Managing Your Money

Internet Lesson Plan
Grade level: 4-7

Teacher Activities

Goal:
To utilize Internet resources to learn about money, to understand how to save and manage it, and ultimately to become financially wise.

Objectives:
At the end of the unit, the participant will be able to:

- Describe the history of the U.S. monetary system.
- Outline the responsibilities of the U.S. Mint.
- List who appears on paper bills from $1 - $100.
- Define basic investment terms.
- Calculate interest earned on investments and compound annually.
- Draw conclusions about investments based on compounding calculations.
- Accumulate and interpret data from an allowance survey.
- Summarize the results of an allowance survey and report findings.
- Propose an allowance structure and present it to parents.
- List his/her own personal financial goals.
- Develop a plan or budget to reach his/her financial goals.
- Conduct business as a lemonade stand owner using an on-line Internet simulation.
- Keep a journal of his/her business actions as the lemonade stand owner.
- Design a booklet outlining the advantages and maintenance of a checking account.
- Create a "Big Book of Money Trivia" from information located on the Internet.
- Participate in an on-line survey about money and investing habits.
Duration:

Two weeks, one hour of on-line time each day.

Instructional strategy:

Divide the class into pairs or small groups of approximately 3-4 participants each. Provide each group with a two-pocket folder. Distribute the activities in the left pocket of each folder to encourage problem-solving strategies within the group.

Have students utilize the right hand pocket of the folder to record their strategies, take notes and track project completion. Students should store information they have gathered or printed from the Internet in this pocket as well.

Additional suggestions for off-line activities and projects have been included. Current curriculum projects, lessons and activities may also be incorporated into this unit, providing a cross-curricular approach to the subject.

Prerequisite:

A short introduction to the Internet with information on access and addresses is required before participants go on-line. Ensure that students are familiar with the World Wide Web and the browser they will be using.

Assessment/Evaluation:

The activities in this unit will be evaluated on the basis of student participation and performance. Team folders will include information gathered in the process of completing the activities. Encourage cooperative learning, group process, problem-solving, competition and the use of the Internet as these activities are completed. Serve as facilitator and guide throughout the activities.

Other related activities:

Activity #1: Money doesn't grow on trees:

- Read The Story of Money by Betsy Maestro (Mulberry).
- Create a crossword puzzle using money/currency terms.
- Diagram the life cycle of money.
- Design your own money including paper and coins. What values did you select? Did you place words or pictures of significance on them?
- Research job opportunities in the money and banking business.
• Find a key pal from another country and exchange information about the currency of his/her country. (Utilize the Web sites "National Geographic - Pen Pals" at http://www.nationalgeographic.com/kids/ngo/penpal/ or "World Village Kidz" at http://www.worldvillage.com/kidz/).
• Research foreign currency, current exchange rates ("The Universal Currency Converter" at http://www.xe.net/currency/) and types of bills and coins used.
• Teacher: Invite a local banker to speak to your students about U.S. currency.
• Teacher: Plan a field trip to a local bank.
• Teacher: Introduce board games like Monopoly and Life into your curriculum to teach money management. The "Kiplinger Features: Making Money is All in the Game" Web site at http://kiplinger.com/magazine/jun96/drtgame.html lists money-related games.
• Teacher: For fun, order uncut sheets of money from the Bureau of Engraving and Printing. To order, go to "The Department of Treasury: Public Sales Un-Cut Currency" at http://www.bep.treas.gov/psa.htm.
• Teacher: Create and decorate a money tree displaying the money kids designed or money from around the world.  

Activity #2: Saving for a rainy day

• Read The Money Book - A Smart Kid's Guide to Savvy Saving and Spending by Elaine Wyatt and Stan Hinden (Tambourine Books).
• Read The Kid's Guide to Money - Earning It, Saving It, Spending It, Growing It, Sharing It by Steve Otfinoski (Scholastic Inc.).
• Create a "Big Book" of savings sayings like "A penny saved is a penny earned." Speculate how these sayings originated. What do they mean?
• Based on your allowance, develop a budget that includes saving for the future.
• Conduct a survey of your classmates' saving habits. Analyze the data and graph the results by grade level, sex and/or age. Report your findings to the school via newsletter, newspaper, school announcements or even the school's Web page.
• Interview an older adult on his/her savings plan and habits.
• Interview a local banker, investment counselor or CPA to learn tips and tricks on saving for the future.
• Create a brochure outlining the positive side to hanging on to your money for a rainy day.
• Host an "Unusual Piggy Bank Contest" to encourage the creation of piggy banks from weird and unusual materials.
• Participate in the Web site "Kids' Money - That's My Piggy!" at http://pages.prodigy.com/kidsmoney/piggy.htm which may post your picture and the picture of your favorite piggy bank on the Web for a week. Simply send in a photo of yourself with your piggy bank and a statement about what makes your piggy bank special and how you use it.
• Teacher: Invite a community bank to visit your classroom and bring
information on how to set up a savings account for students. (Be sure to
include or notify parents and invite them to participate.)

