

Smart City



Land of Money Smart Kids

Teacher Guide



Curriculum by
Learning to GIVE

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A Financial Literacy and Philanthropy
Interactive Web Adventure
For Grades 2 – 5

Teacher Guide

By John Noling, M.A.
Economics & Entrepreneurship
for Educators
University of Delaware

Learning to Give is an innovative educational initiative seeking to maintain and enhance civil society, offering lesson plans, activities and resources to educate youth about the power of philanthropy (giving, serving, and private citizen action for the common good.) Educators and parents may access these educational resources at no charge on the Learning to Give web site: www.learningtogive.org.

Smart City: Financial Literacy and Philanthropy, Interactive Adventure, Teacher Guide

Author

John Noling, M.A.

Editor

Barbara Dillbeck, M.Ed.

Cover Design:

Jennifer Matteson

Layout:

Diane Cottrell

Project Managers:

Barbara Dillbeck

Derrick Feldmann

For information contact:

Barbara Dillbeck

Curriculum Director,

The LEAGUE

barbara.dillbeck@leagueworldwide.org

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Published by Learning to Give Press: Muskegon, MI



A Financial Literacy and Philanthropy
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INTRODUCTION to SMART CITY

The interactive web site Smart City is intended to help children develop a solid understanding of money management, including basic money skills related to spending, saving, investing, and donating. In some of the activities, separate levels of complexity have been designed for Grades 2 – 3 and Grades 4 – 5.

During the Smart City - Land of Money Smart Kids adventure, children will be invited into a story in which they help “Alex Ant” make wise financial decisions that include options to spend, save, donate and invest money. It is suggested that first time visitors to Smart City begin with Activity One, and move through the activities in sequence. On subsequent visits, children may choose to rejoin the adventure at specific activities by using the pull-down menu of activities.

All of the web activities were created to provide a new medium to help students understand personal finance, and how their financial choices can have a philanthropic impact. The higher purpose is to help children become independent and financially stable adults who make positive contributions to the community.

Smart City helps teach important content:

- Economic concepts (wants, needs, scarcity, choice, opportunity cost, economic decision making)
- Civic engagement and philanthropy concepts (common good, rights and responsibilities, service, volunteer, donating, etc.)
- Financial literacy (spend, save, donate, invest, money plan/budget, simple/compound interest)
- Math concepts (counting, decimal notation, bar graphs, multiplication, computation)

The content taught in the Smart City activities is based on the Learning to Give 2nd – 5th grade financial literacy and philanthropy unit “Money Smart Children.” From a teaching and learning perspective, the Smart City web site activities, and “Money Smart Children” unit, address academic standards for social studies (economics, civics, financial literacy, philanthropy education), English language arts, math and the arts. To access specific state standards applicable to Smart City content, see the standards in “Money Smart Children” found at:

<http://www.learningtogive.org/lessons/unit390/> (2nd Grade Standards)

<http://www.learningtogive.org/lessons/unit391/overview.html> (3rd - 5th grade Standards)

This Smart City Teacher Guide explains the interactive web-based activities for students in Grades 2 – 5. The Teacher Guide summarizes the activities, provides ideas for introducing the activities and for reinforcing the learning after the web experience. It also contains

supplemental resources for classroom and home use:

- **Glossary** - Knowing and speaking the vocabulary of any discipline is important to understanding. It is recommended that students be provided with discussion opportunities to practice using the vocabulary words as needed before and after engaging in Smart City.
- **Literature Guides** - for use in reading and discussing the theme of finances in four classic literature books.
- **Appendix** - reproducible instructional pages that coordinate with the web activities.

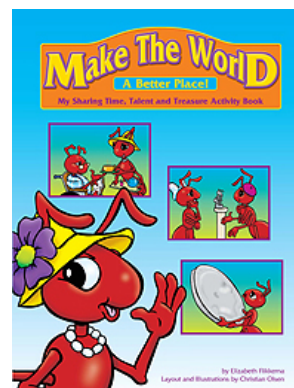
For an even more in-depth financial literacy and philanthropy experience for students, consider using any or all portions of the “Money Smart Children” unit along with the Smart City web activities. The unit includes five lessons:

1. *Spend, Save, Invest, or Donate*
2. *Thinking About Money*
3. *Making Good Money Choices*
4. *Count on it!*
5. *My Bank, My Budget, My Decisions!*

Access the unit at: <http://www.learningtogive.org/teachers/financialliteracy/> to download and print, free of charge.

An additional, companion interactive web site to Smart City, Giving and Me, that teaches the concepts of philanthropy and community can be found at:
http://www.learningtogive.org/students/giving_and_me/index.asp#home

Another financial literacy and philanthropy resource is ***Make the World a Better Place! My Sharing Time, Talent and Treasure Activity Book***, by Elizabeth Flikkema, layout and illustrations by Christian Olsen. This 48 page activity book is loaded with concise and interesting activities that could be used in the classroom or at home. It can be purchased with accompanying four-part banks for your students that encourage students to spend, save, invest, and donate. More information is available at <http://www.learningtogive.org/orders/>.



Why Teach Financial Literacy and Philanthropy?

Research tells us that students learn a considerable amount of their economic, financial, and philanthropic decision making between the ages of 8 and 12. Home and school have the greatest influence over children when they are in the elementary grades. This is a time to help children develop a financial vocabulary and establish sound financial habits. Their understanding of money management will be even greater if they are given opportunities to practice spending, saving, investing, and donating during elementary school years.

Today pre-teens control billions of shopping dollars themselves and influence even more billions in purchases in the economy. We also know that marketers and businesses have increasingly targeted younger children to build brand awareness, consumption patterns, and encourage the use of credit and debit cards. If we don't teach our children money management, chances are that someone else will.

Combined with the fast pace of today's living and spending patterns, the strong influence of peers, and the "magical appearance" of money at the ATM or from besieged parents' pockets, there is every reason to work with children early on to develop financial and philanthropic literacy.

Teaching students in elementary grades financial literacy and philanthropy can be a powerful tool for future financial success as well as civic engagement and service.

SMART CITY ACTIVITY SUMMARY

ACTIVITY 1 – Identifying Money

The learner will:

- identify the value of and distinguish between various coins and bills.

Students practice recognizing the value associated with different coins and bills.

Grades 2 – 3: includes the penny, nickel, dime, quarter, \$1 bill, \$5 bill, and \$10 bill.

Grades 4 – 5: a half dollar coin, \$20 bill, and \$50 bill are added.

ACTIVITY 2 – Counting Money

The learner will:

- group coins in various ways to equal a dollar
- count and represent combined coins and dollars, using currency symbols (\$0.00).

Alex Ant helps students gain practice in counting coins and bills to reach a designated total.

Grades 2 – 3: basic coin combinations

Grades 4 – 5: more advanced combinations of coins and bills.

ACTIVITY 3 – Wants and Needs

The learner will:

- differentiate between wants and needs in real life situations
- understand why people face scarcity when making economic decisions.

The learner is asked to differentiate between wants and needs by helping Alex Ant choose whether a given prompt is a want or a need.

ACTIVITY 4 – Time, Talent, and Treasure

The learner will:

- define philanthropy as the giving and sharing of time, talent, or treasure and taking action for the common good
- experience why acting philanthropically is good for the community, state, and nation.

ACTIVITY 5 – Common Good

The learner will:

- recognize that citizens have a responsibility for the common good
- identify aspects of the community that benefit all
- identify examples of the common good.

ACTIVITY 6 – Decision Making

The learner will:

- use an economic decision-making process to compare the additional costs of alternatives with the additional benefits
- experience how scarcity and choice effect consumer decisions
- use a decision-making model to compare costs of choices.

ACTIVITY 7 – Short-Term and Long-Term Goals

The learner will:

- identify examples of short and long-term goals
- understand the concept of investing for future goals.

ACTIVITY 8 – Interest Is Interesting-Growing Money

The learner will:

- watch a demonstration of interest in action
- change variable of percent, investment and time to compare interest earned on a graph
- understand the difference between no interest, simple interest, and compound interest (optional for Grades 4 – 5)
- describe the advantages of saving and investing for long-term goals.

ACTIVITY 9 – Money Plan

The learner will:

- describe and demonstrate how the economic forces of scarcity and choice affect the management of personal financial resources and shape consumer decisions
- list ways that individuals can conserve limited resources.

Alex Ant teaches the basics of money planning, teaching about income and expenses and how they should be equal in a solid money plan.

ACTIVITY 10 – Assessment

The learner will:

- Demonstrate mastery of objectives addressed in the Smart City interactive web experience.

Students are given the opportunity to demonstrate their knowledge about financial literacy and philanthropy by completing a short multiple choice quiz (10 questions).

SMART CITY ACTIVITY GUIDE

ACTIVITY 1 – Identifying Money

The learner will:

- identify the value of and distinguish between various coins and bills.

