



# 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!"

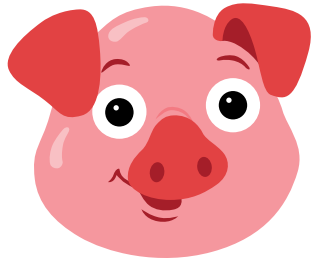
Two friends of mine learned this lesson not too long ago.



Greg and his friend Ann both want something to record their music on so they can listen to it any time. The MP3 player they saw at the mall satisfies this want.

They made plans to buy the MP3 player.

# 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)

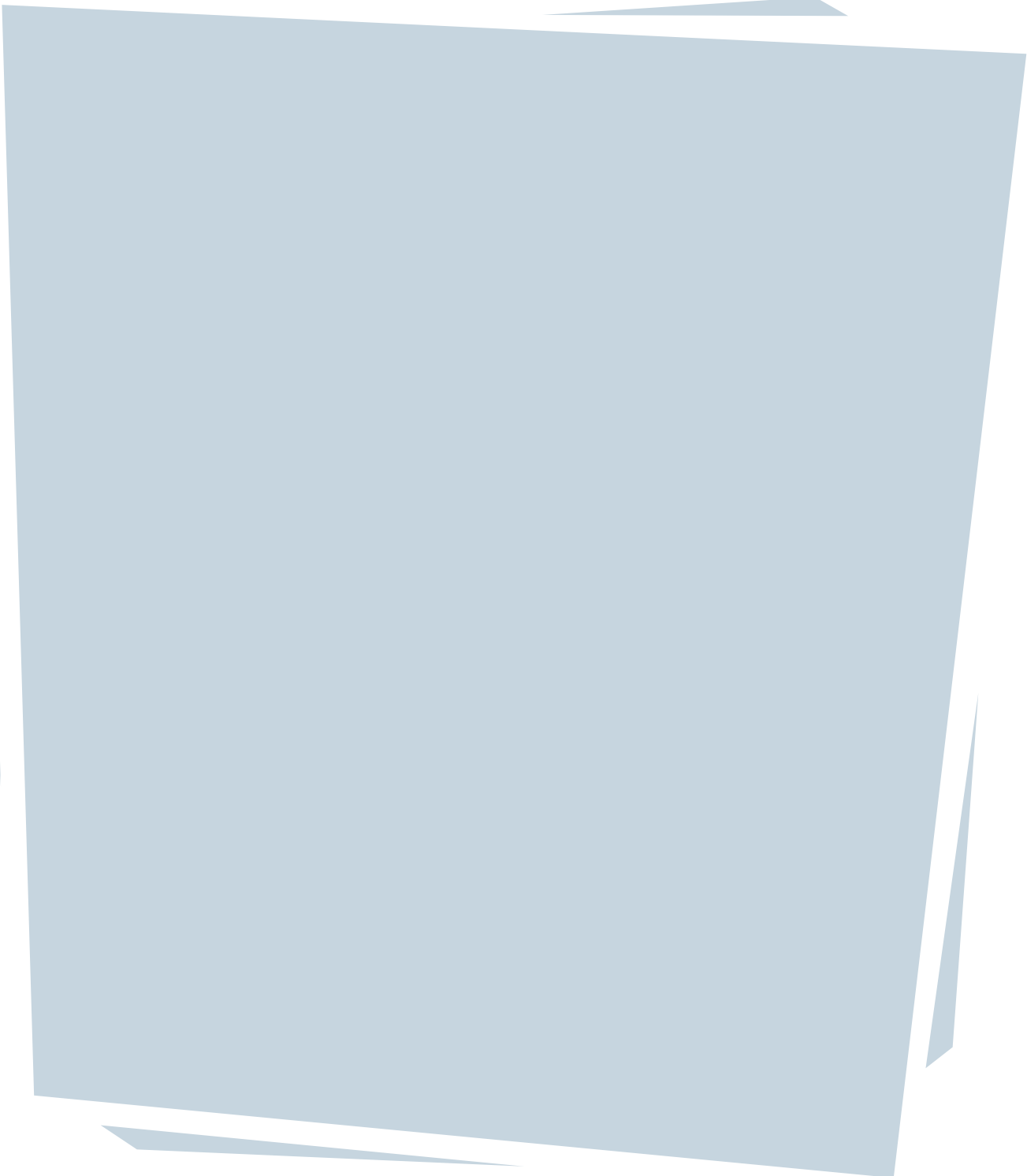


Greg and Ann have unlimited wants for goods and services.

The MP3 player 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.





Greg went to his mother and asked her to buy the MP3 player 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 MP3 player. 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 MP3 player!"

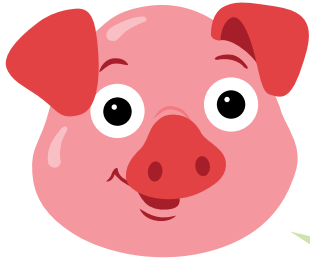
At first, Greg worked hard to earn the income for his MP3 player.

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

He was well on his way to saving enough for his MP3 player.



## 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.

A large, light green rectangular area with a slight 3D effect, intended for writing or drawing. It has a white shadow on the left and bottom edges, and a white shadow on the right edge.



