

***Managing Your Money: Be a Wise Consumer*** by Barbara Brooks Simons (Millmark Education Corporation, Bethesda, Maryland) 2009. ISBN-13: 978-1-4334-0657-7

### **Literature Annotation**

Financial literacy is discussed through the topics of making wise financial decisions and consumer awareness.

**Grade Level:** Grade 3-5

**Duration:** Two 45-minute lessons are suggested. This book covers numerous financial literacy topics. Each segment could be used in an introductory way or developed in more depth at the teacher's discretion.

**Economic Concepts:** Consumption, Money Management

**Financial Literacy Concepts:** Financial goals, Savings, Consumer awareness

### **Maryland State Curriculum**

**Economics Standard:** Students will develop economic reasoning to understand the historical development and current status of economic principles, institutions, and processes needed to be effective citizens, consumers, and workers participating in local communities, the nation, and the world. (Grade 3-5 Standard)

4.A.1 Explain that people must make choices because resources are limited relative to economic wants for goods and services in Maryland, past and present

### **Personal Financial Literacy Standards**

**Standard 1:** Students will apply financial literacy reasoning in order to make informed, financially responsible decisions.

1.5.A Explain that people make financial choices based on available resources, needs, and wants.

**Standard 3:** Students will develop skills to plan and manage money effectively by developing financial goals and spending plans.

3.5.B Identify products used at financial institutions.

**Standard 6:** Students will develop financial skills to minimize financial setbacks

6.5.C.1 Recognize techniques and the effects of advertising.

6.5.D.1 Describe reasons to keep certain types of information secure and private.

**Objectives:** Students will

- examine the banking services of savings accounts and certificates of deposit.
- describe reasons for keeping certain information private.
- identify advertising techniques and the effects of advertising.

## Vocabulary

**consumer:** someone who buys and uses goods and services

**deposit:** put money into a bank account

**income:** money that people earn or receive from other sources

**interest:** payment for the use of someone else's money

**investment:** the use of money in a way that is intended to earn more money over time

**savings account:** a bank account that pays interest on the money put into it

**withdrawal:** take money out of a bank account

**Additional vocabulary:** certificate of deposit (CD), testimonial, bandwagon, fraud, identity theft

## Teacher Materials

- Book, *Managing Your Money: Be a Wise Consumer*
- Displayed list of all vocabulary words in bold-face type above
- Resource Sheet **1a-c:** *Class Demonstration Cards*
- Resource Sheet **2a-c:** *Advertising Techniques* or collect real magazine, newspaper, and mail ads that demonstrate advertising techniques of humor, bandwagon, and testimonials.
- Play money – one hundred dollar bill
- Soccer ball or picture of a soccer ball or goal
- Resource Sheet 4: cut apart so that each group of 3 – 4 students has one card

## Student Materials

- Book, *Managing Your Money: Be a Wise Consumer* (One per student)
- Resource Sheet 3: *Assessment* (One per student)

## Teacher Background

Banks offer a variety of savings accounts at various interest rates. For purposes of this lesson, it is not necessary for students to calculate interest rates. The “walk-away” ideas of the lesson include:

- Saving money, even in a piggy bank, is one important way to reach financial goals.
- Saving money in an account or CD that earns interest (added value) is even better for the consumer.
- Consumers should be aware of advertising techniques that may affect spending and saving.
- Consumers should be aware of fraud and identity theft.

## Motivation

Hold up a soccer ball and say, “Some of you play soccer and work very hard to improve your skills so you can score a goal in the soccer games. It is also important for people to improve their skills in working with money so they can achieve goals in their lives. Some of you probably have goals for your future, like going to college, joining the military, or working at a particular job.” Have students work in pairs to

Think-Pair-Share some of their goals for the future. Have students share some of their goals aloud. Remind students that there may be smaller, but necessary, steps along the way to reaching their big “long-term” goals.

