

for Kids  
**Creative Ca\$h**<sup>TM</sup>  
*Lessons that Last a Lifetime*

**PARENT-  
TEACHER  
GUIDE**

**Our Mission:**

**Empowering  
individuals  
to create  
financial  
freedom in  
their lives!**

**Teaching kids about money  
has never been so easy.**

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For more information about our unique approach to teaching financial education to kids, and adults, please give us a call at 800-928-1932 or visit us on the web at [www.creativewealthintl.org](http://www.creativewealthintl.org).

Thank you for your support.

The Creative Wealth Intl. Team

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Creative Cash for Kids

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135 Chapala Street • Santa Barbara, CA 93101  
805-957-1024 • fax 805-957-0125  
[www.CreativeWealthIntl.org](http://www.CreativeWealthIntl.org) • [info@CreativeWealthIntl.org](mailto:info@CreativeWealthIntl.org)

Modified 10/2008

# Sample Lesson

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# Sample Lesson

## A Note to Parents/Teachers



*This Parent-Teacher Guide is designed to be used in conjunction with Creative Cash for Kids Financial Freedom Playbook. We've made the assumption that the facilitator is familiar with basic financial terminology, however, there is a comprehensive glossary in the back of the child's Financial Freedom Playbook if you are unfamiliar with a term.*

*One of the most significant recommendations we give to parents in regard to teaching their children how money works, developing a healthy relationship with money and learning how to handle it wisely, is this: bring your child into the family's financial life. Talk to them about the family's expenses, income, savings, investments and donations. Talk to them about challenges you are having. Have them help you pay bills online, write checks, look over utility bills, etc. Let them be an integral part of planning and budgeting for family goals such as vacations, college expenses, purchases the whole family will benefit from, etc.*

*In order to change the cultural taboo of talking about money, we must retrain ourselves and train our kids to view money as simply a tool--a tool for becoming financially free, a tool for accomplishing great things, a tool for helping people reach their dreams. By talking openly with your kids about money, you can dispel this taboo and show your kids how money can be a powerful tool which can be used for many positive things. It's then up to the child to decide how he wishes to use the tool as he grows up and becomes responsible for himself, but you will have given him an incredible head start.*

### **A Note about Allowances**



*We believe allowances shouldn't be given to kids in exchange for chores; they usually only get good at chores. However, giving your child an allowance can be a great teaching tool IF you have a plan in place to help guide him toward making responsible choices and developing great money habits. For more information, please visit our website and click on 'Books' and take a look at **Allowance Magic**, by David McCurrach. We were going to write a book to explain our simple allowance philosophy but he'd already done it! Yeah!*

## How to Use This Guide Book

*This guide has been designed to help you in the following manner:*

- 1) Learn, understand and feel comfortable with the material yourself, and,*
- 2) Guide you through teaching the material to your children in a way that we hope will stimulate thoughtful conversation, excitement, and finally action with regard to their futures and the role money plays and will continue to play in their lives.*

*NOTE: We have chosen to use the word 'he', the generally accepted masculine form of personal pronoun, simply to make the guide consistent and easy to read.*

*If there's one thing we've discovered about teaching kids, it's that they often take what we tell them verbatim. If we hand a child a glass half filled with water and tell him it's a glass half filled with water, he will simply say, "OK." On the other hand, if you hand that same glass to an adult he will question you and give you many reasons why he doesn't necessarily believe it's really a glass half filled with water. This is partly because the child trusts you and partly because he hasn't developed a whole host of stories about why things are or aren't what they seem (and we're sure you know exactly what we mean!).*

*We approach the subject of money as a game that anyone can win, as long as you know the rules. There's nothing new or mysterious about the Creative Cash Principles...they are time tested and remain as simple today as they have always been. Simply save a portion of every dollar you earn and invest it wisely for a long period of time and voilà...financial freedom! After going through the Creative Cash for Kids program, encourage your kids to read and learn more in areas where they showed the greatest interest. Use situations that occur in everyday life as opportunities to more deeply explore how money works.*

