



for Young People Grades 3 – 5 Educator Guide

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Caution: Coins are a leading cause of choking-related injury and death for young children, particularly for those aged 3 and under.

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Welcome to *Money Smart*

Welcome to *Money Smart*, an exciting interactive exploration of the concepts of money. This standards-aligned, cross-curricular program is designed to promote financial understanding in children ages 8 through 11. You can use *Money Smart* to add engaging and enriching activities to Math, English Language Arts, and Social Studies lessons while also helping your students build the foundation to become financially responsible adults.

In *Money Smart* you will find:

- **Eight Lessons** with hands on, cross curricular activities that engage third through fifth grade students in discussing and exploring key financial concepts
- **Teacher Presentation Slides**, which provide helpful visuals, as well as fill-in charts to support the activities in each lesson
- **Student Handouts** with handouts that let students explore the topics covered in each lesson and apply their new knowledge
- **Parent/Caregiver Guide** with information about topics and terms being covered in class, conversation starters, online and literary sources, along with activities to try at home and around town

Developing positive financial habits equips students with 21st century skills and tools that last a lifetime. We hope you and your students enjoy learning about money and its many uses.

We are eager to hear from you about how you use this curriculum. We would like to know what works well and what could be improved to make *Money Smart* even better. If you have any questions, we would like to help. Please contact us with your comments and questions via e-mail at communityaffairs@fdic.gov.

Getting Started

Money Smart provides a comprehensive, developmentally appropriate program for young students to build an understanding of key financial concepts.

There are many features that help make the *Money Smart* curriculum engaging, motivating, and easy to use. Each lesson includes learning objectives, essential questions, supplies needed, and preparation required, as well as the following features and components to support easy integration of *Money Smart* activities into your instructional day.

STANDARDS

Each lesson promotes real-world connections through student-centered learning experiences and aligns to the following education standards and learning outcomes, including Common Core State Standards in mathematics and English Language Arts. The **Education Standards Chart** identifies which standards are met in each lesson.

- Financial Literacy JumpStart Standards
- English Language Arts Common Core State Standards
- Mathematics Common Core State Standards
- National Standards for Financial Literacy by the Council for Economic Education
- Partnership for 21st Century Skills

GRADE LEVEL MODIFICATIONS

Please note the modifications identified throughout the lessons to differentiate learning experiences for beginner and advanced students. Modifications provide developmentally appropriate activity recommendations and extension opportunities, as well as provide multiple ways for students to explore concepts, express understanding, and engage in the activities. In addition to these specific modifications, teachers can also use the following strategies, all of which are in line with Universal Design for Learning principles, to ensure that the content meets individual learners' needs.

Strategies for Representation: The “what” of learning

- **Connect to background knowledge:** Use brainstorming, visuals, and warm-up activities to explore students' prior knowledge and highlight relationships to lesson topics.
- **Modeled Writing:** Walk students through the internal writing process by discussing and modeling decisions and actions while writing. The focus may be on content and writing conventions.
- **Graphic Organizers:** Use t-charts, budget templates, and visual representations to support students in examining saving, spending and other topics. Graphic organizers can be partially filled in or completed as a group to further support learners.

Strategies for Expression: The “how” of learning

- **Role Play to Solve a Problem:** Have students take the stage to physically model and solve problems together. Students may pretend to be the character from a story problem or work with classmates to visually represent math with their fingers or items from class.
- **Math Manipulatives:** Bring math to life with physical objects, including base ten blocks, play coins, and other items, that students can use to count, sort, and solve challenges.
- **Problem Solving Checklist:** Have students create and use a prioritized sequence of steps to solve simple or complex math challenges. The sequence of steps could be based on order of operations or focus on word problem solution steps (read, underline key details, draw a picture, write a number sentence, solve, check work).

Strategies for Engagement: The “why” of learning

- **Goal Setting:** Give students the opportunity to identify personal goals related to activities and topics explored. Whether they’re charting a path to save a dollar or focusing on completing story problem challenges, setting goals motivates and engages learners of all ages.
- **Think-Pair-Share:** Have students collaborate by individually answering a question or challenge (think), discussing responses with a peer (pair), and synthesizing learning with the whole class (share).
- **Flexible Groups:** Use a variety of grouping strategies to help students learn and grow within their network of peers. Groups may be based on readiness, interests, or classroom community. It is important to test out a variety of approaches to find the best fit for your students. For each grouping strategy, take time to set expectations and practice routines with students. Possible grouping strategies include:
 - Multi-grade peer-to-peer, where students can mentor and support peer mastery.
 - Small groups of 3-5 students with assigned roles such as reader, recorder, presenter, discussion leader, questioner, or checker.
 - Same grade partners/pairs, where students collaborate and reflect with a buddy.

PRESENTATION TIME

Each lesson plan includes an estimated time required to teach the lesson. Actual time required will vary from classroom to classroom. The estimation includes instructional time spent on the **Warm Up, Guided Exploration, and Wrap Up**. Activities may also be taught as several short lessons over a period of days or weeks. **Extended Exploration** activities are included to extend financial literacy learning opportunities throughout the year and provide easy ways to integrate the topics into various content areas.

ASSESSMENTS

A variety of assessments are integrated throughout each of the six lessons. Assessments are designed to build value, meaning, and context around a topic, while providing teachers with opportunities to evaluate prior student knowledge, and collect evidence of new understandings of lesson concepts and skills. Pre- (formative) and post- (summative) assessments are noted on the first page of each lesson. Assessments include discussions, reflections, questions and answers, reading, writing, and problem-solving exercises. Student handouts are an especially useful form of written assessment.

LESSON STRUCTURE

Each lesson is designed to include the following:

- **Warm Up** introduces students to the topic and sparks inquiry.
- **Guided Exploration** integrates cross-curricular and developmentally appropriate learning activities and assessments while focusing on the key financial literacy learning objectives of the lesson.
- **Wrap Up** provides a reflection question or activity to review lesson concepts and allow students to demonstrate their understanding.
- **Money Smart Tips** are provided throughout lessons to offer additional guidance, interesting and relevant financial facts, and additional ideas to help make *Money Smart* a success in your classroom.
- **Extended Exploration** activities provide teachers with additional opportunities to extend financial literacy concepts throughout the school year within core and creative content areas including English Language Arts, Math, Social Studies, Technology, and Art. All activities support dynamic classroom groupings throughout the day and can be completed independently, in groups, during “center time,” or in station rotations. Useful resources (such as books, web links, games, or videos) are also included to promote even more student engagement. The books and online resources suggested in this guide are just a few of the many available resources that explore these topics, and are not endorsed by FDIC.
- **Student Handouts** and **Teacher Presentation Slides** provide dynamic instructional support. Student handouts create an opportunity for students to apply their knowledge and for teachers to assess their understanding. Teacher presentation slides offer visuals and interactive activities corresponding with each lesson, and can be projected for whole-group activities, or copied for small-group use.
- The **Answer Key**, **Glossary**, and the **Standards Chart** house all of the information needed to check for understanding, define key terms, and check which activities meet specific national education standards. Vocabulary words are **bolded** in each lesson as they are introduced. The vocabulary words can be used to create flash cards or a classroom Word Bank list. Students can also make their own Word Banks and refer to the lists as needed.

MONEY SMART AT HOME

The **Money Smart** curriculum includes a helpful **Parent/Caregiver Guide** that corresponds to the classroom resources. Families of young children may also use it independently of the curriculum. It contains resources, activities, games, and conversation starters on financial literacy topics covered in each lesson. Use the following ideas to encourage parents to use the guide at home:

- Introduce parents to the **Money Smart** program and share the **Parent/Caregiver Guide** at the start of the school year.
- Discuss the **Money Smart** program during parent/teacher conferences, or in monthly parent newsletters home, and emphasize the importance of building healthy financial habits from an early age.
- Hold a **Money Smart** family night. Play games and have students present short skits about financial concepts they have learned.
- Send student handouts from each lesson home in each child's homework folder for parents to review and sign.

SMART BUCKS

Additional incentives can be used to promote positive financial behaviors and study habits throughout the **Money Smart** curriculum and school year. Introduce **Smart Bucks** to recognize students' positive financial and classroom behaviors.

Smart Bucks can be earned for the following behaviors:

- Accomplishment of a goal(s)
- Completion of homework
- Exceptional classroom conduct
- Classroom monitoring and keeping the classroom clean and neat
- Participating in discussions or responding to questions
- Excellent group collaboration or individual work
- Completing daily work
- Respectful behavior

As students accumulate **Smart Bucks**, they may "cash" them in, or "spend" them on prizes, toys, or special activities (extra computer time, free reading time, or game board time, for example) at the end of the week, month, or whenever you normally provide rewards.

Smart Bucks may be tracked using a chart (displaying desired behaviors and goals), stored in a classroom "treasury" box, or in a cash register (if a class "store" is set up), and handed out to students using play money. Provide price tags or stickers on items or activities to be "sold". The presentation for cashing in **Smart Bucks** can be as simple or elaborate as you choose.

Aside from being a fun way to reward positive behaviors, **Smart Bucks** can help foster an application of the financial literacy concepts covered in **Money Smart** lessons.

With **Smart Bucks**, students can learn:

- How to identify bills (particularly how much money a given bill is worth)
- Various ways to make certain dollar amounts (for example, two 5s equal a 10-dollar bill, and so on)
- How to practice their counting skills in order to total up a combination of bills earned (you may suggest that students must be able to count their own money to cash in for a prize as an additional incentive)
- The concept of making change
- The value of saving as they choose to save instead of spend, or set a goal to save for a more desired choice

Use **Smart Bucks** during *Money Smart* lessons or throughout the year.

FINANCIAL LITERACY ALL YEAR LONG

Highlight financial literacy at your school all year long, especially in April, during National Financial Literacy and School Library Month.

- Create bulletin boards or posters with students about financial literacy themes learned in *Money Smart*.
- Play games that focus on numeracy skills and financial concepts (such as Race to a Dollar). To play Race to a Dollar have students take turns rolling two dice, then represent the value with coins, and record the amount. The first student to reach a dollar wins the game.
- Feature children's literature selections that cover financial literacy concepts in the library or during classroom reading time. See the **Parent/Caregiver Guide** for more literature suggestions.

The more students are exposed to financial literacy, and the more opportunity they have to practice applying their new knowledge and understanding of concepts, at school and at home, the more prepared they will be to live *Money Smart* lives.

At a glance

Lesson Title	Topic	Learning Objectives	Time Required
1. Money Matters	Buying Decisions	<ul style="list-style-type: none"> ▪ Explain the difference between needs and wants, and identify examples of each ▪ Compare and prioritize needs and wants ▪ Evaluate different choices when making a purchase ▪ Discuss impulse buying ▪ Discuss and explain opportunity cost 	60 min
2. Get Set for Goals	Setting Goals	<ul style="list-style-type: none"> ▪ Identify and develop ways to set short-term and long-term goals for saving ▪ Explain the importance of setting goals for saving ▪ Identify things that might affect decisions to spend or save money 	60 min
3. Make a Plan	Budgeting	<ul style="list-style-type: none"> ▪ Explain the term “budget” ▪ Identify categories of a budget (income, expenses, savings) ▪ Create a budget ▪ Apply budgeting skills to real-world scenarios ▪ Understand the concept of “pay yourself first” 	60 min
4. Save Your Money	Saving	<ul style="list-style-type: none"> ▪ Explain what banks do and what interest is ▪ Name benefits of saving money in a bank versus at home ▪ Understand risks and why it’s important to save for emergencies ▪ Evaluate real-world scenarios that focus on saving for emergencies, unexpected events, or purchases ▪ Create an infographic to show possible risks for a real-world scenario 	60 min

Lesson Title	Topic	Learning Objectives	Time Required
5. Which Way to Pay?	Payment Options	<ul style="list-style-type: none"> ▪ Explain the concept of credit and debit (including checks and money orders) ▪ Compare and contrast various payment methods (cash, credit, and debit) ▪ Apply knowledge of payment options to real-world scenarios ▪ Discuss the consequences of paying back credit past the due date ▪ Discuss identity theft and types of personal information that should not be shared 	60 min
6. Get Invested	Introduction to Investing	<ul style="list-style-type: none"> ▪ Explore the basic concepts of investing, including risk and return ▪ Compare and contrast several kinds of investments ▪ Analyze the savings outcome of several investment options ▪ Explain the value of long-term financial planning 	60 min
7. It's Great to Donate!	Charitable Giving	<ul style="list-style-type: none"> ▪ Explain the meaning of charitable giving, and its rewards ▪ Create a plan to raise money for a charitable cause ▪ Research various charitable causes ▪ Organize a charity drive 	60 min
8. Career Choices	Exploring Careers and Income	<ul style="list-style-type: none"> ▪ Identify and explore different types of jobs ▪ Evaluate personal interests related to careers ▪ Explain how money is earned and why it is taxed ▪ Explain what an entrepreneur is 	60 min

Glossary

Advertisement (Ad): A public notice or announcement that a company pays for to help promote and increase sales of a product or service.

Bank: A financial institution and business that accepts deposits and makes loans.

Borrow: To receive something on loan with the understanding that you will return it.

Budget: A plan that outlines what money you expect to earn or receive (your income) and how you will save it or spend it (your expenses) for a given period of time.

Career: The type of work a person pursues for the majority of their life that may involve formal education, special training, or be within a specific industry.

Cash: Money such as coins and bills.

Charity: The act of giving help or money to help people, animals, or communities in need; an organization that helps people, animals, or communities in need or supports social causes.

Check: A written order of payment that instructs a financial institution (such as a bank) to withdraw a specific amount of money from the check-writer's account, and pay or deposit it to the person, or business, named on the check.

Credit: The ability to borrow money and pay it back later.

Debit: An amount of money taken out of a deposit account to pay for something.

Debt: Money that is owed.

Donation: Something (including money, food, clothes, and toys) that you give to help people, animals, or communities in need or to a charity.

Earn: To receive money in exchange for goods or services. **Emergency Fund:** Money set aside to pay for unexpected expenses. **Entrepreneur:** Someone who creates and runs a business.

Expense: The cost of goods and services; the amount of money that is spent.

Federal Deposit Insurance Corporation (FDIC): Preserves and promotes public confidence in the U.S. financial system by insuring deposits in banks and thrift institutions for at least \$250,000. An independent agency of the federal government, the FDIC was created in 1933.

Goal: Something you wish to achieve or accomplish in a specific amount of time.

Income: Money that you receive from jobs, allowances, interest, dividends, and other sources.

Interest: Money that a bank or other financial institution pays you for keeping money on deposit with them, or the amount of money you pay a bank as a fee when you borrow money.

Invest: To put money at risk with the goal of making a profit in the future.

Job: A specific duty, task, or activity someone completes using his or her time, skills, and energy to earn money.

Lend: The act of giving something to someone with the understanding that they will give it back to you.

Long-Term Goal: Something you want to achieve in the future, such as in one year, five years, ten years, or more.

Money Order: Similar to a check, but can be purchased at a bank, post office, or stores and used to make a payment of a specified sum of money.

Need: Something you must have to survive, such as clothes, shelter, or food.

Opportunity Cost: The next best thing that you give up in order to do something else; a trade-off of a decision you make.

Profit: The money gained or left over after money spent (expense) is subtracted from money earned (income).

Return: Money made (profit) from an investment.

Risk: The possibility that something unplanned or unintended may happen (such as losing money).