In this activity, participants practice recognizing the value of different coins and bills. Various coins and/or bills appear on the screen and a voice asks the user to find a certain coin or bill. The same amount also appears in written form as either words or decimal notation in the center of the screen. The user clicks on the bill or coin that is the best answer. Audio feedback is given as to whether the response was correct or incorrect. Students may continue with the activity for as long as needed for mastery.

Prior to the Activity:

- Explain that identifying, counting, and understanding the value of coins and bills is the first step toward knowing what to do with money. Tell students that they will be working with money in Activity 1 to gain practice in correctly identifying money.
- Show examples of real money coins and bills. Explain that the word we use to describe coins and bills in use is called currency.
- Tell the students they will be asked to find a coin or bill that represents a certain amount of money. A voice will ask them to find the amount and they will also see the amount written with a cent sign, or with a dollar sign and decimal. The amount of money may also be written in words. The student should click on the bill or coin that is the best answer. Audio feedback will be given as to whether the response was correct or incorrect. They may continue to do this activity for as long as needed before moving on to Activity 2.

Grades 2 – 3 include the penny, nickel, dime, quarter, \$1 bill, \$5 bill, and \$10 bill.

Grades 4 – 5 a half dollar coin, \$20 bill, and \$50 bill are added.

Following the Activity:

- If you are participating in a class fund-raiser use the *Smart City Data Table* Activity Sheet to help students identify and count coins and bills collected.

Smart City Data Table

Activity 1

Title: _____

Name of coin or bill	Number of coins or bills counted	Amount of Money \$
Penny (\$0.01)		
Nickel (\$0.05)		
Dime (\$0.10)		
Quarter (\$0.25)		
Half Dollar (\$0.50)		
Dollar coins (\$1.00)		
Bills of any kind in dollars		

ACTIVITY 2 – Counting Money

The learner will:

- group coins in various ways to equal a dollar
- count and represent combined coins and dollars, using currency symbols (\$0.00).

In this activity, Alex Ant helps students gain practice in counting money, coins and bills, to reach a designated total. Using a cash register with the drawer open, students click and drag various coins and bills into the drawer to reach a total written on the screen. When the student decides that the total has been reached, the student clicks on the drawer to close it. The cash register calculates how much is in the drawer and shows the total, indicating whether the total is correct, too much, or too little. If the total is incorrect the student has the option to add or subtract from the cash register drawer and try again. Students may continue with this activity as needed to mastery before moving on to Activity 3.

Prior to the Activity:

- Start a class discussion by asking, “Why is it so important to understand how to count money?” Explain that after being able to identify coins and bills, counting and understanding the value of coins and bills is the next step toward knowing how to wisely use money.
- Tell students that they will be working with money in Activity 2 to gain practice in counting money. On the screen they will see a cash register with the drawer open. They will have the option to click and drag coins and/or bills to the drawer to equal the amount of money requested.

Following the Activity:

- Ask students to identify different ways to represent:
 - 5 cents (a nickel, or five pennies)
 - 10 cents
 - 25 cents
 - One dollar
- In this activity the ant decided to “pay himself first” by choosing not to take all the money to spend, leaving some money in the bank. Discuss with the students what this means.

ACTIVITY 3 – Wants and Needs

The learner will:

- differentiate between wants and needs in real life situations
- understand why people face scarcity when making economic decisions.

Teacher Note: Although many teachers distinguish between wants and needs when teaching about economics and philanthropy, most economists do not distinguish between them. Their reasoning is that what some people call “needs” can vary greatly by individual and might simply be a “want” for others. Instead of debating whether one person’s need is just another person’s want, economists avoid the argument altogether by lumping needs into the general category of wants. The important thing for students to learn here is that wants in general are unlimited, even though individuals can certainly limit their own wants voluntarily and might say they only have a limited number of needs and wants. It seems to be human nature to always want more and people, as a whole, do have an unlimited desire for wants.

Prior to the Activity:

- Introduce wants and needs by asking if anyone can explain the difference between a want and a need, emphasizing that a need is a special kind of want that we must have or “need” to survive.
- Optional Discussion Question. Ask students to give answers to the following question before beginning the activity. *If you only have a limited amount of money, why would it be important to know the difference between your needs and your wants?* Invite responses before beginning Activity 3.
- Explain that in Activity 3 they will get to choose whether a certain item is a want or a need by moving their cursor to either Want or Need. A voice will tell them if they are correct or not and explain why. This is a one time activity, when students finish they should move on to Activity 4.

Following the Activity:

- Use the *Smart City Wants and Needs Activity* in which students cut out and categorize pictures from magazines that are examples of wants and needs.
- For Grades 4 – 5 use the *Smart City Economics and Money Visual Organizer Activity* (with an overhead projector) to reinforce the ideas of limited productive resources, unlimited wants, the condition of scarcity, and the four choices people have with their money.
- Ask students:
 - *What prevents you from having everything that you want? (The universal condition of scarcity.)*
 - *Is it possible to ever fully satisfy your wants? (Wants are unlimited, meaning that people keep coming up with new ones.)*
 - *What happens when your last “want” is satisfied? (There is always another one that comes up to replace it.)*

Smart City

Wants and Needs

Activity 3

Wants are desires for goods and services we would like to have.

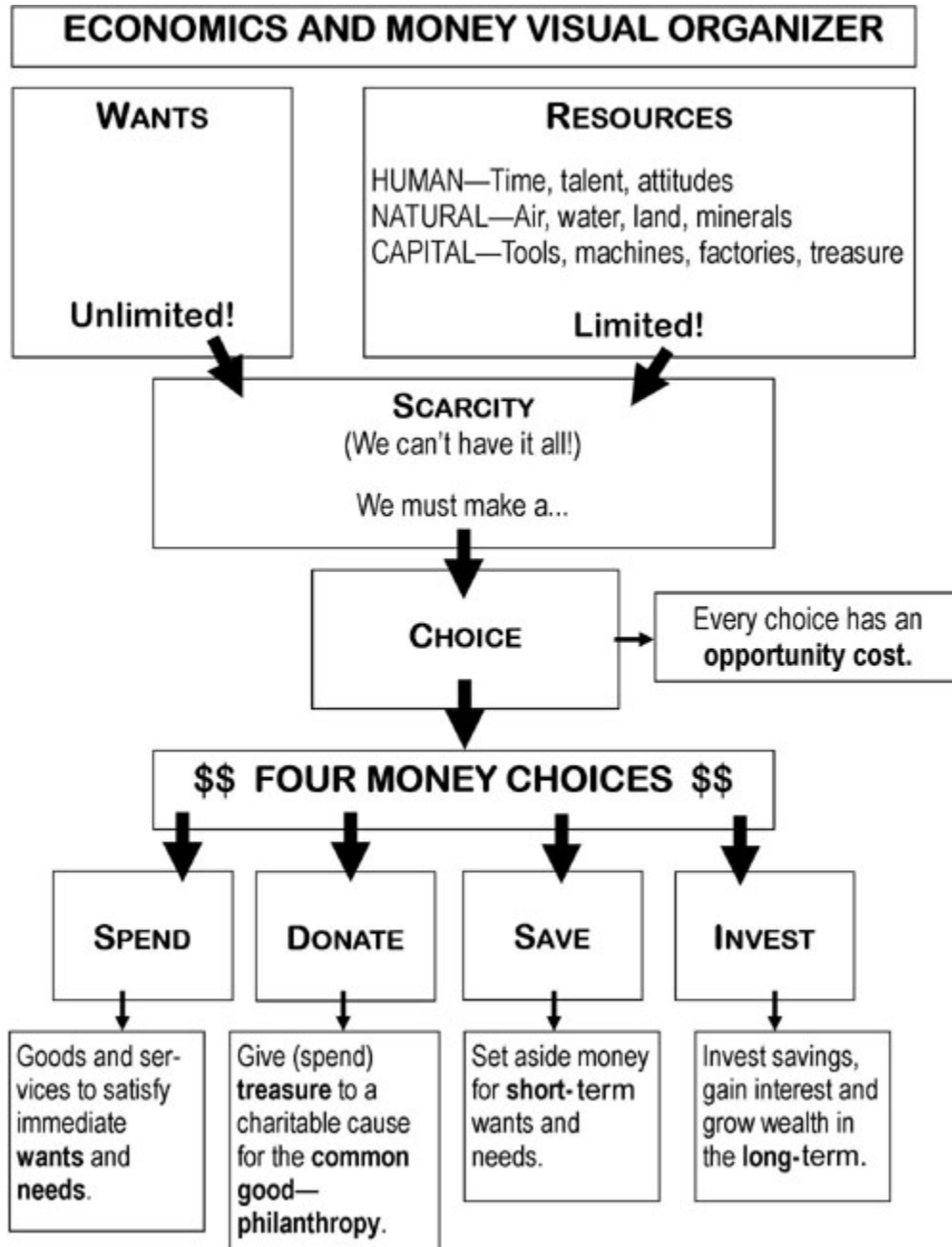
Needs are a special kind of want, and refer to things we must have or "need" to survive, such as food, water and shelter.

