



Focus on Finance: Invest in Your Future, Produce Results



This curriculum tab can be used for students in elementary and middle school. The information is valuable to everyone, and the activities can be easily adjusted to adapt to the different curriculum needs in each grade level.

Throughout the tab, you will find activities satisfying the following benchmarks: reading comprehension, research and reference, economics and math, and technology standards.

ACTIVITY: ABOUT MONEY

Research and report on the following:

- The United States Treasury
- The United States Mint
- The Bureau of Engraving and Printing

Using a globe of the countries of the world, find out what each country calls their money or uses for money. Divide the class into groups for this activity and see which group makes up the longest list.

Today, the U.S. dollar is the most widely used currency in the world.



About the Sun Sentinel News In Education program:

Throughout the school year, the Sun Sentinel NIE program provides newspapers, both digital and print, to South Florida schools at no charge. Our goal has been to help teachers assist their students, promote literacy, encourage hands-on learning using the newspaper, and allow students to stay up-to-date on the world around them. Another key focus of our program is providing curriculum materials, like *Focus on Finance: Invest in Your Future Produce Results*, to enhance lessons in the classroom across all subject areas. These complimentary booklets are aligned with the Sunshine State Standards.

For more information about Sun Sentinel News in Education and to download educational materials, visit our website at: www.SunSentinel.com/nie



Focus on Finance: Invest in Your Future Produce Results



Recent History

In 2008, the United States faced its biggest financial crisis in more than 70 years.

Prices on the stock exchange dropped way down. Banks, insurance companies, and financial companies were in severe financial trouble. The problem was so bad that our government was forced to step in. Using billions of taxpayers' dollars (money American workers pay out of their paychecks to the government) they managed to keep troubled banks and financial organizations in business. A term you will often hear for this action is "bailout". It was a scary time for America's economy, and even now we are feeling the results of all the expensive and faulty decisions made by thousands of people and businesses.

However, as with any bad crisis, you can learn from it. One big lesson is this: it is very important to understand basic finance and to keep a close eye on how you are saving, investing and spending every dollar you have. Working through this booklet can help you with this process.

History of Money

Anything can serve as money as long as the people who use it agree that it is an acceptable and recognized form of payment. Today, we use paper money, coins and plastic cards to buy goods and services. However, throughout history, many other forms of money have been used, including feathers, stones, beads, shells and precious stones.

Some examples:

- The people of Yap, an island in the Pacific Ocean, used large stone disks as money. The largest ones were up to 12 feet across.
- North American Indians used wampum, beads made from white and purple clam shells.
- Ethiopians used bars of rock salt, bound together with reeds, for money as recently as the 1920s.

The earliest known coins were made during the 7th Century B.C. in the part of the world now known as Turkey. The Chinese were the first to discover the convenience of using printed paper documents to represent value; Chinese banknotes were first used in the early 11th century. In the earliest days of our nation, the colonists traded with each other using tobacco, shell beads and imported Spanish "pieces of eight" that were known as dollars. The colonists also issued their own paper money, which they called "bills." The first paper U.S. dollars — Continental Currency bills — weren't issued until 1775.



Did You Know?

The Bureau of Engraving and Printing produces our paper currency. Each day, it prints about 38 million paper notes in different denominations.

EARNING & SPENDING MONEY



ACTIVITY: NEWS CENTS

Look through the CLASSIFIED ads in the *Sun Sentinel Digital Edition*. Choose a job that you would like to have. Do research to learn what education and experience is necessary to gain employment in this field. Develop a visual guide to show the steps necessary to achieve this goal (timeline, poster, etc.).

For extra credit: Go online to find out what the best jobs of the future will be, when you are in the work force.

AN AMERICAN SNAPSHOT

Here's a look at how much money some jobs pay.

