Fiscal Responsibility for Fourth and Fifth Graders

An Honors Thesis (HONRS 499)

By

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Abstract

The climate of education right now in the United States is all about teaching based on a set of standards. These standards generally reflect what appears on standardized tests issued by the government. This creates the problem of teachers teaching “to the test” so that their students will get the highest scores possible. Unfortunately, standardized tests usually only cover a limited number of topics and focus on Math and English. Social Studies and Science also have teaching standards, but where does that leave life skills such as fiscal responsibility? The purpose of this unit plan is to provide teachers with some ideas about ways that teaching fiscal responsibility can be integrated with the standards. It is important that fiscal responsibility be instilled at an early age so that students understand how to budget and spend their money wisely. Fourth and fifth grade students may not have much money now, but they will get their first job in just a few years. Much of the financial crisis that has occurred during the past few years has been due to people spending beyond their means and not knowing how to spend wisely. It is my hope that teaching students fiscal responsibility at a young age will help prevent such a large number of people from making these and similar mistakes again.

Acknowledgements

- I would like to thank Christa Stevenson for advising me and helping me to organize my ideas for this project. She really helped me to narrow my focus and gave me some good ideas to get started.

- I would also like to thank Julie Smith and Maria Ging for all of the ideas and resources they contributed throughout this project. The knowledge of students and standards that they shared with me has been invaluable to the creation of this project.

- I would also like to thank Nancy Paul for ingraining in me the importance of fiscal responsibility from an early age.
Explanation

I was an Elementary Education major for three years before switching to become an accounting major during my fourth and fifth years. I wanted to do some sort of project that allowed me to fuse those two majors. I decided that a good way to accomplish this was by creating a unit plan that taught students in fourth and fifth grade some of the basics about money. I think that good money knowledge and management is important for everyone, whether you have a lot of money or not, so why not start teaching children early? Many children receive allowances from their parents, so these lessons have some real-world application. I also think that it is important for children to understand the value of a dollar. What are their parents going to have to give up in order to give the child that big birthday present that they asked for? Many children don’t have any concept of what things cost in relation to one another, so I wanted to get them thinking about that as well.

This unit plan is designed to take about two weeks to complete. This is the reason that I decided to make eight lesson plans. Having eight lesson plans in the span of ten days leaves time for the tests as well as a day of review if the teacher wishes to do that. Some of the lesson plans have the potential to take longer than the 45 minute time frame generally allotted to a subject. For this reason, teachers using these lesson plans need to exercise careful time management. Teachers may also want to split the longer lessons into two days. For example, in the lesson Budgeting I, the teacher may wish to teach the first half of the lesson one day and then go back and conclude the lesson (planning the family meal) the second day.

Teachers need to be advised that some of the lessons (especially those involving working with decimals) require a certain level of prior knowledge that their students might not have (especially in fourth grade classrooms). It is up to the teacher to edit these lessons based on the level of prior knowledge their students may or may not have. More difficult tasks could also be used as enrichment activities in classes with varying levels of knowledge and expertise. New vocabulary may also be an
issue that teachers encounter. I have listed a simple definition next to words that I think students may not know.

This unit plan is designed to be a comprehensive set of materials for the classroom teacher. It is for this reason that I chose to include a pretest, post-test, and parent letter. I made the pretest with open-ended questions so that students are not able to guess. I feel this will give the teacher the most accurate depiction of what students know. It is always important to reach out to parents and get them involved. Some of the lessons (such as the Money Around the World) will be greatly aided by the participation of parents. I have provided a list of websites that students may be interested in visiting that would further their learning. Students will become even more engaged in the subject if parents participate in this learning at home.

Putting all of this information on a website was something that I thought would make this thesis come to life. One of the things that is so great about teachers is that they share their knowledge and ideas with other teachers. There is a huge network of websites online dedicated to teachers sharing ideas and lesson plans. All components of this thesis can be accessed online at http://ejpaul.iweb.bsu.edu. In order to print off worksheets, teachers need to right click on the image and save it to their desktop. All images are saved as jpegs, so they should be able to print them (like any other picture) from there.
Resources:


Dear Family,

Your student will be learning about financial literacy and the value of money during the next two weeks. During the first week of this unit, we will be learning about such topics as the history of money, money in other countries and interest rates. It would be great if you have any money from another country around the house if you could send it with your student for an activity that we will be doing when we learn about money in other countries (you will get this money back). Part of the lesson involves comparing foreign money with money in the United States, and it would be great if students could experience the foreign money first hand.

During the second week of this unit, your student will be learning about budgeting and the importance of saving. Please be prepared, as I will be recommending that your student asks you questions about the family budget and your own saving and spending habits. Your student may also ask you about starting their own bank account, and I highly encourage that you support this. Student savings accounts can be set up quite easily at your local bank.

Thanks for all your help and I hope your student learns a lot in the next two weeks!
Name: ___________________________  Pretest

1. Why do you think money has value?

2. If you purchase a bag of chips for 75 cents and give the cashier $1, how much change should you receive?

3. Money has not always looked like it does today. List some things that have been used as money in the past.

4. What is the institution that makes money in the United States today?

5. What is a negative aspect of trade?

6. What is an exchange rate? Why do we use exchange rates?
7. What is a budget?

8. What are three components of a good budget?

9. What is the purpose of a budget?

10. What is one advantage of saving money in a bank?
1. Sarah baked some cookies. She traded six cookies to Joe for one of his toy cars. What is true about the trade?
   a. Sarah gained but Joe lost
   b. Joe gained but Sarah lost
   c. Both Sarah and Joe gained
   d. Both Sarah and Joe lost
2. Money is very important in our economy because it:
   a. Is difficult to earn
   b. Helps people to trade
   c. Can be trade for gold
   d. Is expensive to produce
3. Opportunity cost means:
   a. Your best choice
   b. The price of your best choice
   c. The price of productive resources
   d. The next best thing you give up when you choose something
4. Sally is saving her money to purchase a $100 bike to use for her paper route. The opportunity cost of saving her money is:
   a. The price of the bike ($100)
   b. Giving up the chance to buy other things now
   c. The interest she gets at the bank
   d. The money she will earn later selling papers
5. How does a want differ from a need?
   a. A want is something you would like to have but can live without.
   b. A want is something made of wood.
   c. A want is something you must have in order to live.
   d. A want is something made from a nonrenewable resource.
6. Which is NOT a reason why people trade with each other?
   a. To get something they can already make for themselves
   b. To make money from selling their goods and services
   c. To get something they cannot make or grow for themselves
   d. To find goods they can use in making other goods
7. If you are saving your money to buy a new pair of rollerblades, it is wise to make a good economic choice by:
   a. Spending your money a little at a time on other things and hoping the rollerblades go on sale
   b. Deciding upon a budget and sticking to it so you can buy them sooner
   c. Taking all of your money out of the bank and using it to buy what you want
8. Which is NOT something that needs to be included in a budget?
   a. Wants
   b. Needs
   c. Savings
   d. Opportunity costs
9. List at least three ways people save money.

10. Which of the follow is NOT a way that money gets value?
    a. Commodity
    b. Fiat
    c. Color
    d. Representative
11. What is the biggest problem with bartering?
    a. Each person must want what the other has.
    b. Only one person must want what the other has.
    c. It uses too much money.
    d. It is slow.
12. Calculate the cost of a school lunch that is $1.50 in Euros if the exchange rate is 1.3296.

13. A ________________ card makes an immediate withdraw from the bank as soon as a
    purchase is made.
14. What is interest?

15. John won $85 in a painting contest. If he puts this money in a bank account that earns
    6% interest for a year, how much money will he have after the first year?
16. Why is budgeting important?

17. Make a list of three wants and three needs.

18. Which of the following is not a category that should be included in a budget?
   a. Food
   b. Grades
   c. Housing
   d. Transportation

19. What are two advantages of saving money in a bank?

20. How do banks make money?

21. Correctly fill out your deposit slips, checks, and checkbook register for the following transactions:
   a. You have a $0.00 balance in your checking account. On October 16 you deposit your paycheck of $20.50 into your account. Fill out a deposit slip and your register to show this deposit.
   b. After your deposit, you head to the mall to do some shopping. You buy a book at Reader’s World for $5.35. You write a check to pay for your purchase.
   c. On October 17, you go out for pizza with your friends. You spend $6.10 at Pizza Palace.
   d. You have earned $10.40 in cash for babysitting your little brother. You deposit this into your account on October 20. You want to go to a movie that night so you decide to keep $8.00 in cash for the ticket and popcorn.
   e. On October 25, you go shopping at the mall again. You want to buy your mom a gift. You find the perfect gift for $7.65.
Pretest Answer Key

1. commodity, fiat, representative
2. .25 (one quarter)
3. beads, money belts, gold, fur pelts, etc
4. U.S. Mint
5. There must be a coincidence of wants.
6. An exchange rate is a number used to calculate the value of one currency in terms of another. We use exchange rates because different countries have different types of currency.
7. A budget is a plan for how to spend and save money.
8. Wants, needs, savings
9. The purpose of a budget is to allocate income into different categories in order to spend and save your money wisely.
10. Advantages to saving money in a bank include earning interest and that the bank keeps your money safe.