# Goods and Services I Must Save To Buy



A large, light blue rectangular area with a slight gradient and a drop shadow, intended for writing or drawing. It is positioned below the title and the pig sticker.

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 MP3 player," 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.



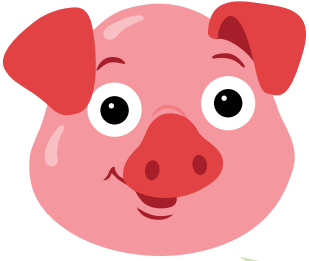


Giving to charity was important to Greg. When he was at the zoo, he learned that the zoo was collecting money for a new panda bear exhibit. He decided he wanted to help; so, he also gave some money for the exhibit.

Every day, more interesting things—like going to the movies, going to an amusement park or just buying new CDs—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 MP3 player. When he spent his money for things now, he gave up saving for the MP3 player.

# 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 MP3 player. 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 MP3 player. 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

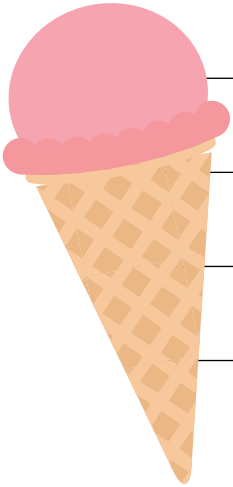
Write sentences that explain why you want these two things the most.

CHOICE ONE

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CHOICE TWO

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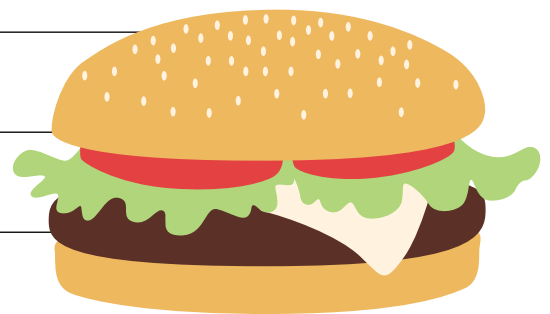
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Do you remember Greg's friend Ann? She wants an MP3 player, too. Ann planned differently. Ann earned income from tasks that she did around the house, too. She offered to babysit her little sister so that her mother could cook dinner. She saved her 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 MP3 player and bought a new comic book. She thought the new panda bear exhibit for the zoo was important; too, so, she made a contribution.



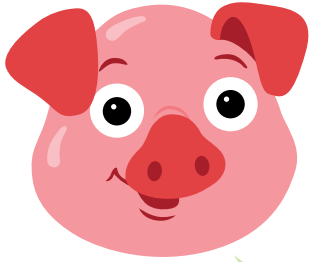


“I have a birthday coming up soon,” she thought. “I think I will use some of the money I receive as birthday gifts to buy that new game that I want, but I will save the rest of my birthday money in my piggy bank for the MP3 player.”

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 an MP3 player. 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

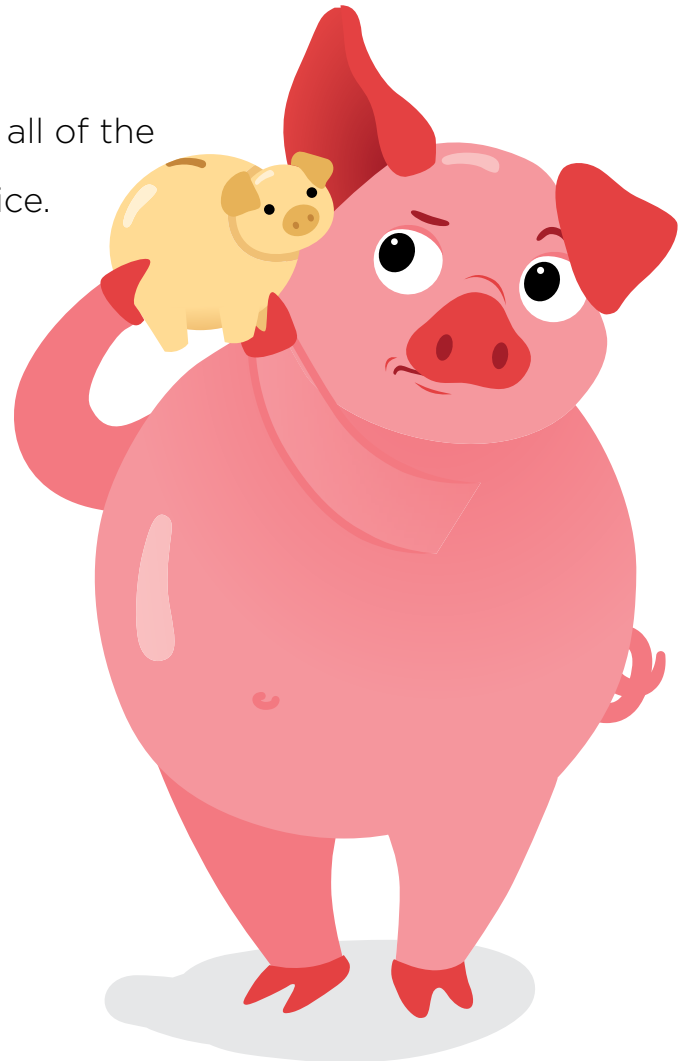


## Piggy Bank Primer definitions

- 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?

