

For

MONEY PALS:

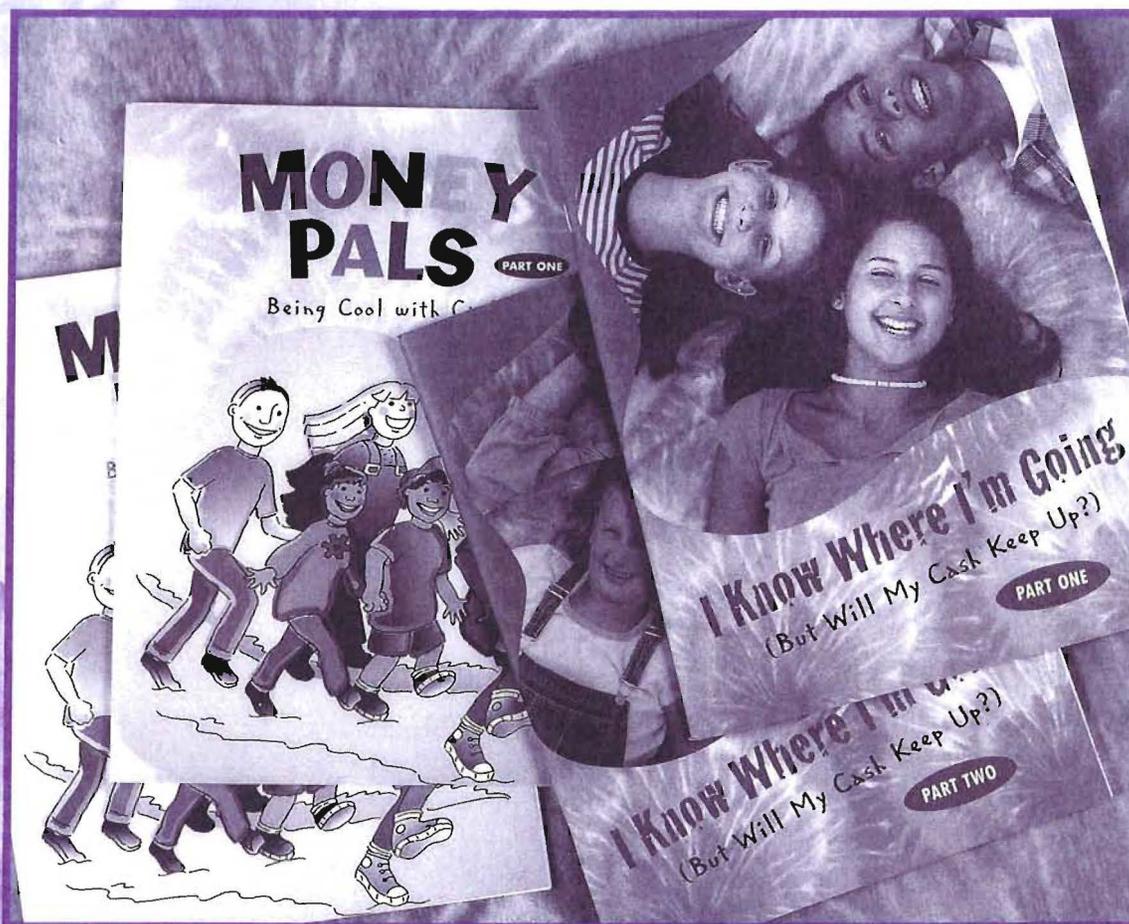
Being Cool with Cash

And

I Know Where I'm Going

(But Will My Cash Keep Up?)

Second Edition



For

MONEY PALS:

Being Cool with Cash

And

I Know Where I'm Going

(But Will My Cash Keep Up?)

Second Edition



NATIONAL ENDOWMENT FOR
FINANCIAL EDUCATION

Partnering for Financial Well-Being



The Annie E. Casey Foundation



Financial Education
Public-Private Partnership
Financial Education - It Impacts Everyone

©2002, National Endowment for Financial Education. All rights reserved.
2024, Financial Education Public-Private Partnership

The content areas in this material are believed to be current as of this printing, but, over time, legislative and regulatory changes, as well as new developments, may date this material.

Additional digital copies are available from:
feppp.org

Table of Contents

INTRODUCTION	2
THE NEED	2
HOW THIS PROGRAM WORKS	4
OBSERVATIONS ABOUT FOSTER YOUTH	5
<i>Foster Youth Need Encouragement</i>	5
<i>Money Is an Emotional Issue</i>	5
<i>Self-Worth Confused with Net Worth</i>	5
<i>Youth May Live in a 'False' Economy</i>	6
<i>Practice and Mistakes Are Part of the Process</i>	6
<i>Influenced by Birth Family</i>	6
<i>Foster Youth Spot Inequalities</i>	6
<i>Need for Positive Reinforcement</i>	7
<i>Consistency Is Key</i>	7
<i>Motivated Money Learners</i>	7
ANSWERS TO FREQUENTLY ASKED QUESTIONS	7
A NOTE ABOUT RECORDS	10
USING THIS PROGRAM IN A CONGREGATE CARE SETTING	10
MONEY SKILLS AT DIFFERENT AGES	12

Part One

PART ONE, TOPIC ONE: WHAT IS MONEY?	18
MATERIALS NEEDED	18
POTENTIAL FIELD TRIPS	18
YOUTH GUIDE CHAPTERS	18
TIPS FOR COMPLETING THE YOUTH GUIDES	18
ACTIVITIES	20
CONVERSATION WITH FOSTER YOUTH	21
PART ONE, TOPIC TWO: MONEY AND YOU	22
MATERIALS NEEDED	22
POTENTIAL FIELD TRIPS	22
YOUTH GUIDE CHAPTERS	22
TIPS FOR COMPLETING THE YOUTH GUIDES	22
ACTIVITIES	23
CONVERSATION WITH FOSTER YOUTH	24

PART ONE, TOPIC THREE: SAVING FOR LATER	25
MATERIALS NEEDED	25
YOUTH GUIDE CHAPTERS	25
TIPS FOR COMPLETING THE YOUTH GUIDES	25
ACTIVITIES	26
CONVERSATION WITH FOSTER YOUTH	27
PART ONE, TOPIC FOUR: TAKING IT TO THE BANK	28
MATERIALS NEEDED	28
POTENTIAL FIELD TRIPS	28
YOUTH GUIDE CHAPTERS	28
TIPS FOR COMPLETING THE YOUTH GUIDES	28
ACTIVITIES	29
CONVERSATIONS WITH FOSTER YOUTH	31
CONVERSATIONS WITH FOSTER YOUTH	31
PART ONE, TOPIC FIVE: MAKING MONEY LAST	32
MATERIALS NEEDED	32
YOUTH GUIDE CHAPTERS	32
TIPS FOR COMPLETING THE YOUTH GUIDES	32
ACTIVITIES	33
CONVERSATION WITH FOSTER YOUTH	35

Part Two

PART TWO, TOPIC ONE: SAVING AND INVESTING	38
MATERIALS NEEDED	38
POTENTIAL FIELD TRIPS	38
YOUTH GUIDE CHAPTERS	38
TIPS FOR COMPLETING THE YOUTH GUIDES	40
ACTIVITIES	40
CONVERSATION WITH FOSTER YOUTH	41
PART TWO, TOPIC TWO: BE A SMART SHOPPER	42
MATERIALS NEEDED	42
POTENTIAL FIELD TRIPS	42
YOUTH GUIDE CHAPTERS	42
TIPS FOR COMPLETING THE YOUTH GUIDES	42
ACTIVITIES	43
CONVERSATION WITH FOSTER YOUTH	44

PART TWO, TOPIC THREE: WORKING FOR A LIVING	45
MATERIALS NEEDED	45
POTENTIAL FIELD TRIPS	45
YOUTH GUIDE CHAPTERS	45
TIPS FOR COMPLETING THE YOUTH GUIDES	46
ACTIVITIES	47
CONVERSATION WITH FOSTER YOUTH	49
PART TWO, TOPIC FOUR: SHARING WITH OTHERS	50
MATERIALS NEEDED	50
POTENTIAL FIELD TRIPS	50
YOUTH GUIDE CHAPTERS	50
TIPS FOR COMPLETING THE YOUTH GUIDES	50
ACTIVITIES	51
CONVERSATION WITH FOSTER YOUTH	52
PART TWO, TOPIC FIVE: DARE TO DREAM	53
MATERIALS NEEDED	53
POTENTIAL FIELD TRIPS	53
YOUTH GUIDE CHAPTERS	53
TIPS FOR COMPLETING THE YOUTH GUIDES	53
ACTIVITIES	54
CONVERSATION WITH FOSTER YOUTH	54
RESOURCES FOR CAREGIVERS*	56
BOOKS, GAMES, VIDEOS, AND WEB SITES FOR YOUTH*	57
BOOKS FOR YOUNGER KIDS	57
DIGITAL LEARNING AND GAMES FOR KIDS	57
BOOKS FOR OLDER KIDS	58
DIGITAL LEARNING AND GAMES FOR OLDER	58
KIDS SHORT VIDEOS	58
MAGAZINE	59
DIGITAL GAMES, SIMULATIONS AND	59
WEBSITES GAMES	60
MONEY MANAGEMENT SKILLS FOR DIFFERENT AGES	61
ACKNOWLEDGMENTS	66



Introduction

Foster youth are special young people. They face challenges most other children can only imagine. Yet, like all children, foster youth have dreams and the potential to lead productive, fulfilling lives. As their caregiver, you can provide the safe haven these children need to begin to think ahead to a better future.

One part of preparing foster youth for the future is to encourage them to have specific, concrete goals and dreams and to help them understand how using money wisely can help them reach their goals. The sooner foster youth (or any youth) begin learning basic money management skills, the more likely it is that they will be able to make positive choices about money when they leave foster care and strike out on their own.

That's why the Annie E. Casey Foundation and the National Endowment for Financial Education® (NEFE) have teamed up to produce this Caregiver's Handbook and two guides on managing money for foster youth ages 8 to 15. The program covers, in plain language, some of the financial skills that every young person (and adult, for that matter!) can benefit from having.

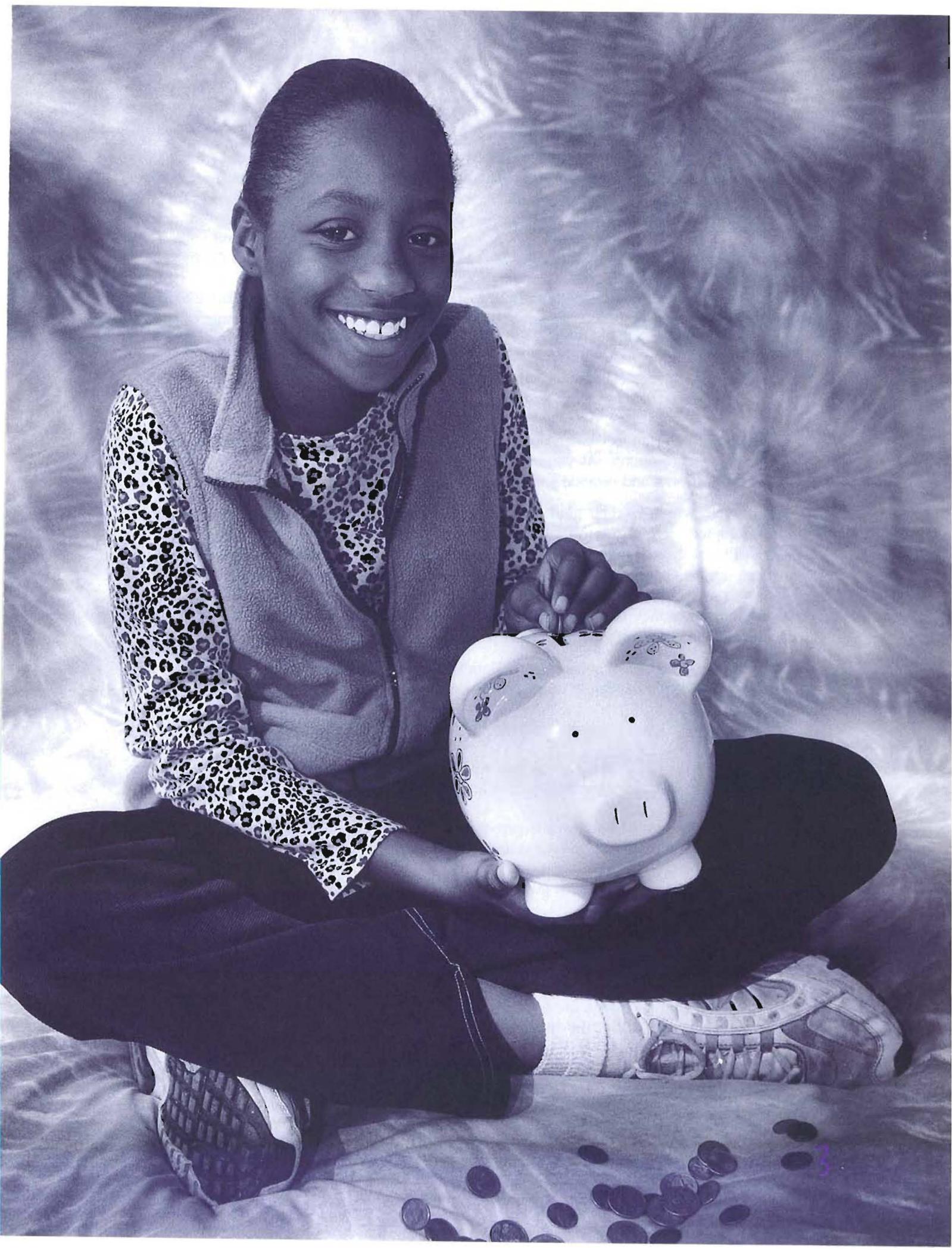
Teaching foster youth about money may not be the solution to every challenge they face, but it can help with some of them. Certainly, learning about money can help foster youth develop their potential and get on track to building a brighter future.

THE NEED

Like most foster caregivers, you are concerned about the future of these young people. You want them to grow into successful adults and lead fulfilling lives. Yet, the statistics tell some sad truths about today's foster youth.

Each year, around 25,000 young people leave foster care because they have reached the age of 18 (or 21 in states that have extended foster care). Out on their own, yet still teenagers, these youth face the difficult adjustment of finding a job, living in an apartment, and managing their money. Many foster teens rise to the challenge, but others are not so fortunate. As you well know, foster youth are less likely to graduate from high school than other teens, more likely to commit violent crimes, have difficulty finding stable employment, frequently depend on public assistance as adults, and often find themselves homeless.

A guide about money management certainly won't solve all these problems. But it can, with your help, go a long way toward developing good money management habits and skills. This guide teaches foster youth to gain the confidence they need to make positive choices in the future. So, let's get started!



HOW THIS PROGRAM WORKS

Money Pals: Being Cool with Cash (aimed at kids 8 to 11 years of age) and *I Know Where I'm Going (But Will My Cash Keep Up?)* (aimed at youth 12 to 15 years old) were developed after speaking with foster parents, youth counselors, social workers, and other foster care professionals. The program has three pieces:

- ◆ A two-part guide for youth ages 8 to 11: *Money Pals: Being Cool with Cash*.
- ◆ A two-part guide for youth ages 12 to 15: *I Know Where I'm Going (But Will My Cash Keep Up?)*. (Note: Foster youth age 16 and over can take advantage of special independent living classes, which also include money management instruction.)
- ◆ This Caregiver's Handbook, which provides tips on how you can help youth build their money skills.

The Caregiver's Handbook can be used for both age groups, either in a home setting or in a congregate care setting. As youngsters complete a chapter in the guide, we recommend that you sign off on it and provide some small reward or recognition for the chapter's completion.