Post Test Answer Key

1. C
2. B
3. D
4. B
5. A
6. A
7. B
8. D
9. Answers will vary
10. C
11. A
12. $1.99
13. debit
14. Interest is a fee paid for borrowing money.
15. $90.10
16. Answers will vary
17. Answers will vary
18. B
19. Interest and safety of your money
20. Charging a higher rate of interest to borrowers than savers
21. Running balance: a. $20.50
       b. $15.15
       c. $9.05
       d. $11.45
       e. $3.80
Activity Extensions for Students:

The following are websites designed to teach children more about money and the different governing bodies that affect the money flow in the United States. The lesson indicated is the one that fits best with each page, however the websites can be viewed in any order.

Lesson 2:


This website is a good place for students to research more about the Federal Reserve. It covers topics such as the history of the Federal Reserve, why it was created, and how it is run today.

U.S. Mint Kids Page:  http://www.usmint.gov/kids/mintHistory/

This website is a good place for students to learn all about the United States Mint. It discusses everything from the history of the Mint to how coins are made today. It even includes games that students can play in order to learn more about the Mint.

Lesson 4:


This website provides a number of different calculators (budgeting, interest, risk assessment, etc.) that students can play around with in order to gain a better understanding of how interest rates affect what is actually paid when one makes a purchase that is paid for over a period of time. This website is not designed for children, so it would probably be a good idea to recommend that students ask their parents for help when using this website.

Lesson 5:

Kids Health from Nemours:  http://kidshealth.org/kid/stay_healthy/food/pyramid.html

This is a great place for students to learn more about the food guide pyramid and nutrition in general. If students enjoyed planning out a balanced family meal during this lesson, then they will most likely enjoy exploring this website to learn more about nutritional eating.
Lessons 6 & 8:

Make Money Make Sense Financial Literacy:  http://www.moneymakesense.co.uk/index.htm

This is a good website for students to learn about financial literacy. There are sections of this website designed specifically for students. These sections are full of information and advice for students wishing to be or become more financially sound. It also includes a glossary so that students can look up words they are not familiar with. Students need to be advised that this website is run by a British company, so some terminology might not be completely transferrable to use in their lives (ex: currency is discussed in pounds as opposed to dollars), but the information is still good. It even has a great quiz to determine the students’ money style.
LESSON PLAN

GRADE: Fourth and Fifth

TOPIC: The Value of Money

OBJECTIVES: By the end of this lesson, the student will be able to recognize why money has value and what value different coins and bills have in relation to one another. The student will be able to make correct change based on their knowledge of coins and bills. The student will also be able to describe three different ways that money can derive its value (commodity, representative, fiat) and identify which reason is why the U.S. dollar has value.

INDIANA STATE STANDARDS:

Math 4.1.3 Solve problems involving decimals to hundredths.

Math 5.1.6 Solve problems using a standard algorithmic approval involving addition and subtraction of: decimals, including money.

Social Studies 4.4.6 List the functions of money and compare and contrast things that have been used as money in the past in Indiana, the United States, and the world.

English 4.1.1 Read aloud grade-level-appropriate literary and informational texts with fluency and accuracy and with appropriate timing, changes in voice, and expression.

English 5.1.1 Read aloud grade-level-appropriate narrative text (stories) and expository text (information) fluently and accurately and with appropriate timing, changes in voice, and expression.

MATERIALS: coins (or representations of coins), representative dollar bills (see “resources” for link), “Tic Tac Total” worksheet, “Spring Carnival” worksheet

MOTIVATION: Tell students that they are going to be learning about money for the next two weeks. Say that money has three functions. It helps people trade, measures the value of items, and facilitates saving. Get students thinking about the value of money by having them popcorn read Shel Silverstein’s poem “Smart” in small groups. Then re-read the poem to the class slowly while the students act out the trades (within their small groups) that the boy makes in the poem (for example trading a dollar for two quarters). Have the students discuss within their groups whether or not the boy got a good deal with his trades. See if the class comes to a consensus.

PROCEDURE: So why does a dollar bill have more value than two quarters? Explain to students that there are traditionally three different ways that money can have value assigned to it. The first way money can get value is if the money itself is of value. This is called commodity money. A commodity is a good that can be traded. Examples of commodities used for money in past include precious metals, beads, shells, wheat, stones, decorated belts, and many more things.
Using commodity money is very similar to bartering except that there is generally a set value for what is being used as money. For example, two small green beads are of equal value of one large blue bead.

The second way money can get value is if it is representative of something that has value. This is called representative money. Until 1971, all money in the United States (theoretically) was backed by gold reserves. This means that the monetary authority holds sufficient gold to convert all of the representative money it has issued into gold at a promised exchange rate. In fact, from 1882 to 1933, gold certificates were used as paper currency in the United States. These certificates were able to be directly exchanged for gold coins. The problem with this system happens when there is not enough gold to back the circulating money (because gold is a natural resource of limited quantity).

The third way money can get value is if the governing body of a country says it has value. In this case, the money is called fiat money. In order for fiat money to be legitimate, the government will declare the fiat currency to be “legal tender,” making it unlawful to not accept the currency as a means of repayment for all debts, both public and private. Ask students to think about what type of money the United States uses (fiat) and facilitate a discussion with the class about some of the advantages of the type of money that the United States uses.

Now that students have learned about how money gets value, they will practice calculating the value of certain combinations of coins and bills. Have students complete the “Tic Tac Total” worksheet in pairs. This activity will get them to use both mental math and rounding skills. Students who aren’t as strong at math may need to use paper and pencil. After they complete all of the games, students can move on to the “Spring Carnival” worksheet, which they can complete on their own. If they are having difficulty, they can discuss with a neighbor how to come to the correct answer.

CLOSURE: Ask students about some times when being able to make correct change is important (examples: grocery store, snack stand at the pool, etc.). Encourage them to always count their change to make sure that they get the correct amount.

ASSESSMENT: Formative assessment can be used throughout the lesson. Walk around the room to make sure students are coming to the correct conclusions for the “Smart” poem activity. It is also important to be listening in as the students play “Tic Tac Total.” The “Spring Carnival” worksheet can be used for summative assessment, as it can be graded for accuracy.

RESOURCES:

This site was useful as it provided some good definitions for the different ways that money can derive value. It also explained why the United States uses fiat money.
This book was the source of the “Tic Tac Total” and “Spring Carnival” worksheets. Both worksheets are very useful in testing the student’s mental math, rounding, and calculating change skills.

This is a website is a great place to find money that can be printed, cut out, and passed around the class. This website offers both paper bill and coin templates that can be printed off by the page.

This is the book where the poem “Smart” can be found. The poem is the basis of the motivation for this lesson. Using a poem is a great way to incorporate literature into the lesson. Having students act out making the trades was a good lead-in to having them mentally make change. “Smart” can also be found on numerous websites on the internet.

This is a good informative website about some of the basics of money. It covers money topics from history and functions of money to different types of money.
My dad gave me one dollar bill
'Cause I'm his smartest son,
And I swapped it for two shiny quarters
'Cause two is more than one!

And then I took the quarters
And traded them to Lou
For three dimes - I guess he don't know
That three is more than two!

Just then, along came old blind Bates
And just 'cause he can't see
He gave me four nickels for my three dimes
And four is more than three!

And I took the nickels to Hiram Coombs
Down at the seed-feed store,
And the fool gave me five pennies for them,
And five is more than four!

And then I went and showed my dad,
And he got red in the cheeks
And closed his eyes and shook his head -
Too proud of me to speak!
**Tic-Tac-Total**

To play this game, you need a partner and a pencil.

**How To Play:** Select a gameboard below for the first round of play.

**Player 1:**
1. Select two items to purchase.
2. Round the price of each item to the nearest dollar.
3. Mentally add the rounded numbers together to estimate their total cost. For example, if you pick a football for $10.19 and a soccer ball for $8.99, add the rounded totals of $10.00 and $9.00 to get $19.00.
4. Look at the totals on the Tic-Tac-Total board you selected for this round. If your total is on that board, mark it with an X or an O, depending on your letter.

**Player 2:**
1. Follow steps 1-4 above.
2. If your correct estimated total is already taken, you cannot make a mark, and you lose your turn.
3. Continue play in the same manner until one player has marked three X's or O's in a line.
4. Then choose a new gameboard and begin a new game.

### Gameboards

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**Bonus Box:** Design a similar Tic-Tac-Total board on the back of this sheet.

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**Note To The Teacher:** Duplicate this page for each pair of students. Each student needs a pencil.
You have been asked to work the change booth at your school's spring carnival. Your job is to make change for people so they can play the games. Use your money mastery to solve these problems.

1. Jaime wants 16 coins for $1.00. He asks for 2 quarters, plus some dimes and pennies. Give him the correct change.
   _____ pennies
   _____ dimes
   2 quarters

2. Marie asks for 28 coins for $1.00. She wants 15 pennies and some dimes and nickels. Calculate the correct change.
   15 pennies
   _____ nickels
   _____ dimes

3. Bill wants 24 coins for his dollar. He requests 7 nickels. He also wants pennies and quarters. What is his change?
   _____ pennies
   7 nickels
   _____ quarters

4. Consuela would like 10 coins for her dollar. She wants 1 coin, some dimes, and some nickels. Give her the correct change.
   _____ nickels
   _____ dimes
   1 quarter

5. Carrie needs 17 coins for her dollar. She wants 2 quarters and some dimes, nickels, and pennies. Figure out her correct change.
   _____ pennies
   _____ nickels
   _____ dimes
   2 quarters

6. Sharon wants to trade her dollar in for 19 coins. She wants 5 dimes, 1 quarter, and some nickels and pennies. What is her change?
   _____ pennies
   _____ nickels
   5 dimes
   1 quarter

Bonus Box: On the back of this sheet, write two problems similar to the ones above.
$1 Bills

http://www.moneyinstructor.com/ws/ws0045.asp

5/2/2010
$5 Bills

http://www.moneyinstructor.com/ws/ws0046.asp

5/2/2010
LESSON PLAN

GRADE: Fourth and Fifth

TOPIC: The History of Money

OBJECTIVES: At the end of the lesson, the student will be able to explain what a bartering system is and list some early forms of money. The student will be able to explain what trade is as well as some of the reasons trade without money (bartering) is inefficient as well as how money can make trade easier. The student will be able to discuss how money has developed into what it is today both in terms of the United States and the world. This includes being able to talk briefly about the history of the United States Mint and the Federal Reserve Bank.