Save: Setting something, like money, aside to use in the future.

Savings Account: A bank account that you can use to set aside money, and that pays you interest.

Savings Goal: The amount of money you plan to put aside for a specific purpose.

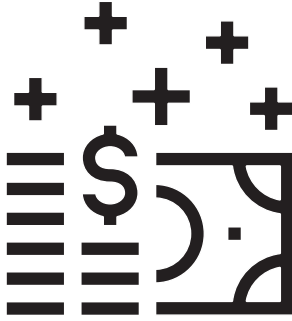
Short-Term Goal: Something you want to achieve soon, such as in two weeks or a few months.

Spend: The act of using money to buy goods or services.

Spending Limit: The most amount of money a person is allowed (or allows themselves) to spend.

Tax: Money that someone has to pay to help finance a government.

Want: Something that you would like to have but that you could live without.



Lesson 1: Money Matters

TOPIC: Buying Decisions

OVERVIEW:

In this introductory lesson, students will evaluate buying decisions by practicing problem-solving and critical-thinking skills to understand how resources are limited. Students will learn that spending money for one purpose means that money cannot be spent for another purpose (**opportunity cost**) and that spending priorities can be developed by differentiating between **needs** and **wants**.

OBJECTIVES:

1. Explain the difference between needs and wants, and identify examples of each
2. Compare and prioritize needs and wants
3. Evaluate different choices when making a purchase
4. Discuss impulse buying
5. Discuss and explain opportunity cost

HANDOUTS:

- Sort It Out
- Money Smart Book
- Trade-Offs

TEACHER PRESENTATION SLIDES:

- What Are Needs and Wants?
- What Should I Buy?
- Story Problems: Opportunity Cost (Challenges 1, 2, 3)

ESSENTIAL QUESTIONS:

- What is the difference between a need and a want?
- How can one person's need be another person's want?
- How can comparing choices help you decide what to buy?
- What is an opportunity cost?

ASSESSMENT ACTIVITIES:

Pre-Assessment:

- Handout: Sort It Out
- Slide: What Should I Buy?

Post-Assessment:

- Story Problems: Opportunity Cost slides (Challenge 1, 2, or 3)
- Handout: Money Smart Book

Time: 60 min

Supplies:

- A variety of “needs” and “wants” items (such as an apple, a pair of socks, a pack of gum, a bracelet, a stuffed animal, a roll of toilet paper, a milk carton, a toy car, a bar of soap)
- Whiteboard or chart paper, markers
- Projector (for teacher presentation slides)
- Access to the Internet (optional)
- Suggested books (optional):
 - *Tops and Bottoms* by Janet Stevens
 - *Erandi's Braids* by Antonio Hernandez Madrigal

Preparation:

- Make copies of student handout
- Set up projector with presentation slides

Glossary with key vocabulary 11

Instruction Steps

WARM UP Needs and Wants

15 MINUTES



Begin the lesson by showing students eight or nine items, such as an apple, a pair of shoes, a pack of gum, a bracelet, a stuffed animal, a roll of toilet paper, headphones, art supplies, and a bar of soap. Put the items on a table in the front of the class.

Have students work together to sort items into two categories using the **Sort It Out** handout. Ask students to share their categories and explain their reasoning.

Ask students: *What is the difference between a need and a want?* Show the **What are needs and wants?** slide. A **need** is something you cannot live without, such as food, water, and shelter. A **want** is something you would like, but can live without, for example: toys, candy, stickers, and the latest fashions. Our wants and needs reflect our personal values and may be different for each of us.

If students have not already divided the items into needs and wants, have a class discussion to lead students to do so. Have them write their answers on the **Sort It Out** handout. Then ask them to share and discuss their reasoning.

Grade-Level Modifications:

Beginner: Divide the items into needs and wants as a class activity.

Advanced: Have students work together in pairs or in small groups to sort the items into needs and wants then review as a class.

MONEY SMART TIP!

Discuss needs in terms of school.

Ask: *What are some things you need to help you learn?*

GUIDED EXPLORATION Exploring and Evaluating Buying Decision

15 MINUTES

As a class, brainstorm a list of needs (food, clothing, shelter, medical care, medicine, transportation, services — phone, haircut, water, electricity) and wants (toys, candy, the latest fashions, game apps or downloadable content for video games, headphones, movie tickets, music). List items on a whiteboard or chart paper.

Explain that needs are top priorities because they are things you cannot live without. Since people can't have everything they want, they need to decide which wants are most important.

Then have students prioritize the list of wants by ranking them in order of importance. Discuss as a class.

Grade Level Modifications:

Beginner: Have students work in small groups to prioritize the list of wants.

Advanced: Ask students to work independently to prioritize the list of wants and write a sentence next to each item to explain its ranking.

Ask students: *How can one person's need be another person's want?* (One person might need something, while someone else already has it and wants another. For example: you might need shoes when your only pair is getting too small, versus someone who might want another pair of shoes when he or she already has several pairs.) Have students share several examples.


Share with student's important questions to ask when making a buying decision:

- *Do I need it?*
- *How long will the item be useful?*
- *Am I buying it because my friend bought it?*
- *Am I buying it to impress others?*

Share with students that they will play a game to identify whether a mystery item is a need or want. In the style of 20 questions, give students the chance to pose questions and guess what the mystery item might be. Share an image of physical object to represent each of the following three items: magnets/magnet science kit, book, backpack.

What SHOULD I BUY ?

Maya has \$25 saved. She would like to buy three things.



Book (\$8) Science Kit (\$15) Backpack (\$20)

The latest book by her favorite author. She can't wait to read it!
A magnet science kit with over 30 experiments! She loves science.
A new backpack; her old backpack is badly damaged.

1. Which of the items are needs? Wants?
2. Which item is the most important to buy?
3. How do you think Maya should spend her money? Why?

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After students have guessed each item ask by show of hands, who would categorize the item as a want? As a need? Why? After all three items have been guessed, show the **What Should I Buy?** slide.

Ask students: *Which items are needs for Maya?*

- *Which items are wants?*
- *What item is most important for her to buy?*
- *Which of the three items would be most important to you?*
- *Can Maya afford to buy all the items?* By prioritizing her spending, she can decide which items she is willing to give up to purchase a different item for now.

Next, discuss and define the term “impulse buying” (a sudden decision to buy something that you didn’t plan to buy).

Ask:

- *How might a store encourage shoppers to make impulse buys?* (Share that stores often place new items in the front of the store, in store windows, and in the middle of aisles for customers to see them. Stores place their products right in front of the customer so if it’s an item for younger kids it will be available on lower shelves, so kids can easily see it and reach it.)
- *Why might it be helpful to plan what to buy instead of making a sudden decision to buy something?* (You can think about the cost and decide whether you really need it.)
- *What choices do people have when deciding what to buy?* (For example: people can choose between different brands, stores, prices, quality levels.)
- *How can comparing choices help you decide what to buy?* (Comparing choices can help you decide which item is more important to buy, has a lower price, and soon.)

**Understanding
Opportunity Cost**

20 MINUTES

Explain that every choice we make has an **opportunity cost** (the “trade-off” of making one choice over another). For example: if you choose to play outside, you might be giving up the opportunity to read a book indoors. If you only have \$3 and choose to buy a notebook with the money, you give up the opportunity to buy something else, such as stickers, a pack of gum, or pencils.

Optional: Read the book *Tops and Bottoms* by Janet Stevens. This Caldecott Honor Book, a folktale about a lazy bear and a hardworking rabbit, demonstrates opportunity cost, as the bear must repeatedly choose between the “tops” or “bottoms” of crops, and always ends up with the inedible parts. (Students may also watch a video of the story being read for classroom instruction at www.youtube.com/watch?v=Qj7_IdQTZBc, which runs approximately 7 minutes.) Then, have a class discussion of the book as it relates to opportunity cost.

Discussion Questions:

- *What did Bear choose to do instead of to work?* (He chose to sleep.)
- *What choice did Hare give Bear the first two times?* (Hare gave Bear the choice between the top half or the bottom half of the crops.)
- *Did Bear make good choices?* Explain. (No, Bear never asked Hare for more information and always got tricked.)

- *What was the opportunity cost, or trade-off, of Bear choosing to sleep? (He gave up working and never received any food.)*
- *What did Bear learn from Hare's trickery? (He learned to work hard by growing his own crops.)*

STORY PROBLEMS: Opportunity Cost 4

CHALLENGE 1

An **opportunity cost** is the trade-off of making one choice over another. When you make a choice, you give up something else.

Directions: Read each situation below to identify the opportunity costs.

1. Tanisha has a soccer game next Saturday. She was invited to a friend's birthday party on the same day. Tanisha has to decide whether she should go to the soccer game or the party. If Tanisha chooses to go to the party, what is the opportunity cost (the trade-off)?
2. James has \$5 to spend on lunch. He is trying to decide whether he should buy a chicken sandwich or a hamburger. Both meals cost \$5. What is the opportunity cost if James chooses the hamburger?
3. You can either walk or ride your bike to your friend's house. What is the opportunity cost of each choice?

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STORY PROBLEMS: Opportunity Cost 5

CHALLENGE 2

An **opportunity cost** is the trade-off of making one choice over another. When you make a choice, you give up something else. That "something else" may be time, money, or another resource.

Directions: Read the situation below and choose the best answer to the question.

1. Trey decided to go with friends to see a movie on Sunday afternoon from 2:00 pm to 3:30 pm. The cost of the movie ticket was \$9.50. What was the opportunity cost of Trey going to the movies?
 - a. the time he gave up to go see the movie
 - b. his friends not paying for his movie ticket
 - c. \$9.50, the money he spent on a movie ticket
 - d. the time he gave up and the \$9.50 he spent

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STORY PROBLEMS: Opportunity Cost 6

CHALLENGE 3

An **opportunity cost** is the trade-off of making one choice over another. When you make a choice, you give up something else. That "something else" may be time, money, or another resource.

Directions: Read the situation below and choose the best answer to the question.

1. Sarah went to the mall with her friends on Saturday morning for three hours. Before they left, they had lunch at the food court. Sarah paid \$9.50 for her meal. She normally walks her neighbor's dog on Saturday morning and makes \$5. Her brother walked the dog instead and was paid \$5. What was the opportunity cost of Sarah going to the mall?
 - a. \$5, the money she gave up by not walking the dog
 - b. the use of the \$9.50 that she spent on lunch
 - c. \$14.50, the cost of lunch, plus the \$5 not earned
 - d. the \$14.50 (lunch and money lost) and time

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Display the **Story Problems: Opportunity Cost** slides. Problems can be solved as a class, in small collaborative groups, or individually. (Note: Challenges increase in difficulty. The first challenge is more appropriate for young students, while the second and third may be more appropriate for older students.)

Grade-Level Modifications:

Beginner: Students may act out the opportunity cost challenge as a skit to discuss the trade-off of one choice over another. After the class has discussed the answers, ask students whether they have ever had to choose between two activities on the same day. Have a few students share the choices and trade-off they made.

Advanced: Have students work in small groups to solve the problems and create pictures to illustrate each trade-off. Ask them to share their answers and pictures with the rest of the class.

Next, give students the **Trade-Offs** handout to have them write about a recent time they gave up one choice in order to buy or do something else by answering the following questions:

- *What did you choose?*
- *What did you give up? Why?*
- *How did you decide what to choose?*
- *How did you feel about your decision?*

WRAP UP
Class Reflection

10 MINUTES

Ask students:

- *Why is it important to know the difference between needs and wants?*
- *How do needs and wants affect my decisions?*
- *Imagine a time when you chose to spend money on one item over another, describe the opportunity cost and how you made the decision.*

Using the **Money Smart Book** handout (explained below), ask students to write their first book entry about the difference between needs and wants. They will then draw a T-chart to organize and list their own needs and wants.

Grade-Level Modifications:

Beginner: Write the definitions of needs and wants on a whiteboard or chart paper. Ask students to copy the definitions and then create a T-chart to list their own needs and wants.

Advanced: Students may also write a definition of opportunity cost and include a personal example.

Money Smart Book: Students will create their own personal “Money Smart” book using the **Money Smart Book** handout (found in the Student Guide) as a template. The prompts above may be responded to within the Money Smart Book page, a writing journal or completed as a think-pair-share discussion with a peer or small group. Students may keep their Money Smart Book for reflection and discussion throughout the lessons. The summary and final product will provide a measurable assessment. Students can also share the book with their parents as a discussion starter about what they have learned.

Tell students about **Smart Bucks**, if you have not yet already (see page “SMART BUCKS” on page 7 of this guide for more information). Give students **Smart Bucks** for excellent group collaboration, individual work, and/or participation in the lesson’s discussions.

Extended Exploration

Note: Use the following activities to extend the lesson topic throughout the year. Activities can be completed as a class, in small groups, or during center time. Duration of activities will vary.

- Have students work in small groups to create a “Needs and Wants” collage (or one of each) to hang in the classroom.
- Read *Erandi’s Braids* by Antonio Hernandez Madrigal to discuss wants/needs and opportunity cost.

Summary: A girl named Erandi, from a poor Mexican village, has several choices to make as she picks a birthday gift and offers to sell her hair to help her family buy a new fishing net.

Discussion Questions:

- » *What choice did Erandi have to make for her birthday gift? (She had a choice between the dress and the doll.) Why did Erandi choose the dress? (Her mother didn't have enough money for both. Erandi needed a new dress to wear to the fiesta.)*
- » *What was the opportunity cost (or "trade-off") of choosing the dress? (Erandi gave up the doll.) Was the doll a need or a want? (a want)*
- » *Why do you think Erandi offered to sell her hair? (She knew her mother needed the money to buy a net.) Was the net a need or a want? (a need) How do you know? (The old net had holes and couldn't be repaired. The family needed a net to catch fish to eat.)*
- » *What was the opportunity cost of Erandi selling her hair? (She gave up her hair.) Was it worth it? (Yes, she received enough money for her mom to buy a new net and the doll.)*

As a follow-up to reading Erandi's Braids, invite students to create a poster that shows the choices that Erandi made and the trade-off (opportunity cost) of each choice (the dress versus the doll; to cut her hair versus not cutting it).

Grade-Level Modification:

Advanced: Create a poster using a flowchart to show Erandi's choices and the opportunity cost of each choice. Students can also include the choice that Erandi's mother made (buying both the net and doll versus just the net) and the opportunity cost of her decision.

Answer Key

Student Handout 1:

Sort It Out

Answers will vary.

Student Handout 2:

What Should I Buy?

Situation A: 1. want, 2. want, 3. need, 4. backpack, 5. Answers may include: Maya should spend her money on a new backpack. It is the most important because it is a need. Her old backpack is badly damaged.

Situation B: 1. want, 2. need, 3. want, 4. a pair of sneakers, 5. Answers may include: Travis should spend his money on a new pair of sneakers. It is the most important because it is a need. His old sneakers are getting too small.

Student Handout 3:

Trade-Offs

Answers will vary.

Student Handout 4:

Money Smart Book

Answers will vary.



Lesson 1: Money Matters

SORT IT OUT

Name: _____

Directions: Take a group of items and sort them into two categories. Write the category name on the T-chart below. Write the items under each label.