Directions: Cut pictures out of magazines that are examples of "wants" and "needs."

Wants	Needs

Smart City

Activity 3



ACTIVITY 4 – Time, Talent, and Treasure

The learner will:

- define philanthropy as the giving and sharing of time, talent, or treasure and taking action for the common good
- experience why acting philanthropically is good for the community, state, and nation.

In this web activity, students learn that philanthropy involves choosing to donate time, talent, or treasure for the common good. They examine various ways people can contribute to the common good and decide if it involves giving time, talent, or treasure—or a combination of these things.

Prior to the Activity:

- Ask if anyone knows what philanthropy means. Tell them if they don't know that they will discover it in the next activity. If they do know the definition, ask them to give examples of when they have been philanthropic.
- Explain that in Activity 4 they will be given an example of a philanthropic act, such as caring for an injured animal, and will be asked to identify with their cursor whether it involves giving time, talent, and/or treasure.
 - If a student thinks it involves donating time, students will click and drag a clock icon to the orange question mark box.
 - If a student thinks it involves donating talent, students will click and drag a star icon to the orange question mark box.
 - If a student thinks it involves donating treasure, students will click and drag a treasure chest icon to the question mark box.
 - A voice will give feedback to the student for each instance when they drag the icon to the orange question box. For some of the philanthropic acts, time, talent, and treasure could all be involved.
 - This is a one time activity and when completed student should move on to Activity 5.

Following the Activity:

- Use the *Smart City Donating Activity Sheet* to brainstorm with the students some benefits and costs of donating treasure.
- As a possible follow-up to the brainstorming above, or as a stand alone activity, use the *Smart City Donating Writing Activity Sheet* for a short writing activity in which students reflect on the importance of philanthropy.

Smart City

Donating

Activity 4

There are many **benefits** to donating. Some of them are:

-
-
-
-
-

There are also **opportunity costs** to donating. Some of them are:

-
-
-
-
-

ACTIVITY 5 – Common Good

The learner will:

- recognize that citizens have a responsibility for the common good
- identify aspects of the community that benefit all
- identify examples of the common good.

The user travels around the community to identify where the common good is advanced (such as: hospital, food pantry, fire department, parks, streets, etc.). If they correctly choose an example of a facility that benefits the common good, it will “glow” and a voice will give an explanation why it advances the common good.

Prior to the Activity:

- Explain to the students that “common good” means those things that are available to everyone (can be used by everyone) and benefit (are good for) everyone in the community. Discuss an animal shelter as an example. (Everyone can take animals to a shelter, and everyone can adopt the animals from the shelter. It benefits all because it keeps stray animals off the street and keeps animals safe until a home can be found.)
- Tell students they will “travel” around Smart City with their cursor looking for examples of those things that represent “common good in the community.” When they stop and they correctly move their cursor over an example for the common good, it will “glow.” This is a one time activity and when completed student should move on to Activity 6.

Following the Activity:

- Use *Smart City Common Good Activity* to extend learning to include a discussion of rights and responsibilities that American citizens have in working together for the benefit of everyone.
- Ask students to create a collage by cutting out pictures from magazines and newspapers to portray examples of the common good in everyday life.

Smart City

Common Good

Activity 5

Common Good: working together for the benefit of everyone.

Citizens have rights and they also have responsibilities for the benefit of all.

Citizen Rights

All Americans have the right to:

- Go to a good school
- Vote
- Freedom of speech
- Trial by jury
- Meet when and where you want
- Go to the church of your choice
- Live where you want and own what you want
- You may keep people from searching your home

Citizen Responsibilities

As American citizens, we have the following responsibilities:

- Obey laws
- Respect the rights and property of others
- Help police
- Serve on a jury
- Pay taxes
- Vote
- Keep informed on what is going on around you
- Help change things that are not good
- Help save America's natural resources

ACTIVITY 6 – Decision Making

The learner will:

- use an economic decision-making process to compare the additional costs of alternatives with the additional benefits
- experience how scarcity and choice effect consumer decisions
- use a decision-making model to compare costs of choices.

In this activity students are guided through a simple economic decision making model that can be used when making decisions as consumers. In this case, the decision is what to buy Mom as a birthday gift. Alex Ant guides the learner to the left side of the decision-making model, where the alternatives or choices are listed (flowers, candy, running shoes, bookstore gift certificate) Across the top of the model, Alex’s criteria or requirements that are important in making a good decision with his limited amount of money are described and listed (costs \$30 or less, is healthy for mom, will last a long time, and is something she will really like). Students examine with Alex Ant which alternative satisfies the most criteria (the running shoes win in this case).

Prior to the Activity:

- Introduce the vocabulary word “criteria” to the students. Criteria may be described as those things we think are important in deciding what to do. For example, when choosing food our criteria might be:
 - is healthy for us
 - is easy to fix
 - tastes good!
- Tell the students they will be helping Alex Ant make a Birthday gift choice by clicking on YES or NO when prompted to complete a Decision Making chart. This is a one time activity and when completed students should move on to Activity 7.

Following the Activity:

- Tell students that there are five steps of good decision making (Write the following on the board or chart paper)
 1. determine the decision to be made or problem to be solved
 2. identify your choices
 3. determine the criteria that are important
 4. evaluate the good and bad points of each possible choice based on the criteria listed
 5. make a decision based on which possible choice satisfies the most criteria
- Ask students to identify the opportunity cost (the next best alternative that they give up) of buying the running shoes for Mom (bookstore gift certificate).
- Use *Smart City Economic Decision-Making Model Activity* to extend learning to include possible decisions the class may make or the student and/or their family may make in the future. Copy the decision-making grid so that students may take it home and explain its use with their family for future economic decisions.

Smart City Decision-Making Model

Activity 6

Action Ideas or Choices ↓	What's Important to Us?			
	↓	↓	↓	↓

ACTIVITY 7 – Short-Term and Long-Term Goals

The learner will:

- identify examples of short and long-term goals
- understand the concept of investing for future goals.

In this activity students learn the difference between short term and long-term goals (short-term is usually less than a year, long-term is usually longer than a year). With their cursor, students drag either an “L” orange circle (for long-term goal) or an “S” orange circle (for short-term goal) to one of eight pictures of goods or services for which people save and invest money. By clicking on each picture, a voice will describe the item if needed. If the student makes the correct choice, the “S” or “L” will “stick” and a voice will give positive feedback. If they are incorrect, the icon will not “stick.” For example, buying a home is a long-term goal and the “L” orange circle will “stick” when dragged to the picture of a house.

Prior to the Activity:

- Make an overhead transparency of *Smart City Goals Information Sheet* and briefly define the terms, goal, short-term goal, and long-term goal for the students. Ask students to give examples of their short and long term goals.
- Tell the students that they will be learning the difference between short and long term goals by dragging with their cursor either an “L” orange circle (for long-term goal) or an “S” orange circle (for short-term goal) to one of eight pictures of goods or services for which people save and invest money. By clicking on each picture first, a voice will describe the item. If the student makes the correct choice, the “S” or “L” will “stick” and a voice will give positive feedback. If it is wrong, the letter will not “stick” and they should try again.
- Tell students that one or more of the pictures could be both a long and a short-term goal for different situations. Hence, both the “L” and the “S” should stick when dragged to the picture(s). This is a one time activity and when completed students should move on to Activity 8.

Following the Activity:

- Give each student a piece of blank paper. Instruct them to fold into two equal parts and label one side short-term goals and the other side long-term goals. Have them draw pictures or words to show examples that are important to them of each kind of goal.

Smart City

Goals Information Sheet

Activity 7

Goals help us achieve something in the future. There are two basic kinds of goals, **short-term** and **long-term**.

Short-term goals are for something people plan to buy soon, in less than one year.

Long-term goals are for something people plan to buy in the future, for example a car or a college education.

ACTIVITY 8 – Interest Is Interesting – Growing Money

The learner will:

- watch a demonstration of interest in action
- change variable of percent, investment and time to compare interest earned on a graph
- understand the difference between no interest, simple interest, and compound interest (optional for Grades 4 – 5)
- describe the advantages of saving and investing for long-term goals.

In Activity 8, students learn that money can “grow” by saving and investing through earning interest. Using a built-in calculator, students personalize their own saving and investment projections by inserting the amount they wish to invest and the interest rate they hope to earn. A bar graph will show students the earnings they can expect after 0, 1, 2, 3, 4, 5, 10, 20, and 40 years in terms of simple interest. (i.e., interest earned each year is not reinvested, interest is earned each year on the original principal amount).

