Smart Start
with money

teaching preschoolers about money

THE OHIO STATE UNIVERSITY
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Introduction

*Smart Start: Teaching Children about Money* is an educational curriculum designed to teach children ages 3-5 the basic concepts of money. Designed to be delivered in either educational and/or child care settings, it explores such questions as “What is Money?” and “What do we do with it?”

*Smart Start* is comprised of 4 lessons which provide a foundation of financial concepts and vocabulary for children to build on as they grow and develop. Why is it important for children to understand these concepts? Children, from birth, are consumers. As they begin to form opinions and preferences they are specifically targeted by marketing and commercials. Youth in the U.S. have enormous buying power—an estimated $172 billion. Children between the ages of 8 to 12 account for $43 billion in spending annually, and children are in stores an average of two to three times per week. Behavior experts from the University of Cambridge reviewed previous studies to determine how children learn in general, and how they learn about money in particular. They concluded that money habits—including the ability to plan ahead and to delay gratification, are typically formed early in childhood. The goal is to have financial habits of spending, saving and sharing formed, before the age of 7.

Preschoolers of today are the buyers of tomorrow. The earlier children learn basic concepts about money, the more prepared they will be to make sound financial decisions in the future.

*Smart Start* lessons include:

**Money Awareness:** This lesson presents the basic concepts of money and addresses the questions: “What is money?” and “Where does it come from?” This is also a time to teach children the differences in money denominations and coins. By the end of this lesson children begin to recognize that:

a. It is necessary to work to obtain money.

b. Money is used to exchange for desired things.

c. Different coins and bills have different values.

**Spending Money:** This lesson presents the basic concepts of spending money. Children learn about making choices about spending money for needs and wants.

**Sharing with Others:** This lesson presents the option of sharing with others. Children will learn that sharing means giving to others that need something that we have.

**Saving Money:** This lesson presents the idea of waiting to spend money by saving. Children will learn about setting spending goals, and tracking their spending.

Parents extend learning in the home by reinforcing concepts with additional activities and by reading recommended books with their children noted on the “Tips for Parents” handout.


Jumpstart Survey information can be found at http://jumpstart.org


Curriculum Authors: Carol Chandler, Melinda Hill, and Kara Newby.
Lesson 1: Money Awareness

**Goal**

- To help children understand the value of money by laying a foundation of numbers, and to give parents and caregivers methods to teach awareness of money and its value.

**Materials Needed:**

**For Activity One:**
Duplicate Pictures of:
- Nickels, dimes, quarters, silver dollar and dollar bills
- Piggy banks, restaurants, banks, ATM, 1,5,10,25, cents, 100 cents
- Pictures of things children want and/or need (ice cream, books, sandwich, clothes, shoes, coat, toys, etc.)
- Local Charity or sharing with another child

***If game is to be used several times, place pictures on cardstock or backs of cereal boxes for stability or laminate them. (see references for web site with pictures of money)***

**For Activity Two:**
- A 12 cup muffin tin or an egg carton per child, pictures of each side of six coins (pennies, nickels, dimes, quarters, half dollars and dollars) to paste on the inside of their sorting device.
- Enough coins (real or plastic) for each child to have two of each to place in the sorting device.

**Money Awareness**

From the time they are born children are watching and learning from adults, often imitating those that they see around them. Learning about money is no exception. They see what is important to us, how we spend or save our money and how we get the things we want or need.

Their observation of our practices will influence much of their thinking early in life.

We can begin with some very basic methods and conversations to expose children to the beginning principles of money. In *Smart Start with Money* we present lessons on money awareness, saving, spending and sharing. With each principle there are goals, lessons and two activities for use in the classroom and an accompanying fact sheet to send home with parents for their information.

The National Credit Union Association Indicates that there are several concepts that preschool children should know about money. They should realize that:

- Money is used in many ways to get the things we want and things we need. When we buy, spend or save money we are trading it for things. When we trade it, it is gone until we have more.
- When we don’t have enough money to get what we want, we should save money until we have enough. We all have limited money to spend, save or share and we should plan how we want to use it.
We get money when we work at a job or when someone gives it to us. Money can be paper or coins and each one differs in the amount they are worth.

Some things do not cost anything, we do them to help others or to share with them because we want to.

When we live in a community, we share the cost for those that do work for us. (Taxes that pay for roads, police, fire protection and schools for example).

When conducting the activities in this program or reading the books, reinforce these principles as appropriate with the children. The more the conversations about saving, spending and sharing are woven into classroom conversations, the easier for the children to grasp the principles.

Select a book of your choice from the list on page 5 to read and discuss with the children.

**Activity 1**

*Race for Money*

Divide children into two lines with two buckets placed at the end of the room. Use the following questions to ask them to race to the bucket, find the picture and return it to you for discussion.

**Can you find...**

- Someplace to save your money?
- Something to spend your money on?
- Something that you want to buy?
- Something that you need to buy?
- Someplace you go with mom or dad to spend money?
- Someplace you go to eat with mom or dad?
- Something you use to carry your money with you?
- Someplace where you go to get money? (bank or ATM)
- Something you use when you shop to get the things you need? (a list)
- The numerical value of a nickel, a dime, a quarter, a dollar?
- The coin with a buffalo on it?
- The coin with a building on it?
- The coin with a shield on it?
- The coin representing a state on it?
- A picture of how you can share your money?

**Activity 2**

*Coin sorting Activity*

Each child will need their own sorting device. You will need a picture of each side of each coin you are using to place on the bottom of the sorting device. Distribute two coins of each value to each child and let them choose which “space” they go in. When this task has been accomplished, try using the coin and its number value as another matching activity. Place the monetary value in one side of the sorting device with the picture on the other. When they have mastered the matching activity, try making it a timed event, if desired.