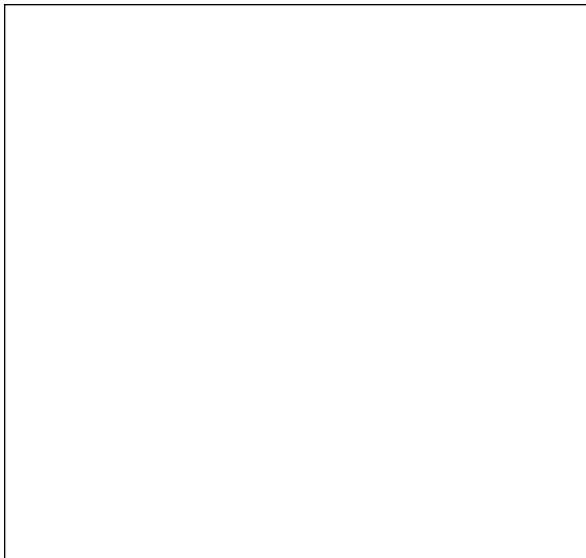
Ann wanted her MP3 player. She knew she would have to save money she received as gifts or income she earned doing jobs for others. Her mother helped Ann make a budget to help meet her goals. The first thing Ann decided was how much to save.

Then, Ann searched for ways she could earn income to save for her MP3 player. 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.

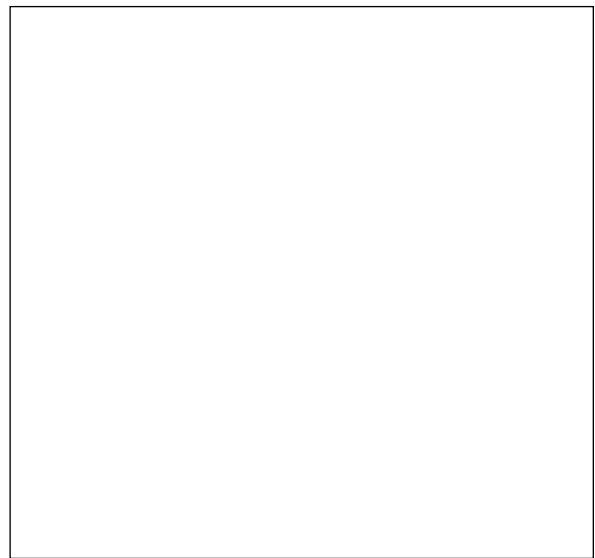
Ann's mother told Ann to include other things for which she wanted to save in her budget, too. Ann wanted a new game to play with her friends, so she included that in her budget. Ann liked to help others. From her visit to the zoo, she remembered that the zoo was collecting money for the new panda exhibit.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

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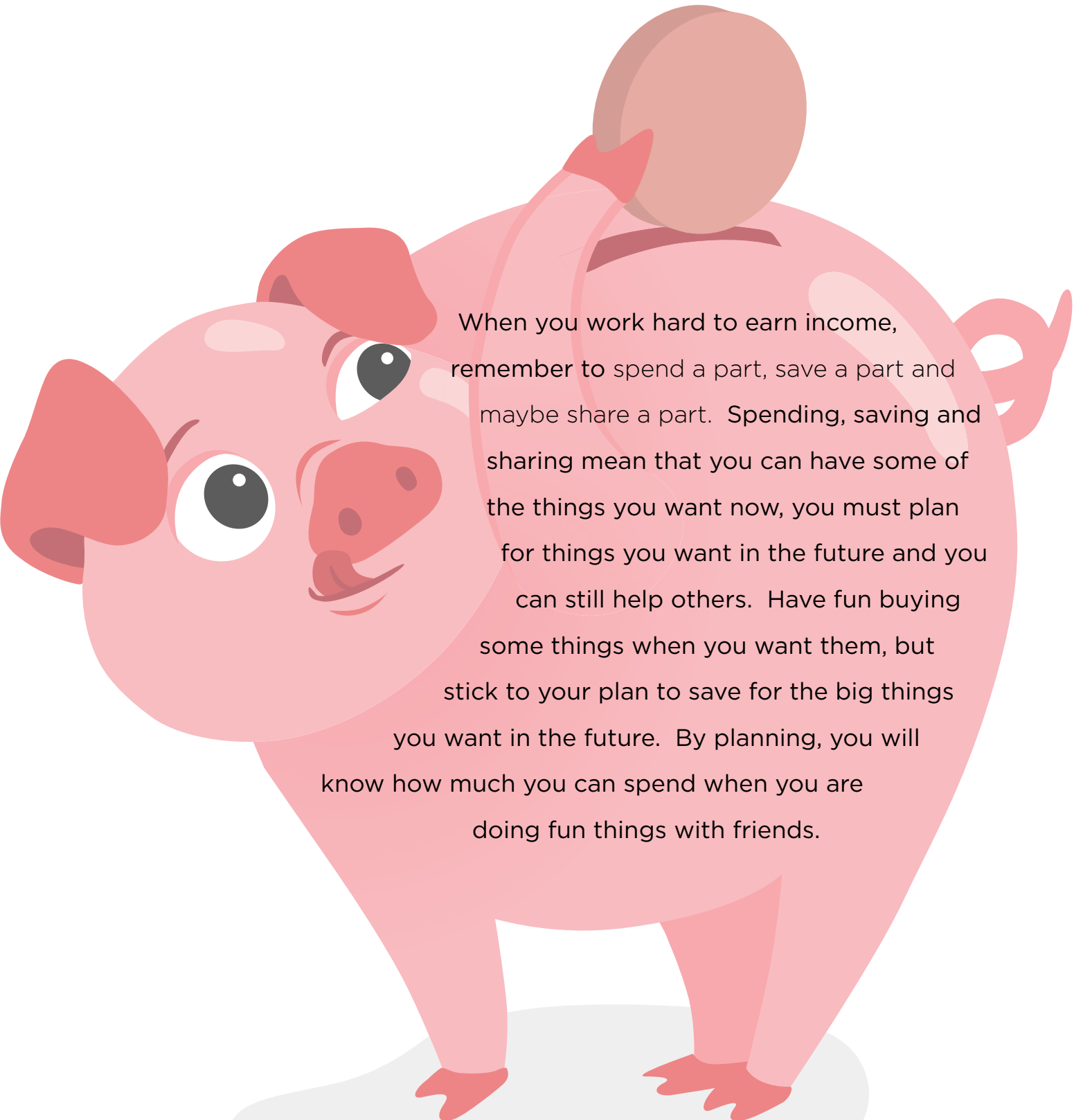
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A week before school started, Greg and Ann planned to go to the mall to buy their MP3 players. Greg went to his mother to ask about buying his MP3 player. His mother asked him for the money that he had saved from the income he earned working and from 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 MP3 player. Ann asked her mother to take her to the store to buy the MP3 player. She not only had money for the MP3 player, 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.