Computer Sciences	\$56,921
Engineering	\$56,336
Economics	\$52,926
Nursing	\$52,129

ALLOWANCES

Most kids don't have high-paying, full-time jobs. Many of you rely on your allowance for spending money and for savings. According to a recent survey, about half of all kids get an allowance, and just about all of you have to do chores, whether you get an allowance or not. Here's what kids get for weekly allowances, on average:

Age 8-9: \$4.92 per week.	How much is that per year? _____
Age 10-11: \$7.55 per week.	How much is that per year? _____
Age 12-13: \$9.55 per week.	How much is that per year? _____
Age 14+: \$13.47 per week.	How much is that per year? _____

TAKE CHARGE OF YOUR MONEY: MAKE A BUDGET

It happens to all of us. You had some money that you saved up from your allowance or that you earned mowing lawns or doing chores. The next thing you know, most or all of your money is gone, and you don't have a clue where it went.

That's because your purchases, even the little ones, can add up fast. But you can do something about it. Come up with a plan for how to spend your money, based on how much money you have. First decide in which categories you spend money, then figure out how much you can spend on each category. (Don't forget to set aside some of your money for savings!) If you spend too much on one thing, you'll have to spend less on another.

By keeping track of everything you buy, you can make better decisions. Do you really need new wheels for your skateboard or a new video game?

ACTIVITY: NEWS CENTS

Go to the website www.handsonbanking.org. Click on the graphic for your age group. Listen carefully and take notes. Report back to your class on what you learned.

For one month, keep track of your money – money coming in (income), money going out (expenses), and money you are trying to save. Write down every single thing you spend money on. Add up the total you have spent. Did you spend more than you had? After these expenses, were you able to put any money aside for savings? Why or why not?

For extra credit: Go to the above website again but this time with an adult family member or friend. Click on the graphic for adults and listen together. Talk about what you learned.

Learn about the bartering system. Maybe you can trade doing an extra chore around the house in exchange for an afternoon at the beach with your friends. Offer to wash the car if you need a ride somewhere. Be creative about ways to save your hard-earned money!

YOU ARE THE ECONOMY

Do you realize that every time you mow a lawn, buy a movie ticket or save babysitting income, you are participating in the nation's economy? Each year people your age spend more than \$50 billion, save billions more and earn money by providing services such as pet-sitting, snow shoveling or taking out the garbage.

So what is the economy? The economy is the total activity of a nation or region producing and selling goods and services, plus the jobs and wages of people who live there.

The purpose of an economy is to produce the goods and services that people in a society want. "Goods" are objects people want: candy bars, CDs, video games or soccer balls. "Services" are things someone does for someone else that satisfies a want, such as babysitting, mowing a lawn, cutting hair or cleaning houses.



SAVINGS

WE ARE COMING UP SHORT

Americans do not save nearly enough money. In comparison to much of the world we make a lot of money, but we spend almost every cent we earn.

A few years ago, Americans saved about 4% of the money they made from their jobs. That percentage is much lower than people in many other countries. In recent years we saved almost nothing at all!

Maybe you think that doesn't really matter. If people want to spend their money, they should spend it. Well, the economy can be looked at as one big circle. Things that happen in one part of the circle can affect other parts.

Think of it this way. If a family has no savings, they may be forced to stop spending money altogether if something unfortunate happens, such as one of the family members losing a job.

If enough people get stuck in the same position, families won't spend as much money, which means businesses won't do as well. When businesses don't do as well, they may not need as many workers.

A family that has money set aside in savings has a cushion they can use if they need it.

WHERE IS YOUR MONEY?

It's a nice feeling going into a bank to make a deposit, knowing that your money will be safe there, locked up with security guards at the entrances and video cameras on the walls to make sure nothing goes wrong.

What most people don't know is that your money isn't just sitting in one of those vaults waiting until you're ready to come back and get it. In fact, your money can take quite a journey without you ever knowing it.

When you put your money in the bank, the bank promises to give it back when you ask for it, plus interest. In the meantime, the bank will probably lend your money—and the money of a lot of other customers—to other people and businesses. These people or businesses pay the bank interest on these loans. A bank makes money by getting back more interest from the people who borrow than they pay out to the people who make deposits.