The youth will keep their guides and take them with them if they move to another home, are adopted, or go back to their birth families. You also might help the child create a checklist of money management activities that they have completed, either through using these guides or through some other "real world" experience. For example, if your foster child is in Scouts or belongs to a Boys and Girls Club, those organizations also might have programs in money management that provide additional opportunities for your youth to build his or her money management portfolio.

As you look through the Caregiver's Handbook, you will notice that it is organized in a way that makes it as simple and easy to use as possible:

- ◆ Each topic—for example, "Money and You"—is briefly defined.
- ◆ A list is provided of materials that will be needed for completing the guide chapters and the activities suggested in this handbook.
- ◆ A list of potential field trips is provided to give you a quick overview of the types of activities you might consider doing with your foster youth.
- ◆ The chapters in the youth guides that cover the topic are listed.
- ◆ Tips are provided for helping youth complete their guides and better understand the topic.
- ◆ Activities are suggested for both older and younger children.
- ◆ Challenging situations are addressed, with possible conversations you might have with a foster youth about the situation.

- ◆ At the end of the handbook, a list of resources about money management is provided. One list suggests resources for adults. Use these resources if you would like to learn more about a topic discussed in this handbook. A second list provides the names of books, videos, games, and Web sites about money for your youngsters to enjoy.

OBSERVATIONS ABOUT FOSTER YOUTH

In many ways, foster youth are like other children. They need love and security, are curious and funny, and can test your patience a hundred times a day! But foster youth also have special needs and challenges, which will affect how you talk with them about money. The following sections are a few observations that may help you as you work with these young people.

Foster Youth Need Encouragement

Foster youth need your encouragement to dream and have goals for the future.

Sadly, foster youth are often undersold on their potential. You can reverse this situation by encouraging your youth to have dreams. Show them how to turn their dreams into realistic goals, what steps they will have to take to reach their goals, and how to manage money and take advantage of other resources to make their goals possible.

Empower your youth to believe that they *can* take charge of their lives and reach for a brighter future. Think of yourself as the child's coach for the game of life.

Money Is an Emotional Issue

Money is an emotionally charged issue for foster youth. Actually, money is an emotionally charged issue for *anyone*. How we feel about money often reflects experiences we had as children, when we watched the adults in our lives spend, save, and talk (or argue) about their money.

Foster youth may have watched many adults handle money—their birth families, other foster parents, parents of their friends. When you talk with children about money, give them an opportunity to tell you about what they have seen in the past and how they feel about it. Let them talk without your passing any judgment. The more time you provide for this give and take, the more receptive your youngster will be to learning a new, perhaps healthier, approach to managing money.

Self-Worth Confused with Net Worth

Foster youth may confuse their “self-worth” with “net worth.” Again, this can be said about many of us, but it is especially true for young people who often place great emphasis on the importance of material goods. For them, money can be the ultimate status symbol.

Take advantage of opportunities to praise your youth for their personal qualities. Help them understand that what's inside of them—their character—determines their true worth to others. Money is important, but it cannot buy everything, including happiness or close personal relationships.

Youth May Live in a 'False' Economy

Foster youth live in a unique money environment, perhaps even a “false” economy. They may have come from homes that are financially unstable. In the foster care system, they may know that money comes into the household to help pay for their expenses, but they may not know where the money is spent, or how it is used to take care of them. One foster youth said that when she reached age 18, she realized for the first time that she was expected to pay the doctor when she went for a visit. Another youth said she had never seen an electric bill.

Talk to your foster youth about how money comes into—and goes out of—your household. Help them develop realistic expectations about money. Give them opportunities to visit the bank, look at paycheck deductions, and watch you make decisions as you spend, pay bills, and save money.

Practice and Mistakes Are Part of the Process

Foster youth need opportunities to practice real-life skills—and make real-life mistakes. The only way to learn how to ride a bike is to practice riding it, even if that means falling off a few times. The same is true with managing money. Give your foster youth opportunities to earn their own money, and save and spend it.

Show them how their spending decisions lead to real-life consequences. If they decide to blow two months' savings on a new pair of shoes, for example, that's OK. They may not have any money to go to the movies with their friends, but this is a perfect opportunity to help them understand the consequences of their decisions.

Though we discourage bailing them out, if you do decide to lend them money on a rare occasion and for a good reason, charge interest so that they understand that there are consequences for their overspending. Allow your youth to benefit from small mistakes now, while they have your support and care, so they will learn how to avoid perhaps much more serious money management mistakes later on.

Influenced by Birth Family

Foster youth often are influenced by how their birth families handle money. Some foster youth may have seen their birth families spend unwisely and go into debt. They may think that it is normal to manage money that way. Or, the child may come from a culture in which saving money is not a strong value.

Avoid telling your youth that their families are wrong. Instead, show them other ways to manage money that may result in a better outcome. Some ways to talk with foster youth about these difficult situations are suggested later in this handbook.

Foster Youth Spot Inequalities

Foster youth are quick to recognize inequalities. If you are raising your own children with foster kids, do you treat everyone the same in terms of money? If not, how do you explain that to them?

For example, if your foster kids know you are saving to send your birth children to college, but not them, you may need to have a frank discussion with your foster youth about your responsibility to educate your children and the limits of your budget. Whatever you say,

emphasize that it has no bearing on the foster youth's worth as a human being. These are tough conversations, but bringing issues into the open and discussing them honestly are the best ways to help lessen negative feelings.

Need for Positive Reinforcement

Foster youth need positive reinforcement. Children in the foster care system often feel like second-class citizens. Use this program as a way to recognize their achievements. For example, when they complete a chapter—or give it a good try—reward their efforts with a special privilege or treat. Younger children may enjoy having stickers to put on their guides. Older youth may prefer a reward such as permission to watch their favorite TV show.

Keep in mind that finding ways to reward youth without spending money is a great lesson in itself. And, a reward of your time can be especially meaningful—planning a special activity with just you and your foster child.

Consistency Is Key

Foster youth thrive on consistency. Often, these children have come from very chaotic homes. As you set consistent limits and provide structure for their lives, foster youth will learn to be more structured and responsible themselves. Your consistent limit setting, if done in a nonjudgmental, gentle way, can help instill in your youth a sense of self-discipline about money and about life skills in general.

Motivated Money Learners

Foster youth have characteristics that can be an advantage in learning about money. As foster children develop their survival skills, they often become more perceptive, adaptable, and resourceful than other children their age. Some of these children may even have been thrust into the position of being responsible for their brothers and sisters—or even their parents—and may have far more experience in handling money than the average child.

These characteristics can make foster youth receptive learners about money management, especially when talked about in real-life terms. Your youth may be skeptical at first, but after you gain their trust, you will make great strides toward building their knowledge, skills, and self-confidence in managing money wisely.

ANSWERS TO FREQUENTLY ASKED QUESTIONS

Question: *I am so busy already. How can I find time to teach my foster kid(s) about money management?*

Answer: When you look at the youth guides, you'll see that the children can do most of the exercises on their own. Ask them to set aside about two hours a week to complete each chapter. Your commitment will be to answer questions, review each chapter with the youth, sign off when a chapter is completed, and provide some type of reward or recognition for the youth's efforts.

Many of the additional activities suggested in this Caregiver's Handbook can be done as part of your daily routine. For example, when you go grocery shopping, take your foster youth with you so they can watch how you compare prices, use coupons, buy on sale, and so on. When you pay bills, show your youth how you write checks, or let them practice filling out several of them. When you go to the bank, invite the youth to go with you.

You already may be encouraging your youth to assume responsibility and learn about money by giving them an allowance, opening a savings account for them, assigning chores around the house, or involving them in shopping decisions. If you are, keep it up!

It may be more work at times to let youngsters do things for themselves because they will make mistakes. But they will learn from their mistakes if they are allowed to experience the natural consequences. You simply need to be there to provide support and encouragement.

Question: *I don't think I do a great job managing my own money. How can I teach someone else what to do?*

Answer: Few of us manage our money as well as we would like to, and we are not suggesting that there is only one "right" way to manage money. Think of yourself as a coach, not a financial expert.

Talk with your foster youth about what you think you do well, and where you think you could do better. If you have made mistakes in the past, share the ones you feel comfortable talking about with kids. Let them learn from your good examples as well as from your mistakes.

Question: *What if I don't understand some money terms?*

Answer: Financial information can be complicated. However, these youth guides are designed to provide information as simply as possible for children ages 8 to 15. When new terms are introduced, they are defined in an easy-to-understand way.

In addition, a list of resources is provided at the end of this Caregiver's Handbook if you would like to learn more about a topic. The resource list also provides books, games, videos, and Web sites that your foster youth may enjoy. A glossary of financial education terms could be found at www.econedlink.org/glossary.

Question: *Will I have to manage my money differently because I am teaching foster kids about money?*

Answer: No. This program never says that one way is right and another way is wrong. As you go through the guides with your foster youth, you may learn some new tips or different ways of managing money that might work well for you. If so, great. By the same token, please draw on your own experiences and skills to pass along other money management tips to your foster youth.

Question: *What if the child resists doing the guide?*

Answer: There is no requirement that the guide must be completed. However, learning about money management is such an important skill for a foster youth's future independence that we hope you will keep encouraging the youth to try.

You might drop the subject for a week or so, and then reintroduce it when the child seems more receptive to something new. If possible, negotiate a timeframe for finishing each chapter—one a week, for example. Consider providing a reward for finishing each chapter. If a particular activity does not go well, skip it. Listen to what your kids are telling you and keep things moving.

Most important, explain to your youth *why* learning about money is so important. You might say, for example, “Soon, you will be grown up and will want to find a good job, live in a nice house, take vacations, and perhaps have a family of your own. Or, maybe you will want to go to college first, or open your own business. All of these things will require you to know how to save money and spend it wisely. I want your dreams to come true. Learning about money will help you do that. So, let’s give it a try, OK?”

Question: *My youth says he or she already knows this information. Now what?*

Answer: You might hear this response from older kids, especially teenagers. If so, challenge them to answer some questions about money that you find in the guide. If they do not do very well, explain that these are things they should know to become financially independent.

Most teens will rise to this challenge because they really do want to know more about being independent and they want to prove to you that they've got what it takes. To enrich their understanding further, suggest some of the books, videos, or Web sites listed at the end of this handbook.

Question: *What if the youth has difficulty reading?*

Answer: Ask the youngster to practice his or her reading by reading the guide out loud to you. Alternatively, you could read the guide out loud to your youth. Use this time to help the child develop his or her reading skills and to emphasize why it is so important to read well in today’s world.

Question: *I have several foster children. How does the program work in my situation?*

Answer: Each child can work on his or her own guide independently or together as a small group. That’s up to you.

Question: *What is the social worker’s role in this program?*

Answer: Typically, the social worker will be the person who makes sure the youth receives the guides and she or he will be available to discuss issues with you. Before beginning the guide with your child, talk with the child’s social worker about what the consequences will be if your foster youth doesn’t manage money well. That way there will be no surprises.

For example, if the child has blown all of his or her money on new sneakers and, as a consequence, doesn’t have money for a new coat, the social worker will know the reason why the child is wearing last year’s coat to school instead of a new one. Some caregivers worry that if they let their foster kids live with the consequences of poor decisions, they will get in trouble with social services.

Talking with the social worker before starting this program with your child may relieve you of that worry. However, allowing foster youth to practice and make small mistakes in a safe environment is one of the best ways for them to learn how to avoid big mistakes later. Ask your social worker to be a partner with you in this effort.

Question: *How can I prepare myself to teach my foster youth about money?*

Answer: The topics that are covered here are all familiar to you, but perhaps you haven't thought about them in a while, or in the same way. Before you introduce a chapter to your child, take a few minutes to read through the youth guide yourself and review the chapter in the Caregiver's Handbook that deals with the same topic.

Feel free to add other activities or discussions from your own experiences in managing money. Most of all, have fun. Children love adults who have a good sense of humor. Keep the lessons fun and learning will follow.

Question: *How will I know if my foster youth are learning what they need to know?*

Answer: A chart is provided to show what foster youth should know at certain ages. Use this chart as a guide to the activities you do with the kids, or topics to emphasize at certain ages.

A NOTE ABOUT RECORDS

If you and your social worker have not discussed what records your foster youth have and where they are kept, now is a good time to have that conversation. Below is a list of records your youth may need to set up a savings account, apply for a part-time job, or will need at the time of emancipation, adoption, or reunification with the birth family:

- ◆ birth certificate
- ◆ Social Security card
- ◆ school records
- ◆ medical records
- ◆ bank or credit union statements
- ◆ state identification card or driver's license

USING THIS PROGRAM IN A CONGREGATE CARE SETTING

If you are a caregiver in a congregate care setting or a social worker who plans to offer the program to several youngsters, most of the ideas presented in this handbook can be adapted to your needs. On the following page, you will find a few suggestions for making these adaptations.

- ◆ Read through the youth guides to make sure that the exercises can be completed by your youth. If not, modify the exercise or omit it. For example, one activity suggests that the foster family involve the youth in budgeting decisions. You might modify the activity by sharing with youth information about the cost to run your group home, where the money comes from, and the kinds of budgeting decisions you make.
- ◆ Read through this Caregiver's Handbook and make notes about which activities you plan to do with your youth. Several activities involve trips to the grocery store, shopping mall, or a bank. If possible, take the youth on these excursions, either individually or as a group field trip. Some businesses and organizations provide excellent behind-the-scenes tours for young people if you call in advance.
- ◆ Many activities encourage the caregiver to provide youth with opportunities to earn money, save it, and make spending decisions. Within the constraints of the group setting, try to provide these same opportunities for your youth so they can have some realistic experiences in managing money.
- ◆ If you plan to have the youth complete their guides together, we recommend assigning one chapter a week and then holding a "Money Meeting" to discuss the chapter.
- ◆ If some of the youth are using the guide for ages 8 to 11 and others are in the older youth's guide, consider having two groups. The reason two groups may work better than one is because the exercises are not the same in both guides and the concepts are not always presented in the same order. In addition, the older youth guide contains topics that are not covered in the younger youth guide. If you decide to bring both age groups together, ask the older youth to help mentor the younger children. Make sure this happens in a positive way that encourages the younger ones to learn.
- ◆ Provide opportunities for the youth to share experiences about managing money with others in the group. Take advantage of peer-to-peer learning. This approach can work especially well with teens, who often listen better to their peers than to the adults in their lives.
- ◆ At your Money Meeting, consider using one or more of the resources listed at the end of this handbook, or subscribe to one of the suggested magazines. Help your youth visit the recommended Web sites.
- ◆ Invite guest speakers to your Money Meetings. Prepare your guest speaker beforehand by sharing the guide with him or her, describing your youth, and explaining what type of information will interest the group. Request that the speaker give a short presentation with lots of opportunity for group participation. Before the speaker arrives, coach the youth on the types of questions they may wish to ask.
- ◆ Recognize that some teens are busy and may not be able to attend your group meetings. If so, encourage them to complete the guide independently and then meet with you to discuss their progress.