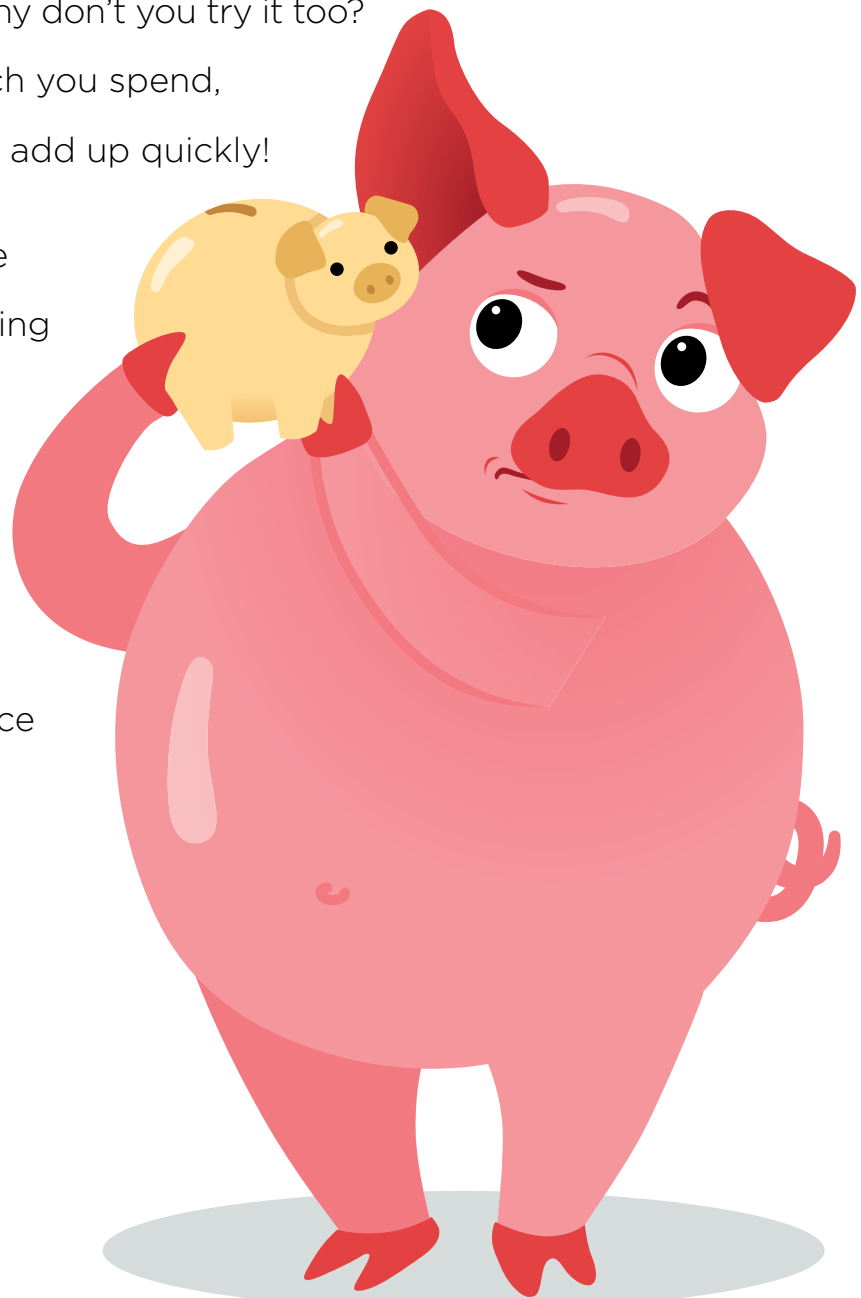
# Activity 6: Tracking My Spending

## Where Does My Money Go?

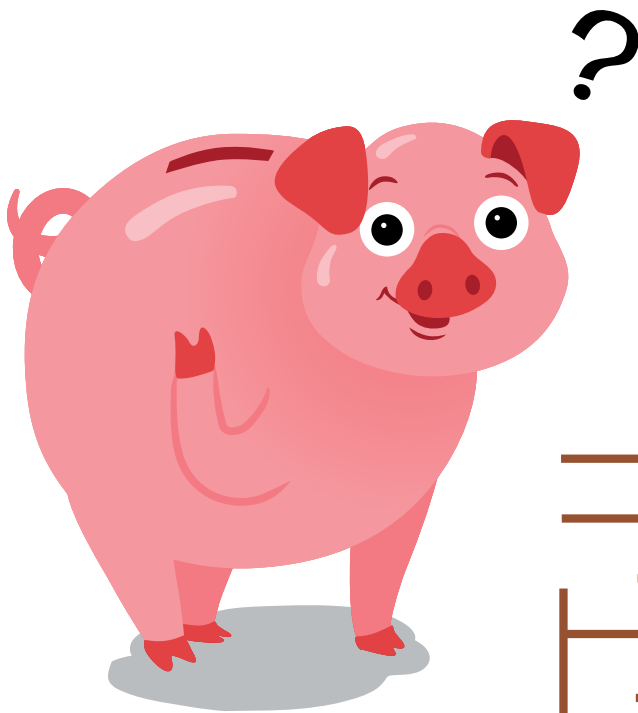
Greg wondered where his money had gone. He remembered he had bought ice cream cones and tokens, but he didn't remember about the rest. His mother suggested he use a Pocket Tracker, like the one on the inside back cover of this book. Why don't you try it too?

