

Section 2—Financial Basics

Title of Lesson/Subject: *Money...Responsibility is the KEY*

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Time Allotment: 30 minute time frame needed for each activity/discussion

Grade Level or Target Audience: Grade 3-5

ND Standards Competencies: Standards 4.3.2; 4.3.3

Key Economic Concepts: Balancing a Budget; Keeping Records

Brief Description: Students will be expected to keep records of spending to prove that accuracy is important.

Learner Objectives:

- Students will apply math skills to balance a spending plan
- Students will be able to recognize the importance of keeping purchase records.
- Students will gain a valuable understanding of spending behavior outcomes.

Introduction:

Students today need to know the importance of money management. Successful record keeping is essential to quality management. This includes knowing how much money is available, how much money has been spent, and how much money must be saved for future needs. Failure to keep accurate records and balances can lead to negative outcomes. Students need to know the effects of their money-related behavior. This lesson will help them learn that responsibility is key in dealing with the personal finances.

Materials Needed:

- Copies of the worksheets to be used in this lesson can be found at the website listed in the resources section.
- 3x5 index cards

Audio/Visual Equipment Needed:

- Computer for the option of taking the quiz online.

Lesson Outline/Activities:

Activity 1 – Making Good Money Choices

-Using the prepared scenarios, or making ones of your own, have a student draw a card and read it. They then will tell what they would do in that situation. Repeat with all other cards, having students take turns.

Example: You lend money to your friend. She promised to pay you back in a week and she hasn't. What do you do?

Activity 2 – Overspending

-Start by asking students if they have ever overspent their allowance and didn't have enough money to last all week.

-Have each student write down a situation where this happened and write down how they handled it.

-Have students share experiences with the class.

-Discuss the impact of poor planning, stressing the importance of planning and following the plan. Explain that this happens to some adults as well, and can cause serious money problems.

Activity 3 – Keeping Records

-Explain to students that a written expenditure of records helps us know where our money goes.

-Ask students why it is important to keep receipts from purchases they make and list answers on the board. EX: proof of purchase, know how much is spent, record of purchases, etc.

-Discuss methods of keeping receipts and places to keep them.

-Explain that records can help them make adjustments to their spending habits and their spending plan.

Resources: Adapted from lesson: www.practicalmoneyskills.com for grades 3-5

Application/Assignment:

- Giving students an allowance for the week. Provide them with different expenses to record in a record sheet. Ex: Pencil sharpener use \$.25, Purchase of supplies (paper, pencils, etc.), entertainment opportunities (drawing sheets, coloring sheets, free time game use, etc.) Have them make a budget for the week—trying to decide just how much would be needed for each item. Can they follow it each week? Do this for 3-4 weeks.

Evaluation Plan:

- Students can either take the printed quiz or allow students to take the quiz online from the corresponding student section.
- Success of the application assignment will also be evaluated and taken into consideration.

***This is a introduction to a 6th grade classroom money management system. The students will eventually create a mini-society in the classroom where they will be responsible for writing checks and keeping records of expenses. -----They will earn money –for attendance, assignments, tests, jobs, etc.

- They will spend money – desk rent, utilities, fines, monthly auctions.
- They will have banking jobs – payroll secretary, teller, banker, trivia clerk and other classroom jobs such as: delivery clerk, art director, garbage patrol, rent collector, etc.
- They will be responsible for paying medical insurance, income taxes, and overdraft charges.