CATEGORY: Yellow	CATEGORY: Blue
sunflower lemon banana	blueberry blue jay jeans

CATEGORY:	CATEGORY:



Lesson 1: Money Matters

TRADE-OFFS

Name: _____

Every decision you make has an **opportunity cost**. An opportunity cost is the trade-off of making one choice over another? For example, if you choose to play outside, you might be giving up the opportunity to read a book indoors. If you only have \$3 and choose to buy a notebook with the money, you give up the opportunity to buy something else, such as pencils or a pack of gum.

Directions: Think about a time you gave up one choice for another. Then fill in your answers to each statement or question below.

1. Describe a time you had to make one choice over another.

2. What did you choose?

3. What opportunity did you give up?

4. Why did you make that choice?

5. How did you feel about your decision? Why?



Lesson 1: Money Matters

MONEY SMART BOOK

Name: _____

Directions: What Money Smart lesson did you learn today? Write the lesson's topic and what you learned on the lines below. Then draw a picture about it in the "Draw About It" box.

Topic: _____

Draw About It

Write About It



Lesson 2: Get Set for Goals

TOPIC: Setting Goals

OVERVIEW:

Learning to set goals helps students manage money. The lesson focuses on **short- and long-term goals**, as they relate to saving, with real-world examples. Students then set their own **savings goals**. In addition, they explore factors (such as advertising and peer pressure) that might influence their decisions to spend or save money.

OBJECTIVES:

1. Identify and develop ways to set short- term and long-term goals for saving
2. Explain the importance of setting goals for saving
3. Identify things that might affect decisions to spend or save money

HANDOUTS:

- Short- and Long-Term Goals
- What Are Your Goals?
- Saving Together
- My Savings Goals
- Money Smart Book

TEACHER PRESENTATION SLIDES:

- Spend or Save?
- Story Problems: Savings Goal (Challenges 1, 2)
- How to Set Goals

ESSENTIAL QUESTIONS:

- What is a goal?
- What is the difference between a short-term goal and a long-term goal?
- Why is it important to set goals?
- What is a savings goal?
- What is the purpose of advertising?
- How might advertising influence your decisions to spend or save money?

ASSESSMENT ACTIVITIES:

Pre-Assessment:

- **Handout:** Short- and Long-Term Goals
- **Handout:** Saving Together

Post-Assessment:

- **Handout:** My Savings Goals
- **Handout:** Money Smart Book

Time: 60 min

Supplies:

- Whiteboard or chart paper, markers
- Projector (for teacher presentation slides)
- Access to the Internet (optional)
- Magazines (optional; see the last **Extended Exploration** activity)

Preparation:

- Make copies of student handout
- Set up projector with presentation slides

Glossary with key vocabulary 11

Instruction Steps

WARM UP

Differentiating Between Short- and Long-Term Goals

15 MINUTES

Draw a T-chart on a whiteboard or chart paper with the words “short-term goals” and “long-term goals” and ask students: *What is a goal?* (A **goal** is something you plan to achieve.) *What is the difference between a short-term goal and a long-term goal?* (A **short-term goal** is something you want to achieve soon, such as in two weeks or a few months. A long-term goal is something you want to achieve in the future — in one year, five years, or when you’re an adult.)

Have students brainstorm some examples of short-term goals (for example: participating in class, doing well on a project, earning high grades, finishing a book, or jumping rope for two hours this week) and long-term goals (for example: reading 50 books by the end of the year, going to college, or getting the job you’ve always wanted). Write the examples on the T-chart.

Distribute the **Short- and Long-Term Goals** handout to demonstrate real-world examples. After students complete the activity, review as a class.

Explain to students that they will now have a chance to write some of their short- and long-term goals. Give students the **What Are Your Goals?** handout. To help students get started, prompt them to think about short- and long-term goals in school, at home, and in life. Although students will fill out their own goals, encourage them to work with a partner to help them brainstorm ideas. Ask students to share some of their goals.

Grade-Level Modifications:

Beginner: To simplify, have students focus on goals in the classroom or at school.

Advanced: Invite students to set more goals and track their weekly or monthly progress to see what goals they have met.

GUIDED EXPLORATION

Developing Ways to Set Goals for Savings

30 MINUTES

Display the ***Spend or Save?*** slide and ask students for a show of hands to the statement about their spending/saving habits.

MONEY SMART TIP!

Use classroom awards or Smart Bucks (see page 7) as an example to discuss the concepts of spending and saving.

Spend or Save?
7

When you get money, Smart Bucks, or classroom points/rewards, you ...

- spend all of it right away
- spend some of it and save the rest
- save all of it

Number of Students				

Spend all of it
Spend some of it and save the rest
Save all of it

Spending Habits

Money Smart for Young People Grades 3 – 5

Using the slide, create a bar graph to see students’ spending habits. How many students save regularly already?

Ask students: *What is a savings goal?* (A savings goal is an amount of money you plan to put aside to buy something.)

Lead students in a discussion about how short- and long-term goals might relate to savings. For example: saving to buy a new pair of shoes or new notebook at the end of the week is a short-term goal. Saving enough money to buy a bicycle at the end of the year is a long-term goal. Saving money to go to college is also a long-term goal. Explain that setting savings goals help us to stay motivated and manage our money.

Give students the ***Saving Together*** handout to demonstrate a real-world example of children setting a savings goal. After students complete the questions (including math problems), review as a class.

STORY PROBLEMS: Savings Goal
8

CHALLENGE 1

A **savings goal** is an amount you plan to save your money toward. You may want to use the money to buy a gift or something for yourself.

Directions: Read the situation below to answer the questions.

Jackie has \$6 saved. She can make \$5 a week by pulling weeds from the neighbor’s yard. Jackie wants to buy a new hula hoop. The one she wants is \$13.

- What is Jackie’s savings goal?
- How much more does she need to save to buy a hula hoop?
- How long will it take her to save enough money for the hula hoop?
- Is buying the hula hoop a short-term goal or a long-term goal?

Money Smart for Young People Grades 3 – 5

Then display the ***Story Problems: Savings Goal*** slides (Challenge 1 or 2) with two more real-life math word problems about savings goals.

Grade-Level Modifications:

Beginner: Ask students to draw pictures to help them solve the math problem(s) and to explain how they solved it. For *Challenge 1*, have students work in pairs with one student taking the role of Jackie and the other acting as her neighbor paying \$5 for each week of work pulling weeds. They may use play money to act out and solve the 4-step challenge.

Advanced: Have students show their math calculations and explain how they solved the problem(s). For *Challenge 2*, ask: *How long will it take Sam to save enough money for the basketball if he made \$4 a week (instead of \$3) feeding cats?* (four weeks)

STORY PROBLEMS: Savings Goal
9

CHALLENGE 2

A **short-term savings goal** is amount of money you plan to put aside to buy something soon.

Directions: Read the situation below to answer the questions.

Sam has saved \$10. He has plans to go ice-skating with his friends next Saturday, which will cost him \$8.25. Sam also wants to buy a basketball for his brother’s birthday in two months. He found one on sale for \$16. Sam can make \$3 every week, starting next week, by feeding the neighbor’s cats.

- What are Sam’s short-term savings goals?
- After Sam goes ice-skating, how much money will he have left from his savings?
- How much more does Sam need to save to buy the basketball?
- How long will it take Sam to save enough money for the basketball?


Money Smart for Young People Grades 3 – 5

How to Set Goals 10

A **long-term savings goal** is an amount of money you plan to save to buy something in the future. Setting goals can help you save.

Here are some tips for setting a savings goal:

1. On a piece of paper, write down a future purchase you want to save money toward.
2. Figure out the cost and write it down.
3. Set dates for when you would like to reach your goal. For a large savings goal that may take a long time to reach, set dates to reach smaller goals along the way.
4. Write a plan for how you will achieve the goal.
5. Keep track of your progress every week or month.
6. If you see you need more time, set new dates. You can also save more money or change your savings goal.



Money Smart for Young People Grades 3-5

Display the **How to Set Goals** slide to demonstrate some ways to set goals. Review and discuss.

Then review the difference between a short-term and long-term savings goal by asking students:

- **What is a short-term savings goal?** (A short-term savings goal is an amount of money you plan to save in order to buy something soon, such as in two weeks or a few months.)
- **What is a long-term savings goal?** (A long-term savings goal is an amount of money you plan to save to buy something in the future, such as in one year, five years, ten years, or more.)

Tell students that they will be setting their own savings goals. (**Note:** You may want to have students focus on **Smart Bucks**, instead of actual money, using the prizes, toys, or special activities that you will provide for them to “purchase.”) Then give students the **My Savings Goals** handout to set their own savings goals.

Invite students to share some of their personal goals.

MONEY SMART TIP!

Before students set their savings goals, give them the following tip:
 Before you set a savings goal, ask yourself: Is what I want to buy worth the money? Did I give myself enough time to save for it?

Considering Influential Purchasing Factors

5 MINUTES

Ask students: *What are some things that might influence your decision to spend or save money?* (Answers may include: the importance of what I need to buy, whether it is a need or a want, whether I can wait to buy it, how much money I have, peer pressure, advertising, my parents.)

Then ask students: *Do you ever want something because other kids have it?* If you haven’t already done so, define peer pressure (being influenced by others in the same age group).

Ask: *What is the purpose of advertising?* (To persuade others to buy the product so the company who paid for the ad can make money.) *How might advertising influence your decisions to spend or save money?* (Advertising may influence you to want to spend money instead of saving it, or spend more money than you were planning to spend.)

Have students brainstorm places they can find advertising (in magazines, on billboards, in stores, on television, on the radio and websites, on the sides of buses and cars, and so on). Discuss advertising and peer pressure as influences on decisions to spend or save money.

WRAP UP

Class Reflection

10 MINUTES

Initiate a class discussion by asking students:

- *Why is it important to set goals?*
- *How will you feel when you reach your goals?*
- *What strategies do you find helpful in reaching a goal?*

Have students answer these discussion questions in their **Money Smart Book** (using a blank copy of the template in Student Guide from Lesson 1), a writing journal or completed as a think-pair-share discussion with a peer or small group. Students may keep their **Money Smart Book** for reflection and discussion throughout the lessons. The summary and final product will provide a measurable assessment. Students can also share the book with their parents as a discussion starter about what they have learned.

Extended Exploration

Note: Use the following activities to extend the lesson topic throughout the year. Activities can be completed as a class, in small groups, or during center time. Duration of activities will vary.

After students complete the **What Are Your Goals?** handout, have them think about steps required to get to those goals. Then ask students to create an actual plan for meeting their goals by listing the steps they will take.

Grade-Level Modification:

Beginner: Have students choose one goal to focus on, and then list the steps to meet it.

Invite students to play an online game at <http://game.admango.gov>, to learn about advertising and how companies use ads to try to influence how people spend their money. Then have students create posters about what they have learned about advertising and media literacy. Display in the hallway to teach other students.

Give students the opportunity to further explore advertising strategies by thinking about how and why brands sell and market to kids. Have students create their own magazine ads for made-up products using magazine examples for ideas. Before they begin, ask students to identify the target audience for their ads.

Grade-Level Modifications:

Beginner: Have students work with a partner to create their magazine ad.

Advanced: Ask students to point out ways their ad is trying to influence the buyer.

Answer Key

Student Handout 1:

What Should I Buy?

Situation A: Ella wants to challenge her brother to a basketball game.
2. Ella plans to join the basketball team when she gets to middle school.
3. She can keep practicing to improve her basketball skills.

Situation B: 1. Max wants to get a good grade on his French test next week.
2. Max wants to visit France when he is older.
3. Answers will vary but may include: Max can keep studying and practicing French.
Max can save money for a trip to France.

Student Handout 2:

What Are Your Goals?

Answers will vary.

Student Handout 3:

Saving Together

1. Their savings goal is \$150 to buy a tablet computer.
2. They want to reach their goal in one year.
3. It is a long-term goal.
4. They still need to save \$120 ($\$150 - \$20 = \$130 - \$10 = \120, or $\$150 - (\$20 + \$10) = \120).
5. Each child will pay \$75 ($\$150 \div 2 = \75).
6. Answers will vary.

Student Handout 4:

My Savings Goals

Answers will vary.



Lesson 2: Get Set for Goals

SHORT- AND LONG-TERM GOALS

Name: _____

A **short-term goal** is something you want to achieve soon, such as in two weeks or a few months. A **long-term goal** is something you want to achieve in the future—in one year, five years, or when you are an adult.

Directions: Read each situation below. Then answer the questions that follow.

Situation A: Ella, age 8, has been working on her basketball skills. She wants to challenge her older brother to a game next month. He is in middle school and plays on the basketball team. Ella is planning to try out for the basketball team when she gets to middle school.

1. What is Ella's short-term goal?

2. What is Ella's long-term goal?

3. How might Ella reach her goals?

Situation B: Max is learning to speak French so he can talk to his relatives in France. He wants to get a good grade on his French test next week. When Max is older, he wants to visit France to meet his relatives.

1. What is Max's short-term goal?

2. What is Max's long-term goal?

3. How might Max reach his goals?



Lesson 2: Get Set for Goals

WHAT ARE YOUR GOALS?

Name: _____

A **short-term goal** is something you want to achieve soon, such as in two weeks or a few months. A **long-term goal** is something you want to achieve in the future— in one year, five years, or when you're an adult.

Directions: Write some of your short-term and long-term goals in the chart below. Then answer the questions that follow.

Short-Term Goal	Long-Term Goal

1. What is your most important short-term goal?

A. When do you want to reach that goal?

B. How might you reach that goal?

2. What is your most important long-term goal?

A. When do you want to reach that goal?

B. How might you reach that goal?



Lesson 2: Get Set for Goals

SAVING TOGETHER

Name: _____

A savings goal is the amount of money you plan to save in order to buy something. A short-term savings goal is an amount you are saving in order to buy something very soon, such as in two weeks or a few months. A long-term savings goal is an amount you are saving in order to buy something in the future, such as in one year, five years, or more.

Directions: Read each situation below. Then answer the questions that follow.

Situation: Jake and his sister, Anna, are saving their money for a tablet computer. The one they want costs \$150. Jake has \$20 so far and Anna has \$10. They want to buy the computer in one year.

1. What savings goal have Jake and Anna set?
2. When do they want to reach their goal?
3. Is the goal a short-term or long-term one?
4. How much more money do they need to reach the goal? (Please show your math.)
5. If they split the cost in half, how much will each child pay? (Please show your math.)
6. What might they do to reach their savings goals?



Lesson 2: Get Set for Goals

SAVINGS GOALS

Name: _____

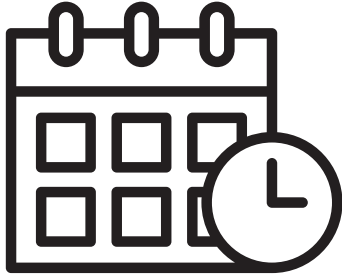
Directions: Complete the sentences below to help reach your savings goals.

My Short-Term Savings Goal

1. What is something you are saving for in the short term?
2. Is it a want or a need?
3. How much money does it cost (your savings goal)?
4. How much money do you plan to save each week to reach your savings goal?
5. How many weeks do you need to save to reach your savings goal?

My Long-Term Savings Goal

1. What is something you are saving for in the long term?
2. Is it a want or a need?
3. How much money does it cost (your savings goal)?
4. How much money do you plan to save each week to reach your savings goal?
5. How many weeks do you need to save to reach your savings goal?