INDIANA STATE STANDARDS:

Social Studies 4.4.3 Explain how both parties can benefit from trade and give examples of how people in Indiana engaged in trade in different time periods.

Social Studies 4.4.4 Explain that prices change as a result of changes in supply and demand for specific products.

Social Studies 4.4.6 List the functions of money and compare and contrast things that have been used as money in the past in Indiana, the United States, and the world.

Social Studies 5.4.3 Define types of trade barriers.

Social Studies 5.4.7 Predict the effect of changes in supply and demand on price.

MATERIALS: notecards, computers (optional)

MOTIVATION: Remind students about the concept of commodity money (from lesson one). Explain that before our modern system of money was developed that people bartered, or traded things of value, in order to obtain the goods and services that they needed. Provide each student with three index cards. On each card, have the students write a good or service that they or their family purchased within the last week. Give examples including buying a school lunch, buying some candy, or going to a movie. Collect and redistribute the cards making sure that no student receives his or her own cards back. Give the students five minutes to trade cards to try to get what they want and get rid of the things that they don’t want. Reference lesson one and remind students of some of the things that have been used in the past as articles of trade (including beaded “money belts,” fur pelts, tobacco, gold, silver, etc). Afterwards facilitate a class discussion about how the activity went. Pose such questions as “Did you like having to haggle and make deals?”, “Did you find that there were certain items that you wanted more than others?”, and “Where there any items that a lot of people wanted?” List some of the advantages and disadvantages of a bartering system on the board.
PROCEDURE: Explain that trading is all about people getting things that they want. Reference the bartering activity as a demonstration of why trade without money (bartering) is inefficient. People must always trade (or exchange) with others to get what they want because people rarely produce all of the goods and services they want themselves. Both parties benefit when trade is voluntary. Tell students that direct exchange is what happens when you barter with someone. When money is involved, this is indirect trade, because the person who receives the money must then trade that money for a good or service that is of use to them. Explain that using money to trade is much more efficient, as a coincidence of wants is not necessary (both people don’t need to want what the other has).

Next inform students about the history of money: While the first coins were being used in Europe in 700 B.C., it still took a long time for paper money to be the norm. Bartering and trading was still common practice in the early days of the United States. Before early settlers won the Revolutionary War, Spanish, English, and French money was all used as currency. In order to pay for the war and create a united front, Paul Revere designed the first coins for the “Continental Currency.” Congress passed the “Mint Act” on April 2, 1792 after winning the Revolutionary War and ratifying the U.S. Constitution. The Mint Act established the coinage system of the United States and the dollar as the official U.S. currency. The first coins were produced in the Philadelphia Mint in 1793, but it took almost 70 more years for the United States to start producing paper money. The Treasury Department started printing the first paper money in 1861. The money was called “Greenbacks.” Greenbacks were created in order to help finance the Civil War. The U.S. was in great need of money and paper money is much easier and faster to create than coins. The U.S. mint system has expanded over the years with many branches opening and closing due to need (or lack of need). There are currently five Mint branches located throughout the country. These mints are located in San Francisco, California, Denver, Colorado, Fort Knox, Kentucky, Philadelphia, Pennsylvania, and West Point, New York.

Instruct students that if they would like to learn more about how money is made and the U.S. Mint, they should visit www.usmint.gov/kids.

Congress created the Federal Reserve System (the Fed) on December 23, 1913 (with the Federal Reserve Act) to help manage all of the money in the United States. To this day, the Fed serves as the central bank in the U.S. The Fed has twelve branches across the country that work together to provide a number of things for this country. This system is responsible for creating a monetary policy that will help maintain employment, keep prices stable, and keep interest rates relatively low. We will learn more about interest rates and the way they affect us later. The Fed also supervises and regulates banking institutions to make sure they are safe places for people to keep their money and to protect consumers’ credit rights. Instruct students that if they would like to learn more about the Federal Reserve, they should visit http://www.federalreserve.gov/kids/.
CLOSURE: Have students talk about some of the reasons they are glad we use money instead of bartering for everything. Review with them some of the history of early money in the United States and how major events (Revolutionary War and Civil War) helped to shape our nation’s money. If computers are available to the classroom, have the students explore the U.S. Mint kid’s website.

ASSESSMENT: Assessment during this lesson will be primarily formative in nature. Observe how the students interact during the motivational bartering activity. Also, make sure that they are understanding the reasoning behind the activity. Formative assessment will also be important during the closure exercise to make sure that students got what they needed to from the lesson.

RESOURCES:

This is a lesson plan from a third grade economics unit plan that I adapted for the purposes of this lesson. It provided some good base information for the motivation section of the lesson that should be review for fourth and fifth grade students.

This is a lesson plan from a third grade economics unit plan that I adapted for the purposes of this lesson. It provided some good base information for the motivation section of the lesson that should be review for fourth and fifth grade students.

This site is useful, as it pares down the history of the Federal Reserve Bank and way that it operates today into a scope and difficulty level that is good for children. It also describes some of the responsibilities of the Federal Reserve and why central banking is important.

This site was useful as it provided a detailed timeline for the history of the Federal Reserve. It discusses some early difficulties in setting up a centralized bank as well as how major economic events such as the Great Depression and period of high inflation in the 1970s and 1980s have affected economic policy and the way the Federal Reserve is run.

This book provided the idea for the “motivation” section of this lesson plan. It is a great way to demonstrate to students the concept of bartering. While completing this activity, students will be able to clearly see some of the pros and cons of using a bartering system.


This site was very useful as it gave a succinct synopsis of the history of money. This history ranged from using the bartering system to the first ever coins to the development of the U.S. mint and money as it is today.


This site was full of information about what the United States Mint is and what it does. It also gives a brief history for each of the five current mint locations as well as some fun facts about that the Mint and coins and money in general.
LESSON PLAN

GRADE: Fourth and Fifth

TOPIC: Money Around the World

OBJECTIVES: At the end of the lesson, the student will understand that different countries around the world use different types of currency and why. Students will be able to identify a number of different countries around the world as well as what the currency of that country is. Students will also understand that exchange rates are necessary to determine the value of one currency as compared to another. They will be able to use problem solving and math skills to determine the cost of goods and services in other countries.

INDIANA STATE STANDARDS:

Math 4.1.3 Solve problems involving decimals to hundredths.

Math 5.1.6 Solve problems using a standard algorithmic approach involving addition and subtraction of: decimals, including money.

English 4.4.6 Locate information in reference texts by using organizational features, such as prefaces and appendixes.

English 4.4.7 Use multiple reference materials and online information (the Internet) as aids to writing.

English 4.4.8 Understand the organization of almanacs, newspapers, and periodicals and how to use those print materials.

English 5.4.4 Use organizational features of printed text, such as citations, endnotes, and bibliographic references, to locate relevant information.

MATERIALS: internet access for each group, encyclopedias, almanacs, large notecards, markers (or crayons or colored pencils), large map, exchange rate conversion tables, “Tourists, Business, and Money” worksheets

MOTIVATION: Have students bring in any types of foreign currency that they have at their house. This will get them thinking about the idea that different places around the world have different types of money. In small groups, the students will examine the different bills and coins with hand magnifying glasses and keep a list of some of the characteristics of each type of currency. Discuss some of the similarities and differences between foreign money and American money as a class by creating a Venn diagram on the board.

PROCEDURE: After examining different types of money students should be curious to learn about even more different types of money being used around the world. Remind students about
what they learned in the first lesson about why currency has value (fiat system). Explain that because different countries have different governments they also usually have different currencies. This is the case unless there is an agreement between governments as to what is deemed “legal tender.” Give the example of the European Union and explain that in 2002 this group of governments began using a unified currency called the “euro.” These countries chose to do this for a number of reasons including strengthening the value of their currency and increasing the ease of travel between countries.

Explain that in order to illustrate the vast number of different currencies around the world the students will be working in small groups to research the currencies of different countries in a specified region (see exchange rate conversion table for list of countries). Research can be done in almanacs, encyclopedias, or on the internet. Each student must complete research via each of the three types of resources at least once. For each country that they research, students will create a notecard that shows the country’s flag, the symbol for that country’s currency, and the name of the currency. Show an example of the card for the United States that shows a picture of the flag, has the $ symbol, and says “dollar.” After all of the notecards have been created, have the students go to the large map one by one, tell the class what the country is and what the currency is, and affix the notecard to the map where the country is.