For Grades 4 – 5, an optional activity is provided for introducing the concept of compound interest. Students may click on “Compound Interest” and show accumulated earnings when “interest is being earned on interest.” They may also make comparisons of simple interest earnings and compound interest earnings using the same principal amount, interest rate, and time period. Compound interest is a powerful and important tool to introduce to 4th and 5th graders, even if the computational mechanics of how compounding actually works are not taught at this time. In simple terms, compound interest is when the saver earns interest on interest rather than just earning interest on the principal (the initial amount invested). When compounding of interest takes place, amounts grow much larger than we expect, especially the longer money remains deposited or invested. Of course, a good interest rate helps too! Good metaphors to use with students to explain compounded interest would be that orchards of fruit with many seeds on many trees can all result from the seed of one fruit properly invested.

The activity focus in both levels is to build a basic vocabulary and understanding of the benefits of interest, whether simple or compound, over getting no interest at all. Computational skills for computing interest are not emphasized. The teacher can extend these activities depending the needs, abilities, and interests of the students and relevant state standards.

Prior to the Activity:

- Set the stage for this activity by telling students there is another positive incentive to save money, collecting interest (more money) on the money you save and invest. Define interest as the money earned by the money saved and invested.
- Tell students they will be using a built-in calculator on the screen to calculate how much their money can grow at a certain interest rate over different periods of time.
- Tell them they can choose the amount they wish to save/invest by typing it in under “Starting Amount.”
- Explain that they can choose the interest rate they hope to earn by typing in a number under “interest rate.”

-
- Teacher note: If appropriate for your class, you may wish to explain that in real-life, higher interest rates mean higher risks (chances people take). For an investor this means the potential risk of losing part or all of your investments. Even though earning high interest rates are powerful positive incentives for people to invest, there are risks involved.
 - Explain that a colorful graph will show them the earnings they can expect after 0, 1, 2, 3, 4, 5, 10, 20, and 40 years when they click on “Graph.” This graph shows simple interest earnings over a span of years. They may continue to do this activity for as long as needed before moving on to Activity 9.
 - **Optional Compound Interest Activity For Grades 4 – 5:** Explain that by clicking on “Compound Interest” and “Graph”, the graph will appear showing earnings results when “interest is being earned on interest” over the indicated time periods (i.e., the interest earned in each time period is added onto the principal after each time period and “reinvested” into the next time period. Compound interest is interest on the money the saver deposits and on the interest that the money has earned.).

Following the Activity:

For Grades 2 – 3

- Explain and demonstrate the concept of earning interest income on savings. Show multiplication calculations of simple interest on a principal amount (example 5% of \$100, etc.) as appropriate for age and learning.
- Create a simple worksheet for students to practice math and simple interest computations.

For Grades 4 – 5 (if using compounding interest option)

- Ask students if they had a choice would they rather have \$10,000 cash or a penny, doubled each day for 30 days. Show the penny calculations on the board, or by using a calculator, to confirm that the penny doubling each day results in over 10 million dollars! Remind students that the last doubling would not even be possible if one penny had not doubled to two pennies on Day Two.
- Explain and demonstrate the concept of earning interest income on savings. On the board, show an actual calculation of compound interest. For example, start with \$100 earning 10% interest. Show the multiplication to reach \$10 interest and add it to the \$100 principal to total \$110 earnings after Year One. Then multiply the 10% interest rate times \$110 (new principal) to show the \$11 earned in interest in Year Two. Add the \$11 to the \$110 principal to show the new principal of \$121 after Year Two. Point out that the additional dollar ($\$121 - \$120 = \$1$) in interest earned after Year Two is because of compounded interest, where interest is paid on interest earned from previous periods.

ACTIVITY 9 – Money Plan

The learner will:

- describe and demonstrate how the economic forces of scarcity and choice affect the management of personal financial resources and shape consumer decisions
- list ways that individuals can conserve limited resources.

Alex Ant teaches the basics of money planning, teaching about income and expenses and how they should be equal in a money plan (i.e. budget). Using actual numbers from the spending, saving, investing, and donating already completed in the Smart City storyline, Alex discusses money plan basics. He then leads the user through a hypothetical money plan where the user observes given descriptions and dollar amounts of various income and expense items (totaling \$68.00 for each) being placed in the proper columns to create a balanced money plan. After this modeling of a balanced money plan, the user is prompted to create a realistic money plan for the next month using a money plan blank template that can be printed from the screen.

Prior to the Activity:

- Introduce the term money plan. Explain that a money plan is a simple, written plan to keep track of and plan for money coming in (income) and money going out (expenses).
- Explain that Alex Ant will explain the basics of money planning, teaching about income and expenses and how they should be equal in a money plan. First, tell students that Alex will explain how a money plan works and what income (\$50) and expenses (\$50) were involved in the storyline so far.
- Then tell students that Alex will lead them through a money plan to show how money choices were made during their adventure in Smart City.
- Finally, tell students that they will be able to create their own money plans to use in the next month. Explain that they will be able to print and share their money plan with their class and family.

Following the Activity:

- Print money plan blanks for each student. Help students focus on income and expenses they will have for the next month. Be aware that some or many children may have no, or very little income. In this instance, ask students to be creative and imagine the income and expenses (within reason!) they will use for their money plan.
- Peer sharing with students, making suggestions to each other, may be helpful when creating the documents.

ACTIVITY 10 – Assessment

The learner will:

- Demonstrate mastery of objectives addressed in the Smart City interactive web experience.

Students are given the opportunity to demonstrate their new knowledge about financial literacy and philanthropy by completing a short multiple choice quiz (10 questions). At the end of the quiz they will discover the results and be invited to visit Smart City again to practice their financial literacy skills.

Prior to the Activity:

- Tell students they have learned a lot about financial literacy and philanthropy and now they will have an opportunity to show what they have learned through a short quiz. At the end they will be told the results of the quiz.

OPTIONAL Debriefing and Discussion Questions

After completion of Smart City Activities 1-10, consider using the following questions to reflect on the Smart City Financial Literacy and Philanthropy Adventure, to reinforce learning, and provide closure for your students:

- What are four choices every person has in using their money?
- Why is it important to know about money and how to use it?
- What did you learn from these activities or anything else we did as a class that you will remember and use for a long time?
- What is philanthropy and why is it important?
- What new things have you learned about philanthropy in these activities?

CONCLUSION

Thank you for choosing to use the Smart City Web Adventure to help prepare our youth for the future. Our goal is helping children become independent and financially stable adults who make responsible contributions to their community, nation, and world. It is our hope that the Smart City Activities and this accompanying Teacher Guide are a creative and timely resource in your curriculum planning.

GLOSSARY

Use this Glossary as a handy reference and as a teaching tool throughout the Smart City web activities. As they say, “You can’t walk the walk if you can’t talk the talk!”

Benefits – Something good that comes from a choice.

Budget – A money plan that helps plan for income and expenses.

Capital resources- Goods produced to make other goods and services like machines, tools, factories, etc. (is a limited productive resource).

Charity – Money or other help given to aid people in need.

Choice – When someone must make a decision between two or more things.

Common Good – Working together for the benefit of everyone.

Compound interest- When interest is being earned on previous interest in an account over a time period.

Consumer – People who buy or use goods or services.

Cost – The price of a good or service or what you must give up to get something.

Criteria – Things that are important or required in making a decision.

Donate – Giving time, talent or treasure with no expectation of something in return.

Expenses – Money “going out” that includes all spending, saving, investing, and donating.

Goals – Things people want to achieve or do in the future.

Goods – Objects that people can have to satisfy their wants.

Human resources – The people who work to produce goods and services, also a limited productive resource.

Incentives – Positive or negative factors that motivate or influence people.

Income – Money that you take in.

Interest – The money earned on money saved and invested.

Interest rate – The amount of interest expressed as a percentage.

Invest – Saving money in a way that increases its value for future donating or spending.

Long-term goal – A target or plan usually more than a year in the future.

Money – What people use to buy goods or services.

Money plan – A written plan listing income and expenses used to make good money decisions (budget).

Natural Resources – Things from nature that are used to produce goods or services (is a limited productive resource).

Needs – Things we must have or “need” to survive, (food, water, air and shelter).

Opportunity Cost – When a choice is made, the next best thing (choice) given up.

Philanthropy – Giving time, talent or treasure for the sake of another or for the common good.

Price – The amount a buyer pays and the seller receives for goods and services.

Producer – People who make or sell goods or provide services.

Productive Resources – The limited natural, human, and capital resources we need to produce goods and services.

Resources – Those things that can be used to produce goods and services, such as natural, human, and capital resources, also known as productive resources. They are in limited supply.

Save – Keep or put aside money for future wants or needs.

