

FIFTEEN LESSONS *IN* THRIFT

ISSUED BY THE SAVINGS DIVISION
U. S. TREASURY DEPARTMENT



WASHINGTON, D. C. AUGUST, 1919



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INTRODUCTION.

The Fifteen Lessons herewith presented are designed for the teaching of thrift and savings in secondary schools or other schools containing young people ranging in ages from 14 to 20 years.

These lessons are to be presented in connection with the subject of civics in all schools in which that subject is taught, and in connection with a related subject in all schools where the subject of civics is not taught.

The lessons are designed to consume one period from 30 to 45 minutes in length, and are so constructed as to raise questions in the minds of the members of the class when presented.

To render universal and permanent the great lesson of the war—the lesson of thrift and savings—means a contribution of great value to the individual who learns the lesson, to the community, the State, and the Nation of which he forms a part.

The lessons are intended to be given at intervals about two weeks apart, and are made sufficiently flexible to be readily applied to any local conditions arising in any State of the Union. They may be modified by addition or reduction, according to the necessity which local conditions present and without turning aside from their main purpose.

If through the inculcation of these 15 suggested lessons there shall be formed in the minds of the class the permanent habit of thrift, the civic and material gain will be great.

Save first—spend afterwards.

SUBJECTS.

- I. Thrift.
- II. Savings stamps.
- III. Organization of thrift work.
- IV. Necessity of thrift.
- V. Thrift in buying.
- VI. Personal budgets.
- VII. Concrete examples of earning.
- VIII. Local opportunities for work.
- IX. Thrift measured in dollars and cents.
- X. Financial independence through thrift.
- XI. Thrift as a community asset.
- XII. Savings banks.
- XIII. Government bonds and other bonds.
- XIV. Insurance as a factor of safety.
- XV. Thrift as exemplified by modern Americans: Roosevelt, Edison, James J. Hill, etc.

LESSON I.

THRIFT.

I. PURPOSE.

To explain the main characteristics of thrift.

II. DISCUSSION.

1. What thrift is not:
 - (a) Hoarding money—one of the most thriftless things one can do.
 - (b) Self-denial—thrift is merely postponing little pleasures now for greater ones in the future.
 - (c) Parsimony—excessive and unreasonable saving.
2. What money thrift is:
 - (a) Earning money—
 - By producing goods and materials.
 - By rendering efficient service.
 - (b) Saving money—
 - By earning money and spending it wisely.
 - By conserving food, clothing, and all useful articles.
 - By eliminating all waste.
 - (c) Investing money wisely in—
 - War Savings Stamps.
 - Government and municipal bonds.
 - Savings banks.
 - Other sound securities.
 - (d) Wise spending of money—
 - For durable necessities.
 - Avoidance of ephemeral pleasures.
3. Partners with money thrift:
 - (a) Time thrift—wise use of time.
 - (b) Health thrift—conservation of health.
4. Where thrift should be practiced:
 - (a) In one's personal affairs.
 - (b) In the home.
 - (c) In one's work.
 - (d) In the community.
 - (e) In the nation.

III. CONCLUSIONS.

1. Thrift has four aspects—earning, saving, investing, and spending.

2. "To spend money for things which add to one's power—mental, physical, moral, or economic—is thrift. To spend it for tools of production wherewith one may increase his productive power, is thrift. * * * To spend money thriftily is to add to the productive power of both the individual and the nation."—T. N. Carver.

Thrift is a habit, not a hardship.

LESSON II.

THRIFT AND WAR SAVINGS STAMPS.

I. PURPOSE.

To acquaint pupils with the main features of Thrift and War Savings Stamps and to demonstrate the advantages which they offer for small savings.

