

Special Instructions for Materials:**For Activity 1:**

- Duplicate **Activity Sheet 1.1**. Make enough copies so that each student can have a pocket to decorate.
- Duplicate **Activity Sheet 1.2**. Make one copy per student.

For Activity 3:

- Cut several strips of construction paper for use in making the chain—half the strips from paper of one color, half from paper of a different color.
- Duplicate **Activity Sheet 1.3**. Make one copy per student.
- Cut several small squares from construction paper—of the same two colors used for the paper strips.

ADDITIONAL RESOURCES

To download visuals, find related lessons, correlations to state standards, interactives, and more visit <http://fffl.councilforeconed.org/k-2/lesson1>.

PROCEDURE**Read and Discuss the Story:**

1. Using the storybook, read **Story 1**, “A Very Good Day,” to the students.
2. After reading the story, or in the course of reading it, ask the following questions:
 - a. Why did Nicholas have a good day? (**He received a birthday card with a gift of money from Ms. Kim.**)
 - b. Where did Ms. Kim get the money that she gave Nicholas for his birthday? (**She earned the money by working in the flower shop.**)
 - c. How much money did Ms. Kim give Nicholas? (**She gave him two \$5.00 bills, which makes \$10.00.**)
 - d. Why did Penny have a good day? (**She had a new pair of five-pocket jeans, and she earned money for walking Mr. Lopez’s dog.**)

- e. What had happened to Mr. Lopez? (**He sprained his ankle.**)
 - f. Where did Penny put her money? (**She put her money in her front pockets.**)
 - g. What work did Penny do for Mr. Lopez to earn money? (**She walked his dog, Mullido.**)
 - h. Why did Penny feel good about the money in her pockets? (**Because she had earned it.**)
 - i. What special name did Mr. Lopez have for the money that Penny earned? (**Income.**)
 - j. Who had money in the story? (**Penny and Nicholas.**)
3. Ask the students to describe times when they have received money. Did they receive it as a gift or earn it as income? (**Answers will vary.**)

Activity 1: Making a Pocket Graph

1. Tell the students that they are going to participate in an activity called Making a Pocket Graph. To get started, ask them to count the pockets on their clothing. Hold up a card labeled “0 pockets,” and have students with no pockets stand up. Then use the “1 pocket” card in the same way, and continue the game through the “5 pockets” card so that each student has a chance to participate.
2. Provide additional counting practice by having the students count all the pockets in the classroom. Then have them count separately the pockets of boys, pockets of girls, pockets on pants, and pockets on shirts.
3. Ask the following questions and allow time for discussion:
 - a. What do you put in your pockets? (**Lunch money, treasures, tissues, etc.**)
 - b. Why do you have pockets? (**To keep things safe, to hold things, to have things, etc.**)
4. Tell the students they will now become **producers**. They will decorate a pocket to be used in creating a graph. Introduce the term “producers.” Explain that producers are people who make goods or provide services.

5. Distribute a copy of **Activity Sheet 1.1** to each student. Tell the students to cut out the pocket shown on each sheet. Tell them to write their names between the lines at the top of the pockets. Hold up a pocket and show where to write the names.

6. Ask the students to write the number of pockets they have on their clothing in the middle of the pocket. Hold up a pocket and show where to write the numbers. Allow time for the students to decorate their pockets.

7. Write the numbers 0 through 5 vertically on the board or a bulletin board. This area will become a display area. Leave enough room between the numbers for the students' pockets to be attached in rows across the board without overlapping the row above or below.

8. Ask the students to come to the board, one at a time, and tell the class how many pockets each one has on his or her clothing. Help each student attach his or her pocket to the board, beside the correct number.

9. After all the students have attached their pockets to the board, forming a graph, ask the following questions:

- a. How many pockets do most of the students have on their clothing? (**Answers will vary.**)
- b. How many students have no pockets on their clothing? (**Answers will vary.**)
- c. How many students have three pockets on their clothing? (**Answers will vary.**)
- d. How many pockets are there in total, on all the clothing? (**Answers will vary.**)

10. Finish **Activity 1** by distributing a copy of **Activity Sheet 1.2** to each student. Tell the students to write about the things they keep in their pockets and to draw pictures of these things in the rectangle at the bottom of the sheets.

