

Activity Journal

Money Smart Children!

Dear Families,

We have just completed a unit called “Money Smart Children.” This unit encourages students to think about choices people make with their money. We learned the differences between spending, saving, investing, and donating, as well as the concept of philanthropy (giving or sharing time, talent or treasure for the common good).

During the unit we collected money to donate to a charity. The students themselves, using an economic decision-making model to come to a consensus as to how it was donated.

Along with this student booklet, the children are bringing home a four-part bank, a working personal budget to reinforce economic, civic, and philanthropic concepts, and a Parent Guide for teaching financial literacy.

Please look over this booklet with your child and affirm what they have learned as well as their efforts in the future to use their new “money smarts.”

Personal Finance Definitions

Save: keep or put aside money for future wants or needs.

Invest: save money in a way that increases its value for future donating or spending.

Spend: use money for something you want or need.

Donate: give time, talent or treasure with no expectation of something in return.



Draw a picture or icon to illustrate these concepts:

Spend	Donate
Save	Invest

Philanthropy is giving time, talent or treasure, and taking action for the common good.

I can give my time by _____



I can give my talent by _____

I can give my treasure by _____

Wants and Needs

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
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Common Good

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

Opportunity Cost

Opportunity Cost is caused by scarcity because we are forced to make choices. Every choice that we make has an opportunity cost.

Directions: On the table below write a choice in the first column and then in the second column write the opportunity cost.

Choice	Opportunity Cost



Sam and the Lucky Money

by Karen Chin

Directions: During the reading of Sam and the Lucky Money you were asked to listen for examples of wants and needs, the condition of scarcity, choices and opportunity costs.

Please read and answer the following comprehension questions:

1. What were some economic wants that Sam had?
2. What were some of his needs?
3. Why is it important for Sam to learn the difference between needs and wants?
4. What choices did Sam have for spending his money?
5. What was the scarcity problem in the story that made Sam angry and disappointed?
6. What was the scarcity problem faced by the needy person in the story?
7. How did Sam finally spend his money?
8. The last sentence in the story says: "As they headed home for more New Year's celebration, Sam knew he was the lucky one." What do you think this means?

Donating

I think that donating is important because:

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

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

You Can Bank on Me

Sing to the tune of "Do you know the Muffin Man?"

Did you know you can bank on me, bank on me, bank on me?

Oh, did you know you can bank on me?

It's in the bank.



Did you know you could bank on me, bank on me, bank on me?
Oh, did you know you could bank on me?
It's there for you to spend.

Did you know you could bank on me, bank on me, bank on me?
Oh, did you know you could bank on me?
I'll help you save.

Did you know you can bank on me, bank on me, bank on me?
Oh, did you know you could bank on me?
I'll help you invest.

Did you know you can bank on me, bank on me, bank on me?
Oh, did you know you can practice philanthropy?
You can donate for the common good!

Incentives

Incentives are positive or negative factors that motivate or influence people. Positive incentives are like rewards that motivate you to do something. Negative incentives are like penalties that motivate or persuade you to not do something.

Directions: On the chart below list as many positive (+) and negative (-) incentives as you can think of.

+	-



Alexander Who Used to Be Rich Last Sunday

by *Judith Viorst*

Directions: During the reading of Alexander Who Used to Be Rich Last Sunday you were asked to listen for positive or negative influences that affected the way that Alexander spent his money. Please read and answer the following comprehension questions.

1. What choices did Alexander have with his income?
2. What is the scarcity problem in this story?
3. What resource is scarce for Alexander?
4. Give one example of an unwise decision Alexander made with his money.
5. In the story we hear Alexander say "Saving is hard." Do you think this is true? Why or why not?
6. Why do you think Alexander didn't choose to donate any of his money?

Goals

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

A Chair for My Mother

By *Vera Williams*

Directions: During the reading of A Chair for My Mother you were asked to listen for examples of scarcity, opportunity cost, incentives, goals and philanthropy. Please read and answer the following questions:

1. What is the scarcity problem in the story?
2. What are some of the things that are scarce for this family?
3. By choosing to save, what do you think might be a possible opportunity cost for Rosa?
For her mother?
For her grandmother?
4. What jobs did Rosa do? What job did her mama do?
5. How did this family use this new, special chair?