*The Playbook has been divided into the following areas:*

- 1) *Thinking about money*
- 2) *Earning/making money*
- 3) *Managing money*
- 4) *Spending money*
- 5) *Saving money*
- 6) *Investing money*
- 7) *Donating money*

*The guide for each page is broken down into five simple pieces:*

- 1) *The PRINCIPLE*
- 2) *The WHAT*
- 3) *The WHY*
- 4) *The HOW*
- 5) *Additional comments*
- 6) *Vocabulary words*

*Our goal is to keep the information simple but relevant. If you don't understand any of the information or simply want further clarification on a subject or concept, please give us a call (800-928-1932), send us an email ([info@creativewealthintl.org](mailto:info@creativewealthintl.org)). We are here to support you in the important process of preparing your child for adulthood. We wish you nothing but success in this beautiful process!*

*The Creative Wealth International Team*

<i>Why Learn About Money - Page 4</i>	
Principle:	<p>People only learn and remember what's relevant, otherwise it's irrelevant.</p> <p>To be financially successful, you need to learn the language of money.</p>
What:	Get your child to see why it's important to learn about money now.
Why:	<p>In order for anyone to want to learn, they have to see it as somehow relevant to their lives at the time. Children are no different. We've also learned, and we're sure you already know, that it's challenging to get kids to think past what's for dessert tomorrow night at dinner. Getting them to contemplate their future, whether it's one year, five years or 40 years away, can perplex even the most creative child. They just aren't ready to go there yet (and we can hardly blame them!).</p> <p>If we want them to learn the value of money, how to use it wisely and how to make it grow to help them be financially free, we must help them find a way to relate it to their current lives as well as get them to begin thinking about it in terms of their future happiness and success as a human being. As parents, you understand the developing passions and talents of your children better than anyone. Find ways to relate the Creative Wealth Principles and concepts to these passions and talents in a way that helps them understand the material and you will help prepare them for a future of freedom and security that is available to everyone.</p>
How:	Simply ask your child the questions on the following page. Most kids by the age of 6 or 7 are very aware of money, what it buys, how to get it out of the bank, etc. We want them to think about money in terms of a resource that will help them reach their dreams as adults. It's important that they begin to establish positive money habits that will follow them into adulthood. The sooner they begin those habits, the more likely they will succeed.
Comments/extra activities:	We have a wonderful visualization on our website you can do with your child about checking in with the older version of himself to discover what that older version would like them to do while he is young to make sure he is provided for. You can hear the audio at <a href="http://www.themoneycamp.com/audio/checkingin.wmp">http://www.themoneycamp.com/audio/checkingin.wmp</a>
Vocabulary:	Money, financial freedom

## Why Learn About Money?

List all the reasons why you should learn **how money works**?

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List some things **you** want to learn about money?

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When is the best time to learn about money?

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(Answer: as soon as possible!!!)