II. DISCUSSION.

1. Thrift Stamps—what they are.
2. War Savings Stamps:
 - (a) The Government's obligation to pay the investor principal and interest at 4 per cent compounded quarterly within five years.
 - (b) Price of War Savings Stamps each month.
 - (c) Redemption privileges.
 - (d) Registration of War Savings Stamps for safety.
3. Advantages of War Savings Stamps:
 - (a) Absolutely safe security—no swindling possible.
 - (b) Relatively high rate of interest.
 - (c) Issued in small denominations—compare with other securities (stocks, bonds, farm mortgages) in this respect.
 - (d) Easily and conveniently obtained—compare with other securities in this respect.
 - (e) Principal and accumulated interest easily secured if needed.
 - (f) The market price does not fluctuate—compare with other securities in this respect.

III. CONCLUSIONS.

1. War Savings Stamps meet all the requirements of a sound investment in the highest degree.
2. Owners of War Savings Stamps have a definite stake in their Nation, which makes for practical citizenship.

Save and succeed.

LESSON III.

THE ORGANIZATION OF THRIFT WORK.

I. PURPOSE.

To induce pupils to take measures for the conservation of school property and supplies and to make definite arrangements for the sale of Thrift and War Savings Stamps in the schools.

II. DISCUSSION.

1. Conservation of school property and supplies:
 - (a) Build up a spirit of cooperation against injuring school buildings and furniture.
 - (b) "The city pays for it," declared Ellen as she crumpled up a half-used sheet of paper and threw it into the waste basket—comment on this.
 - (c) Develop the habit of saving books, pencils, and paper.
 - (d) Induce pupils to use athletic and gymnasium supplies carefully.
2. The sale of Thrift and War Savings Stamps in the school:
 - (a) Discuss the best methods.
 - (b) Make definite arrangements concerning—
 - How the stamps shall be obtained.
 - How and when they shall be sold.
 - Where the stamps shall be kept.
 - Methods of keeping accounts.
 - (c) Sale of stamps to be conducted by students—supervised by a teacher.
3. Means of developing interest in the sale of War Saving Stamps:
 - (a) Interclass competition.
 - (b) Banners or other rewards to the class with the best sales record.
 - (c) School thermometers showing results of sales.
 - (d) Publication of weekly results in the newspapers.

III. CONCLUSIONS.

1. The conservation of school supplies enables pupils to save money for the purchase of Thrift and War Savings Stamps.
2. Each school or class is a very convenient unit for the sale of War Savings Stamps.

3. Pupils can put the principles of thrift into concrete practice by buying War Savings Stamps.

4. The sale of War Savings Stamps is a worthy, patriotic duty for high school students to engage in.

5. "No boy ever became great as a man who did not in his youth learn to save money."—John Wanamaker.

Coin Thrift into Thrift Stamps.

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LESSON IV.

THE NECESSITY FOR THRIFT.

I. PURPOSE.

To show the necessity for individual thrift during the period of readjustment in America.

II. DISCUSSION.

1. Exhaustion of some of our natural resources on account of waste in the past.
2. Effect of the war on American industry:
 - (a) Drew almost 4,000,000 men from productive enterprises into the Army and Navy.
 - (b) Concentrated thousands of men in industries supplying war materials.
 - (c) Made it necessary to postpone building of houses, improving roads, and the keeping up of equipment.
3. Economic needs in America:
 - (a) Machinery, equipment, buildings, and transportation facilities in order that production of needed goods may be maintained and increased.
 - (b) Capital with which to purchase materials and equipment and to employ labor.
 - (c) Labor with which to rebuild what was neglected during the war.
4. How individual thrift will help to solve our economic problems:
 - (a) Personal economy will enable Americans to save money.
 - (b) Savings may be invested in War Savings Stamps, savings banks, and Government and municipal bonds.
 - (c) Savings thus invested are used to employ labor and to purchase machinery, materials, and equipment with which to produce the goods needed and desired.

III. CONCLUSIONS.

1. The money we save helps to employ labor and make "good times."
2. The more Americans save the more easily our country will recover from the effects of the war and resume prosperity.

3. A nation rises or falls with the personal practices of the individuals composing it. Ancient Babylon and the proud Roman Empire fell on account of the thriftlessness of their people.

4. "Through thrift alone can the rebuilding come—the rebuilding of America—the rebuilding of the world."—S. W. Straus.

