



TEACHING THE COVER STORY

INSERT COIN

“Free” games and apps come at a price. We reveal that you’re paying for them, even if you don’t know it.

FINANCIAL-LITERACY STANDARDS
II. Buying Goods and Services

COMMON CORE STANDARDS
RI.1, RI.9, W.2

From the Editor: Thanks to the PwC Charitable Foundation, *TIME for Kids* is pleased to offer teachers, students, and their families a monthly financial-literacy magazine.

—**Andrea Delbanco, Editorial Director, TIME Education**

MAKING INFERENCES

Engage the Reader

- Have students write a paragraph about a product they have recently purchased. They should describe the product, and explain why they bought it and how they decided it was worth the money. Invite students to share their reflections on the purchase.
- Tell students they are going to read about how some digital games get players to pay for special features. Ask: What games do you play that have been downloaded from an app store? Have you ever spent money to earn extra lives or other special features? Do you think that was money well spent? Why or why not? How do these purchases differ from those you make at a store?

Read the Text

- Have students read the cover story. Tell them to take notes on the benefits, costs, and risks of in-app purchasing. (*Benefits: You get another chance at winning a game. You save money by watching an ad instead of paying for another chance. This way, you get the benefit of an in-app purchase but the game is technically still free. Costs: Digital games manipulate you into spending money. You end up wasting time watching ads to avoid paying for special features. Risks: Some ask you to install an app with malware that could steal information from your device.*)
- Bring the class together to review students’ findings. Ask: What are the benefits of in-app purchases and ads for game developers? (*They make money.*) What strategies do game designers use to entice players to make purchases? (*They ask a player to pay with either their money or their time for another chance at a game just as the player is about to fail. They use fake money in the form of tokens*

and virtual coins to make players forget that they paid real money for virtual currency.)

Respond to the Text

- Ask students to circle the phrase *opportunity cost* in the first paragraph of the section titled “They’re Selling Ads.” Tell them they can think of an opportunity cost as a trade-off. When you decide to spend time watching an ad, you are making a trade-off, or giving something up. Have students underline the examples of the trade-offs described. (*You give up doing things you want or need to do, like hanging out with friends, or homework.*) Ask: What other opportunity costs can we add to that list? What if a player decides to pay for another chance? What is the opportunity cost, or trade-off, in that scenario? (*Students might suggest that the money could be saved to buy something else that they need.*) Why is it important to consider the opportunity cost of the decisions we make?

Extend Learning

- Challenge students to design a game and consider whether or not they want to incorporate in-app purchases in order to make a profit. The resource “You Be the Game Designer,” on page 3 of this guide, will help them to get started.

WITHIN THIS GUIDE

- Read money expert Jean Chatzky’s letter about her own gaming habits and lessons learned.
- Give students a chance to invent a game and decide which in-app purchases to include.
- Send a letter home to help families discuss this month’s topic.



A NOTE FROM JEAN

Dear Teachers,

Here's a confession: I play games on my phone. Years ago, I paid for the no-ad version of Words with Friends. More recently, my mom turned me on to Wordscapes, and I've been gritting my teeth through the ads that show up every few levels. After editing this issue, I've decided I'm either going to pay the \$2.99 for the version with no ads or delete the game from my phone. Why? Because the story renewed my consciousness of how much of my valuable time games like this eat up. And if adults like you and me are not aware of the true cost of these free games, how can we expect our students to be? I hope you've enjoyed this school year with Your \$. We're already starting to plan for September and thinking about how we can help you make the topic of money resonate in your classrooms. We would love to hear your ideas! Please reach out to me at tfkasks4you@timeforkids.com.

Enjoy the summer!

Jean

ADDITIONAL RESOURCES

councilforeconed.org/standards

Visit for free teaching resources and to download the K–12 national standards for financial literacy.

commonsensemedia.org

Curious about what other parents and educators are saying about a certain app? Visit Common Sense Media's App Reviews section on their website to learn more.

ANSWER KEY FOR WORKSHEET

"You Be the Game Designer," p. 3:
Answers will vary.

YOUR \$
Don't spend any real money, there's always a cost for playing. Gaming companies know how to get us hooked, explains Ryan D. Matsumoto, co-founder of PaidUp, an app-building company. "Just like your favorite music is really good at singing songs, your favorite app developer is really good at figuring out how to get you to play money in their app," he says. Before an app is released, the developers test different versions, and the one that convinces people to spend the most money is the one they use, Matsumoto explains.

When you win a game, it feels good, and when you lose, it can be frustrating. Gaming companies know that we want to prevent those bad feelings, so the game will automatically ask us to purchase or earn a "second chance" just as we are about to fail. That may seem unfair, but those companies have to earn money. A good gaming app costs about \$200,000 to develop, and companies have to guarantee a return on investment, says Danny Dard, vice president at Dark & Storm, an agency that has built more than 1,000 apps.

THEY'RE SELLING ADS
For every ad you watch, the company that makes the game gets a few cents from the advertiser. Good apps, like app ads, work like TV commercials. But not all ads are safe. Some ads use small, unnoticeable text. That's dangerous, because you might be downloading malicious software called malware (that could steal private information off your phone). About every 10 seconds, something about your game money disappears. It's called opportunity cost. "All these little minutes add up," says V. Brian Chesedsky, child psychiatrist and author of *Raise Your Child's Brain*. It's a waste of time. "Because your brain isn't being stimulated," he says.