Ask if any of the students have ever traveled somewhere where their parents had to exchange money for a different currency. Explain that different currencies have different values so an “exchange rate” is used in order to make a fair exchange. Pass out exchange rate conversion tables (and “Tourists, Business, and Money” worksheets) to each student and explain to the students that if they want to figure out the U.S. dollar value of a given amount of foreign currency they need to multiply the given amount by the rate under “Foreign Currency Dollars.” In order to calculate the foreign currency value of a given number of U.S. dollars, multiply the number of dollars by the rate under “Dollar in Foreign Currency.” Give a few examples of conversions to illustrate the concept then let the students work on their own to complete the “Tourists, Business, and Money” worksheet.

CLOSURE: Ask students to describe why different countries have different currencies and why a group of countries might agree to have the same currency. Ask students to talk what countries they would like to visit and figure out whether the U.S. dollar is worth more or less than the currency in that country.

ASSESSMENT: Formative assessment can be done throughout the lesson (For example, make sure that the students have the correct flag and currency on their notecards and place them in the correct location on the map. Also, make sure that students are staying on task and properly using resources during the research part of the lesson.). The “Tourists, Business, and Money” worksheet will provide a source of summative assessment, as it can be graded for accuracy.
RESOURCES:


I was able to access the most current exchange rates via this website. This was very useful in making this lesson more applicable to students by making it more of a real-world exercise.


This book was useful as it provided some extension ideas for the lesson plan. It gave me the idea for letting students calculate what goods and services in other countries would cost in terms of U.S. Dollars. It also suggested a list of countries that students could research the currency of. It also gave some examples of the types of story problems that could be used in conjunction with this lesson. The “Tourists, Business, and Money worksheet is also adapted from this lesson plan.


This book was useful as it provided a good starting point for the lesson. It posed the idea of having the students research the flag and currency of the country they were assigned. It also suggested having the students locate and label their countries on a large map in order to get a better grasp of the large number of different types of currency used around the world.
1. If the entrance fee to Disney World is $60, how many Chilean pesos would a Chilean tourist need to buy a ticket?

2. A U.S. automobile dealer wants to purchase ten Toyotas from a Japanese manufacturer. Each Toyota is priced at 1,236,000 yen in Japan. What would the dealer pay in U.S. dollars for the ten cars?

3. An American tourist in Greece goes out to dinner. The bill for two people is 27 Euros. How much in U.S. dollars does the tourist pay?

4. A U.S. company charges $2.25 for a can of its frozen lemonade. A Swiss company wants to buy this product and market it in Switzerland. How many Swiss francs will be needed to buy each can of lemonade?
5. McDonalds chains are located throughout the world. A Big Mac, large fries, and milkshake will cost you $7.50 at your local McDonalds.
What would this meal cost in pounds at a McDonalds in England?

In Russia in rubles?

In Australia in dollars?
<table>
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<tr>
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<th>Dollar in Foreign Currency</th>
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</thead>
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<tr>
<td>Australian Dollar</td>
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<td>Venezuelan Bolivar</td>
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Suggested Groups:

**South America:** Argentinia, Brazil, Chile, Columbia, Venezuela  
**Asia I:** Malaysia, Singapore, South Korea, Sri Lanka, Taiwan  
**Asia II:** China, Hong Kong, India, Japan, Russia  
**North America, Africa, and New Zealand:** Canada, Libia, Mexico, South Africa, New Zealand  
**Europe I and Australia:** England, Denmark, Sweden, Switzerland, Australia  
**Europe II:** European Union, Hungary, Iceland
LESSON PLAN

GRADE: Fourth and Fifth

TOPIC: Credit vs. Debit and Interest

OBJECTIVES: At the end of the lesson the student will be able to discuss the differences between using a credit card and a debit card. The student will also be able to use interest rates to calculate how much money a car loan or the mortgage on a house will cost a borrower. To this effect, the student will understand that their credit score is one of the key factors in getting a low interest rate on a loan of any kind. The student will be able to explain some of the factors that affect one’s credit score.

INDIANA STATE STANDARDS:

Math 4.1.3 Solve problems involving decimals to the hundredths.

Math 5.1.6 Solve problems using a standard algorithmic approach involving addition and subtraction of: decimals, including money.

Math 5.1.8 Construct and analyze line graphs and double-bar graphs from data, including data collected through observations, surveys, and experiments.

English 4.4.4 Use logical organizational structures for providing information in writing, such as chronological order, cause and effect, similarity and difference, and posing and answering a question.

MATERIALS: interest problem solving worksheets, overhead, mortgage and auto loan tables transparency, graph paper, rulers, credit card, debit card

MOTIVATION: Pass a debit card and a credit card around the room. Ask if the students can tell which is the credit card and which is the debit card and why they think that. Ask the students about their experiences with credit and debit cards. Have they seen their parent’s use them? Do they know what the difference is between a credit and a debit card? Do they know what an interest rate is or how it can affect someone with a house, car, or credit card? All of these questions should get students wondering about credit and debit cards and interest.

PROCEDURE: Explain to students that when someone uses a debit card the money is withdrawn from their bank account when the card is swiped. This means that if they have $100 in their bank account and they purchase a sweatshirt for $30, they will only have $70 left in their bank account at the time of the purchase. One of the pros of debit cards is that they function like cash but you don’t actually have to carry cash with you. Also, it is impossible to spend more than you have in your bank account. This means that there is no risk of ending up deep in debt like there is with a credit card. It is important, however, to keep close track of the balance in your bank account so that you know how much you can spend.
Credit cards are much different than debit cards. If students were to purchase the same $30 sweatshirt with a credit card, then no money would be removed from their bank account that day. Instead, they would receive a bill from the credit card company at the end of the month that details out all of their purchases from the month as well as a total of what is owed. Instruct students that it is important to read through the listed purchases and make sure that they are all valid. Money is only removed from the bank account when they choose to pay the bill. There is also the option to only pay part of the bill. There is always a “minimum payment” that is only a fraction of the total bill. This is the amount that is required to be paid. Unfortunately, any remaining balance left unpaid on the bill will accrue interest. Interest is a fee paid for borrowing money. Since you don’t pay for the sweatshirt right when you buy it, you are essentially borrowing money from the credit card company. Interest rates on credit cards usually range from 11% to 28%. Tell students that to calculate the amount of interest they will pay, they need to multiply the amount left unpaid on the bill by the interest rate (in decimal form). For example (demonstrate on the board), if the $30 sweatshirt was all they bought in a month, their credit card bill would show a total of $30. Say they chose to only pay the $10 minimum payment. This leaves $20 left unpaid. If the interest rate on their credit card was 18%, they would multiply 20 by .18 to get $3.60 worth on interest that would be added to the next month’s bill. Pass out the interest problem solving worksheet to each student. Have the students solve the problems in small groups.

Students will most likely be wondering why some people have higher interest rates and some people have lower interest rates. Explain that much of this has to do with the credit card company you choose to have a credit card with and your personal credit score. Tell them that your credit score is based off a few criteria. These criteria are your payment history (do you make payments on time or do you only pay the minimum balance each month), outstanding debt (how much debt do you still owe money on), how long you’ve had credit, and what types of both new and old credit that you have.

CLOSURE: Show students the auto loan and mortgage transparencies for a final illustration of how much of an impact your credit score and consequently your interest rate will have on how much you actually pay over the life of a loan. Explain that a mortgage is simply a special kind of loan that is used when financing the purchase of a house. Emphasize that using a credit or debit card requires a lot of responsibility and is not a small undertaking. It is important to have a good understanding of exactly how much things cost and never spend beyond your means.

ASSESSMENT: This lesson will use mostly summative assessment. The interest problem solving worksheet can be graded for accuracy. Formative assessment can also be used based off the types of questions students are asking (are they understanding the material and formulating logical and cohesive questions).
RESOURCES:

This website was helpful in determining what interest rates are on credit cards (in general) today. It also has a number of different types of calculators that students can use (with parent supervision) in order to get a better idea of how interest rates affect large purchases that they (or their parents) make. There are also budget calculators that may help students create their own budgets.

This lesson plan was a good starting-point for the discussion about interest in this lesson. This lesson plan also gives an example for calculating simple interest and was the source of the interest worksheet.

This website provided the numbers that were used in creating the auto loan and mortgage tables. It is a great way to see how one’s credit score can affect major purchases such as financing buying a house.

This website provided the numbers that were used in creating the auto loan and mortgage tables. It is a great way to see how one’s credit score can affect major purchases such as financing buying a car.

This article was helpful in determining some of the components that go into determining a person’s credit score. It also explains what your credit score affects and how to go about improving your credit score.
INTEREST WORKSHEET

NAME: __________________________

EXAMPLE:
John received $100 as a gift from his grandparents for his elementary school graduation. He decided to save it in the bank until he decided what to do with the money. The bank pays an interest rate of 4.9%. How much interest will he earn the first year?
(ANSWER: $100 \times 0.049 = $4.90)

1. Nicole received a check for $50 when she won a local essay contest. Her mother told her to save it for college. If it earns interest at a rate of 6%, how much interest will she earn the first year?

2. When Mary's new baby sister was born, her relatives gave her $25 to start a savings account. How much will Mary's sister have when she has her first birthday if her money is kept in the banking earning 5% interest?

3. Eduardo earned $520 over the year for doing chores around the house. He decided to take $200 to the bank where it will earn 8% interest. How much interest will he earn after one year?
4. When Lori and Jeff got married, they put $1,000 of their gift money into a savings account so they could save money to buy a new house. If they get an interest rate of 5.5%, how much will they have in their bank account toward their new home after one year?
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LESSON PLAN

GRADE: Fourth and Fifth

TOPIC: Budgeting Part I

OBJECTIVES: At the end of the lesson, the student will be able to describe the purpose of a budget and define the three components make up a complete budget. The student will also understand what income is and be able to list some different sources of income. The student will be able to plan a balanced meal using grocery flyers and coupons based on a given budget.