<i>Ask Your Parents - Page 5</i>	
Principle:	Open communication is the best offense.  Money is energy to be used as a tool to create financial freedom.
What:	Open, honest communication, as well as watching the examples you set for them, are some of the most important ways kids learn from their parents. This exercise gives you some talking points to start having great conversations about money and wealth with your children. These questions will help your entire family begin to feel comfortable talking about money and creating wealth for the family.
Why:	The most common reason for divorce in the US is disagreement over money because spouses usually have different money styles or blueprints (read <i>Secrets of the Millionaire Mind</i> by T. Harv Eker, available at <a href="http://themoneycamp.com">themoneycamp.com</a> ). In addition, there is a huge cultural taboo when it comes to families talking about money and money issues. It's critically important that we have conversations about money in a nonjudgmental fashion. Let the child see what's going on, hear you talk about money, be part of the decision-making process in terms of budgeting, planning for vacations, researching investment opportunities, etc.
How:	Simply allow your child(ren) to ask you the questions on the following page. Answer them honestly and without emotion. As soon as you and the child begin to see money as simply energy (i.e., a resource or tool) that can be used for all sorts of great things, the sooner he will begin to find ways to accumulate this energy for himself.
Comments/ extra activities:	While we encourage you to share all the family's financial information with your child, we must also warn you to caution your child about sharing this information with friends and neighbors, or using it as a way to feel 'better than' others who may not have as much money, or conversely, to feel embarrassment or shame if you have less than others. This is where the concept of money as energy is so critical. You will have many opportunities to talk about money simply being a resource or tool; it isn't good or bad or right or wrong. Just like electricity, it all depends on how you use it.  Remember, many of these conversations will bring up your own personal issues as a adult and parent so be prepared to explore what money means for you as well. Our <i>Creative Wealth for Women/Adults</i> programs deals with these issues extensively. The book mentioned above is a great resource for your own personal growth in relation to money.
Vocabulary:	Investment

## Ask Your Parents

Why do your parents want you to learn about money?

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How did your parents learn how money worked?

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How did your parents learn about managing their money?

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How do your parents keep track of their money?

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What does 'financial freedom' mean to your parents?

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What does 'retirement' mean to your parents?

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What was your parents worst investment?

What was your parents best investment?

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What would your parents change if they could start over financially?

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What else would you like to know about your family's and its money?

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<b><i>Financial Freedom Road Map - Page 6</i></b>	
Principle:	If you don't know where you're going, any road will take you there.
What:	The Financial Freedom Road Map is a visual representation of the tools we can use to reach financial freedom.
Why:	As the saying on the bottom of this page indicates, it's impossible to know how to get where you're going unless you set some goals and know where you're going. Most people don't get what they want because they don't know what they want. The word "freedom" is very powerful for both kids and adults so we want them to begin to associate "money" with "freedom" in terms of making choices that involve money.
How:	Starting at "Start Here", go over the steps along the way to Financial Freedom explaining that these are some of the areas and concepts they will be learning.
Comments/ extra activities:	Share with your kids the areas you are comfortable with and the areas you need to learn more about. If you're like most adults, life's 'To Do' lists often get in the way of learning more in the area of investing. Let your kids help motivate you toward learning more about investing for yourself and as a family.
Vocabulary:	Road map

## Financial Freedom Road Map

Start Here



Your Goal...Financial Freedom

*“If you don’t know where you’re going,  
any road will take you there!”*

<i>The Money Game - Page 11</i>	
Principle:	I play the money game to win.
What:	Earning, making, spending, saving, investing and donating are all parts to a great game we call The Money Game, but you have to know the rules to win.
Why:	<p>Many people are uncomfortable talking about their own personal financial situations because we've grown up thinking the amount of money we have or the kind of fancy 'stuff' we have makes a difference in who we are and who others think we are.</p> <p>Learning to think of money as just a tool to reach your dreams and as a game can set a comfortable tone for kids to begin talking with you or their peers about money.</p> <p>Most people play the money game not to lose; they play defensively instead of offensively. We want kids to play offensively, choosing consciously to make decisions that lead to financial freedom instead of stress and struggle.</p>
How:	<p>Ask your child what he/she needs to win the money game. Go over each step and relate it to something in her/her life.</p> <p>When he get to the bottom of the page, see if he can figure out what's missing (the rules) and let him fill in the sentence, "I play the money game to WIN."</p>
Comments	Have the child choose a Coach, Team Players, Fans, Stadium and finally ask them what would be in their Snack Bar.
Vocabulary:	Money game, principles

## The Money Game

### What you need to Win the Money Game...

**A Coach:** a financial advisor but you can learn to be your own Coach!



**A Ball:** the energy of money



**Team Players:** bosses, co-workers, employees



**Fans:** family, friends, supporters



**A Stadium:** where you play the game



**A Snack Bar:** enjoying and sharing the great things in life



What's Missing Here? \_\_\_\_\_!