Activity 2: Exploring Human Capital (Work Skills)

1. Select someone in the school building that the students often see doing work—the librarian, custodian, or principal, for example. Explain that this person is a worker or producer at the school.

2. Write “Mr./Ms. _____ can _____” on the board. Have the students suggest ways to complete the sentence with words that describe the skills and abilities the person uses at school. Record the students' suggestions on the board.

3. Introduce the term “human capital.” Explain that “human capital” refers to work skills—all the skills, abilities, and knowledge that a person uses to do work. (Note: Because the term “human capital” can be confusing for very young children, the term “work skills” can be used in its place in these lessons.)

4. Tell the students that a producer receives money, called “income,” for doing work. Ask the students to give examples of the skills and abilities of people they know who earn income. As necessary, provide familiar examples to help the students get started.

5. Have the students name skills they used when making pockets for the graph (cutting, coloring, drawing, writing, etc.). Create a list of the skills on the board. Explain that these skills represent the human capital (work skills) they used in the Making a Pocket Graph activity. Ask the students if they received income from their work. (**No.**)

6. Tell the students to think about other work they do in the classroom and at home. Ask if they receive income for this work. (**Answers will vary.**) Explain that people receive income for some work they do, but they often do other work for which they are not paid, such as schoolwork and chores at home. Discuss examples of jobs for which people *do* receive income and jobs for which they *do not* receive income.

7. Explain to the students that when they are older they will earn income because of the knowledge, skills, and abilities they possess, particularly those developed in school.

Activity 3: Income Chain

1. Ask the students if they remember the story about Penny and Nicholas. Reread “A Very Good Day,” if necessary. Explain that Penny and Nicholas received money in different ways. Write “Money We Receive” on the chalkboard, as illustrated. Do not write the terms “Income Earned” or “Gift Money” yet.

2. Have the students name the person who received money for work. (**Penny.**) Explain that money received for work is called “income.” Write “Income Earned” under “Money We Receive” as one of two column headings. (See illustration.) Remind the students that income is money received for doing work.

MONEY WE RECEIVE	
Income Earned	Gift Money
_____	_____
_____	_____
_____	_____

3. Have the students name the person who received money as a gift. (**Nicholas.**) Write “Gift Money” as the second column heading. Remind the students that gifts usually come from the gift-giver’s income. Ask: Who earned the income to provide the gift for Nicholas? (**Ms. Kim.**)

4. Ask the students to think of times when they have received money. (*Answers might include taking out the trash, celebrating a birthday, losing a tooth, making the bed, etc.*) Have them decide which column is correct for their examples. Encourage them to explain why they put each example under a given category.

5. Divide the class into work groups. Give each group two stacks of paper strips (one stack in each of the two colors) plus glue, a stapler, or tape.

6. Tell the students which color will represent money earned as income and which color will represent money received as a gift. Tape a paper strip of the color representing income under the words “Income Earned” on the board. Tape the other strip under “Gift Money.”

7. In their work groups, have the students tell about their experiences earning income and receiving gift money. For the examples given, group members should take matching color strips and create chains—one chain to represent earning income and the other to represent receiving gift money. They should continue to add links to the chains as more examples are given. Have the students write a word, a letter, or a small picture on each paper strip to identify the source of the money received.

8. Have the students add links to the chains until all have participated and the chains have been made. Attach the group chains to make two large chains, one for each color used in the activity.

9. To conclude, have the students look at the chains and determine whether more students received money as earned income or as gifts. Ask them to imagine that their parents have also made a chain about money they received. Would their parents’ chain look like their chain? Why or why not? (**Parents probably earn much more income than they receive in gifts.**)

10. Have the students create a bar graph on the bulletin board, with one bar representing earned income and another bar representing gift money. Title the board “Money We Receive.” To create the graph, the students should count the links in the chains, by color. Then they should use blocks of construction paper, matching the blocks by color and number to the strips in the paper chains, to create the two bars of the graph. You may want to use the completed chains as a bulletin board border.

