



PIGGY BANK PRIMER

Saving and Budgeting

A WORKBOOK SERIES FROM THE FEDERAL RESERVE BANK OF ST. LOUIS



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PIGGY BANK PRIMER

Hi! My name is Pig E. Bank.

I am the fellow on your dresser who helps you save money for things that you want. I am usually shaped like a pig, but even a can, a jar or an old box can be used as a bank.

A favorite saying of mine is, "Spend a part, save a part, and share a part!"

Two friends of mine learned this lesson not too long ago.



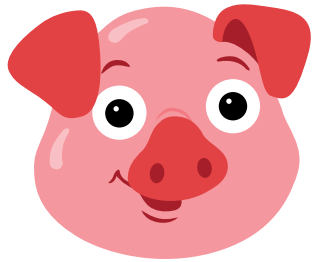
Greg and his friend

Ann both want a tablet that they can use for both school and play.

The tablet they saw at the mall was perfect.

They made plans to buy the tablet.

Activity 1: My Wants



Piggy Bank Primer definitions

Wants	Desires or wishes that can be satisfied by consuming goods or services
Goods	Objects that can satisfy people's wants
Services	Activities that can satisfy people's wants
Income	Earnings received for work (providing human resources or labor)

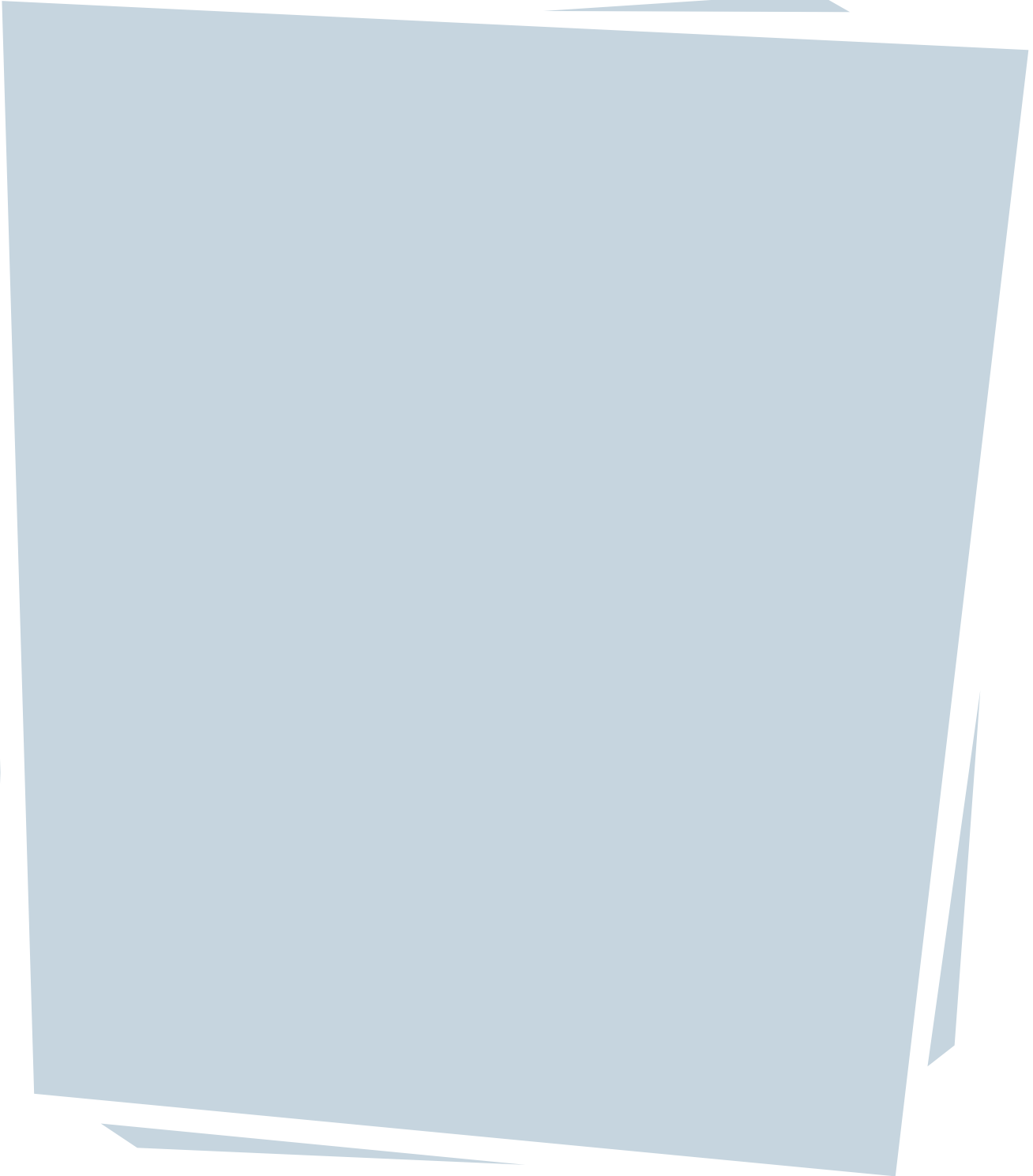



Greg and Ann have unlimited wants for goods and services.

The tablet they want is a good. They both take music lessons.

The lessons are a service. What are some goods or services that you want?

Either paste pictures, draw pictures, or write a list of things on this page.



A young boy with short brown hair is shown in profile, sitting on a yellow riding lawnmower. He is wearing a yellow t-shirt with red sleeves, dark grey shorts, and red sneakers. He is holding the black steering wheel with both hands. The lawnmower is yellow with a green deck and is positioned on a green lawn. The background is a light green sky with a white cloud. The text is arranged in a column to the right of the boy, with each paragraph enclosed in a white speech bubble.

Greg went to his mother and asked her to buy the tablet for him. His mother told him he could earn income by working around the house, and then he could use that money to buy the tablet. She said that she would pay him to clean his room, mow the yard and take out the trash during summer break.