**Please note that coins are a choking hazard for young children and children should be monitored at all times when playing with them.**

**Summary**

Adults should not assume that children are too young to begin to understand the value of money. Children observe important adults in their life and repeat the kinds of choices they make, it’s imperative this conversation begins at an early age.
Book Suggestions

Books:

**Benny's Pennies** by Pat Brisson. Dragonfly books, 1993. Benny has five new penny’s to spend and as he walks through town he has choices to make.

**Pennies** by Mary Hill. Scholastic, Rosen Book Works, 2005. A simple look at what pennies are made of and how people use them.

**Nickels** by Mary Hill, Scholastic, Rosen Book Works, 2005. A simple look at what nickels are made of and how people use them.


Web resources:

**Adults:**

Manage Your Money
http://ohioline.osu.edu/mym/index.html

I Want! I Want! I WANT! Building Good Consumers.
http://betterkidcare.psu.edu/ParentsCount/PC_Iwant.pdf

Money as You Grow
http://moneyasyougrow.org// (April 13, 2013)

**Children:**

Activities for Money and Coins
http://www.enchantedlearning.com/themes/money.shtml

Money Facts for Kids.gov
http://kids.usa.gov/money/index.shtml
Realize that you are sharing your financial practices with your children long before they ever have money to spend. They are watching and learning from us about our values, practices and methods of managing money. Just talking with them about what is important to us or how we are making a decision about spending or saving money helps to lay the foundation for more in depth conversations as they grow. While they might not understand the concept, they will observe what we practice before them and become aware that there are decisions to be made before we spend money.

Here are a few tips to begin early in your child’s life that will help with their awareness of money:

- **Recognize that opportunities for numbers are all around us.** Think about conversations while traveling that include numbers. For example “How many circles on the stoplight?” “How many stop-lights are on the road?” “How many cars have we passed?”

- **Take opportunities to count out things,** for example when selecting apples or other produce, “help me count, we need five today.”

- **Use music to reinforce math activities.** Pick out children’s favorite music and help them identify the beat. Use items at home to play along: pots and pans with wooden spoons, plastic bowls or even with supervision heavy glasses with different amounts of water in them to make different tones. Raffi, Hap Palmer and others have great tunes to play along with.

- **Use blocks to build, sort, and categorize into colors, shapes and sizes.** This math skill is pattern-ing and could be a beginning skill for the concept of sorting, like spending, saving and sharing.

- **Using a muffin tin or several small containers, sort a favorite cereal by color.** This could also be a stringing activity using ring shaped cereal (Red, yellow, green, etc.) on a piece of yarn to tie outside as a birdfeeder.

- **Play dominos together and count the dots.** Make your own dominos with coins on the end for matching.

- **Play board games to utilize counting skills.**

- **Use the numbers on the clock to help identify units of five.**
Teach measuring concepts with a sand box or rice bucket. Will it all fit in the bucket? Using water to measure is a great learning tool especially on a hot summer day.

Play areas are filled with math concepts whether we think of a grocery store with play money or a kitchen with measuring cups and mixing bowls. Anything a child compares another thing to, helps identify future math concepts. **Look for things of similar size, color, shape, and texture to offer in their play.** Nesting items like containers or cups help them understand size and shape, which is more or less?

Here are a few things that you can model for your child. These are things we usually don’t think about as money management, but you are sharing them in a manner that your child will observe long before they will need to practice them.

Before leaving to run errands, go over the list of things to do with your child. Then check them off as they are accomplished.

Make a list of things to get when going shopping, either in the grocery store or just needed household items. Have children make a list of things they need when they go with you.

As they grow, let everyone work together on vacations. If we want to go on this trip, then everyone needs to help save money. When the request is made for a toy or candy, ask the question “would you rather have this or be able to go to the amusement park?” Help them understand by seeing money saved in a jar for a specific purpose.

If you really want something, plan for it. Shop around, compare prices and get the item that gives the most for your money.

If shopping at garage sales or outlet stores, talk about the money saved from regular retail. Also discuss the advantages (getting more items) and the disadvantages (may not be exactly what you wanted).
Lesson 2: Spending Money

Goal

- To learn more about spending money, what is spending, and how do we make choices about spending.

Materials Needed:

- Book(s) to read to start a discussion about ‘what is spending’.
- Computer or TV with computer hook up (if showing “Sesame Street” video)

For Activity 1:

- Table set up to house your “store”
- Money—coins, monopoly money, paper money
- Various items for children to “buy” — small trinkets or toys, small candies, or stickers. Also have a few ‘larger’, higher ticket items that the children cannot afford.
- Price tags or signs

For Activity 2:

- Table to decorate sugar cookies or pita pizza
- Various decorations/toppings with different prices
- Price tags or signs

What is Spending?

Chances are, your preschooler has not had a job yet. Everything they need for life has always been given to them. Essentials such as food, clothes, and shelter are probably not things that they think about very often. So, concepts that we adults may take for granted such as working for money and then making decisions about how to spend it are completely new to them. To help children understand this complicated process, it may be helpful to explain it in the context of making daily choices.

Spending is About Making Choices

Hopefully at this point in a child’s development, parents and caregivers have been giving children opportunities to make simple choices. Giving options such as “Do you want to wear the pink dress or the purple dress?”, “Do you want waffles or oatmeal for breakfast”, or “Do you want to play with the blocks or the dolls” help children learn important decision making skills and lessons. Sometimes making decisions means choosing between something good or bad, right or wrong. However, other times decision making can simply be choosing between two things we want.

