



COMMUNITY AND ECONOMY

Your child just completed the first unit for *JA BizTown*'s curriculum. The goal with experiential learning programs, such as *JA BizTown*, is to help students see how classroom learning relates to real-world events. Each lesson's title is a question to enhance that learning connection: What Is a Community?, What Is an Economy?, What Is Free Enterprise?, Why Do I Pay Taxes?, and What Is Philanthropy?

You are encouraged to further strengthen these learning connections by engaging your child in conversations around some of the BizTalk prompts listed below.

Students learned how people are members of a community in which they live, work, trade, and share. They took a pledge to become citizens of *JA BizTown*, and that oath required an understanding of the rights and responsibilities of citizenship.

JA BizTown citizens tackled the "circular flow of economic activity" as they examined the movements of goods, services, resources (human, natural, and capital), and money between people and businesses. This concept will be revisited several times over the next few weeks. Further, when citizens visit *JA BizTown*, they will become an integral part of that cycle as they operate their businesses and become consumers purchasing products in the simulated community.

Through a series of classroom exercises, students recognized that resources are scarce and that people cannot have everything they want. Decisions must be made about what to produce, how to produce, and for whom to produce (i.e., basic economic questions). Further, economies cannot provide everything people want, so market prices help to allocate goods, services, and resources. Students learned that governments play an important role in an economy by providing public goods and services, paid by taxes. Philanthropic activities and nonprofits increase the well-being of people through charitable giving. Students learned that when people share their "three Ws" – work, wealth, and wisdom – communities are greatly enhanced.

BIZTALK!

Ask your child about the *JA BizTown* DVD that was shown in class.

BIZTALK!

Ask about citizens' rights and responsibilities in a community. Offer some "home" examples.

BIZTALK!

Ask your child about the products the class created, using limited resources.




FINANCIAL LITERACY

JA BizTown’s second unit highlights “financial literacy.” Students learned about some of the services offered through financial institutions (e.g., checking accounts, savings accounts, ATMs, online banking, safe-deposit boxes). The primary personal finance skill students practiced was the proper use of checkbooks. Students engaged in the entire (pretend) process: they applied for checking and savings bank accounts, wrote checks for purchases, deposited money into accounts, and maintained accurate balances in check registers.

Students were encouraged to complete their checks, deposit tickets, and check registers as shown below. The method of subtracting each transaction on the register is called the “double-entry” method. Many of us may use the “single-entry” method, subtracting in our heads, but students use the double-entry method when they visit JA BizTown. Please reinforce this process with your child.

DEPOSIT TICKET

Name JENNIFER SMITH



Date JULY 1 2010
Deposits may not be available for immediate withdrawal.

Jennifer Smith
Signature required for cash received.

CASH	CURRENCY	
	COIN	
LIST CHECKS SINGLY		8.82
SUBTOTAL		8.82
LESS CASH RECEIVED		-2.00
NET DEPOSIT \$		6.82

Acct.# 234


BIZTALK!
 Share how you pay your bills or buy things. Do you write checks? use online banking? use an ATM? use a debit card? Explain the hardest part for you.

Name JENNIFER SMITH 001

JULY 1 2010

PAY TO THE ORDER OF JA BIZTOWN BANK \$ 1.50

ONE AND 50/100 Dollars



Memo OPEN SAVINGS ACCOUNT

Jennifer Smith
 Acct.# 234

BIZTALK!
 Ask your child what lesson she or he learned from Gordon’s story.

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT

NUMBER	DATE	TRANSACTION DESCRIPTION	PAYMENT/DEBIT (-)	FEE (OF AMT)	DEPOSIT/CREDIT (+)	BALANCE \$
						0.00
	7/1	DEPOSIT			6.82	+6.82
						6.82
001	7/1	JA BIZTOWN BANK	1.50			-1.50
						5.32



WORK-READINESS

Your child has just completed the third unit in *JA BizTown*'s curriculum, and the following lessons were included: Will I Be Ready for Work? Why Is Teamwork Important? How Do I Get a Job? How Do I Get Paid?