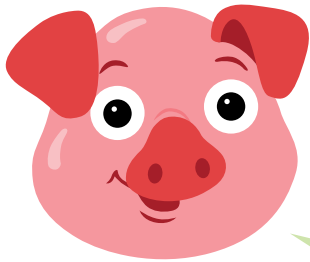
Greg was so happy that he jumped up and down, yelling, "I am getting my tablet!"

At first, Greg worked hard to earn the income for his tablet.

When his mother paid him, he put money into a pickle jar.

He was well on his way to saving enough for his tablet.

Activity 2: Now or Later?



Piggy Bank Primer definitions

Saving - Putting aside income or gift money for future use

Look at your pictures or your list of wants in Activity 1.

Which goods or services can you buy right now, and which goods or services must you save for? You decide.

On the next two pages, use pictures or lists to describe your choices in each category.



Goods or Services I Can Buy Now.



Goods and Services I Must Save To Buy



One day Greg's friends asked him to go to the park to ride bikes. When Greg told them about all the money he had in his pickle jar, they begged him to buy ice cream for them. After all, Greg had plenty of money to spend. Greg had a choice to make. "I can buy ice cream for everyone, or save for my tablet," he thought to himself. "Maybe it won't hurt this one time to treat my friends."

Greg went back to the house to get money from the jar to pay for the ice cream. He took a little extra, just in case. He had less savings in his jar. After the ice cream, Greg and his friends passed the video arcade. "Buy us tokens for video games," his friends begged. Greg, being a good-hearted person, bought the tokens.

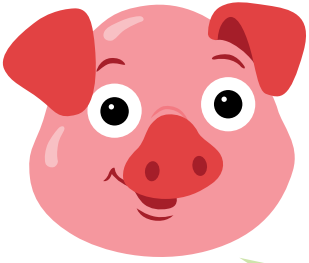




Giving to charity was important to Greg. When he was at the zoo, he learned that the zoo was collecting money for a new panda bear exhibit. He decided he wanted to help; so, he also gave some money for the exhibit.

Every day, more interesting things—like going to the movies, going to an amusement park or just buying comic books—kept Greg spending his money. Soon, he had little savings. Greg had a great time with his friends, But he wasn't saving for the tablet. When he spent his money for things now, he gave up saving for the tablet.

Activity 3: My Favorite Things



Piggy Bank Primer definitions

Opportunity cost -The highest-valued choice that is given up when a decision is made

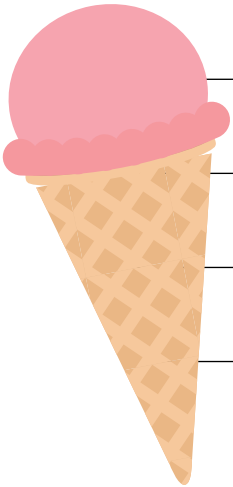
Greg had to make choices when he was saving for the tablet. When Greg chose to buy ice cream cones and video game tokens for his friends and to buy other things for himself, his opportunity cost was saving for his tablet. Now look again at your list in Activity 2. What two things from the “Goods and Services I Must Save to Buy” column do you want the most?

CHOICE ONE

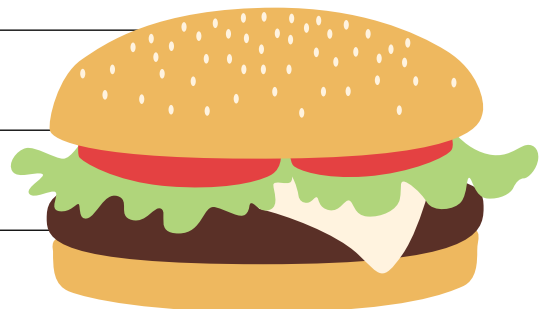
CHOICE TWO

Write sentences that explain why you want these two things the most.

CHOICE ONE



CHOICE TWO



Do you remember Greg's friend Ann? She wants a tablet, too. Ann planned differently. Ann earned income from tasks that she did around the house, too. She offered to babysit her little sister so that her mother could cook dinner. She saved her income in her piggy bank. "Spend a part, save a part and share a part is what I am going to do," thought Ann. She saved for the tablet and bought a new comic book. She thought the new panda bear exhibit for the zoo was important; too, so, she made a contribution.

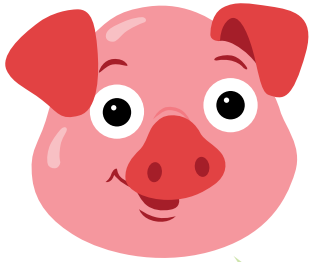


“I have a birthday coming up soon,” she thought. “I think I will use some of the money I receive as birthday gifts to buy that new game that I want, but I will save the rest of my birthday money in my piggy bank for the tablet.”

Ann and her friends had some good times during the summer, but Ann always did the jobs that she said she would do before she went off to play. When her friends begged her to buy them ice cream or candy bars, she would tell them that she was saving for a tablet. As a special birthday treat, she bought her friends an ice cream cone. At the end of summer, Ann had saved, spent and shared her money wisely.



Activity 4: Choices have Costs and Benefits



Piggy Bank Primer definitions

- Choices** Decisions made or a course of action taken.
- Benefits** Things that are favorable to the decision-maker
- Costs** Things that are unfavorable to the decision-maker

When you make a decision, you have to look at all of the benefits and costs that go along with each choice. You want to select the choice that gives you the most benefits for the fewest costs.

Now is your chance to satisfy your wants. Write your two choices from Activity 3 on the lines above the charts on page 17. List all of the benefits and the costs for each of the items. See which one will satisfy your wants in the best possible way.