11. Distribute a copy of **Activity Sheet 1.3** to each student. Have the students draw pictures in each column to illustrate how they have received money. This activity will help the teacher assess individual comprehension of the concepts.

CLOSURE

Use the following questions to review the concepts presented in this lesson:

- Can you give an example of someone in our school who is a worker? (**Answers might include the custodian, librarian, teacher, cafeteria person, etc.**)
- What do we call the skills, abilities, and knowledge that a person uses to do work? (**Human capital or work skills.**)
- Can you tell what kind of human capital (work skills) Mr./Ms. _____ needs to do his/her job? (**Answers will vary according to the person chosen by the teacher.**)
- What do we call money received for work? (**Income.**)

EXTENSION

Music:

Remind the students that sometimes, but not always, money is earned when we work, and sometimes it is received as a gift. Teach the students the following song. Designate three or four students to be the echo on the lyrics and have them shout out the words in parentheses at the end of the verse.

Earning Income

(Tune: *She'll Be Coming 'Round the Mountain*)

Verse:

We'll be earning lots of income when we work (when we work).

We'll be earning lots of income when we work (when we work).

We'll be earning lots of income,

We'll be earning lots of income,

We'll be earning lots of income when we work (when we work).

Chorus:

We will sometimes get some money as a gift (as a gift).

We will sometimes get some money as a gift (as a gift).