5. "The thrifty nation likewise prospers while the thriftless nation remains in poverty. The thrifty nation is the nation to which men immigrate to improve their condition. The thriftless nation is the nation from which they emigrate to get away from bad conditions."—T. N. Carver.

6. "When many people are investing in tools, many tools will be produced and industry will then be well equipped with aids to production. In short, there will be many factories well equipped with buildings, machines, and materials. That is a condition in which there is much employment."—T. N. Carver.

Thrift is shorthand for "Waste not, want not."

LESSON V.

THRIFT IN BUYING.

I. PURPOSE.

To demonstrate to pupils the wisdom of economical buying.

II. DISCUSSION.

1. Unwise buying:

- (a) Buying articles not needed because they are cheap—interesting experiences.
- (b) Buying clothes of inferior quality because they are cheap—they do not last well; must be replaced soon.
- (c) Buying food of inferior quality because it is cheap—often causes sickness and menaces health.
- (d) Buying high-priced articles to keep up with extreme fashions—does not win the admiration of others; a very prevalent form of extravagance.
- (e) Excessive amount of sweets, whether of good or inferior quality.

2. Wise buying:

- (a) High-grade clothing, even if costly in the beginning, is often more economical in the end—wears better; lasts longer.
 - (b) Plain, staple food, although expensive, may be economical if it is necessary for the health.
 - (c) It is always possible to dress in good taste at moderate expense.
 - (d) Buying necessary articles for future use in large quantities is wise economy.
 - (e) Plan with a purpose and the future in mind when you buy.
3. Is it economical to buy on the installment plan?
- (a) Encourage a discussion.
 - (b) Example: One store in a large city has sold fur coats to 300 young ladies "a dollar down and a dollar a week." Comment on this.

III. CONCLUSIONS.

1. Wise buying consists in securing the best values as cheaply as possible.
2. The problem of buying is to get full value for one's money.

3. By wise economy in buying one may accumulate savings.
 4. "Everyone achieves successful accomplishment who spends his income to advantage, who gets the most possible for his money."—Charles M. Schwab.
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The time to save money is before you spend it.

LESSON VI.

PERSONAL BUDGETS.

I. PURPOSE.

To acquaint pupils with the main features of a personal budget and to induce them to follow a definite plan for earning, saving, and spending money.

II. DISCUSSION.

1. Definition: A personal budget is a detailed plan of anticipated receipts and proposed savings and expenditures for a definite future period.

2. Have the pupils make a list of the things for which they spent their money during the previous week or month.

3. Ask the pupils to check off the things for which they spent money unwisely. Caution pupils against excluding all amusements or including an unreasonable number of them.

4. Using this list as a basis, request each pupil to write down in a column the amount of money which he expects to receive in earnings and allowances during the next week or month. In another column write down the things for which he expects to spend this money. Make savings to be invested in Thrift and War Savings Stamps the first item in this column. Insist that pupils endeavor to live up to their budgets so far as possible.

5. Example of a personal budget:

Month of October, 1919.

Income:		Savings.....	\$1. 00
On hand.....	\$0. 75	Expenditures:	
Allowance.....	1. 50	Books.....	3. 00
Work.....	4. 50	Paper.....	. 20
		Pencils.....	. 10
		Collars.....	. 50
		Necktie.....	. 75
		Amusements.....	. 50
		Sundries.....	. 20
		Balance.....	. 50
Total.....	6. 75	Total.....	6. 75

III. CONCLUSIONS.

1. Accurate estimates of weekly or monthly income and expenditures can be made on the basis of past experience.
2. Savings should form the first item in every plan of using the income.
3. Living up to a budget means the formation of successful business habits.
4. "Annual income, twenty pounds; annual expenditure, nineteen, six; result happiness. Annual income, twenty pounds; annual expenditure, twenty pounds, ought and six—result misery."—Micawber in David Copperfield. Charles Dickens.

Poorhouses are filled with those who failed to save.

LESSON VII.

CONCRETE EXAMPLES OF EARNING AND SAVING MONEY.