Essentially, what we do with our money comes down to making choices. Spending money means trading money for something else. Every time we spend money we are making choices such as deciding between different products, choosing between spending or saving, and deciding where to purchase things. Sometimes our choices include deciding between what we want and what we need. This can be a hard concept to fully realize in the moment of a decision, even for adults. Things that we need are things that we cannot live without like food, clothes...
or a place to live. Things that we want are things that we would like to have, but could live without, for children an example would be a new toy.

***Before doing the activity, it may be helpful to show the video from “Sesame Street”, talking about making choices found here: http://www.sesamestreet.org/parents/topicsandactivities/topics/saveshare/***

**Activity 1**

Set up a little store with simple items such as snacks, stickers, and little trinkets or toys. Include some bigger items that you know would be very popular, that the children cannot afford. Give each child the same amount of money (either coins or monopoly money) and allow them to choose how to spend it.

**Discussion**

- How did you choose what you wanted to spend your money on?
- Did you think about how you could either get two smaller things or one bigger thing for the same price?
- Was it hard to make a decision?
- What about the larger items you did not have enough money for? How did it feel that you may have wanted something you couldn’t buy? (This may also lead into a discussion about “saving” and how if they save over time they may have enough to purchase the larger item.)

**Activity 2**

At lunch time or snack time give each child a sugar cookie and either coins or monopoly money. Have various toppings such as frosting, M&M’s™ or sprinkles for a cost, and let them “buy” additional items for their cookie. (Other options: have individual pitas to make pita pizzas or give them a dish of frozen yogurt and allow them to “buy” additional toppings.)

**Discussion**

- How did you choose what to buy?
- Did you get everything you wanted, or were there toppings you didn’t have enough money for?
- How did it feel to have to “buy” your food?
- How do you think your parents feel when they have to make choices about what food to buy?

**Summary**

Spending is one of the choices we have when deciding what to do with our money. Spending money means we choose to trade, or exchange the money we have for something else. Spending money includes making choices, and sometimes these choices can be very hard to make. It’s important to think hard about how we want to spend our money.
Book Suggestions

Books


A Chair For My Mother by Vera B. Williams. Greenwillow Books, 1982. A family loses all their furniture in a fire. They set a goal to buy a chair for mother. Find out how the family, neighbors and friends work together for success.

Alexander, Who Used To Be Rich Last Sunday by Judith Viorst. Atheneum, 1978. Alexander started the week as a rich young man. There are so many things he could do with a dollar. The money begins to slip away.

Apple Picking Time by Michele Benoit Slawson. Crown, 1994. All the townspeople work in the orchards at harvest time. Anna sets a goal to pick a whole basket of apples herself.


Bea And Mr. Jones by Amy Schwarz. Bradbury, 1982. Bea and her father switch places. He goes to school. She goes to work.

Brothers by Florence B. Freedman. Harper and Row, 1985. Two brothers inherit their father’s land and split it evenly. Find out how they make their father’s wish come true.

How The Second Grade Got $8,205.50 To Visit The Statue Of Liberty by Nathan Zimelman. Whitman, 1992. The second grade class finds out that earning money for a big trip is not as easy as it looks.

Money Trouble by Bill Cosby. Illustrated by Varnette P. Honeywood. Scholastic (1998). Little Bill wants to become famous by discovering a new comet, but first he needs a telescope. The telescope he wants costs $100 and he only has $47.87 in his football bank. Little Bill finds ways to earn money through jobs.

Not So Fast Songololo by Niki Daly. Atheneum, 1985. A young boy goes with his grandmother to the busy city. He helps her do her shopping. Before they leave, she gets him a nice surprise.
**Paddy's Pay Day by Alexandra Day.** Penguin Group, 1989. Paddy is a dog who does circus acts. On his day off, he goes shopping. You can tell what’s important to Paddy by what he buys with the money he earned.

**Pedrito’s Day** by Luis Garay. Illustrated by Monica Hughes. Orchard’s Books (1997). Pedrito works to make money to buy a bicycle to help his mother at the marketplace. He helps his aunt with work, but makes a mistake and looses her money. He then finds a way to fix his mistake.

**Something Special For Me** by Vera B. Williams. Greenwillow Books, 1983. Rosa can't make up her mind. After a long day of shopping, she finally finds the gift she wants.


**The Gold Coin** by Alma F. Ada. Atheneum, 1991. This is a picture book based on a Spanish folk tale. Juan is a thief who wants to steal Doña Josefa’s gold coin. As he travels to find her, he meets farmers and villagers who need his help with their chores. By the times he finds Doña Josefa, he has found another type of treasure. Find out what treasure Juan finds.

**The Purse** by Kathy Caple. Houghton Mifflin, 1986. Katie loves the noise her savings make in her Band-Aid box. She spends her savings on a new purse and throws away her Band-Aid box. Now she has no noise and no money.


Tips for teaching kids about spending:

♦ **Help kids learn to recognize needs vs wants.** This can be a hard concept for both children and adults, but is an important skill to have. As we realize what we really need in life, it can become easier to delay our “wants” until we are able to afford them.

♦ **At the grocery store begin to teach about different prices of similar items.** Show kids two brands of the same food and talk about why one brand costs more and how to decide which one to choose. Is there any difference in the size of the food? In the size of the box? Does one kind taste better than another?

♦ **Allow children to handle the money when you are out at a store.** Talk to them about the cost of the items and let them help you get the money together to pay and receive the change.