THEY GET YOU TO BUY STUFF
It's hard to keep track of when you buy something from the app store—even when it's a coin or when that lets you keep playing, and just something you can hold in your hand—you're using real money. "Just by the app, you're able to make it harder for you to remember that it's real money you're spending," Matsumoto explains.

—By Kathryn Tucker

GET SMARTER IN THREE MOVES
We know you don't want to stop playing your favorite game. But you do want to know about how you play. Here are three tips:
• Avoid games that ask you to become a member or pay for it. Applying these rules doesn't mean you can't enjoy the game. You should be paying, not on your side of the screen, and on your terms.
• Buy the way you want instead of being forced along the way. You can't stop playing if you don't want to. If you don't want to, you can stop it.
• Some games will make you watch a minute of ads for every minute of game play. Matsumoto says, "That's a terrible sales." If an app has a lot of ads, look for more options. Most people open have computers that are not as slow.

Power Words
Watch to get used to on a project.
Watch to get used to on a project.
Watch to get used to on a project.
Watch to get used to on a project.

OPINION WRITING

ARTICLE: "INSERT COIN," (PP. 2–3)

After students have read this month's cover story, "Insert Coin," ask them to recap its topic and express two opposing viewpoints one might have about this topic. (One example might be the viewpoint of a disgruntled consumer getting pop-up options while playing a game, and an opposing viewpoint could be that of an appreciative consumer who has the choice to "level up" or continue playing for a very small fee.) Explain to students that they will be participating in a debate today. As a class, determine which two viewpoints you would like to debate. Divide the class into two groups and assign each a viewpoint. Then ask students to take time to write from that viewpoint, with supporting evidence from the text. (Note: Their marked-up text from the cover lesson might be helpful here.) When they're done with this, student groups should prepare for the debate.

Arrange the room with one half of the desks facing the other half, and have students take part in a classroom debate. Open with the question "Should video-game developers build in upgrade options that cost money?" When students have debated this, bring the class together to discuss the activity and new information gained from the debate.

PAIRED TEXT

DISCUSS A SIMILAR TOPIC WITH TFK

- Once students have read the cover story, "Insert Coin," have them go to timeforkids.com to read "Hooked on Games" (9/14/18). This story discusses health experts' warning that video games are taking over lives.
- After students have read the two articles, tell the class: Both articles discuss how the brain is affected by gaming. Who makes these claims, and what evidence supports them?

Your name

Date



YOU BE THE GAME DESIGNER

Read "Insert Coin" (May 2019) to learn how in-app purchases work. Then consider the role of such moneymaking strategies in a game that you create. Complete the organizer to get started.

Name of your game: _____

Number of players: _____

Characters: What do they look like? What are their skills? _____

Setting: Where does the game take place? _____

Goal: How do players win the game? _____

Which in-app purchase would you include? Put a ✓ next to one that you think is worth paying for and an X next to one that is not worth paying for.

____ second chance ____ coins to redeem for upgrades ____ new characters

____ extra tools for more functionality ____ unlocking the game's next level

____ virtual clothes or other belongings for avatars ____ other

Explain your choices. _____

Can you think of a way to keep your game challenging and make a profit without offering in-app purchases? Explain. _____

Think! How are in-app purchases different from buying products like a skateboard or baseball mitt? Do you think in-app purchases are worth it? Why or why not? Respond on the back of this page.

Common Core State Standards: RI.4.3

To connect families with the financial topics being discussed in the classroom, we are including this monthly newsletter featuring family resources. Teachers, please take a moment to photocopy this page and send it home with your students.

DEAR FAMILY,

This month's *Your\$* addresses an important topic, not only for kids but for adults, too. Video-game development continues to advance technologically, and that includes the development of in-app purchasing and hidden fees.

In the article "Insert Coin," we have identified ways in which kids can be conscious consumers. While researching the topic, we also learned about the option to turn off in-app purchases and avoid surprise charges to your credit card. Let's take the lead on conscious gaming and talk to our kids about what they should be on the lookout for.

MONITORING IN-APP PURCHASES

On an iPhone, follow these steps:

1. Go to Settings.
2. Go to Screen Time (with hourglass icon).
3. Go to Content & Privacy Restrictions.
4. Go to iTunes & App Store Purchases.
5. Here, you can adjust your settings. You can turn off in-app purchases completely or require a password for every purchase, not just the first one.

On an Android phone, follow these steps:

1. Open the Google Play App.
2. Click the hamburger menu button.
3. Go to Settings.
4. Find the User Controls section.
5. Click the Require Authentication For Purchases option.
6. Here, you can adjust your settings. You can require a password at all times, every 30 minutes, or never.



AT-HOME ACTIVITY

Lots of kids play video games, but restrictions and regulations vary by the household. One thing we might all agree on, though, is the benefit of creative play offscreen.

Engage your kids in a real-world activity (and also learn a bit about the games they are playing) by challenging them to create something inspired by their favorite game. One idea is to create an obstacle course in the driveway mirroring Mario Kart. Or use recycled boxes to construct a scene from Minecraft. Or challenge them to create a game inspired by their favorite arcade game, such as the one above!