

What Can You Do with Money? by Jennifer S. Larson. Minneapolis, MN: Lerner Publication Company, 2010. ISBN 978-0-7613-5666-0

Literature Annotation

This book will help answer the following questions: Do you get an allowance? Or have you ever been paid for doing chores, such as walking a neighbor's dog or raking leaves? If so, you've earned money! Everyone has to decide what they will do with the money they earn. Will they spend it on things they want and need? Or will they save it? How can you decide what to do with your money?

Grade Level: 2

Duration: One 60-minute class

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.

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

4.A.1.a Identify and explain economic choices people make

4.A.2 Describe how consumers acquire goods and services

4.A.2.a Identify **goods** and **services** provided by businesses/government

Common Core Standards for Reading Informational Text

RI.5 Know and use various text features (e.g., captions, bold print, subheadings, glossaries, indexes, electronic menus, icons) to locate key facts or information in a text efficiently.

Personal Financial Literacy Standards

1.5.A Explain that people make financial choices based on available resources

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

1.5.C Apply financial knowledge, attitudes, and skills.

1.5.C.1 Develop and apply financial literacy vocabulary.

1.5.C.2 Describe different ways in which consumers plan their purchasing decisions.

2.5.B Describe sources of income.

2.5.B.1 Identify potential sources of income.

3.5.C Describe financial goals based on personal values.

3.5.C.1 Develop age-appropriate financial goals.

Common Core Standards for Mathematics

MD.8 Solve word problems involving dollar bills, quarters, dimes, nickels, and pennies, using \$ and ¢ symbols appropriately. *Example: If you have 2 dimes and 3 pennies, how many cents do you have?*

Objectives: Students will...

- Identify and understand the difference between goods and services
- Identify and understand budget choices

Vocabulary

allowance: money that adults in some families regularly give to children

donate: give money to someone who needs it

earn: to get money for work done

goods: physically tangible objects that can be used to satisfy economic wants, including but not limited to food, shoes, cars, houses, books and furniture.

income: money a person earns or receives

save: to keep money for later use

service: Physically intangible actions that can be performed to satisfy economic wants, including but not limited to medical care, dental care, haircuts, education, police protection, fire protection, national defense (work done by people for others)

wages: money a person makes for working at a job

want: goods and services people do not need to live

Teacher Materials

- Book: *What Can You Do with Money?*
- Resource 1: *Money Choices* (1 for every 2 students)
- Resource 2: *Good or Service?*
- Play money (\$10 for each team/partners)
- Colored Pencils or Crayons for Student Use
- Vocabulary Cards (See terms listed above under “Vocabulary.”)

Student Materials

- Text: *What Can You Do with Money?*
- Resource 1: *Money Choices* (1 for every 2 students)
- Resource 2: *Good or Service?*
- Resource 3: *Assessment: Save or Spend?*(One per student)
- Colored Pencils or Crayons for Student Use

Teacher Background

Teachers should understand that there is never enough; therefore, we need to make choices in life. For each choice, there is an *opportunity cost* (The cost of passing up the next best choice when making a decision).

Motivation

Divide the class into teams of partners. Each team/partnership is given \$10 in “pretend money”. Project Resource 1 on a document camera and show them that there are choices for spending/donating/or saving their money.

Distribute copies of Resource 1 to each team/partners and give them five minutes to come to a consensus on their decision about their money and circle their choices.

After the five minutes, let the teams share their choices. (Wait until the end of the lesson in order to re-visit and discuss their decisions.)

Development

1. Allow student-volunteers to read *What Can You Do with Money?* aloud.
2. Ask students to share/identify vocabulary that is new to them. Display vocabulary cards and definitions for the ones identified earlier in the lesson.
3. Ask students to identify text features that helped them identify key vocabulary and helped them understand key concepts. Be sure to have students explain how these features helped them rather than having the students simply identify the text features.
4. Focus on pages 6 – 11.
 - Discuss the meaning of “goods” and “services.”
 - Ask students to identify other goods or services other than those mentioned in the text.
 - Identify examples of goods and services by having the students complete Resource 2.
5. Focus on pages 18 – 25.
 - Discuss making financial choices by making sure that the students understand what it means to make a choice. For example: choosing a type of ice cream or a choice between playing soccer, basketball or football at recess. (NOTE: It is important to remind students that decisions often involve more than a choice between just two items.)
 - Discuss the examples of choices made on pages 18-25.
 - Let the students share some of their financial choices and financial choices/budget decisions made by their families. (Responses could include such things as spending money on a movie rather than going bowling.)
 - Introduce the concept of “opportunity cost” to the students without giving it a label. Use the example of choosing between a movie vs bowling. If they chose a movie, then bowling was their “opportunity cost.” If a third option was present such as movie, bowling, or mini-golf, the students would rank the options from 1-3 with 1 as their first choice, and **only** #2 being the “opportunity cost.” Option 3 does not figure into “opportunity cost.”

Conclusion

Re-visit the decisions made by the partners during the “Motivation” portion of the lesson. Explain to the students that although they are not a family, they are acting as such in this decision-making activity. Ask the students to meet again, see if their choice has changed, and then circle their choice in a different color (colored pencils or crayons). Ask partners to share their revised decision and explain why they came to that decision.

Assessment

Complete Resource 3. Use the activity on Page 29. Students should create their own “Save or Spend” T-Chart for \$10.

Technology Connections

- T1: Resource 1 can be displayed as an ActiveInspire Page and students can make their team votes using the ActiveVotes.
- T2: Resource 2 can be displayed as an ActiveInspire page and students can be selected to come up and move the pictures into the right category.
- T3: The assessment (Resource 3) can be created using Microsoft® PowerPoint or Microsoft® Publisher. This will allow students to insert clipart and make their budgets decorative for display purposes.

Money Choices

DIRECTIONS: You have \$10 to spend/save or donate. Work with your partner and circle your choice.



1.

Football, basketball, or other
playground equipment (\$10)



2.

Books (\$10)



3.

Save for \$30 video game



4.

Donate \$5 and spend \$5 on a treat

Name: _____

Good or Service?

DIRECTIONS: Look at each item carefully. Then, circle *Good* if the item represents a “good” or *Service* if the item represents a “service.”



Coach:

Good or Service



Basketball:

Good or Service



Bus Driver:

Good or Service



Bus:

Good or Service



Concert:

Good or Service



Violin:

Good or Service

Name: _____

Assessment: Save or Spend

DIRECTIONS: You just received ten dollars for your birthday! Should you save it or buy a toy? Make a list. What are some good reasons for saving or for spending? Use page 29 in your book for a sample list to get you started.



Save

Spend

Save	Spend