INDIANA STATE STANDARDS:

Math 4.1.3 Solve problems involving decimals to hundredths (including writing decimals as fractions).

Math 4.1.4 Use words, models, standard form and expanded form to represent place value of decimal numbers to hundredths.

Math 5.1.6 Solve problems using a standard algorithmic approach involving addition and subtraction of: decimals, including money.

Social Studies 4.4.10 Explain how people save, and develop a savings plan in order to make a future purchase.

Social Studies 5.4.9 Identify the elements of a personal budget and explain why personal spending and saving decisions are important.

MATERIALS: budget worksheet, grocery flyers and coupons, food guide pyramid (see resources for link)

MOTIVATION: Inform students that a need is something we must have to survive while a want is something we would like to have. Make a chart on the board with two columns: label one column wants and one column needs. Have students volunteer different things that they want and need and compile a list on the board. Make sure that the students are able to discern the difference between wants and needs from this exercise. Ask students for ideas of ways to get what they want and need (working, saving, planning out the purchase). Tell students that one of the best ways to get the things that you want is by creating a budget.

PROCEDURE: Ask students if they know what a budget is. Explain that a budget is a way to allocate (set aside for a specific purpose) income (money that you earn) into three categories: wants, needs, and savings. To determine how much you can fit into a budget, you start with a set income (generally on a monthly basis) and then subtract your expenses. Ask the students some ways that even people their age can get an income. You must first allocate money to needs, then to wants, then to savings. Pass out the budget worksheet as well as the blank budget. Explain
that this is one way to create a very simple type of budget. Have students complete the blank budget using the given information. Do the first bullet (the lunches) together as a class and then have the students work in small groups to complete the rest of the budget. Instruct them that any money left over should be put to savings for the future or shared with others (for example a local charity).

Tell students that a similar process can be used when planning out a balanced meal for a family of four. Food will be something that is taken into account in a family budget, but then you must also decide how you are going to use that money when you go to the grocery store. Explain to students that in this case, wants and needs should be allocated based on their importance on the food guide pyramid (for example dessert is clearly a want as opposed to a need). Pass out grocery flyers to each small group of students and assign each group a given amount of money that is allocated to food in a budget on a monthly basis. Students will have to divide this number by four to get it into a weekly number and then by six to get it into a daily number (assuming one day for leftovers). The daily number is the number that they will need to use when planning their meal. After the students have been working for a while, pass out coupons for different food items to each group. These coupons should affect the choices that they make in regards to what and how much food they can afford.

**CLOSURE:** Ask students about some of the ways they can make their budget and income go further (or save more each month). They should come up with suggestions such as packing a lunch from home, only getting one movie, and using coupons when grocery shopping. Remind students that it is important to assess (estimate or determine the value of) which items are wants and which items are needs when creating a budget.

**ASSESSMENT:** This lesson will use mostly formative assessment. During the motivation activity, make sure that students are correctly distinguishing between wants and needs. Also, make sure that students are working together well in groups to create their budgets and family meals. Take into account which groups were able to make the most effective use of the coupons. Summative assessment can be used with the budget worksheet, as it can be graded for accuracy.

**RESOURCES:**


This website provides not only a current food guide pyramid, but also instructions about how to use it and what it means. This site is generally just a good site for kids to learn a plethora of nutritional information.
This lesson plan was a great starting point for the discussion about wants and needs in the motivation section of this lesson. This lesson plan also discusses some of the reasons that budgeting is important.

This lesson plan discusses money management, including the process for developing a spending plan (budget) based on income and set expenses. This lesson plan also provides some ideas for how parents can get involved in their student’s learning.
Budget Worksheet

Name: ______________________

You expect to receive $100 each month for an allowance.
o Using your lunch menu worksheet, calculate the cost of a school lunch for a total ten days in one month. Copy this answer onto your worksheet.

o You also need to have supplies for school. A rollerball gel pen costs $2.95 and a highlighter costs $3.50. How much will you need for school supplies if you buy one of each? Add this amount to your worksheet.

o There are two new movies that you want to see this month at the theater. Each time you buy a ticket, it costs $8.50. And, you usually buy popcorn and a drink that costs $7.00. You also want to download $15 worth of songs to your iPod. These are all "wants". How much do you add to your budget for these items?

<table>
<thead>
<tr>
<th>Needs</th>
<th>Wants</th>
</tr>
</thead>
<tbody>
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<td></td>
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</tr>
</tbody>
</table>

Savings: __________________________________________

Charity: __________________________________________
Grains
Breads, tortillas, pastas (noodles, spaghetti, etc.), cereals, and rice

Vegetables
Broccoli, tomatoes, green beans, peas, carrots, and many, many others

Fruits
Apples, peaches, pears, blueberries, strawberries, raspberries, bananas, oranges, and many more

Oils
Olive oil, peanut oil, canola oil, butter, soft tub margarine without trans fats, and others

Milk
Milk, yogurt, cheese, and some milk-based desserts, such as pudding and ice cream

Meat and beans
Meat, poultry, fish, dry beans, eggs, and nuts

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LESSON PLAN

GRADE: Fourth and Fifth

TOPIC: Budgeting Part II

OBJECTIVES: By the end of the lesson the student will be able to allocate a budget into four categories (food, housing, transportation, other) based on a given income level and percentages of each category for the given income level. The student will be able to translate a fraction into a decimal, a decimal into a percent, and a percent into a degree.

INDIANA STATE STANDARDS:

Math 4.1.3 Solve problems involving decimals to hundredths (including writing decimals as fractions).

Math 4.1.4 Use words, models, standard form and expanded form to represent place value of decimal numbers to hundredths.

Math 5.1.6 Solve problems using a standard algorithmic approach involving addition and subtraction of: decimals, including money.

Social Studies 4.4.10 Explain how people save, and develop a savings plan in order to make a future purchase.

Social Studies 5.4.9 Identify the elements of a personal budget and explain why personal spending and saving decisions are important.

MATERIALS: Consumer Unit Spending transparency, paper grocery bags with magnets, overhead projector, calculators, conversion chart transparency and worksheets

MOTIVATION: After the last lesson, students should have an idea of how much an average family spends on groceries in a given week. It will be interesting to see if they understand how much other items that they want (such as an iPod, new computer, or cell phone) cost in comparison to a need such as groceries. Draw a simple scale on the board. Assign a paper bag a specific unit (say $50) and place that on one side of the scale. Say that this represents one week’s worth of groceries for a family of four. Then have students say some of the bigger things that they have asked their parents for recently. Estimate their cost (or do some quick research on a computer) and place that item’s value in grocery bags on the other side of the scale. For example, an iPod touch is around $400, so this would be represented with 8 grocery bags. This activity should get students thinking about just what they are asking of their parents financially. Ask students to come up with ways that their parents might have to adapt the family budget in order to give the students what they want (if they choose to). Explain that anything their parents must give up out of the budget is called opportunity cost (the next best thing that we give up when making choices is the opportunity cost).
PROCEDURE: In the last lesson, students learned what categories of should be included in their budgets (wants, needs, savings/charity) and were able to apply different situations to create a spending plan. Explain that in order for budgets to be truly effective, they need to be forward-looking. This means that a budget needs to be established prior to the time when it will be used. Show students the Consumer Unit Spending transparency. Explain that the four most common areas that make up a budget are housing, food, transportation, and “other.” Other can consist of a number of things including, but not limited to, clothing, personal care, recreation, and medical or dental. Assign three different income levels to groups of four and have them determine how much money should be allocated to each part of an average budget. (For example: Assign $20,000 for the lowest range budget. Students should figure out that $5,780 should be assigned to this portion of the budget ($20,000 x .289)).

Next, have students think about the budgets in terms of fractions. Pass out the conversion chart worksheets. Explain that it is important to know how to turn a fraction into a decimal, a decimal into a percent, and a decimal into a degree. This will help them create pie charts and better visually see how money is allocated within their budgets. Go along with them for the first income level (low). Show how turning a fraction into a decimal requires dividing the top number by the bottom number. To move from a decimal to a percent is easy! Just move the decimal two places to the right. To turn the decimal into a percent, simply multiply the number by 360 (because this is the total number of degrees in a circle). Have the students practice making conversions on their own by completing the rest of the worksheet. Let students know that they can use other students in their groups for help.

CLOSURE: Have students create their own budgets beginning with a fraction and moving all the way to a degree and finally drawing a pie chart. Encourage students to sit down with their parents and discuss how their parents create their family budget. Are four categories divided in similar percentages as what we talked about in class? If they are different, why did their parents choose to allocate money the way that they did?

ASSESSMENT: Formative assessment can be used based on participation by students throughout the lesson. Summative assessment can be used with the conversion chart worksheets, as they can be graded for accuracy.

RESOURCES:
This website provided some great information about how to be more financially literate, including information about what should be included in a budget in order for it to have the ability to be successful. This website is also a good reference if students would like to learn more about financial literacy on their own.
This lesson plan discusses how to go about creating a budget. It also provided the Consumer Unit Spending graphic for the transparency that supplements this lesson.
Consumer Unit Spending
2007 Annual Average—Urban U.S.