CHOICE ONE

CHOICE ONE
BENEFITS

CHOICE ONE
COSTS

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

CHOICE TWO

CHOICE TWO
BENEFITS

CHOICE TWO
COSTS

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

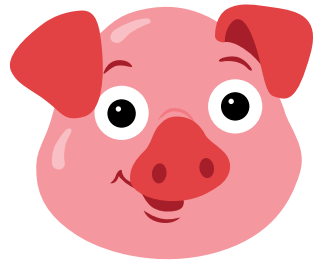
Activity 5: Choice and Opportunity Cost

Piggy Bank Primer definitions

Goals – Something a person plans to achieve in the future.

Plan – A process developed in advance of doing something to achieve a goal

Budget – A plan for managing income, saving and spending



How Do I Start Saving?

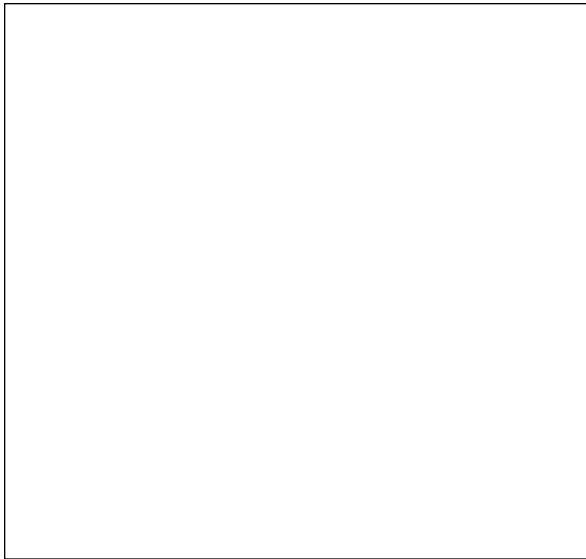
Ann wanted her tablet. She knew she would have to save money she received as gifts or income she earned doing jobs for others. Her mother helped Ann make a budget to help meet her goals. The first thing Ann decided was how much to save.

Then, Ann searched for ways she could earn income to save for her tablet. She started by offering to watch her little sister while her mother cooked dinner. Sweeping the sidewalk was hard work, but it was another way for Ann to earn income to save. Wisely, Ann put the money she received as gifts into her plan. Any money Ann was given, or income she earned, was included in her budget.

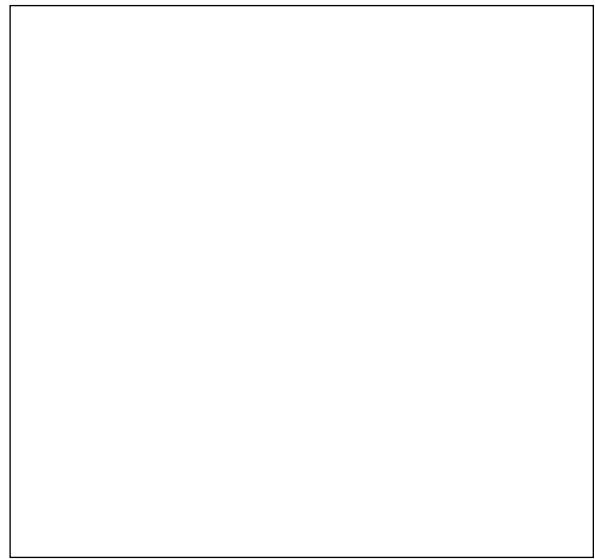
Ann's mother told Ann to include other things for which she wanted to save in her budget, too. Ann wanted a new game to play with her friends, so she included that in her budget. Ann liked to help others. From her visit to the zoo, she remembered that the zoo was collecting money for the new panda exhibit. Ann decided to include giving money to the zoo in her budget. Planning a budget helped Ann to spend, save and share her money wisely.

After looking at the benefits and costs for your choices from Activity 4, which of your favorite things has the most benefits and the fewest costs?

Draw a picture of your choice.

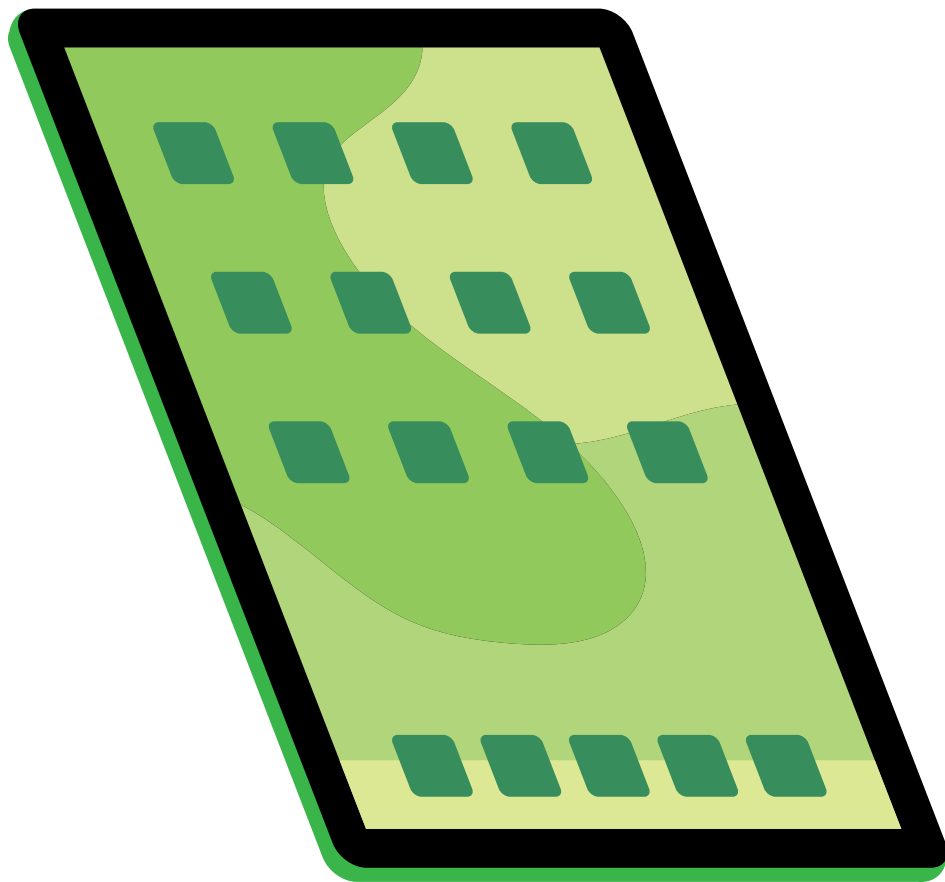


Draw a picture of your opportunity cost.