Imagine this:

A pretty interesting trip for \$50!



BECOME A SMARTER SAVER

Saving money doesn't have to be a hassle. Most people find out that once they start saving and see how easy it can be, they wish they started sooner. Follow these tips to save smarter.

- **SET A GOAL.** If you want to buy a new bike by the time summer gets here, figure out how much the bike will cost and how much you'll need to save every week to be able to afford it.
- **SPEND SOME, SAVE SOME.** Make a point of always putting some money aside when you get your allowance, or you make a couple bucks from a job, or get some money for a gift.
- **THINK ABOUT IT.** It's easy to come up with a reason to spend your money, but you might find that there a lot of good reasons to save,

too. Don't automatically look for something to buy as soon as you get some money. Think twice before you buy. Ask yourself, "Do I really want this?" "Do I really need this?" A big mistake many buyers make is the "impulse" purchase. You see something and decide on the spot you have to have it. Later on you are sorry you wasted your money.

- **MAKE IT FUN.** Keep track of how much you're putting away and reward yourself once in a while for doing a good job.

Today, about 55 million people own U.S. savings bonds. When you buy a savings bond, you are lending money to the government so it can pay its bills. When you cash in the bond, you get the amount that was paid for the bond, plus interest.



THE POWER OF COMPOUNDING

When you put your money into the bank, your money earns interest. To really understand how much money you might have in the future, you need to know how the bank figures out the interest it pays you.

If you keep your money in your account it has the chance to grow through what is known as compounding. That means that your money earns interest, and then that money earns interest, too.

Suppose you put \$100 in an account that pays 5% compound interest once a year. At the end of the year, you get \$5, so now you have \$105. At the end of the next year you get 5% interest on the \$105 — the new amount, not the original \$100 — which comes out to \$5.25. So now you have \$110.25.

It's not such a big deal over a couple years, but eventually compounding can make a big difference. Take a look at the following example of how a \$100 investment that earns 5% a year can grow.



Save Your Money For This Long ...

1 year

\$105.00

3 years

\$115.77

10 years

\$162.89

25 years

\$338.64

And You Could End Up With This Much ...

HIGHER INTEREST

A simple savings account does not pay as much interest as some other types of investment. As a result, many people put their "savings" money into accounts called money market funds. These may provide two or even three times as much income as a regular savings account. However, there is an important thing to know.

Bank savings deposits are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$100,000 per depositor. If something should go wrong with your bank, you would always get your money back (up to \$100,000). Money market funds, while offering higher returns, are not insured. While they are considered a relatively safe investment, there is no guarantee that you won't lose some or all of your money. (No investor has ever lost money in a money market fund, however.) Each person has to decide how much risk is worth taking when deciding whether to open a regular savings or a money market account.

ACTIVITY: SMART BANKING

Look through the *Sun Sentinel Digital Edition* for bank advertisements. Contact at least three of them to see if they allow students to open up a bank account. Find out the details. Ask them to send you any brochures or information about their student programs. Create Venn Diagrams or other visual aids to compare and contrast what each has to offer. Share your findings with your class.

For extra credit: If you think that one of the banks you have researched has a good program, you may want to talk to your parents or another adult about opening up your own account. Share with them what you have learned, and why you think it is important.



TAKE YOUR PICK

All day, all around the world, people are investing their money. They're buying and selling pieces of big companies and small companies, trading bonds, swapping currencies such as the U.S. dollar and Japanese yen, and even bidding on hogs, orange juice and beans.

Everyone is basically hoping to do the same thing: Come away with more than they started with. When people decide to invest their money, they have thousands and thousands of choices. We can't list them all here, but we can tell you a little bit about the three main types of investments.