"I play THE MONEY GAME to \_\_\_\_\_!"

<b><i>This Stuff Called Money - Page 24</i></b>	
<b>Principle:</b>	Money is energy to be used a tool to reach your dreams.
<b>What:</b>	<p>Everyone has different ideas of what the words money, value, wealth and rich 'mean.' We want to begin to instill the idea that money is simply a means to an end, not the end in itself. It's a tool.</p> <p>The term 'value' is relative. It relates to how precious something is to someone. One person may 'value' a thing more than another person and that's perfectly OK.</p> <p>The term 'wealth' is subjective but normally refers to the amount of 'value' in a person's life. Wealth can relate to money, friends, family, love, etc. You can have a wealth of knowledge, a wealth of friends, etc.</p> <p>The term 'rich' is used to describe someone who has a lot of wealth.</p>
<b>Why:</b>	Since everyone has a different definition in his mind for these words, it's great to explore them with your child.
<b>How:</b>	Have the child take a few minutes and finish the sentences and then explore with him the terms as we explained them above. Share your own ideas of what these terms mean as well.
<b>Comments/ Extra Activities</b>	<p>This is also a great activity to do with the whole family. Often we develop beliefs about what things mean unconsciously so by exploring them consciously, you can often develop an awareness of how your beliefs about what these terms mean may be affecting your own decisions about money and creating wealth.</p> <p>Look up foreign currency rates on the internet and talk about how different countries money is 'worth' different amounts of our money; how a vacation can be expensive in another country where the US dollar is undervalued and less expensive in a country where the dollar is over valued. Visit this great site to explore what the US dollar is worth in different currencies: <a href="http://www.xe.com/ucc">www.xe.com/ucc</a>.</p> <p>Check out the History of Money on the Creative Wealth website.</p>
<b>Vocabulary:</b>	Money, value, wealth, rich

## This Stuff Called Money

Finish these sentences.

Money is...



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Value is...



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Wealth is...



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Rich is...



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<i>Where's All My Money Going? - Page 31</i>	
Principle:	Awareness and knowledge are the first steps toward making informed choices.
What:	It's important to understand how to read a paycheck.
Why:	Most kids never see their parent's paycheck, so the first time they get paid they are usually in shock when they see that they didn't get a check for their gross income, but their net income (gross income minus taxes). Learning about taxes and other deductions prepares them for understanding their first paycheck and know exactly what is being taken out and why.
How:	Simply go through the sample paycheck on the next page and help them answer the questions. Explain the terms Gross Income and Net Income as well as what the different types of taxes are.
Comments/ Extra Activities	Show your child a copy of your paycheck and pay stub and answer the same questions.
Vocabulary:	Paycheck, gross income, net income, overtime, pay period, social security, federal tax, deductions

## Where's All My Money Going?

 <h1 style="margin: 0;">Sally's Shell Shop</h1>			<b>Employee:</b> John Smith <b>SSN:</b> 123-12-1234 <b>Pay Period:</b> 6/1/06-6/15/06 <b>Pay Date:</b> 6/21/06 <b>Net Pay:</b> \$231.71 <b>Check No:</b> 006022				
HOURS			EARNINGS				
	Regular	O/T	Regular	Overtime	Bonus	Other	Gross Pay
T/P	40		\$1,500.00		----	----	\$1,500.00
YTD			\$16,500				\$16,500.00
DEDUCTIONS							
	Social Security Tax	Medicare Tax	Federal W/H Tax	State W/H Tax	Pension	Other	Net Pay
T/P	\$85.85	\$20.08	\$198.85	\$63.52	--	---	\$1,016.32
YTD	\$944.35	\$220.88	\$2187.35	\$698.72	---	---	\$11,179.52

**O/T = Overtime, T/P = This period, YTD = Year to Date**

1. Who is John's Employer? \_\_\_\_\_
2. How long is the pay period? \_\_\_\_\_
3. How many hours did he work? \_\_\_\_\_
4. How much does he get paid per hour? \_\_\_\_\_
5. How much does he get paid for overtime? \_\_\_\_\_
6. What was John's Gross Income? \_\_\_\_\_
7. What was John's Net Income? \_\_\_\_\_
8. How much Federal Tax did he pay? \_\_\_\_\_
9. What is John's Net Income YTD? \_\_\_\_\_
10. Do you want John's Job? \_\_\_\_\_

Remember, when you work for someone else (trade your time for money), you pay taxes first!