Write a sentence explaining why this is your opportunity cost.

A week before school started, Greg and Ann planned to go to the mall to buy their tablets. Greg went to his mother to ask about buying his tablet. His mother asked him for the money that he had saved from the income he earned working and from the money he had received as birthday presents. He shook his head sadly. He had spent too much of his money; so, he did not have enough saved to buy the tablet. Ann asked her mother to take her to the store to buy the tablet. She not only had money for the tablet, she also had money for a pizza, which she shared with her friend, Greg.



Piggy Bank Moral:



When you work hard to earn income, remember to spend a part, save a part and maybe share a part. Spending, saving and sharing mean that you can have some of the things you want now, you must plan for things you want in the future and you can still help others. Have fun buying some things when you want them, but stick to your plan to save for the big things you want in the future. By planning, you will know how much you can spend when you are doing fun things with friends.

Activity 6: Tracking My Spending

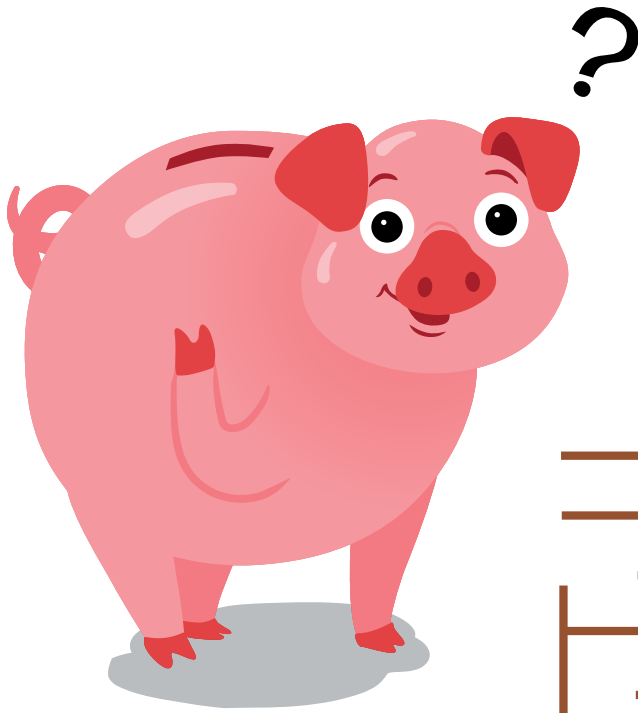
Where Does My Money Go?

Greg wondered where his money had gone. He remembered he had bought ice cream cones and tokens, but he didn't remember about the rest. His mother suggested he use a Pocket Tracker, like the one on the inside back cover of this book. Why don't you try it too?

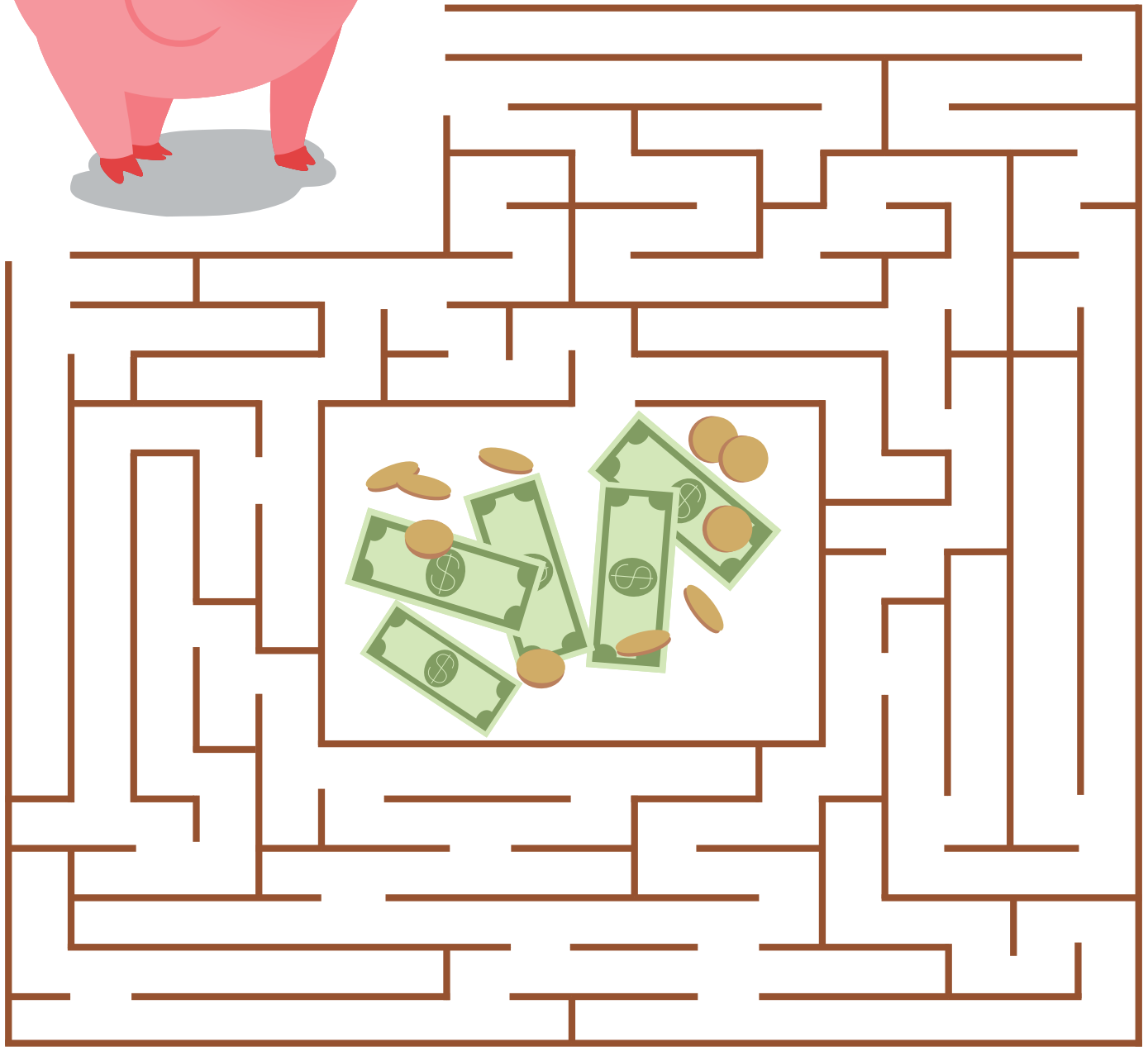
You will be amazed at how much you spend, because even small amounts can add up quickly!