Money Skills at Different Ages

Skill/Task	Age 8-9	Age 10-11	Age 12-13	Age 14-15	<i>Money Pals</i> (ages 8-11) Chapter	<i>I Know Where</i> <i>I'm Going</i> (ages 12-15) Chapter
Understanding Money						
1. Knows that coins and bills are money	—————→				1 Part One	—
2. Understands that money buys things	—————→				1 Part One	—
3. Recognizes money denominations	—————→				1 Part One	—
4. Counts money correctly	—————→				1 Part One	—
5. Makes change with money			—————→		1 Part One	—
6. Knows what money can't buy			—————→		1 Part One	1 Part One
7. Understands that checking accounts and cash from ATMs are not "free" money			—————→		4 Part Two	5 Part One
Uses of Money						
1. Distinguishes between a "want" and a "need" in relation to spending decisions			—————→		2 Part One	2 Part One
2. Distinguishes between "spenders" and "savers"			—————→		2 Part One	2 Part One
3. Can explain the difference between spending, saving and investing, and sharing money			—————→		1, 2, 3 Part One 3 Part Two	1, 2 Part One 2, 4 Part Two
4. Pays for items at the store and knows how to get back the correct change			—————→		1 Part One	—

Skill/Task	Age 8-9	Age 10-11	Age 12-13	Age 14-15	Money Pals (ages 8-11) Chapter	I Know Where I'm Going (ages 12-15) Chapter
Saving Money						
1. Understands what it means to save money		→			3 Part One	3 Part One
2. Saves money for short-term goals		→			3 Part One	4 Part One
3. Saves money for longer-term goals			→		3 Part One	3 Part One
4. Has made saving money a habit			→		4 Part One	3 Part One
5. Has a savings account		→			4 Part One	5 Part One
6. Knows about certificates of deposit and money market funds				→	NA	1 Part Two
Investing Money						
1. Knows about ways to invest money in addition to a savings account				→	NA	1 Part Two
2. Understands the concept of earning interest on savings			→		4 Part One	1 Part Two
3. Understands the basic concepts of stocks, bonds, and mutual funds as investment vehicles				→	NA	1 Part Two
Banks and Their Services						
1. Has visited a bank or credit union		→			4 Part One	—
2. Knows what a bank and its employees do				→	4 Part One	—
3. Has practiced filling out bank deposit and withdrawal forms				→	NA	5 Part One

Skill/Task	Age 8-9	Age 10-11	Age 12-13	Age 14-15	Money Pals (ages 8-11) Chapter	I Know Where I'm Going (ages 12-15) Chapter
Checking Accounts						
1. Has seen a checkbook		—————→		—————→	4 Part One	5 Part One
2. Has practiced writing checks				—————→	NA	5 Part One
3. Knows how to deposit a check				—————→	NA	5 Part One
4. Has practiced balancing a checkbook				—————→	NA	5 Part One
5. Understands the dangers of check-cashing stores				—————→	NA	5 Part One
6. Has contacted 3 banks about checking accounts				—————→	NA	5 Part One
Credit						
1. Has seen an ATM transaction		—————→		—————→	4 Part One	5 Part One
2. Has seen a credit card used		—————→		—————→	4 Part One	5 Part One
3. Can explain how a credit card works			—————→	—————→	4 Part One	5 Part One
4. Can calculate interest costs on credit card charges				—————→	NA	5 Part One
5. Describes how credit cards can put people into debt			—————→	—————→	4 Part One	5 Part One
6. Can describe the pros and cons of credit				—————→	NA	2 Part Two
7. Can describe rent-to-own and layaway concepts				—————→	NA	2 Part Two

Skill/Task	Age 8-9	Age 10-11	Age 12-13	Age 14-15	Money Pals (ages 8-11) Chapter	I Know Where I'm Going (ages 12-15) Chapter
Getting a Job						
1. Has identified his/her job skills and talents				→	NA	3 Part Two
2. Knows what skills employers look for				→	NA	3 Part Two
3. Knows what paperwork is needed to start a job				→	NA	3 Part Two
Income						
1. Has an allowance		→		→	1 Part Two	3 Part Two
2. Earns extra money		→		→	2 Part One	3 Part Two
3. Has a part-time job or business				→	NA	3 Part Two
Paychecks						
1. Understands the difference between gross and net pay				→	NA	3 Part Two
2. Knows how to endorse and deposit a paycheck				→	NA	5 Part Two
3. Understands the concept of direct deposit				→	NA	3 Part Two
Spending Plan						
1. Spends own money to buy items		→		→	1 Part Two	4 Part One
2. Makes decisions about spending		→		→	1 Part Two	4 Part One
3. Cuts back on spending to save for something		→		→	1 Part Two	4 Part One

Skill/Task	Age 8-9	Age 10-11	Age 12-13	Age 14-15	Money Pals (ages 8-11) Chapter	I Know Where I'm Going (ages 12-15) Chapter
4. Describes what a spending plan is			→		1 Part Two	4 Part One
5. Uses a simple spending plan (or budget) to plan how to spend his or her own money			→		1 Part Two	4 Part One
Shopping						
1. Shops for groceries, clothes, or other items		→			2 Part Two	2 Part Two
2. Compares price and quality when shopping for items			→		2 Part Two	2 Part Two
Advertising						
1. Describes how advertising manipulates people to buy			→		2 Part Two	2 Part Two
Shares						
1. Describes ways to share with others		→			3 Part Two	4 Part Two
2. Shares money, time, or talents with others		→			3 Part Two	4 Part Two
Careers						
1. Has spent time thinking of his/her career				→	NA	3 Part Two
2. Has evaluated current skills and interests				→	NA	3 Part Two
Dreams						
1. Describes dreams for the future		→			4 Part Two	5 Part Two
2. Makes plans for the future				→	4 Part Two	5 Part Two



TOPIC ONE:

What Is Money?

Like all of us, each foster youth has his or her own ideas about money. Some children are just beginning to learn the basics of what money is and how money can be used to spend, save and invest, or share with others. Other youth have strong feelings about money's role in their lives. Help your foster youth understand that money is a tool to help them reach their goals, but that money cannot buy everything.

MATERIALS NEEDED:

- ◆ pencil for guide exercises
- ◆ money—all denominations (paper and coin)
- ◆ items to use for bartering game (Activity No. 1 on page 20)
- ◆ piggy bank or some other container for kids to hold money in
- ◆ old magazines to cut out pictures for guide activities
- ◆ drawing paper, crayons, or colored markers

POTENTIAL FIELD TRIPS:

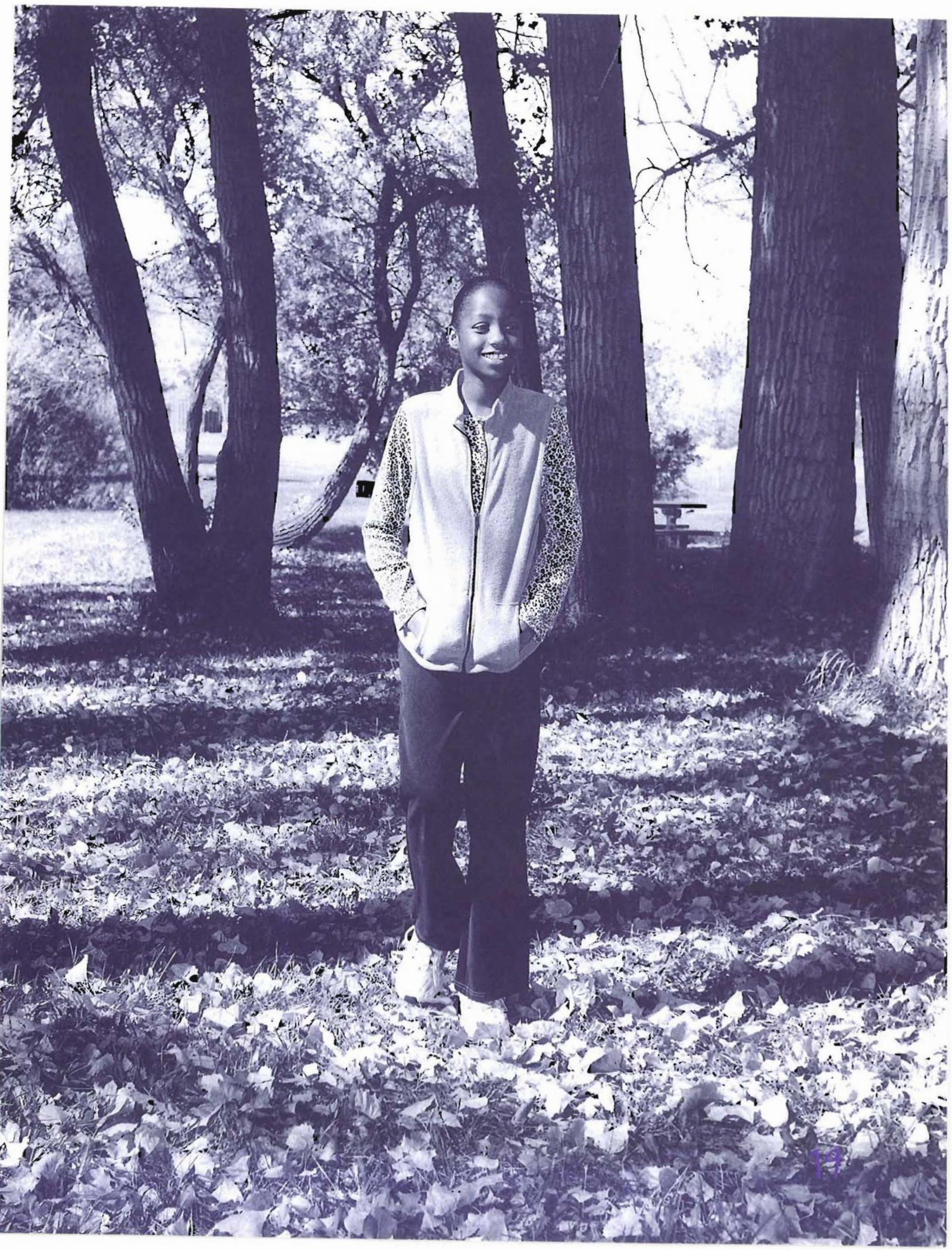
- ◆ Take a walk through the neighborhood or park (Activity No. 5 on page 20)

YOUTH GUIDE CHAPTERS:

- ◆ Part One, Chapter 2 of *Money Pals*: "Money and You"
- ◆ Part One, Chapter 1 of *I Know Where I'm Going*: "I've Heard of 'The Money Pit'—But 'The Money Tool'?"

TIPS FOR COMPLETING THE YOUTH GUIDES:

- ◆ Review the exercises with the youth. You'll notice that the younger child's guide explains, in simple language, what money is, what it looks like, and how to count it.
- ◆ The older youth's guide talks about values in relation to money, such as the value to buy things for friends or the value to save for college. There are no right or wrong answers; simply use these exercises to start your youth talking about values and money.



- ◆ Both youth guides explain what money is used for: (1) to spend, (2) to save and invest, and (3) to share with others. Ask your youth to tell you about ways that they have used their money to spend, save/invest, or share with others. Talk with your youth about how you have used your money to do these same three things. Also share examples of times when you felt you could have done better. Especially with older children, sharing your imperfections can encourage them to open up with you.
- ◆ The chapters also explain what money can't buy: happiness, friends, self-worth. Help your youth understand that while money is important, it can't get them everything they want.

ACTIVITIES:

Note: ★ indicates appropriate for youth ages 8 to 11; ☀ indicates appropriate for youth ages 12 to 15.

1. Help the youth understand why money is used instead of trading or bartering for things. Play a game in which everything the youth wants for that day must be paid for with an item instead of money (for example, golf balls, soup cans, or spoons become "money"). Soon, the youth will get the idea that it is awkward to carry golf balls around to pay for things. That is why money was invented. ★
2. Give youngsters opportunities to see, hold, and use money. If they don't have a purse, wallet, or piggy bank to keep money in, buy them one. Let them look at the money in your wallet, identify coins, and practice making change with you. ★☀
3. When you give the youth an allowance, consider giving it in small bills and change so the youth can have further practice in understanding various denominations of money.
4. When you buy something at the store or in a restaurant, allow your youth to pay for it and learn how to make sure they get back the right change. ★☀
5. Take a walk through the neighborhood or in a park. Talk about the things you see that money can buy (house, fence, car) and the things that money can't buy (sunshine, laughing children, wildflowers). ★☀
6. Give the youth some old magazines and ask them to cut out pictures of things they would like to buy or have now (such as food), soon (such as Rollerblades™) or later (such as a home, a car, or a great job). Or, let the youth draw pictures of these things or simply make a list. Explain that these things are examples of short-term, mid-range, and long-range goals. Talk about how money is a tool that can help them reach their goals. ★☀

CONVERSATION WITH FOSTER YOUTH:

“I’ll never have anything.”

Sometimes foster youth believe that they will never have the things other people have because of the situation they find themselves in right now. Help your youth see that there can be a brighter future ahead for them. You might say:

“I understand why you may feel that way. Your birth family hasn’t been able to help you very much, and we’re not rich, either. But that doesn’t mean you can’t have a great life. Most of it depends on what you want your life to be like and how determined you are to make your dreams come true.

“In school, you probably have read about people who started with almost nothing and then became great writers, inventors, or business owners. These stories are not just made up. It still happens today. Just look at Jay-Z. He grew up poor and, for a time, was in and out of trouble. Now look at him. What happened? He made a choice—he chose to change his life. You can make the same choices—choices like studying hard in school, helping other people, learning how to earn money and save it, and finding a way to get the education you need to have a great job someday. I’m convinced that you can, and I will help you in every way possible to make your dreams come true.”



TOPIC TWO:

Money and You

How we feel about money influences how we will spend, save, or share it with others. Help your foster youth gain a better understanding of their attitudes toward money, how these attitudes can affect their lives, and why developing good money skills can help them reach their goals for the future.

One of these skills is knowing how to spend smart. The first steps in spending smart are to learn the difference between spending money on what we *need* and spending money on what we *want*, and to make smart choices based on this difference.

MATERIALS NEEDED:

- ◆ pencils and crayons or colored markers for guide exercises
- ◆ two different colored highlighters for guide exercises (ages 8 to 11)
- ◆ bulletin board and paper (Activity No. 5 on page 24)
- ◆ old magazines (Activity No. 5 on page 24 and guide exercises)
- ◆ three coffee mugs (Activity No. 6 on page 24)

POTENTIAL FIELD TRIPS:

Take youth shopping with you (Activity No. 4 on page 23)

YOUTH GUIDE CHAPTERS:

- ◆ Part One, Chapter 2 of *Money Pals*: “Money and You”
- ◆ Part One, Chapter 2 of *I Know Where I’m Going*: “What’s the Latitude of My Money Attitude?”

TIPS FOR COMPLETING THE YOUTH GUIDES:

- ◆ Both guides ask the youth to decide if they tend to be “savers” or “spenders.” The older youth’s guide goes into a little more detail and adds “worrier” and “planner” to these money attitudes. There are no right or wrong answers here. The exercise is a way for youth to start thinking about their money habits, which habits are good ones, and which ones they might want to change. You may find it interesting to complete these exercises to learn about your own money attitudes.

- ◆ The younger youth guide also asks youngsters to think about ways to get money (gifts, allowance, jobs). Help the youth think about extra jobs that he or she can do to earn money. For more information about allowances and jobs, see Part Two, Topic Three, “Working for a Living,” in this Caregiver’s Handbook.
- ◆ Review the exercises about needs and wants with the youth. You’ll notice that the exercises are good starting points for a discussion about needs and wants; they are not quizzes with only one “right” answer. Get your youngster talking.
- ◆ Help your youth understand the difference between, for example, “needing” a new pair of sneakers and “needing” the most expensive ones in the store. If they insist they “need” the expensive shoes, discuss why. Ask how they plan to afford the more expensive pair. Are they willing to give up something else, earn extra money, or save their allowance?
- ◆ Discussing needs and wants is also a good opportunity to talk about the effect advertising and social media has on making us think we “need” something, and why kids often feel that they will be more popular with their friends if they wear the “right” brands.
- ◆ When foster youth talk about needs, they may talk about needs that money can’t buy, such as the love of a parent or a permanent home. Allow children time to talk about these issues as fully as possible before you move back into a discussion of needs that can be met with money.

ACTIVITIES:

Note: ★ indicates appropriate for youth ages 8 to 11; ☀ indicates appropriate for youth ages 12 to 15.