I. PURPOSE.

Through inspiring examples to induce pupils to earn and save money.

II. DISCUSSION.

1. Examples from various parts of the country:
 - (a) Marie Bradfish, of St. Johns County, Fla., raised 152 chickens, valued at \$264.24. Expenses for raising the flock were \$58.95, leaving a net profit of \$207.29.
 - (b) Of 195 Boys' and Girls' Club workers in Michigan, 134 have purchased War Savings Stamps, 103 have savings bank accounts, 89 have purchased Liberty bonds.
 - (c) A boy in Cherokee County, Ala., was enabled to enter high school on the money he earned making brooms. He has sold 60 brooms at \$1 each and intends to make 200 more.
 - (d) With a little equipment a Vermont boy in about three weeks made 60 pounds of maple sugar and 4½ gallons of sirup.
 - (e) Elgie Coacher, of Davison County, S. Dak., raised 52½ bushels of potatoes on one-eighth acre last year.
 - (f) Wilbur Barrett, of Whatcom County, Wash., made \$65 profit from one-tenth acre of beans. He spent \$16 of this money for clothes, \$7 for some rabbits, \$2 for amusement, and gave the rest to his father to help buy an auto in which to go to school.
 - (g) "I just about canned my garden this year," says Seth S. Pope, of Barnstable, Mass., "that is, what we couldn't eat fresh. Because I did, I am able now to enjoy at all seasons of the year the fruits of my labor." How much did he can? Over 200 quarts.
 - (h) Last year in the Northern and Western States 1,120,813 boys and girls were engaged in one or more garden and agricultural projects. The total reported valuation of all products grown was \$6,019,092.26, and the cost of production was \$2,447,313.54.
2. Local examples of ways in which boys and girls have earned money.

III. CONCLUSIONS.

1. There are always numerous opportunities for earning and saving money.
2. Youthful experience in earning and saving money is excellent preparation for a thrifty career in life.
3. Boys and girls who are busy earning and saving money are developing healthy minds and bodies.
4. Thrift and War Savings Stamps are ideal investments for boys and girls.
5. "Happiness consists in earning a little and spending a little less."—Robert L. Stevenson.

You never miss the water till the well runs dry.

LESSON VIII.

LOCAL OPPORTUNITIES FOR WORK.

I. PURPOSE.

To outline a few thrift projects by means of which boys and girls can earn and save money.

II. DISCUSSION.

1. Home gardens:
 - (a) Vegetables which may be grown profitably in the community.
 - (b) Value of fresh vegetables to the family table.
 - (c) Selling garden produce in the community.
 - (d) Canning vegetables for sale or for future family use.
 - (e) Keep a careful account of receipts and expenditures.
2. Salvaging projects:
 - (a) Examples—collecting and selling old rubber, tinfoil, paper, iron, copper, bottles, and clothes.
 - (b) Improves the looks of property.
 - (c) In a single year the salvage in the United States in scrap metal, waste paper, rags, rubber, and other junk amounted to \$1,500,000,000—more than the total governmental expenditures before the war.
3. Rural projects for boys and girls:¹
 - (a) Character—earning money by individual enterprises
 - (b) Examples—raising poultry, pigs, calves, corn, tomatoes, and potatoes; canning fruit and vegetables; sewing.
4. Miscellaneous projects:
 - (a) Carrying papers, delivering groceries, mowing lawns, digging gardens, trimming hedges, splitting kindling, carrying ashes, picking fruit, cleaning sidewalks, collecting bills, sweeping stores, distributing handbills, and washing windows.

¹ Information concerning how to start boys' and girls' clubs may be obtained from the Extension Division, care of the State Agricultural College.

III. CONCLUSIONS.

1. Earning money gives one a true sense of its value.
 2. A careful account of receipts and expenditures shows what projects have been remunerative and helps to form excellent business habits.
 3. Learning to work efficiently is a very important principle of thrift.
 4. The money which pupils have enables them to undertake larger projects and to earn more money.
 5. "Produce! Produce! Were it but the pitifullest infinitesimal fraction of a product, produce it, in God's name! 'Tis the utmost thou hast in thee; out with it then."—Thomas Carlyle.
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The man who can not save the first dollar can not save the last.