- **STOCKS.** Stocks are little pieces of a company. When you buy stock, you own a tiny piece of a business. Many companies sell stocks, including Disney, Coca-Cola and The Gap. You make money when the value of the stock goes up — say from \$10 to \$15 — or when the company shares some of the money it makes with all of the people who own its stocks by paying a “dividend.” Stocks are the most risky of the three types of investments because the price of the stock can go down or a company can even go out of business, and you could lose all your investment.
- **BONDS.** Bonds are basically an IOU that a business or government gives to you when you give them money. The loan can be for a few weeks, a few months, or maybe 30 years down the road. While you're waiting to get your money back, you get payments called “interest.” Usually, the longer you have to wait to get your money back, the more interest you get. Here's an example: You give the U.S. government \$50 for three years, and the government agrees to pay you 3 percent interest. You'll get \$1.50 a year for three years, and at the end of the three years, you'll get your \$50 back.
- **CASH.** This is very similar to the money you keep in your sock drawer or in your pocket. People usually have some cash —even though it isn't making money or earning interest like a stock or bond — because it's money that is ready to spend if you need it. Cash investments include interest-paying Money Market Accounts, which in turn invest in such things as Treasury bills and bank certificates of deposit (CDs). Cash investments also are short-term IOUs issued by governments, corporations, banks and other financial institutions.

ACTIVITY: THE STOCK EXCHANGES

There are three major stock markets in the U.S. — NASDAQ, NYSE, Dow Jones.

- NASDAQ stands for: National Association of Securities Dealers Automated Quotations (whew!)
- NYSE stands for: New York Stock Exchange
- DOW JONES is short for the Dow Jones Industrial Average. It is named for two of its founders: Charles Dow and Edward Jones.

It is important to understand each market and how each works. Research the history and differences among the three different markets. Write a report or develop a graphic describing each.

For extra credit: What does it mean when people use the term “Wall Street” when talking about the financial markets? Where did the term originate?

INVEST YOUR MONEY



THE BIG PICTURE...

So, what did the stock market do today? You may be surprised by how many people care about the answer to that question. That's why you can read about stocks in the newspaper and see reports about them on television.

Every day, millions of people and businesses buy and sell hundreds of millions of shares of stock. About 7,300 companies sell stock to the public — some that cost just a few cents a share, some at maybe \$30 or \$40, and even one for about \$75,000 per share.

The reason it's such big news when the

stock market shoots

up or slides down is that it's not

just rich people and bankers who are buying and selling stocks. In fact, millions of Americans own stocks. They buy stocks with the hopes that the money they invest will eventually be worth more money. They may use the money for a new car or a house, for their children's college education, or for their retirement.

With all of that money at stake, it's not surprising that the performance of the stock market can make a big difference to people. For example, when the stock market went down in the fall of 2008, it was estimated that Americans lost more than \$2.5 trillion! That's \$2,500,000,000,000!

NO PAIN, NO GAIN

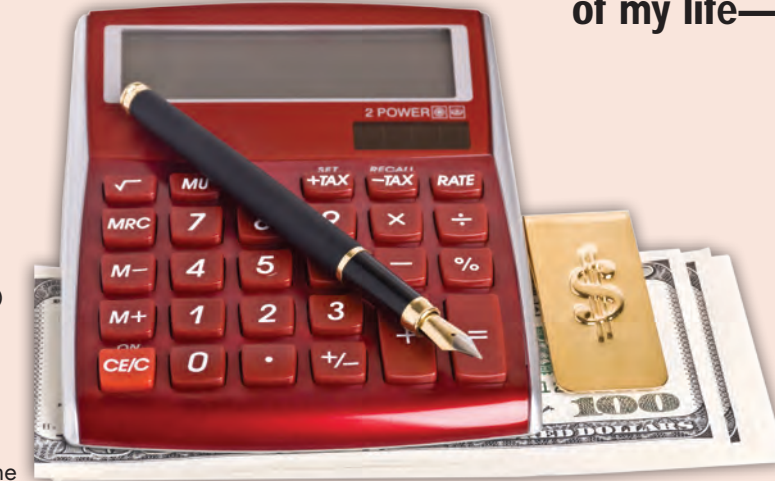
Everyone knows the saying, “no pain, no gain.” For instance, if you're exercising, you have to get a little tired, or you are probably not trying hard enough.