Scarcity – When we cannot have everything we want because all resources are limited.

Services – Actions or work that a person does for someone else to satisfy their wants.

Short-term goal – A target or plan usually less than one year in the future.

Simple interest – Interest (money) earned for each time period it is invested.

Spend – Use money for something you want or need.

Talent – Special gifts or abilities that can be donated for the common good.

Time – A limited or scarce resource that we all have that can be donated for the common good.

Treasure - Money or goods that are valuable which can be donated for the common good.

Volunteer – A person who gives or donates their time without pay.

Wants – Desires for goods and services we would like to have.

ANNOTATED BIBLIOGRAPHY

This bibliography will help in your selection of media related to financial literacy and philanthropy. The bibliography is organized by the grade clusters of K – 2 and 3 – 5.

K-2nd Grade Financial Literacy and Philanthropy Book List. Some of these listings may also be appropriate for 3rd grade and higher.

Asch, Frank. *Good Lemonade*. Franklin Watts, 1976. ISBN: 0-531010937

—A young boy who refuses to believe that the lemonade at his stand could taste that bad tries many things to improve business.

Berenstain, Stan and Jan. *The Berenstain Bears Get the Gimmies*. Random House, Inc., 1998.

—How do you get rid of the “greedy gimmies”? Gran and Gramps come up with a plan for brother and sister to choose only one thing before going shopping, buying just that one thing, or getting nothing.

Berenstain, Stan and Jan. *The Berenstain Bears Think of Those in Need*. Random House, 1999.

—Philanthropy comes through loud and clear as the Bear family sorts through their closets and give to those in need in the community.

Bergen, Laura. *Funny Money*. Price Stern Sloan, 1999.

—Learn about money in a very hands-on way using stickers, play dollars, and lots of fun facts about money.

Bluthenthal, Diana Cain. *Matilda the Moocher*. Orchard Books, 1997.

—Libby loans many of her belongings to neighbor, Matilda, and is never repaid, so she decides to do something about it.

Bodnar, Janet. *Dr. Tightwad’s Money-Smart Kids*. Times Books, 1997.

—Meet “Dr. Tightwad” and learn how to have fun while you shop smartly, save regularly, and avoid credit mistakes.

Bunting, Eve. *A Day’s Work*. Houghton Mifflin Paperbacks. 1997.

—A Mexican-American worker decides not to borrow a day’s wages until the work is done, even though he is in great need of the money.

Chin, Karen. *Sam and the Lucky Money*. Lee and Low Books (Reprint), 1997. ISBN: 188000539

—Sam gets to decide how he wants to spend the money he received for the Chinese New Year. Instead of purchasing an item for himself, he decides to give the money to a homeless man.

dePaola, Tomie. *Now One Foot, Now the Other*. New York: Putnam Publication Group, 1991. ISBN: 399224009

—The story of a young boy who takes care of his grandfather after he has a stroke, just like his grandfather used to take care of him as a child. The boy even helps his grandfather learn how to walk again.

Flikkema, Elizabeth. *Make the World A Better Place: My Sharing Time, Talent, and Treasure Activity Book*. Learning to Give Press, 2005.

—Designed for grades 2-5, children work with parents on fun activities in the workbook to discover the meaning of philanthropy and connect it to their community in their own terms. This can be ordered from www.learningtogive.org.

Pfister, Marcus. *Rainbow Fish (The)*. North South Books, 1996. ISBN: 1558585362

—The most beautiful fish in the entire ocean learns a lesson about the importance of inner beauty and sharing when he gives away his shiny scales to other fish so that everyone can be beautiful. ~Christopher Award 1993 ~Bologna Book Fair Critic Erba Prize 1993~IRA-CBC Children’s Choice 1993~Abby Award Winner 1995~

Polacco, Patricia. *Chicken Sunday*. Paper Star, 1998. ISBN: 698116151

—A young Russian girl and her two African American “brothers” devise a plan to decorate and sell eggs in order to buy an Easter hat for the boys’ “grandmother” known for her chicken dinners.

Roper, Ingrid. *Money Makers: Good Cents for Girls*. Pleasant Company, 1998.

—A book loaded with entrepreneurial ideas children can use.

Schlessinger, Laura. *But I Waaannt It!* Harpercollins Juvenile Books, 2000.

—While shopping with his mother for a gift for his cousin, Sammy wants every stuffed animal in the store for himself.

Schwartz, David M. *If You Made a Million*. Mulberry Books, 1994

—In a very witty and humorous way, Marvelosissimo the Mathematical Magician teaches about earning and investing money and a host of other topics. This book is aligned with the way children think, and would be quite appealing to a 6-10 year old.

Seuss, Dr. *Thidwick: The Big-Hearted Moose*. New York: Random House Publishers, 1993. ISBN: 679843388

—A moose lets different animals live in his antlers and takes care of them.

Silverstein, Shel. *Giving Tree (The)*. Harpercollins Juvenile Books, 1964. ISBN: 60256656

—This is the story of a tree that gives itself as a resource to a boy/man throughout his life to satisfy his wants.

Silverstein, Shel. *Where the Sidewalk Ends*. New York: Harpercollins Juvenile Books, 1974. ISBN: 60256672

—A boy who turns into a TV set and a girl who eats a whale are only two of the characters in a collection of humorous poetry illustrated with the author’s own drawings. “Smart” is a poem that describes decisions a boy makes about money.

Viorst, Judith. *Alexander, Who Used to be Rich Last Sunday*. Aladdin, 1978. ISBN: 698118022
—Although Alexander and his money are quickly parted, he comes to realize all the things that can be done with a dollar. Philanthropy theme: opportunity costs, decisions.

Williams, Vera B. *A Chair for My Mother*. Econo-Clad Books, 1999. ISBN: 808533851
—After their furniture is burned in a fire, a child and her grandma save dimes to buy an armchair for the child's tired mother, who works long hours as wait staff. The community helps the family in need. Family supports each other. ~Caldecott Honor Book

Williams, Vera B. *Something Special for Me*. Mulberry Books, 1982.
—Rosa has a tough economic decision to make: deciding what birthday present to buy with the coins her mother and grandmother have saved. A classic way to teach how unlimited wants and limited resources result in scarcity and the necessity of choice.

3rd-5th Grade Financial Literacy and Philanthropy Book List

Adams, Patricia and Jean Marzollo. *Helping Hands Handbook: A Guidebook for Kids Who Want to Help People, Animals, and the World We Live In (The)*. Random House, 1992. ISBN: 679828168

—A detailed resource for young people who want to participate in social actions. Introduces more than one hundred volunteer projects to fit every interest.

Aesop (illustrated by Bari Weesman). *The Ant and the Grasshopper*. Houghton Mifflin, 1991.
—Saving for the future could not be explained better than with this well worn fable.

Brumbeau, Jeff. *Quiltmaker's Gift*. Scholastic Trade, 2001. ISBN: 439309107
—Tells the tale of a greedy king who finds happiness in generosity after a quiltmaker decides to show him kindness and compassion through the making of a quilt.

Bunting, Eve. *Fly Away Home*. Clarion Books, 1991.
—A great story about saving income for an important goal.

Carter, Rosalyn. *Kids Random Acts of Kindness*. Conari Press, 1994. ISBN: 943233623
—Children express, in their own words, times when they have acted in kindness or witnessed others being kind.

dePaola, Tomie. *Charlie Needs a Cloak*. Macmillan/McGraw Hill School Div., 1993 ISBN: 0021462178
—A shepherd shears his sheep and spins the wool, then weaves and dyes the cloth, finally to sew a much-needed beautiful, new red cloak. Philanthropy has economic dimension: money plan, human capital, capital equipment.

DiSalvo-Ryan, DyAnne. *Uncle Willie and the Soup Kitchen*. Mulberry Books, 1997. ISBN: 688152856
—A boy wonders about the people he sees on his city's streets. His uncle works at a soup kitchen. One day the boy goes to the soup kitchen with his uncle. A child can make a difference.

Flikkema, Elizabeth. *Make the World A Better Place: My Sharing Time, Talent, and Treasure Activity Book*. Learning to Give Press, 2005

—Designed for grades 2-5, children work with parents on fun and meaningful activities in the workbook to discover the meaning of philanthropy and connect it to their community in their own terms. This can be ordered from www.learningtogive.org.

Godfrey, Neale Neale S. *Godfrey's Ultimate Kids' Money Book* by Neale S. Godfrey (NY: Simon & Schuster Children's Publishing, 1998)

—For ages 9-12, this colorful, user-friendly, and lively money book covers the waterfront with interesting text on all things money plus some artfully introduced basic economics for young people.

Hoban, Russell. *A Bargain for Frances*. Harper Row, 1970.

—A story about saving and sacrificing for a goal, only to find that your friend wants the same thing.

