

- Duplicate **Activity Sheet 3.1** (from Lesson 3), making enough copies to have coins to give out as incentives and rewards.

For Activity 2:

- Make a transparency or a copy of **Activity Sheet 4.1** (from Lesson 4).

For Activity 3:

- Duplicate **Activity Sheet 7.1**. Make one copy for each student.

ADDITIONAL RESOURCES 

To download visuals, find related lessons, correlations to state standards, interactives, and more visit <http://fffl.councilforeconed.org/k-2/lesson7>.

PROCEDURE

Read and Discuss the Story:

1. Using the storybook, read **Story 7**, "Saving Requires Waiting," to the students.
2. After reading the story, or in the course of reading it, ask the following questions:
 - a. Do you dream about the future? (**Allow time for the students to tell about their dreams.**)
 - b. What was Mr. Lopez's dream? (**To visit Mexico, where he was born.**)
 - c. Were the children's wants the same as Mr. Lopez's wants? (**No.**)
 - d. What were some of the things Mr. Lopez said the children wanted? (**Bikes, movies, ball games.**)
 - e. Why don't all people want the same things? Why do people differ from one another in what they want? (**Answers will vary. If the students do not mention it, note that some variation is based on age. At different times in their lives, individuals have different wants, dreams, and goals.**)
 - f. How did Mr. Lopez get the money to go to Mexico? (**By saving.**)

- g. When people decide to save money, what do they give up? (**They give up the chance to spend and enjoy their money now.**)
- h. What did Mr. Lopez have to give up in order to save enough money to go to Mexico? (**He gave up owning and using a car.**)
- i. What do we call the thing that is given up when people make decisions? (**Their opportunity cost.**)

Activity 1: Up a Tree: Saving Toward a Goal

1. Recall with the students Mr. Lopez's experience with saving money. Ask:
 - a. Why was Mr. Lopez saving money? (**He wanted to be able to visit Mexico, where he was born.**)
 - b. Do you think this money was easy for him to get? (**No. Mr. Lopez probably had to work for a long time to save up enough money to go to Mexico.**)
 - c. Why do you think he was willing to go without a car for so long? (**He really wanted to go to Mexico and visit.**)
2. Tell the students that they will participate in an activity in which they will put money aside, just as Mr. Lopez did. They, too, will wait and watch their money grow, so that they can reach their goal and get what they want.
3. Discuss the expression "Money doesn't grow on trees." Ask the students what they think it means. (**Money is not easy to get. It cannot just be picked from a tree. Instead people must work hard to earn the money they want, just as Mr. Lopez did.**)
4. Tell the students they will try to make money grow on a tree. Show them the large Money Tree display. (See preparation instructions in the **Materials** section.) Give the students one paper coin each (from **Activity Sheet 3.1**). Tell them that this is payment for coming to school today and working hard. Tell them that each time they receive a paper coin they will glue it on the tree.

Allow them to glue the coins they have already received on the tree.

5. Decide on a reward to offer students as a goal, such as an extra recess period, a picnic at lunchtime, or a classroom celebration of some kind. You will provide this reward to them, but they must “pay” for it with the paper coins they earn and collect on the tree over time. Be sure to define the goal in terms of how much money the students must collect, such as \$3.00 or \$5.00 of play money.

6. Once the goal is established, consider how the class might achieve the goal by estimating the amount of “money” you will distribute to them per day and multiplying it by the number of days you would like to continue this activity.

7. Explain that the students will be able to earn money when they do certain things. Determine the things for which you will pay the students, such as finishing their work, being on time, going directly to their seats, and general good behavior. You can pay them as you “catch them being good.” This payment activity can be improved on the spot and can provide a powerful incentive to get students to do what you want them to do. (To keep the students from interrupting lessons to ask for money payments, you may want to make it a rule that they will not receive any money if they ask for it; they will receive payments only when you observe their good behavior without comments.)

8. The play coins used should depend upon the age and maturity of the students. Use only one denomination with younger students, making it something they are able to count. Using a variety of coins can challenge the students. You may want to construct the tree so that it has a branch for each type of coin.