Activity #3: Allowance compact

• Create a kid's guide to managing allowances.
• Create a comic strip that focuses on the issues faced by kids and parents
when it comes to allowances.
• Saving and managing money doesn't have to be all serious. For some fun
and games relating to money, visit the "Kids' Page" at
http://www.tntelco.org/KIDS.htm. Review the savings ideas listed,
complete the "Money Fun!" questions and locate the money terms in the
Word Find.
• Teacher: Host a debate over allowance issues, including parents of
course.

Activity #4: Financial fun

• Conduct a spending survey of kids in your school. Analyze and compare
the data to that reported by USA Today at "USA Today Snapshot: Kids
Spending While Shopping" at
• Discuss goal setting and prioritizing goals.
• Create a road map which outlines how you are going to reach places or
milestones in your plan.
• Role play parent and child money lessons.
• Create a miser newsletter which offers tips on how to save money.
• Collect these tips from magazines, newspapers and interviews with adults.
• Become a consumer reporter. Conduct price and brand comparisons on
popular kid items. Report your findings.
• Design and create a "coupon theme " mobile. For example, a coupon
mobile for girls interested in looking pretty would have coupons and money
saving tips on things like fingernail polish, makeup, clothes and hair
products.
• Teacher: Give each group an imaginary budget and ask them to host a
seminar on money for kids. The budget should cover refreshments,
entertainment, speakers or other necessary items. Remind them not to
overspend their budget!

Activity #5: The lemonade stand

• Design a guide for running your own business that offers tips to new
entrepreneurs. Include things that can make or break a new business.
• Create an advertising campaign for your lemonade stand and include:
  - a commercial
  - a jingle
  - a billboard or sign
• Research lemonade by hosting a "lemon off." Bring in several brands of lemonade. Taste, compare and complete survey questions on the lemonades. Analyze the data from the survey and announce the lemonade brand of choice.

• Read one of the following books: Better than a Lemonade Stand by fifteen-year-old Daryl Bernstein (Beyond Words Publishing, Inc.) or 101 Marvelous Money-Making Ideas for Kids by Heather Wood (Tom Doherty Associates, Inc.).

Activity #6: The check is in the mail

• Research other forms of payment like credit cards and debit cards.
• Observe and keep a journal of check writing habits you see when shopping.
• Conduct interviews with adults on their check writing habits.
• Teacher: Invite a local banker to "follow the path of a check" with your students. Many local banks offer simulations on checking accounts that include checks, registers and other banking materials.

Activity #7: Investor jester

• Download and complete the brain teasers, rebus puzzles and crossword puzzles that come in Adobe Acrobat Reader files from "The Young Investor Web Site" at http://www.younginvestor.com/.
• Create your own rebus story about money.
• Write a poem or rap song about money, saving or investing. Present it to the class when you are finished.
• Develop a puppet show which teaches young kids about the value of money. Perform the show to the younger grades in your school.
• Begin a charity jar in your class for coins which are found on the floor, street or sidewalk. When the jar becomes full, count and donate the money to a local charity.

On-line simulations

• What better way to teach money management and economic principles to students than through a simulation? Download the educational business simulation "Gazillionaire" from the Web site "LavaMind's Games for Learning & Education" at http://www.lavamind.com/edu.html. This game takes place in a science fiction environment where students run a trading company. This engaging activity teaches many economic and business principles. There is even a "school chat" where teachers can exchange ideas and lesson plans.
• Do you want to take a broader look at money management? Look at managing the budget of an entire country! "CCER: National Budget Simulation" Web site at http://garnet.berkeley.edu:3333/budget/budget.html provides an on-line learning tool. The game is offered in two versions depending upon the amount of time available and the detail you wish to teach. This simulation may be more appropriate for older students.
Software connections:

Exploring Measurement, Time, & Money - Level II, Making Sense of Money, Grades 3-4

Exploring Measurement, Time & Money - Level III, Problem Solving with Money, Grades 5-6

Materials needed by teacher:

- Two-pocket folders
- Markers
- Crayons
- Construction paper
- Paper

Teacher notes:

Learning to save, invest and manage money is an important lifelong skill. One of the keys to investing is starting when you are young and letting your money work for you over time. The activities which follow focus on the importance of money management, saving and investing. Although teaching kids to be financially responsible citizens starts at home with parents and allowances, there is so much more. As a compliment to the lessons being taught at home, the following Internet activities may motivate and stimulate kids to take charge of their own financial wellness.

