



Lesson Two

Spending Plans

spending plans lesson outline

overview

Preschool-aged children are capable of learning simple spending plans. Early training in categorizing money establishes patterns for future money-management behavior.

This lesson introduces children to the concept of dividing their money into categories, namely "save," "spend," and "share." We present activities that will help children understand that money is limited in quantity and must be divided for different purposes.

As children grow older, more categories can be added to their spending plans. Children learn to manage their own limited supplies of money.

Making saving a category in spending plans can encourage this important habit as children reach their late teens. As adults, saving will seem natural for them and they will be inclined to save on their own.

goals

Introduce structured spending decisions to assist young children in making choices. Help children recognize that money comes in limited amounts.

lesson objectives

- Identify categories for spending plans.
- Recognize the importance of saving some money for future needs.

student activities

2-1 Spending Plan Containers

Related Materials: Letter to Parents

- Provide a place for children to keep money for saving and spending.

2-2 Spending Plan Envelopes

Related Worksheet: Spending Plans Envelope

- Have students prepare take-home envelopes for their spending plan categories.

2-3 Financial Goal Posters

- Have children identify and display their financial goals.
- Discuss the need for money to pay for these goals.

2-4 Reading About Money

- Select books about money for story time.

2-5 Spending Plan Game

Related Worksheets: Game Squares

- Play a game that teaches children to divide money into "spend" and "save" categories.

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2-6 Class Field Trip

- Have children learn to share with a local charity.
- Introduce children to the "give" category of their spending plans.

2-7 Lesson Two Quiz

- Coloring Activity
- Young Reader - Answer Key

spending plans teaching notes

spending plan containers

- Give each child two containers to decorate. The containers can be two small plastic jars, recycled coffee cans with plastic lids, or small cardboard boxes, but try to make the containers the same for everyone in the class.
- Have old magazines, stickers, construction paper, crayons, and magic markers available. Allow the children to be creative in decorating their two containers.
- After the children have decorated the containers, they should label one container as "SAVE" and the other as "SPEND."
- Make sure each container is labeled with the child's name.
- Send the completed containers home with the children.
- Optional: Include a note to parents to let them know that you have been discussing spending and saving in the classroom.
- Teachers can decide if they want to make a second set of "spend" and "save" containers for the children to keep in the classroom.

related materials

spending plan envelopes

- This activity is ideal for older children in the Pre-K to second grade age group.
- Give each child two or three envelope templates.
- Let the children color or decorate their envelopes with pictures and stickers or crayons. Pictures on an envelope can relate to what the envelope represents. For example, children may want pictures of toys on their "save" envelopes to show what they are saving for.
- Instruct the children to cut out their envelopes.
- Show the students how to fold the sides of their envelopes and fasten two of the sides together, leaving the flap open.

student activity 2-1



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- Label the envelopes with SAVE, SPEND and GIFTS.

[Note: If you do this activity with children under five, just use save and spend. For students in first and second grades, you could use more categories for the envelopes, such as "gifts."]

financial goal posters

- Ask each student to think of one thing he or she wants to buy. Help the students to focus on only one item.
- Discuss with the students that each thing costs money. Explain that dollars and cents have to be exchanged for the items, and this is why we save money.
- Have each child make a poster to depict his or her financial goal.
- The poster can be made on 8 1/2 x 11-inch or larger paper.
- Let children cut pictures that represent the items they want from magazines or old catalogs. [Alternative: Let children draw freehand pictures of what they want.]
- Mount the pictures on colored construction paper.
- Write the title "I am saving for:" at the top of each page.
- At the bottom of each poster, write: "Money needed to purchase this \$_____."

discussion



spending plans teaching notes

story time

- Use story time to read books about saving and spending money. Borrow books from the local public library if you do not have any available at the school.
- Here are some suggestions:
 - *The Great Tooth Fairy Rip-Off*, by Dori Hillestad Butler, Minneapolis: Fairview Press. Joey tries to negotiate with the Tooth Fairy for the amount he thinks his tooth is really worth, but he gets a surprise and learns the values of work, money, and saving when the Tooth Fairy starts bargaining back.
 - *Benny's Pennies*, by Pat Brisson, New York Dragonfly Books, 1992. Benny sets off in the morning with five shiny new pennies to spend and eventually buys something for his mother, brother, sister, dog, and cat.
 - *The Lunch Line*, by Karen Berman Nagel and Marilyn Burns, New York: Cartwheel Books, 1996. In the school cafeteria at lunchtime, Kim eyes all the tasty food and tries to figure out what she can buy with her dollar.
 - *Pigs Will Be Pigs: Fun with Math and Money*, by Amy Axelrod and Sharon McGinley-Nally, New York: Aladdin, 1997. The hungry Pig family learns about money and buying power as they turn the house upside-down looking for enough money to buy dinner at the local restaurant.
 - *Susie Goes Shopping*, by Rose Greydanus, Mahwah, NJ: Troll, 1980. A young pig wants to buy a cake, a pie, and cookies to make her mother feel better, but she has only enough money for a loaf of bread.

reading

spending plans teaching notes

spending plan game

This floor game can be played by small groups of children at the same time. It teaches them to divide money received into two categories -- "save" and "spend."

- Make 8 1/2 x 11-inch posters that show spending and saving scenarios to place on the floor of the classroom. Arrange them in a maze.
- Use a pair of dice or a spinner from another game to determine how many spaces each child moves on the floor game.
- Provide each player with two envelopes: one marked "save" and one marked "spend."
- Appoint a game supervisor to give or collect the money associated with each landing spot.
- The student with the most money at the end of the path wins.

reading

field trip to a charity

This activity helps children understand how to give to other people. It should be viewed as a group activity.

- Discussion of sharing (or giving) part of money received can be accompanied with a field trip to a local charity, such as a Ronald McDonald House, a homeless shelter, or Humane Society.
- Decide on a local charity that the class can adopt for this activity.
- Help the students learn more about this charity.
- As a class, decide on a project to help meet a need for this charity.
- The students can work together on the project.
- Raise money to share with the charity.
- Have students make a contribution for the project.
- If collecting money isn't possible, select an activity that doesn't cost money (for example donate time and/or personal energy at the charity).
- Arrange for the students to visit the actual location of the charity.

related materials

lesson two quiz

coloring activity



young reader 1 key





lesson two quiz: spending and saving

circle the correct answer for each question.

1. Saving money is a good idea.

Yes

No

2. If you save your money now, you will have more money to spend later.

Yes

No

3. Part of your saved money can be used to buy things now.

Yes

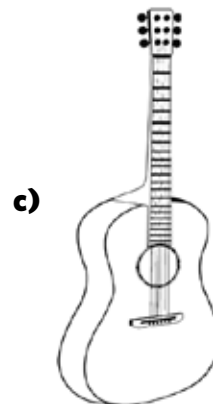
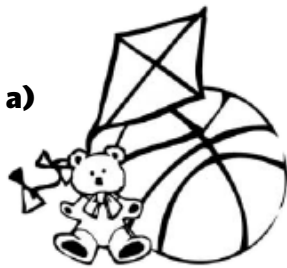
No

4. If you do not have enough money to buy something, you can:

- buy something that costs more.

- save more money and then buy it.

5. When I save money, I can buy:



d) all of these