In the same way, if you are investing your money, you have to understand that you can only make more money if you take more risk. If you put a \$10 bill under your mattress for two years, you'll still have your \$10, but nothing more when the two years are up. If you want to try to turn that \$10 into more money, you have to take some risk. In other words, you have to be willing to lose some — or maybe all — of the money with the hope that you'll make more.

Just because you take risk, doesn't mean you're guaranteed to make money. It just means that your chances of making more money are better (just as your chances of losing money are better). One easy way to reduce your risk is to spread your money around in different investments so that if one investment loses money, the others may do OK - or at least not lose as much as the first one.

What determines whether the market goes up or down? Most important is the law of supply and demand. If a lot of people want to buy something and there's only a limited amount of it available, then that item will cost more. Stocks that many people think will keep going up are popular and therefore have higher prices.

Other factors also matter, including what's going on in the world, or even whether people feel good about their jobs and the U.S. economy.



“I have enough money to last me the rest of my life— unless I buy something.”

— Comedian Jackie Mason

THE DOW JONES

The most widely known group of stocks is the Dow Jones Industrial Average — the Dow, for short — which includes 30 huge companies in different businesses, such as McDonald's, Disney, Exxon, and WalMart.

This is the stock price average that is most often quoted as an indication of how the overall market is performing.

In the last year, the Dow Jones Average — and the overall stock market — has fallen after rising higher and higher in the years before that.

Shares are bought and sold — or traded, as it's called in the financial world — in two ways: On the floor of a place known as an exchange, or over a huge computer network that links thousands of computers all over the country.

ACTIVITY: TRY THIS!

Imagine you're deciding whether to invest in the stock of a company. Make a list of qualities that you'd like to see in such a company. Then list some qualities that might scare you off from investing in a company. Write an essay explaining why you came to your conclusions.



ACTIVITY: INVEST IN SOME STOCKS

You can practice investing before you try the real thing. Using a financial website or other sources, pick a few stocks that interest you. In class discuss how the prices are written. You have \$5,000 to spend. In the spaces below, write what stock you are buying, the price you are paying today, and the number of shares. Check your stocks daily or at least once a week and record how the prices are doing. Figure out and record the difference in price from week to week. Depending on how the stock does, you may feel really happy or really disappointed that you didn't use real money! Put a thumb's up if you made a profit or thumb's down if you lost money next to the date to indicate your results.

Date	Stock Name	Price Per	Quantity
○ ___/___
○ ___/___
○ ___/___
○ ___/___
○ ___/___
○ ___/___
○ ___/___
○ ___/___
○ ___/___
○ ___/___
○ ___/___

ACTIVITY: TAKING A RISK

Read the information to the right under the heading “NO PAIN, NO GAIN” to understand the term “risk” when talking about investments. It is an important to understand this concept when you are thinking about where to invest your money.

Next, after doing more research, list some investments that are considered risky and some investments that are less risky. Research to discover the answers to the following questions:

- What makes one stock purchase riskier than another?
- What can make a riskier investment safer?
- What can turn an investment that isn't risky into a risky investment?

Sunshine State Standards: SL.3.1, SL.4.1, SL.5.1, SL.6.1, SL.7.1, SL.8.1, ; W.3.2, W.3.7, W.3.8, W.4.2, W.4.7, W.4.8, W.5.2, W.5.7, W.5.8, W.6.2, W.7.2, W.8.2, W.6-8.7, W.6-8.8, 3.OA.1, 3.NBT.2, 4.OA.2, 4.NBT.4, 4.NBT.5, 5.NBT.5, 6.NS.3, 7.NS.1, 7.NS.2

WHO'S INTERESTED?

At one time or another, you have probably heard the news reports: Interest rates are up. Or interest rates are down. It seems like a big deal, the way the newscasters treat it.