LESSON IX.

THRIFT MEASURED IN DOLLARS AND CENTS.

I. PURPOSE.

To show the speed with which money accumulates when saved regularly and invested at compound interest.

II. DISCUSSION.

1. Examples of the wonders of compound interest:

(a) If one of the Pilgrim Fathers had invested \$100 at 4 per cent compound interest, it would now amount to over \$13,000,000.

(b) If Columbus had invested \$100 at 4 per cent compound interest, it would now amount to over \$2,000,000,000.

(c) In 30 years the daily saving of a dime will amount to more than \$1,000.

2. Buying War Savings Stamps systematically:

Stamps—1919.	Average cost.	Maturity value.
1 War Savings Stamp a month, or \$0.96 a week.....	\$50.16	\$60.00
2 War Savings Stamps a month, or \$1.93 a week.....	100.32	120.00
3 War Savings Stamps a month, or \$2.89 a week.....	150.48	180.00
1 War Savings Stamp a week, or \$4.18 a week.....	217.36	260.00
2 War Savings Stamps a week, or \$8.36 a week.....	434.72	520.00
3 War Savings Stamps a week, or \$12.54 a week.....	652.08	780.00
4 War Savings Stamps a week, or \$16.72 a week.....	869.44	1,040.00

War Savings Stamps cost \$4.12 (January) to \$4.23 (December). The approximate average cost is \$4.18, which figure was used in compiling the above table.

3. Results of systematic savings invested at 4 per cent interest compounded semi-annually:

Monthly savings.	1 year.	2 years.	3 years.	4 years.	5 years.
\$1.....	\$12.24	\$24.98	\$38.24	\$52.03	\$66.39
\$2.....	24.48	49.96	76.48	104.06	132.77
\$3.....	36.73	74.94	114.71	156.10	199.16
\$4.....	48.97	99.93	152.95	208.13	265.55
\$5.....	61.21	124.91	191.19	260.16	331.94
\$10.....	122.42	249.81	382.38	520.32	663.87

Monthly savings.	6 years.	7 years.	8 years.	9 years.	10 years.
\$1.....	\$81.32	\$96.87	\$113.04	\$129.83	\$147.35
\$2.....	162.65	193.74	226.09	259.67	294.70
\$3.....	243.97	290.61	339.13	389.50	442.05
\$4.....	325.30	387.48	452.18	519.34	589.39
\$5.....	406.62	484.35	565.22	649.17	736.74
\$10.....	813.25	968.89	1,130.45	1,298.35	1,473.48

4. Results of systematic savings:

(a) By saving \$1 every 6 months and investing it at 4 per cent interest compounded semi-annually the total savings will be at the end of—

Years.		Years.		Years.	
1.....	\$2.02	6.....	\$13.412	20.....	\$60.402
2.....	4.122	7.....	15.974	25.....	84.579
3.....	6.308	10.....	24.297	28.....	101.558
4.....	8.583	15.....	40.568	33.....	134.749
5.....	10.950	17.....	48.034	35.....	149.978

From this table figure out what weekly or monthly savings of from \$1 to \$25 will amount to for the years given above.

(b) Doubling your income: Suppose that you are 22 years of age and that you earn \$20 per week, or \$1,040 per year. You can double your income by the time you are 50 years of age. This is how it is done. Deposit \$5 each week in a savings bank at 4 per cent interest compounded semi-annually. Whenever \$1,000 accumulates draw it out and invest it in some sound security drawing 6 per cent interest—

In 5 years you will have saved.....	\$1,454.03
In 10 years you will have saved.....	3,888.99
In 15 years you will have saved.....	5,998.57
In 20 years you will have saved.....	9,497.13
In 25 years you will have saved.....	14,206.13
In 28 years you will have saved.....	17,779.11

\$17,779 at 6 per cent interest will yield \$1,066.92 annually, or \$20.51 per week.