9. Point out that the students are not really saving money, as Mr. Lopez did; they are only collecting paper coins. But they will get to see how it feels to watch their savings grow, with their goal in mind, almost as if they were saving real money in an account at a bank.

10. From time to time, count up the amount of money on the tree to see how close the students are to reaching their savings goal. You may want to count up to \$1.00, marking off the money as you go, and make a tally mark with a marker on the tree trunk for every dollar counted.

11. When the goal is reached, provide the reward to the students, and call attention to the wait that they had to endure while they “saved” money on the tree to reach their goal. Ask them if it was worth the wait. Compare this with Mr. Lopez’s wait to save enough money to go to Mexico.

Activity 2: Mr. Lopez Faces His Problem

1. Have the students recall the time when Penny faced a problem about whether to buy a vest now or save money to buy a bike later. Show them the transparency or the copy with the Benefits and Costs Grid used with **Lesson 4 (Activity Sheet 4.1)**. Suggest that Mr. Lopez also faced a problem, just as Penny did. He could have used this grid to discover the benefits and costs of his choice.

2. Ask: What are Mr. Lopez’s alternatives in this story? (***Getting a car or going to visit his home in Mexico.***) Find the boxes for the alternatives at the top of the next page. Write “Going to Mexico” in the Alternative 1 square, and draw a picture of a visit. Put “Getting a Car” in the Alternative 2 square. See the chart that follows.

3. Tell the students that they will suggest possible benefits (represented by happy faces) and costs (represented by sad faces) for each alternative. Recall that when people make decisions, they consider the good points, called “benefits,” and the bad points, called “costs,” for each of their alternatives.

4. Ask the students to suggest possible benefits and costs for the trip to Mexico and for getting the car, and record their responses in the appropriate boxes. Possible suggestions are listed in the chart below.

	Alternative 1: Going to Mexico	Alternative 2: Getting a car
A Benefits (Good Points)	<p>A He had been dreaming about it for a long time</p> <p>A He would get to see his family in Mexico</p>	<p>A The car would last a long time</p> <p>A He wouldn't have to take the bus any more</p>
J Costs (Bad Points)	<p>J It wouldn't last; the trip would soon be over</p> <p>J The money will be gone and he wouldn't have anything to show for it</p>	<p>J He would miss out on the trip</p> <p>J His dream wouldn't come true</p> <p>J He wouldn't get to see his family</p>

5. Ask the students if they think this chart tells what the right choice is for Mr. Lopez. **(No. It does not.)** Tell them that the best decision for Mr. Lopez was the one that best satisfied his wants. He chose the one that would make him happier—the trip to Mexico. But it did not come without a cost.

6. When Mr. Lopez chose the trip to Mexico, what was his opportunity cost? **(The car.)**

Activity 3: Fairy Tale Wants

1. Engage the students in thinking about the future. Can they see into the future to know exactly what their wants will be at some later time? **(Probably not.)** Because we cannot foresee the future, we should make wise decisions about saving now. Saving now can help people prepare for meeting their uncertain future wants.

2. To pursue the point, mention that in the not-so-distant future the students will be teenagers. Then, not long after that, they will be adults. Ask:

a. Do you think you will have different wants when you become a teenager? **(Answers will vary, but they should say that some of their wants will be different.)**

b. Do you think your wants will change when you become an adult? **(Answers will vary, but they should say yes. They will want cars, houses, new furniture, and many other things.)**

3. To reinforce the idea that the future is uncertain, display a hand mirror and ask a few students look into it and recite this familiar fairy-tale line, with an economic twist:

Mirror, mirror, on the wall,

Why will I need money after all?

In discussion, point out that in real life there is no magic mirror or crystal ball people can look into to learn why they will need money in the future. That is one reason why saving is so important. People must make decisions that will prepare them for the uncertain future.

4. Brainstorm with the students a list of things they would like to have now, in the present. Write the items they mention on the board under the heading, "My Wants Now." Write another heading, "My Wants as an Adult," and ask the students to imagine what they will want when they become adults. List these items under the second heading. Compare the two lists. Ask: Are there any wants on the two lists that are the same? **(There should be some wants that are alike.)** Circle the wants that are alike.