This unit focuses on some of the basics of money management offering engaging Internet activities that will begin to open the door to financial matters. Although it serves as an introduction, you will find many opportunities to integrate Internet resources with more traditional classroom activities that focus on money management. Suggestions for off-line activities have also been included.

Note: Many states offer educational materials and lesson plans which relate to money and money management through the Council on Economic Education. To learn more about your state council, start by contacting The National Council on Economic Education at (800) 338-1192.
Managing Your Money

Student Activities

Activity #1: Money doesn't grow on trees!

How many times have you heard a parent or other adult say "Money doesn't grow on trees!" Like you really thought it did! But if it doesn't grow on trees, who makes it and how? The Federal Government of the United States actually has a division which creates and maintains the supply of money for our country. Under the Department of the Treasury, there is a bureau called the Bureau of Engraving and Printing. The Bureau provides government securities like money, U.S. postage stamps, naturalization certificates and other special security documents. To learn more about money and where it originates, visit the Web site "The Department of Treasury: The United States Mint" at http://www.ustreas.gov/treasury/bureaus/mint/sub1.html.

- Describe the history behind our monetary system. When did it start? Who was behind this system?
- Create a timeline outlining the history of money in the United States.
- Design a fact sheet which outlines the responsibilities of the U.S. Mint.
- Create a map of the United States with a legend that pinpoints the facilities and roles of the U.S. Mint.

To learn more about the actual process of manufacturing coins, refer to "The Department of Treasury: The Production of a Coin" at http://www.ustreas.gov/treasury/bureaus/mint/sub3.html.

- What materials are used to make the following coins:
  - Penny:
  - Nickel:
  - Dime:
  - Quarter:
  - Half Dollar:

- Outline the history behind the saying "In God We Trust" that appears on all coins.

What about those paper bills? To learn more about them, explore the "Kid's Club Newsletter: January 1997" site at http://www.1sttech.com/kidsclb/jan97.htm.
• What materials are used to make this money?
• Who appears on each of the following bills:
  $  1
  $  2
  $  5
  $ 10
  $ 20
  $ 50
  $100

**Activity #2: Saving for a rainy day**

One of the keys to financial success is learning to make your money work for you now. To help you reach your financial goals, it is important to learn about and develop good savings habits at an early age. Getting off to a good start includes understanding the different ways you can save and invest your money. Visit the site "Kids' Guide to Finances" at http://sun.sjen.org/sjen95/teacher/gainenj/gainenj.html to learn more about the basics of investing and saving. Even though this page may be under construction, you will still find a wealth of information on saving.

• Define the following money management terms:
  
  Invest
  Interest
  Profit
  Risk
  Balancing risk and reward

• List four different types of investments:
  1.
  2.
  3.
  4.

• Calculate the interest earned on the following investments accumulated over a year. Compound the interest and calculate the total value accumulated over 5 years.
<table>
<thead>
<tr>
<th>Initial Investment</th>
<th>Interest Rate</th>
<th>Value after 1 year</th>
<th>Value after 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$100.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$150.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$200.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$250.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$500.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$600.00</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- What conclusions can you draw from your calculations?
- Does the amount of money invested or the interest rate make the bigger difference over the long term of an investment?
- What is the advantage to investing when you are young?

**Activity #3: Allowance compact**

Issues surrounding "allowances" have driven many kids and parents apart as each side may have a different view of their role in this contract. If you receive an allowance, how do you feel about it? Are you completely happy with the arrangement, or is there room for improvement? No matter what your views may be on this issue, your parent(s)' views ultimately overrule yours.

Visit the Web site "Kids' Money - Kids' Allowances" at http://pages.prodigy.com/kidsmoney/allow.htm#Sur1 to learn more about allowances around the country.

1. Scroll down the page until you reach the "Allowance Survey."
2. Print out a copy of the questions.
3. Ask your parents to complete the survey.
4. Once everyone in the class has returned his/her survey, collect the data.
5. Compile and calculate the percentages of responses and complete the tables below:
Question % Yes % No

Do you give your children allowances?

Are you satisfied with current allowance system or the lack of one?

Did you receive an allowance as a child?

Do you tie allowances to chores?

Do you make your children save a portion of their allowance?

Do you allow them to borrow against future allowances?

Question % Weekly % Bi-weekly % Monthly % Other

How frequently do you give allowances?

• Once you have the data, interpret the data and write a brief report summarizing what you found.
• How did your class survey compare to the on-line survey results? How were they different?
• Were you surprised by anything you found in the survey results? Explain.
• Design a proposal for an allowance system. Design a proposal to which you think your parent(s) will agree. Try to negotiate points that are important to you. Draw up a contract. Be sure to include the following:
  1. Your name.
  2. Your parent(s) name.
  3. Date and place for all involved parties to sign.
  4. Allowance amount and payment schedule.
  5. Responsibilities of both parties.
  6. Penalties or consequences for broken contracts. (What happens if you don't finish all your chores, or what happens if Mom is late with your payment?)