## Development

1. Display the cover of the book ***Managing Your Money: Be a Wise Consumer***. Ask students to raise a hand if they are a consumer. State that a consumer is someone who buys a good or a service. (If you feel your students need a review of goods and services, have them read and discuss page 2.) Explain that a wise consumer thinks about his goals for the future as he spends and saves money. Introduce students to the three chapter headings in the table of contents.
2. Have students read pages 4-5 and discuss the vocabulary terms. Use the graphic “Perry’s Monthly Budget” to discuss the importance of using a budget for financial planning.
3. Have students read pages 7-8, discussing the vocabulary as it is introduced. Ask the following questions:
  - a) How would planning a budget help a person reach his/her short-term and long-term goals?
  - b) How would depositing money into a savings account or a CD help a person reach his/her goals?
4. Have 3 students hold and read aloud the cards for “Piggy Bank”, “Savings Account”, and “Certificate of Deposit (CD)” from Resource Sheet 1a-c: *Class Demonstration Cards*. Hold up play-money \$100 bill and say, “I have choices about the best way to save this money. My choices depend on whether I will need to spend the money soon or if it can stay in savings for a longer time.” Offer the following scenarios and ask each time, “*What would be the best way to save the \$100.*”
  - a) Rachel receives \$100 for her high school graduation. She plans to buy a television, but it will cost \$200. Rachel figures that, with the money she earns at her summer job, it will take her 4 more months to save enough money for the TV.
  - b) Habib adds up all of the money that he receives for his birthday. Happily he finds that he has a total of \$100, which is enough money for the bike that he plans to buy next weekend.
  - c) Every year for her birthday Lakesha’s grandparents give her \$100 to save for her future education. She wants to earn as much interest as she can on the money.
5. Introduce the concept of borrowing money from a bank or lender and acquiring debt. Have students read page 8 and give a simple example of how a lender might charge \$5 of interest on a loan of \$100, so that the person borrowing the money must pay back \$105 for a loan of \$100. Have students

read pages 10-11 and discuss the dangers of not repaying a loan or credit card debt in a timely manner.

(This is a good place to divide the lesson into two parts.)

6. Have students read page 12, paragraph 1. Introduce 3 kinds of advertising techniques using the sample ads on Resource Sheet 2, pages 1-3:
  - Humor: The ad makes a person smile so they are more likely to feel like buying the product.
  - Bandwagon: The ad states that “everyone” of any importance is buying the product so other people should too.
  - Testimonial: The ad uses a famous person or expert to convince people that a product is better than other products.

If time allows, have students examine ads from magazines, mailings, and newspapers to look for advertising strategies that are used.

7. Have students continue reading pages 12-13 and discuss how an ad or a business practices might be a fraud. Emphasize with students the importance of consumer awareness as they purchase goods and services, whether at a store or on-line. Have students continue reading page 14 and discuss reasons for keeping personal information secure.

### **Conclusion**

Show students the soccer ball used in the “Motivation” section of this lesson. Divide students into groups of 3-4 and give each group one card from Resource Sheet 4. Have students work in their groups to develop an advertisement for a soccer ball using the technique listed on their card. Then, have each group share their advertisement with the class, having the other students try to determine the technique that they used

### **Assessment**

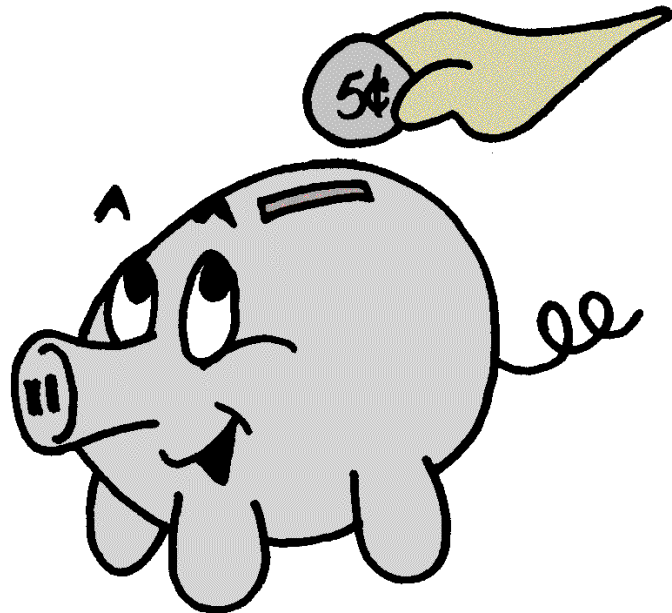
Distribute Resource Sheet 3: *Assessment*.

### **Additional Activity**

- Have students visit the website for **PBS Kids Get Media Smart** ([pbskids.org](http://pbskids.org)) and examine commercials and food product ads for advertising techniques.