5. Distribute **Activity Sheet 7.1**. Tell the students to look at the two mirrors on the page. In the center, where the mirrors overlap, the students should write all the wants that are the same from the two lists. In the outer circle areas they should write the wants from the lists that are different. (Note: teachers with more ad-

vanced students may wish to use words like “compare” and “contrast” instead of “same” and “different.”) In the left outer-circle area they should write several of the items they want now. In the right outer-circle area they should write several of the items they will want as adults. They may do this in cooperative groups.

6. Discuss the two mirrors with the students. Ask them if they know for certain what they will want when they become adults. (**Answers will vary. Most students probably will say that they don't know what all the things are that they will want later, but they can certainly come up with some of the things they will want.**) In discussion of these responses, reiterate the point that since we cannot know exactly what we will want later in life, we have to save some of our money so we can be prepared to satisfy our future wants.

CLOSURE

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

- Why do people save money? (**They have goals or rewards they are trying to reach.**)
- Is it easy to save money? (**No.**) Why not? (**We usually have more wants now than we can satisfy. If we save, we have to give up satisfying some of our wants now.**)
- Give an example of a cost of saving. (**You can't have what you want today. You have to put off spending money now and wait to spend it later.**)
- Give an example of a benefit of saving. (**If you save, you can meet future wants.**)
- Why doesn't everyone want the same things? (**We are all different, and even as individuals we change over time.**)
- Give an example of something you want that your parents do not want. (**Answers might include a video game, a bicycle, or a toy.**)
- Do you know what all the things are that you might want in the future? (**No.**)

How can you plan for future wants when you don't know what they will be? (**Saving money now helps people prepare themselves to satisfy future wants.**)

EXTENSION

Language Arts/Bulletin Board:

Have the students work in groups to create acrostics using the letters S-A-V-I-N-G-S. That is, have the students write the letters vertically along the left side of a sheet of paper. Then they should write (or draw), next to each letter, a word beginning with that letter which also represents something students would like to purchase in the future. Create a bulletin board titled “Saving Requires Waiting,” and display the students' acrostics for S-A-V-I-N-G-S on the board.

Music:

Teach students the song below. Change the name “Johnny” on each verse to the name of a selected student—who comes to the front of the class and pantomimes marching to the bank. All the students can stand on the chorus and march in place.

Marching to the Bank

(Tune: *When Johnny Comes Marching Home*)

Verse:

*When Johnny goes marching to the bank,
Hurrah, Hurrah!*

*When Johnny goes marching to the bank,
Hurrah, Hurrah!*

*Our Johnny stops to save and then,
The rest of us all follow in,
And we save, save, save, save,
And we all go marching home!*

Chorus:

*The kids go marching to the bank,
Hurrah, Hurrah!*

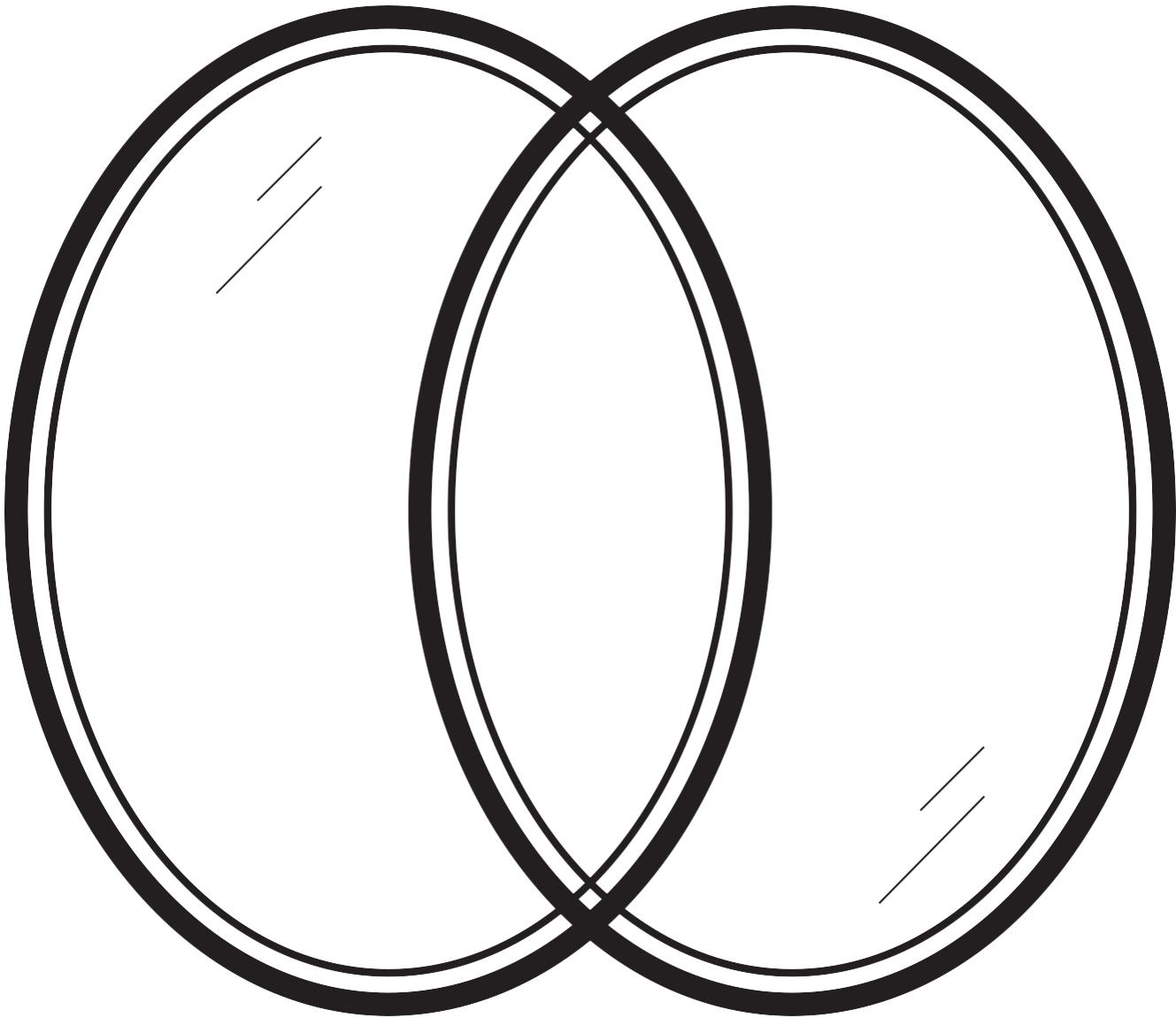
*The kids go marching to the bank,
Hurrah, Hurrah!*

*The first one stops to save and then
The rest of them all followin,
And they save, save, save, save,
And they all go marching home!*

Children's Literature:

- Mitchell, Margaree King (1993). *Uncle Jed's Barbershop*. New York: Simon & Schuster; ISBN: 0-68981-913-7. Despite serious obstacles and setbacks, Sarah Jean's Uncle Jed, the only African-American barber in the county, pursues his dream of saving enough money to open his own barbershop.
- Stewart, Sarah (1994). *The Money Tree*. Canada: Sunburst, Mississippi; ISBN: 0-37445-295-4. Mrs. McGillicuddy is growing a money tree in her yard. Although the whole town seems to be overly interested in picking its "leaves," the owner wants things to get back to normal.
- Williams, Vera B. (1982). *A Chair for My Mother*. New York: Mulberry Books; ISBN: 0-68804-074-8. A child, her mother, and her grandmother save coins to buy a comfortable armchair after all their furniture is lost in a fire.
- Williams, Vera B. (1982). *Something Special for Me*. New York: Mulberry Books; ISBN: 0-68806-526-0. Rosa has difficulty choosing a special birthday present to buy with the coins her mother and grandmother have saved. She has many things she wants but enough money to buy only one.