Place a copy of the each member's contract in your group folder.

• Bonus: Take the contract home to negotiate all factors until both sides can agree on an allowance policy. Mark any changes on the contract, get all interested parties to sign it and return the final copy to your group folder.
Activity #4: Financial fun

Now that you have your allowance issues squared away, what are you going to do with your money? Set your sites on a new pair of roller blades, a new bike or something that you've always wanted?

Typically, people start with a goal and they save their money to reach that goal. Let's get started by visiting the "First Tech Kids Club" Web page at http://www.1sttech.com/kidsclb/home.html. Complete the membership application if you want to become a member.

- Explore the "Accounts Section." Select "Saving Fun Stuff" which takes you to a savings calculator.
- Follow the directions to discover the amount of time and money required to make the purchase(s) you desire.
- List your future financial goals. Include anything you want to buy or do that costs money. Record your actual allowance. Create a budget which indicates how much you have to save to reach your goals. Be sure to include a realistic timeline in your budget. One more thing, does your budget include some sort of "savings for a rainy day" - a portion of your allowance not earmarked for anything in particular?

For financial fun visit the Web page "Kid's Corner" at http://www.uky.edu/UKFCU/kid.htm.

- Try to unscramble the savings goals listed. How do they compare to your savings goals?

Assume the role of a parent who is trying to teach his/her children the value of money and the importance of saving. As a group, create a list of 10 financial principles you want to teach your children. Go to the Web site "Kids' Money Top 10 List" at http://pages.prodigy.com/kidsmoney/topten.htm and compare your principles with those actually submitted by parents.

- How do they compare?
- Do you wish to make any changes, additions or deletions based on what you learned from other parents? If so, what?
- Were there any financial principles listed that surprised you?

Activity #5: The lemonade stand

Do you remember running a lemonade stand in front of your house? Most kids have participated in this entrepreneurial activity at one time. But the question is, were you successful? You can now own and operate your own lemonade stand at the Web site "Lemonade Stand" at http://www.littlejason.com/lemonade/index.html. Try your hand at managing a virtual lemonade stand.

1. Be sure to read the brief description provided.
2. Start the game.
3. Keep a business journal for each day you participate. Include information on the weather, the number of cups of lemonade you made, the number sold and any profit.

4. Describe in your journal any advertising you decide to conduct.

5. At the conclusion, write a brief synopsis of your entrepreneurial experience.

**Activity #6: The check is in the mail**

Although you may not have your own checking account, it probably won't be long until you do! To prepare for this financial step, let's take a look at some ways to manage and maintain a checkbook as well as its benefits. The Web site "Managing Your Checking Account" at http://www.oba.com/public/chkmgmt.html offers a tutorial on checking accounts and checkbooks.

- Complete each of the sections on the Web site.
- Create a simplified booklet outlining the advantages and maintenance of a checking account. Include pictures, graphs, cartoons and other illustrations which help you make your points. Be sure to include the following:
  - advantages of owning a checking account
  - how to write a check
  - how to maintain a check register
  - how to endorse a check
  - tips for success
- Create your own designer checks.
- Practice writing and endorsing a check. Place these completed forms in your group folder.

For additional information on successful banking, visit the Web site "Ten Ways to be a Smart Bank Customer" at http://www.oba.com/public/tenways.html. Include what you learned here in your brochure.

**Activity #7: Investor jester**

To help you continue to build a solid financial future, let's improve your financial I.Q. while having a little fun. Go to "The Young Investor Web Site" at http://www.younginvestor.com/ which has a potpourri of financial information presented in a zany format designed just for kids.

1. Enter your name and age.

2. Click on the "Pick your Guide" button to begin.

3. Meet several guides, one of whom will escort you through the site. (You may read a brief biography on each guide before making your final selection by selecting the BIO button.)
4. Select your guide and begin your tour. Which guide did you select? Why?

5. From the menu of options provided, select and complete the following tasks:

- Select "Game Room." Play the on-line "money-tration" game or the Young Investor Trivia Game. Which game did you play? How did you do?
- Select "Kid to Kid" and try your hand at answering another kid's financial question. First check out the rules of the game. Read the question and as a group formulate an answer. Place a copy of the question and your answer in your group folder. Submit your answer to the forum.
- Select "Library" and open the book "Money FAQ's." Read the questions and answers posted. Did you learn anything interesting about money and finance? Start a "Money Trivia Big Book" with the information found here and from other activities completed.
- Select "Measure Up Survey" and complete the survey on money and investing. All answers will be kept anonymous. If your financial I.Q. registers on the Richter scale, you may even win something!