When you are self-employed, own a business or are an investor, you pay taxes after deducting all your expenses from your income!

*"No matter how rich you become, how famous or powerful, when you die the size of your funeral will still pretty much depend on the weather."*

- Michael Pritchard

<i>Stereo Scenario - Page 45</i>	
Principle:	If you can't afford to pay cash for it, you can't afford to buy it, period.
What:	The real cost of borrowing money is often shocking when people add up all the interest they'd shelled out by the time they pay off their credit card bills.
Why:	It's so easy to get and use a credit card, but not so easy to fully understand the ramifications or consequences of not paying credit card bills off each month, so it's important to understand the real cost of using credit cards or other people's money.
How:	Walk through the following scenario and watch the surprise when the kids see how long it would take and how much it would really cost if they only paid the minimum amount due each month to pay off just \$1000.
Comments/ Extra Activities	<p>If you have credit card debt, share your situation, how you got into it and how you're getting out it with your child. If you haven't already cut up your credit cards, let your child do it for you to show them you are committed to creating financial freedom for yourself.</p> <p>Children learn best by example so make sure you're setting the best example possible for your children.</p> <p>Visit <a href="http://www.cscce.com">www.cscce.com</a> for more information on credit card debt (Center for Student Credit Card Education, Inc.).</p>
Vocabulary:	Credit card, rent, borrow, minimum payment.

## Stereo Scenario

### WHAT CREDIT CARDS REALLY COST!

(What is costs to RENT/BORROW money from others)

Let's say you decide you want a new stereo which costs \$1000. You find the one you want and decide to charge the amount on your credit card instead of paying cash for it. When you get the bill, you have two choices:

1. Pay it off completely with money in your savings account, if you have saved up for it, or;
2. Make monthly payments until it's paid off.

This is what you'd end up paying for the stereo (original cost of \$1000) if you only made a minimum payment of \$20 each month (at 18% interest). AND it would take you 19.3 years to pay this off!

**\$2931.00!!! - OUCH**

How much extra did you pay when you charged it on a credit card and only made the minimum payment (many people do this)? \_\_\_\_\_



<i>The Magic of Compound Interest - Page 61</i>	
Principle:	Interest is only interesting when you're receiving it.  Save Early, Save Often!
What:	This activity illustrates the power of compound interest over time and also shows how important return on investment is over time.
Why:	Because saving a little bit of money at a time seems miniscule to most kids (and adults), looking at how it compounds over a long period of time helps explain the incredible effect compound interest has on investments.
How:	<p>Talk to the kids about how much money you, they and most adults 'waste' on piddlycrap each week. Talk about what types of things you and they spend their money on right now. Ask them if they think they can save \$10 a week for a year. Then ask them to guess how much that money would grow into if it were saved and invested each week for 50 years (put to work) at 10% and then at 12% (the average annual return of large company stocks and small company stocks respectively).</p> <p>The result for 10% is \$756,979; the result for 12% is \$1,709,453. (NOTE: these numbers vary depending on which type of calculator you use so know they are just estimates).</p> <p>Have the child note the difference just 2% return made on the end result: i.e., a million dollars!</p>
Comments/ Extra Activities	Show your child your own investment calculations in a spread sheet if you have them or show them several investment statements if you have them so they see how the money has grown (hopefully) over time.
Vocabulary:	Compound interest, piddlycrap, stock market