



# MAKING CENTS

FOR KIDS

## Piggy Bank Logic

Hi! It's me, your piggy bank. I know you're busy with school, but I have a few lessons about money that I want to share with you.

### A Fool and His Money Are Soon Parted

If you buy a toy without comparing prices at different stores, you may pay more for it. If you spend your cash on gum and candy, you'll have nothing to show for it. It's important to be smart about how you spend your money and put part of it aside for something long-lasting.

### Saving for a Rainy Day

Rainy days can be gloomy and even spoil your plans. Much the same way, not having enough money to fix your broken bike or go on a shopping trip can keep you from joining in the fun. Save some of your allowance or money from gifts for unplanned events and you won't be left out in the rain.

### It Takes Money to Make Money

If you deposit \$1 into your savings account and leave it there, it will earn more money. That's called interest. But if you spend that \$1 instead of depositing it, you don't have the \$1 or the interest it will earn. Keeping your money in your account will help your savings grow.



## Double-check When You Get Money Back

As a money-smart kid, you want to get the right amount of change back when you buy something. To check the clerk's math, just subtract the total cost

of the item from the amount you give to pay the bill.

For example, you want to buy a kite that costs \$7.35. So, you give the clerk \$7.50 to pay for

it. The clerk gives you 10 cents (\$0.10) change. Is this correct?

Your cash:	\$ 7.50
The total bill:	- \$ 7.35
Correct change:	\$ 0.15

Because the correct change is 15 cents (\$0.15) and the clerk has already given you 10 cents (\$0.10), the store owes you 5 cents (\$0.05).

## The Change Game

Now that you know how to figure change, pretend you are a store clerk. Then, match the correct change with each customer. (Ask your parents for help if you do not know how to subtract decimals.)



1) Katy gives you \$5.78 to buy a toy airplane. The airplane is \$3.78.

2) For his lunch, John wants a sandwich that costs \$4.27. He uses a \$10 bill.



3) Judy gives you \$5 to get three balloons for her friends. The total is \$3.15.



- A. \$1.85
- B. \$2
- C. \$5.73



# MAKING CENTS

FOR TEENS

## Reality Check

### What Would Your Dream Lifestyle Cost?

Close your eyes and imagine yourself living the life of your dreams. Some people picture themselves with designer duds, a big house and a flashy car. Others would be happy with a few cool outfits, a nice apartment and a dependable set of wheels. Whatever your dreams, you may be surprised by the cost of living in the real world.

#### How Much Will You Be Earning?

The size of your future paycheck may depend on your education level. High school graduates earn an average of \$24,110 a year, compared with \$44,740 for those with bachelor's degrees.\*

What field you enter can also make a big difference. Recent starting salaries for new college graduates ranged from an average of \$29,105 for liberal arts degrees to \$52,722 for computer engineering degrees.\*\*

#### Rent + Other Expenses = Oh-my-gosh!

Once you're living on your own, you'll find your paycheck gobbled up by numerous expenses. Stay on track by creating a budget.

**Consider your fixed expenses.** Even if you share an apartment with a roommate, you're still likely to spend hundreds of dollars a month on rent. You'll also have a phone bill and may have

utilities to pay. Other expenses include income tax, property tax (if you buy a home), debt repayment (such as college loans), health insurance and homeowners/renters insurance.

**Add in transportation costs.** If you have a car, include car loan payments, gas, maintenance, vehicle registration and insurance in your budget.

**Calculate variable expenses.** You have some control over these expenses. They include food, household supplies and furnishings, clothing, entertainment, pets, vacations, books and CDs, hobbies, haircuts, gifts and donations to charity.

**Don't forget savings.** Often the most financially successful people are those who consider savings a "fixed" expense and take it out of their paychecks right away.

#### How We Can Help

By developing good spending and savings habits now, you'll be way ahead when you're out on your own. With a savings account at North Shore Bank, you can start on the road to making your dream lifestyle a reality.

\* Source: American Council on Education report, [www.acenet.edu](http://www.acenet.edu). Figures are U.S. Census Bureau data from 1998.  
\*\* Source: National Association of Colleges and Employers, Salary Survey, Winter 2003, [www.naceweb.org](http://www.naceweb.org).



### Why Is Car Insurance So Expensive?

Auto insurance rates are based on how likely you are to have a crash. Unfortunately, as a first time driver, the odds are against you. In fact, the risk of crash per mile driven is four times higher for 16- to 19-year-olds than for older drivers.\* Consequently, teenagers pay much more for insurance than the average driver – sometimes 50-75% more.\*\*

To cut costs, you can:

- Join your parents' policy
- Maintain at least a B average in school
- Avoid tickets, violations and accidents
- Shop around for the best plan

#### Start Saving Now

Depending on your record, high rates will likely be with you

until you're 25, married or both. North Shore Bank can help you save enough money for insurance, so you can hit the roads safely. Talk to a personal banker about opening a savings account today.

\* Source: [www.car-insurancequotes.com](http://www.car-insurancequotes.com).  
\*\* Source: [www.bankrate.com](http://www.bankrate.com).