1. Make a list with your younger youth of all the ways you get money and the things you spend it on. Compare your list with the one in the youth guide. Talk about the differences. ★
2. Review the exercise in the younger youth’s guide that asks the youth to list ways that they could earn money. If possible, allow the youth to perform some of these jobs for pay so they will have some money to learn how to manage. Talk about the difference between being paid to do something and doing something for no pay to help the family or a neighbor. ★
3. Read the descriptions of the money attitudes with your youth. Share with them which attitude most describes you, and ways in which this attitude has been an advantage or a disadvantage (or both!) to you in terms of managing money. Remember, there are no right or wrong answers. ★ ☀
4. Take your youth with you when you go shopping. As you make spending decisions, talk about which items you need and which ones you want. Show how you buy the things you need before you spend money on things you want. ★ ☀

5. Put up a bulletin board in the kitchen or the youth's bedroom. Label one side "needs" and the other side "wants." Let the youngster make a list of needs and wants and put them on the bulletin board. Or, suggest that they cut out pictures from magazines to show their needs and wants and tack the pictures on the bulletin board. Talk about ways to make a plan for saving for needs first, and then for wants. ★☀️
6. Give the youth three coffee mugs. Label one with a "need" the youth has, the second with a "want," and the third with "sharing." Together, add money to each mug as often as possible. For younger children especially, try to keep the needs and wants you choose fairly inexpensive, so the child can reach his or her goals in a short amount of time. ★☀️

CONVERSATION WITH FOSTER YOUTH:

"I need those sneakers!"

To help your youth sort out the difference between wanting those \$100 sneakers (or some other expensive item) and needing them, here's what you might say:

Caregiver: "Why do you need those sneakers?"

Youth: "My old ones are worn out."

Caregiver: "Well, how about the sneakers advertised in the paper that are on sale for \$29.99?"

Youth: "I don't like them."

Caregiver: "Is it because other kids are wearing sneakers that look like the \$100 pair?"

Youth: "I guess."

Caregiver: "And they might think you're a dork if you don't have the same kind of sneakers?"

Youth: "Maybe."

Caregiver: "I understand how important it is to be popular with your friends at school. All young people your age have these feelings. But we just don't have the money to buy those sneakers. I know you *need* new shoes, because your old ones are worn out. But you don't need the \$100 ones. You want them. Do you see the difference?"

Youth: "I guess."

Caregiver: "Here's what we can do. One, we can buy the \$29.99 shoes today. Two, we can wait to see if the other pair goes on sale. Or three, you can save your money from your allowance and pay the difference between the less expensive pair and the ones you want. Which way should we go?"

If the youth chooses to save for the expensive shoes, help calculate how long it will take to save the necessary amount and ask if the youth is willing to wait that long. If the answer is yes, support the youth in standing by his or her decision.

TOPIC THREE:

Saving for Later

Many Americans are notoriously poor savers—and many of us are deep in debt because of it. You can help change this pattern for your foster youth by showing them how saving money can help them weather financial emergencies, pay for their financial dreams and goals, and help them become what they want to be when they grow up. It is possible to save money, even if only a small amount. Small amounts add up over time when they are invested wisely.

MATERIALS NEEDED:

- ◆ pencils and different-colored highlighters or crayons for guide activities
- ◆ paper (Activity No. 3 on page 26)
- ◆ money for allowance and opening a savings account (Activities No. 1 and 7 on pages 26 and 27); coins for Activity No. 5 on page 26
- ◆ piggy bank, wallet, or some other container for money (Activities No. 2 and 4 on page 26)
- ◆ old magazines for Activity No. 3 on page 26 and guide exercises

YOUTH GUIDE CHAPTERS:

- ◆ Part One, Chapter 3 of *Money Pals*: “Saving for Later”
- ◆ Part One, Chapter 3 of *I Know Where I’m Going*: “How Can I Have What I Want—When I Want It?”

TIPS FOR COMPLETING THE YOUTH GUIDES:

- ◆ Review the exercises with the youth. As you check the answers, make sure your youth understands the concepts.
- ◆ A key concept for your youth to understand is *why* they should save money. The answer: to help reach financial dreams and goals so they can become what they want to be when they grow up.
- ◆ The youth are asked to list short-term, mid-range, and long-range goals. As you discuss their responses, help them think about whether their goals are realistic. If not, discuss what they could change to make the goal more achievable.

- ◆ Share with the youth ways in which you save money and the goals you have for that money. For example, do you save loose change in a jar for a vacation, or do you participate in a holiday savings club? Do you have an emergency fund? Tell your youth about some of the most creative ways in which you save money, even if it's just \$1 a day.
- ◆ Discuss other ways to save money. For example, if the youth buys a soda pop every day, could he or she cut that down to twice a week and save the difference? Do they stream a movie once a week? How about borrowing a movie from the library instead and saving the difference?
- ◆ Help your youth understand that saving money can become a good habit that they can develop now and that this habit will help them reach their goals for the rest of their lives. The sooner they develop this habit, the easier it will be to practice. An exercise in the older youth's guide asks youngsters to visualize their future. Encourage them to dream big dreams.

ACTIVITIES:

Note: ★ indicates appropriate for youth ages 8 to 11; ☀ indicates appropriate for youth ages 12 to 15.

1. The best way for your youth to learn about saving money is to have an opportunity to save. If the child has an allowance, encourage them to save part of it every week. If the youth does not have an allowance, can you begin one for them? For example, can you use part of the child's maintenance payment to provide a small allowance? Is there someone in the child's birth family who would be willing to give the child an allowance once a week or once a month? Or, are there small jobs the child can do around the house to earn some money so they can learn how to save part of it? ★ ☀
2. Does the youth have a place in which to keep money? If not, buy them a piggy bank, a wallet, and/or a purse. ★ ☀
3. Talk with the youth about what goal they have for the money they plan to save. Cut out a picture of the item the youth is saving for, or write it on a piece of paper, and tape it to a mirror or a wall in the youth's room. It's easier for young people to save money instead of spend it when they are reminded of what they are saving for. ★ ☀
4. Give the youth three jars, piggy banks, or envelopes. Mark the containers SPEND, SAVE, and SHARE. In the "Spend" container, the youth can place part of their money from an allowance or a job to spend right now. Use the second container to save for a short-term or long-term goal. In the third, put some money for gifts or a donation to a charity. ★ ☀

5. Lay out coins to explain how a bank savings account earns interest. For example, have the youth give you 10 dimes. Pretend that you are the bank and you use the 10 dimes for a month to pay the bank's bills. At the end of the month, the youth wants to with-draw his or her money. Give the youth 11 dimes—10 that were deposited and one for "interest" in return for using the money. ★☀️
6. Have the youth research several banks to find out how someone under age 18 can open an account. The youth can look for financial institutions with low minimum balance requirements, no monthly fees, easy on-line access, competitive interest rates and case worker monitoring access.☀️
7. Talk with your social worker about opening a savings account for your youth. Can the social worker co-sign on the account? If the bank requires a minimum deposit, are there ways you and the social worker can cover the minimum for the youth so he or she can get started? Find out if your state has a limit on how much money a foster youth can save before jeopardizing his or her state aid. ★☀️

CONVERSATION WITH FOSTER YOUTH:

"My family wants to borrow money from me."

If your youth is in contact with their birth families, you may encounter a situation in which the family wants to borrow money from the youth's savings account, job earnings, or allowance. Here is what you might say:

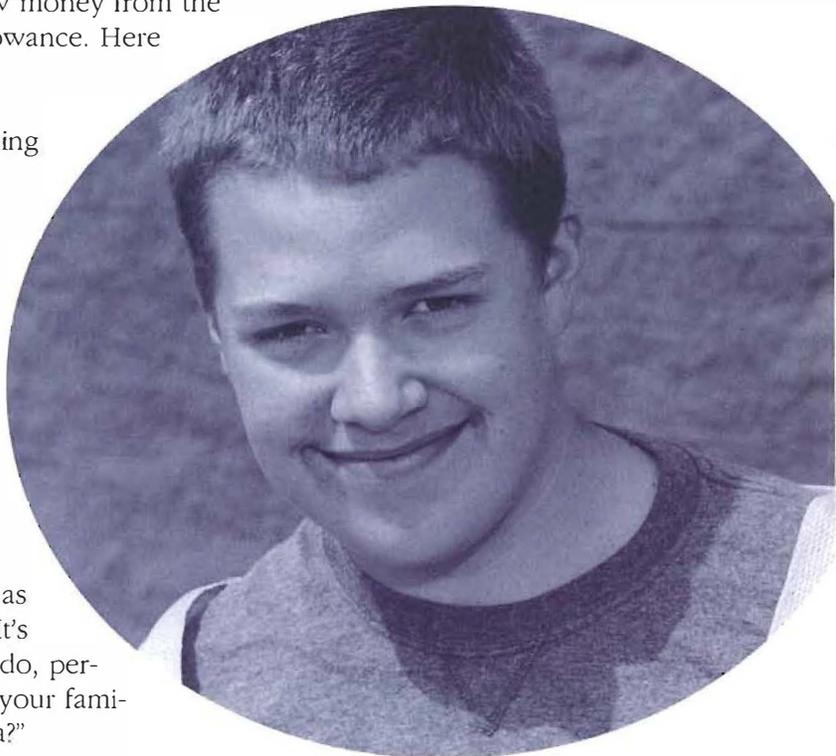
Caregiver: "How do you feel about loaning money to your family?"

Youth: "I don't know. I want to help them if they need it, but then I won't have the money I've been trying to save."

Caregiver: "You have worked hard to save your money. What if your family can't pay you back and you have to start all over again?"

Youth: "I wouldn't like that."

Caregiver: "It is good of you to want to help your family. But, you should never feel as though you have to lend money to *anyone*. It's your money. If you are still not sure what to do, perhaps we can ask the social worker to talk to your family for you. What do you think about that idea?"



TOPIC FOUR:

Taking It to the Bank

Most people walk into a bank and set up their checking and savings accounts without giving it much thought. But children may not understand what a bank is and how it can help people invest their money and keep it safe. Give your foster youth experiences in going to the bank so they will feel comfortable using these financial institutions when they become adults.

MATERIALS NEEDED:

- ◆ pencil for guide exercises
- ◆ your paycheck (to show youth, if you're comfortable with that—Activity No. 2 on page 29)
- ◆ your checkbook (to show youth, if you're comfortable with that—Activity No. 6 on page 30)
- ◆ checking and savings statement (to show youth, if you're comfortable with that—Activity No. 7 on page 30)
- ◆ play money (Activity No. 9 on page 30)

POTENTIAL FIELD TRIPS:

- ◆ Visit a bank (Activity No. 1 on page 29). Ask about special bank tours (Activity No. 3 on page 29); show your foster youth your safety deposit box, if you have one and are comfortable with showing the contents to him or her (Activity No. 4 on page 30).
- ◆ Visit an ATM (Activity No. 5 on page 30)

YOUTH GUIDE CHAPTERS:

- ◆ Part One, Chapter 4 of *Money Pals*: “Taking It to the Bank”
- ◆ Part One, Chapter 5 of *I Know Where I'm Going*: “Taking It to the Bank”

TIPS FOR COMPLETING THE YOUTH GUIDES:

- ◆ Review the exercises with the youth. Note that the guides explain that banks are used for savings accounts, checking accounts, and as a place to get loans and credit cards.

- ◆ Talk with your youth about how you use a bank and why it is safer and more convenient than keeping money at home. Be sure to explain that another advantage of saving at a bank, instead of at home, is that banks pay people money to use their money. This is called interest, and it can help savings grow even more over time.
- ◆ Ask your youth to tell you what they know about how credit cards work after they complete their reading, their advantages and disadvantages, and the importance of staying out of debt.
- ◆ Describe ways in which you have used credit cards carefully and have stayed out of debt. Or, if you are comfortable sharing a difficult experience, describe a time when you went into debt using a credit card and what happened as a result.
- ◆ Explain to youth that sometimes it is necessary to take out a loan, such as to buy a house or pay for college, and how people qualify for loans. Help the youth understand the difference between taking out a loan for something that will be an investment in the future (such as a college education) versus taking out a loan to buy something that will decrease in value over time (such as a tablet). In general, it is better to save for items that will decrease in value than to go into debt to buy them. By the time the loan on the tablet is paid off, the tablet may be worn out!
- ◆ Explain to your older youth that there are options other than banks. A credit union has many of the same services, but they are restricted to independent groups of people (for example, a teachers' credit union, a company's credit union).
- ◆ Also for older youth, explain that checks can be cashed at check-cashing stores, but they are a very expensive way to get money.
- ◆ Talk with your older youth about the importance of recordkeeping—filling out deposit and withdrawal forms correctly and maintaining a check register. Explain that maintaining a check register lets you know at any time how much money you have in your account and helps prevent you from bouncing checks.

ACTIVITIES: *Whether you choose a bank or credit union, you can still engage your youth in these activities.*

Note: ★ indicates appropriate for youth ages 8 to 11; ☀ indicates appropriate for 12-15

1. Take your youth with you to the bank. As you walk through the bank, point out ways with you and watch the transaction being completed. ★ ☀
2. While you are at the bank, consider showing the youth your paycheck and allowing him/her to watch as it is endorsed. Explain the importance of endorsing your check only after you get to the bank because, after you sign your check, it's like money. Show the youth the space on the back of the check that is used for writing your name and account number. ☀

3. You might also call the bank ahead of time and ask if they offer bank tours. This is a great way to get a behind-the-scenes look at what a bank does. ★☀️
4. If you have a safe deposit box at the bank, consider inviting the youth to go with you to look at the box and see how the bank protects its contents. ★☀️
5. Show the youth an automated teller machine (ATM). If you have a bank account with ATM privileges, allow the youth to help you make a transaction at the ATM. Explain where the money comes from and why it is not “free” money. Talk about safety considerations when using an ATM. ★☀️
6. Show the youth how you pay for something with a check. Explain how checks are used and where the money comes from. Consider letting the youth fill out the check, except for your signature, and subtract the amount from your bank balance. ★☀️
7. When you receive your checking and savings statements from the bank, consider asking the youth to go over the statement with you. Show how savings accounts pay interest and how this money compounds over time. If you're willing, consider asking the youth to help you balance your checkbook against your checking account statement. ☀️
8. Consider setting up a savings account at a bank for your youth. See Part One, Topic Three of this Caregiver's Handbook for ideas on ways to do this. Some banks and credit union so may have special programs to allow young people to set up their own checking accounts. Your youth can call banks or credit union in your area to find out. ★☀️
9. If you use a credit card to buy something for the youth, invite him or her to watch as you sign the credit card receipt. Explain to the youth that the receipt shows that you promise to pay the credit card company for the “loan.” When the bill comes in, show it to the youth and have him or her watch you as you write out a check to pay the credit card balance in full, or as you make decisions about how much you can pay on the credit card bill and how much interest you will be charged. ★☀️
10. Ask youth to share stories about people they know who have gotten into trouble by going into debt. Share your own stories. Help youth understand the consequences of going deeply into debt, including legal problems, bankruptcy, family stress, and perhaps even problems in finding a job (some employers check the credit reports of job applicants). At the same time, help youth understand that with time and effort, there are ways to get out of debt and get back on track financially. ★☀️

CONVERSATIONS WITH FOSTER YOUTH: *“My birth family doesn’t use a bank or credit union.”* *(for younger children, ages 8 to 11)*

Not all families use banks or credit unions. Some prefer to use money orders or check-cashing stores. They may think this costs less than a bank (although it usually is more expensive) or they may be suspicious of banks. Without passing judgment on your youth’s birth family, you might say:

“Not everyone handles money the same way, and that’s OK. Our family goes to a bank because our money is safe there and it is easy to use. It also pays interest on our account.”