♦ **Consider allowing children to earn money doing jobs around the house.** This may be above and beyond what is normally expected of them. Help them to think about how they may want to spend, save or share the money.

♦ **If your children have money they want to spend, help them make a spending plan.** Help them think through how much the item they want will cost with tax, and discuss if they have enough and possibly how much they will have left over.

♦ **Give children lots of opportunities to make choices throughout the day.** Choices are an important part of life. The more opportunity children have to make choices, the more control they feel. You can help children feel empowered by giving them a choice between two things – both of which are acceptable to you (a win/win!) For example, do you want apple juice or milk for lunch? Do you want to wear the red shirt or the blue one? Would you rather read a story now or after your nap? There are many times throughout the day when an adult has to direct the child’s behavior and a choice is not an option. By giving choices in situations where it is appropriate, you may find that you will gain more cooperation from children during those times when they don’t have a choice because they have choices at other times. Practicing making choices about everyday things will benefit children as they begin to make choices about how to spend their money.
Lesson 3: Sharing With Others

Goals

- To teach preschool children:
  - That money can be used to help others.
  - To encourage them to set aside part of their own money.
  - To explain that giving money is not the only way to help others.

Materials Needed

- Computer or TV with a computer hookup (if showing Sesame Street video)

For Activity One:

- Donation box or container for collecting change such as recycled peanut butter jar, coffee can with a slit cut in the lid.
- Information about a local charity

For Activity Two:

- Stickers
- Music

Sharing with Others

Just like spending and saving, sharing is also an important concept to teach young children when talking about money. From a developmental perspective, kids are naturally very self-centered. Starting at about 2 years old children have begun to develop their own identity and individualism. This is why the word “mine” becomes so common. Now that they have developed an identity apart from mom and dad it is a huge developmental shift to be able to step outside their own perspective and consider those around them. Teaching children about sharing helps to develop this skill of thinking of others, though it will take some time for most to master it.

One thing that caregivers and parents can do is model sharing in their own interactions with a child and those around them. They should also give children lots of opportunities to share with others. You can also reinforce that sharing is not just about giving something to others, sometimes it means receiving what others share with you.

Just like with adults, it is important to teach children that sharing is one of the things we can do with our money. Sharing with others does not always have to include money, but it often does. Money can be donated for a good cause, or sharing can include giving away clothes, toys or food. Sharing can also sometimes mean giving time to help someone in need. Teaching children about sharing and giving them meaningful opportunities to share, can form a foundation on which a life of cheerful giving begins.

***Before beginning the activity it may be helpful to watch a Sesame Street video on Sharing found here: http://www.sesamestreet.org/parents/topicsandactivities/topics/saveshare/ Choose “Sharing with Cookie Monster” from the right hand list of videos.***
Choose a book of your choice from page 15 to read and discuss with the children or encourage children to bring a book to share with their friends.

**Activity 1**

Have the kids sit in a circle and allow them to pick out two stickers. Explain that they are choosing one to keep for themselves and one to give away to someone else. Make sure all get a turn and everyone both gives and receives a sticker. On another day, play the same game, but only allow them to get one sticker to give to someone else.

- How does it feel to give away one of your stickers?
- Is it easier to give when you get to keep one for yourself?
- How does it feel to receive a sticker from one of your friends?

If you have children who are unwilling to share, see Nibbles….ideas for families, “Help your child to play nice”

[http://urbanext.illinois.edu/nibbles/getalong-playnice.cfm](http://urbanext.illinois.edu/nibbles/getalong-playnice.cfm)

**Activity 2**

Talk to the children about a few different opportunities in your community of ways to help others. Try to think of ways the children can contribute that will be meaningful (rather than just bringing in mommy or daddy’s money). Plan to collect items or make items that can be donated to others. Help children set a collection goal and consider making a chart with pictures to show project growth.

Examples include:

- Bringing in their favorite canned foods to share with a local food bank.
- Giving time, you may also consider taking the kids on a community service project such as community clean-up at a park, or helping an elderly neighbor with simple chores.
- Making cards for lunch trays at a senior center or hospital.
- Making cards to send to the military.

**Discussion**

1. How does it make you feel to share with other people?
2. Is it hard to give up something that you may want to keep for yourself?
3. How do you think the dogs/other children/other people will feel to receive the gifts you have brought for them?

**Summary:**

Learning to be a grateful giver and a gracious receiver doesn’t always involve money. This is a difficult concept for children and sharing can be a challenge for them to learn. It is important to help children understand that sharing is another way to use their money and help others. Another key point is learning to show respect and gratitude by learning how to thank others when they are the giver.
**Book Suggestions**

**Books**

_A Dragon's Birth_ by Terry Allen Reschke BookSurge Publishing, 2005. This is a book about a magical dragon who helps children by teaching them better values and morals.

_Berenstain Bears Think of Those in Need_ by Stan and Jan Berenstain. New York: Random House, 1999. When Mama Bear decides that the family has accumulated too many old toys, books, and games, they sort through all their extra stuff and take it to the Old Bears Home, the Beartown Children's Hospital, and the Bears-Who-Care store. Teaches about helping others through service, food donations, etc.


_Claude the Dog: A Christmas Story_ by Dick Gachenbach, California: Sandpiper, 1984. This is a wonderful story about sharing with those in dire need. It's also about appreciating family. A perfect Christmas story. Simple and lovely.

_Mr. Nick's Knitting_ by Margaret Wild. Australia: Voyager Books, 1994. This story is about a man who knits on the train with a friend, Mrs. Jolley. When she falls ill, he knits her a blanket of the train scenes to comfort her in the hospital.