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

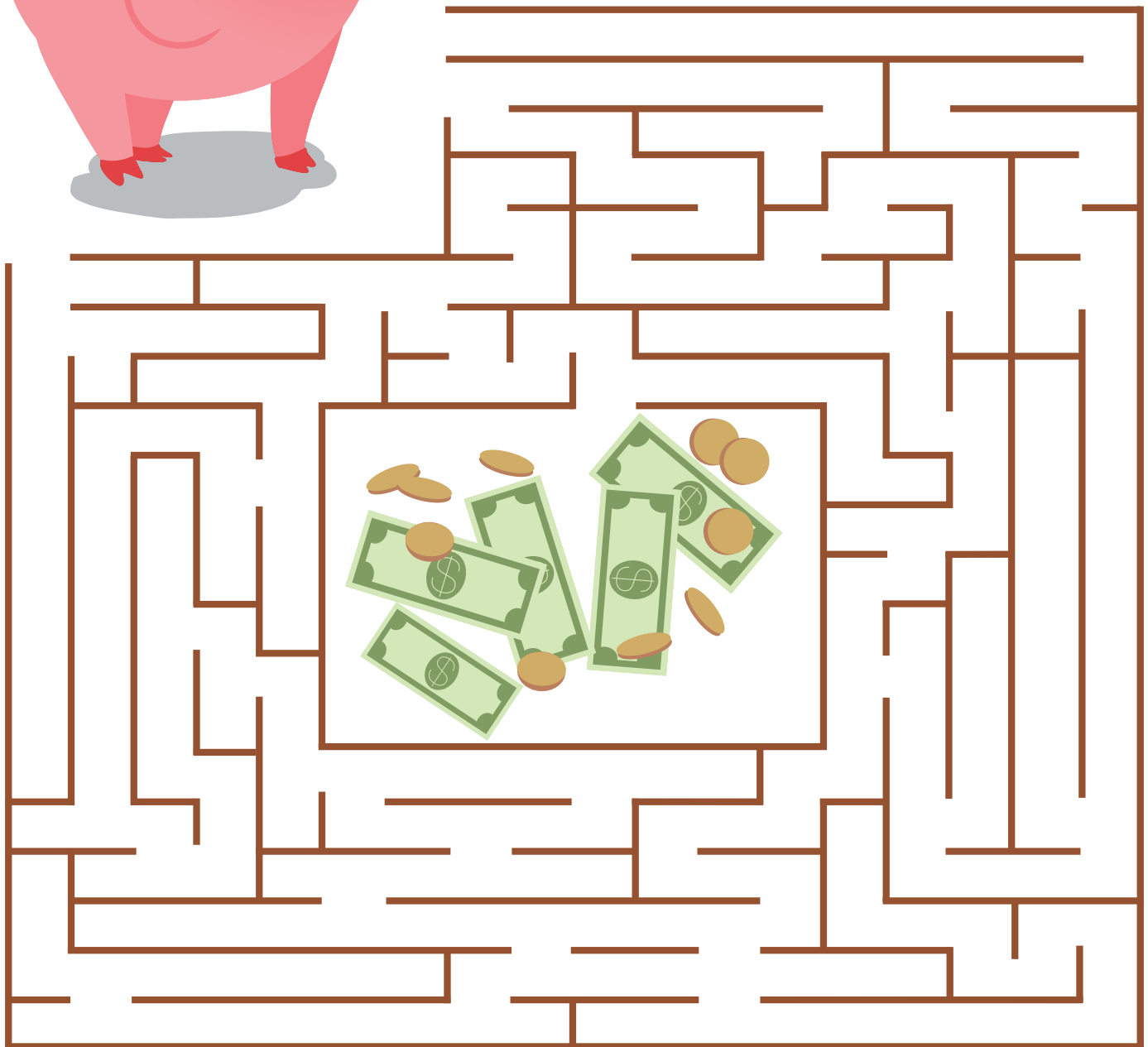
- In the "Savings" section, list the amount of money you are putting aside for savings.
- In the "Entertainment" section, list items such as purchasing apps, trips to the movies, or visits to a theme park, or bounce or jump zone.
- In the "Food/Other" section, list items such as sodas, candy bars and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