Gazing into the Future



My Wants Now

My Wants as an Adult

For Younger Students (kindergarten through grade 1):

- Using the directions given below, administer Test 1 only.

For Older Students (grades 1 and 2):

- Use **Test 1** and **Test 2**. Even if students are good readers, the teacher should read the questions aloud and allow time for the students to mark the correct pictures. (This is to be certain that you are testing economics concepts, not reading skills.) Use the directions given below for Test 1, but use the numbers for each question without calling attention to the pictures at the beginning of the line (heart, etc.).

DIRECTIONS FOR TEST 1

For each row read the following statements aloud to students. If necessary, identify the pictures.

Brian was packing his lunch for school, and he wanted to take both a banana and an apple. His mother said that he only had room in the lunch box for one piece of fruit. He decided to pack the apple.



1. Put your finger on the heart. On this row, mark the picture that shows Brian's choice.



2. Put your finger on the happy face. On this row, mark the picture that shows Brian's opportunity cost.



3. Put your finger on the arrow. On this row, mark the picture that is not one of Brian's alternatives.



4. Put your finger on the box. On this row, mark the person who is spending money.



5. Put your finger on the moon. On this row, mark the person who is saving money.

DIRECTIONS FOR TEST 2

Part A: Pretend that your parents said that you could have a new pet. Listen carefully as I read some sentences about pets. Look on the "Dog" row. Write the letters "B" or "C" on the line under each picture on this row. Write "B" for pictures of the benefits from having a dog, and "C" for pictures of the costs.

1. A dog might be fun to run and play with.
2. A dog might bark all night and keep everyone in the neighborhood awake.
3. A dog might bark at prowlers and keep them from breaking into your house.

Look on the "Cat" row. Write the letters "B" or "C" on the line under each picture on this row. Write "B" for pictures of the benefits from having a cat, and "C" for pictures of the costs.

4. A cat might get fleas and bring them into the house.
5. A cat might feel soft and warm when it is sitting in your lap and purring.
6. A cat might scratch the furniture and tear it up.

Part B: Look at the pets on this row. If you could decide to have one new pet, circle your choice, and cross out your opportunity cost (your second favorite pet).

Part C: Listen carefully as I read some sentences about people who are saving money. Put a “D” on the line if someone is depositing money into savings. Put a “W” on the line if someone is withdrawing money from savings.

1. Nicholas took his coin can from his drawer and pulled out enough money to buy the yo-yo he wanted. (*withdrawal*)
2. Miss Kim puts her extra money in a savings jar so that she will have money later to buy little things she will need. (*deposit*)
3. Dad puts money in a special savings account so that he can pay to send Penny to college some day. (*deposit*)
4. Mom took some money out of the family savings account to buy a new washing machine. (*withdrawal*)
5. Grandma gave Christopher a dime, and he put it in his piggy bank. (*deposit*)
6. When Penny has saved enough money she will take it out of her bank account to buy a new bike. (*withdrawal*)

ANSWER KEY:

Test 1:

1. ( Row) – (c) apple
2. ( Row) – (a) banana
3. ( Row) – (b) orange
4. ( Row) – (c) someone buying an item at a store.
5. ( Row) – (a) someone putting money into a piggy bank

Test 2:

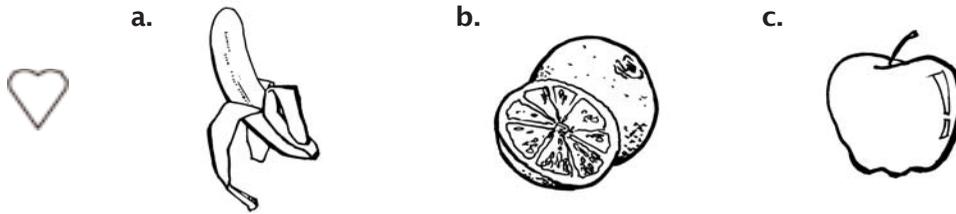
- A. 1. – B (benefit) 4. – C (cost)
 2. – C (cost) 5. – B (benefit)
 3. – B (benefit) 6. – C (cost)
- B. Answers will vary. (You may not want to count this question in the total score.)
- C. 1. – W (withdrawal) 4. – W (withdrawal)
 2. – D (deposit) 5. – D (deposit)
 3. – D (deposit) 6. – W (withdrawal)