So what's up with interest? Interest is a kind of service charge you pay when you borrow someone else's money. The interest rate — the percentage of the loan that you pay in interest — is usually expressed as an annual rate. In other words, if you borrow \$100 from the bank for a year, and the annual interest rate is 10%, you'll owe \$10 in interest charges at the end of the year, in addition to \$100 that you borrowed.

Generally speaking, lower interest rates are viewed as a good thing for the nation's economy because they encourage consumers and businesses to do more borrowing and spending.

Companies pay interest when they borrow money to build new factories or start up new businesses. People pay interest on many kinds of debts, including mortgages (the loan you take out to buy a house), credit card debt, and car loans.

Interest rates become news when the Federal Reserve System raises or lowers what is known as the primary credit rate.

The Federal Reserve System, also called the Fed, is the central bank of the United States. It's a kind of watchdog of the nation's money supply.

The primary credit rate, also known as the discount rate, is the interest rate that's charged when banks borrow money overnight from the Fed. At the end of 2011, the primary credit rate was 0.75%.

Another interest rate that's often in the news is the prime rate, the interest rate that banks charge their "best" customers. Usually, that means big, established businesses.

The Fed does not control the prime rate directly, but when there is a change in the primary credit rate, the prime rate also moves up or down. At the end of 2011, the prime rate was 3.25%.

Interest rate changes affect everyone. Many banks base the interest rates they pay customers for savings accounts on the prime rate. In addition, many car loans, credit cards and other consumer loans are adjustable rates that are "tied" to the prime.



Federal Reserve OPA

INTEREST RATES & THE FED

The Federal Reserve System was established by Congress in 1913 to stabilize the nation's financial system. Before then, the finance system was very disorganized and hadn't worked very well.

The Fed is actually 12 separate banks governed by the seven-member Board of Governors. The Fed handles the day-to-day banking business of the U.S. government, but it also carries out many other duties as it...

- tries to balance the amount of money that's in circulation by buying and selling bonds and other government securities. If the Fed's Open Markets Committee decides there is too much money in circulation, it can raise or lower the amount of money in circulation by changing the interest rate it charges banks to borrow money.
- lends money to banks that need to borrow money.
- monitors the nation's banks. One requirement is that banks keep a portion — usually 10% — of their deposits on hand to cover unexpected demands from customers for cash.
- takes old or worn money out of circulation and authorizes Treasury Department to print up new bills or mint new coins.
- serves as the national "clearing house" for checks, taking care of the quick and accurate transfer of funds in more than 15 billion transactions a year.



Did You Know?

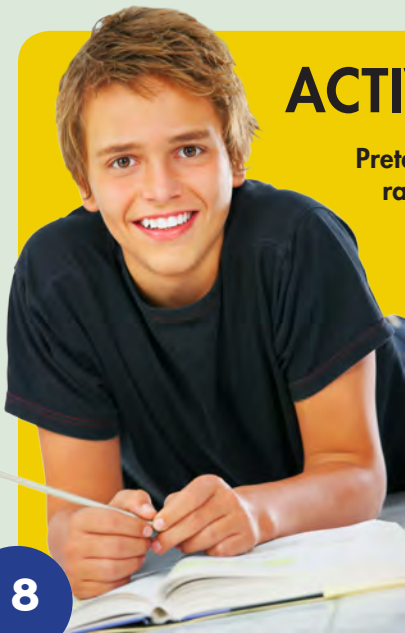
Many people say that the second most powerful person in Washington D.C., after the President, is Ben Bernanke. He is Chairman of the Board of Governors of the Federal Reserve System and serves as the Chairman of the Federal Open Market Committee, the primary policy-making body for our monetary system. Their policy decisions about interest rates affect all other parts of the American economy!

ACTIVITY: "INTEREST" IN MATH

Pretend you have borrowed \$1200 from a bank. The interest rate is 5%. The length of the loan is 10 years. Your monthly payments on the principal (the original \$1200) are divided equally, \$100 per month, plus interest of 5% per monthly payment.

- At the end of the 1st year, how much money have you paid back to the bank?
- At the end of 5 years, how much?
- At the end of the 10-year period, how much money have you spent to pay off your loan?