Lowest—Average annual:
$20,471

- Other: 28.9% ($5,909)
- Housing: 40.5% ($8,285)
- Transportation: 15.8% ($3,242)
- Food: 14.8% ($3,035)

Average—Average annual:
$42,447

- Other: 34.0% ($14,451)
- Housing: 33.9% ($14,388)
- Transportation: 18.7% ($7,926)
- Food: 13.4% ($5,682)

Highest—Average annual:
$96,752

- Other: 40.3% ($38,985)
- Housing: 32.5% ($31,492)
- Transportation: 16.4% ($10,444)
- Food: 10.8% ($15,831)

Other includes: clothing, personal care, recreation, medical/dental, personal insurances, pensions, education and reading, alcohol, tobacco and miscellaneous (Consumer Expenditure Survey)

<table>
<thead>
<tr>
<th>Part of Budget</th>
<th>Fraction</th>
<th>Decimal</th>
<th>Percent</th>
<th>Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>1/3</td>
<td>0.33</td>
<td>33%</td>
<td>118.8</td>
</tr>
<tr>
<td>Housing</td>
<td>2/5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>1/7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food</td>
<td>1/7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>1/3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing</td>
<td>1/3</td>
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<td></td>
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<tr>
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</tr>
<tr>
<td>Food</td>
<td>2/7</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Conversion Chart**

Name: ____________

Low

Average

High
LESSON PLAN

GRADE: Fourth and Fifth

TOPIC: How Banks Work

OBJECTIVES: The student will be able to discuss how banks work and how banks are able to make money as well as some advantages to saving money in a bank. The student will also use problem solving skills to determine which bank suites them best based on a number of factors including the interest rate offered on savings accounts.

INDIANA STATE STANDARDS:

Math 4.1.3 Solve problems involving decimals to hundredths.

Math 5.1.6 Solve problems using a standard algorithmic approach involving addition and subtraction of: decimals, including money.

Social Studies 4.1.11 Identify and describe important events and movements that changed life in Indiana in the early twentieth century.

Social Studies 4.4.8 Define profit and describe how profit is an incentive for entrepreneurs.

English 4.1.1 Read aloud grade-level appropriate literary and informational texts with fluency and accuracy and with appropriate timing, changes in voice, and expression.

English 4.3.2 Identify the main events of the plot, including their causes and the effects of each event on future actions, and the major theme from the story action.

English 4.3.3 Use knowledge of the situation, setting, and a character’s traits, motivations, and feelings to determine the causes for that character’s actions.

English 4.7.1 Ask thoughtful questions and respond orally to relevant questions with appropriate elaboration.

English 4.7.2 Summarize major ideas and supporting evidence presented in spoken presentations.

English 4.7.15 Connect and relate experience and ideas to those of a speaker.

English 4.7.16 Distinguish between the speaker’s opinions and verifiable facts.

English 5.1.1 Read aloud grade-level-appropriate narrative text (stories) and expository text (information) fluently and accurately and with appropriate timing, changes in voice, and expression.

English 5.7.1 Ask questions that seek information not already discussed.
English 5.7.2 Interpret a speaker’s verbal and nonverbal messages, purposes, and perspectives.

MATERIALS: copies of Jack and the Beanstalk, banking problem solving worksheet

MOTIVATION: Get students thinking about the concept of banking by having them popcorn read the story “Jack and the Beanstalk” in small groups. Ask them to talk about how putting seeds in the ground similar to making deposits at a bank. (With time, those seeds will become more seeds.) Ask students how the goose that lays the golden eggs is like a bank. (The golden eggs come at regular intervals like interest payments. Purchasing the goose is like putting the initial money in the bank and the eggs could represent interest.)

PROCEDURE: Ideally, it would be great if this lesson could involve a guest speaker (from either the community or a bank) or a field trip to the bank. In either case, the students to create a list of questions before the lesson begins and encourage them to ask lots of questions of the person who is the banking “expert.”

Begin the lesson by asking students why people put their money in banks. Hint that we talked about one of the reasons when we discussed the story “Jack and the Beanstalk.” Students should come to the conclusion that putting money in the bank helps protect the money (so that other people can’t take it) and make more money (by earning interest). Let students know that this type of interest is a little different from the interest they learned about in lesson four (credit vs. debit). Remind them that interest is still a fee paid for borrowing money, but in this case, the bank is essentially borrowing money from you. After you deposit money in the bank, the bank is free to lend that money to someone else. Give the students an example such as the following:

- John puts $100 in the bank for a year.

- During that year, the bank lends John’s $100 to Mary. At the end of the year, Mary gives the bank the $100 plus the interest she must pay, so she gives the bank $108.

- At the end of the year, John takes out the $100 he put in earlier plus the interest it earned, so he gets $105.

Ask the students how much money the bank made in this story. Point out the fact that the bank made money by charging more interest to Mary (the borrower) than John (the lender). In this way, a bank is a business that is trying to make a profit just like any other business.

Students will most likely have questions about what would happen if John wanted to withdraw money while Mary was using his $100. Let students know that when John puts his money into the bank it goes into a pool of money (is put with other people’s money). This way, the money that Mary borrows from the bank is not only John’s. Explain that banks run on trust. John must trust that he is able to withdraw any or all of his $100 at any time from the bank.
Students may wonder what happens if everyone wants to take their money out of the bank at once. (Because clearly if the bank is lending money to other people it is not at the bank itself for people to withdraw if they want to.) Explain that if everyone goes to the bank and tries to withdraw (or take their money out of the bank) their money at the same time, this is called a “run on the bank.” This usually happens when people think that something is going to happen with the bank that will make it so they won’t be able to get their money in the future. Tell students that most of the economic damage during the Great Depression was caused by a run on banks. There were so many people trying to withdraw their money that it caused bank runs at a number of banks. This in turn caused a banking panic that was central to the collapse of the economy during the Great Depression.

Pass out and have the students complete the bank problem solving worksheet.

**CLOSURE:** Discuss the bank choices students made as a class. Most students should have chosen either Bank of Elmont or Bank of Lextown. Have students explain their reasoning based off what they learned about interest during the lesson.

**ASSESSMENT:** If there is a guest speaker, formative assessment can be used to evaluate the student’s questions that they pose to the speaker. It would also be good to use this type of assessment during the motivation portion of the lesson. Are students able to make connections between the story and a bank? Summative assessment can be used for the worksheet part of the lesson. Did students come to a reasonable/logical conclusion? Did they use good grammar and writing skills to describe their reasoning?

**RESOURCES:**

This lesson plan was great for figuring out how to talk about interest on a level that students will understand. It also explains why banks charge interest, specifically why banks charge more interest to those that are borrowing money than it pays to people for saving at the bank.

This site was helpful in coming up with a fun motivational activity to get students thinking about the concept of banking and what banks do.
This article was a great source of information for how banks work and how they are able to make money. It also explained how there must be a level of trust that the bank will have our money when we need it in order for banking to work.

Nesbit, E., and Matt Tavares. Jack and the Beanstalk. Cambridge, Mass.: Candlewick, 2006. This book is the source of the story “Jack and the Beanstalk” that is used in the motivation section of this lesson. This story can also be found on numerous websites on the internet.
Bank Problem Solving Worksheet

Name: ____________________________

Read the following descriptions of banks in your area. You have $100 that you want to deposit into the bank. Choose the bank that is the best fit for you. You are going to keep your money in the bank for at least one year. Make sure to take into account the bank's interest rate and any additional bonuses they may offer as well as any costs associated with choosing that bank!

1. Bank of Elmont - This bank pays a 5% interest rate at the end of the year to someone who starts a new account. This bank is within walking distance.

2. Bank of Honeyville - This bank pays a 5.5% interest rate at the end of the year to someone who starts a new account. It will cost $.50 to take the bus to the bank each way. You will need to make two trips to the bank. The first trip is to make the deposit, and the second trip is to withdraw the funds from the bank at the end of the year.

3. Bank of Lextown - This bank pays a 4.5% interest rate at the end of the year to someone who starts a new account. In addition, Bank of Lextown will give you a mousepad that says it is worth $2. This bank is within walking distance.

Write a paragraph explaining which bank you would choose to deposit your money at and why. Make sure to include any math calculations that would support the conclusion you came to.
Jack and the Beanstalk

IN the days of good King Alfred there lived a little boy, named Jack, with his widow mother in a very small cottage in which there was no furniture at all except one wooden stool and a rickety table, so Jack and his mother had to sleep on the floor, they were so very, very poor, and this was exceedingly uncomfortable.

Jack's father had been a farmer, but he was dead, and as Jack was not big enough to dig, and plough, and attend to the farm, and there was no one else to do it, soon all the money that had been left was spent.

So then Jack's mother was very miserable, and she told him that he must take the cow, all they now had left, and sell her. Jack was very sad, but he was a good little boy and wanted to help his mother, so he set off. He had not gone very far, when he met a man, to whom he told his tale. The man spoke very kindly to Jack, and said he would willingly buy the cow, but that, as he had no money with him, he must give beans instead. So Jack took off his hat, and the man filled it with beans, saying that they would grow to be wonderful plants, and would make his fortune.