These four lessons encouraged students to relate specific classroom learning to the act of obtaining and keeping employment. Students discovered how interests and skills can be linked to various career and job alternatives. However, no matter what job a person holds, there are work-related behaviors that are important. After several role-playing skits, students discussed how important it is for employees to be punctual, dress appropriately, work as a team, and be polite to customers. Students also solved several workplace dilemmas by considering the importance of teamwork, negotiation, and innovative thinking. When the class visits *JA BizTown*, these work-related reminders will be important, too.

Speaking of visiting *JA BizTown*.... Students completed Job Applications for their *JA BizTown* positions! They also practiced interviewing as they continue to prepare for their upcoming visit to the simulation. As *JA BizTown* citizens, they spent classroom time learning how to understand *JA BizTown* paychecks; and extra time was devoted to learning the difference between gross pay and net pay. Students are beginning to understand the reality that pay received often is less than amount earned. The good news is that *JA BizTown* citizens enjoy generous public goods and services despite the nominal 2% payroll tax!

BIZTALK!

Ask which Career Type your student likes - People, Ideas, Data, or Things.

BIZTALK!

Ask your student how the teacher used pennies to explain payroll taxes.

BIZTALK!

Ask your student for some typical questions asked in a job interview.



PREPARATIONS FOR THE JA BIZTOWN VISIT

Your child just completed the fourth unit in *JA BizTown*'s curriculum, and the following lessons were included: What is a Quality Business? How Do Businesses Succeed? What Are Business Costs? Which Price is Best? Why Advertise? What Else Should Be Prepared? This most recent unit focused on final preparations as students organized for their visit to *JA BizTown*. By now, you should have the details regarding your school's visit to the Junior Achievement facility. And, hopefully, you can share some of the excitement your child – well, citizen, actually – is feeling.

All students have applied for and received jobs for *JA BizTown*. For several class periods, they have worked in their business teams, practicing the teamwork skills they explored in the previous unit. Teams spent time brainstorming the characteristics of good businesses and discussing "best practices" to help guide their efforts as they operate their own businesses very soon at *JA BizTown*.

Some students were surprised by how many costs are involved in running a business – taxes, health care, advertising, salaries, rent, supplies, utilities, etc. At *JA BizTown*, business teams apply for a business loan to cover these costs initially. Then, employees seek to pay it off before returning to school. Citizens learned that a promissory note is a promise to repay a loan within a certain time period.

How will they pay off their loans? Most citizens will work in businesses that sell products (i.e., goods or services); therefore, they will seek a selling price that can generate enough revenue to allow for a profit. Sometimes it works and sometimes it doesn't. That is the heart of experiential learning simulations such as *JA BizTown*. Students make choices and are able to live out the consequences in a safe environment. Be sure to ask your student if his or her business repaid its loan on time!

BIZTALK!

Ask about the advertisement your child's team created, and share some of your favorite ads and slogans.

BIZTALK!

Ask about your child's job responsibilities.

BIZTALK!

Ask what "Check It Out!" means.



EXPERIENCING JA BIZTOWN

The journey has been fun and educational! Your child now has completed the core lessons for Junior Achievement's experiential learning program, and hopefully you have heard about the simulation at *JA BizTown* where he or she was employed within a thriving community and economy. Several concentrated weeks of classroom study culminated in this unique experience, and research suggests that your child will remember JA's program for many years to come.

It is our hope that your child will apply the skills and experiences gained from *JA BizTown* to future opportunities as he or she enters the teen and young adult years. For example, the financial literacy skills required for a person to successfully interact with financial institutions, as well as those skills necessary for the management of checking and savings accounts, were introduced and practiced in this program. Soft skills such as teamwork, negotiation, and conflict resolution were discussed, and students practiced formal business greetings, letter writing, job application completion, and in many cases, interviewing. The early development of these important skills will help students as they enter the world of work and begin to manage their personal finances.

JA BizTown's curriculum is rooted in the fact that a core understanding of market-based economics and free enterprise is vital. An appreciation for how money, products, and resources flow within economies allows for a better understanding of business management, loans, saving and investment, and taxation. Your child now should better understand how the world works and his or her future roles as employer, employee, consumer, saver, and investor. *JA BizTown* offered your child a valuable foundation in these concepts, and this early foundation will help direct and develop future learning.

We invite you to continue your family's involvement with Junior Achievement and encourage you to visit the JA Worldwide® website (www.ja.org). The Student Center offers interactive games, competitions, as well as timely, pertinent information concerning your child's economic future.