5. The cost of luxuries:

(a) Money drawing interest at 4 per cent compounded semi-annually doubles in $17\frac{1}{2}$ years, quadruples in 35 years, and grows eightfold in $52\frac{1}{2}$ years.

(b) Examples:

A dollar wasted when you are 12 would mean \$2 toward a home when you are 30.

Fifty cents spent on luxuries at 14 would mean a birthday present to your friend of \$2 when you are 49.

By spending \$5 in wasteful pleasure when you are 20 you will have \$20 less when you are 55.

III. CONCLUSIONS.

1. The cost of luxuries is not only what you now pay for them but what the same money invested would amount to 5, 10, 20 years later.

2. "Compound interest is the foundation upon which the majority of fortunes are built. It works silently but incessantly—Sundays, week days, holidays. It works while you sleep and while you play."—T. D. MacGregor.

An efficient dollar is one invested in War Savings Stamps.

LESSON X.

FINANCIAL INDEPENDENCE THROUGH THRIFT.

I. PURPOSE.

To show that financial independence is the result of practicing thrift.

II. DISCUSSION.

1. The financial declaration of independence:
 - (a) Earning.
 - (b) Saving first and spending afterwards.
 - (c) Investing savings wisely.
 - (d) Result—constantly increasing savings for any use desired.
2. Savings and independence of self:
 - (a) Victory over the inclination to waste money.
 - (b) Habit of saving for future needs deeply ingrained and permanent.
 - (c) Self-respect.
 - (d) Ability to balance future needs against present ones.
3. Savings and independence of others:
 - (a) Ability to meet personal or family emergencies promptly.
 - (b) Ability to take advantage of financial opportunities.
 - (c) Ability to borrow money; consciousness of power.
 - (d) Self-confidence.

III. CONCLUSIONS.

1. Men and women are not free and independent unless they are financially independent.
2. There is no democracy without independence and there is no independence without thrift.
3. "The most important ends of economy are independence and resource—the freedom of choice in a thousand directions that a little capital gives."—J. D. Warner.
4. "If you would know the value of money, go and try to borrow some."—Benjamin Franklin.

Millions will be dependent in old age.

LESSON XI.

THRIFT AS A COMMUNITY ASSET.

I. PURPOSE.

To show that thrift in public affairs saves the time and money of each citizen.

II. DISCUSSION.

1. Waste in the community:

- (a) Injuries to park benches, library books, city buildings, and furniture.
- (b) Waste from preventable fires.
- (c) Waste of water and light.
- (d) Waste in garbage.

2. Cost of waste in the community:

Examples—

In one year it cost \$75,000 to repair the damage done by careless people in a New York park.

The average cost of preventable fires in New York City is \$2.15 per person annually; total, \$12,000,000 per year.

Twenty-five cities in the United States throw away in garbage \$2,400,000 worth of grease, \$1,000,000 worth of fertilizer, 8,000,000 pounds of glycerin, and 200,000,000 pounds of soap-making material.

3. The thrift of community enterprises:

- (a) Examples: Water system, gas and electric light systems, the police and fire departments, disposal of waste and garbage.
- (b) Economies which they effect for each individual at low cost.

4. The thrift of the city water system.

- (a) Variety of uses to which water may be put in the home.
- (b) Variety of uses to which water may be put on the streets and in factories.
- (c) Ways in which water is wasted and the cost of wasting it.

5. Thrift of health in the community:

- (a) Conserving health one of the first principles of thrift.
- (b) Local measures for the conservation of health.

(c) Examples of loss of time and money due to sickness—

Wage earners in New York lose 20,000,000 working days a year on account of sickness.

Each of the 30,000,000 wage earners in the United States loses on the average about nine days each year on account of sickness.

(d) Estimate what one loses in salary and expenses by being ill a day, a week, a fortnight each year. Estimate what it means in money to increase the average length of life.

