset Builder's Guide to Youth and Money by Jolene Roehlkepartain (Minneapolis: Search Institute, 1999).