Koningsburg, E.L. *From the Mixed-Up Files of Mrs. Basil E. Frankweiler*. Aladdin Books, 1967.

—Lots of economic choices are made by Jamie and Claudia on their visit to the Metropolitan Museum of Art in New York City.

Mitchell, Margaret King. *Uncle Jed's Barbershop*, Simon and Schuster, 1993.

—Opening a barber shop is the dream for Uncle Jed and only through saving and some perseverance is he able to make the dream come true.

Jeffers, Susan (Illustrator). *Brother Eagle, Sister Sky: The Words of Chief Seattle*. Dutton Books, 1993. ISBN: 014054514X

—Chief Seattle describes his people's respect and love for the earth, and concern for its destruction, teaching that we only borrow from Mother Earth and must be good stewards of our most precious resource.

Karlitz, Gail. *Growing Money: A Complete Investing Guide For Kids* Price Stern Sloan, 2001.

—This user-friendly investing guide is written specifically to teach children (and adults!) how to make their money work for them. Covering savings in a bank, bonds, stocks, and how to read the financial pages, this is a great introductory guide for grades 4-8.

Moss, Ellen Feinman. *Helping Out is Cool*. Ontario: Tumbleweed Press, 1997. ISBN: 0-9680678-5-9

—Each scene in this inspiring book exemplifies people helping people by volunteering in their community

Otfinoski, Steve. *The Kids Guide to Money: Earning It, Saving It, Spending It, Growing It, Sharing It*, NY: Scholastic, 1996.

—For ages 9-12, this clearly written book offers useful information on a variety of topics with many real world examples

Schwartz, David M. *If You Made a Million*. Mulberry Books, 1994

—In a very witty and humorous way, Marvelosissimo the Mathematical Magician teaches about earning and investing money and a host of other topics. This book is aligned with the way children think, and would be quite appealing to a 6-10 year old.

Schwartz, Linda. *How Can You Help? Creative Volunteer Projects for Kids Who Care*. California: The Learning Works, Inc., 1994. ISBN: 0-88160-213-2
—This book is filled with easy-to-access ideas for how children can get involved in their community.

Tamar, Erika. *Garden of Happiness (The)*. Harcourt Brace and Co., New York, 1996. ISBN: 0-15-2305823
—Marisol and her neighbors turn a vacant New York City lot into a lush community garden.

Viorst, Judith. *Alexander, Who Used to be Rich Last Sunday*. Aladdin, 1978. ISBN: 698118022
—Although Alexander and his money are quickly parted, he comes to realize all the things that can be done with a dollar. Philanthropy theme: opportunity costs, decisions.

Westridge Young Writers Workshop. *Kids Explore Kids Who Make a Difference*. Mexico: Jon Muir Publications, 1997. ISBN: 1562613545
—Written entirely by children in the fourth through sixth grades, this book was created throughout the Westridge Young Writers Workshop. Filled with stories about kids who have volunteered time to helping others, this book also shows other children how to get involved in their own communities.

Williams, Vera B. *A Chair for My Mother*. Econo-Clad Books, 1999. ISBN: 808533851
—After their furniture is burned in a fire, a child and her grandma save dimes to buy an armchair for the child's tired mother, who works long hours as wait staff. The community helps the family in need. Family supports each other. ~Caldecott Honor Book

Williams, Vera B. *Something Special for Me*. Mulberry Books, 1982.
—Rosa has a tough economic decision to make: deciding what birthday present to buy with the coins her mother and grandmother have saved. A classic way to teach how unlimited wants and limited resources result in scarcity and the necessity of choice.

Recommended for Families

Azim, Jamal, McKinnon, Harvey. *The Power of Giving: Creating abundance in your home, at work, and in your community*. Tides Canada Foundation, 2005.
—This is a powerful book which will inspire and cause you to rethink what kindness is and why the world needs it so much. Learning to help children give in ways that are most meaningful to them and have the most impact is an important benefit of reading this book.

Bodnar, Janet. *What they Need to Know About Money and How to Tell Them*, Kaplan Business, 2005.
—In 19 chapters, Janet Bodnar creates a guide of common sense ways to look at money, from early childhood through college. Chapter Two, A Kid's-Eye View of Money is very instructional.

Julio, Susan. *Consumer Math: Activities to Teach Counting, Saving, Shopping, and Banking*, Grades K-3. Carson-Dellosa Publishing Company, Inc., 1998.
—This is an excellent book of activities to teach young children about money.

Godfrey, Neale S. and Carolina Edwards. *Money Doesn't Grow on Trees: A Parent's Guide to Raising Financially Responsible Children*. Fireside Publishers, 1994.

—Lots of concrete examples and useful activities for parents to teach responsible money management from as early as two years to the teen years are included in this helpful guide.

Karlitz, Gail. *Growing Money: A Complete Investing Guide For Kids* Price Stern Sloan, 2001.

—Growing Money is a superb guide - and since it's written simply enough for a young person to learn from, it also makes excellent starter reading for adults who have never dabbled in investing before.

National Council on Economic Education. *Financial Fitness for Life, Talking to Your Kids About Personal Finance, Grades K-5*, 2001. ISBN 1-56183-548-X.

—This outstanding and comprehensive parent resource is a great stand-alone companion to a financial literacy lesson series for schools sponsored by the philanthropy of the Bank of America Foundation. It can be ordered online at <http://fffl.ncee.net/>.

Learning to Give, A Family Foundation Guidebook for Raising Kids Who Give, Share, and Care. Council of Michigan Foundations, 2001.

—Although written with family foundations in mind, the guidelines and suggestions offered for various ages of children are superb. Excellent parent resources feature a Philanthropy Calendar of Events and recommended books and videos to teach the importance of giving, sharing, and caring.

McCurrach, David. *Allowance Magic: Turn Your Kids Into Money Wizards* Kids' Money Press, 2003.

—This is a very practical, simple, and convincing plan for allowances that has a lot to teach both children and parents. This book does a nice job of showing children how important it is to give and explaining how to integrate giving into a weekly spending plan.

Pearl, Jayne A. *Kids and Money: Giving Them the Savvy to Succeed Financially*. Bloomberg Press, 1999.

—This well written guide helps parents stay abreast of all the financial literacy issues they will probably confront. The techniques she suggests can lay the groundwork for healthy saving and spending habits and values, and increase the chances that your child will turn into a financially responsible, savvy, and confident adult. Web resources listed in the Appendix are comprehensive.

Sabin, Ellen. *The Giving Book - Open the Door to a Lifetime of Giving*. Watering Can Press, 2004. ISBN: 0975986805

—Teach children to give back as they create their own "scrapbook" to record their ideas, dreams and wishes for the world. A Teacher's Guide with lesson plans as well as sample pages from the book is available on the publisher's Web site at www.wateringcanpress.com.

Stawski, Willard II, Stawski, William S. *Kids, Parents & Money: Teaching Personal Finance from Piggy Bank to Prom*.

—Stawski outlines a step by step plan of practical strategies that can be used to develop good habits, in earning, spending, and saving.

Games, Puzzles, and Simulations

www.escapefromknab.com: Escape from Knab is an educational simulation which takes participants through a series of financial decision-making experiences in the fun and entertaining setting of the fictitious planet, Knab where visitors discover the results of their actions and decisions. Each visit to Knab is different from the last. You will have an absolute blast and so will your child!

www.givinggame.org: The Giving Game teaches the power of giving to both children and adults alike and costs nothing to play. Beginning with your act of kindness, a game card is left with the recipient, who then decides to do something kind to someone else and passes the card along. The Giving Game website can track your cards for you. Since your card moves from person to person with each act of kindness, your kindness really can change the world! How far will your card go? How many lives will it touch? You won't know unless you play!

www.practicalmoneyskills.com/english/resources/games/: Two online games that teach about money recognition, saving, and differing money values *Cash Puzzler* (for preschool – through early elementary) and *Ed's Bank* (Grades 3 – 6)

www.umsl.edu/%7Ewpockets/treehouse/income/telling/telling03/telling03.html : To help teach about wise spending decisions a game called “*More or Less*” makes for a great parent and child activity.

www.younginvestor.com/pdfs/WordsAboutCharity.pdf: A seek and find word puzzle with 20 words related to philanthropy.