Do the same calculation using a 20% interest rate (the rate of most credit card loans). What can you conclude?



ELECTRONIC COMMERCE AND THE FUTURE

CASHLESS SOCIETY — COMING SOONER THAN YOU THINK?

Are you ready to live in a world where you don't have to carry cash? A world where computers transfer money in and out of your accounts with the click of a mouse or a few keystrokes? In some ways, it's already here. These transactions have become a familiar part of American life.

- **Direct deposit.** Many Americans already enjoy the convenience of having their pay automatically deposited in their bank accounts instead of receiving a paper paycheck. In January 1999, federal agencies began paying Social Security, pensions and veterans' benefits electronically instead of by check.
- **ATMs and debit cards.** Automatic teller machines allow you to get cash from your bank account almost wherever and whenever you like. A person can use a debit card to make a purchase in a store or restaurant. A debit card looks like a credit card, but it's different in one important way. With a debit card, the money for the purchase is transferred immediately — or the next business day — from the cardholder's bank account to the store's account.
- **Internet purchases.** In the last few years, millions of Americans have learned how to shop from their personal electronic devices, i.e., computers, smart phones, tablets, etc. Perhaps your family has bought books from online booksellers like Amazon.com or other goods and services that are available online. You simply key in your credit card number and other required information to make the purchase. (Note: use safe, secure sites to keep "cyber thieves" from stealing your personal information.)



STILL TO COME

Someday soon, we could all be using "smart cards."

A smart card looks like a credit card, but it has an embedded microprocessor chip that stores monetary value and also keeps a record of the user's spending. As you use up the value that's stored on the card, you may be able to download additional funds from bank accounts through your chosen electronic device or a modified bank machine.

Smart cards can be used for purchases from vending machines, stores or through computers. Imagine not having to go to the trouble of keying in a credit card number to make purchases on the Internet!

Smart cards have been widely used in Europe and Asia for about a decade. Americans got their first look at smart cards when they were offered on a limited basis at the 1996 Summer Olympics in Atlanta. They have become popular on college campuses. By 2007 there were more than 35 million smart card users in the United States.

ACTIVITY: SMART CARD DESIGN

Design your own Smart card. You can call your Smart card what you want. What kinds of symbols and colors would you choose? What material would you use to make it? Share your design with your class, explaining the design elements you chose.

For extra credit: Make up a poem, jingle, rap song, or video to advertise your Smart card. Keep your creation short – between 15 and 30 seconds to sell your product.

The government used to produce paper money in amounts as big as \$500, \$1,000, \$5,000 and \$10,000, but those denominations were eliminated in 1969. They were mostly used for large transfer payments between banks, and by then banks had more secure transfer technologies.



HERE'S WHAT HAPPENS BEHIND THE SCENES

ATMs, also called 24-hour Tellers, are electronic terminals that permit you to bank at almost any time of the day or night. When you slide an ATM card into an automated teller machine and enter your personal identification number on the keypad, the machine sends a message by modem to your bank's central computer. The ATM machine transmits the identification number that's encoded on the card's magnetic strip to the bank. The computer then permits the ATM to issue cash, accept deposits or provide information about account balances. The first ATM was installed in 1969.

ONLINE BANKING

In recent years online banking and bill-paying have become increasingly popular. By the time you are earning a living and paying bills, you'll probably be paying all your bills from your electronic device.

Here's how it works: using an electronic device, you navigate to your bank's website, and then type in your password. There, you may find bills waiting for you from your electric company, your landlord and your credit card companies. With a few keystrokes, you authorize your bank to pay the bills. Then you're all done with your bill-paying, and you can spend the rest of your evening relaxing.

More than 60 million people are now using some form of online banking in the U.S.

ACTIVITY: LEARN ABOUT HACKING!

E-Commerce (electronic transactions) are generally safe and reliable, however no system is perfect. The use of electronic devices has given rise to criminals known as "cyber thieves" or "hackers". These people keep trying to find new ways to steal personal information from your computer or smart phone. They then use that information to pretend to be you, getting access to your bank accounts or using your credit card number. Sometimes they sell the information to other criminals who use it.

