

## Books for You and Your Child to Share

**Barbour, Karen.** *Little Nino's Pizzeria.* Voyager Books, 1990.

Tony likes to help his father at their small family restaurant, but everything changes when Little Nino's Pizzeria becomes a fancier place.

**Berger, Melvin and Gilda.** *Round and Round the Money Goes: What Money Is and How We Use It (Discovery Readers).* Ideals Publications, 2001.

This book explains how economic exchange evolved from barter to money, including an explanation of how banks work.

**Bochner, Arthur, Rose Bochner, and Adriane Berg.** *The New Totally Awesome Business Book for Kids,* Revised and Updated, 3rd ed. Newmarket, 2007.

A step-by-step guide for kids starting their own businesses. Includes games, puzzles, and stories.

**Polacco, Patricia.** *Chicken Sunday.* Putnam, 1998.

The author recalls how she and two friends created an ingenious plan to buy a special Easter hat for the boys' grandmother, a lady well known for her wonderful chicken dinners.

**Roberson, Erin.** *All About Money (Rookie Read-About Math).* Children's Press, 2005.

This colorful book compares the buying power of money today and in the past, illustrating the role of money in our society.

**Russo, Marisabina.** *When Mama Gets Home.* Greenwillow, 1998.

The three children of a mother who works outside the home look forward to her return at the end of the day. Each sibling has a task: the older sister puts the chicken to roast; the brother peels carrots; and the youngest child, who narrates the story, sets the table. Mama finally comes home with a smile and some hugs, changes her shoes, finishes dinner preparations, and sits down with her children for a meal and recap of the day's events.

**Silverstein, Shel.** *The Giving Tree.* HarperCollins, 1964.

This is the story of a tree that gives itself as a resource to a boy/man throughout his life to satisfy his wants.

**Talbot, Jim.** *Coin Count-y: A Bank in a Book.* Innovative Kids, 1999.

This book about counting and saving money includes places to save more than \$20 by filling the built-in coin slots on each page with pennies, nickels, dimes, and quarters, while also building early math skills.

**Van Der Meer, Ron.** *The Pick and Shop Marketplace.* Random House, 1996.

Four stores unfold and pop out in amazing detail to form a charming, interactive shopping center.

**Vaughan, Marcia K.** *Lemonade Stand.* Grosset & Dunlap, 1999.

Boomer, the bear, and his friend, the mouse, set up a lemonade stand. Charging a nickel a glass, the duo can see the money adding up quickly, with boats and sports cars in their future. But when no customers show up, Boomer buys his friend a glass of lemonade, and then his friend buys Boomer a glass. In this way, the same nickels go back and forth until the lemonade disappears.

**Viorst, Judith.** *Alexander, Who Used to Be Rich Last Sunday.* Aladdin Books, 1980.

Alexander receives a gift of \$1.00 and must decide how to use this gift.

**Worth, Bonnie.** *One Cent, Two Cents, Old Cent, New Cent: All About Money* (Cat in the Hat's Learning Library). Random House Books for Young Readers, 2008.

The history of money as told by the Cat in the Hat.



# Theme 1: Earning Income

## Background Information

You've heard the expression, "Money doesn't grow on trees." You know that it is true, but do children know this? They don't always make the connection between work and earning income. It can be a challenge to help them see this important connection.

Your children are learning about earning income in school. As you help them learn more, keep the following essentials in mind.

- The **primary source of income** for most people is to work for a living.
- **Human capital** is the skills, education, and talent that people possess.
- People can **invest in** (improve) their **human capital** through education, practice, and on-the-job training.
- There is a connection between the amount of **human capital** a person has and the amount of **income** he or she earns.
- **Goods** are objects that can satisfy a person's economic wants. **Services** are actions that can satisfy a person's economic wants.
- **Entrepreneurs** are people who develop new businesses that make goods and services.
- **Profit** is the amount of money left over after all costs of production are paid. Profit is income to the entrepreneur.
- **Taxes** are required payments that citizens make to governments.
- Governments use **tax revenue** to provide goods and services.
- **Sales taxes** are payments made to local governments when goods and services are purchased.
- **Property taxes** are payments made to local and state governments on the assessed value of property people own.
- **Income taxes** are payments to state and federal governments based on the amount of income earned.
- **Gross income** is the amount of income earned before any taxes are withheld.
- **Net income** is the amount of income left in your paycheck after taxes are withheld.

**• WHAT ECONOMIC AND PERSONAL FINANCE CONCEPTS ABOUT INCOME ARE CHILDREN IN GRADES K-2 STUDYING?**

Below are the concepts related to earning income, with definitions, that children in grades K-2 are typically studying.

1. **Workers (producers)** are people who use productive resources to make goods and services.
2. **Work skills (human capital)** are the health, education, training, and skills that people bring to their jobs.
3. **Income** is the gain, usually measured in money, that comes from different sources including work. People earn income for work performed.
4. **Gift money** is money freely given, not earned.
5. **Economic wants** are desires that can be satisfied by consuming a good or service.
6. **Goods** are objects that people make that can satisfy other people's wants.
7. **Services** are activities that people perform to satisfy other people's wants.
8. **Entrepreneurs** are people who assume the risk of putting together resources in starting a business to make a good or service with the hope of making a profit.
9. **Productive resources** are things used by producers to make goods and services. They include all natural, capital, and human resources.
10. **Natural resources** are the "gifts of nature" that are used to produce goods and services. These resources include such things as land, trees, fish, oil, and mineral deposits.
11. **Capital resources** are the goods used to produce other goods and services.
12. **Human resources** include all human effort directed toward producing goods and services.
13. **Money** is anything that is generally accepted as a medium of exchange used to buy goods and services.
14. **Coins** are government-issued pieces of metal that have value and are used to buy goods and services.
15. The **value of money** is based on what can be purchased in the way of goods and services.
16. The **functions of money** are the roles played by money in an economy. Money serves as a medium of exchange, a standard of value, and a store of value.