III. CONCLUSIONS.

1. No investment pays so large a dividend as careful attention to health.

2. Each citizen saves much time and money through well-conducted community enterprises.

3. The careful conservation of public property reduces the taxes.

4. High taxes are beneficial if they are economically and judiciously expended.

5. Property is more valuable in a community governed in a thrifty manner.

6 "The injury of prodigality leads to this, that he who will not economize will have to agonize."—Confucius.

Thrift takes you up the ladder, waste brings you down.

LESSON XII.

THE SAVINGS BANK.

I. PURPOSE.

To show the benefits which savings banks perform for the individual and the community.

II. DISCUSSION.

1. Instances of savings banks in the community.
2. Usual rules of savings banks regarding deposits:
 - (a) Rate of interest.
 - (b) Number of times annually when interest is compounded.
 - (c) Withdrawal privileges.
3. The deposits of savings banks:
 - (a) State laws governing the investment of deposits.
 - (b) Invested in real estate loans and in municipal and corporation bonds.
 - (c) Provides capital for new enterprises.
4. Amount of deposits in savings banks:
 - (a) Before the war there were in the United States 108 savings bank depositors for every 1,000 population; in Italy, 288; in England, 302; in Germany, 317; in France, 346; in Belgium, 397, in Switzerland, 544.
 - (b) Amount of money in United States savings banks, 1915, \$4,997,700,000; 1918, \$5,471,500,000.
 - (c) Helpful effect of the savings movement in increasing the deposits of savings banks.

III. CONCLUSIONS.

1. Savings banks are a safe and convenient place for investing small sums of money.
2. Pay reasonable rates of interest, compounded frequently.
3. Provide a convenient method of accumulating money for investment in bonds and real estate.
4. Savings bank accounts and War Savings Stamps are excellent partners.
5. "Every child should have a bank account and be taught to make it grow gradually but surely. An intelligently managed bank account gives youth its start in life, middle age its competency, and old age its comforts and security."—Elbert Hubbard.

It is better to see your money grow than to watch it go.

LESSON XIII.

GOVERNMENT BONDS AND OTHER BONDS.

I. PURPOSE.

Soon after leaving school a large number of students come in contact with stocks and bonds. This may occur through participation in the purchase of Government and municipal bonds or through participation in the organization of local companies. It is wise therefore for pupils to gain a clear conception as to what these securities are and the opportunities which they offer for investment.

I. DISCUSSION.

1. Government bonds:

- (a) The promissory note of the United States Government secured by the entire resources of the country.
- (b) Pay good rates of interest considering the security.
- (c) Issued in small denominations.
- (d) Investing in Government bonds and holding on to them a patriotic duty and of personal advantage.

2. Municipal bonds:

- (a) The promissory note of a town or city secured by the resources and property of the community.
- (b) Issued for purpose of making improvements in the community.
- (c) Pay good rates of interest.
- (d) Investing in municipal bonds a mark of a good citizen and of personal advantage.

3. Stocks and bonds of private corporations:

- (a) Nature of each.
- (b) Offer a wide field to an investor acquainted with a company's financial conditions and prospects.
- (c) Speculative character of stocks.
- (d) Stock swindlers defraud the people of the country of an amount estimated at \$300,000,000 each year. Blue-sky laws in various States against fraudulent companies.

4. Methods of accumulating money to invest in securities:

- (a) Savings banks and building and loan associations.
- (b) War Savings Stamps.

III. CONCLUSIONS.

1. Government and municipal bonds are absolutely safe and pay good rates of interest.

2. Money invested in Government and municipal bonds helps to employ labor and to pay the necessary expenses of the Government.

3. One should have trustworthy information concerning the business conditions of private corporations before investing in corporation bonds and especially in stocks.

4. "Government obligations have been and will continue to be—if there is to be any order in the world—the premier security into which investment money can go."—D. W. Morrow.

Only 1 man in 20 leaves enough to pay the undertaker.

LESSON XIV.

LIFE INSURANCE AS A FACTOR OF SAFETY.

I. PURPOSE.

To acquaint pupils with the part which life insurance should play in the individual's plan for family protection and saving money.