Look through the *Sun Sentinel Digital Edition* or other source to read about hacking. Write a letter to a financial company or business in your area, asking them how they would protect your personal information against hacking. If you have any good ideas to prevent cyber thieves, offer your suggestions.

ACTIVITY: TRY IT!

Where was the first ATM installed back in 1969? Who gets the credit for inventing/designing it?



WHY E-COMMERCE?

Electronic commerce offers some major attractions. It's faster. It's also cheaper. And it's safer and reliable.

- **FASTER.** Who wants to wait for a check to come in the mail, when they can have the money moved into their bank account electronically?
- **CHEAPER.** Banks, which process 60 billion paper checks a year, save 80 cents for each electronic transfer that eliminates a paper check, according to the National Automated Clearing House Association. The federal government estimates that it costs 44 cents to mail out a Social Security check, compared with the two cents that it costs to send out a Social Security monthly payment to the recipient's bank.
- **SAFER AND RELIABLE.** The federal government sends out millions of benefits checks every month to Social Security recipients, military veterans and others. Before the government decided to begin electronic payments, agencies were receiving more than a million telephone calls a year from people whose benefits checks were lost, damaged, or just delayed in the mailed.



CREDIT CARDS



You have watched your parents or older family members do it. They walk into a store with no money, just a small piece of plastic with a long number stamped on it. They walk out with whatever they decided to buy. If it looks too good to be true, that's because it is. Here's why:

When you or your parents use a credit card, the credit card company pays for your purchase, then you pay back the credit card company. Of course, there's a catch. The credit card company charges you interest because it is basically lending you money.

For example, if you buy a \$50 pair of sneakers using a credit card, you may actually pay back the credit card company \$56.50. The longer it takes you to repay the "loan," the more interest adds up.

In most cases, just paying cash would have been a lot cheaper. Credit cards can make shopping more convenient, but they can be dangerous, especially if you use them too often, don't keep track of your charges, and don't pay them off in a timely manner.

THE HARD NUMBERS

As a nation, we love our credit cards. That's not such a good thing, experts say.

Americans owe billions of dollars on credit cards. Some people use their credit cards to pay for routine expenses — gasoline for their cars, groceries, meals out in restaurants — and then find they owe huge amounts of money that they can't pay back.

Among U.S. households that carry a balance on their credit cards, the average debt is \$8,000. As a nation credit card debt has grown almost \$200 billion since 2003, to almost \$1 TRILLION today.

Running up big credit card bills may seem tempting to some people. Most cards don't require you to pay off the

full amount every month. You can pay a small portion of your debt and then pay interest on what remains unpaid.

However those interest rates can be 18% and higher. Does it really make sense to take a year to pay off a dinner in a restaurant?

ACTIVITIES: TO THINK ABOUT

The law says you have to be 18 to get your own credit card. However, kids as young as 15 can get their own credit cards, as long as their parents agree to be responsible for paying the bills. Do you think you could handle a credit card? Write a few paragraphs explaining why or why not.

With the new credit card bill law in place, credit card companies must reveal the following information: the difference between the amount of time it will take to pay off your debt if you only pay the minimum payment, versus how long it will take if you pay a specified amount more than the minimum. Write a letter to credit card customers explaining how this is possible. You may have to do some preliminary research so you thoroughly understand before you begin to explain.

If you owe a credit card debt of \$2,500 with an interest rate of 18%, and you pay just the minimum payment each month, it could take you 34 years to pay off the balance, according to the U.S. Public Interest Research Group.

CREDITS

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Our Focus Is Our Children

Recognizing that the needs of children in Broward County far exceeded the resources and support systems available, a referendum creating the Children's Services Council of Broward County was approved by voters in September 2000 beginning operations in 2001.

The CSC continues to improve the quality of life for children and families by funding close to 100 programs with dozens of agencies in our community.



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