Jack ran home to his mother in high glee, but she, when she saw just common-looking beans instead of pieces of gold, was very angry indeed, and threw them out of the window. Jack was very unhappy, and cried himself to sleep that evening, but when he awoke the next morning, what was his surprise to see, on looking out of the window, a wonderful beanstalk, strong and tall, so tall, indeed, that the top was somewhere right up in the clouds and not to be seen. "It must have a top," thought Jack, "and I mean to find it."
So he began climbing up the beanstalk, and he climbed and climbed and at last reached the top, which brought him on to a mountain where he saw a beautiful fairy who showed him a big Castle at some little distance, and told him that in that Castle lived a dreadful Giant who was very fond of roast boy for dinner, but that Jack must be brave, and then he would get a great deal of money, for the Giant was exceedingly rich.

Jack thanked the kind fairy, and went on to the Castle. There was a very big door, and he had to stand on tiptoe to knock, and the knocker was very heavy, but he managed it at last, and then he saw a face looking out of a window. Jack at first thought it must be the Giant, but it was only the Giant's wife, a kind woman, who, when she saw how hungry he was, for he had had no breakfast and had come a long journey, took him in, and gave him some dinner.

Jack was enjoying it very much, when the Giantess said, looking dreadfully frightened, "Oh, oh, here comes my husband, what shall I do; if he sees you he will have you roasted!" Jack was rather nervous at this, so he asked the woman to hide him, and she put him in the copper. Then there was a terrible knocking and stamping, and in came the Giant.

"Fee, Fi, Fo, Fum, I smell the blood of an Englishman, let him be alive, or let him be dead, I'll grind his bones to make my bread," sang the Giant, and his voice sounded like the wind among the trees on a very stormy day, or like lions in a menagerie at feeding time, and he walked all around sniffing and snuffling, and peeping and prying into all corners and places where he thought anyone might be hidden; then at last he
thought he must have made a mistake, and that it was his dinner he had
smelt, and he sat down to the table, and he ate a great deal, and drank
a great deal, and Jack lifted up the cover of the copper, just a little
way, and watched him.

When the Giant had eaten till he could eat no more, he took some bags
full of gold out of his pocket and placed them by his side, and then he
was so tired, that he lay back in his chair and went to sleep.

"Now," thought Jack, "is my time;" so he climbed out of the copper and
crept up to the Giant. He seized the bags of gold and ran to the
window, jumped out, climbed down the beanstalk and so reached home.

Jack's mother was delighted to see him again, and very much
astonished and pleased was she when she saw the gold.

Now while the Giantess was feeding Jack, she had told him of a
wonderful hen which her husband owned, which, she said, laid golden
eggs. Jack thought, "If we had that hen we should never be poor
anymore."

So next day he climbed up the beanstalk again and went to the Castle.
This time no one was at home, so he took the hen and got back safely,
although she cackled so loudly that he thought the Giant must hear,
wherever he might be.

And once more Jack went to the Castle, this time to fetch a lovely
golden harp that sang beautiful songs when it was told. He got into the
Castle all right, and took the harp while the Giant was having his
afternoon sleep.
But the harp began to call out in a very loud voice, "Master! Master! Wake! Wake!"

And the Giant did wake, and he rushed after Jack with his dreadful club in his hand.

Jack came to the beanstalk and clambered down as quickly as he could.

As he got to the bottom he felt the stalk swaying terribly, and, looking up, he saw that big, fierce Giant coming down after him.

Jack's mother came running out of the cottage, and she fetched a hatchet, which she gave to Jack, and he hacked away at the beanstalk and at last cut it right through. Then it came tumbling down, and the Giant too, and he fell on his head and was killed dead as a stone.

So I think, and so do you, I am sure, that Jack and his mother received very good value for the cow, for they now had enough and to spare and lived happily the rest of their days.
LESSON PLAN

GRADE: Fourth and Fifth

TOPIC: Saving and Banking

OBJECTIVES: By the end of the lesson, the student will be able to create a spending/saving plan for their allowance. The student will understand the importance of having a savings account and will know how to keep track of deposits and withdrawals to/from that account. The student will also be able to write a check and use a checkbook register to track their balance.

INDIANA STATE STANDARDS:

Math 4.1.3 Solve problems involving decimals to hundredths.

Math 5.1.6 Solve problems using a standard algorithmic approach involving addition and subtraction of: decimals, including money.

English 4.6.1 Write smoothly and legibly in cursive, forming letters and words that can be read by others.

English 4.6.2 Use simple sentences and compound sentences in writing.

English 5.6.8 Use simple sentences and compound sentences in writing.

English 5.5.6 Use correct capitalization.

MATERIALS: Allowance Allocation worksheets, beans, blank checks, blank checkbook registers (and transparency), blank savings account registers (and transparency), Writing Checks/Keeping a Balance worksheets, Parts of a Check worksheet (and transparency), Depositing Money in Your Checking Account worksheet (and transparency), overhead projector

MOTIVATION: Ask students by a show of hands who gets an allowance of some sort. If there are students that don’t get an allowance, suggest to them to talk to their parents about what they are learning about in class (the importance of saving) and have them offer to do chores in return for an allowance. Emphasize that no matter how big or small the allowance, it is important to use it wisely. Pass out Allowance Allocation worksheets to each student as well as fifteen beans. Tell students to read through all of their options and allocate the beans as they would like to spend them. Explain that there are three broad categories to choose from: saving, spending, or charity. Students should try to allocate some money to each category. Discuss some of the choices that the students made. Now tell them that they need to remove four beans (so that they can only “spend” eleven beans). Ask the students how they determined which things they were willing to give up.
PROCEDURE: Tell students that the motivation activity was meant to show them how to create a spending plan. Explain that a spending plan is basically like a scaled-down budget. They should know how much allowance they get each week, so it is important to plan how they are going to save, spend, and/or donate their money. Explain that in order to make a large purchase (such as one bigger than their total allowance), it is imperative that they put money into savings each week. Recommend that, because of what we learned about the benefits of banking in lesson seven, students ask their parents to take them to a bank to start a savings account.

Pass out blank savings account registers. Explain to students how to fill out the register and track their balances with deposits and withdraws by following along with you on the overhead. Pass out the Parts of a Check, Depositing Money in Your Checking Account, and Writing Checks/Keeping a Balance worksheets. Explain that keeping track of checks is done almost the same way. First demonstrate to students on the overhead how to write a check. Have them follow along on their worksheets. Then demonstrate to students how to record their checks and practice writing checks with one of the Writing Checks/Keeping a Balance worksheets. After the students have a good grasp of how to complete the steps, have them complete two more Writing Checks/Keeping a Balance worksheets for practice.

CLOSURE: Tell students that if they save enough, one day they might have a MILLION DOLLARS. Have students write one or two paragraphs about what they would do if they had a million dollars. Instruct students that they should write in their best cursive and be careful to use correct capitalization. They can even draw a picture if they would like to. When the students are done, have them share with the class what they would do with their million dollars. Create a bulletin board of all the students’ work.

ASSESSMENT: Formative assessment can be used throughout the lesson to make sure that students are following along with the process of how to create a spending plan, keep track of their account balances, and write checks. Summative assessment can be used with two of the Writing Checks/Keeping a Balance worksheets as well as the Millionaire writing assignment, as all of these activities can be graded for accuracy.

RESOURCES:
This website provided some great information about how to be more financially literate, including information about the importance of saving and how to use banks to your advantage. This website is also a good reference if students would like to learn more about financial literacy on their own.
This website was the source of the motivational activity. This includes providing the Allowance Allocation worksheets. It was also a good source of information about spending plans in general.

This book was a great source for teaching students about writing checks. It also provided all of the blank check templates and writing checks and keeping a balance worksheets. It is a very thorough and straightforward way to explain to students how to write checks and keep track of their account balances.
allowance allocation

directions
Your teacher will tell you how much "money" you have to spend. You may be using beans or other objects to represent money. Now, you need to make spending decisions in all of these categories. Place one bean in each square next to the option you choose in each category. Your goal is to spend something in each category, making sure you have enough money to cover all categories.

<table>
<thead>
<tr>
<th>school lunches</th>
</tr>
</thead>
<tbody>
<tr>
<td>take packed lunch from home</td>
</tr>
<tr>
<td>buy lunch at school</td>
</tr>
<tr>
<td>buy lunch at nearby fast-food restaurant</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>video games</th>
</tr>
</thead>
<tbody>
<tr>
<td>play with games you already have</td>
</tr>
<tr>
<td>purchase used video games</td>
</tr>
<tr>
<td>play video games at an arcade</td>
</tr>
<tr>
<td>buy new video games</td>
</tr>
</tbody>
</table>
allowance allocation

movies

- borrow from the public library
- rent a video
- go to half-price matinee
- go to see full-price movie

sports equipment

- use equipment that you already have
- buy used sports equipment
- buy new sports equipment
- buy brand-name sports equipment
# Allowance Allocation

## Clothes

- **Wear what you already have** 
- **Buy at a thrift store** 
- **Buy at a discount store** 
- **Buy at a department store**

## Donations to Church or Other Charity

- Less than five percent 
- Five percent 
- Ten percent
Depositing Money in Your Checking Account

Before writing a check, you first must be sure you have money in your checking account.

You take money out of your account by writing a check.

You put money into your account by making a deposit at your bank.

Deposits need to be recorded in your checkbook, just like your checks. Instead of subtracting deposits from your balance, you add them to your balance.

The checkbook below shows the following checks and deposits. These are called transactions.