“Our checking account costs money, but we have found that it is cheaper than using money orders or going to a check-cashing store. Come with me to the bank to learn how it works. That way, you can decide for yourself where you want to put your money, either now, while you are young, or later, when you are an adult.”

CONVERSATIONS WITH FOSTER YOUTH:

“Can I borrow some money?” *(for older children, ages 12 to 15)*

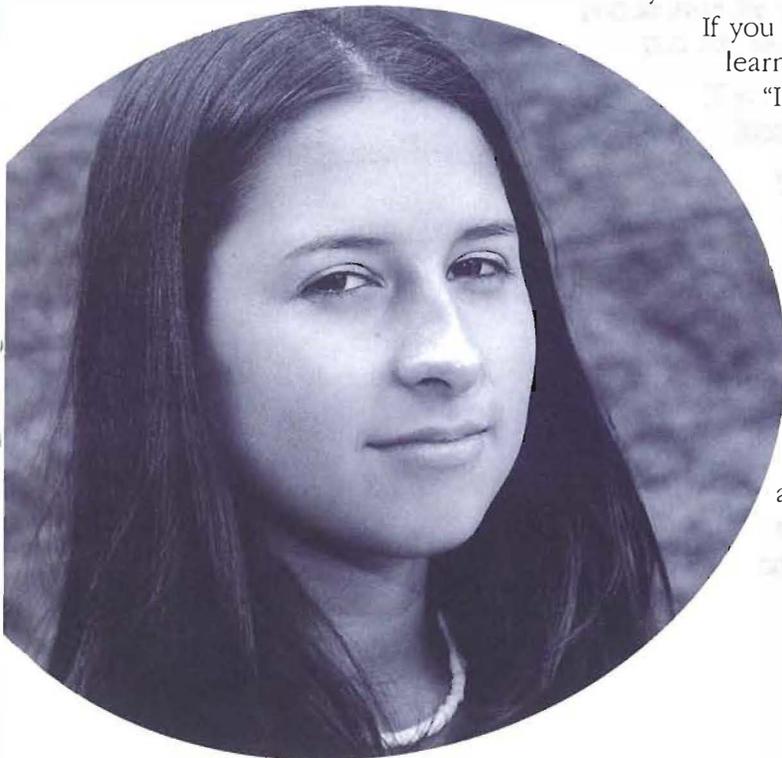
If your foster youth asks you for a loan, first find out if it’s for something the youth wants or needs. If it is a “want,” encourage the youth to save money for the item instead of going into debt. You might say:

“I don’t want you to go into debt for something you don’t really need. It’s hard to pay back loans, especially when you don’t have a lot of money. It’s much better to save for what you to save for what you want and think about some ways

you can earn extra money to pay for it.”

If you are willing to loan the money, turn it into a learning experience. You might say:

“I agree that you need a new winter coat, and your clothing allowance isn’t enough to pay for a coat right now. So I will give you a loan just like a bank would do. I will loan you \$100. In return, you must agree to pay back the \$100 in six months. You also must pay 10% interest on the loan, or an extra \$10. If you pay \$110 over six months, that means you must give me about \$18.33 a month. Do you agree to that? If you do, let’s write a loan agreement, and we will both sign it.”



TOPIC FIVE:

Making Money Last

Young people often think that the secret to financial success is to make a lot of money. Yet even people who earn above-average incomes sometimes find themselves deep in debt.

The real secret to financial success is learning how to make the most of the money we do earn. Learning to live within our means is what a spending plan (or budget) is all about. Foster youth may not have a regular income or the expenses of living on their own yet, but they can begin to learn some simple principles of budgeting by balancing the money they may receive with their spending, and finding ways to save money by “plugging” spending leaks. The budgeting habits they learn today will pay rewards for a lifetime.

MATERIALS NEEDED:

- ◆ pencil and small calculator for guide exercises and (for Activities No. 1 and 8 on pages 33 and 34)
- ◆ copies of spending plan worksheets, at the end of this chapter, (for Activities No. 1 and 8 on pages 33 and 34)
- ◆ small notebook (Activities No. 3 and 7 on page 34)
- ◆ paper (Activity No. 5 on page 34)

YOUTH GUIDE CHAPTERS:

- ◆ Part Two, Chapter 1 of *Money Pals*: “Making Money Last”
- ◆ Part One, Chapter 4 of *I Know Where I’m Going*: “Hard Choices: The Last of My Money, or Making Money Last?”

TIPS FOR COMPLETING THE YOUTH GUIDES:

- ◆ Review the exercises with the youth. You’ll notice that a spending plan is described as a “road map for your money.” Because a spending plan helps people decide how much money to spend on things and where to save money by cutting back on spending, a spending plan also can be thought of as a savings plan.
- ◆ Help youth understand that it’s easier to cut back on spending when we have a goal for the money we want to save. Goals can be short-term (like buying a video), mid-range (like buying a new bike) or long-range (like buying a car or going to college). Older youth were asked to think about their short-term, mid-range, and long-range goals in Part One, Chapter 3 “How Can I Have What I Want—When I Want It?” In this chapter, they are asked to make a spending plan to reach a goal.

- ◆ Share with the youth what your household expenses are. Make it even more real by showing the youth the bills you receive for these expenses.
- ◆ Discuss how your family plans its spending and how you balance spending with your income. Describe ways in which you have cut back on spending to make sure your spending is less than your income. If savings are a regular part of your spending plan, tell the youth why that's important to you and how you manage to "pay yourself first" every month. (If you do not have a spending plan and would like to start one, you can use the spending plan form included at the end of this section.)
- ◆ A good way to connect spending with income is to show how spending money is like spending time earning income. Here's an example: If the youth earns \$16.28 an hour in a part-time job, how many hours of work does a movie, popcorn, and soda cost? (\$24 to go to the movies or one and a half hours of work at \$16.28 an hour.) What about an \$100 pair of shoes? (About 6 hours of work.) Ask the youth if they think it's worth it to work 6 hours to pay for one pair of shoes.
- ◆ Discuss debt: what it is, how people get into it, and how a spending plan can help them get out of it.
- ◆ As you review the younger youth's spending diary, ask the youth if they always have some money left over at the end of the week (or month). If so, would the youth consider saving part of it? If the youth never has any money left, brainstorm ways to cut spending and start saving even a small amount each month.
- ◆ Explain to your older youth that some things that the foster care system may pay for now, such as their medical care, will not continue after they reach age 18. Emphasize that learning about spending plans and other money skills will help them get ready for the day when they become independent and start paying for things on their own.

ACTIVITIES:

Note: ★ indicates appropriate for youth ages 8 to 11; ☀ indicates appropriate for youth ages 12 to 15.

1. If you do not already have one, invite the youth to help you put together a spending plan for your family. A spending plan form is included at the end of this section for your use. Basically, a spending plan involves four steps: (1) identify all your income; (2) list all your expenses; (3) determine if income exceeds expenses; and (4) set priorities and make changes. Many young people are very surprised to learn that things like visiting the dentist or using hot water must be paid for. ★ ☀
2. When possible, involve the youth in family decisions about balancing income with expenses. For example, sit down together as a family to discuss if you should spend money on a family vacation or a new used car and where the extra money will come from. Demonstrate the thought processes you go through to reach budgeting decisions.



3. Invite the youth to take part in a “Day in the Life of Running a Household.” Provide a small notebook and ask the youth to list everything he or she touches that day that costs the family money from the minute the youth wakes up (alarm clock) and takes a shower (water and heat) until he or she goes to bed that night (pajamas, toothbrush, and toothpaste). Ask the youth to estimate what each item listed costs and how much income (money) is needed to cover these expenses. Consider rewarding them for doing this much work to track their money. ★☀️
4. Try this exercise: Cash your next paycheck and ask the family to join you as you pay bills for the month. For each bill, count out the cash you need to pay it. If you don’t have enough to cover every bill, talk through the decisions you will have to make. One parent reported that when he did this exercise with his family *one time*, the kids started talking about how they could earn some extra money to help out, instead of constantly asking him for money to spend. ★☀️
5. Make a list with your youth of as many ways to cut back on spending as you both can think of. Each person then picks his or her favorite idea and decides when to do it together. Some ideas to get started: make gifts instead of buying them, go to dollar stores, bring candy from home, shop at garage sales and thrift stores, save gas money by riding a bike to school instead of going in a car, or repair things yourself. ★☀️
6. Give the youth practice in making spending decisions and paying for things. For example, if you eat at a restaurant, give the youth a certain amount of money to spend. The youth’s task is to read the menu, order food that will cost no more than the amount you gave, check the bill, pay it, count the change, and leave the tip. ★☀️
7. Encourage your younger youth to use the spending diary found in their guides to write down everything they spend for a week or a month. For older youth, provide a small notebook to use for this purpose. At the end of the time period, go over the list together and discuss what the youth learned and what spending habits the youth might want to change. ★☀️
8. Help the youth develop a simplified spending plan. For example, “income” could be an allowance or earnings from a part-time job. “Expenses” would be everything you expect the youth to pay for from his or her income, such as clothes, videos, gifts, and treats from the store. Be sure to include savings as part of the spending plan. Explain that saving regularly is like “paying yourself first.” Describe the spending plan as a map that can help youth reach their financial goals. ☀️
9. When the youth asks for something you agreed should be covered by his or her own money, simply say, “You have an income now. Is the item you want in your spending plan? If it’s not, how can you cut back on your other spending so you can afford it?” This leaves the decision up to the youth. ☀️

CONVERSATION WITH FOSTER YOUTH:

“I ran out of money!”

When you give youth the opportunity to manage their money, expect them to make some mistakes. They’ll learn from their mistakes if you let them experience the consequences. Here’s what you might say:

Caregiver: “I’m sorry you ran out of money already. I know you were planning on going to the movies this weekend. Do you know what happened to your money?”

Youth: “No, I just spent it.”

Caregiver: “Well, let’s think back to what you did every day this week, and write down where you remember spending money.” After doing this, say: “Well, now you know where you spent the money. What do you think you would do differently next time?”

Youth: “I guess I wouldn’t buy such expensive jeans. Or maybe I could buy less snacks. But would you give me some money to go to the movies anyway? I’ll pay you back.”

Caregiver: “I’m sorry, but we agreed that your allowance would have to cover things like going to the movies. I don’t want to see you go into debt to pay for a movie. That’s something you *want* to do, but you don’t really *need* to do it. Instead, you can find a way to earn some extra money or wait until you get your next allowance to go to the movies. Maybe you can think of something fun to do this weekend that doesn’t cost money.”

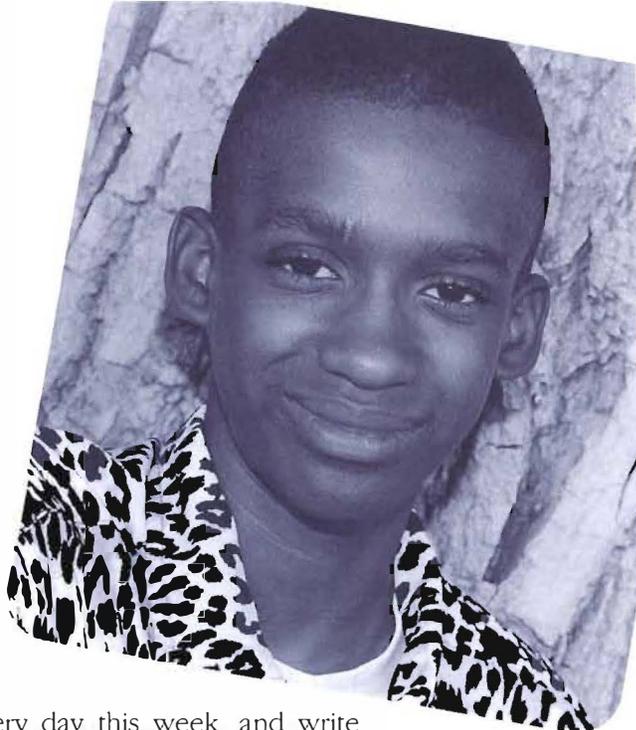
Tip: If this is the first time this has happened, or if the child is fairly young, consider lending him or her the money, but charge interest, and give a clear message that this is a one-time exception so that they can learn from this experience. If there is a “next time,” do not lend the child money.

Setting up a Spending Plan

A spending plan is simply a way of making sure your money goes where it needs to go. There are four steps to making a spending plan:

1. identifying your income
2. listing your expenses
3. comparing income and expenses
4. setting priorities and making changes

For a spending plan to work, it must be accurate. Don’t overestimate your income. Also, don’t forget about bills that only come due every few months or so, such as car insurance. In this case, list the average cost for each month. For example, if you pay \$450 for car insurance every six months, you must save \$75 each month to pay the bill.



The following worksheets can help you set up a spending plan. Consider making several copies of these pages so you can use them throughout the year.

It may feel awkward at first to keep track of all of your expenses. But, remember, all new things feel awkward. Stay with it. In time, you will be rewarded.

STEP 1: Identifying Income

Sources	Per Month
wages (yourself)	\$ _____
wages (others in household)	\$ _____
tips or bonuses	\$ _____
child support	\$ _____
unemployment compensation	\$ _____
Social Security or Supplemental Security Income	\$ _____
public assistance	\$ _____
food stamps	\$ _____
tax refunds	\$ _____
interest	\$ _____
other	\$ _____
Total Monthly Income	\$ _____

STEP 2: Listing Expenses

Sources	Per Month
rent or house payment	\$ _____
natural gas or heating fuel	\$ _____
electricity	\$ _____
water	\$ _____
telephone	\$ _____
groceries	\$ _____
snacks/meals eaten out	\$ _____
transportation (bus fare, gasoline, car repairs, etc.)	\$ _____
child care	\$ _____
alimony or spousal maintenance	\$ _____
support to parents or other relatives	\$ _____
life or insurance premiums	\$ _____

car insurance premiums	\$ _____
doctor and dentist bills	\$ _____
taxes	\$ _____
pet care	\$ _____
union dues	\$ _____
clothing/uniforms	\$ _____
tithing or charitable donations	\$ _____
loans	\$ _____
credit cards	\$ _____
personal (toiletries, allowances, etc.)	\$ _____
savings	\$ _____
home repairs	\$ _____
miscellaneous (streaming service, classes, phone plan, etc.)	\$ _____
Total Monthly Expenses	\$ _____

STEP 3: Comparing Income and Expenses

Write down your total monthly income (from Step 1)	\$ _____
Write down your total monthly expenses (from Step 2)	\$ _____
Subtract expenses from income and list amount here	\$ _____

STEP 4: Setting Priorities and Making Changes

Was there money left over at the end of the month? Congratulations! If you treat it wisely (like putting it into savings), you will be well on your way to reaching other financial goals.

But, maybe, your expenses were more than your income. Then what? First, look carefully at how you spent the money. Too often our money takes a detour from our goals and we have to take steps to get back on track.

Getting back on track means two things: cutting back expenses or increasing income (or both). Now that you know your expenses, it will be easier to cut them.

Increasing income is another option you and your family members can consider. Some ideas include:

- ◆ looking for a better-paying job (this may require improving work skills or getting more education)
- ◆ taking on a second job
- ◆ having other family members work and contribute to the household income
- ◆ turning a hobby into extra income
- ◆ selling unwanted items (for example, at a yard sale)

TOPIC ONE:

Saving and Investing

Once your foster youth have developed a savings pattern, they are ready to learn more about their options. Help your youth learn the difference between savings vehicles (like money market accounts and CDs) and investment vehicles (stocks, bonds, and mutual funds).

Talk about how savings usually are less risky than investments, but they also have a lower rate of return. Help your youth understand the value of time—investing early pays big rewards because of compound interest.

