



WHAT IS A TAX?

Did you ever wonder who pays for our streets and bridges? Or who pays to keep public schools running? We all do! The government collects money from everyone to help support and maintain things we all use. Like the police. And your favorite park. And the road you take to school.

This money is called taxes.

“But nobody has ever collected taxes from me,” you might think. And you’re sort of right. There is no tax person who comes to your house and asks for the money. But you do pay taxes on many things you buy. And grown-ups even pay taxes on the money they earn!

Do you remember a time when you bought something that was marked, say \$5. But when you went to buy it, the cost was actually more than that? That’s a sales tax. The government takes the difference between the cost of the item and the amount that you pay. Without that money, states would have a hard time keeping the government running.

Not everything is taxed. You will probably pay tax on new toys and video games. But things you really need — like food and clothes — may be tax-free. Every state is different, so talk to your mom or dad about what they have to pay tax on.



Why are there so many ads on TV?

How many times have you been watching your favorite TV show and it gets interrupted by a commercial? Why are there so many?

Companies that want to sell things pay TV channels to show you their advertisements. The ads are supposed to make you want to buy stuff. Before you break open your piggy bank, make sure you know what you are buying.

• **What are they selling?** If a commercial is filled with bright colors and lots of friends, can you pick out the product they're selling? Sometimes companies use these scenes that look like a party to make you think their product is fun. Just remember that when you buy the item, it doesn't come with the friends and party.

• **What are they not telling you?** When a commercial comes on advertising the toy you really want, do they tell you everything? Maybe it's an ad for a toy house, but they don't tell you the garage, dolls and furniture are sold separately. This means you'll have to spend even more money to play with everything that was on the commercial.

• **What do your parents think?** If you're not sure what a commercial is selling, ask your parents. Then ask them if it's a product they would ever buy. They can help you learn more about advertising on TV.



Snowflakes and savings: Small things add up

Have you ever tried to catch a single snowflake? It is beautiful — but not much fun. A few inches of snow, on the other hand, can be very, very fun. It's kind of like your savings. A little bit is nice. But a lot of savings is much, much better.

When it snows a small amount, you may be able to see your tracks in the yard or on the sidewalk. It may even get a bit slippery. That can be fun. But if it keeps snowing, it can cover your yard. With a few inches on the ground, you can do much more. You can go sledding. Or build a snowman. Or make snow angels. Now that's fun!

And if there is enough snow — maybe a foot or more — there's snow for everything. Even after you build your snowman there's snow left over to go sledding or build a fort.

When you deposit money in your savings account, even small amounts can build up to bigger money. You may have \$20 in your account now, which can maybe buy one fun toy. But keep saving, and you could have much more money over time. Just imagine what \$100 could buy!



How much does it cost to have a pet?

The price to buy a pet is one thing. But the cost to keep your pet healthy and happy can be much higher.

Dog > Up-front adoption fee: * **\$350**
Lifetime costs**

Food: \$235 a year for 10 years = **\$2,350**
Veterinarian: \$260 a year for 10 years = **\$2,600**
Toys/treats: \$75 a year for 10 years = **\$750**

Cat > Up-front adoption fee: * **\$75**
Lifetime costs**

Food: \$115 a year for 15 years = **\$1,725**
Veterinarian: \$160 a year for 15 years = **\$2,400**
Litter: \$165 a year for 15 years = **\$2,475**

These aren't the only costs for a pet. There may also be a license, collar and leash, scratching post, training classes and more. If your parents say it's OK to get a pet if you help pay for it, start saving now in your savings account.

* This is an average estimated cost, and will vary by pet and place of adoption. Source: Animal Humane Society.
** Estimated minimum costs. Source: The American Society for the Prevention of Cruelty to Animals (ASPCA).

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This credit union is federally insured by the National Credit Union Administration.

Find the matching mittens

Brrr! When there's a chill in the air, don't forget to put on your mittens before you go outside. Warm hands make it easier to carry your school bag and take money to deposit in your savings account. Can you find the two that match?



If you found the matching pair, give yourself a hand! (Which means to clap quietly!)

Answer: C and H