

Rock, Brock, and the Savings Shock by Sheila Bair (Albert Whitman & Company, Morton Grove, Illinois 2006) ISBN 978-0-8075-7094-4

Literature Annotation

Gramps teaches his twin grandsons the value of saving money when he pays each a dollar a week to help him with summer chores, and then matches every dollar each boy saves.

Grade Level: Grade 3-5

Duration: 60 minutes

Economic Concepts: Consumption, Production, Money Management

Maryland State Curriculum

Economics Standard: Students will identify the economic principles and processes that are helpful to producers and consumers when making good decisions. (PreK-3 Standard)

4.B.3 Describe how consumers acquire goods and services.

Personal Financial Literacy Standards:

Students will relate choices regarding their education and career paths to earning potential.

2.5.C Explain the relationship among income, lifestyle, and spending decisions.

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

3.5.A Demonstrate the ability to use money management skills and strategies in acquiring goods and services.

Students will develop skills to make and maintain long-term goals related to saving and investing in order to build financial security and wealth.

5.5.B Describe the concept of “time value” of money

Objective

Students will evaluate two versions of a savings plan.

Vocabulary

interest: payment for the use of someone else’s money

Additional vocabulary

matching funds

compounding interest: earning interest on interest

Teacher Materials

- Read-aloud copy of the book *Rock, Brock, and the Savings Shock*
- Transparency of Resource Sheet 1: *Gramps's Savings Plan, Version 1*

Student Materials

- Resource Sheet 2a & b: *Brock's Savings Plan, Version 2* (One per student)

Teacher Background

In the section "So You Want to Be a Millionaire" in the back matter of the book, the author explains how a bank provides compound interest.

Motivation

Hold up a dollar bill. Ask students if they know of any way to make the dollar bill turn into 2 dollar bills. Tell them you will be reading a story in which this kind of money doubling happens.

Development

1. Display the cover of the book *Rock, Brock, and the Savings Shock*. Mention that the author, Sheila Bair, spent all of her career working with jobs related to money and tries to help students learn to save enough money to become millionaires!
2. Read aloud the first 3 pages of the story. Discuss the twins' differences, including their handling of money. Ask students: *Which twin are you most like in your handling of money?* Explain that people who earn an income (\$) make decisions about how to spend or save the money based on their lifestyles.
3. Continue with the Read-Aloud for the next 3 pages. Discuss Gramps's saving plan that will match the twins' money at the end of each week.
4. Display a transparency of Resource Sheet 1: *Gramps's Savings Plan*. Tell students they will be tracking the savings of each of the twins.
5. Continue the Read-Aloud to the end of the story, stopping every time Gramps matches the twins' money at the end of a week. Have the students help you to record the savings for each twin on the transparency.
6. Discuss the story events using some of the following questions:
 - a) What was Gramps trying to teach the twins about saving money? (*Saving money is very important. Getting extra money for your savings can really make your money 'grow.'*)
 - b) Name some of the things the twins bought with their money that summer.

- c) What was different about the way the two boys handled their income? (*Rock spent all of his money right away, sometimes on items with no lasting value. Brock delayed his spending and saved his money in order to get extra money (interest) added and to buy things that would hold their value longer.*)
7. Read aloud the following author's quote described in the section "So You Want to Be a Millionaire?" in the back matter of the book:
"Unfortunately, most of us don't have wealthy grandpas who will match our savings each week. But banks will keep your money safe and give you a little extra money every year. This money is called interest."
- a) For third and fourth graders, you might simply use an example of the bank giving you an extra 50 cents of interest for every \$10 you save in their bank.
- b) Many fifth graders are introduced to percents and learn to make conversions among decimals, fractions, and percents. Students might also learn how to multiply decimals. The author's example of compound interest, as described in the section "So You Want to Be a Millionaire?" would offer an opportunity for students to use these math skills as the extension part of a math lesson.

Assessment

Display a transparency of the completed chart of Resource Sheet 1: *Gramps's Savings Plan, Version 1*. Distribute Resource Sheet 2: *Brock's Savings Plan, Version 2*. Have students calculate Brock's savings for the weeks 6 through 10 and respond to the questions. (Completed chart may be found in the book section "Do the Math.")

Additional Activities

- Introduce the students to *Sheila's Six Savings Tricks* in the back of the book.
- Invite a local bank to send a representative to your class to talk about ways children can save money with their bank.
- If your school has a business partner, ask them to match money saved by the students each week for 4 weeks. The saved money could go toward a special project, such as a local school project, hurricane relief, or environmental project.

Gramps's Savings Plan, Version 1

| | Brock Saved | Gramps Matched | Brock's Total | Rock Saved | Gramps Matched | Rock's Total |
|----------------|--|-----------------------|----------------------------------|-------------------|-----------------------|----------------------------------|
| Week 1 | (Brock earned \$1 but did not yet save it) | \$1 | \$1 | (Rock earned \$1) | \$0 | \$0 |
| Week 2 | \$1 | \$1 | \$2 | \$0 | \$0 | \$0 |
| Week 3 | \$2 | \$2 | \$4 | \$0 | \$0 | \$0 |
| Week 4 | \$4 | | | \$0 | | |
| Week 5 | | | | | | |
| Week 6 | | | | | | |
| Week 7 | | | | | | |
| Week 8 | | | | | | |
| Week 9 | | | | | | |
| Week 10 | | | <i>Total of all weeks so far</i> | | | <i>Total of all weeks so far</i> |

NAME: _____

Resource Sheet 2a

Brock's Savings Plan, Version 2

In this version, Brock buys the rocket for \$7 at the end of week 4.
Complete the chart to show Brock's savings.

| | Brock Saved | Gramps Matched | Brock's Total |
|---|--------------------|-----------------------|----------------------|
| Week 1 | (Brock earned \$1) | \$1 | \$1 |
| Week 2 | \$1 | \$1 | \$2 |
| Week 3 | \$2 | \$2 | \$4 |
| Week 4 | \$4 | \$4 | \$8 |
| Brock buys the rocket for \$7, leaving \$1 in savings. | | | |
| Week 5 | \$1 | \$1 | \$2 |
| Week 6 | \$2 | | |
| Week 7 | \$4 | | |
| Week 8 | \$8 | | |
| Week 9 | | | |
| Week 10 | | | |

Resource Sheet 2b

1. According to Version 2 of Brock's Savings Plan, how much money would Brock have at the end of the 10 weeks?

2. When he bought the rocket in week 5, Brock reduced his savings to \$1. How did that decision affect his total savings at the end of the summer? (Remember in the original savings plan, Brock had \$512 at the end of the 10 weeks.)

3. Which of the two Savings Plans would you recommend? Circle your choice:

Gramps's Savings Plan, Version 1 **Brock's Savings Plan, Version 2**

Explain your reasons:

4. Explain what you have you learned about saving money from this lesson.