MATERIALS NEEDED:

- ◆ pencil for guide exercises
- ◆ paper and a small calculator (Activity No. 3 on page 40)
- ◆ savings and investment statements, if you're comfortable sharing this information with your youth

POTENTIAL FIELD TRIPS:

- ◆ Visit a bank or credit union (Activity No. 1 on page 40).
- ◆ Visit a brokerage house (Activity No. 2 on page 40).

YOUTH GUIDE CHAPTERS:

- ◆ Not discussed in *Money Pals*.
- ◆ Part Two, Chapter One of *I Know Where I'm Going*: "Is There More to Money than Spending and Saving?"





TIPS FOR COMPLETING THE YOUTH GUIDES:

- ◆ Talk about different options for savings and investing—CDs, money market funds, stocks, bonds, or mutual funds. Don't worry if you do not know a lot about each kind of investment choice. The main purpose is to introduce these topics to your youth—not necessarily to have them understand all the details of how each one works. You can learn along with your youth. Several books and Web sites are suggested at the end of this handbook if you or your youth would like to learn more about investments.
- ◆ Discuss how money in different savings and investment funds grows, or compounds, over time. Show him or her how rates of return are different in different investment types. Talk about the differences in risk associated with each type of saving or investment.
- ◆ Discuss automatic investing. For example, there are some mutual funds that allow youth to start accounts with a low initial investment (\$100 to \$250) if the youth contribute a small amount monthly (\$20 to \$50).

ACTIVITIES:

Note: ☀ means appropriate for ages 12 to 15.

1. Visit a bank or credit union with the youth to deposit money into your own savings account. Show the youth how you fill out a deposit slip. Talk about where the money goes when you leave it in the bank. ☀
2. Visit a brokerage house to learn more about stocks, bonds, and mutual funds. ☀
3. If you have any CDs, money market funds, stocks, bonds, or mutual funds, consider allowing your youth to review your last statement. Discuss your rate of return shown on the statement and how it might be different in another type of investment. Talk about why you chose to put your money in the investment you did. ☀





CONVERSATION WITH FOSTER YOUTH:

“None of my friends are worried about saving and investing now.”

Your foster youth may wonder why he or she should be concerned with saving and investing now when perhaps none of his or her friends are learning money management skills. It is important to present these concepts as skills that will help the youth, not an additional burden or stress. You might answer by saying:

“I know this probably seems like a lot of work. When we’re young, it’s hard to think about what our needs will be 20 or 30 years later. It’s just that I want the best for you, and I know that by learning to save and invest early, you will be helping yourself out down the road. Saving or investing \$20 a month now is not such a burden and the payoffs are huge. Does that make sense to you?”

TOPIC TWO:

Be a Smart Shopper

Spending even small amounts can quickly add up. Help your foster youth learn how to shop smarter and be careful spenders. The money they save from spending wisely can help them reach the financial goals that are really important to them.

MATERIALS NEEDED:

- ◆ pencil for guide exercises
- ◆ old magazines (Activity No. 2 on page 43)
- ◆ newspaper or internet access (Activities No. 4 and 5 on pages 43 and 44)

POTENTIAL FIELD TRIPS:

- ◆ Take youth shopping with you at various stores (Activities No. 1, 3, and 5 on pages 43 and 44)

YOUTH GUIDE CHAPTERS:

- ◆ Part Two, Chapter 1 of *Money Pals*: “Be a Smart Shopper”
- ◆ Part Two, Chapter 2 of *I Know Where I’m Going*: “I Don’t Want to be a ‘Shopping Fool’”

TIPS FOR COMPLETING THE YOUTH GUIDES:

- ◆ Both guides discuss the pull of advertising and the need to “comparison shop”—price the object you want to buy at two or three different stores. The older youth guide also introduces concepts such as using credit wisely, rent-to-own stores, installment plans and layaway, and getting loans—topics that are not discussed in the younger youth guide.
- ◆ Review the exercises with the youth. Discuss how we often are surprised when things cost more than we expect. To keep spending under control, it’s important to shop around and compare prices.
- ◆ Discuss how advertising lures us to spend money on name brands, which often are more expensive than a “generic” brand. Get the youth to start thinking about how advertising tries to convince young people that they need things to be happy and popular. Talk with the youth about how resisting the trap of advertising can make them feel stronger and more in control of their own decisions.

- ◆ Share with your youth the ways in which you save money by shopping smart. For example, do you buy your food at a discount grocery store instead of a convenience store? Do you always watch for sales or use coupons? Do you choose less expensive modes of transportation instead of paying for parking? When you are tempted to buy something, do you ask yourself if you really need the item, or if you just want it?
- ◆ With older youth, talk about the “Stop, Look, Listen” tip explained in Part Two, Chapter 2 of their guide. It is a way to replace impulse buying with comparison shopping. Also with older youth, discuss the pros and cons of using credit to buy things, why buying from places like “rent-to-own” stores can cost a lot of extra money, and how to find out if a “sale” is a real bargain or just a way to get people into the store.

ACTIVITIES:

Note: ★ indicates appropriate for youth ages 8 to 11; ☀ indicates appropriate for youth ages 12 to 15.

1. Several exercises in the younger youth guide ask youth to find the prices of items at different kinds of stores. Your younger youth will need to go with you when you shop so they can complete their guides or be shown how to shop online. Both younger and older children should have the opportunity to shop with you so they can watch you make spending decisions and learn how to read sales labels. Explain how to compare the unit price of items at the grocery store to get the best buy. Also explain why you sometimes buy an item that costs more because the quality is better. ★ ☀
2. Youth also are asked to evaluate on-line ads and look at prices advertised on-line and in stores. Ask them to cut out pictures of ads in magazines that try to get people to buy things they don't really need, or that even might be bad for them (such as alcohol). Ask your youth to think about whether there was a time when they bought a game or some other item that looked great on-line, and then they were disappointed when they brought it home. ★ ☀
3. Have an “Awesome Breakfast” or “Awesome Lunch” contest. Plan the menu together, but shop separately for the same items, starting on opposite sides of the store. The object of the contest is to see who can reach the checkout with the least expensive meal. The winner gets to choose an extra treat for the meal. (The meal that comes in second can be eaten later!) ★ ☀
4. Give the youth your shopping list and ask him or her to look through the paper for coupons that will save money on the items. Add up the savings. If you don't normally use coupons, consider letting the youth have part or all of the money he or she saved with coupons. ★ ☀

5. Identify something the youth wants to buy. Then, shop for it together by comparing prices on-line, calling several stores, and going to a mall to compare prices and quality. Challenge older youth by asking them to calculate how much a 20% sale saves (or 30% or 75%). Warn them that some stores always have certain items “on sale”;

these sales are simply gimmicks to get people into the store. ★☀

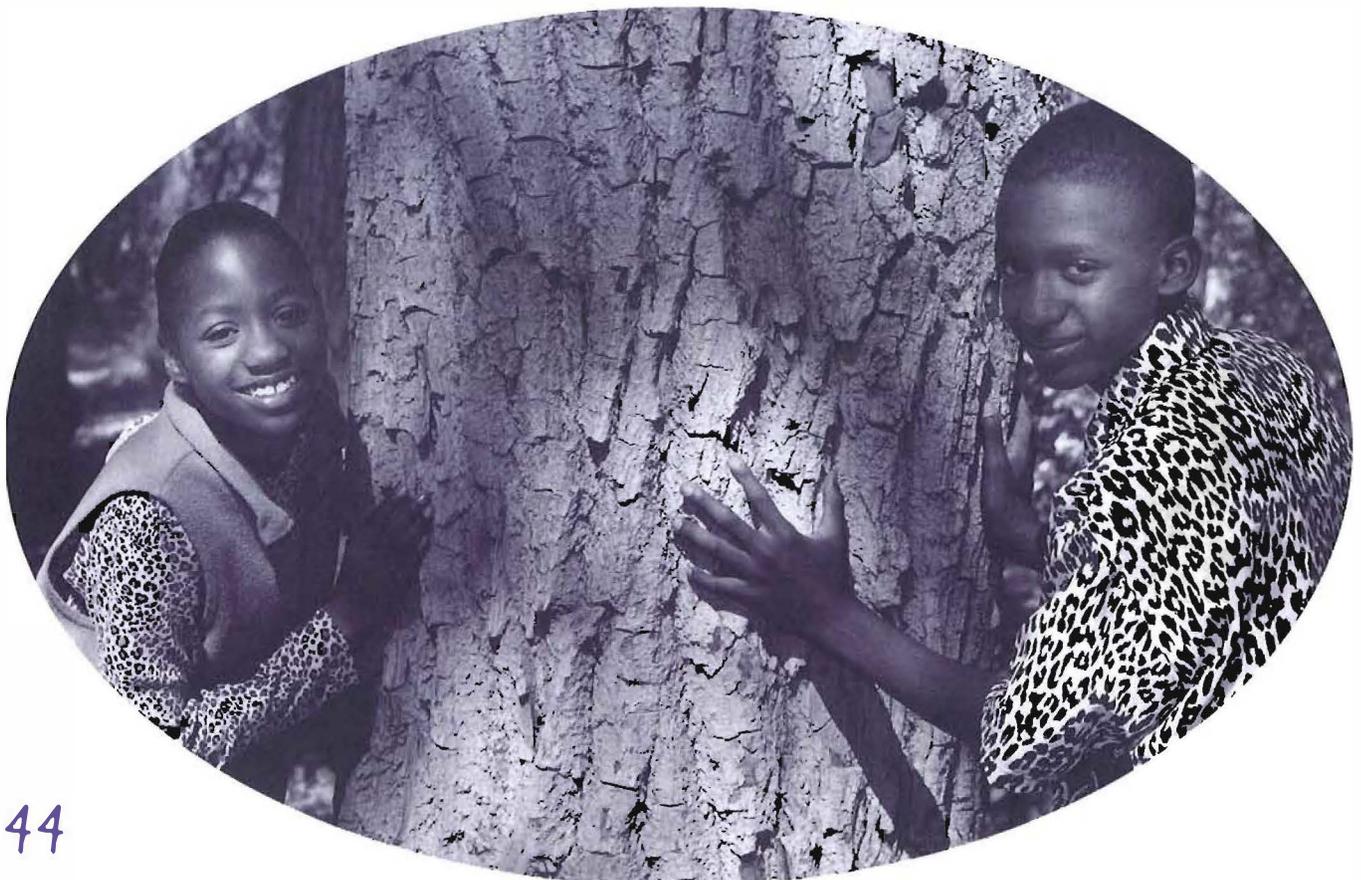
CONVERSATION WITH FOSTER YOUTH

“Why do you spend more on him than on me?”

Foster youth can be very sensitive to perceived inequalities when it comes to spending money. If possible, try to treat everyone in the household the same in terms of money. But if your youth sees you spending extra money on your biological child (as an example, on a plane ticket to visit grandparents) here’s what you might say:

“I know it doesn’t seem fair that we are paying for a plane trip for Johnny and not for you. I’m sorry. I wish there was more money to go around, but there isn’t. We’re Johnny’s parents, and it’s our responsibility to make sure he spends some time with his grandparents. That’s why we are sending him on this trip, but we can’t all afford to go.

“Please don’t think it has anything to do with how we feel about you. You are important to us and we care for you very much. I hope talking about this helped you understand the situation a little better, and hurt a little less. Just know that you are welcome to come to me to talk more about this if it keeps feeling bad to you.”



TOPIC THREE:

Working for a Living

Someday, your foster youth will be expected to get a job, earn a steady income, and live on their own. One way to help them prepare for this day is to give them opportunities to earn money now, while they are under your care and can benefit from your guidance. You also can help your foster youth begin to think toward the future, talk about career dreams, and start to explore ways to get the skills and education needed to pursue a fulfilling career.

MATERIALS NEEDED:

- ◆ pencil for guide exercises
- ◆ money for allowance (Activity No. 1 on page 47)
- ◆ piggy bank or another container to hold money (Activity No. 5 on page 48)
- ◆ bicycle (possibly for Activity No. 6 on page 48)
- ◆ Social Security card, identification card, work permit, or birth certificate (Activity No. 8 on page 48)
- ◆ access to computer (Activity No. 11 on page 49)

POTENTIAL FIELD TRIPS:

- ◆ Walk around neighborhood to evaluate potential jobs for your youth (Activity No. 2 on page 47).
- ◆ Take a bus ride or use some other public transportation (Activity No. 6 on page 48).
- ◆ Visit businesses and organizations of interest to your youth regarding his/her potential career (Activities No. 9 and 10 on page 49).
- ◆ Visit colleges of interest to your youth (Activity No. 11 on page 49).

YOUTH GUIDE CHAPTERS:

- ◆ Not covered in *Money Pals*.
- ◆ Part Two, Chapter 3 of *I Know Where I'm Going*, "Do I Get a Job or Bank on the Lottery?"



TIPS FOR COMPLETING THE YOUTH GUIDES:

- ◆ Review the exercises with the youth. Note that the exercises ask the youth to think about allowances and jobs they can do to earn extra money. Add your own ideas to the suggestions listed in the guides.
- ◆ Share with the youth ways you earned money as a young person.
- ◆ Describe the jobs you have held as an adult, and what you liked or did not like about them.
- ◆ Discuss with the youth the difference between a “job” and a “career” and what that means for a young person. (For example, a career may require more education than a job, but it may also offer more opportunities for promotions, the potential for higher earnings, and more fulfillment.)
- ◆ Emphasize to your youth that their most important job right now is going to school. At the same time, help your youth explore their interests and talents so they can make the connection between interests and talents and fulfilling career choices. With older youth, discuss the information in Part Two, Chapter 3 of their guide that talks about the greater earnings potential of people who have more education.
- ◆ Ask the youth to share with you his or her ideas for earning money now, and future career dreams the youth may have. Encourage your youth to “reach for the stars.”

ACTIVITIES:

Note: ★ indicates appropriate for youth ages 8 to 11; ☀ indicates appropriate for youth ages 12 to 15.