- In the "Savings" section, list the amount of money you are putting aside for savings.
- In the "Entertainment" section, list items such as purchasing apps, trips to the movies, or visits to a theme park, or bounce or jump zone.
- In the "Food/Other" section, list items such as sodas, candy bars and snacks that you buy, as well as items such as books, school supplies or gifts.





Pig E. Bank needs your help to find the right path to his savings.



Activity 7: Describing My Savings Plan

By following Greg and Ann's stories, you have learned how to make a savings plan.

Put the steps for creating a savings plan into the correct order by placing numbers on the lines to the left of each step below.

___ Determine how long it will take you to reach your goal.

___ Identify ways you can earn income to help you reach your goal.

___ Decide what your savings goal is.

___ Decide how much you will save each week.

___ Determine how much you must save to achieve your goal.

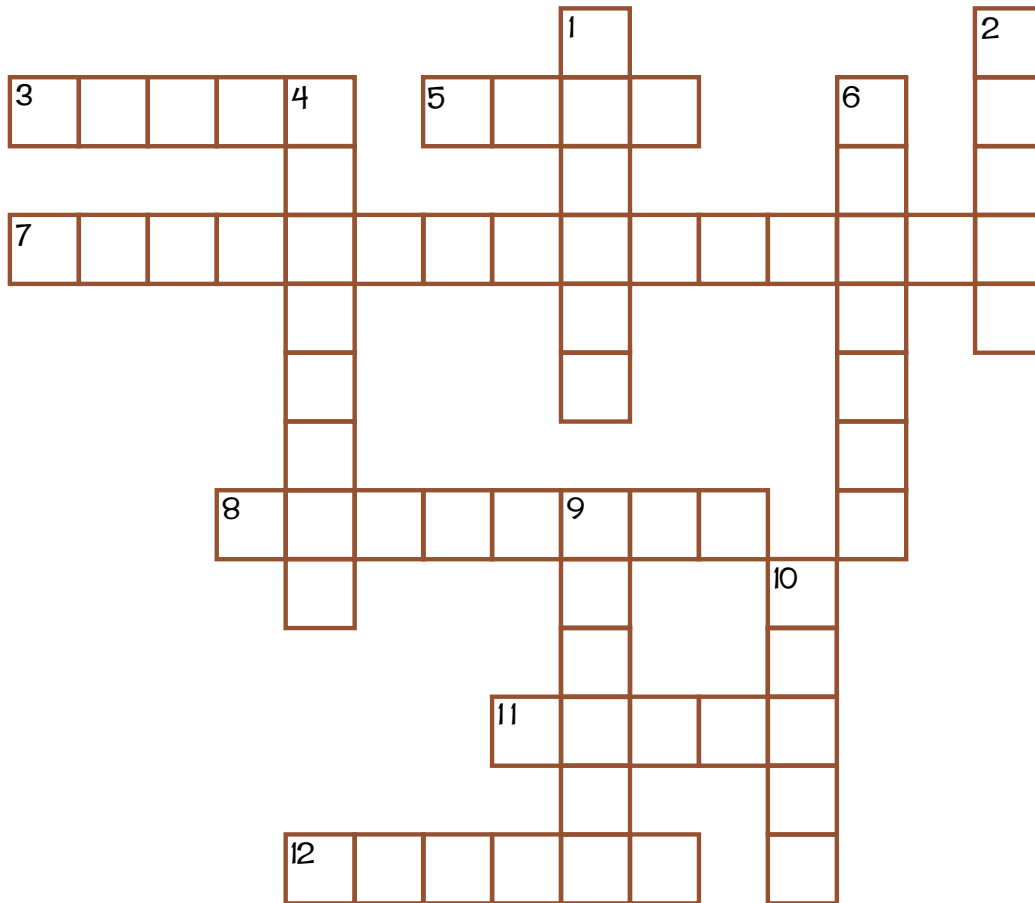
___ Identify events such as your birthday or a holiday when you might receive money.



Activity 8: Crossword Puzzle

Use the words and clues below to complete the crossword puzzle.