_Sam and the Lucky Money_ by Karen Chin. New York: Lee & Low Books, 1997. This story is about little boy in Chinatown who wants to use his lucky New Year's money to buy himself a toy. But something else happens... a good moral message to about giving and appreciation.

_Socks for Supper_ by Jack Kent New York: Parents' Magazine Press, 1978. This is a lovely little easy reader about a poor couple who arrange a trade of socks for cheese and milk, but end up giving and receiving more than expected.

Uncle Willie and the Soup Kitchen by Dyanne Disalvo-Ryan  New York: HarperCollins, 1997  Uncle Willie invites his nephew to spend the day helping him at the soup kitchen. Although hesitant at first, the young boy discovers that in Uncle Willie’s eyes, the food collected from his neighborhood is not just food, but preparation for a feast. To Uncle Willie, the soup kitchen visitors aren’t strangers; they are his guests. Will generate discussions on hunger and poverty.

The Learning to Get Along Series for Young Kids by Cheri J. Meiners.

Explains what sharing means and provides examples of different ways that two people can share what they both want, such as taking turns, dividing things, or playing together. Includes information and extension activities for parents or teachers.


This is about a boy who loses his favorite teddy bear, which is found by a homeless man. This is the wonderful story of a friend who is lost and found and lost and found again, and of a little boy who begins to understand the meaning of compassion.

The Giving Book: Open the Door to a Lifetime of Giving by Ellen Sabin. Watering Can Press: 2004 Not a story, it is a book that teaches young kids about helping others by having them think through different situations. It encourages them to help in small ways they are able to. The book has places for parents to record acts of giving by their child, and is meant to be filled out over time, as the child ages and is able to understand more as the book progresses. It is excellent.

For Parents:

The World Needs Your Kid: Raising Children Who Care and Contribute by Craig Kielburger, Marc Kielburger, and Shelley Page. Vancouver, Canada: Greystone Books 2010. Shares lessons on teaching kids to care. Discover how small actions every day can make the world a better place.
Tips for teaching kids about sharing

- It may be helpful for children to have three banks or jars of money—one for spending, one for saving and one for sharing. Help kids decide how they want to split their money as they receive it, making sure that some money goes into all three jars.

- Help children understand that sharing with others is not always about giving money. Sometimes sharing may be giving toys, clothes or food. Sharing may also be sharing time to help others or to volunteer.

- Sharing is not just about giving, sometimes it is also about receiving. Just as children need help to learn how to share, sometimes children may also need to be taught to be thankful receivers when others share with them. Maybe, learn to write specific thank you notes.

- Give children lots of opportunities to share. Consider choosing a family project. Volunteer time as a family, or gather together clothes and household items together to donate. Help at a local animal shelter walking the dogs or feeding the animals.

- If you regularly contribute to a cause or organization, talk to your children about where you are giving and why it is important to you.

Website resources for Parents:

- If you have children who are unwilling to share, see Nibbles….ideas for families, “Help your child to play nice” [http://urbanext.illinois.edu/nibbles/getalong-playnice.cfm](http://urbanext.illinois.edu/nibbles/getalong-playnice.cfm)

- Teach children to write thank you notes! Examples can be found at [http://www.my-thank-you-site.com/kids-thank-you-notes.html](http://www.my-thank-you-site.com/kids-thank-you-notes.html) and [www.kidprintables.com/thankyounotes](http://www.kidprintables.com/thankyounotes)
Lesson 4: Saving Money

Goals

- To encourage preschoolers to:
  - save part of all the money they get,
  - to set spending goals, and
  - to learn to wait to spend their money while saving for something specific.

Materials Needed

- Plastic jars or coffee cans
- Construction paper
- Crayons, markers
- Magazines/ads for kids to choose item to save for
- Tape, white glue and rubber bands, or hot glue
- Assorted stickers – alphabet stickers for name
- Coloring pages (included in back)
- Savings chart
- Computer or TV with computer hook up (if showing Sesame Street video)

Help Children Save By Setting Goals

Encourage children to save money by starting out with small goals over short periods of time. For example, a parent might say to the child – “Instead of buying a toy today, you can wait and save for the basketball you have been wanting.” Giving children a concrete way to track their savings can be beneficial. Help children wait for a long term goal by making a simple chart (long term to a child could be 2 weeks!!). Together, keep track of the amount of money the child is saving. Choose a Book(s) to read to start a discussion about saving money from page 20-21

***Suggestion: Joe the Monkey Saves for a Goal by John Lanza***

Before working on the activities, read and discuss Joe the Monkey Saves for a Goal (Summary: Joe the Monkey wants the SuperVine 3000! If Joe had the SuperVine 3000, then he could do the Loop-Dee-Loo and he's saving his money to get one. It's never easy saving money, particularly when his friend, Vargas the Vulture, tells him how much of his favorite

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The ideal time to begin financial education and establish positive money management skills is during the early, formative years of a child’s life. Parents and caregivers can positively impact their preschooler’s financial knowledge, attitudes, and skills with minimal effort by using age appropriate daily activities, children’s literature, and by having simple discussions with children about concepts like saving money. Help children understand that saving allows people to buy something in the future when they don’t have enough money to buy it today. Waiting is a hard concept for preschoolers to master.

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Smart Start with money

Teaching preschoolers about money
candy he could get with the money he’s saving.) Use the discussion questions below to talk to the children about saving money.