Financial Literacy and Philanthropy Websites

www.jumpstart.org: The Jump\$tart Coalition for Personal Financial Literacy maintains tries to identify high quality personal finance materials for educational use. Their website links (Click on Resources, then Web Sites) offer a wide array that are worth examining further.

www.kidsmoney.org: This site, created by author David McCurrach, has some interesting articles about allowance and many interesting books for kids and parents that deal with money. Go directly to the site map for an overview of all the issues available to explore.

www.learningtogive.org: This is an excellent resource for families! Click on Parents, then Raising Kids Who Give, Share, & Care for superb, age specific information relating to what a parent can do to teach giving and responsible citizenship. Pay special attention to the section Philanthropy—Learning the basics, learning the specifics and Nine Ways to Raise Children Who Give, Share, & Care.

www.ncee.net: The National Council on Economic Education has carefully chosen excellent lessons, activities, and web links for teachers and parents. Click on *Resources*, then *Other Web Links*. EconEdLink is a particularly good one for quick lesson searching for elementary teachers.

www.practicalmoneyskills.com: Sponsored by Visa and a host of partners, quality information abounds. From the home page click on “at Home”, then go to Parent Activities for Young Children (Preschool-Grade 2) or for Children (Grades 3-6).

www.wisepockets.com: Look for stories (see The Clubhouse library) on responsible spending, saving, and borrowing. The Wise Pockets Treehouse has great information for parents on many topics.

www.younginvestor.com: A comprehensive website with special sections for Kids, Teens, Parents, and Teachers makes investing much more interesting and understandable. Includes games, puzzles, worksheets, and very useful information on budgeting, allowances, stocks, bonds, savings accounts, etc.

Literature Guides for Teaching Financial Literacy and Philanthropy

Outstanding classics of children's literature that share the themes of giving, caring, and sharing.

Alexander Who Used to Be Rich

Last Sunday

by Judith Viorst



Judith Viorst is a master at capturing the humor of everyday life in a family of three lively brothers. Children love the persistent but mistake-prone Alexander who wants so badly to be rich, VERY rich.

Students are sure to enjoy the detailed descriptions of how Alexander spends his money and attempts to make more money. He just can't get it right, but his choices are sure to make you smile. Look for familiar situations to discuss in this story of emotional ups and downs. Most importantly, guide students to recognize the power to make good or bad choices with money. This is a perfect opportunity to introduce the concepts of spending, saving, and donating.

Alexander, Who Used to Be Rich Last Sunday. Judith Viorst.
(New York: Atheneum Books for Young Readers, 1978) ISBN: 0689306024
Theme: Saving, Spending and Donating; Freedom of Choice
Suggested Ages: Preschool to Third Grade

Before Reading:

- Ask: How much money would you need to feel rich? Do you like to feel rich? If so, why?
- Show: Look through the book at the pictures of Alexander. Pay attention to his face and the range of feelings he goes through. Look at the cover and talk about what kind of face he is making and what words might go along with that face.
- Connect: It may be fun to try to recreate some of those facial expressions. (Can you make your own face look that way?)

During Reading:

- Ask: Why does the boys' mom say it isn't nice to say "we like money."
- Show: Look carefully at the details in the pictures as you read. Talk about what is happening in the background.

Connect: Name some purchases you have made that seem kind of silly now. Ask your mom or dad to tell you about things they have bought in the past that they wish they hadn't and why they think they made a bad choice.

After Reading:

Ask: For what toy does Alexander really want to save his money (a walkie-talkie)? Why can't he save it if it is important to him? Ask how the condition of scarcity shows up in this story. (Because we have unlimited wants and only limited productive resources, we can't always get everything we want. We are forced to make choices because of scarcity, we can't have it all)

Show: Look at the pictures of Alexander after he spends money. Is he pleased with the ways he spends his money?

Connect: How difficult is it for people to save money? Talk about your savings if appropriate or of adults in general. Is it difficult to save money? Why or why not?

Activities:

- Share with your students a real or hypothetical budget or money plan. About what percentage of earnings go to fun purchases, bills, saving for big purchases, and donating. Talk about the importance of having a money plan in order to make sure one have the money they need.
- Making choices and living with your choices is an important lesson related to money. Play a game with your students that uses the language of making choices. Play this game anytime you have the chance and make it fun. Start a sentence with "Would you rather . . ." The rule is that the student has to choose one of the options with the understanding that he or she can't have both or neither, and then ask why he or she made that choice. Ask the student what their opportunity cost was for each choice (the next best alternative given up to make the choice). For example, would you rather have a lion or a bear for a pet? Would you rather play a board game or an outdoor game? Make up silly choices and realistic ones.
- Talk about the meaning of the words *spend*, *save*, *invest*, and *donate*. Make sure your students understand that these are the choices for how to use money. Many children set aside a portion of their allowance for saving and investing. This money can be saved for larger purchases later and some can be invested to help grow the principal. Some people set aside a part of their allowance for donating. They choose a way to help others or the environment. Talk about allowance or other sources of money (such as birthday gifts). Help students make a plan for how to split allowance into the four categories. (For example, I'll interest rate 10% in an interest bearing savings account at the bank or credit union, save 20% for a special purchase in my home bank, set aside 10% for a donation to a good cause, and have the remaining 60% in my bank for spending as I choose.)
- Fold a large piece of paper into four parts. Unfold the paper and label the sections with the following headers: Spend, Save, Interest rate, and Donate. Tell your students to make a plan for how to use his or her own money in these categories. He or she may draw pictures and/or write the things he or she would like to buy. For example, in the spend section, he or she may draw pencils, a stuffed animal, or playing cards. In the

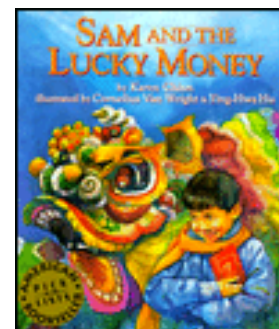
save section, he or she may draw a walkie-talkie or a special doll. In the donate section, she or he may draw a whale or a family eating at a soup kitchen. In the interest rate section, he or she may draw a bank or credit union.

- Reread the parts of the story where Alexander spends (or loses) money and make a list of where the money went. Use real money (dimes, nickels and pennies) to count out his losses from one dollar to nothing.
- Use real money to figure out how much money Alexander's brothers have at the beginning of the story. Can you figure out how much of their money came from Alexander?

Sam and the Lucky Money

by Karen Chinn

We all recognize the joy of Sam who has money to spend any way he chooses. Your students will identify with Sam's difficult decision as he browses the toy store and the bakery. But Sam surprises us all by giving his money to a stranger who doesn't have any shoes. This book will spark a discussion about feeling lucky with what we have and helping others in creative and small ways. Your class can examine the benefits of sharing and discuss how it feels to give. Note that Sam made the decision himself and the freedom to choose made his decision much more meaningful. His choice had an opportunity cost which could have been the opportunity to have spent the money on himself instead of choosing to give it to the homeless man.



Sam and the Lucky Money by Karen Chinn.

(New York: Lee & Low Books, 1995) ISBN: 188000013X

Theme: Sharing, Caring, Freedom of Choice

Suggested Ages: Preschool to Fifth Grade

Before Reading:

- Ask: What would you do if you received four dollars to spend *your* way? Do you have a sense of what \$4 will buy? How does the concept of scarcity apply to Sam receiving the \$4? (We have unlimited wants or desires for what to spend it on, but only limited amounts of the productive resource. This forces us to make choices)
- Show: Look at the picture on the first page of the story and discuss how Sam feels about the money inside the *leisees* (red envelopes). Notice his loving family.
- Connect: Think about how you feel on a special holiday. This is a special holiday for Sam. He is excited and eager for what is to come. This year is especially exciting because he gets to choose how to spend his money.

During Reading:

- Ask:** How does Sam feel when he steps on the man's bare feet? How does he respond?
- Show:** Sam lives in an English-speaking country but he is in Chinatown on Chinese New Year's Day. Notice that the woman at the bakery speaks to him in Chinese, but he doesn't understand her. Look at the decorations and bright colors.
- Connect:** Have you ever felt the disappointment that Sam feels when he realizes that the \$4 doesn't buy the things he wants at the toy store? What happened? How does his mother respond to him?

After Reading:

- Ask:** Why does Sam's mother laugh when Sam says, "I know you can buy socks." (Hint: look on the first page of the story.) Ask what Sam's opportunity cost was for giving the money to the man. (Only Sam would really know, but it could have been spending the money on himself.)
- Show:** Look at the final picture in the story. This picture shows how Sam feels about how he chose to spend his money. It also shows how his family feels about his decision. What do you feel inside when you look at this picture and think about his choice?
- Connect:** Do you think Sam needed his mom's permission to give the money to the man? Think of times you wouldn't need permission to do something nice for someone else.