Budget Income Benefits Costs Goals Opportunity Cost
 Services Saving Choices Plan Wants Goods



Across

3. Things a person plans to achieve in the future
5. A process developed in advance of doing something to achieve a goal
7. The highest-valued choice that is given up when a decision is made
8. Things that are favorable to the decision-maker
11. Objects that can satisfy people's wants
12. A plan for managing income, saving and spending

Down

1. Putting aside income or gift money for future use
2. Desires or wishes that can be satisfied by consuming goods and services
4. Activities that can satisfy people's wants
6. Decisions made or a course of action selected
9. Earnings received for work
10. Things that are unfavorable to the decision-maker

Activity 9: Word Search

benefits
budget
choices
costs

goals
goods
income
opportunity cost

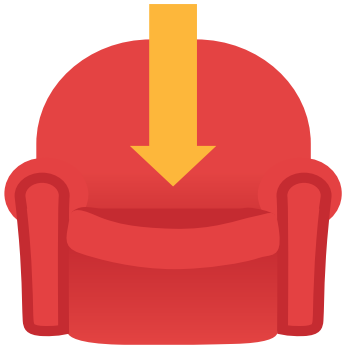
plan
saving
services
wants

O E Y R G J R Z F B O I D L V
P W Q X O R P R F N R I M B M
P X T Z A H G Y G D Y N T Z Z
O H B L L D W A N T S C Q Q C
R N C E S U A Y X X N O O B U
T L B P N I H U Y O N M B T E
U J S L S E C H O I C E S V I
N N Z A F E F O C O S T S G V
I C B N Q N R I K I Z R Q C G
T F F U G N H V T H O O U S N
Y O H Z D G B E I S C O V A O
C T W D T G O V U C D V V V M
O H O J Y J E O V N E L M I A
S M A Z A T Y T D V M S X N S
T C C P E O G Y L S B N A G Z

Activity 10: Scavenger Hunt

With your parent's permission, go on a scavenger hunt around your home to see how much money your family has "lying around."

Hint: Look for coins and paper money in the following places.



How Much Did You Find?

Under sofa and chair cushions

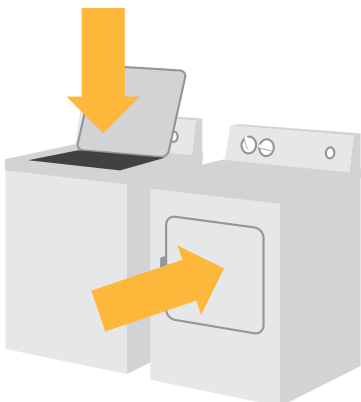
(Make mom proud and ask if you can vacuum while you are in there!) \$_____



In winter coat pockets (Be sure to ask before you look here. Make sure that you hang up the coats when you are finished searching.) \$_____



Inside the car in between seats, under floor mats and in glove boxes (Do not, repeat, do not do this while the car is moving!) \$_____

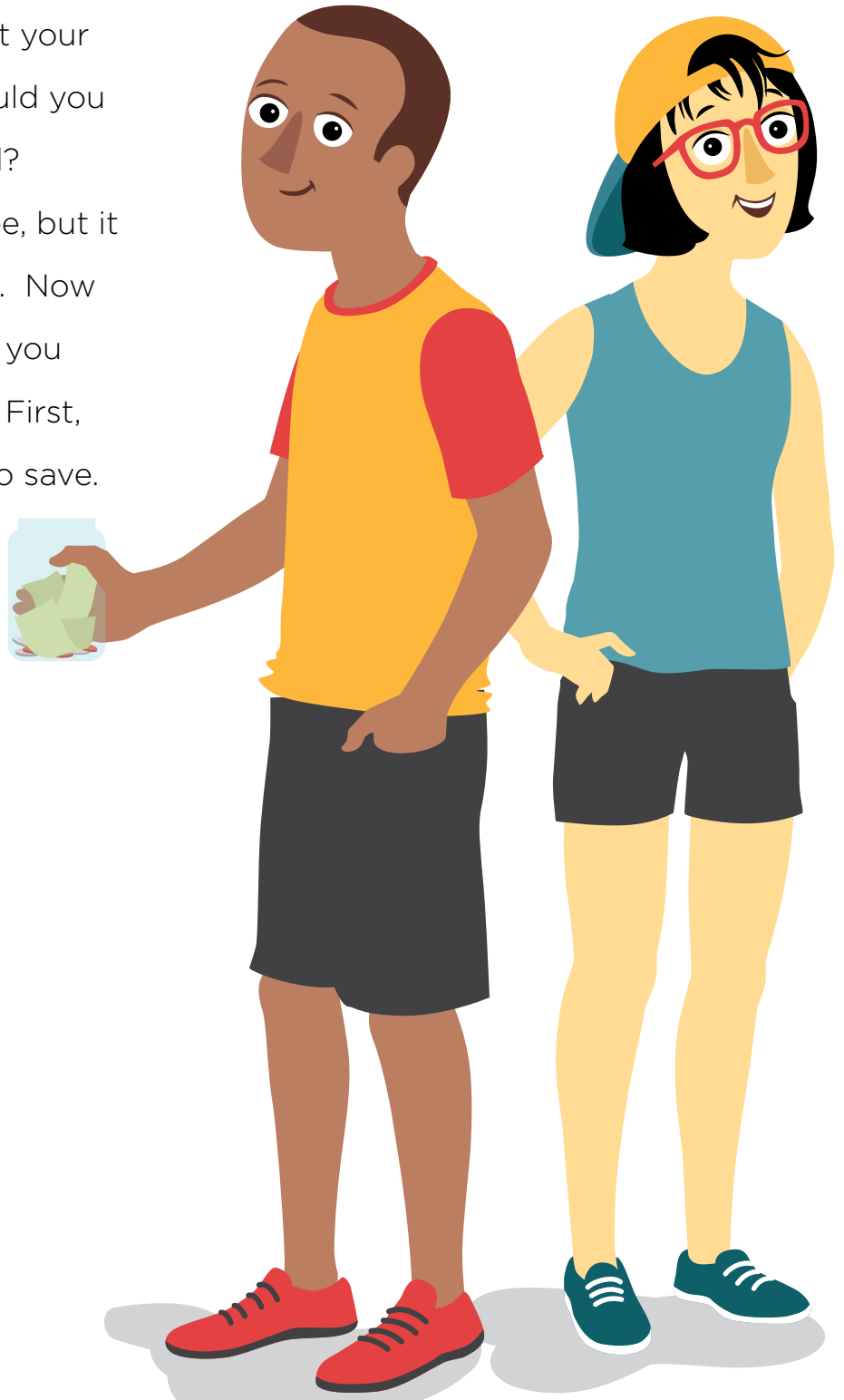


In and around the washing machine and dryer (Make sure that it is okay for you to keep any money you find!) \$_____

