

Title: *Alexander, Who Used to Be Rich Last Sunday* by Judith Viorst (Aladdin Paperbacks, an imprint of Simon & Schuster) New York: 1978) ISBN 0-689-71199-9

Literature Annotation: Given a dollar by his Grandma and Grandpa, Alexander makes choices about spending and saving.

Grade Level: Grade 3-5

Duration: 45-60 minutes

Economic Concepts: Consumption

Maryland State Curriculum

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

4.A.1. Explain why people have to make economic choices about goods and services.

Personal Financial Literacy Standards

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

1.5.A.1 Explain the consequences of making financial decisions.

1.5.A.2 Identify opportunity cost of financial decisions made by individuals.

1.5.A.3 Apply the steps in the decision-making process to a financial situation.

1.5.B.1 Identify factors that affect personal financial decisions and actions.

College and Career Ready Standards: Mathematics

5.NBT.7 Add, subtract, multiply and divide decimals to hundredths, using concrete models or drawings and strategies based on place value, properties of operations, and/or the relationship between addition and subtraction; relate the strategy to a written method and explain the reasoning used.

College and Career Ready Standards: Reading Literature

RL.3.7 Explain how specific aspects of a text's illustrations contribute to what is conveyed by the words in a story (e.g., create mood, emphasize aspects of a character or setting).

Objectives: Students will...

- evaluate spending choices made by Alexander,
- make choices about spending their own dollars.

Vocabulary

opportunity cost: the foregone benefit of the next best alternative when an economic decision is made; your next best choice!

Materials

- Copy of the book *Alexander, Who Used to Be Rich Last Sunday*
- Resource 1: *Decision Tree* (copy for a document camera and 1/student)
- Resource 2: *Items for Sale at a Dollar Store* (1 copy for a document camera or overhead)
- Resource 3: *Alexander's Purchases* (1 copy for a document camera or overhead)
- Writing paper: 1 sheet per student
- Math manipulative: a one-dollar bill and assorted coins (either one set per student/partners/or per group).

Teacher Background

Although this book was published in 1978, the economic lesson of making choices about spending and saving applies to students of today. You may need to explain bus tokens and update the years on the text's page about saving to current times.

A decision tree is a model for helping a consumer make a wise choice when spending money. The consumer selects top possible choices, writes the choices on opposite sides of the decision tree, and identifies the good and bad points of making each of these choices. Based on that discussion, the consumer ranks the possibilities and then selects one of the possibilities for the purchase. The second choice, of the ones not selected, becomes the opportunity cost of making that decision. The remaining possibilities not chosen are discarded and are NOT the opportunity cost. Only #2 in the ranking is the opportunity cost.

Motivation

Distribute a dollar bill (math manipulative) to each student. Have a few students share aloud what they might do with a real dollar bill.

Development

1. Display a transparency of Resource 1: *Decision Tree*. Hold up a dollar bill. Tell students you are trying to make a decision about what to buy with your dollar. Write these three choices on the board:
 - a) Save my money for later.
 - b) Buy a light-up yoyo.
 - c) Buy an ice-cold soda.

2. Use the Decision Tree to make a decision about spending your dollar by comparing the benefits and costs of buying a yoyo with buying a soda. For example, the soda tastes good and can be consumed immediately to satisfy a thirst, but the negative side is that it is a one-time benefit. The yoyo will offer multiple play sessions, but it requires a battery, which may have to be replaced at additional cost. Also, discuss the good and bad points of saving the dollar: you can buy something you really want when it is available at a later time; you can accumulate savings to buy a more expensive item, and, in some cases, you can “grow your money” by getting interest on the money you put into savings at a bank. But saving delays the gratification of getting something right away with the money.
3. Display Resource 2: *Items for Sale at a Dollar Store* on a document camera or overhead. Tell students that they will be “shopping” at a dollar store and may choose to buy items or save their money. Remind them that they may put only one item on each side of this Decision Tree. (One side may say “Save the money for later.”) Allow time for the students to fill in their two choices on their decision trees, and discuss some of the good and bad points of each choice. NOTE: Some Decision Trees have room for more than one option.
4. Have the students either circle their final choice on one side of the Decision Tree or write their choice at the bottom of the tree. Explain that the item each of them gave up, their second choice, is called the **opportunity cost** of their decisions. Saying “*Opportunity cost is an opportunity lost.*” may help the students understand this economic concept.
5. Discuss some of the students’ Decision Trees choices. If they have money left over, they could repeat the Decision Tree exercise to make another purchase.
6. Show students the cover of the book *Alexander, Who Used to Be Rich Last Sunday*. Have students interpret the expression on Alexander’s face as he opens his empty pockets. Write some of their responses on the board, e.g., **sad**, **disappointed**, **upset**, and **worried**. Explain that Alexander’s emotions change as the story develops. Read pages 1-3 aloud. Add the words **angry** or **mad** to the list of emotions and discuss why Alexander was feeling so angry. Continue reading aloud to the page on which Alexander says, “I know because I used to be rich. Last Sunday.” Discuss the expression on Alexander’s face as he holds his money in his hand and thinks of all the things he can buy with his money. Add **happy** and **excited** to the list of emotions. Have students think-pair-share what might have happened to Alexander’s money between last Sunday and now to make his emotions change from **happy** to **angry** or **sad**. (Reading connection)