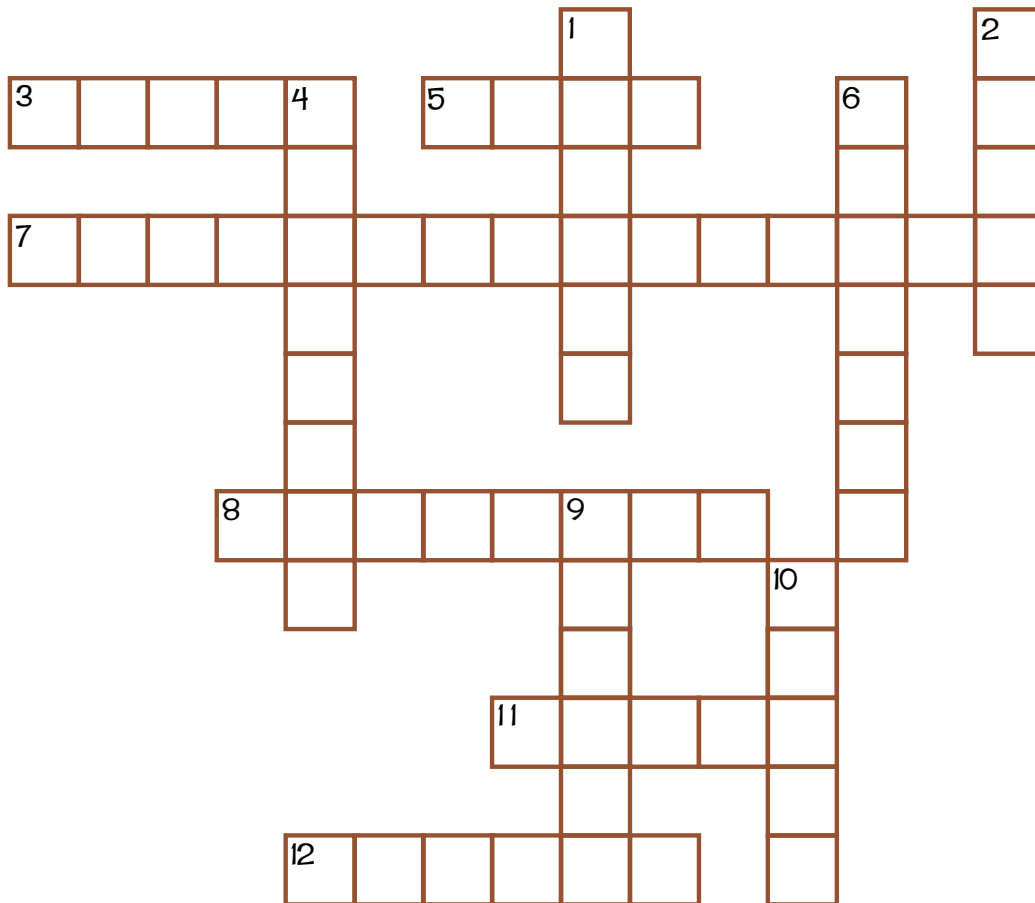
\_\_\_ Identify events such as your birthday or a holiday when you might receive money.



# 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

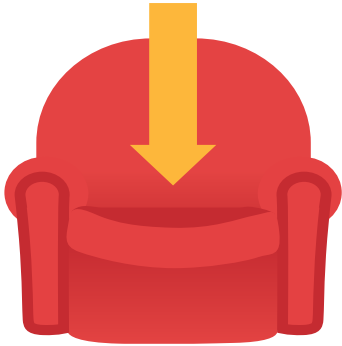
plan  
saving  
services  
wants

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

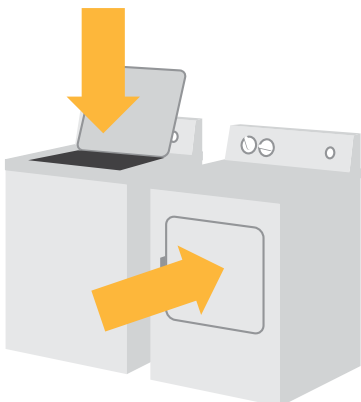
(Make mom proud and ask if you can vacuum while you are in there!) \$\_\_\_\_\_