Your Grand Total is ... (drum roll) \$_____

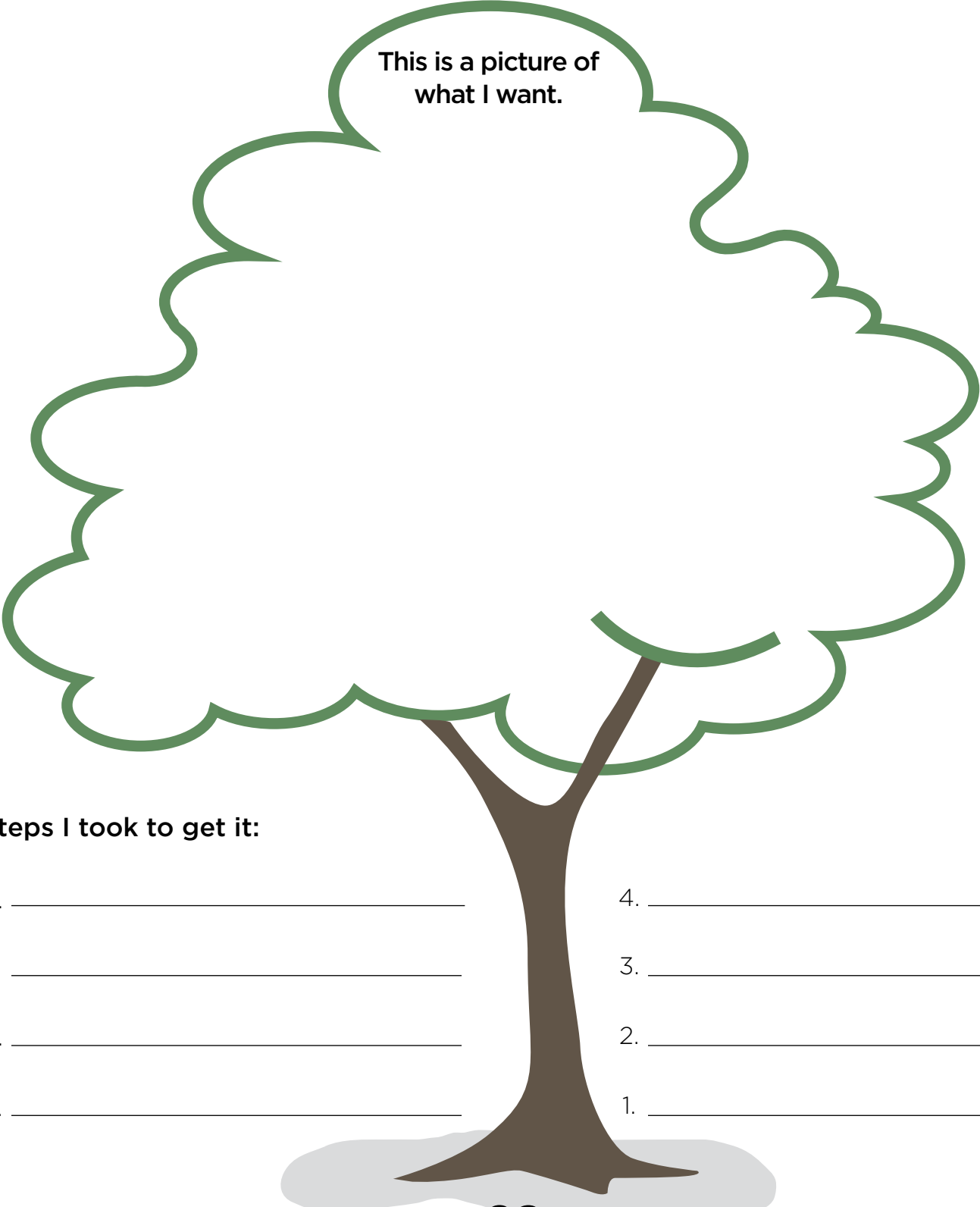
Be a Super Smart Saver

As you discovered, money can “hide” in all sorts of places! Now that your search is complete, what should you do with the money you found? Money may not grow on a tree, but it can definitely grow like a tree. Now you can start saving for what you want, just like Greg and Ann. First, decide how much you want to save. Then, use the rest of the money you found to spend and share. You’re now on your way to being a super smart saver!



Activity 11: Climb the Tree to Reach Your Goal

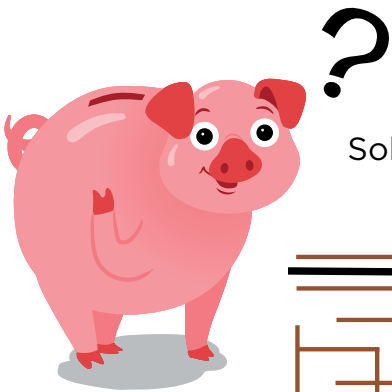
This is a picture of what I want.