6. What were some positive incentives that might have motivated Rosa, her mother, and her grandmother to keep saving?
7. Do you think saving for the chair was a short-term goal or a long-term goal?
8. What do you think Rosa will do the next time she gets money?
9. What do you think the family will do with the empty jar?
10. Where in the story did you see philanthropy?

Charity

Charity is money or other help given to aid those individuals or groups who are in need.

Economic Decision-Making Model

Action Ideas or Choices	What's Important to Us?			



EconAround Philanthropy Bingo

Vocabulary List

Benefits – Something good that happens to someone.

Budget – A spending plan that helps people keep track of their money.

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.

Consumer – People who buy or use goods or services.

Cost – The price of a good or service.

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

Goals – Helps us achieve something in the future.

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

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

Income – Money that you take in.

Interest – The money earned on money saved.

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

Money – What people use to buy goods or services.

Natural Resources – Things from nature that are used to produce goods or services.

Needs – Things we must have or “need” to survive, such as food, water and shelter.

Opportunity Cost – When choices are made, the cost of the next best thing given up.

Philanthropy – Giving of time, talent or treasure 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.

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.

Spend – Use money for something you want or need.

Trade – To exchange goods and services with people for other goods and services.

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

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

Data Table

Title: _____

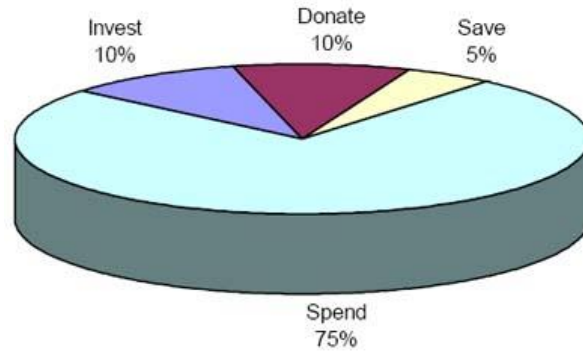
Name of coin or bill	Number of coins or bills counted	Amount of Money
Penny (\$0.01)		
Nickel (\$0.05)		
Dime (\$0.10)		
Quarter (\$0.25)		
Half Dollar (\$0.50)		
Dollar coins (\$1.00)		
Bills of any kind in dollars		



Budget Vocabulary

Income is money that you take in.

Budget is a time-based spending plan that helps people keep track of money and reach financial goals.



My Budget

Create a budget for the next month based on your expected income and expenses.

Income	\$	Expenses	\$
Allowance, gifts, other earnings		Save, spend, donate, invest	
			\$
			\$
			\$
Totals	\$		\$



Discussion questions:

1. Why should your income (money you get) and expenses (money you spend) balance?
2. If your expenditures are greater than your income, what are your choices?
3. If your expenditures are less than your income, what are your choices?
4. Why is it important to budget money?

A Note to Families

Our class been learning about different ways to use money: spending for immediate wants and needs; saving for something big or special in the short-term (in the coming weeks and months); investing, a special kind of saving for the long-term (one year or more); and donating to a cause or charity. This bank your child brings home will help your child plan for these four important money decisions.

As your child receives or earns money for any purpose in the coming weeks, such as allowance, gifts, earnings, etc., he or she can place coins in appropriate parts of the bank to plan for its use. If appropriate, please work with your child to determine some ways they can earn money in order to have some income to use with the bank.

Help your child make appropriate plans, or refine the plan already made, for the money he or she earns or receives. Any financial plan, or budget, is just that, a plan. Please feel free to review, discuss and adjust the budget your child has brought home. Budgets are meant to be revised with careful thought - this is a good thing!

Thank you so much for helping to reinforce the concepts of smart money choices with your child. The objective is for your child to keep in mind where their money comes from, where it is meant to go, and to make it happen that way! Learning how to budget with real life situations, starting small, and being successful with their first budget, is an important first step in financial literacy.

Just a word about donating. The students are excited about the importance of philanthropy: giving time, talent, or treasure for the common good. Using "treasure" in the donate part of the bank is just one of many ways they can give or share with others. By choosing a charity or cause with your child and making a contribution, however small, a valuable life-long lesson on the importance of giving can be learned.

Thank you once again for your interest and participation with your child in our "Money Smart Children" unit.