**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?

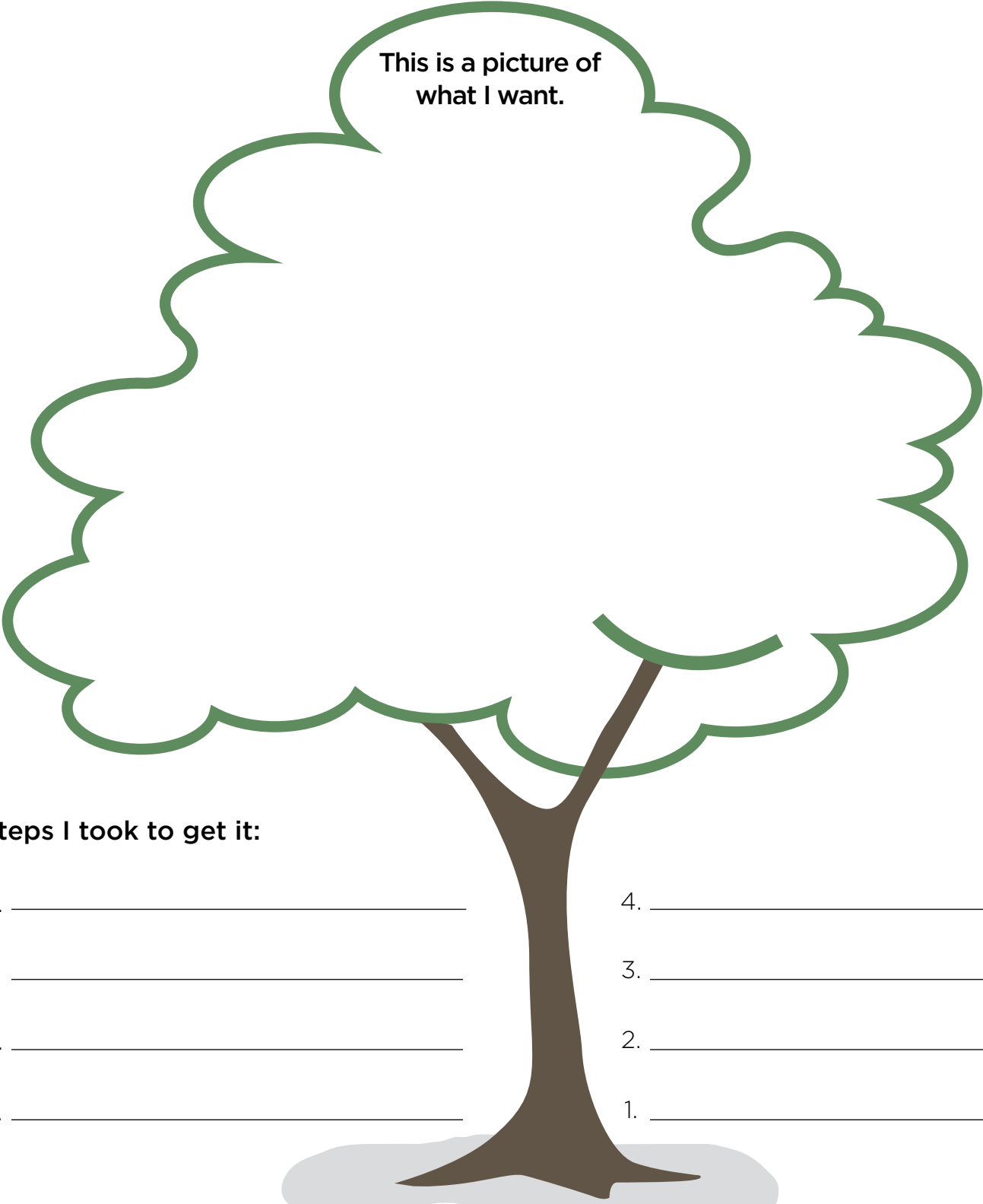
Money may not grow on a tree, but it can definitely grow like a tree. Now you can start saving for what you want, just like Greg and Ann. First, decide how much you want to save.

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

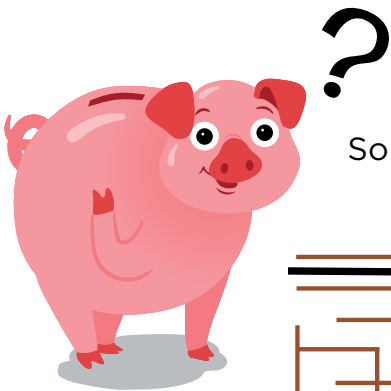
This is a picture of what I want.