Steps I took to get it:

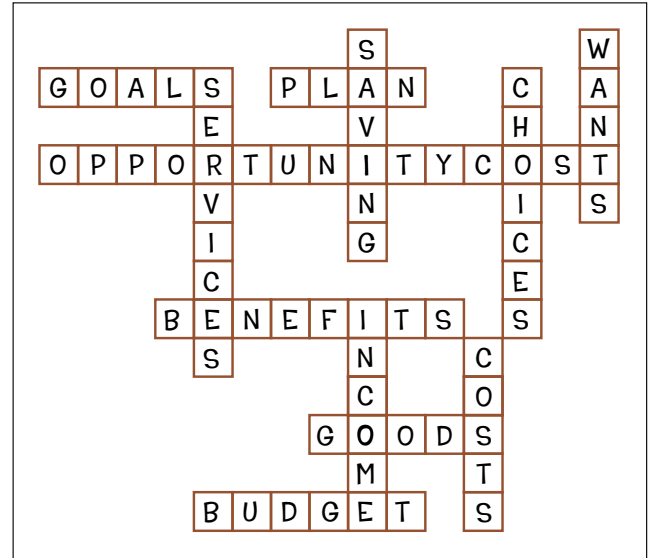
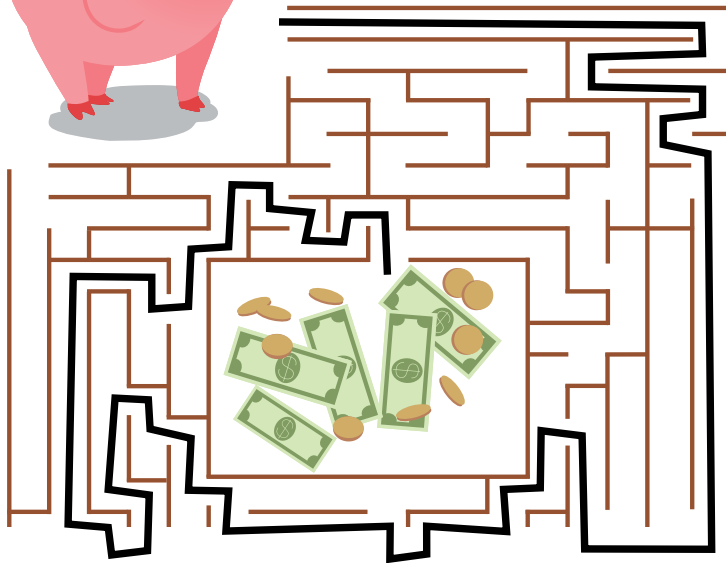
- 8. _____
- 7. _____
- 6. _____
- 5. _____

- 4. _____
- 3. _____
- 2. _____
- 1. _____

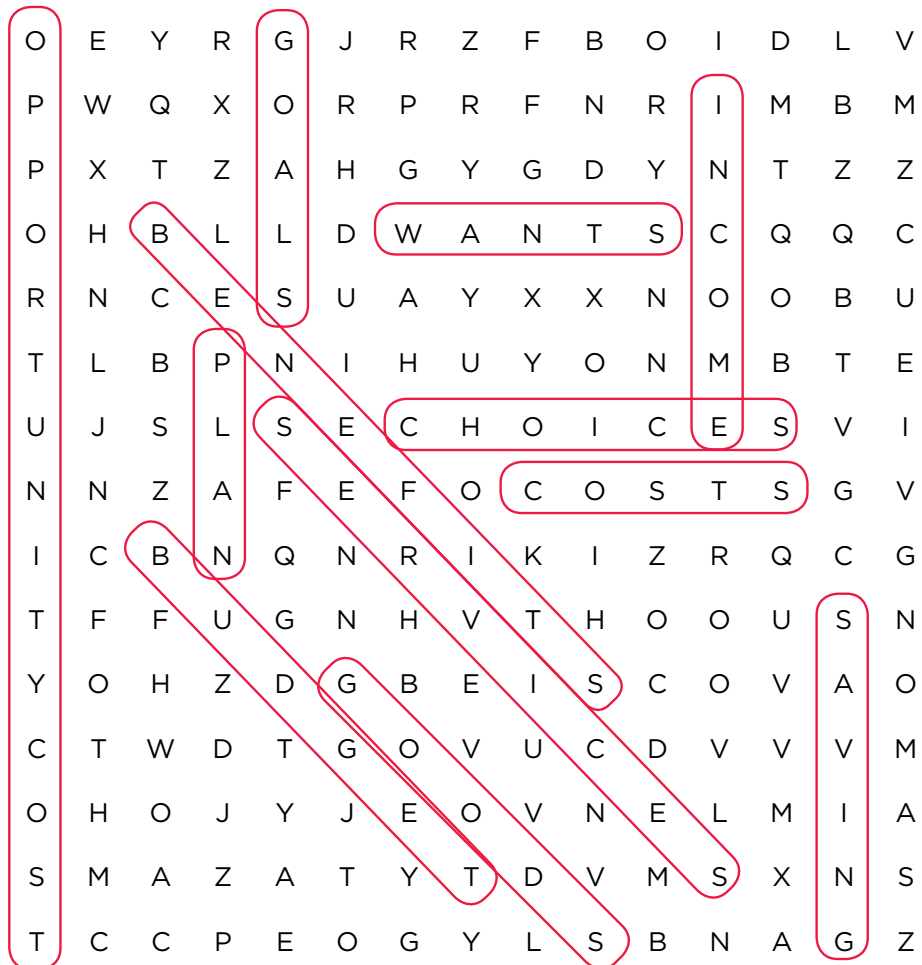


Solution: Page 23

Solution: Page 26



Solution: Page 26



Glossary

Benefits – Things that are favorable to the decision-maker

Budget – A plan for managing income, saving and spending

Choices – Decisions made or a course of action taken

Costs – Things that are unfavorable to the decision-maker

Goals – Things a person plans to achieve in the future

Goods – Objects that can satisfy people's wants

Income – Earnings received for work (providing human resources or labor)

Opportunity cost – The highest-valued choice that is given up when a decision is made

Plan – A process developed in advance of doing something to achieve a goal

Saving – Putting aside income or gift money for future use

Services – Activities that can satisfy people's wants

Wants – Desires or wishes that can be satisfied by consuming goods or services

My Pocket Tracker: Where Does My Money Go?

Savings			Entertainment			Food/Other		
Date	Item	Amount	Date	Item	Amount	Date	Item	Amount