Lesson 3: Make a Plan

TOPIC: Budgeting

OVERVIEW:

Learners put their financial skills to the test in this module as they travel through a simulation on creating a **budget**. The module will explore fundamental elements of creating a plan for how students spend their money and reach their savings goals. In addition, the module will provide real-world scenarios for students to apply budgeting principles.

Time: 60 min

Supplies:

- Lined paper, pencils (for students)
- Whiteboard or chart paper, markers
- Projector (for teacher presentation slides)
- Access to the Internet (optional)
- Suggested books (optional):
 - *Lunch Money* by Andrew Clements

Preparation:

- Make copies of student handout
- Set up projector with presentation slides

Glossary with key vocabulary 11

OBJECTIVES:

1. Explain the term “budget”
2. Identify categories of a budget (income, expenses, savings)
3. Create a budget
4. Apply budgeting skills to real-world scenarios
5. Understand the concept of “pay yourself first”

HANDOUTS:

- Jake’s Budget
- Finish That Budget!
- My Budget
- Money Smart Book (template from Lesson 1)

TEACHER PRESENTATION SLIDES:

- How Much Is \$10,000?
- Story Problems: Budget
- Spending Limits
- Pay Yourself First

ESSENTIAL QUESTIONS:

- What is a budget, and how is it useful?
- Why is it important to set spending limits?
- How can you stay within a budget (spending plan)?
- What does “pay yourself first” mean?

ASSESSMENT ACTIVITIES:

Pre-Assessment:

- **Handout:** Jake’s Budget
- **Handout:** Finish That Budget

Post-Assessment:

- **Story Problems:** My Budget
- **Handout:** Money Smart Book

Instruction Steps


WARM UP Defining The Term "Budget"

20 MINUTES

How Much is \$10,000? 11

You just won \$10,000? Congratulations!
Each example below is something you may be able to buy for about \$10,000:

- A trip for four to another country
- 4 used cars
- 10 large, flat-screen televisions
- 20 laptop computers
- 200 video games
- 100 concert or amusement park tickets
- 1,000 movie tickets
- 10,000 packs of granola bars



Money Smart for Young People Grades 3 - 5

STORY PROBLEMS: Budget 12

A budget is a spending plan to help you manage your money.

Directions: Read the problem and answer the questions.

Imagine that you are grown up. You saved up \$10,000! Your savings will be your only income for the next five months. (Then you start a new job.)

Your Monthly Expenses:	
Rent	\$910
Car Payments	\$410
Food	\$200
Gasoline	\$100
Your Monthly Savings	\$180
Total	\$1,800

1. How much money will you have left after the first month?
2. How much money will you have left after five months?
3. Which expenses can you pay for using the money you have left?

Money Smart for Young People Grades 3 - 5

Ask students to imagine that they each have won \$10,000. Display the **How Much Is \$10,000?** slide to review examples that will provide students with an idea of how much \$10,000 really is. Ask students to write a paragraph or two about what they would do with the money. Ask for volunteers to share their ideas.

Next, ask: *What is a budget?* (a spending plan) *Why is it useful and how can it help?* (It helps someone decide how much money can be spent and how to spend it.)

Give students the **Jake's Budget** handout (featuring a real-world scenario of a budget using an example of monthly expenses of food, rent, and other needs). Have students complete the handout and share their answers.

Now tell students to imagine that they are grown up, they have saved up \$10,000, and this is all the money they have to live on for five months. Display the **Story Problems: Budget** slide and have students use the budget to solve the math questions. Provide students with paper and pencils to do the calculations. Review the problems and answers, then discuss.

Grade-Level Modifications:

Beginner: If students are having trouble with the math, complete the first problem as a class by writing the number sentence required to solve the problem and modeling the solution: $\$10,000 - \$1,800 = \$8,200$. Next have students solve the remaining steps with a partner. They may write out number sentences to solve each step and use base ten blocks to reflect quantities. A free virtual set of base ten blocks can be accessed at: http://nlvm.usu.edu/en/nav/grade_g_2.html. If students need help with the math, you may want to guide them through all three problems. See the Answer Key for the number sentences.

Advanced: Have students work independently or in pairs. They may try to figure out how much would be left each month if they used a bike instead of a car to get around (changing the monthly bills from \$1,800 per month to \$1,290).

MONEY SMART TIP!

Explain to students that, over time, little savings can add up to a lot! If you set aside a little money for your savings every time you make money, you will soon see your savings grow.

Ask: If you save a dollar every week, what would it grow into after a month? (about \$4) 6 months? (\$26, or about \$24) A year? (\$52) 5 years? (\$260)


GUIDED EXPLORATION

Setting Spending Limits and “Paying Yourself First”

10 MINUTES

Spending Limits 13

A **spending limit** is a limit to the amount of money a person can spend.



Money Smart for Young People Grades 3 – 5

Pay Yourself First 14

What does “pay yourself first” mean? When you receive money, make sure to save some of it before you spend it.

Pay yourself first by deciding how much to save. Let’s say you decide to save 10% of your money. That means you would save:

- A dime (10 cents) for every \$1
- \$1 for every \$10
- \$2 for every \$20

Based on the example above (saving 10%), answer these questions:

1. How much money would you save if you had \$50?
2. How much money would you save if you had \$100?

Money Smart for Young People Grades 3 – 5

Exploring Budgets (Spending Plans)

20 MINUTES

Explain that having a budget helps people set spending limits.

Ask students:

- *What is a limit?* (A point beyond which a person or thing is not allowed to pass.)
- *Why might it be useful to set spending limits?* (Setting spending limits can stop a person from overspending and running out of money.)

Display the **Spending Limits** slide and discuss the cartoon. Ask students what they think it means and why it might be risky to go beyond the spending limit.

Then display the **Pay Yourself First** slide to explore the concept of “paying yourself first.” (When you earn or receive money, make sure to save and set some of it aside for yourself before you spend it.)

Ask:

- *Why might it be a good idea to pay yourself first?* (It will help you save some of your money.)
 - *Why is it important to save some of your money?* (You will have money to use for things you need to buy in the future.)
- Remind students that a budget is a spending plan that can help them manage their money, save for emergencies, and meet their goals, and that they will learn to create a budget in the next activity.

Ask students: *What are different ways kids can make money?*

(For example: money for doing chores, selling cookies, babysitting, as well as creating and selling other products or services.)

Write their ideas on a whiteboard or chart paper. Explain that money coming in is an income. Share that students may be able to find different ways to make money, with ideas ranging from pet care to writing their own blogs. A parent/caregiver or librarian might be able to help students find ideas. Anyone with an income, including young people, can use a budget to help manage his or her money.

Have students get into small groups. Tell groups that they will each have 5 minutes to work together to brainstorm a super-hero (can be one they have heard of or imagined) and a list of 3-5 things that would be on their budget and 1-2 ways they would make money.

Have groups briefly share some of their ideas. Next distribute the **Finish That Budget!** handout so student teams can complete a budget for someone their age. Review answers together. Then give students the **My Budget** handout so they can create their own budget.

Ask: *How can you stay within a budget (spending plan)?* (You can stay within a budget by writing it down, checking it regularly, and sticking to your plan. If your plan is too difficult to achieve, you can always change it.)

Grade-Level Modifications:

Beginner: Invite one student to read the Finish That Budget! handout directions aloud. Remind students that they need to fill in the budget before answering the questions and then review how to figure out the “Monthly Savings” (income minus expenses). If students are still having trouble with the handout, complete as a class. Then have them work on the My Budget handout in small groups or with a partner.

Advanced: After working on the Finish That Budget! handout, ask students: How much would Kayla have left in savings after one year if she only put 75 cents into her monthly savings? (\$9)

WRAP UP
Class Reflection

10 MINUTES

Ask:

- *Why is it useful to create a budget?*
- *How might you use budgeting now to plan your own spending and saving?*
- *How might schools, governments, and businesses use budgets?*

As a final reflection and assessment, have students write a “Money Smart” book entry using a **Money Smart Book** handout (template in **Student Guide** from Lesson 1) The prompts above may be responded to within the Money book page, a writing journal or completed as a think-pair-share discussion with a peer or small group.

Students may keep their **Money Smart Book** for reflection and discussion throughout the lessons. The summary and final product will provide a measurable assessment. Students can also share the book with their parents as a discussion starter about what they have learned.

Extended Exploration

Note: Use the following activities to extend the lesson topic throughout the year. Activities can be completed as a class, in small groups, or during center time. Duration of activities will vary.

- Invite students to explore budgeting with the animated band Cha-Ching as they head out on tour at www.jacksoncharitablefoundation.org/for-kids/#episode11_
- Let students try their hand at the *Hit the Road* game at www.mycreditunion.gov/Pages/pocket-cents-game.aspx to test their budgeting skills as they travel cross country.
- Encourage students to explore the day in the life of different careers as a way to think about a variety of ways to earn money and use their personal strengths.
Visit www.connectedstudios.org/life_videos
- Read *Lunch Money* by Andrew Clements, a book about a Greg, a money-obsessed sixth- grader, who starts his own comics company, forms a business partnership with his rival, Maura, and learns all about business along the way.

The book can be used as a springboard for a class business project for students to earn money to use for class needs and wants. The business project may include ideas such as a comic book business (as in the book) or a bake sale, art sale, and so on.

Answer Key

Student Handout 1:

Jake's Budget

Monthly Income: Taking care of younger brother: \$8, Getting the neighbor's mail: \$2, Total: \$10; Monthly Expenses: Snacks and supplies: \$9; Monthly Savings: \$1. Questions: 1. 25 cents (\$1 or 100 cents – 75 cents = 25 cents), 2. \$12 (\$1 per month, or $\$1 \times 12 = \12), 2. Answers will vary, but may include: She can spend less on snacks and supplies, compare prices, get another job.

Student Handout 2:

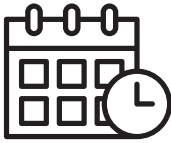
Finish That Budget!

Monthly Income: Taking care of younger brother: \$8, Getting the neighbor's mail: \$2, Total: \$10; Monthly Expenses: Snacks and supplies: \$9; Monthly Savings: \$1. Questions: 1. 25 cents (\$1 or 100 cents – 75 cents = 25 cents), 2. \$12 (\$1 per month, or $\$1 \times 12 = \12), 2. Answers will vary, but may include: She can spend less on snacks and supplies, compare prices, get another job.

Student Handout 3:

Finish That Budget!

Monthly Income: Taking care Answers will vary, unless students use the suggested numbers of \$15 monthly income and \$8 monthly expenses. If so: Monthly Savings: \$7. Questions: 1. \$84 ($\$7 \times 12$ months = \$84), 2. Answers will vary, but may include: I can spend less by comparing prices, buying fewer wants.



Lesson 3: Make a Plan

JAKE'S BUDGET

Name: _____

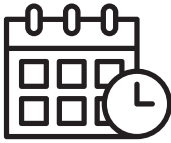
A **budget** is to write down your **income** (the money you expect to make), your **expenses** (the money you expect to spend), and your **savings** (the money you expect to save).

Directions: Jake is a grown-up. Study Jake's budget add up the total expenses.

Monthly Income \$1,800

Monthly Expenses	
Rent	\$910
Car payments	\$410
Food	\$200
Gasoline	\$100
Total	\$
Monthly Savings	\$180

1. How much money does Jake put into his savings each month?
2. What is Jake's monthly income?
3. How much money does Jake spend on rent each month?
4. How much money in all does Jake spend on his car payments and gasoline?
(Please show your math.)
5. How much money could Jake add to his monthly savings if he spent only \$175 on food?
(Please show your math.)
6. What other expenses might Jake need to add to his budget?



Lesson 3: Make a Plan MY BUDGET!

Name: _____

A **budget** is a spending plan to help you manage your money. Part of making a budget is to write down the money you expect to make (**income**) and the money you expect to spend (**expenses**).

Directions: Create your own budget by writing down your income and expenses below. If you don't have any income or expenses, use the following numbers:

Monthly income total: \$15 Monthly expense total: \$8

_____ 's Budget	
Monthly Income (Money I Expect to Make)	
	\$
	\$
TOTAL	\$
Monthly Expenses (Money I Expect to Spend)	
	\$
	\$
TOTAL	\$
Monthly Savings	\$

1. According to the budget, how much will you have saved in a year?
(Please show your math.)

2. How might you save more money?



Lesson 4: Save Your Money

TOPIC: Saving

OVERVIEW:

As students' financial judgments continue to grow throughout each module, add **interest** to their financial knowledge bank by exploring how and where to save money through the understanding of **banks** (federally insured financial institutions). This module will introduce the concept of **risk**. Learners will also evaluate real-world scenarios that address saving for emergencies.

Time: 60 min

Supplies:

- Whiteboard or chart paper, markers
- Projector (for teacher presentation slides)
- Access to the Internet (optional)
- Suggested books (optional):
 - *Banking* by Barbara Allman

Preparation:

- Make copies of student handout
- Set up projector with presentation slides

Glossary with key vocabulary 11

OBJECTIVES:

1. Explain what banks do and what interest is
2. Name benefits of saving money in a bank versus at home
3. Understand risks and why it's important to save for emergencies
4. Evaluate real-world scenarios that focus on saving for emergencies, unexpected events or purchases
5. Create an infographic to show possible risks for a real-world scenario

HANDOUTS:

- Calculate the Interest
- Money Smart Book Comic Strip

TEACHER PRESENTATION SLIDES:

- How Do Banks Work?
- Saving for Emergencies
- Story Problems: Risks
- Real-Life Emergencies

ESSENTIAL QUESTIONS:

- What is a bank?
- How do banks work?
- What is interest?
- Why would keeping money in a bank be more useful than saving money at home?
- Why is it important to save for emergencies?

ASSESSMENT ACTIVITIES:

Pre-Assessment:

- **Handout:** What Are the Risks?
- **Handout:** Calculate the Interest

Post-Assessment:

- **Slide:** Story Problems: Risks
- **Handout:** Money Smart Book Comic Strip

Instruction Steps

WARM UP

Understanding Ways to Save Money

5 MINUTES

Begin the lesson with a discussion about saving money. Ask students to raise their hands if they have a piggy bank or savings jar.

Ask: *Why are you saving the money? What have you used your savings for? How long did you save for the last item you bought? Why is it important to save money?* (When you save, you will have money to use in the future. It also ensures you will have the money you may need in case of an emergency or a special event.) Then have students name ways they might be able to save more money (for example: cutting back on “wants” or bargain hunting and putting the money saved into a bank account). Write students’ ideas on a whiteboard or chart paper.

GUIDED EXPLORATION

Discovering Where Money Is Saved

25 MINUTES

Assess prior knowledge by asking students:

- *Who has been to a bank?*
- *What is a bank?* (A bank is a business where people can deposit and withdraw their money.)
- *How do banks work?* (Banks offer people a safe place to keep their money and pay people interest by using their deposits to make loans.)

If students have not yet mentioned the term interest, ask whether they have heard of the term as related to money, and what they think it means. (Interest is the amount earned from deposits in a savings account.)

Display the **How Do Banks Work?** slide to give students background information on the basic principles of how banks work.

Ask: *Why would keeping money in a bank be more useful than saving money at home?* (It’s safer in a bank and can earn interest.)

Explain to students that the next activity will teach them more about interest.

How do Banks Work?

After you open a savings account, you can put money in (make a **deposit**) and take money out (make a **withdrawal**).
The bank keeps your money safe and pays you interest.

Why does the bank pay you? When you have a savings account, you are lending money to the bank. The bank lends your money to other people. They pay the money back to the bank with interest. The bank gives you a small amount of the money they make.

