



In the video **Flea the Frog (Saving and Credit Cards)**, Ronan and Ramona visit Stinkland after saving their money for one year to buy tickets.

Opportunity cost is the next-best alternative a person gives up in making a choice. When you buy something with a credit card, you are borrowing money, and it must be paid back. **Credit cards** have a limit and charge interest if the money is not paid back quickly. **Saving** is the opposite of spending money. People who save put their money away to be used for future purchases.

Discussion Questions:

A **savings goal** is something you set up when you want to buy something in the future. What did Ronan and Ramona want to save up for?

A: Tickets to Stinkland.

When people must choose between two things, the thing they did not choose is their **opportunity cost**. What did Ramona choose not to buy so that she could buy a ticket to Stinkland?

A: Perfume.

What are some of the examples Megan gave for why people choose to save money?

A: To purchase a home or car, to go to college and to plan a big trip.

Megan talks about two important things that help with saving, what are they?

A: Making a plan and sticking to it.

Give an example of ways that you and your family save money.

A: Answers may vary.

What method of payment did Flea the Frog use to pay for all of his purchases?

A: A credit card.



A credit card is a way to spend money that you don't have right now to make purchases. You borrow money. What are some examples of how Flea the Frog was irresponsible with his credit card?

A: He borrowed/spent more money than he had. He didn't make his monthly payments. He didn't have a job to pay back the money he borrowed on his credit card.

What did the credit card company charge Flea the Frog when he didn't pay his credit card bill?

A: Interest.

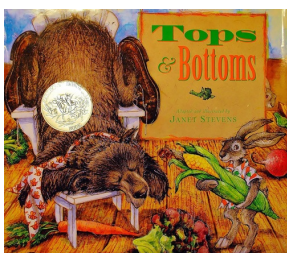
Follow up answer with definition of interest: Interest is the cost of borrowing. When you borrow money, you must pay back what you borrow plus what the bank charges you for loaning you the money—the interest. If you don't pay back the money on a credit card in time, interest keeps growing.

Just like when you borrow a library book, the money you use on a credit card has to be given back. What happened to Flea the Frog when he didn't pay back his credit card for the money he borrowed?

A: They took back everything he bought.

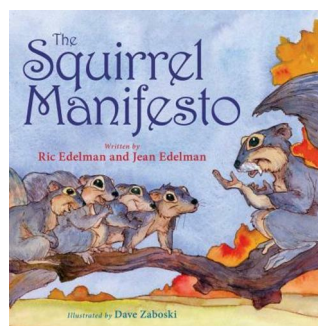
Additional Children's Literature Recommendations:

Tops and Bottoms by Janet Stevens



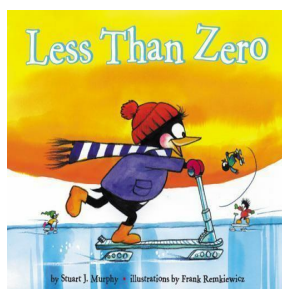
Teaches children about making choices and opportunity cost

The Squirrel Manifesto by Ric Edelman



Teaches children about spending, saving and donating

Less Than Zero by Stuart J. Murphy



Teaches children about saving, savings goals, interest and borrowing