1. Deposit made on 2/16/2001 for $74.00
2. Check written on 2/22/2001 for $34.00
3. Check written on 2/27/2001 for $6.84
4. Deposit made on 2/28/2001 for $55.00

<table>
<thead>
<tr>
<th>Check Number</th>
<th>Date</th>
<th>Check Paid To</th>
<th>Check/Deposit Amount</th>
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<tr>
<td>115</td>
<td>2/22/2001</td>
<td>Mac's Market</td>
<td>34.00</td>
</tr>
<tr>
<td>116</td>
<td>2/27/2001</td>
<td>Daily News</td>
<td>6.84</td>
</tr>
<tr>
<td></td>
<td>2/28/2001</td>
<td>Deposit</td>
<td>55.00</td>
</tr>
</tbody>
</table>

Complete the checkbook to show the new balance after each transaction. Remember: SUBTRACT the checks from your balance; ADD the deposits to your balance.
Parts of a Check

1. Name and address of person writing check
2. Name, address, and phone number of person writing check
3. Name of person or place to whom check is being written
4. Bank identification number
5. Month, day, and year on which check was written
6. Check number
7. Amount of check (in numbers)
8. Amount of check (written out in words and numbers)
9. Signature of person writing check
10. What check was written for

Pay to the order of _____________________________ $ ________

What check was written for _____________________________ 

Read the information given below. Then complete the blank check at the bottom of this page using this information.

1. January 14, 2001
2. Print your name, address, and phone number here.
3. Toys 'R Fun
4. $26.75
5. Twenty-six and 75/100
6. birthday gift
7. Sign your name on this line.

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Checkbook Math
1. Sara Jane Benson is giving a birthday party for her friend, Kathy. At the Good Time Party Shop, she bought a tablecloth and napkins for $4.50, streamers and party hats for $2.85, and party favors for $12.00. Sara Jane wrote a check for the total amount. **Add Sara Jane's purchases together and complete the check below for the total amount. Use today's date.**

```markdown
SARA JANE BENSON
1141 E. Thomas Ph. 555-3838
Phoenix, AZ 85000

Pay to the order of $ ____________________________

Double Diamond Bank
4444 E. Clinton Street
Anytown, AZ 85000

For ____________________________

12-1
921
102
```

2. Sara Jane then went to Green's Corner Market. She purchased 3 cans of fruit punch for $3.29, two boxes of cake mix for $2.64, and two packages of frosting mix for $1.89. **Complete the check below to show the total amount of Sara Jane's purchases. Use today's date.**

```markdown
SARA JANE BENSON
1141 E. Thomas Ph. 555-3838
Phoenix, AZ 85000

Pay to the order of $ ____________________________

Double Diamond Bank
4444 E. Clinton Street
Anytown, AZ 85000

For ____________________________

12-1
921
103
```

**BONUS:** Sara Jane planned to spend $30.00 on the party. Did she stay within her budget? __________ If so, how much does she have left? ______________
Gertie Gottaspends likes to shop. In one week, Gertie made all these transactions in her checkbook.

1. August 2: check to Frilly Frocks for $34.56.
3. August 3: deposited $25.00 in her account.
4. August 4: received a check for $20.00 from Aunt Grace; deposited in bank.
5. August 5: check to Top Ten Tunes for $14.79.
7. August 6: check to Doman's Department Store for $24.00.
8. August 7: Gertie received her paycheck; deposited $147.89 in her account.
9. August 8: check to Fun Fashions for $67.00.

Record all of Gertie's transactions in her checkbook. Give each check a check number. You will need to use two pages. Show Gertie's new balance after each transaction. Use this year.

<table>
<thead>
<tr>
<th>Check Number</th>
<th>Date</th>
<th>Check Paid To</th>
<th>Check Amount</th>
<th>Deposit</th>
<th>Balance</th>
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<td>168.50</td>
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Terry Gordon was having some friends over to his house. He rented six movies at Vic's Video store for $12.39. Then he stopped at Gino's Pizzeria and bought three pizzas for $18.99.

Complete both checks below and record them in his checkbook. Use today's date.

<table>
<thead>
<tr>
<th>Check Number</th>
<th>Date</th>
<th>Pay to the order of</th>
<th>Amount</th>
<th>Check/Deposit Balance</th>
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<tbody>
<tr>
<td>242.00</td>
<td>12-1</td>
<td>____________________</td>
<td>______</td>
<td>12-1 921 102</td>
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</table>

**Bonus:** If Terry buys a case of pop for $12.50 and a large bag of popcorn for $2.69, how much will he have left in his checking account? ____________________
At Arvin's Department Store, Cheryl Cross bought a bedspread for $69.95, two pillows for $15.00, and a set of sheets for $27.95. She then went to Jimbo's Paint & Tile and bought two gallons of paint for $25.98 and a roller and brush set for $9.95.

Complete both checks to show Cheryl's purchases and record them in her checkbook. Use today's date.

<table>
<thead>
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<th>CHERYL CROSS</th>
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<tr>
<td>61 Green Rd.</td>
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<td>Ph. 555-0872</td>
<td>102</td>
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<td>Anytown, AZ 85000</td>
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<td>$213.47</td>
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©Remedia Publications
Candy Crump started her Christmas shopping on November 23, 2001. At the Super Store, she bought a sweater for $28.00, a blouse for $13.99, two t-shirts for $12.00, and four pairs of socks for $10.00. At Terry’s Toys, she bought a teddy bear for $22.95, a doll for $13.00, and a jigsaw puzzle for $4.99.

Complete the checks and record them in her checkbook.

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<th>Pay to the order of</th>
<th>Check/Deposit Amount</th>
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CANDY CRUMP
15 South St. Ph. 555-8609
Mesa, AZ 85000

Pay to the order of ____________________________ $ ____________

Double Diamond Bank
4444 E. Clinton Street
Anytown, AZ 85000

For ____________________________

CANDY CRUMP
15 South St. Ph. 555-8609
Mesa, AZ 85000

Pay to the order of ____________________________ $ ____________

Double Diamond Bank
4444 E. Clinton Street
Anytown, AZ 85000

For ____________________________

Checkbook Math
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Home

The climate of education right now in the United States is all about teaching based on a set of standards. These standards generally reflect what appears on standardized tests issued by the government. This creates the problem of teachers teaching "to the test" so that their students will get the highest scores possible. Unfortunately, standardized tests usually only cover a limited number of topics and focus on Math and English. Social Studies and Science also have teaching standards, but where does that leave life skills such as fiscal responsibility? The purpose of this unit plan is to provide teachers with some ideas about ways that teaching fiscal responsibility can be integrated with the standards. It is important that fiscal responsibility be instilled at an early age so that students understand how to budget and spend their money wisely. Fourth and fifth grade students may not have much money now, but they will get their first job in just a few years. Much of the financial crisis that has occurred during the past few years has been due to people spending beyond their means and not knowing how to spend wisely. It is my hope that teaching students fiscal responsibility at a young age will help prevent such a large number of people from making these and similar mistakes again.

Acknowledgements

I would like to thank Christa Stevenson for advising me and helping me to organize my ideas for this project. She really helped me to narrow my focus and gave me some good ideas to get started.

I would also like to thank Julie Smith and Maria Ging for all of the ideas and resources they contributed throughout this project. The knowledge of students and standards that they shared with me has been invaluable to the creation of this project.

I would also like to thank Nancy Paul for ingraining in me the importance of fiscal responsibility from an early age.
Time Schedule

Day 1: Pretest, Lesson Plan 1, Letter to Parents
Day 2: Lesson Plan 2
Day 3: Lesson Plan 3
Day 4: Lesson Plan 4
Day 5: Lesson Plan 5
Day 6: Lesson Plan 6
Day 7: Lesson Plan 7
Day 8: Lesson Plan 8
Day 9: Review or Extension
Day 10: Post-Test
Fiscal Responsibility for 4th and 5th Graders

Project List

Lesson Plan 1: The Value of Money
This lesson will teach students about why money has value, including the three ways that money can derive value. Students will also practice making change.

More Details

Lesson Plan 2: The History of Money
This lesson will introduce students to the concept of a bartering system as well as some early forms of money. Students will be able to discuss how money has developed into what it is today both in terms of the United States and the world.

More Details

Lesson Plan 3: Money Around the World
This lesson will teach students about what exchange rates are and how to use them. Students will also identify a number of countries and the different forms of currency that each country uses.

More Details

Lesson Plan 4: Credit vs. Debit and Interest
This lesson will introduce students to some of the differences between credit and debit cards. To this effect, students will also learn that some interest rates are determined by something called a credit score. Students will also learn what interest rates are and how to use them.

More Details

Lesson Plan 5: Budgeting Part I
This lesson will introduce students to the concept of budgeting. They will understand that budgets should be created by allocating money based on whether something is a want or a need.

More Details

Lesson Plan 6: Budgeting Part II
This lesson will extend students' knowledge about budgeting and give them an idea of how the four categories of budgets (housing, food, transportation, other) are generally allocated based on different income levels. Students will also learn how to make a number of conversions including how to convert a fraction into a decimal and a decimal into a percent.

More Details

Lesson Plan 7: How Banks Work
This lesson will teach students about how banks work, including how banks are able to function like a business to make a profit.

More Details
will practice problem solving skills by choosing the best bank for them
based on a number of different factors, including interest rates.

More Details...

Lesson Plan 8: Saving and Banking

This lesson will let students create their own spending plan for their
allowance based on their wants and needs. Students will also learn
about the importance of having a savings account. They will also
practice writing checks and tracking deposits and withdrawals.

More Details...