1. Set up an allowance for your youth if he or she does not already receive one. Families approach allowances differently. Here are some suggestions to consider. ★ ☀
 - ◆ Most money experts recommend paying an allowance so youth have the opportunity to manage money, but many of these experts do not recommend linking the allowance to chores. Instead, assign family members responsibilities for household chores that must be performed without pay. The message: “This is our home, and we all have to do our part to keep it running.” ☀
 - ◆ Decide what you expect the allowance to cover. For example, do you expect the youth to pay for treats, movies, and gifts out of their allowance? If you have an older youth, will you give a larger allowance, but expect the youth to cover school lunches and clothes with the money? Allowance amounts vary greatly from family to family. One rule of thumb is to give a weekly allowance equal to one and one half the child’s age. So, for example, a 12 year old would receive \$18 a week as an allowance. (In some areas of the country, the standard is equal to the child’s age—the child would receive \$12.)
 - ◆ Set a day when you will pay the allowance, such as every Monday for younger children or the first day of every month for teens, and honor the date just as you would expect an employer to honor a payday.
 - ◆ Most experts recommend that you not withhold an allowance for poor grades or as punishment for not completing a chore. The primary value of an allowance is to teach children how to manage money, not to use it as a reward or punishment.
 - ◆ If you cannot fit an allowance into your household budget, does the foster youth have a relative or adult friend who would be willing to give them an allowance?
 - ◆ Keep in mind that permitting the youth to make their own decisions about their allowance is the best way for them to learn about managing money (if you can afford it).
2. Brainstorm with the youth about extra jobs he or she might do around the house, or for a neighbor, to earn some money. Take a walk around the neighborhood to see what jobs the youth might be able to do. (At the same time, keep in mind tasks you prefer the youth to do for others at no charge—such as shoveling snow for an elderly neighbor.) See Part Two, Chapter 3 in *Money Pals*: “Sharing with Others” or Part Two, Chapter 4 in *I Know Where I’m Going*: “Why Should I Give My Money to Others?” for more ideas on this topic. ★ ☀
3. If the youth wants to earn money doing chores for neighbors, help them make up some fliers to distribute. Or, practice a short talk the youth can give when going door-to-door to ask for work. ★ ☀

4. Encourage the youth to think about ideas for a small business. A few ideas: walking pets, mowing lawns, watching empty houses during vacations, giving computer lessons to adults, making greeting cards on the computer to sell. Help the youth with ideas for promoting the business, how much to charge, and what the costs (or overhead) will be. Consider making a small loan to get the business started, so that repayment of the loan can be part of the learning experience. If the business requires some extra training (such as taking a Red Cross class on baby-sitting), help the youth enroll. ★☀
5. Give the youth a piggy bank or another way to keep the money from a job or allowance. Better yet, help the youth set up a savings account at a bank. ★☀
6. Has the youth learned to ride a bike, take the bus, or use other public transportation? If not, teach these skills so the youth will be able to get to and from a job. ★☀
7. A good way to build job skills is to volunteer to do things. Future employers will be impressed by the skills your youth will develop as they do volunteer work. ★☀
8. If the youth is old enough to get a part-time job, help him or her land one. The following are a few suggestions. ☀
 - ◆ Coach the youth on ways to look for a job, how to fill out an application, what to expect at the interview, and how to be a good employee.
 - ◆ Help build the youth's confidence by talking about skills the youth already has that would make him or her a good employee. For example, is the youth reliable, neat, or a quick learner? Does the youth have experience in cooking, working on computers, taking care of children, or repairing things? Even if the youth has never had a "real" job before, chances are he or she has developed some valuable job skills.
 - ◆ Explain how paychecks are made out and why taxes may be deducted from the youth's pay. Talk about what taxes pay for.
 - ◆ Help the youth get together the records he or she may need, such as a Social Security card, state identification card, work permit, or birth certificate. If you do not have these records, ask your social worker.
 - ◆ Find out if there are any restrictions on how much money a foster child can earn without jeopardizing his or her state aid.
 - ◆ Remind the youth that his or her most important job right now is going to school. Monitor the number of hours the youth works to make sure it doesn't interfere with doing homework and getting good grades. Some experts recommend that a young person work no more than 10 to 15 hours a week maximum during the school year. Studies have shown that young people who work 20 or more hours a week tend to become less interested in school, let their grades drop, and often have more problems with drugs and alcohol.

9. Take the youth on field trips to explore future careers. Ask friends or neighbors to invite the youth to visit places where they work to learn about their jobs. Encourage the youth to dream about the kind of work they would really love to do when they grow up, and then help them find out what it takes to get into those careers. ★☀️
10. Call businesses and other organizations that give tours and arrange to go on some of them. When you do, discuss with the youth the careers found at these places, how much they might pay, what education is required, and why people are attracted to the careers. Some places you might visit: fire and police stations, local radio station, hospital, museum, restaurant, stock brokerage, or a bank. ★☀️
11. Help your youth have big career dreams. Visit a college, trade or technical school near your home with the youth.

As you walk through the campus, talk about the kinds of careers that require a college education and how students from all backgrounds find ways to go to college, pay for it, and succeed. Explain to your youth what they can do right now to prepare for college: (1) be curious about learning, (2) get good grades, (3) take challenging classes, (4) take part in sports, clubs, or volunteer activities and become a leader in one of them, and (5) get to know their school counselor. The counselor should be able to guide your youth toward any extra tutoring help they might need, explain how students apply to colleges, and help the youth find financial aid to help pay for college. If possible, attend a meeting with the counselor and your youth so you can help the youth follow up on the counselor's suggestions and provide support and encouragement. Another way to begin exploring colleges is to search the Internet. Places to start include the College Board's Web site at www.collegeboard.org, and careerbridge.wa.gov.

CONVERSATION WITH FOSTER YOUTH: *"I don't have to do that unless you pay me."*

Sometimes children expect to be paid for every chore they do around the house. If that happens, you might say:

"In our house, we believe that it is everyone's job to help out so that we can all have a nice place to live. You're part of this family, too, and I need your help to keep things running smoothly. If we all pitch in together, the work will be done sooner, and then we can all have time to do something we enjoy. If there are extra jobs that go beyond being part of this family, I would consider paying you to do them, but not for the jobs that come from being a family member. Does that make sense to you?"



TOPIC FOUR:

Sharing with Others

All of us have benefited from the caring and involvement of others. You are fostering the spirit of caring and compassion as you take care of your foster youth. Pass along the spirit of giving to your youth by showing them simple ways in which they can help others and share their time and caring.

MATERIALS NEEDED:

- ◆ pencil for guide exercises
- ◆ paper (Activities No. 1 and 3 on page 51)
- ◆ crayons or colored markers (Activity No. 3 on page 51)
- ◆ money (Activity No. 5 on page 51)

POTENTIAL FIELD TRIPS:

- ◆ Take a trip to the grocery store (Activity No. 7 on page 52).
- ◆ Take a trip to a nursing home (Activity No. 8 on page 52).

YOUTH GUIDE CHAPTERS:

- ◆ Part Two, Chapter 3 of *Money Pals*: “Sharing with Others”
- ◆ Part Two, Chapter 4 of *I Know Where I’m Going*: “Why Should I Give My Money to Others?”

TIPS FOR COMPLETING THE YOUTH GUIDES:

- ◆ Review the exercises with the youth. You’ll notice that many of the ideas involve sharing time and talents with others, and do not require money.
- ◆ Discuss with the youth the things you do to help others. For example, do you contribute canned foods to a food bank? Do you drive an elderly neighbor to the store? Do you volunteer to baby-sit for a relative occasionally?
- ◆ Ask the youth to think of times when they have shared with others or have helped others. Ask them what they enjoyed most, and what special talents they can share with others.



ACTIVITIES:

Note: ★ indicates appropriate for youth ages 8 to 11; ☀ indicates appropriate for youth ages 12 to 15.

1. Honor the youth for sharing. Make a list of things the youth has done to help or share with others. Pin the list on his or her bulletin board with stickers for accomplishment or some other recognition. ★ ☀
2. Brainstorm ways the two of you could help or share with someone. From the list, agree on a favorite way and make a plan to do it together. ★ ☀
3. When you hear about someone the youth knows who is sick or feeling down, suggest that the youth make a greeting card to send to the individual. Show the youth how to address the envelope, put on a stamp, and mail it. ★ ☀
4. If the youth tells you about a sick friend who missed school, suggest telephoning the friend to say hello and ask how he or she is doing. ★ ☀
5. Describe various charities to the youth, explain what they do, and ask the youth which one interests him or her the most. Then, help the youth make a small donation to his or her favorite charity. The money could come from the youth's allowance, job earnings, or the "Share" jar suggested earlier in this handbook. ★ ☀

6. Suggest that the youth go through his or her belongings and pick out toys or clothes that are no longer used. Let the child donate these items to a thrift store run by a charity. ★☀️
7. Invite the youth to go to the grocery store with you and pick out one or two cans of food for a local food bank. If possible, deliver the food to the sponsoring organization in person, so your youth can see the charity in action. ★☀️
8. If you visit a friend in a nursing home, invite the youth to go with you. Show the youth simple things to say or do during the visit, such as drawing a picture for the elderly person, reading a news article to him or her, or taking the person for a stroll. ★☀️
9. Invite the youth to help you rake leaves, shovel snow, or run errands for a sick or elderly neighbor or friend. Talk about the difference between helping for free and expecting to be paid. ★☀️

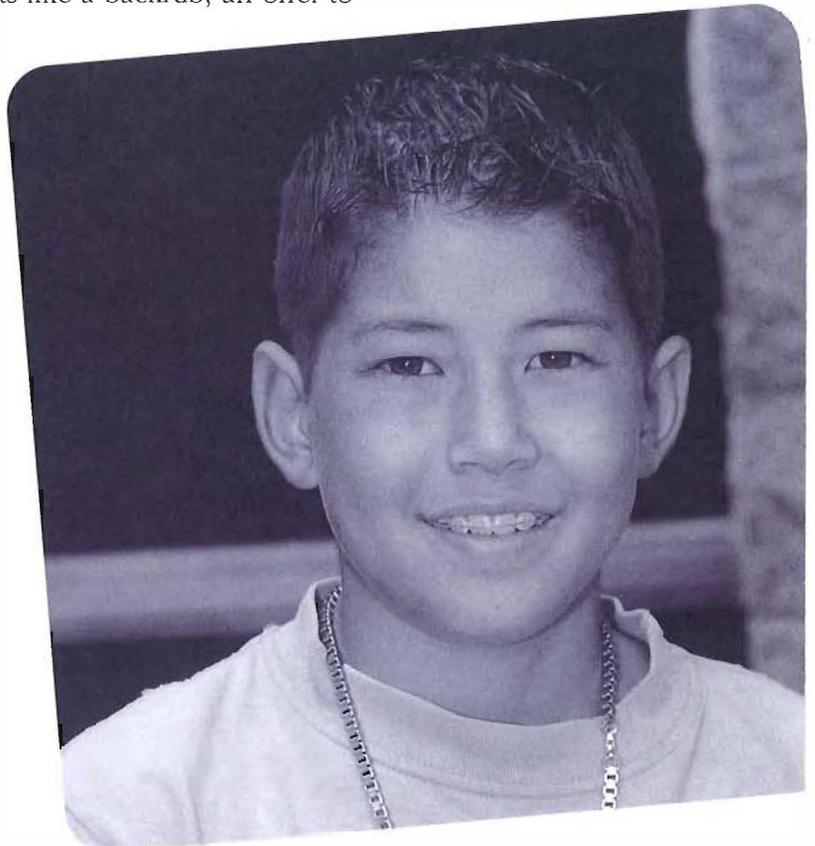
CONVERSATION WITH FOSTER YOUTH:

“I don’t have any money to buy presents.”

If your foster youth worries that he or she doesn’t have any money to buy someone a gift, you might say:

“A talk show on TV recently asked people walking down the street what their best friend gave them last year for Christmas. Just about the only people who remembered were those who received homemade gifts or gifts like a backrub, an offer to baby-sit, or a promise to wash the dishes for a week.

“The survey found out that people remember those gifts a lot longer than the gifts we buy. How about making a coupon book as a gift? Each coupon could be good for something you can do or make for the person, instead of something you buy. I think they’ll remember that gift for years. What do you think?”



TOPIC FIVE:

Dare to Dream

Like all children, foster youth deserve to dream about a wonderful life. Help your youth develop the courage to dream big dreams and make plans to reach them.

MATERIALS NEEDED:

- ◆ pencil for guide exercises
- ◆ crayons and colored markers or old magazines (exercise in guide for 8- to 11-year-olds)
- ◆ paper (Activities No. 1 and 2 on page 54)
- ◆ *Stand and Deliver* movie or other inspirational story (Activity 3 on page 54)

POTENTIAL FIELD TRIPS:

- ◆ Visit the library for biographies (guide exercise).

YOUTH GUIDE CHAPTERS:

- ◆ Part Two, Chapter 4 of *Money Pals*: “Dare to Dream”
- ◆ Part Two, Chapter 5 of *I Know Where I’m Going*: “I’ve Always Kept My Dreams to Myself”

TIPS FOR COMPLETING THE YOUTH GUIDES:

- ◆ Review the exercises with the youth. Note that the child is asked to imagine his or her future. Both guides talk about heroes or people **they admire**.
- ◆ Share with the youth stories about people you know who have overcome obstacles and have succeeded in life. If you have taken care of foster youth in the past who have gone on to do well in life, share their stories with your current youth.
- ◆ Ask your youth to tell you stories about people they have known who have overcome hardships and have found success.
- ◆ Talk about what a hero is and where we can find heroes in our own lives.



ACTIVITIES:

Note: ★ indicates appropriate for youth ages 8 to 11; ☀ indicates appropriate for youth ages 12 to 15.

1. Make a list together of people you know and write down what was difficult about their lives and what they have done to create successful lives. ★ ☀
2. Ask your youth to tell you what their dreams are for the future. Together, make a list of things the youth can do to reach those dreams and the things you can do to help their dreams become a reality. ★ ☀
3. The younger youth guide tells the story of Jaime Escalante. Older youth may enjoy watching the movie made about his life called *Stand and Deliver*. Or, stream a movie about some other inspirational person or group and watch the movie together. ★ ☀

CONVERSATION WITH FOSTER YOUTH:

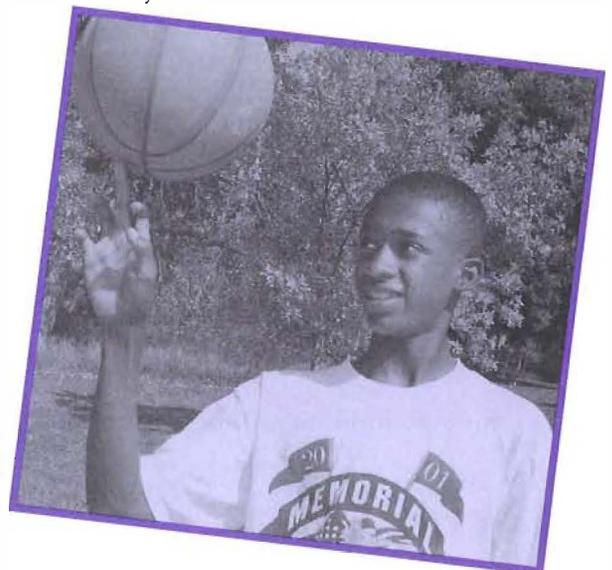
“I won’t be able to afford to go to college, trade or technical school.”

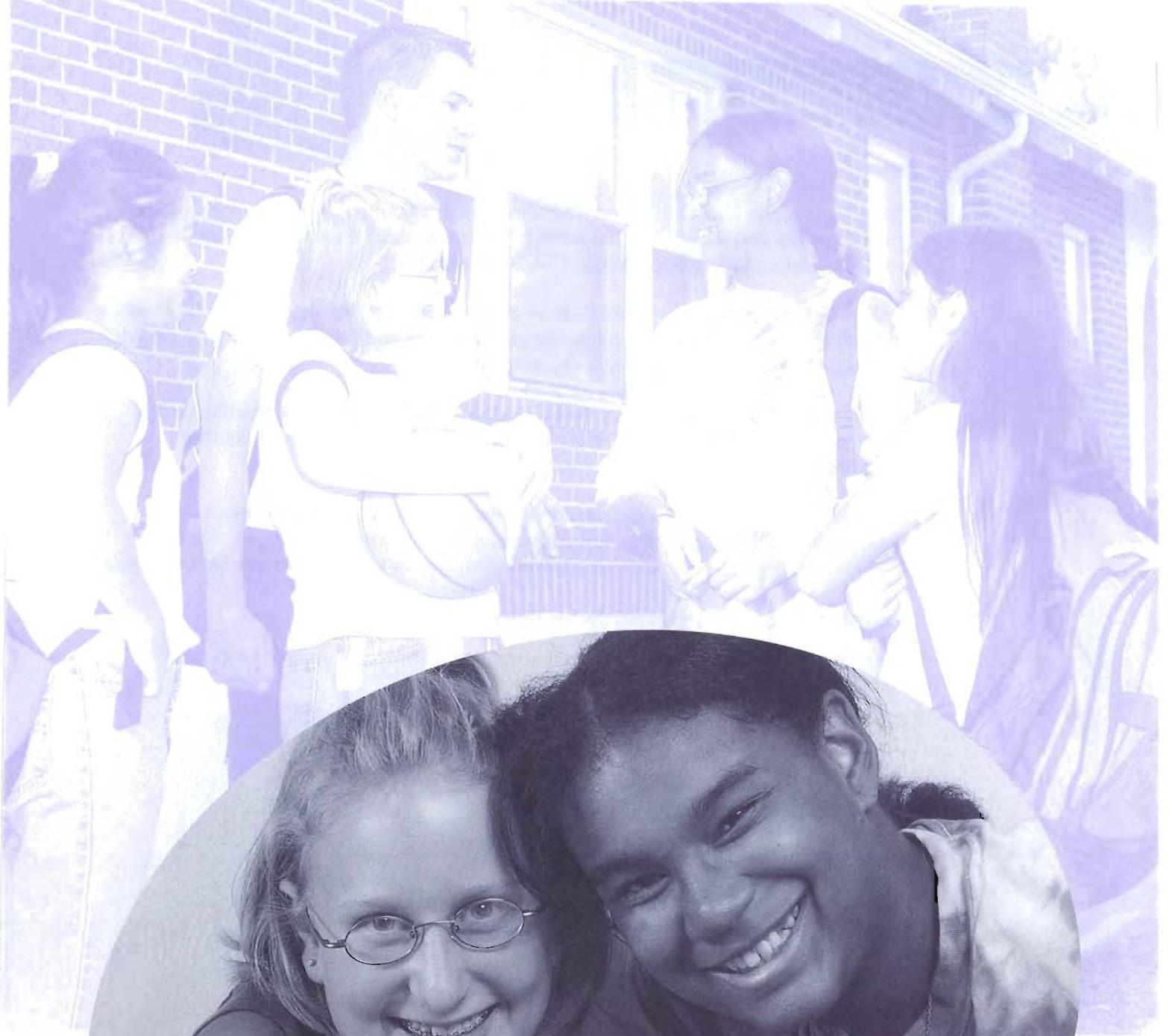
Your foster youth may feel that education and training after high school is an unreachable dream. Show him or her that a higher education is possible. You might say:

“I understand why you might feel that way. Your birth family doesn’t have an education fund for you, and we can’t afford to send you to college or trade school either. But that doesn’t mean that it is an impossible goal. There are many scholarships and grants for young people who have financial need. These scholarships and grants will pay part of the cost of going to college or trade school, or maybe even all of it.