NAME _____

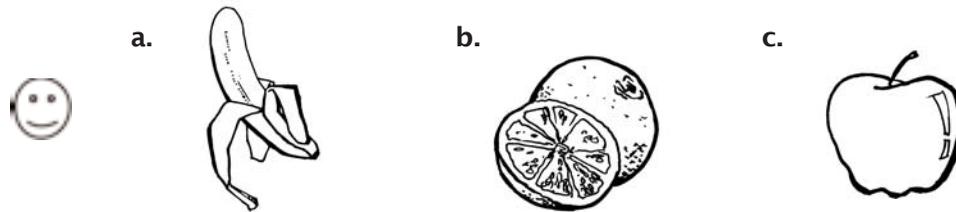
Test 1

Brian was packing his lunch for school, and he wanted to take both a banana and an apple. His mother said that he only had room in the lunch box for one piece of fruit. He decided to pack the apple.

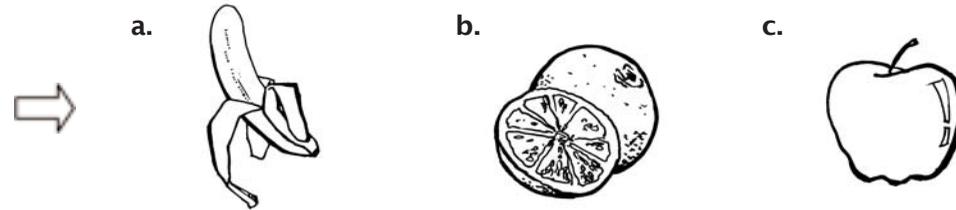
1. Mark the picture that shows Brian's choice.



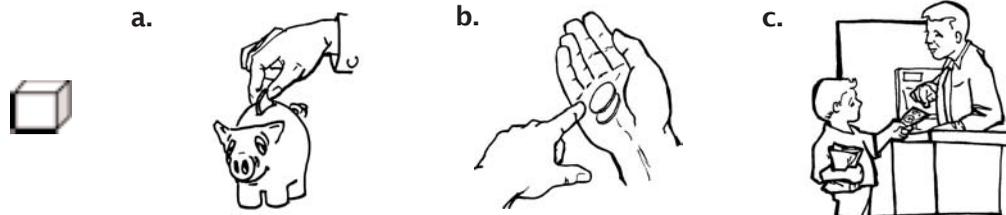
2. Mark the picture that shows Brian's opportunity cost.



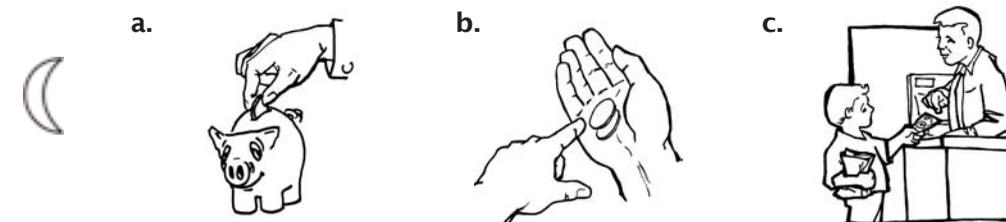
3. Mark the picture that is not one of Brian's alternatives.



4. Mark the person who is spending money.



5. Mark the person who is saving money.



NAME _____

Test 2

A. Pretend that your parents said that you could have a new pet. Listen while your teacher reads some sentences about pets. Write the letters “B” or “C” on the line under each picture below. Write “B” for benefits, and “C” for costs.



1. _____



2. _____



3. _____



4. _____



5. _____



6. _____

B. Look at the pets below. Circle the one you would choose, and cross out your opportunity cost.



C. Listen while your teacher reads some sentences about people who are saving money. Put a “D” on the line if someone is depositing money into savings. Put a “W” on the line if someone is withdrawing money from savings.

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____