**Discussion**

What did Joe the Monkey want to buy?
- Did he have enough money?
- Was it hard for Joe to wait to spend his money?
- How did Joe get more money to save?
- Do you save money? Where do you get the money you save?
- Do you ever buy anything with the money you save?
- Do you buy things for yourself or for someone else?

Following the discussion, it may also be helpful to show the Sesame Street video, Elmo’s Saving Jar (1:19 in length) found here:

[http://www.sesamestreet.org/parents/topicsandactivities/topics/saveshare/](http://www.sesamestreet.org/parents/topicsandactivities/topics/saveshare/)

**Activity 1**

Make a bank using a coffee can, or other plastic jar in which a slot can be cut in the lid. If children already have a bank, suggest they use this one to save for some specific item or purpose. Cut paper to fit the outside of the bank and allow child to decorate the paper with crayons and markers. A picture of the item they are saving for could be attached now or later when parents can assist with setting a savings goal. Use alphabet stickers to add the child’s name. Attach the decorated paper to the can/jar with tape, white glue (may need to secure with rubber bands until dry), or hot glue.

**Activity 2**

Give children coloring page of child with piggy bank to color. (attached)

**Summary**

When people do not have enough money to buy something, they wait until they have saved enough money for it. Saving is a way to get something you want by yourself instead of hoping someone will give it to you. You can save to buy things for others, too.

**Optional Activity:**

To summarize all four lessons play the following game with provided questions.

**Simon Says:**

Put your hands on your head if you have a piggy bank.

Stomp your feet if you help mom or dad go shopping.

Turn around if you help out around the house doing chores.

**Touch your nose (Simon didn’t say to do it!)**

Raise your hand if you get money for your birthday.

Cross your arms if you save money for toys you want to buy.

Take one step forward if somewhere in this room you see a nickel.

**Sit down. (Simon didn’t say to do it!)**

Touch your ear if you know how many quarters it takes to equal a dollar.

Jump on one foot for the number of pennies that are in a nickel.

Hold up your fingers to show how many dimes it takes to equal a dollar.

**Frown. (Simon didn’t say to do it!)**

Clap your hands if you know what color a penny is.

Slide one step to the right if you know what job the people whose pictures are on money had.

With your arms, show me the shape of coins.

Take one step backwards if you save more money than you spend.

**Touch your toes. (Simon didn’t say to do it!)**

Smile if you share your money.

Touch your elbow if you teach your brother or sister how to save money.
**A Dollar for Penny** by Julie Glass and Joy Allen. Random House Books for Young Readers, 2000. On a beautiful summer day a young girl sets up a lemonade stand and sells enough cups of refreshment to add up to a dollar. Teaches addition along with the traditional rite of childhood entrepreneurship!

**Arthur’s Funny Money** by Lillian Hoban. HarperCollins, 1984. Arthur’s attempts to earn enough money to buy a T-shirt and cap, assisted by his sister Violet. Simple business concepts are ingeniously woven into the story.

**Bunny Money** by Rosemary Wells. Puffin, 2000. Ruby has saved up a walletful of bills, but as unexpected mishap after mishap occurs, money starts running through the bunnies’ fingers.... Will she have enough left for the perfect present?.

**Carl Goes Shopping** by Alexandra Day. Harper & Collins, 1989. A dog named Carl goes to the store with his master. He watches the baby while the master goes shopping. Carl cares for the baby as they explore different parts of the store.

**Curious George At The Laundromat** by Margret Rey. Houghton Mifflin, 1987. George tries to use the washing machine and makes a mess.

**It’s A Habit, Sammy Rabbit!** by Sam X Renick. The It’s A Habit! Company, 2001. Teaches children the importance of forming good money habits at an early age in an entertaining and interactive manner.


**Just Shopping With Mom** by Mercer Mayer. Western, 1989. Mom shops with three youngsters. One has trouble accepting “no” for an answer.

Max’s Money Machine by Ken Wilson-Max. Hyperion Book CH, 1999. Max and his friends use their coins for the things they like, such as gumballs and magic tricks.


Mrs. Pirate by Nick Sharratt. Candlewick Press, 1994. Mrs. Pirate goes shopping. She buys items for the ship. This is a great book for children who are just starting to read.


My Rows and Piles of Coins by Tololwa M. Mollel. Clarion Books, 1999. The market is full of wonderful things, but Saruni is saving his precious coins for a red and blue bicycle. Determination and generosity are at the heart of this satisfying tale, set in Tanzania.

One Cent, Two Cents, Old Cent, New Cent: All About Money by Bonnie Worth and Aristides Ruiz. Random House Books for Young Readers, 2008. The Cat In the Hat puts to rest any notion that money grows on trees in this super simple look at numismatics, the study of money and its history.

Ox-Cart Man by Donald Hall. Scholastic Inc., 1979. A farm family use their time and energy and talents to grow or make almost everything they need. They also grow or make extra things to take to market and sell.

Pigs Will Be Pigs by Amy Axelrod. Aladdin, 1997. Meet Mr. Pig, Mrs. Pig, and the piglets. Here’s a family that must add, subtract, multiply, and divide, and think about the way money works in order to satisfy their big pig appetites.

Sheep In A Shop by Nancy Shaw. Houghton Mifflin, 1991. Some sheep go shopping for a birthday gift. They find out they do not have enough money to pay for it. They decided to solve their problem by trading.

The Berenstain Bears' Dollars and Sense by Jan and Stan Berenstain. Random House, 2001. Brother and Sister Bear know some things about money but they don’t know is how to manage their allowances. Mama comes up with a terrific idea to help them learn the value of money and how to save it.