Activities:

- Discuss the different ways your students feel lucky. Let each student share an idea. Talk about a lucky day or a lucky find. Then think about the good things your students have that other people might not have (caring teacher, simple pleasures, love, a place to learn, warm clothes, etc.). Discuss times that students feel that someone else is "lucky". Talk about whether it is okay to say "you're lucky" to another child. If it seems okay in some situations and not others, talk about the difference.
- Sam's *leisees*, or red envelopes had some Chinese symbols on them. Have students decorate an envelope with a colorful border and symbols from their own cultural heritage. Instead of money, put a friendly note inside the envelope. Give envelopes with notes to some special people in their lives. (Friends or family).
- Reread the parts of the story when Sam saw the old man. Talk about how Sam reacted to the man. Discuss how Sam must have been feeling when he reacted that way. Discuss how the man reacted to Sam each time. Connect this to personal experiences with seeing homeless people in your area and discuss how you and your students feel in those situations. Discuss some possible ways to respond in the future.
- The New Year is often a time that people set new goals and try to make improvements in their lives. Think of some goals for a project that helps improve the world. For example, students could perform an extra job around the house and earn money toward buying socks or a new pair of shoes to donate to a local shelter or school on behalf of your class. Draw a sock outline as a graphing chart. Fill in stripes on the socks each time the students complete a chore at home and bring in some coins to donate for the socks project. When all the stripes are colored in, you can buy the socks to donate.
- Get out a giant piece of paper and, as a class, make the longest list you can of small ways to say "I like you" to family, friends, and adults in your life. Here are some ideas to

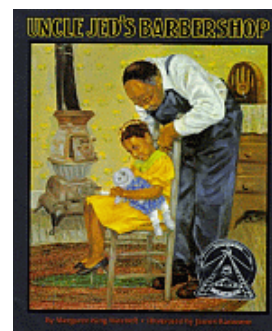
get you started: bring someone a cookie, rub Mom's back, offer to weed your grandma's garden, sweep the floor, bring Dad a drink of water, offer to play your sister's favorite game, smile at your brother, help your teacher in the classroom, etc.

- Work together to write a class poem about the man with no shoes. Use descriptive words and try to recreate the feelings and mood in the story.

Uncle Jed's Barbershop

by Margaree King Mitchell

Have you ever known someone who was willing to give up a great personal opportunity to help someone else? We all make choices about helping others that may interfere with our own plans. The next best choice or alternative we give up is called our opportunity cost. Some opportunity costs are higher than others. Uncle Jed is a model of a loving, supporting family member. His sacrifice for his niece will touch your heart. When he finally realizes his dream years later, his niece is there with him, as a loving, supportive family member. Use this book as a discussion starter about the importance of families and communities. (Communities are created whenever people get together with a common purpose.) Talk about what it means to be loving and supporting in a family and in a community.



Uncle Jed's Barbershop by Margaree King Mitchell
(Simon & Schuster, 1993) ISBN: 0671769693

Theme: Families and Communities Supporting Each Other; Persistence

Suggested Ages: First to Fifth Grade

Before Reading:

Ask: Do you have a favorite aunt or uncle? Why is he or she a favorite? Your family includes aunts, uncles, cousins, and grandparents. What do family members do for each other?

Show: The cover of the book and talk about what is pictured. Encourage predictions and creative observations. Think about how the people on the cover feel about each other.

Connect: We are going to read a story about an African American family that lived during the 1930s. Let's read about how they helped and cared for each other.

During Reading:

Ask: What did Uncle Jed give up (opportunity cost) when he gave the money to pay for Sarah Jean's operation? Was it in Uncle Jed's best interest to help? How did he feel about giving the money? How was Uncle Jed a *philanthropist* (someone who gives time, talent, or treasure for the common good) to his customers during the Depression?

Show: Talk about the art style and colors. Look at and talk about the feelings shown in the faces.

Connect: It is expensive to start a business. Uncle Jed was a good barber, but his dream of having a shop of his own was very expensive. Think about the costs of starting a business.

After Reading:

Ask: How did Uncle Jed help his community? How did the community support Uncle Jed? Do people in the community care about each other? How can you tell? How much (time, talent, or treasure) would you be willing to give for a family member that really needed help? How much would they be willing to give for you?

Show: Compare the picture of Sarah Jean in the barber chair as a little girl to the picture of her in the barber chair as a grown woman. Talk about all the differences in the pictures.

Connect: Uncle Jed shows us the importance of making choices for the common good. He also demonstrates the importance of persistence. He doesn't give up even when he has many setbacks. What choices do we (as individuals or as families) make for the common good? When is it important to keep trying even when it gets hard?

Activity:

Think of ways you can be a philanthropist in your family or community. Make a list or draw pictures of different ways you can give or share your time, your talent, and your treasure.

- **Time:** What can you do for the common good by spending time on something (volunteering)?

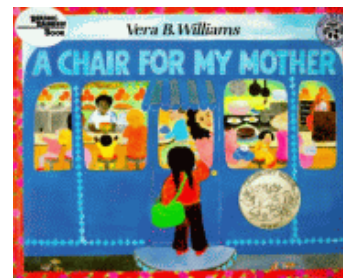
- **Talent:** What are you good at that you can teach or share with others?

- **Treasure:** What do you have (money, property, items) that you can give to help someone in need?

A Chair for My Mother

by Vera Williams

*Are your students savers or spenders? Teaching students to make choices with money is important because in too few years they need to manage their own money to support themselves. Share the story of *A Chair for My Mother* to teach students about the joy and excitement of saving for a special purchase. The characters in the story lose their home and furniture in a fire. In a wonderful community effort, they are given many of the things they need for their new apartment, but not a comfortable chair. Through scrimping and saving, the family saves money in a jar until they can buy the chair of their dreams where they snuggle in the end, proud of their combined effort. Frugality can be taught, and perhaps we all can do a better job helping our students learn about saving money and making wise choices. This story is not only about saving money, but also about families (and the community) supporting each other and working together for a common goal.*



A Chair for My Mother by Vera Williams
(Mulberry Books, 1982) ISBN: 068800914X

Theme: Families Supporting and Encouraging Each Other/Wise Use of Money

Suggested Ages: Preschool to Fifth Grade

Before Reading:

- Ask:** What would you do with \$10 if I gave it to you right now? Listen without judgment and without trying to influence the choices. (You may need to help younger children understand what you can buy with \$10 (list food, toys, books) or what larger purchase it could go toward.)
- Show:** Look at the pictures on the very last page of the book. What can you tell about this family from these two little pictures?
- Connect:** There are four things you can do with money that you earn: spend it, save it, interest rate it, or donate it. Let's read to find out what the family in this story does with their money.

During Reading:

- Ask:** How did family and neighbors help when the girl's family found their home burned down? How did they feel about the help?
- Show:** The chair that they dreamed about. How do you think they felt when they found it? Notice how the artist made the chair stand out in the picture.
- Connect:** Have you ever helped or been helped by extended family or a neighbor? What happened and how did it make you feel?

After Reading:

- Ask:** Why was the chair important to them? What did the family do with their money: save it, spend it, or donate it? What do you think they will do with their money next?
- Show:** Look at pictures throughout the book. Find examples of the girl's family loving and supporting her.
- Connect:** Is there something that your family would like to have (something for the house, a trip, some time together) but it costs too much money? Are you willing to add your own money to get it?

Activities:

Ask your students to propose ideas for saving and investing. Help them set a personal goal by discussing costs and how long it will take to save for desired items or interest rate for a specific goal. Talk about why people choose to donate money. Tell students what nonprofit groups are and perhaps some that you support financially. Talk about why those issues are important to you. Recall from the story how people shared with the family who lost everything. Help your students choose a charity related to their interests.

Draw a circle graph and divide into four sections—spend, save, interest rate, and donate—to give a visual idea of the choices people have with income. (Suggestion: 10% savings for short-term goal, 10% investing to gain interest (long-term goal), 70% money to spend, and 10% charity). Discuss what adults might save for and on what they need to spend money. Help the child decide how much of his or her earned money will go into each section of a four-part bank.

Make a homemade bank with four parts. Use the bank to sort earned money into four categories: money to spend on immediate wants, money to save for a special purchase, money to interest rate for long-term goals, and money to donate. You may use a variety of recycled containers for the four-part bank such as water bottles, milk containers, cardboard tubes, or potato chip tubes. Glue or tape the four cylinder-shaped containers side by side so the openings all face the same way. Gather a variety of collage and art materials to use as decorations (buttons, glitter, cut up fabric, pieces of felt, markers, glue, etc.)

Label the sections of the bank with spend, save, invest and donate. You may wish to match funds for saving, investing and/or donating to discourage immediate spending. In lieu of a homemade bank, a *Learning to Give* four part bank may be purchased at <http://www.learningtogive.org/orders/>.

Contact a local community center and find out if any people in the community have a furniture need such as a crib. Set a financial goal and get a large jar for everyone in the class to start saving coins toward the purchase. When you have saved enough coins, involve students and parents and go to the store, buy the crib, and deliver it to the community center. Alternatively, give the amount of money needed for the purchase to the community center.





Learning to Give, the curriculum division of The LEAGUE, is the world's leading developer of lessons and resources that teach giving and volunteerism, civic engagement, and character through service learning.

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