“You also can work while you go to college or trade school. Or, you may take out a loan to complete higher education, because when you get a good job, you will be able to repay the loan. The most important thing is not to give up on your dreams. Let’s go talk to your school counselor (or teacher) to find out some of the things you can start doing right now to get ready to go to college or trade school. Okay? What do you think?”

Congratulations! You and your foster youth are on your way to a bright and fulfilling future. Reward your youth in whatever way is possible and do something special together to celebrate!





Resources for Caregivers*

If you want to build your money skills, the following books have all appeared on multiple Best Finance Books lists:

- ◆ *Finance for the People*, by Paco de Leon, Feb. 2022. The book is inclusive to people from a variety of economic backgrounds. It focuses on skills, behavior and practical applications.
 - ◆ *Get Good with Money: Ten Simple Steps to Becoming Financially Whole*, by Tiffany the Budgetnista Aliche, March 2021. A ten-step plan for finding peace, safety and harmony with your money- no matter how big or small your goals.
 - ◆ *Teaching Kids Good Money Habits: Discover 7 Ways to Raise Financially Smart Children Today for a Richer Tomorrow*. August 2023, by Mario A. Vasquez.
 - ◆ 'Why Didn't They Teach Me This in School?' by Cary Siegel
- * Suggestions provided by the *Financial Education Public-Private Partnership (FEPPP) of Washington state*.



Books, Games, Videos, and Web Sites for Youth*

BOOKS FOR YOUNGER KIDS

- ◆ *Alexander, Who Used to Be Rich Last Sunday*, by Judith Viorst, about a boy whose money burns a hole in his pocket.
- ◆ *Arthur's Funny Money* by Lillian Hoban, in which Arthur sets up a bike-washing business to earn money for a T-shirt.
- ◆ *The Berenstain Bears Get the Gimmies*, by Stan and Jan Berenstain, in which Brother and Sister Bear have the “galloping, greedy, gimmies.”
- ◆ *Eyewitness Books: Money*, by Joe Cribb. An encyclopedic history of money, foreign currency, and trading.
- ◆ *Freckle Juice*, by Judy Blume, in which Andrew uses five whole weeks of allowance to buy a secret freckle recipe and learns some valuable consumer lessons as a result.
- ◆ *The Go-Around Dollar*, by Barbara Johnson Adams, in which a dollar bill travels from person to person. The book also explains where and how money is made.
- ◆ *The Peanut Butter and Jelly Game*, by Adam Eisenson. Young people learn the consequences of spending all their money the moment they get it.
- ◆ *If You Made a Million*, by David M. Schwartz, in which a magician shows what money looks like and demonstrates the concept of a million dollars.
- ◆ *Money, Money, Money*, by Nancy Winslow Parker. A brightly illustrated exploration of the meaning of the art and symbols on U.S. paper currency.
- ◆ *The Monster Money Book*, by Loreen Leedy. Members of the Monster Club discuss money, managing and spending their dues, and how to be a smart shopper.

DIGITAL LEARNING AND GAMES FOR KIDS

- ◆ EconEdLink Family-At-Home Financial Fun Pack. EconEdLink- a Council for Economic Education Program
- ◆ U.S. CURRENCY EDUCATION PROGRAM. Currency Academy. (The Learning Company). Players learn math, time, and money skills while they collect treasures, catch elves, and melt the ice kingdom.
- ◆ FEDERAL RESERVE BANK of CLEVELAND <https://www.clevelandfed.org/diversity-equity-inclusion/financial-literacy-resources>. Home to Escape from Barter Island and other on-line games.

* Suggestions provided by the Young Americans Bank, Denver, Colorado, Janet Bodnar, author of *Dollars & Sense for Kids* and *the Financial Education Public-Private Partnership (FEPPP) of Washington state*.

DIGITAL LEARNING, BOOKS AND GAMES FOR OLDER KIDS

- ◆ **Cash Codebreakers: An Algebra Adventure.** A free educational game that uses interactive puzzles and algebra problems to help middle school students learn about U.S. currency. To escape the money museum, they'll need to solve seven puzzles in the exhibits and create a magical \$100 bill that will serve as their ticket out of the facility
- ◆ **Financial Football (NFL+ VISA Practical Money Skills).** Visa and the National Football League have teamed up to help teach financial concepts with Financial Football, a fast-paced, interactive game that engages students while teaching them money management skills.
- ◆ **Financial Soccer (FIFA + VISA Practical Money Skills).** Take your money skills to the next level with Visa's Financial Soccer, a dynamic, interactive game designed to both educate and entertain. Hone your practical knowledge of financial concepts while leading your favorite FIFA country to victory.
- ◆ **Next Generation Personal Finance (NGPF) Arcade Games**
- ◆ *How to Money: Your Ultimate Visual Guide to the Basics of Finance*, by lean Chatzky, Kathryn Tuggle, and Illustrator Nina Cosford. May 2022. An up-to-date illustrated guide on money basics.
- ◆ *How to Turn \$100 into \$1,000,000,000: Earn, Invest, Save*, by James Mckenna and leanina Glista. This book teaches kids about money management in a funny yet informative manner.
- ◆ *I want More Pizza: Real World Money Skills for High School, College, and Beyond*, by Steve Burkholder.
- ◆ *Think Like a Boss - Kids Edition: 47 Money Making Ideas for Young Entrepreneurs, Earn Key Skills for Future Job Success in the Workplace or in Business.*

SHORT VIDEOS

- ◆ **FinCap Fridays.** Next Generation Personal Finance. Engage youth with financial current events. FinCap Fridays combine a 5-question competition with a short video to energize and engage youth through current events.
- ◆ **It's a Money Thing.** CapEd Credit Union. Watch helpful videos on financial literacy.
- ◆ **It's a Money Thing Jr.** Kohler Credit Union. Short, entertaining, and informative videos. Younger youth can start to learn early how to properly manage their money.

* Suggestions provided by the Young Americans Bank, Denver, Colorado, Janet Bodnar, author of *Dollars & Sense for Kids and the Financial Education Public-Private Partnership (FEPPP) of Washington state.*

MAGAZINE AND NEWSLETTERS

- ◆ Consumer Reports. Product reports for people who want facts, not opinions. Available in hard copy or on-line at many public libraries.

DIGITAL GAMES, SIMULATIONS AND WEBSITES

- ◆ *College Board*. Information on colleges, admissions requirements, costs, and financial aid.
- ◆ *The Stock Market Game*. Excellent primer produced by and for kids. This resource was designed for classroom use.
- ◆ NOVA Financial Lab (PBS Learning Media: economics). Practice making financial decisions by taking care of your pet through three mini-games.
- ◆ Econ Vids for Kids: What is Money? Explore how money originates out of barter system, and the five characteristics of money.
- ◆ *Build Your Stax*. Next Generation Personal Finance. See the consequence of 20 years of investing decisions in 20 minutes.
- ◆ Payback. Next Generation Personal Finance. Learn how much college majors pay and how to minimize that pesky student.
- ◆ We are Teachers. Financial education resources for families

* Suggestions provided by the Young Americans Bank, Denver, Colorado, Janet Bodnar, author of *Dollars & Sense for Kids* and the *Financial Education Public-Private Partnership (FEPPP)* of Washington state.

GAMES

- ◆ *The Allowance Game* (Lakeshore Learning Materials, 1-800-421-5354). Players make a circuit of the board and use their allowance to do things “that kids really do.” The first player to save \$20 is the winner.
- ◆ *The Game of Life* (Milton Bradley). A big hit among children of all ages. Includes careers, college loans, mortgages, car insurance, dividends, and taxes.
- ◆ *Monopoly* (Parker Brothers). Still popular, although long. Adults can pick up the pace by letting players start building houses and hotels as soon as they purchase one property.
- ◆ *Monopoly Junior* (Parker Brothers). A shorter version of Monopoly set in an amusement park where attractions charge admission.
- ◆ *Payday* (Parker Brothers). The idea is to get from one payday to the next with money to spare.
- ◆ *Presto Change-O* (Educational Insights, 1-800-933-3277). Follow the “Earn” and “Spend” directions and be the first to save \$10. Players must constantly rebalance their accounts to make the right change.

* Suggestions provided by the Young Americans Bank, Denver, Colorado, and *Dollars & Sense for Kids* by Janet Bodnar.



Money Management Skills for Different Ages

Ages 8 and 9

Money Basics	Yes	No	Date Reviewed
1. Knows that coins and bills are money			
2. Understands that money buys things			
3. Recognizes money denominations			
4. Counts money correctly			
Saving and Financial Institutions	Yes	No	Date Reviewed
1. Understands what it means to save money			
2. Saves money for short-term goals			
3. Has visited a bank			
4. Opens a bank savings accounts			
5. Has seen a checkbook			
6. Has seen an ATM transaction			
7. Has seen credit card use			
Spending and Decision Making	Yes	No	Date Reviewed
1. Spends own money to buy things			
2. Makes decisions about spending			
3. Cuts back on spending to save for something			
4. Earns money around the house or receives an allowance			
5. Has shopped for groceries, clothes, and other items			

Sharing	Yes	No	Date Reviewed
1. Describes ways to share with others			
2. Shares money, time, and talents with others			
Goals and Dreams	Yes	No	Date Reviewed
1. Describes for the future			

Ages 10 and 11

Note: Youth understand skills presented for previous age groups

Spending and Decision Making	Yes	No	Date Reviewed
1. Makes change with money			
2. Distinguishes between a want and a need in relation to spending decisions			
3. Distinguishes between spenders and savers in terms of money management personalities			
4. Explains the difference between saving and investing and sharing money			
5. Knows what money can't buy			
6. Pays for items at the store and knows how to get back the correct change			
7. Compares price and quantity when shopping for items			
8. Reads a menu, orders a meal, and pays for it, counts the change, leaves a tip			
Savings	Yes	No	Date Reviewed
1. Saves money for longer-term goals			
2. Has made saving money a habit			
3. Understands the concept of earning interest on savings			

Banking, Checking and Credit	Yes	No	Date Reviewed
1. Knows what a bank and its employees do			
2. Practices writing checks			
3. Understands that checking accounts and cash from ATMs are not free money			
4. Practices filling out bank deposit and withdrawal forms			
5. Explains how a credit card works			
Advertising	Yes	No	Date Reviewed
1. Describes how advertising manipulates people to buy			

Ages 12 to 13

Note: Youth understand skills presented for previous age groups

Investing	Yes	No	Date Reviewed
1. Knows about ways to invest money in addition to bank savings accounts			
Checking	Yes	No	Date Reviewed
1. Practices balancing a checkbook register			
Credit	Yes	No	Date Reviewed
1. Calculates interest costs on credit card charges			
2. Describes how credit cards put people in debt			
Spending and Budgeting	Yes	No	Date Reviewed
1. Describes what a spending plan (budget) is			
2. Uses a simple spending plan (budget) to plan how to spend his or her own money			
3. Describes costs in terms of time (for example, it takes 16 hours at \$5 an hour to buy \$80 shoes)			

Goals and Dreams	Yes	No	Date Reviewed
1. Makes plans for the future			

Ages 14 to 15

Note: Youth understand skills presented for previous age groups

Employment/Volunteerism	Yes	No	Date Reviewed
1. Has a part-time job or business or a significant volunteer activity			
2. Rides a bike or bus to get to a job or volunteer activity			

Goals and Dreams	Yes	No	Date Reviewed
1. Makes plans for the future			



Notes

Acknowledgments



NATIONAL ENDOWMENT FOR
FINANCIAL EDUCATION

Partnering for Financial Well-Being



Financial Education
Public-Private Partnership
Financial Education - It Impacts Everyone



The Annie E. Casey Foundation

Caregiver's Handbook for *Money Pals: Being Cool with Cash* and *I Know Where I'm Going (But Will My Cash Keep Up?)* was written and prepared as a public service project by the Denver-based National Endowment for Financial Education, or NEFE; William L. Anthes, Ph.D., *President*; Brent A. Neiser, CFP, *Director of Collaborative Programs*; and Jeannette Herreria, *Project Manager*.

NEFE is an independent nonprofit foundation committed to educating Americans about personal finance and empowering them to make positive and sound decisions to reach financial goals. The National Endowment for Financial Education, NEFE, and the NEFE logo are federally registered service marks of the National Endowment for Financial Education. For more information about the National Endowment for Financial Education, visit www.nefe.org.

The National Endowment for Financial Education extends its sincere gratitude to the following individuals and groups, who generously contributed their time and expertise in the development of this series.

Percy Bailey
Kathy Barbell
Suzanne Barnard
Angela Bell
Jaquin Camacho
Santos Camacho
Amy Clay
Walika Cox
Connie Dykstra
Kristi Jo Frazier

Angel French
Sheila Garden
Maria Garin
John Gutierrez
Talmira Hill
Vanessa Jones
Karen Jorgenson
Charlotte Kellis
Carolyn S. Linville
Darrell Locke

Roberto Marte
Kenya McKinnie
Robin Nixon
Jenny Velazquez
Child Welfare League
of America
Casey Family Services
Life Skills Work Group

The Annie E. Casey Foundation is a private charitable organization dedicated to helping build better futures for disadvantaged children in the United States. The Foundation was established in 1948 by Jim Casey, one of the founders of United Parcel Service, and his siblings, who named the Foundation in honor of their mother. The primary mission of The Annie E. Casey Foundation is to foster public policies, human-service reforms, and community supports that more effectively meet the needs of today's vulnerable children and families. In pursuit of this goal, the Foundation makes grants that help states, cities, and neighborhoods fashion more innovative, cost-effective responses to these needs.

The Financial Education Public-Private Partnership (FEPPP) of Washington state updated this resource with collaboration from Miladys Garcia, Special Populations Program Supervisor and Pam Whalley, Associate Director of Financial Education.