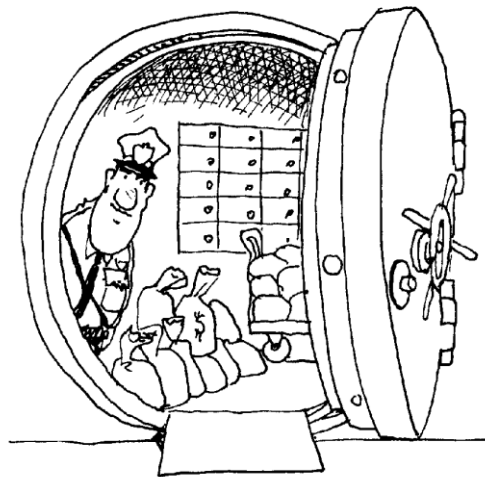
# PIGGY BANK

- **Money is readily available.**
- **No interest is earned over time.**
- **Money could be lost to thieves or fire.**



# SAVINGS ACCOUNT

- **Money may not be available immediately.**
- **Money is safer than in a piggy bank.**
- **Money earns some interest over time.**



# **CERTIFICATE OF DEPOSIT (CD)**

- **Money is safer than in a piggy bank.**
- **Money will not be available until a set date or a fee must be paid.**
- **Money earns more interest over time than in a savings account.**

Don't hire just anybody...

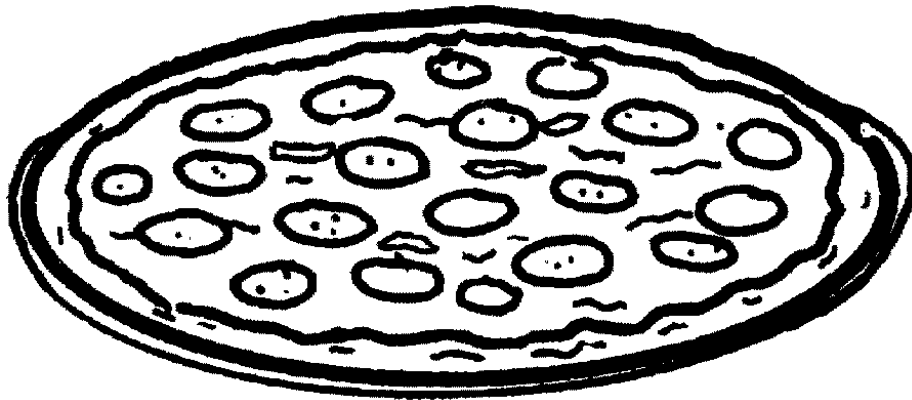
**Let us do it**



**JIFFY MOVING COMPANY**

**We get the job done right!**

# ARNIE'S PIZZA



**Everybody loves it.  
You'll want one, too!**

# Doctors agree...



**HARRY'S HEADACHE  
PILLS  
work the best.**

**Assessment**

Part 1: Circle the letter of the best response.

1. A person who puts money into a **savings account** in a commercial bank will...
  - a) pay interest to the bank.
  - b) earn interest on the money in the account.
  - c) lose most of their money if the bank closes.
  
2. A **fraud** is a...
  - a) plan to cheat people or get their money dishonestly.
  - b) type of advertising technique often called a "testimonial."
  - c) kind of savings account.
  
3. When you take money out of a bank account you are ...
  - a) depositing money.
  - b) withdrawing money.
  - c) not depositing or withdrawing money.

Part 2: Write the letter of the type of advertising strategy that matches the examples below.

**A) Humor**

**B) Bandwagon**

**C) Testimonial**

- \_\_\_\_\_ 1. "I eat *Mighty Hero Oat Cereal* to give me power in the pool," brags the Olympic swim champion.
  
- \_\_\_\_\_ 2. A giant hamburger hugs a huge *Karl's Ketchup* bottle and says, "I'm so glad we found each other, Karl."
  
- \_\_\_\_\_ 3. Smiling teenagers do the latest popular dance steps. At the end of the moves, they all turn around so a certain jeans logo faces the camera.

Part 3: What kinds of information should NOT be given out over the phone or Internet? Why?

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*Advertising Technique Cards*

|              |                  |                    |
|--------------|------------------|--------------------|
| <b>HUMOR</b> | <b>BANDWAGON</b> | <b>TESTIMONIAL</b> |
| <b>HUMOR</b> | <b>BANDWAGON</b> | <b>TESTIMONIAL</b> |
| <b>HUMOR</b> | <b>BANDWAGON</b> | <b>TESTIMONIAL</b> |
| <b>HUMOR</b> | <b>BANDWAGON</b> | <b>TESTIMONIAL</b> |
| <b>HUMOR</b> | <b>BANDWAGON</b> | <b>TESTIMONIAL</b> |