We will sometimes get some money,

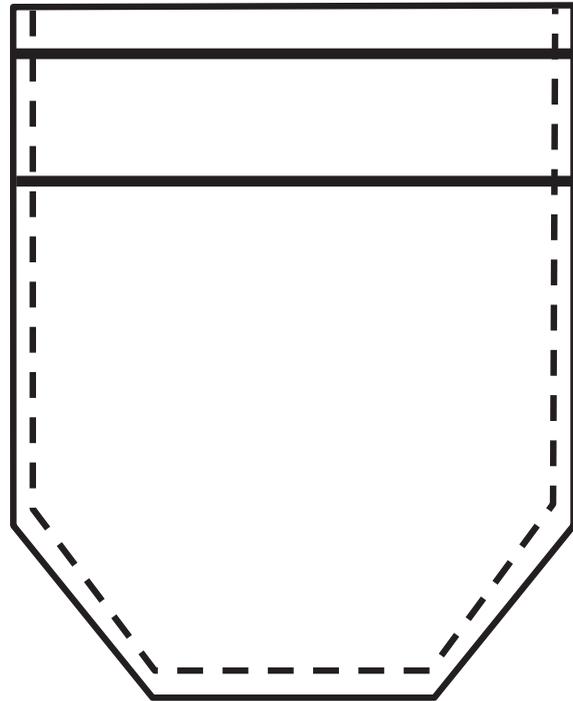
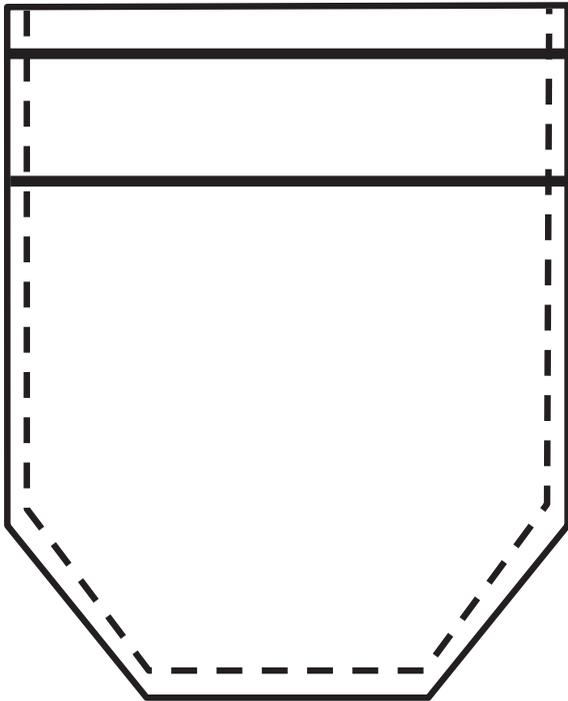
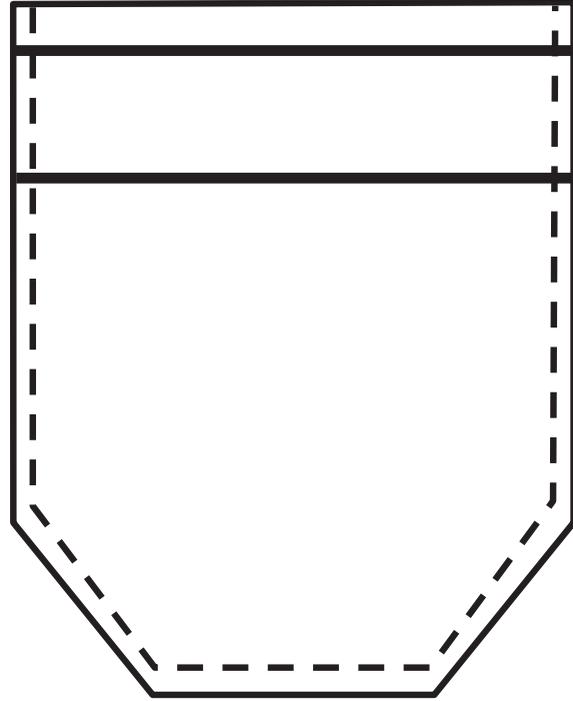
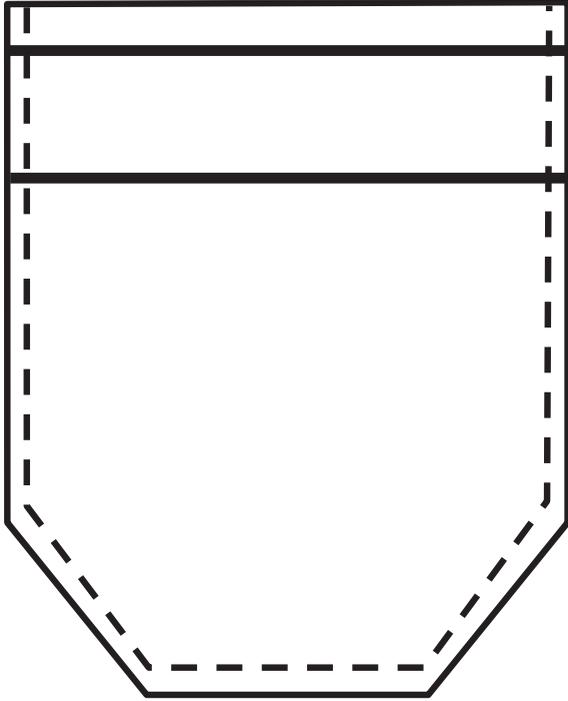
We will sometimes get some money,

We will sometimes get some money as a gift (as a gift).

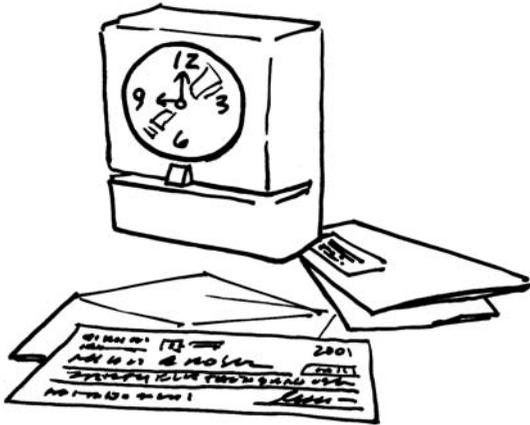
Children's Literature:

Bate, Lucy (1983). *Little Rabbit's Loose Tooth*. New York: Crown/Random House. ISBN: 0-51755-122-5. Little Rabbit loses a tooth and has to make a choice in order to receive gift money.

Pockets



Money I Receive



INCOME



GIFT MONEY