A customer deposits money into a savings account at the bank.

The bank keeps the money safe in a vault.

The bank loans money to other people, who pay interest. Some of that interest goes back to the customers saving their money in the bank.

Money Smart for Young People Grades 3 - 5

MONEY SMART TIP!

The Federal Deposit Insurance Corporation, or the FDIC for short, is a part of the federal government. The FDIC’s biggest job is to insure the savings of millions of Americans in all of the FDIC-insured banks across the country. Since the FDIC was established in 1933, no depositor has lost a penny of FDIC-insured funds.

Create a physical model of interest growing with your students. Ask for three student volunteers and bring them to the front of the room. They will each represent one year.

For Year 1 hand the student \$100 play money. Share that interest rates are very high, 10% per year. After leaving the \$100 in the bank for 1 year the student will receive \$10 in interest. Share that they decide to keep all that money in the bank for another year.

Have the student pass money to next student (Year 2). Share that now the money has grown again and with another 10% of interest. Give the second student \$11 more play dollars. Have students count money together chorally (total: \$121). Share that they decide to keep money in the bank to earn more money through interest. The third student (year 3) will receive \$12 in interest.

Ask students:

- *How much do they now have in total? (\$133)*
- *How much have they earned in interest over 3 years? (\$33)*

Explore the benefits of saving money in a bank by giving students the Calculate the Interest handout. It provides a real-life scenario and calculator chart to answer questions about interest on various amounts of money.

Discuss the answers, and ask: *What are the benefits of saving more money? (to earn more interest)*

Grade-Level Modifications:

Beginner: Complete the activity in small groups using base ten blocks to solve problems. Ask students to explain how they solved each problem. If they need help with the third question, refer to the Answer Key and write the number sentence on a whiteboard or chart paper.

Advanced: Have students calculate interest rates on other amounts of money that are not on the calculator chart, such as \$350, \$1,000, \$2,500, and so on. You may also want to teach the formula for calculating interest: principal (the amount of money invested) x rate x time = interest. For example, if you invest \$1,000 (the principal) at a rate of .05 (a rate of 5 percent) x 2 years (time), it equals \$100 (interest).

Understanding Risks and the Importance of Saving For Emergencies

20 MINUTES

Ask students: What is a risk? (The possibility that something bad might happen.) Give an example of a child riding a bicycle. Discuss some of the risks of riding a bike (falling, a flat tire, and so on) and ways to avoid or reduce those risks (wearing a helmet, riding in a safe area away from cars, carrying a bicycle pump, and so on). Discuss ideas as a class.

Grade-Level Modifications:

Beginner: Ask students: Have you ever ridden a bicycle, scooter, or gone ice-skating or skateboarding? Have you ever tried a new hobby like cooking or sewing? Have students talk about their experiences relating to risks, such as falling, and ways they avoided or reduced the risks.

Advanced: Have students team up with a partner to think-pair-share an example of a scenario that could pose risks and ways to reduce those risks.


STORY PROBLEMS: Risks 16

CHALLENGE 1

A **risk** is the possibility that something bad might happen.

Directions: Pick one of the scenarios below. On a separate piece of paper, create a chart to show the risks and ways to avoid or reduce each risk.

1. Someone just gave you an elephant as a gift.
2. A friend comes over to help you build a tree house.
3. You decide to bake a five-layer chocolate cake.



Money Smart for Young People Grades 3 - 5

Display the Story Problems: Risks slide and have students work in small groups to create a chart that shows their understanding of the possible risks and ways to avoid or reduce each risk for one of three scenarios listed on the slide. Have students share their answers.

Explain that risks carry the potential to cost people time and effort, as well as money. As much as you try to avoid or reduce the risks, emergencies can happen. That is why it is important to save for an emergency or something unexpected.

Saving for Emergencies 17

Risks carry the potential to cost people time, effort, and money. That is why it's important to save money for an emergency.

Bad news: Your pet elephant just ate the cake you baked and then sat on your new tree house. That is going to cost you a lot of money!

List some of the possible expenses below:

_____	_____
_____	_____
_____	_____
_____	_____






Money Smart for Young People Grades 3 - 5

Display the Saving for Emergencies slide. As a class, list the possible expenses of the scenario.

Then display the **Real-Life Emergencies** slide and discuss. Have students reflect on the question: *Why might it be important to save for emergencies?* (to make sure you have enough money to pay for emergencies, because they are unplanned and unexpected)

Real-Life Emergencies 18

If you were a grown-up, here are some emergencies that you might have to save money for:

-  An unplanned hospital stay.
-  A sick or injured pet needs to go to the vet.
-  The washing machine breaks and needs repairs.
-  Tires wear out and need to be replaced.
-  Working fewer hours but still need to pay the bills.

What other emergencies might grown-ups need to save for?

Money Smart for Young People Grades 3 - 5

WRAP UP

Class Reflection

10 MINUTES

Ask students:

- *Why is it useful to keep your money in a bank instead of saving it at home?*
- *Why is saving for emergencies important?* As a final assessment, have students create a comic strip storyline to show why it's useful to keep money in a bank. Students may use the **Money Smart Book Comic Strip** handout or a digital tool such as ReadWriteThink's Comic Book Creator, www.readwritethink.org/files/resources/interactives/comic/.

Grade-Level Modification:

Beginner: Have students work in small groups or pairs and act out their three-part storyline together as a way to prepare for writing it on paper or drafting it digitally.

Advanced: Ask students to use the cartoon to demonstrate why it is important to save for emergencies and unexpected events or purchases.

Extended Exploration

Note: Use the following activities to extend the lesson topic throughout the year. Activities can be completed as a class, in small groups, or during center time. Duration of activities will vary.

- Have students work together to create smart shopping tips for their families and schoolmates.
- Invite students to test their budgeting skills by playing Change Maker at www.funbrain.com/games/change-maker. During the game students count change after purchases, saving each amount they get correct in their virtual piggy bank.
- Ask students to research the history of banking in the United States, using books (such as *Banking* by Barbara Allman) and online resources. Then have each student write an essay to summarize what he or she has learned and provide a list of sources.
- To explain the difference between keeping money in a bank and at home, have students create posters, and display in the library or around the school.

Answer Key

Student Handout 1:

Calculate the Interest

1. C (\$2), 2. B (\$300 + \$3 interest = \$303), 3. A (\$800, based on the chart, solutions may include: $\$8 \times 100$ or \$8 is the sum of \$3 + \$5, which corresponds to $\$300 + \$500 = \$800$)

Student Handout 2:

What Are the Risks?

Risks of Riding a Bicycle: Answers will vary, but may include: falling, getting hit by a car, a flat tire.

Ways to Avoid or Reduce the Risks: Answers will vary, but may include: wearing a helmet, riding in a safe area away from cars, carrying a bicycle pump.

Student Handout 3:

Money Smart Book Comic Strip.

Answers will vary.



Lesson 4: Save Your Money

CALCULATE THE INTEREST

Name: _____

When you put money into a savings account, you are paid **interest**. It is the money you earn from lending money to the bank.

Directions: Read the scenario and the calculator chart below. Then fill in the circle for the best answer to each question.

Juan, age 10, has a savings account. He has \$100 saved so far. He wants to figure out how much interest he would receive if he saved more money. The amount of interest the bank pays changes often. Right now, Juan's bank pays a rate of 1%.

Calculator Chart

Money	Interest After a Year (based on rate of 1%)
\$100	\$1
\$200	\$2
\$300	\$3
\$400	\$4
\$500	\$5

1. If Juan saves \$200, how much interest would he receive after a year?

- 20 Cents \$1 \$2

2. If Juan saves \$300, how much money would he have in the bank at the end of the year?

- \$300 \$303 \$305

3. How much money would Juan need to save to receive \$8 of interest after a year?

- \$800 \$900 \$1,000



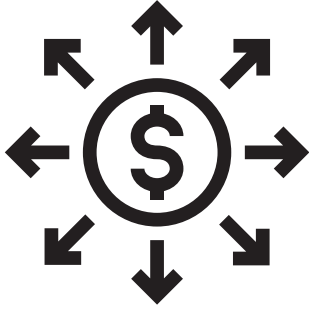
Lesson 4: Save Your Money

MONEY SMART BOOK COMIC STRIP

Name: _____

Directions: Draw a comic strip to show why it's useful to keep money in a bank.

TITLE	



Lesson 5: Which Way to Pay

TOPIC: Payment Options

OVERVIEW:

With students comfortably demonstrating the concept of cash through previous lessons, they will explore the concept of other payment options in this lesson. Hands-on activities will guide students through different forms of payment, such as **cash**, **credit cards**, **debit cards**, and **checks**. Students will apply their compounded knowledge by evaluating different real-world scenarios.

Time: 60 min

Supplies:

- Whiteboard or chart paper, markers
- Projector (for teacher presentation slides)
- Access to the Internet (optional)

Preparation:

- Make copies of student handout
- Set up projector with presentation slides

Glossary with key vocabulary 11

OBJECTIVES:

1. Explain the concept of credit and debit (including checks and money orders)
2. Compare and contrast various payment methods (cash, credit, and debit)
3. Apply knowledge of payment options to real-world scenarios
4. Discuss the consequences of paying back credit past the due date
5. Discuss identity theft and types of personal information that should not be shared

HANDOUTS:

- Payment Options: True or False?
- Payment Decisions
- Test Your Payment Knowledge
- Money Smart Book (template from Lesson 1)

TEACHER PRESENTATION SLIDES:

- What Is Credit?
- What Is Debit?
- Private Information
- Story Problems: Payment Decisions

ESSENTIAL QUESTIONS:

- What are credit and debit?
- What are checks?
- Why might someone choose to pay with cash, credit, or debit?
- What is debt?
- What information should not be shared with others to prevent identity theft?

ASSESSMENT ACTIVITIES:

Pre-Assessment:

- **Handout:** Payment Options: True or False?
- **Handout:** Payment Decisions

Post-Assessment:

- **Handout:** Test Your Payment Knowledge)
- **Handout:** Money Smart Book

Instruction Steps

WARM UP

Sharing Prior Knowledge of Payment Options

15 MINUTES

Start the lesson by asking students to think about ways people can pay for things.

Ask:

- *What do you use to pay for things?* (Answers may include: money, cash, bills, or coins.)
- *What do your parents use?* (Answers may include: cash, credit cards, debit cards, checks, or money orders.)

Draw a four-column chart on a whiteboard/chart paper with the title “Forms of Payment” and headings: **cash**, **credit cards**, **debit cards**, and **checks**. Ask students to share what they know about these four payments options and record their answers on the chart.

Next, have students complete the **Payment Options: True or False?** handout, a short true/false quiz about credit, checks, debit, and cash, to test their knowledge of these payment options. Students may complete the handout in pairs or as a class game.

To make the handout a game, divide the class into teams and have students sit together. Read a question and have students do one action, signal, or sound for true and one for false. Review answers together as a class.

Explain that a **credit card** is *not* just an endless supply of money. It is linked to a person’s account and must be paid back by a certain date every month. If it is not paid back in full by that date, that person has to pay **interest** (the cost of borrowing money; also, the money earned from lending it). If someone has a credit card, that person also has a limit to how much “credit” he or she has available to use. The limit is based on how **creditworthy** that person is (how likely someone will be able to pay back a loan).

Explain that creditworthy is similar to trustworthy. Ask students what trustworthy means (deserving of trust, dependable).

Add information students have learned to the “Forms of Payment” chart.

Grade-Level Modifications:

Beginner: If students don’t know an answer on the true/false quiz, ask them to take their best (educated) guess.

Advanced: Students can complete the quiz independently. Have them correct the statements that are false.

MONEY SMART TIP!

Invite students to keep track of their Smart Bucks (see page 7 for more information) in a journal. Have them write down each date they receive Smart Bucks (income), the amount, and how they earn it. They can also record each date they spend their Smart Bucks (expenses), the amount, and what they spend it on.

GUIDED EXPLORATION

Understanding Credit and Debit

20 MINUTES


Review the meaning of credit and discuss that it is not free money but linked to an actual account.

Optional: Use the link <https://handsonbanking.org/kids/credit-and-you/credit/what-is-credit/> to show students an interactive cartoon story about credit and loans (six lessons, approximately 5 or 6 minutes). The class can also explore the virtual calculator and money math questions together.

What is Credit?

Credit is a loan. When you pay using credit, you are borrowing money.

A **credit card** is a plastic card that lets you pay using credit. The card has a limit on how much you can **charge** (spend).



Each month, you'll receive a statement or bill showing details such as new charges on the card and how much you owe. If you don't pay all the money back on time, you have to pay it back with interest. Interest can add up quickly! It's important to only use credit cards for things you can afford to pay back soon.


Money Smart for Young People Grades 3 - 5

What is Debit?

A **debit** is money removed from an account.

A **debit card** is a plastic card that, when it's used, money is taken out of your checking account right away.


If you don't have enough money in your account to make a purchase, you can't pay with your debit card.



Money Smart for Young People Grades 3 - 5

What is Debit? (CONTINUED)

Check = Form of Debit



1. Date check is written
2. Recipient of payment
3. Money represented numerically, that will be deducted from your checking account to pay recipient.
4. The written form of money being deducted for payment. Always be sure to have enough money in your account before writing a check to avoid paying extra fees.
5. Signature of person writing check
6. Reason for payment

Money Smart for Young People Grades 3 - 5

Share the *What Is Credit?* and *What Is Debit?* slides with students and discuss. To review and ensure understanding, have a discussion using the following guiding questions:

- **What are *credit and debit*?** (Credit is a loan. When you pay using credit, you are borrowing money with the agreement to pay it back by a later date. A debit is money taken out of a checking account as payment for an item or service.)
- **What are *checks*?** (A check is a written order of payment that instructs a financial institution, such as a bank, to withdraw a specific amount of money from the check-writer's account, and pay or deposit it to the person, or business, named on the check.)
- **What is a *money order*?** (It is similar to a check but can be purchased at different places such as a bank or post office and used to make a payment of a specific amount of money.)

In addition to what students learned from the slides, you might also want to ask:

- **How is *technology* used to make payments between individual people?** (Person to person payments using websites and apps allow customers to transfer money directly from their bank account or credit card to another person's account.)
- **Review the following:**
 - **What is *interest*?** (the cost of using money—you pay interest when you borrow money, and a bank can pay you interest when you deposit money with them)
 - **What is *debt*?** (an amount of money owed) Explain that, if you use a credit card to make purchases and then cannot pay for them by your statement due date, you will likely pay interest.

The interest owed is a debt. It can make a purchase more expensive than you had expected. For example, let's say your October credit card statement shows you owe \$250. The money is due by November 5th. If you can, you should pay back the \$250 on time. If you can only pay back \$100, then you would owe \$150 plus interest.

Next, ask students to share what they know about identity theft (a crime in which someone uses personal information from another person to steal his or her money). Share the **Private Information** slide and explain that students should never buy anything online or share personal information with anyone without a parent's permission.

Review by removing the slide and asking: *What information should not be shared with others to prevent identity theft?* (Personal information should not be shared with others, especially when you are online. That information includes birth date, phone number, home address, school name and address, bank account number, a credit card number, and passwords. If you use a social networking site, only share your page with friends you know and trust.)

Private Information
22

Some information should be kept personal. It should not be shared with anyone without a parent's permission, especially when you are online.