The Berenstain Bears Get The Gimmies by Jan and Stan Berenstain. Random House, 1988. Can Mama and Papa Bear find a way to keep the cubs from begging at the store?

The Berenstain Bears & Mama's New Job by Stan and Jan Berenstain. Random House, 1984. When Mama becomes a “business bear,” the way work gets done around the house changes. Other members of the Bear family discover how to help more.

The Berenstain Bears' Trouble With Money by Jan and Stan Berenstain. Random House, 1983. Brother and sister Bear spend money as soon as they get it. Mama and Papa Bear want the cubs to understand that there is more to know about money than just how to spend it.
The Magic Magpie (The Financial Fairy Tales) by Daniel Britton. AuthorHouse, 2010. The Magic Magpie tells the story of a brother and sister, Jacob and Hannah, with very different approaches to money and life. Jacob is practical and sensible, while Hannah is looking to get rich quick.

The Money Tree by Sarah Stewart. Live Oak Media, 2007. What would you do with a tree that grew dollar bills instead of leaves? Miss McGillicuddy has an idea of her own.

The Penny Pot by Stuart J. Murphy and Lynne Woodcock Cravath. HarperCollins, 1998. Follow along and count coins with Jessie and her friends as they are transformed into a clown, a monster, and more at the face painting booth.

The Smart Little Saver by Matt Fuller. Matthew Fuller, 1999. Alex and Justin learn the importance of a piggy bank when Alex's dog gets hurt.

Will Sammy Ride the World's First Space Coaster? by Sam X Renick. The It's A Habit! Company, 2003. Sammy learns not only the importance of saving but also lessons about fairness and sharing with friends.
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Tips For Teaching Kids About Saving

♦ **Get a piggy bank** – Help children learn to save for things that they want. The earlier children begin learning about money and the habit of savings, the more likely they will be to keep up this behavior for a lifetime. You may want to consider three banks or jars – one for money to spend, one for money to save and one for money to share (charity).

♦ **Be a good role model** – Your children learn a lot from what they see you do. You may want to set up a family piggy bank to which everyone in the family contributes. Set a family savings goal to save for something fun. Let your children see you put money like leftover change from your pockets or purse in the family bank.

♦ **Talk about money** – Keep it simple. Daily life offers all kinds of opportunities to talk about money. At the grocery store, show your child how you shop from a list to make sure you get the things you need and save money by not buying things you don’t. Read children’s books about money and ask your child questions to encourage conversation. Let them ask questions, too.

♦ **Set goals** - Help your child set goals for saving. Don’t encourage unrealistic goals. Starting small helps your child reach a goal faster and experience success. Cut out a picture of the item the child wants to purchase. Attach it to their savings jar or an envelope to help them visualize why they are saving.

♦ **Help your child make a savings chart** – Savings charts can help children learn to wait to spend money. It is a concrete visual that helps them see their money grow. After setting a spending goal, find out the cost of the item that your child wants to buy. Draw blocks on a chart that represents the amount needed (blocks can represent a penny, a dollar or whatever amount your child understands – all blocks are equal in value). Help your child color in a block or put a sticker in each block to indicate the amount saved each time they add money to their bank to reach their goal.

♦ **Pay your child an allowance** – Help children make it a habit to put part of their allowance in their savings jar, part in the jar for money to spend, and part in the jar for money to share. If a child spends all of their spending money the first day or two after receiving their allowance, don’t give them more money. Make them wait until the next allowance pay day. It’s a life lesson that is much less painful when learned as a child than as an adult.

♦ **Match your child’s savings** – Promote saving by agreeing to match their savings. This is especially effective when your child is saving for something expensive.

♦ **Open a bank account for your child** – When your child has been successful in saving money at home, take some of their money to the bank. Talk about safe places to keep money and how you put money into your own account so that you have it later if you need it.
Works Cited

3. Guha, S. (2002). "Integrating Mathematics for Young Children through Play" Young Children vol 57 No.3, pg 90-91
12. Jumpstart Survey information can be found at http://jumpstart.org
Resources

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Making A Savings Chart 27
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Tips for teaching Preschoolers About Money 29
What Young Children Can Learn 31
Making a Savings Chart

To help your child make a savings chart, first help your child set a savings goal. Remember to start small so that your child can experience success quickly. Find out the cost of the item for which your child is saving, then decide how many coins/dollars your child needs to save. Each part of the savings chart should stand for one coin or dollar needed. Use the same coin or bill denomination for each part of the chart. For example, if your child needs to save $2.00, you may want to save quarters so you would make 8 spaces on the chart to color in or put a sticker on as each quarter is earned.

25¢  25¢  25¢  25¢

25¢  25¢  25¢  25¢

Find additional savings chart ideas at:
http://www.freeprintablebehaviorcharts.com/savings_charts.htm
17 Things a Five-Year-Old Should Know About Money

1. Spending, saving, and sharing are ways to use money.

2. Buying (spending) means trading money for things.

3. Saving allows you to buy something in the future because you don't have enough money today.

4. People have jobs that pay money.

5. Money also can come from gifts.

6. You can keep money safe at home and other places.

7. Paper money and coins are worth different amounts.

8. Different things have different prices.

9. People pay for things in different ways.

10. People have different needs and wants.

11. People have a limited amount of money to spend.

12. Money can be spent only once -- after you buy something you need more money to buy something else.

13. Planning helps people set goals and make choices about money.

14. Some things do not cost any money.

15. People do some things for each other without being paid.

16. People give money to help others.

17. People in a community share the cost of some work done for everyone.

Find "How can I teach my preschooler about money" activities at www.creditunion.coop.
Children are born learners. By age five, they know a lot about themselves and the world. They also think they know a lot about money. But the rules for using money are not simple. They see people use money, checks, and credit cards to buy things. This can be confusing.