Steps I took to get it:

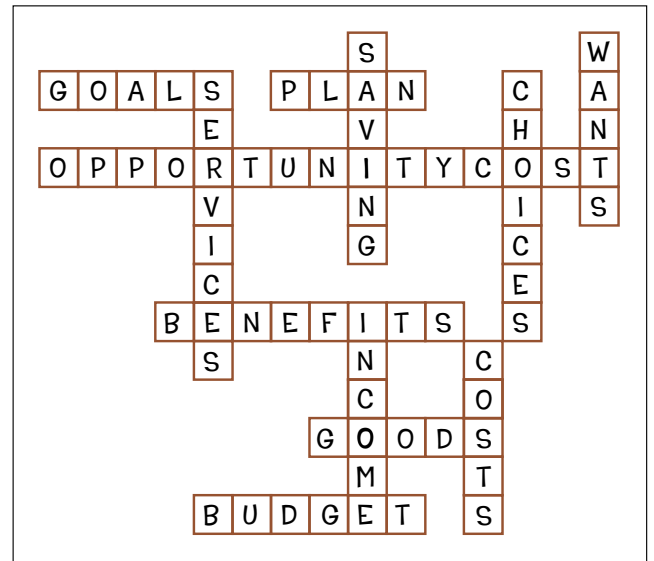
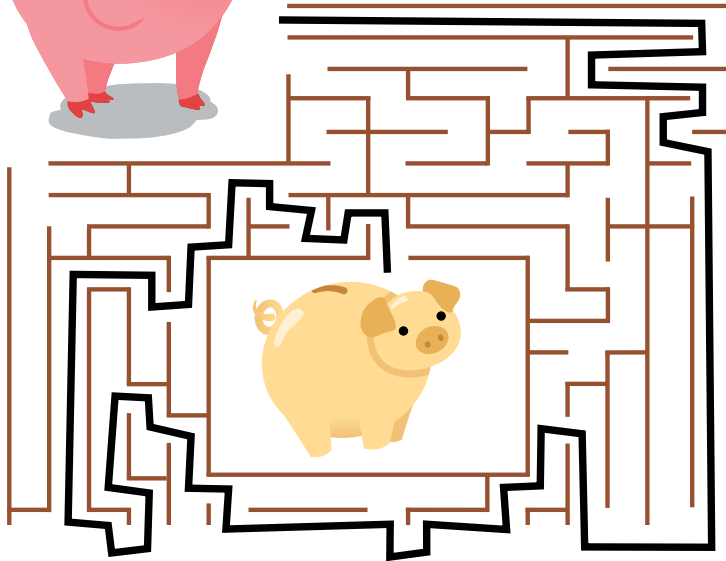
- 8. \_\_\_\_\_
- 7. \_\_\_\_\_
- 6. \_\_\_\_\_
- 5. \_\_\_\_\_

- 4. \_\_\_\_\_
- 3. \_\_\_\_\_
- 2. \_\_\_\_\_
- 1. \_\_\_\_\_

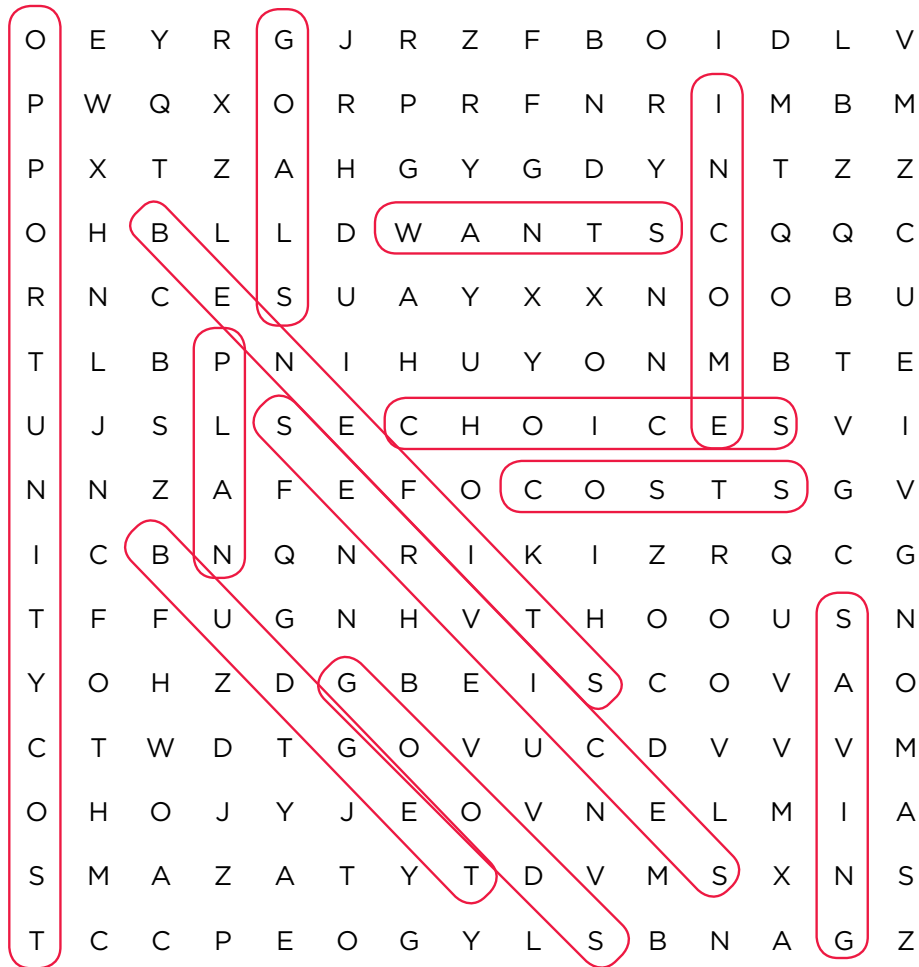


Solution: Page 23

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