Here is some personal information you should keep private:

- Birth date
- Phone number
- Home address
- Bank account number
- A parent's credit card number
- Passwords
- School name and address

Protecting your personal information helps prevent identity theft.

Money Smart for Young People Grades 3 – 5

Private Information (CONTINUED)
23

Identity theft is a crime. It is when someone pretends to be another person by taking that person's personal information to steal his or her money. For example:

- A thief might steal someone else's credit card number to buy things online. Then the bill is sent to the owner of the credit card, not the thief. Let's say your parent's credit card number was stolen. On the next statement, your parent notices a charge for 50 pounds of lizard food. Wait a minute — you don't have a pet lizard! Now your parent has to call the credit card company and report a theft.
- Let's say you are using the computer and you get a pop-up ad. It says you can win a prize if you click on the ad. (Don't click on the ad!) But if you did click on the ad, it might ask you to enter personal information so you can collect your prize. NEVER enter personal information without a parent's permission. If you do, someone may use the information you entered to steal your identity.

Money Smart for Young People Grades 3 – 5

Exploring Different Payment Scenarios

15 MINUTES

Begin the activity with a quick review of the terms and differences between the following payment methods: cash, checks, debit cards, and credit cards. Ask: Why might someone choose to pay with cash, credit, or debit? (Someone may choose to pay with cash if that person is carrying enough cash or a store only takes cash. A person may pay with credit or debit when he or she is not carrying enough cash, or it is quicker and more convenient.)

Share the **Story Problems: Payment Decisions** slide and ask students to work with a partner to choose and solve one of the three problems. Have students share which challenge they selected and discuss solutions that partners reached.

STORY PROBLEMS: Payment Decisions
24

People can make purchases using different payment options.

Directions: Read each scenario and answer the questions to make payment decisions.

1. Violet has \$20 cash and her checkbook. She is in a hurry and needs to pay for a birthday card that costs \$3. How should she pay for the card? Why?
2. Sierra and her grandmother go out for lunch. Her grandmother needs to pay \$32 and has \$35 in her wallet, along with a credit card. She wants to make sure she has at least \$5 left for the rest of the day. How should Sierra's grandmother pay for the meal? Why?
3. Max has to pay his credit card bill. It is due in two weeks. Max wants to mail in a check for the total amount of \$135. He has \$100 in his checking account. Does Max have enough money to write the check? If not, how can he still pay by check?

Money Smart for Young People Grades 3 – 5

Next break students into four groups, assign each group one of the **Payment Decisions** handout challenges. Have students read and solve the challenge together, then present their process and solution to the class.

Grade-Level Modifications:

Beginner: Group students with different strengths and abilities to support students in reading and solving the problems together. Teams may also write or model number sentences to reach a decision of the best payment decision.

Advanced: After students finish the handout, ask them to create one or two of their own examples.

Ask students to complete the **Test Your Payment Knowledge** handout as a post-lesson assessment to see how much they learned regarding payment options and identity theft.

WRAP UP Class Reflection

10 MINUTES

Lead a class discussion about the following questions: *What is the difference between credit and debit? How can credit be used responsibly? What information should not be shared with others to prevent identity theft?* The prompts above may be responded to within the **Money Smart Book**, a writing journal or completed as a think-pair-share discussion with a peer or small group. Students may keep their **Money Smart Book** for reflection and discussion throughout the lessons. The summary and final product will provide a measurable assessment. Students can also share the book with their parents as a discussion starter about what they have learned.

Extended Exploration

Note: Use the following activities to extend the lesson topic throughout the year. Activities can be completed as a class, in small groups, or during center time. Duration of activities will vary.

- Take students on a virtual field trip to the U.S. Bureau of Engraving and Printing to learn more about where cash is made at www.usa.gov/money-factory-lesson-plan
- Invite students to step into the world of Money Metropolis where they can earn, save, and spend from virtual bank accounts at www.practicalmoneyskills.com/play/money_metropolis.
- Divide students into groups and have them make posters about identity theft and online safety, including the personal information that should be kept private and not shared with others. Hang them up in the classroom.

Answer Key

Student Handout 1:

Payment Options: True or False?

1. True, 2. True, 3. False (Credit cards and debit cards are made of plastic.), 4. True, 5. False (If you use a credit card, you receive a monthly bill.), 6. False (Credit cards do set limits to how much you can spend.), 7. True, 8. False (A debit is money removed from an account.), 9. True, 10. True

Student Handout 2:

Payment Decisions

1. She will have to pay interest on any of the credit card balance that she cannot pay in full by the due date.
2. He should pay with cash because the store only accepts cash.
3. She should pay with her debit card because she doesn't have enough cash. 4. He should pay with his debit card because he has enough money in his checking account (\$2,800). He shouldn't use his credit card because he has a \$3,000 credit card limit and has already charged \$800. ($\$3,000 - \$800 = \$2,200$. That is \$100 less than his car bill of \$2,300.)

Student Handout 3:

Test Your Payment Knowledge

1. A (checks and debit cards), 2. C (month), 3. C (using a credit card), 4. B (check), 5. B (Keep your personal information private.)



Lesson 5: Which Way to Pay?

PAYMENT OPTIONS: TRUE OR FALSE?

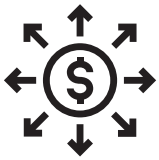
Name: _____

When you put money into a savings account, you are paid **interest**. It is the money you earn from lending money to the bank.

Directions: How much do you know about different payment options? Read each statement and circle whether it is true or false

- | | | |
|---|------|-------|
| 1. Cash, credit, and debit are payment options. | True | False |
| 2. Some businesses only accept cash payments. | True | False |
| 3. Credit cards and debit cards are made of paper. | True | False |
| 4. When you pay with credit, you are borrowing money. | True | False |
| 5. If you use a credit card, you receive a yearly bill. | True | False |
| 6. Credit cards set no limits to how much you can spend. | True | False |
| 7. A debit card is linked to a person's checking account. | True | False |
| 8. A debit is money added to an account. | True | False |
| 9. Checks come in a small book called a checkbook. | True | False |
| 10. A check is piece of paper used for making a payment. | True | False |





Lesson 5: Which Way to Pay?

PAYMENT DECISIONS

Name: _____

People can make purchases using different payment options

Directions: Read each scenario and answer the questions that follow.

1. Jose and his mother are buying food at the grocery store. The total is \$65. Jose's mom has a credit card and \$40 cash in her wallet. **How should she pay for the food? Why?**

2. Ryan is buying a \$3 slice of pizza at a small restaurant. The sign in the store says "cash only." Ryan has a credit card and \$5 cash. **Which payment option should he use? Why?**

3. Sera is in college. She has a debit card and \$24 cash in her wallet. She has \$120 in her checking account. Sera needs a new pair of sneakers and finds a pair she likes for \$55. **Which payment option should she use? Why?**

4. Tim needs to pay for an expensive car repair. The total is \$2,300. Tim has a credit card and a debit card in his wallet. He has \$2,800 in his checking account. His credit card limit is \$3,000 and he has already charged \$800. **Which payment option should he use? Why?** (Please show your math.)



Lesson 5: Which Way to Pay?

TEST YOUR PAYMENT KNOWLEDGE

Name: _____

Directions: How much did you learn about payment options and identity theft? Circle the best answer to each statement or question below.

1. You need to buy new shoes. Which two ways can you pay if you want the money to come out of your checking account?
a. checks and debit cards b. debit and credit cards c. credit cards and checks
2. Since you have a credit card, you receive a statement every. The statement is a record of what you bought and the payment due.
a. day b. week c. month
3. People say you are trustworthy. You always pay back the money you borrow. Which payment option is the same as borrowing money?
a. paying by check b. using a debit card c. using a credit card
4. Sometimes, you choose to fill out a paper form to make a payment. That paper form is called a
a. debt b. check c. credit
5. You just learned about identity theft. What advice would you give to someone who asks how to prevent it?
a. Only pay for things with cash or checks.
b. Keep your personal information private.
c. Never borrow money from a close friend.



Lesson 6: Get Invested

TOPIC: Buying Decisions

OVERVIEW:

Compounding students' knowledge of **saving** and goal setting, this lesson builds interest by adding an introduction to **investing**. Students will begin to explore basic concepts about how goal setting is connected to investing and saving, and the concept of **risk** and **return** to help money grow over time. Students will explore the concept of saving to build wealth for the future, and will answer questions about real-life scenarios to recognize the value of long-term financial thinking.

Time: 60 min

Supplies:

- Markers, Post-It notes (or paper and tape) for the game
- Whiteboard or chart paper, markers
- Projector (for teacher presentation slides)
- Access to the Internet (optional)

Preparation:

- Make copies of student handout
- Set up projector with presentation slides

Glossary with key vocabulary 11

OBJECTIVES:

1. Explore the basic concepts of investing, including risk and return
2. Compare and contrast several kinds of investments
3. Analyze the savings outcome of several investment options
4. Explain the value of long-term financial planning

HANDOUTS:

- Complete the Story
- Risk and Return
- Money Smart Book

TEACHER PRESENTATION SLIDES:

- Investing Your Money
- Investing: Risk and Return
- Story Problems: Investing
- What Is Inflation?

ESSENTIAL QUESTIONS:

- What is investing?
- Why is it important to have long-term money goals?
- What are the risks and returns of investing?

ASSESSMENT ACTIVITIES:

Pre-Assessment:

- **Handout:** Complete the Story
- **Slide:** Story Problems: Investing

Post-Assessment:

- **Handout:** Risk and Return
- **Handout:** Money Smart Book

Instruction Steps

WARM UP

Introducing the Concept of Investing

20 MINUTES

Review what students learned about setting goals in Lesson 2 by asking them to share a few of their savings goals.

Discuss the following inquiry-driving questions:

- *Why is **saving** money important?* (Saving allows you to have enough money to buy things in the future and to use for emergencies.)
 - *Why is it important to have long-term money goals?* (Long-term money goals help you plan and save for the future.)
- *What is **investing**?* (Investing is spending money with the goal that it will bring a **profit**, or more money, in the future.)
 - *How might investing help you achieve your long-term savings goals?* (Investments can increase in value and provide income. Then I can set aside more money in savings.)
 - *Ask students: What examples can you think of for investing?* (investing money in a company or putting money in an account that earns interest at the bank.)

Share that the class will play a game to explore three types of investments – bonds, certificates of deposit, and stocks. Pass out one sticky note to every student. Tell students that if their birthday is in January through April, to write down **Bond**. Share that the bonds are bought from the government or businesses. When you buy a bond, you're lending money for a set amount of time sometimes up to 30 years. The government or business that you lend your money to will pay it back with interest.

Next if their birthday is in May through August, have students write down **CD** (the acronym for certificates of deposit). CDs are when you deposit a certain amount of money at a bank for a specific amount of time. They generally earn more interest than other types of accounts.

Last, if their birthday is in September through December, have students write down **Stock**. Buying stock is investing in a business. You own a tiny piece of the company.

Have students create groups based on which of the three investments they have been assigned. Next without talking students must decide on a single action to represent their group (e.g., the wave, blinking eyes etc.).

Discuss the activity, starting with the question:

- *What was the hardest part of the activity?* (Students might say the hardest part was not being allowed to talk or seeing how fast they could get into groups.)
- *What do you think was the purpose of the activity?* (to work as a team, to communicate without talking, to get us thinking about investments)

MONEY SMART TIP!

Explain to students that, when they are investing money, they need to be patient. Investments often take time to grow.

GUIDED EXPLORATION

Exploring Investment Options

10 MINUTES

Ask students to share what they know about certificates of deposit (CDs), bonds, and stocks. Display the *Investing Your Money* slide to show the difference between the three investments. Provide students with the *Complete the Story* handout with a cloze passage about each kind of investment.

Investing Your Money

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The goal of investing is to make money in the future. Here are three different investment options:

CD (Certificate of Deposit)

- When you buy a CD from a bank, you lend money to the bank for a set amount of time. It can be several months or years. At the end, the bank pays you back the money with interest.

Bond

- A bond is a certificate sold by a company or government. When you buy a bond, you lend money to a company or government for a set amount of time. It can be as long as 30 years. The borrower promises to pay your money back with interest. If they are not able to pay the money back, you could lose your money.

Stock

- A stock is a share of a company. When you buy stock in a company, you own a tiny piece of a company. If the company makes a profit, it may share some of those profits with you. Those profits may be called a "dividend." You can also make money by selling your shares to another buyer for more than you paid. But you could also lose money if you have to sell your shares for less money than you paid for them.

Money Smart for Young People Grades 3 - 5

Grade-Level Modification:

Beginner: As a class read the story and complete the passage. Discuss why each investment best fits in its sentence.

Advanced: Have students work in pairs to complete the passage. After they finish the passage have them share which investment type they were given in previous game. With their partner have them share, where would they be bought? Do they earn interest or part of a business's profit?

Understanding Risk and Return

20 MINUTES

INVESTING: Risk and Return 26

Some investments are more risky than others. What is the risk? You could lose your money. But you may also make money. If an investment is low risk, you have a low chance of losing your money. If an investment is high risk, you have a high chance of losing your money. The money you make from an investment is called the return.

CD (Certificate of Deposit)

- CDs are low risk and low return. You won't risk losing any money, but you won't make a lot of money either. For example, you decide to buy a one-year CD for \$1,000. At the end of the year, you might get back \$1,050.

Bond

- U.S. government bonds are low risk and low return. For example, if you buy a U.S. government bond for \$1,000, in 10 years, you might get back \$1,500.
- Company bonds can be high risk and high return. You risk losing your money, but you can also make a lot of money. If you buy a company bond for \$1,000, you might get back more than \$1,500 in 10 years. Or you might lose your money.

Stock

- Stocks can be high risk and high return. You might lose it all, but you might also make a lot of money. For example, you might buy stocks in a company for \$1,000. If the company does not make a profit, you might lose all of your money. If the company makes a big profit, you might be able to sell your stocks and double your money.

Money Smart for Young People Grades 3 - 5

INVESTING: Risk and Return (CONTINUED) 27

Study the line graph below. What does it show? What might "possibility of high return" mean?

Money Smart for Young People Grades 3 - 5

STORY PROBLEMS: Investing 28

The goal of investing is to make money.

Directions: Choose the best answer to each question below.

1. Jay does not like to take risks. He just bought a one-year CD from the bank. He knows it is low risk. How much money will he probably make next year from the CD?
 - a. no money
 - b. a little money
 - c. double his money

Money Smart for Young People Grades 3 - 5

STORY PROBLEMS: Investing (CONTINUED) 29

2. Maya has a lot of money saved and wants to invest some of it. She wants to take a risk with her money so she has a chance of making a lot of money back. She wants to use the money to start her own restaurant one day. What kind of investment should she make?
 - a. stocks
 - b. one-year CD
 - c. U.S. bond
3. Your friend Kelvin asks what you know about company bonds. He is thinking of buying one. He is sure he will make a lot of money if he does. What would you tell him about company bonds?
 - a. They are as safe as U.S. government bonds.
 - b. They can be risky, but you might make a lot of money, too.
 - c. They are known for making almost no money in return.

Money Smart for Young People Grades 3 - 5

As a refresher, ask students what they learned about risk from Lesson 4 and then ask: *How might risk be part of investing?* (Investing is risky because you could lose your money.)