Children learn by example and experience. As they get older, some learn to handle money well and avoid problems. Others learn to live paycheck to paycheck in a state of constant worry. Here are tips for teaching preschoolers some basic rules for smart money use.

Reassure your child. Tell your child that you will provide food, clothing, and shelter. In times of crisis, such as a death in the family or the loss of a job, these messages are important.

Look for the "teachable moment." You do not need a classroom to teach. A "teachable moment" is any time that your child is ready for new ideas. For example, getting cash from an ATM is a good time to explain that you put money into the credit union or bank earlier. The machine gives you your money back when you need it.

Know when the teachable moment is over. Preschoolers do not pay attention very long, sometimes only a few minutes. When you teach, stop as soon as your child's mind wanders. You can teach more when you get another chance.

Keep it simple. Do not try to explain too much at a time. Young children learn more from a few short lessons than from one long lesson.

Ask "open-ended" questions. A single word can answer a "close-ended" question. (Examples: "Is the man working?" "What color is the man's uniform?") An "open-ended" question needs a longer answer. (Examples: "How can you tell the man was working?" "What happened when you took the toy to the checkout counter?") Open-ended questions help children observe and learn more.

Try new things. Look for ways to change lessons to fit your child's interests and abilities. For example, you can change many of the activities on this web site to use with a group.

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Build on past learning. Children learn at different rates. There is no "right age" to teach a lesson. Children's questions can come up at any time and in any order. Whenever your child shows an interest in an idea, connect it with other ideas that you have already talked about.

Let children make mistakes. Losing money and being unhappy with poor spending decisions are more effective lessons than a lecture.

Appeal to all the senses. The more senses that children use in learning, they more they will remember. Try to teach using sight, sound, touch, smell, and taste.

Read together. Books help explain the adult world. Read to your child and visit the public library often.

Play together. Children learn by playing. Make learning about money fun. Joining your child in play can lead to many teachable moments.

Plan together. Involve your child in family decisions. For example, children who help decide what to do on vacation are more likely to accept spending limits.

Watch TV together. Preschoolers cannot understand the difference between TV programs and commercials. Choose TV shows to watch with your child. Talk about the ads and what they are selling. Explain that choosing what to buy is like choosing what TV shows to watch.

Stick to your rules. To lower the chance that your child will misbehave in stores, set some shopping rules. Describe the actions you expect and what will happen if your child breaks a rule. Ask your child to repeat the most important rules before each shopping trip. Then enforce the rules calmly, no matter what.

Set a good example. Let your child see you using money wisely. For example, model how to make a shopping list. Show how you decide which items to buy and how you set spending limits for yourself.

Consider an allowance. Allowances are a good way for children to learn to make their own money decisions and live with them. As your child grows and becomes more responsible, increase the allowance amount as a reward.

Find "How can I teach my preschooler about money" activities at www.creditunion.coop.
What Young Children Can Learn

How children learn has been the subject of a great deal of research. Although scientists have learned much, there is no agreement about what children are able to understand about the world by age five.

To say what a preschool child is capable of knowing about money means applying observations to test findings. To say what your preschool child should know about money is up to you.

The task force that developed these resources welcomes further study of how children learn about money. In the meantime, it offers the activities as suggestions for parents who want to learn, with their children, about using money wisely.

The following principles of how children develop guided the task force. Many children by age five, can:

★ Count to 10 or more. They can say the numbers in order. They can read the numerals and determine a total in a group. They can tell which number is more when the difference is two or three. They also know the meaning of the word "equals" in comparing two groups of objects. (1)

★ Compare two or more items by one feature at a time. They use words to compare and describe relationships such as bigger/smaller, heavier/lighter, and more/less. (1, 2)

★ Tell different forms and amounts of money apart. They know many of the names of money. But they do not always identify the values of various coins and bills or sum their values correctly. (1, 2, 3, 4)

★ Understand that money is a medium of exchange. They see that some goods and services cost more than others. They understand that money should be kept in a safe place. They recognize that, in some way, checks and credit cards work like money. (1, 2, 3, 4, 5)

★ Choose among limited options. They can pick one option as long as there are not more than two or three choices. They understand that money is limited and can be used up. (3, 5)
★ Have a highly personal sense of time. They use terms such as minute, hour, week, month, and year, but might not understand how these periods compare. (6)

★ Wait and save. They accept the need to wait for a turn. They recognize that future events are delayed. They understand that they can save money for future spending. (1, 3)

★ Understand that work is a source of income. They know that people work to earn money. They are aware of various jobs. They like to pretend to be a worker by imitating adults. (1, 5)

★ Understand that people can be different and the same. They recognize that others have ideas and wants that match or conflict with theirs. They understand that families can be different and the same in their ways of doing things. (1)

★ Work with others. They can adjust their own actions to the needs and desires of others as long as the personal sacrifice is not too great. They can share limited materials according to group rules. They recognize that people perform unpaid tasks. (1, 5)

★ Be well on the way to becoming readers. They typically cannot recognize many words in print. However, they show many reading skills. For example, they can name letters and hold a book properly. They understand that stories have beginnings and ends. They can tell about their own experiences and retell a story, using pictures as memory cues. (1)

★ Respond to ads without understanding how they work. Although preschoolers try to persuade others, they do not see that advertising tries to do the same. For this reason, they cannot learn to be critical of ad claims. (7)