

## Dear Parent/Guardian:

Thank you for downloading this Financial Literacy Feature.

We hope the information and activities offered will be helpful in strengthening your family's financial literacy skills.


Download more Parent and Student Financial Literacy Features for grades K-12 at www.ja.org/programs/programs_ save_usa_materials_parents.shtml

## Savvy Shopping and Saving

One of the most important lessons we can teach our children about money is that we cannot have everything we want. When we shop, we have a limited budget for expenses, so we need to pick and choose among all the things we want, selecting those we can afford. Of course, that means that we will have to give up some of the other things.

Sometimes we deal in tradeoffs; we give up a little bit of one thing in order to get a little more of something else. For example, if you can't decide whether to spend $\$ 1,000$ on a nice vacation or to buy a new sofa, you might conclude that you will take a $\$ 500$ vacation and have your old sofa re-covered for $\$ 500$. Many decisions we make involve tradeoffs.

Use the activity below to help your children understand that life is full of choices, and we can't have everything we want. Help them realize that if we spend too much money now, we won't be able to save as much for the future.

## Activity

Kaila and Janelle received \$50 each from their aunt for helping her weed her vegetable garden all summer. Their dad said they could spend $\$ 45$, but they should save the rest. They are both going on a class trip to their state's capital later this year, and they each need a total of $\$ 200$ for that. (Continued on Page 2.)

"Let's get some ideas on what to buy from this department store catalog," suggested Kaila.
The two sisters sat at the kitchen table and admired all the colorful pictures. Kaila liked arts and crafts; Janelle preferred sports. They were excited to go shopping.

Help the girls pick out four things they would like. Draw a line from each item you choose to the girl who would want it. Remember: Each girl should choose exactly four things and spend exactly $\$ 45$.


On the way home from their shopping spree, the girls went to the bank to deposit the remaining $\$ 5$ into their savings accounts. Kaila already had $\$ 174$ in her account. With this deposit, she now would have $\qquad$ . How much more does she need to save to reach her goal of $\$ 200$ ?
$\qquad$ .

Janelle had $\$ 156$ in her savings account. The $\$ 5$ deposit would bring her savings total to $\qquad$ . How much more does she need to save to reach her goal? $\qquad$ .
"I wish I could have spent all my money," said Janelle. "I wanted to buy more stuff."
"But, then you wouldn't be able to save for our class trip," replied her sister. "You can't have both, so you had to make a choice."

Can you think of ways that the two girls can earn the remaining money they need for the trip?
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About JA Worldwide ${ }^{\circledR}$ (Junior Achievement)
Junior Achievement is the world's largest organization dedicated to providing relevant and innovative programs that inspire and prepare young people to succeed in a global economy. Through a dedicated volunteer network, Junior Achievement provides in-school and after-school programs that focus on three key areas: work readiness, entrepreneurship, and financial literacy. Since its founding in 1919, Junior Achievement has contributed to the business and economic education of millions of young people around the world. For more information, visit www.ja.org.

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