Share the **Risk and Return** slides to illustrate the concepts of risk and return for CDs, bonds, and stocks. Ask students to get back into their earlier investment groups (bonds, CDs, stocks). The bonds may choose if they want to be a government bond or a company bond and divide group appropriately.

Prepare students to play a risk and return freeze dance game. Have the student groups with the greatest risk (company bonds and stocks) sit closest to the teacher (the riskiest spot for being spotted moving in freeze dance).

Next share with students that when the music plays they will do the movement they created as a group earlier (e.g., blinking, the wave, etc.) Play one round and stop music. Any individuals that don't freeze are out.

For the second-round challenge students to do their movement quickly if they are a high return investment and slow if they are a low return investment. **Ask students:** *How did they take risks during the game? Would they be willing to take a greater risk for a greater possible return or reward?*

Then show the **Story Problems: Investing** slides to check for student understanding.

Afterward, have students complete the **Risk and Return** handout that covers these concepts using real-life scenarios. Review as a class.

Ask: *What are the risks and returns of investing?* (Some investments are riskier than others. The risks are that you could lose your money. But you may also make money. The money you make from an investment is called the "return.")

Grade-Level Modifications:

Beginner: Before students solve each problem on the **Story Problems: Investing** slides and **Risk and Return** handout, ask them to share what they remember from the **Risk and Return** slides and the freeze dance game.

Ask students:

- What does low risk mean?
- Which investments have the lowest risk? Why?

Advanced: Ask students to explain the reasoning behind their answers. Have them discuss with a partner which investment type is most interesting to them and why?

WRAP UP

Class Reflection

10 MINUTES

Ask students:

- How can investing help you reach your long-term money goals?
- If you were to recommend an investment to your family what would it be? Why?

The prompts above may be responded to within the **Money Smart Book**, page, a writing journal or completed as a think-pair-share discussion with a peer or small group. Students may keep their **Money Smart Book** for reflection and discussion throughout the lessons. The summary and final product will provide a measurable assessment. Students can also share the book with their parents as a discussion starter about what they have learned.

Extended Exploration

Note: Use the following activities to extend the lesson topic throughout the year. Activities can be completed as a class, in small groups, or during center time. Duration of activities will vary.

What is Inflation?

Inflation is the overall rise in prices. For example, a pound of oranges today costs more money than it did 10 years ago.

A pound of oranges will cost more in the future than it does today. Read the graph to the right to learn more. Then answer the questions.

Average Price of a Pound of Oranges	
2008	\$0.91
2010	\$0.90
2012	\$0.93
2014	\$1.12
2016	\$1.20
2018	\$1.33

1. What was the average price of a pound of oranges in 2008?
2. Which year shows the biggest increase in the average price of oranges?
3. In which years did the average price of oranges get lower?
4. How much more was the average cost of a pound of oranges in 2018 than in 2008?

Money Smart for Young People Grades 3-5

Display the **What Is Inflation?** slide (with a graph showing the overall rise of the average price of a pound of oranges over time), and have students answer the questions. Students may explore how everyday items prices have increased over time.

- This visual handout can help students learn more tips for saving money at <http://themint.org/kids/saving-tricks.html>. After reviewing, students may design a cartoon poster, using more ideas for how they can save money.
- Invite students to play Invest Quest at www.consumer.ftc.gov/media/game-0007-invest-quest.com to learn more about money and to test their investing knowledge.
- Get students thinking about investing by asking them to set a goal. Have students write a story about an investment they made that allowed them to achieve that goal. In addition, they can write about what challenges they might have had along the way.

Answer Key

Student Handout 1:

Complete the Story

My friend Ty is always talking about his long-term money **goals**. He plans to manage his money wisely. When he is older, he wants to **invest** money in several places. First, he says he'll buy a **CD** from the bank so he can earn **interest**. He may also buy a **bond** from the government. Later, he is going to buy **stocks** so he can own shares of a company. If the company makes a big **profit**, he could make a lot of money! But if the company does not, he could **lose** his money. Ty told me that's a chance he'll have to take. One day he might even start his own **company**.

Student Handout 2:

Risk and Return

1. A (Buy a CD or U.S. government bond.), 2. B (Do some more research about stocks. You may also lose your money.), 3. C (stocks and high-risk bonds)



Lesson 6: Get Invested

COMPLETE THE STORY

Name: _____

Directions: Read the passage and fill in each blank with the correct word from the word box.

WORD BOX				
lose	bond	stocks	CD	goals
profit	company	interest	wisely	invest

My friend Ty is always talking about his long-term money _____.

He plans to manage his money _____. When he is older, he

wants to _____ money in several places. First, he says he'll buy

a _____ from the bank so he can earn _____.

He may also buy a _____ from the government. Later, he

is going to buy _____ so he can own shares of a company.

If the company makes a big _____, he could make a lot

of money! But if the _____ company does not, he could

_____ his money. Ty told me that's a risk he'll have to take.

One day he might even start his own _____.



Lesson 6: Get Invested

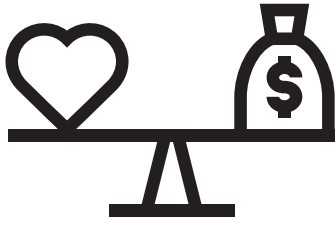
RISK AND RETURN

Name: _____

The goal of **investing** is to buy something to make money in the future. Some investments are more risky than others.

Directions: Read the three scenarios below. Then fill in the circle for the best answer to each question about investing money.

1. Keisha's mother wants to invest money, but she does not want to risk losing it. She knows that taking a low risk means she might not make that much money. But she is OK with that. What should she do?
 - Buy a CD or U.S. government bond.
 - Invest in stocks or any kind of bond.
 - Put a large amount of money in stocks.
2. If Juan saves \$300, how much money would he have in the bank at the end of the year?
 - Make sure you invest a lot of money. Then you can get rich quickly.
 - Do Some more research about stocks. You may also lose your money.
 - Sounds like a sure thing. You should start picking out your car today.
3. How much money would Juan need to save to receive \$8 of interest after a year?
 - A one-year or five-year CD
 - U.S. government bonds
 - Stocks and high-risk bonds



Lesson 7: It's Great to Donate

TOPIC: Charitable Giving

OVERVIEW:

While students are beginning to formulate their knowledge of spending and saving, incorporate helping the less fortunate/those in need as part of a financial plan. Students will discover why they may choose to include **charitable** giving as part of a budget. They will also be reminded how time has an **opportunity cost**, so even if they don't have money to donate, they can support charitable causes through volunteering.

OBJECTIVES:

1. Explain the meaning of charitable giving, and its rewards
2. Create a plan to raise money for a charitable cause
3. Research various charitable causes
4. Organize a charity drive

HANDOUTS:

- Story Problem: Giving
- Giving Plan and Budget
- Money Smart Book (template from Lesson 1)

TEACHER PRESENTATION SLIDES:

- What Is Profit?
- Mr. Vega's Class Giving Plan and Budget
- Fundraising Ideas

ESSENTIAL QUESTIONS:

- What does "charity" mean?
- Why is it important to help other people?
- How can you make giving a part of your budget?

ASSESSMENT ACTIVITIES:

Pre-Assessment:

- **Slide:** What Is Profit?
- **Handout:** Story Problem: Giving

Post-Assessment:

- **Handout:** Giving Plan and Budget
- **Handout:** Money Smart Book

Time: 60 min

Supplies:

- Paper, pencils (for students)
- Whiteboard or chart paper, markers
- Projector (for teacher presentation slides)
- Access to the Internet (optional)
- Suggested books (optional):
 - *Sam and the Lucky Money* by Karen Chinn

Preparation:

- Make copies of student handout
- Set up projector with presentation slides

Glossary with key vocabulary 11

Instruction Steps

WARM UP

Exploring What Charitable Giving Means

15 MINUTES

Begin the lesson by asking students:

- *What does **charity** mean?* (It is the act of giving help or money to people, animals, or communities in need. A charity is an organization that helps people, animals, or communities in need or supports social causes.)
- *How can kids give back in their community?*
- *How can giving to others in need help you?* (Students might say it makes them feel good, like they are part of a community, makes them appreciate what they have, and so on.)

Brainstorm a list of ways that students already help in their community or possible ways they could give their time, talents, and/or money to help others.

Optional: Read the book *Sam and the Lucky Money* by Karen Chinn. The story is about a boy who receives money (also known as “laisee”), for Chinese New Year and has to decide how to spend it. He eventually decides to give the money to a homeless man.

Have a class discussion about the main character and his act of charitable giving.

Discussion Questions:

- *What things did Sam consider buying with his lucky money?* (sweets, toys, a basketball)
- *Why didn't Sam buy the basketball?* (He didn't have enough money.)
- *How did Sam decide to spend the money?* (Sam gave it to the old man, so he could buy socks.)
- *How do you think the old man felt after Sam gave him the money?* (happy, thankful) *How might Sam have felt?* (happy, upset to see the old man without shoes, and so on)
- *What do you think the author meant by the last sentence of the book? “And as they headed home for more New Year’s celebration, Sam knew he was the lucky one.”* (After seeing the old man, Sam knew that he had a lot to be thankful for.)

Ask students to think about a personal experience when they received a gift or help from someone. Invite students to share their stories.

Then ask:

- *How did receiving a gift or help from someone make you feel?* (Answers will vary, but may include: happy, thankful, lucky, grateful.)
- *Why is it important to help people?* (Many people all over the world need help. Other people can make a difference in their

lives by helping them. It is a kind thing to do that can make the world a better place.) The following activity will teach students more about how to plan for giving.

MONEY SMART TIP!

- Review the concept of “pay yourself first” with students.
- Explain that, when they receive money, the first thing they should do is save some of it. Then they can spend on things they need or want, and set a portion of money aside to donate.

GUIDED EXPLORATION

Understanding How to Plan for Giving

15 MINUTES

What is Profit?

When you raise money for a charity, you may have to spend money first (**expenses**). The difference between the total money you make (**income**) and what you spend (**expenses**) is your **profit**.

See the examples below:

- Jamal and his sister sold lemonade to raise money for charity. On the weekend, they made \$25. They spent \$8 to buy the lemons and plastic cups, and \$2 to buy poster board to make a sign. (Their parents gave them sugar and a pitcher for the lemonade.)
Income: \$25
Expenses: \$8 + \$2 = \$10
Income (\$25) - Expenses (\$10) = Profit (\$15)
- Maya held a raffle and party to raise money for charity. She asked friends to donate items they no longer use. At the party, guests bought raffle tickets for items they wanted to win. Maya paid \$10 for the raffle tickets and \$15 for the food. At the party, the kids spent \$65 buying raffle tickets.
 - What was Maya's income?
 - What were her expenses?
 - What is her profit?

Money Smart for Young People Grades 3 - 5

Mr. Vega's Class Giving Plan and Budget

A budget is a spending plan to help you manage your money. You can make giving part of your budget.

Directions: After completing the *Story Problem: Giving* handout, study the giving plan and budget of Mr. Vega's class below.

- Why do students need to sell \$124 worth of magnets to raise \$100 for the animal shelter?
- What else could students have sold to raise money?

Giving (Money We Expect to Give)	
-Local animal shelter	\$100
Income (Money We Expect to Make)	
-Selling animal magnets (\$2 each)	\$124
Expenses (Money We Expect to Spend)	
-Art supplies	\$14
-Magnets	\$10
Total	\$24

Money Smart for Young People Grades 3 - 5

Exploring Fundraising Opportunities

20 MINUTES

Discuss: *What do you think is meant by the expression the “gift of giving”?* (the rewarding feeling you get from helping others)

Ask: *How can you make giving a part of your budget?* (Plan for giving just like you would for saving and spending. Pay yourself first by saving money before spending it. Plan ahead for how much you would like to give and set aside that money for charity.)

Students can learn to make charitable giving part of a budget. Display the **What Is Profit?** slide and give students paper and pencils to work on the math problem. Discuss the answers together as a class. Then have students work on the **Story Problem: Giving** handout to explore a real-life scenario about a class raising money for charity. After students answer the questions, review as a class.

Grade-Level Modification:

Beginner: Call on one or more students to read the word problem aloud on the **Story Problem: Giving** handout. As students follow along, have them use a pencil to underline or circle the most important pieces of information (*giving goal is \$100, \$2 a magnet, sold \$65 worth of magnets, and spent \$24 on art supplies*). Review the definitions for *income* and *expenses* from the **What Is Profit** slide. Ask students to identify the income (\$65) and expenses (\$24) before they begin the first question.

Display the **Mr. Vega's Class Giving Plan and Budget** slide to show students how the giving plan and budget can be written. After discussing the questions at the end of the slide, explain that students will now talk about a class-giving project of their own.

Break students into small groups. First, give students a few minutes to brainstorm 1-3 causes they would be interested in supporting. Their support could be through time and talents (volunteering) or money (fundraising). Have students share ideas with the class and then choose one for their group to focus on creating a plan of giving.

Fundraising Ideas

How many classroom fundraising ideas can you come up with to help the charity of your choice?

Read the ideas below to get started. Then add your own ideas to the list. (Make sure you get permission from your teacher and principal before you start your project.)

- Put on a talent show, play, or concert. Sell tickets to the performance.
- Make screen print t-shirts to sell to other students. Write the name of the charity on the back.
- Challenge other classrooms to see who can collect and donate the most coins. Make an award for the winning classroom.

• _____
• _____
• _____
• _____

Money Smart for Young People Grades 3–5

33

Tell each group they will have 15 minutes to complete the following:

1. Research their cause,
2. Note three or more reasons it is important, and
3. Identify and record ways they can raise money or support the cause with their time or talents.

Display the **Fundraising Ideas** slide to help spark some ideas.

Students may use the **Giving Plan and Budget** handout to record a plan. Allow students to refer to the **Mr. Vega’s Class Giving Plan and Budget** slide to help them.

Grade-Level Modifications:

Beginner: Give the students a list of charities from which they can choose and provide support resources for research. Give students the option to create a poster summarizing their cause instead of Giving Plan and Budget handout.

Advanced: Ask students to think about how they can use persuasive language to get others interested in their cause. Have students design and present a two-minute pitch to the class.

MONEY SMART TIP!

Remind students that time has an opportunity cost, so even if they don’t have money to donate, they can support charitable causes through volunteering.

WRAP UP

Class Reflection

10 MINUTES

Debrief students by starting a discussion.

Ask:

- Why is *it important to help other people*?
- How can giving to others in need help you?
- What causes are you most interested in?

The prompts above may be responded to within the **Money Smart Book** page, a writing journal or completed as a think-pair-share discussion with a peer or small group. Students may keep their **Money Smart Book** for reflection and discussion throughout the lessons. The summary and final product will provide a measurable assessment. Students can also share the book with their parents as a discussion starter about what they have learned.

Extended Exploration

Note: Use the following activities to extend the lesson topic throughout the year. Activities can be completed as a class, in small groups, or during center time. Duration of activities will vary.

Have students raise money for the charity of their choice using their giving plan and budget. Then make a donation! Remind students to refer to the budget throughout the project to make sure they are on track. At the end of the project, ask them to review the budget to see whether they met their goal and are under budget (spent less money than they expected) or over budget (spent more than they expected).

Review and discuss. Ask:

» *How did the budget help you achieve your goal?* (Answers may include: It helped us manage our money.)

» *What did you learn from doing the fundraiser?* (Answers may include: We learned how to write a giving plan and budget, how to raise money for charity, that having a business takes a lot of planning.)