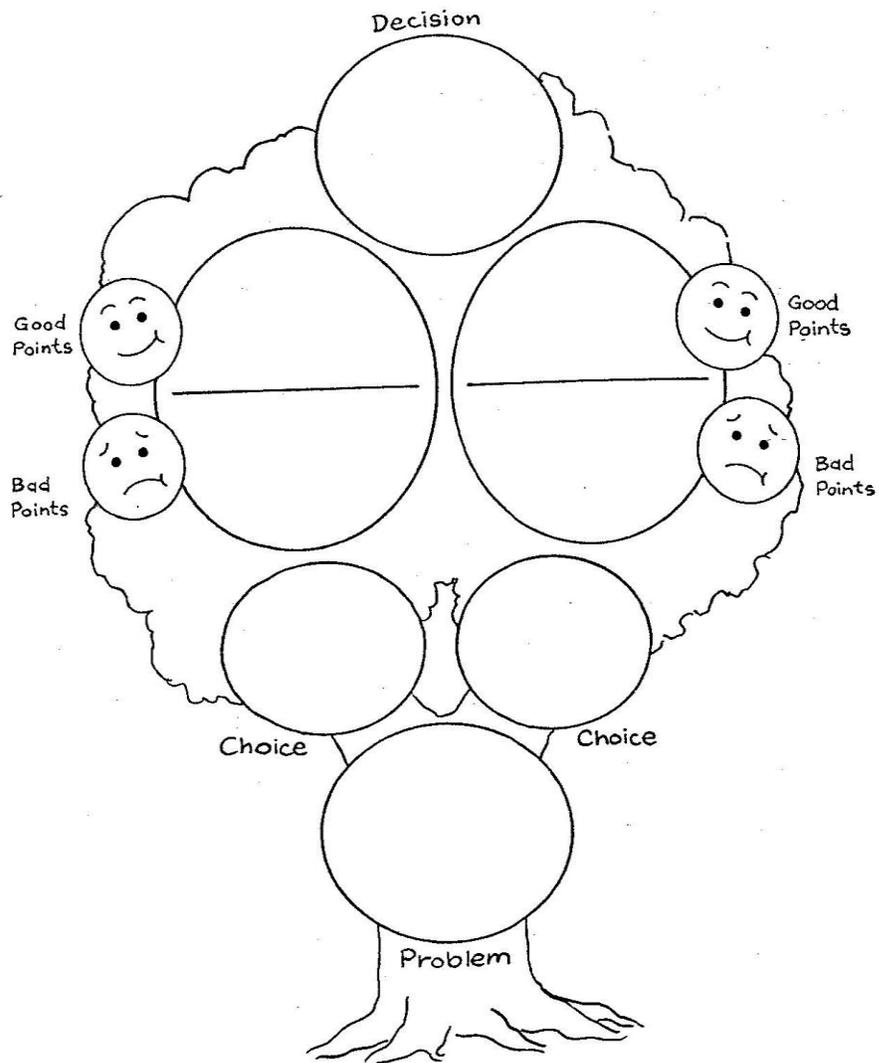
7. Read aloud the rest of the story, stopping when needed to add other emotions to the list as needed, e.g., **worried, embarrassed, disappointed, and mischievous.**
8. Display a copy of Resource 3: *Alexander's Purchase* on a document camera or overhead. Discuss the "income" that Alexander had for that week. The total income in his pocket was \$1.00.
9. Discuss Alexander's "expenses" for that week. (NOTE: Do the subtraction with students to find out how much money Alexander had at each step of the spending if working in grades three or four.) Grade five students should complete the resource sheet on their own based on the referenced math standard.
10. Discuss the consequences of the decisions Alexander made about how to spend or save his money. (*Alexander ended up with no money at the end of the week.*) Discuss Alexander's attitude and patterns of behavior regarding spending his money. (*Alexander made his decisions without thinking of the good and bad points of each choice. He acted on impulse rather than using his reasoning skills to make a decision.*) Ask the students to identify which of Alexander's purchases were wise decisions. It might be helpful to use the decision tree model to evaluate some of Alexander's choices, compared with other items or with the choice of saving his money.
11. Close the discussion by asking students if they have ever made a foolish purchase with their own money. Remind them that looking at the good and bad points of a purchase can help them to make wise decisions with their money.

Assessment

Remind students of Alexander's wish for a walkie-talkie. On the board write, "**Alexander's Goal: Getting a Walkie-Talkie.**" Write these words in a word box on the board: **decision, choices, spend, save.** Distribute writing paper. Ask students to write a letter to Alexander explaining what he should do differently the next time he gets money from his grandparents.

Name: _____
Date: _____

Decision Tree



Items for Sale at a Dollar Store

 <p>Book 89¢</p>	 <p>Rubber frog 59¢</p>
 <p>Magic kit 99¢</p>	 <p>Dice game 39¢</p>
 <p>Mouse pad 85¢</p>	 <p>Alarm clock 69¢</p>
 <p>Dancing doll 89¢</p>	 <p>Tool kit 49¢</p>
 <p>Artificial flowers 39¢</p>	 <p>Robot 99¢</p>

Alexander's Purchases

TOTAL INCOME = \$1.00		
\$1.00 from Grandpa and Grandma 0¢ from the sale of Alexander's toys 0¢ from the tooth fairy 0¢ from collecting lost coins 0¢ from the return of non-returnable bottles		
TOTAL EXPENSES = \$___		
ITEM	COST	MONEY LEFT
gum	15¢	\$1.00 - .15 <input type="text"/>
three bets	15¢	<input type="text"/> - .15 <input type="text"/>
snake rental	12¢	<input type="text"/> - .12 <input type="text"/>
punishment for 2 bad words	10¢	<input type="text"/> - .10 <input type="text"/>
coins lost	8¢	<input type="text"/> - .08 <input type="text"/>
chocolate candy	11¢	<input type="text"/> - .11 <input type="text"/>
magic trick	4¢	<input type="text"/> - .04 <input type="text"/>
punishment for kicking	5¢	<input type="text"/> - .05 <input type="text"/>
garage sale items	20¢	<input type="text"/> - .20 <input type="text"/>