II. DISCUSSION.

1. Need of financial protection for the family:

- (a) The records of the surrogates' court of New York show that at death 3 men out of every 100 leave an estate of \$10,000 or more; 15 men out of every 100 leave an estate of \$2,000 to \$10,000; 82 men out of every 100 leave no income-producing estate. Result: Eighteen widows out of every 100 are in comfortable circumstances; 47 widows out of every 100 are obliged to go to work and often lack comforts; 35 widows out of every 100 are left in absolute want and must depend largely on charity to live.
- (b) There are 3,000,000 widows in America over 65 years of age, and over 32 per cent of them lack the necessities of life, and 90 per cent the comforts.
- (c) One person out of every 10 who dies in our large cities is buried in the potter's field.

2. Causes of distress of dependents:

- (a) Lack of savings.
- (b) Lack of life insurance.

3. Place of life insurance in one's plan of savings:

- (a) Maximum amount of insurance during early working years; during period before savings have accumulated; during period when there is the largest number of dependents.
- (b) Smaller amount of insurance in later life if savings have accumulated; if dependents have decreased in number.
- (c) Benefits of life insurance: Removes financial worry concerning the future of one's dependents; makes it easier to concentrate attention on one's work; obligates one definitely to provide for the future.

III. CONCLUSIONS.

1. Life insurance protects a man's family while he is accumulating savings.
2. Life insurance teaches the need of providing for the future.
3. Savings and life insurance should be partners.
4. "Provision for others is a fundamental responsibility of human life."—Woodrow Wilson.
5. "Life insurance compels thrift; it puts the insured under bonds to lay up a few dollars every year to provide for the future."—Lyman Abbott.
6. "I should think ill of any man who did not leave his children a little better off materially than himself."—Theodore Roosevelt.

"Look before or you'll find yourself behind."—Benjamin Franklin.

LESSON XV.

THRIFT AS EXEMPLIFIED BY MODERN AMERICANS.

I. PURPOSE.

To show the important part which the practice of thrift played in the successful careers of such men as Theodore Roosevelt, Thomas A. Edison, and James J. Hill.

II. DISCUSSION.

1. Thrift characteristics of their lives:
 - (a) Invested in a good education in early years.
 - (b) Carefully conserved their health.
 - (c) Learned their business or occupation thoroughly.
 - (d) Saved money as soon as they began to earn it.
 - (e) Worked hard, played hard, but were never idle.
 - (f) Seized opportunities—never wasted them.
 - (g) Concentrated on things of importance.
 - (h) Exhibited great initiative and enthusiasm for their work.
 - (i) Devoted themselves to public as well as private economy.
 - (j) Added greatly to the world's wealth as well as to their personal fortunes.
2. Examples of prominent thrifty men in the State or community.
3. The advice of three great thrifty men:
 - (a) "If you want to know whether you are going to be a success or a failure in life, you can easily find out. The test is simple and infallible. Are you able to save money? If not, drop out. You will lose. You may not think it, but you will lose as sure as you live. The seed of success is not in you."—James J. Hill.
 - (b) "Waste is worse than loss. The time is coming when every man who lays claim to business ability will keep the question of waste before him constantly."—Thomas A. Edison.
 - (c) "Extravagance rots character; train youth away from it. On the other hand, the habit of saving money, while it stiffens the will, also brightens the energies. If you would be sure that you are beginning right, begin to save."—Theodore Roosevelt.
 - (d) "Let the rule be that every dollar spent unprofitably marks a crime against posterity just as much as does the dissipation of great material resources."—James J. Hill.

III. CONCLUSIONS.

1. Successful men practice thrift in all its forms.
2. Modern Americans are learning to save money first and spend afterwards.
3. Thrifty men owe much of their success to thrifty mothers and thrifty wives.
4. It has been said that 80 per cent of the successful men in this country began life poor.
5. "The man who saves will rise in his trade or profession steadily. This is inevitable."—William E. Gladstone.

"A small leak will sink a great ship."