- After students make a charitable donation, have them write an essay about how it felt to give a donation and why it was important. Essays can be shared on the school website or community newsletter or read at an assembly to motivate others to do the same.
- Have students work in small groups to create and share a presentation or puppet show for younger students about their charitable giving project.

Answer Key

Student Handout 1:

Story Problem: Giving

1. \$100, 2. 32 magnets ($\$64 \div \2 per magnet = 32 magnets), 3. \$40 profit ($\$64 - \$24 = \40), 4. \$60 ($\$100 - \$40 = \60), 5. 30 magnets ($\$60 \div \2 per magnet = 30 magnets)

Student Handout 2:

Giving Plan and Budget.

Answers will vary.



Lesson 7: It's Great to Donate

GIVING PLAN AND BUDGET

Name: _____

A **budget** is a spending plan to help you manage your money. You can make giving part of your budget.

Directions: Use the worksheet below to help put your giving plan into action. First, decide how you will raise the money and how much you want to give. Then fill in the money you expect to make and your expenses (money you will spend).

Giving (Money We Expect to Give)	
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total	\$ _____
Income (Money We Expect to Make)	
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total	\$ _____
Expenses (Money We Expect to Spend)	
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total	\$ _____



Lesson 8: Career Choices

TOPIC: Exploring Careers and Income

OVERVIEW:

Using student-centered activities, this lesson will not only teach learners about different job sectors and reinforce how **income** is earned (either by working or through investments) but will also engage them in assessing their personal interests as they relate to potential **careers**. Students will learn how education is a proven strategy to improve their lifelong earnings potential. They will also extend their working knowledge of income by recognizing that earned income is **taxed**.

Time: 60 min

Supplies:

- Paper, markers, tape, and a box or hat (for the game)
- Whiteboard or chart paper, markers
- Projector (for teacher presentation slides)
- Access to the Internet (optional)

Preparation:

- Make copies of student handout
- Set up projector with presentation slides
- Pre-write different careers on individual pieces of paper, one for each student (that you will later tape to students' foreheads) and put in a box or hat

Glossary with key vocabulary 11

OBJECTIVES:

1. Identify and explore different types of jobs
2. Evaluate personal interests related to careers
3. Explain how money is earned and why it is taxed
4. Explain what an entrepreneur is

HANDOUTS:

- Different Jobs
- Interest Survey
- Salary and Education
- Money Smart Book (template from Lesson 1)

TEACHER PRESENTATION SLIDES:

- Interests and Jobs
- Education Levels and Income
- Bureau of Labor Statistics
- How Is Income Tax Spent?

ESSENTIAL QUESTIONS:

- What is income, and how is it earned?
- What are different types of jobs that you can have?
- What is an entrepreneur?
- What is tax and why is income taxed?

ASSESSMENT ACTIVITIES:

Pre-Assessment:

- Class discussions
- **Slide:** Education Levels and Income

Post-Assessment:

- **Handout:** Salary and Education
- **Handout:** Money Smart Book

Instruction Steps

WARM UP

Exploring Different Job Sectors

25 MINUTES

Tap prior knowledge by asking students:

- *What is a **job**?* (A specific duty, task, or activity someone completes using his or her time, skills, and energy to earn money.)
- *What are the different types of jobs that you can have?* (You can choose between hundreds of different types of jobs in many fields, including science, technology, engineering, math, art, and music.)
- *What is a **career**?* (The type of work a person pursues for the majority of their life that may involve formal education, special training, or be within a specific industry, such as a career in medicine, advertising, or food services.)

Ask students:

- How have careers changed over time?
- Are there jobs today that were not around when your parents were kids?
- Which careers and jobs are you most interested in?

Provide students with the **Different Jobs** handout, which includes a list of jobs and their definitions. Discuss the handout and explain that the class will play a game using the handout.

Ask students to sit in a circle and pick one paper from the box to tape to each student's forehead (job title facing out). Explain the rules: Each player will be able to see the job titles of all players except his or her own. Using their student handouts as a guide, students will try to guess their own jobs by asking "yes" or "no" questions of the other players.

The student who begins will ask one question, such as: *Do I work in a science job?* If the answer is yes, the student can ask another question, such as: *Do I work directly with patients?* If the answer is yes, the student asks another question until either A) he or she guesses the job title correctly, or B) the answer to his or her question is no. If the answer is no, play passes to the next student until each student has had a chance to guess. To speed up the game, students can play in smaller groups after a practice round with the class.

Grade-Level Modifications:

Beginner: If students are having trouble guessing their jobs, you or the other students can give them clues instead of having them ask "yes" or "no" questions. For example: if a student is a geologist, you can say, "You like the outdoors." If student guesses incorrectly, give another clue: "You are a scientist." If student still hasn't guessed, give an easier clue, such as "You study rocks."

Advanced: In addition to asking “yes” or “no” questions, students may silently act out clues for the student guessing. After the game is over, have students try to group themselves into job sectors (for example: science, health, engineering, computers).

End the game with a discussion about the jobs.

Ask:

- Have you heard of the job you received?
- Do you know anyone who has that job?
- What does that person do?

Ask: *What is an entrepreneur?* (An entrepreneur is someone who creates and runs a business.) People who own a successful business can earn a profit, which is a source of income.

MONEY SMART TIP!

Explain to students: Going to college can be expensive because colleges charge students money to attend. Ask: Why might it be worth it to spend the money? (Paying for college is an investment in your future.) On average, people with a college degree earn more money than people who do not attend college.

If you don't go to college, other ways to get more education are through apprenticeships, internships, or training programs.

GUIDED EXPLORATION

Examining Personal Interests and Skills

10 MINUTES

Have students complete an interest survey to discover how their strengths might align with potential careers. Students may use online assessments such as the Edutopia Multiple Intelligence Survey at www.edutopia.org/multiple-intelligences-assessment_or the **Interest Survey** handout.

Interests and Jobs

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You can choose from hundreds of different jobs. Here are just a few jobs you might want to learn more about based on your Interest Survey answers:

- I care about people and their problems. (physician, psychologist, social worker, pharmacist, lawyer)
- I enjoy taking care of animals. (veterinarian, biologist, wildlife rehabilitator)
- I like to design and build things. (architect, engineer)
- I enjoy being outdoors and studying nature. (biologist, environmental scientist, geologist)
- I like to take things apart to figure out how they work. (engineer, chemist)
- I am interested in taking care of the environment. (environmental scientist, conservationist, environmental engineer)
- I enjoy using the computer and learning new programs. (software developer, web developer)
- I am good at math and like to solve math problems. (financial analyst, statistician)
- I like figuring out the answers to complex problems. (scientist, engineer)
- I am good at drawing and am interested in art. (architect, graphic designer, art museum curator)

© 2014 Edutopia. This is not a complete list. You can research many other jobs based on interests and skills that are not on this list. Go to http://www.edutopia.org/multiple-intelligences-assessment_or for more information.

Money Smart for Young People Grades 3 – 5

After completing it, display the **Interests and Jobs** slide to show them some possible jobs based on their interests.

As an extension activity, have students research more about those jobs, along with others they may want to learn more about. See the links below for websites with career information.

Ask:

- What type of work do you want to do when you grow up?
- How can you get prepared for the work that interests you?
- *Would you want to start your own business?* Please explain why or why not.

Exploring Income and Education Levels

10 MINUTES

Education Levels and Income

Study the cartoon to the right. What do you think it means?

Example show 5 students at different ages/education levels with descriptor under students

"Elementary, Middle School, High School, Higher Education and Career Training"
Include line at the bottom "Learning grows income opportunities."

Money Smart for Young People Grades 3 – 5

Bureau of Labor Statistics

The Bureau of Labor Statistics (BLS) is a government agency. It is part of the U.S. Department of Labor. The agency was created in 1884.

The BLS publishes the Occupational Outlook Handbook. It is a guide with career information about hundreds of different jobs. The guide also gives salary and education level information. Here is an explanation of some higher-education levels:

Higher-Education Level	Average Years of School
Non-degree award	A few weeks to 2 years
Associate's degree	2 years
Bachelor's degree	4 years
Master's degree	1 to 2 years after Bachelor's degree
Doctoral degree	5 to 6 years after Bachelor's or Master's degree

Money Smart for Young People Grades 3 – 5

Understanding That Income is Taxed

5 MINUTES

How is Income Tax Spent?

Income is taxed. Here are some ways the government uses that money:

- Public education
- Libraries
- Science and medical research
- Transportation
- Road and bridge repairs
- National security and safety
- Benefits for U.S. veterans
- Benefits for retired workers
- Programs to help low-income families buy food
- Health care for seniors and people with low incomes

Money Smart for Young People Grades 3 – 5

Prompt students with the following questions:

- *What is income?* (money earned)
- *How is it earned?* (by either working for a period of time, owning a business, or through investments)
- *Why might income levels differ?* (Answers may include: Different people get paid different salaries depending on their field, education level, where they live, who they work for.)
- *How might an increase in skills and education lead to increased income?* (Higher-paying careers often require that people have more skills and a higher education.) Share the **Education Levels and Income** slide and discuss the cartoon.

Display the **Bureau of Labor Statistics** slide, which explains what the agency does and some different levels of education. After students review the slide, distribute the **Salary and Education** handout, which includes salary estimates and levels of required education for various jobs from the U.S. Bureau of Labor Statistics. After students answer the questions, review and discuss.

Grade-Level Modifications:

Beginner: Leave the **Bureau of Labor Statistics** slide open while students are working on the **Salary and Education** handout so they can refer to the levels of higher education.

Advanced: Students can research more careers by going to www.bls.gov/ooh. There, they can find careers listed by occupational groups, highest paying, fastest growing, and so on.

Lead a class discussion by asking:

- *What is tax?* (a government fee on things, including income, sales, and property)
- *What kinds of things are taxed?* (Students may give examples, such as clothes, school supplies, food at a restaurant, and toys.)

Explain that the government collects taxes on the income people earn.

Ask: *Why is income taxed?* (The government uses the money to pay for things people need.)

Then ask: *How might the government use that money?* (public education, libraries, road and bridge repairs, health care for seniors and people with low incomes, national defense spending, and so on). Share the **How Is Income Tax Spent?** slide with students and discuss.

WRAP UP

Class Reflection

10 MINUTES

Ask students:

- Based on what you learned today, what jobs are you interested in, and why?
- *What kinds of skills and education do you need to be able to do this job? Why is it important to think about a job or career early? The prompts above may be responded to within the **Money Smart Book** page, a writing journal or completed as a think-pair-share discussion with a peer or small group. Students may keep their **Money Smart Book** for reflection and discussion throughout the lessons. The summary and final product will provide a measurable assessment. Students can also share the book with their parents as a discussion starter about what they have learned.*

Extended Exploration

Note: Use the following activities to extend the lesson topic throughout the year. Activities can be completed as a class, in small groups, or during center time. Duration of activities will vary.

Games and Online Activities: Invite students to visit the following websites to further explore career options:

- **Career Exploration!** Access information on dozens of careers in various industries to learn about specific skills and duties, education or training requirements, work environments, earning potential, and job outlook.
www.bls.gov/k12/content/students/careers/career-exploration.htm
- **Kidspiration Videos:** Discover more about the wide world of careers, in these short interviews led by kids. Meet bloggers, business leaders, engineers, and much more!
www.kidspiration.tv/watch/
- Encourage students to explore the day in the life of different careers as a way to think about a variety of ways to earn money and use their personal strengths.
Visit www.connectedstudios.org/life_videos
- **Careers: Explore, Learn, Grow:** Print out a fill-in-the-blank quiz for students to match careers with the right job descriptions.
<http://viriniacareerview.com/k5/careers/computer-career-games/3-5/careers-explore-learn-grow>
- **Jobs:** Information and videos about different careers from Kids.gov. www.usa.gov/jobs-careers?source=kids

- **Lesson Plans on Jobs:** More classroom resources for teachers about careers.
www.usa.gov/government-jobs-lesson-plan?source=kids

Invite members (or parents) of the community to visit the classroom as guest speakers to tell students about their jobs and answer questions. Ask students to prepare interview questions in advance. Make sure to include speakers from a variety of careers, especially those in the STEM (science, technology, engineering, and math) fields. To do so, you may want to post ads at the local library, send out requests with the school newsletter, and ask people from local businesses (including entrepreneurs) to come and speak (for example, someone from a: dental office, gift shop, landscaping company, city employee, school administration).

Ask students to think about business ideas and write an essay using the following questions to help them get started: *Do you know someone who has started his or her own business? If you started your own business, what would you do? Would you sell a product or a service? Would it be something people would need or want?*

Make a social studies connection by asking students to research career options for people who lived in colonial days (or another historical time period), compare and contrast to today's career options, and discuss why those career options have changed overtime.

Answer Key

Student Handout 1:

Different Jobs

Answers will vary.

Student Handout 2:

Interest Survey

Answers will vary.

Student Handout 2:

Salary and Education

1. C (Master's), 2. $\$124,170 - \$67,990 = \$56,180$, 3. Answers may include: They all require a higher education degree and pay more than \$60,000 a year.



Lesson 8: Career Choices

DIFFERENT JOBS

Name: _____

Directions: Below is a list of 12 different jobs and a description of each.

Read about each job. Check the box for each job that interests you. What other jobs can you name? List them below.

- Artist: creates visual or performance art
- Architect: plan and design houses, factories, buildings, and other structures.
- Biologist: studies living things in their natural habitats
- Chef: oversee the daily food preparation at restaurants and other places
- Environmental Scientist: conduct research to protect the environment
- Entrepreneur: starts and runs a business providing a product or service
- Fashion Designer: create original clothing, accessories, and footwear
- Financial Analyst: make recommendations about investments
- Lawyer: help people who need legal advice
- Mechanical Engineer: designs, builds, and tests machines
- Nurse: care for patients and administer medicine.
- Pharmacist: dispense prescription medications to patients
- Social Worker: help people solve and cope with problems in their lives
- Social Media Marketer: designs marketing communications for businesses
- Veterinarian: diagnose, treat, and research medical conditions of animals
- Web Developer: design and create websites



Lesson 8: Career Choices

INTEREST SURVEY

Name: _____

Directions: Put a check in the box next to statements that describe you. Then write down any other interests and skills (things you are good at) on the lines below. When you are done, use the information to research different career choices based on your interests.

- I care about people and their problems.
- I enjoy taking care of animals.
- I like to design and build things.
- I enjoy being outdoors and studying nature.
- I like to take things apart to figure out how they work.
- I am interested in taking care of the environment.
- I enjoy using computers and learning new programs.
- I am good at math and like to solve problems.
- I like figuring out the answers to complex problems.
- I am good at drawing, and interested in art.

What other interests and skills do you have that are not on the list?



Lesson 8: Career Choices

SALARY AND EDUCATION

Name: _____

Directions: Read the information below about the salary and college education.

Career	Average Salary	Level of Higher Education
Pharmacist	\$124,170	Doctoral or professional degree
Mechanical Engineer	\$85,880	Bachelor's degree
Statistician	\$84,760	Master's degree
Architect	\$78,470	Bachelor's degree
Web Developer	\$67,990	Associate's degree

Source: U.S. Bureau of Labor Statistics

1. What kind of degree does a statistician need?
 - a. Associate's
 - b. Bachelor's
 - c. Master's
2. On average, how much more does a pharmacist make than a web developer?
3. What do the jobs listed above have in common?