

Rich Kid Smart Kid Games

Game Three: Ima's Dream

Topic: Pay Yourself First

Grade Level: 6-8

Interactive Internet Game Activity

“Pay Yourself First” may be a little difficult to understand when you first hear it. However, read the overview of “Planting a Money Tree.” Young people have often heard that money does not grow on trees. However, money can grow like trees. Students will learn more about this as they complete these activities.

Learning Objectives

- Understand the concept of “Pay Yourself First”
- Classify thoughts and ideas
- Perform mathematical calculations

Assessments

Students will: (1) Compile a list of items on which a person can spend money, (2) Categorize a list of items based upon similarities, (3) Solve mathematical problems based upon given scenarios.

Classroom Activities

1. Pay Yourself First: Planting a Money Tree – Give yourself plenty of time to discuss the overview information. (Don't hesitate to use the classroom discussion questions below.) The “Pay Yourself First” concept should become much clearer after this lesson.
2. P.Y.F. Investments – Students will complete the “Pay Yourself First” (P.Y.F.) Investment crossword puzzle. This activity can be completed and corrected individually or can be a small group assignment. If completed as a small group, allow students time to complete it individually and then give them one crossword puzzle upon which to write their group's answers. Have students correct their individual puzzle with a pen color not previously used. This will give you the opportunity to help students who have not mastered the required math skills.
3. You Make the Call - Have students come up with a list of things that people use money for. First, have every individual student make a list. Then, go around the classroom having students contribute ideas from their individual list and write those ideas on the board. Once you have compiled this list, pass out the activity chart entitled: “You Make the Call.” Have students take the list and divide each entry into one of the columns on the chart.

Class Discussion Questions

1. As you plant your money tree, how will you take care of your tree?
How much water will you give your tree? (How much do you plan to save for a tough financial time?)
What kinds of seeds will you plant? (What kind of investments will you make?)
How will you nurture your tree? (Do you have a favorite charity?)
If yes, why are you interested in that particular charity?
If no, it's time to learn more about charities. You can do this by going to the library, surfing the web or reading the newspaper or magazines.

Overview

Pay Yourself First: Planting A Money Tree

The phrase to remember is Pay Yourself First. It means just what it sounds like it means. Whenever you get money, the first thing you should do is set aside a part of that money for you. Understand, this will not be money that you will spend for a new bike. This is money that has an entirely different purpose. The purpose of the Pay Yourself First money is...to grow a money tree!

Life of a Money Tree

A money tree begins, as all trees begin, with a seed. When you look at a money tree seed it seems so very small (a penny, a dime, a dollar) that you may not think much of it. Even after it is planted it is so small and seems to grow so slowly, but grow it does (\$10, \$50, \$100), and slowly but surely the roots get strong and the branches form (\$200, \$500, \$1,000).

A few years go by and you notice your money tree is getting big (\$2,000, \$5,000, \$10,000). This is when you may be tempted to cut it down (spend it) and use it for

Money may not grow on trees, but it grows like a tree.

firewood (buy a doodad). If you cut it down now you will miss the most important part of the life of a money tree, when it begins to bear fruit (\$). Each year you will be able to harvest the fruit of your money tree. Each year your tree will continue to grow and bear more and more fruit (\$\$\$\$\$). The mature money tree will give you all the fruit you need and will continue to do so for as long as you live...and beyond.

Growing a Money Tree

Water. A money tree will always need water. Without water the tree will die. Usually water is not a problem, but sometimes there are droughts. Always have an ample supply of water in case of a drought.

***Savings.** As you Pay Yourself First, set aside some of your money into a savings account. Always have enough savings to get you through a tough financial time.*

Seeds. You cannot grow a money tree without seeds. Seeds come in all sizes. Any size seeds will do. Warning: Money tree seeds are very tasty and many people eat all their seeds. The important point is you must not eat all of your money tree seeds!

***Investing.** As you Pay Yourself First, set aside some of your money into an investment account. Money in this account will be seed money to your financial future.*

Nurture. A money tree will grow faster and stronger with your care. Be sure to nurture your money tree. Care for it by giving it protection, giving it extra nutrition, and giving it your love.

***Giving.** As you Pay Yourself First, set aside some of your money into a charity account. The money you give to help others will always make you a richer person.*

P. Y. F. Investments

1					SAMPLE 2		
				2	5	3	
4			5				
		6			7		
		8					

SAMPLE: Interest from a \$1,000 Savings Account at 2.5% for one year. (1,000 x .025 = 25)

ACROSS

- 1 – Value of a \$1,200 Certificate of Deposit that doubles in 12 years.
- 2 – Value of a \$700 Stock Fund that increases by 370%.
- 4 – Income from a Municipal Bond that pays \$423 per year for 15 years.
- 6 – Income from a 4 Unit Apartment that returns \$57 per unit per month for 7 years.
- 8 – Value of 1,000 shares of ABC Corp with a market price of \$27.25 per share.

DOWN

- 1 – Income from \$15,000 Limited Partnership that returned 18% per year for 8 years.
- 3 – Value of 424 shares of High Tech Corp bought for \$40 per share, with a current market value of \$23 per share.
- 5 – Proceeds from Vacant Lot sold for 3 times the \$19,999 purchase price.
- 7 – Income from \$5000 in Preferred Stock earning \$111 per year in dividends for 5 years.

P.Y.F. Investments
Answer Key

2	4	0	0		2		
1				2	5	9	0
6	3	4	5			7	
0			9			5	
0		1	9	1	5	2	
			9		5		
		2	7	2	5	0	

ACROSS

- 1 – Value of a \$1,200 Certificate of Deposit that doubles in 12 years.
 (1,200 x 2 = 2400)
- 2 – Value of a \$700 Stock Fund that increases by 370%.
 (700 x 3.7 = 2590)
- 4 – Income from a Municipal Bond that pays \$423 per year for 15 years.
 (423 x 15 = 6345)
- 6 – Income from a 4 Unit Apartment that returns \$57 per unit per month for 7 years.
 (57 x 4 x 12 x 7 = 19152)
- 8 – Value of 1,000 shares of ABC Corp with a market price of \$27.25 per share.
 (27.25 x 1,000 = 27250)

DOWN

- 1 – Income from \$15,000 Limited Partnership that returned 18% per year for 8 years.
 (15,000 x .18 x 8 = 21,600)
- 3 – Value of 424 shares of High Tech Corp bought for \$40 per share, with a current market value of \$23 per share.
 (424 x 23 = 9752)
- 5 – Proceeds from Vacant Lot sold for 3 times the \$19,999 purchase price.
 (19,999 x 3 = 59,997)
- 7 – Income from \$5000 in Preferred Stock earning \$111 per year in dividends for 5 years.
 (111 x 5 = 555)

You Make the Call

Instructions

Have students come up with a list of things that people use money for. First, have every individual student make a list. Then, go around the classroom having students contribute ideas from their individual list and put them on the board. Once you have compiled this list, pass out the activity chart entitled: “You Make the Call.” Have students take the list and divide each entry into one of the columns on the chart.

Examples

CHARITIES	EMERGENCY SAVINGS	INVESTING	FUN	OTHER
American Cancer Society	Furnace	Stocks	Games	Food
United Way	Hospital	Real Estate	Vacations	Clothes
Food Banks	Car Repair	Bonds	Bowling	Car