

Be Smart with Money

OBJECTIVES:

- To understand the importance of good money management.
- To understand the importance of saving.
- To learn to make wise consumer choices.

GROUP SIZE:

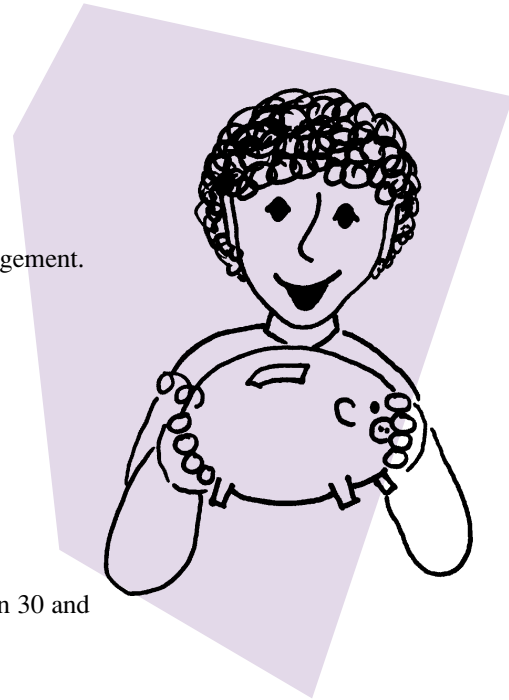
6 to 8 children per adult volunteer.

TIME FRAME:

This lesson is designed for a group meeting between 30 and 60 minutes.

BACKGROUND:

Children are exposed to money and spending every day. Help them develop an appreciation of where money comes from, how to know the difference between wanting and needing something, making good spending choices, and the importance of saving money.



LIFE SKILL AREAS

The group games, discussions, and role playing activities will help develop social and decision making skills. Eye-hand coordination and fine motor skills will be developed by the use of scissors and markers.

HELPS TO THE VOLUNTEERS

Try these suggestions:

- Choose one or two of the following activities from each section.
- Try to create appropriate atmosphere by decorating the room with posters and props, using costumes related to the activity, pre-meeting preparation by the 4-H members, thinking about special seating arrangements, and playing background music.

LEARNING ACTIVITIES:

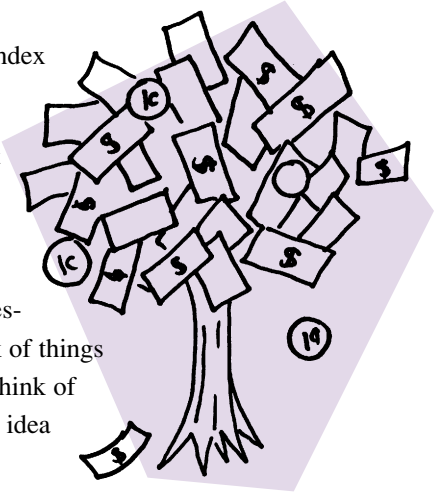
I. GETTING STARTED

☀ **ACTIVITY:** "Money - Where It Comes From, Where It Goes" (5 - 7 minutes)

Grade Level: 1 - 3

Materials: large piece of construction paper or poster board, 3" x 5" index cards, marker.

Ask the children to think about how they each use money. Make a list on the poster board of how the children get their own, personal spending money (allowance, jobs, parents, gifts, etc.). Ask the children to think about how they spend money. Have each child think of at least one thing they or their parents have used money for. Write each suggestion on a 3" x 5" index card in big letters. Encourage children to think of things that no one else has mentioned yet. If they have trouble, ask them to think of school items, clothing, fast food, or entertainment expenditures. If the idea of a savings account is not brought up, suggest it and put it on a card. Save the cards for the next activity.



Application: Ask the children to think of where their parents get money. Many will say "from the bank." Explain that people must earn money first. Ask the children to think of all the expenses grownups have. What are some of them?

☀ **ACTIVITY:** "Needs and Wants" (5 - 7 minutes)

Grade Level: K - 3

Materials: 3" x 5" index cards with items children commonly purchase or have purchased for them.

Ask the children to come up with a working definition of the words "want" and "need." Get started by having them complete the phrase, "A need is something you ..." and "A want is something you ..." Be sure they understand that needs are "must haves" to live and be healthy, and that wants are extras, or things people have or use to enjoy. Reinforce the idea of a "want" by asking, "Could you live without it?" Take the cards on which the children have listed items they commonly purchase. Go through the cards, and ask the children to decide which are wants and which are needs. Make a pile for each. If one pile has many more than the other, ask the children to think of additional examples to even the piles out. Talk about the following:

- Which is a want and which is a need: candy bar or milk; groceries or going to a movie; a comic book or shoes.
- What kinds of purchases should people make first, needs or wants? Why?
- What happens when money is spent on wants and there is none left for needs?
- Do you think saving money in a savings account is a need or a want?
- How do you think your parents make decisions about wants and needs?

Application: Have the children look at things in their homes. Which things are wants and which are needs?

☀ **ACTIVITY:** "Needs and Wants Collage" (7 - 9 minutes)

Grade Level: 1 - 3

Materials: construction paper, glue, markers, scissors, catalogs, grocery store ads, and discount store ads.

Give each child a piece of paper. Help them divide the paper in half and write "NEEDS" at the top of one half and "WANTS" on the top of the other half. Let them cut out items and decide where to glue them.

Application: Encourage the children to be aware of television advertising. Ask them to decide if items advertised are needs or wants.



II. DIGGING DEEPER

☀ **ACTIVITY:** "What Are Advertisements?" (5 - 7 minutes)

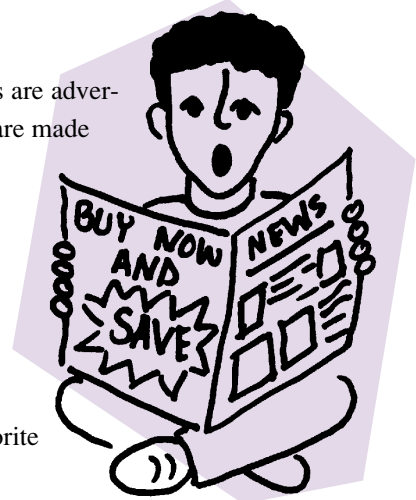
Grade Level: K - 3

Materials: newspaper, magazine, and catalog ads.

Show the children examples of advertisements. Ask if they know why things are advertised. Explain that ads, which include commercials on radio and television, are made to get people to buy products. Ask the children if they can think of specific examples of the following kinds of ads:

- newspaper
- magazine
- outdoor advertising
- radio
- television

See if they can remember actual brands advertised. Ask them to name a favorite commercial. Is the item advertised a need or a want?



Application: Encourage children to be aware of the variety of ways products are advertised. How many can they count in one day?

☀ **ACTIVITY:** "Make Your Own Commercial" (7 - 9 minutes)

Grade Level: K - 3

Materials: none.

Divide the group into teams of three or four. Invite the children to make up a commercial to sell a new product. Ask them to include these ideas in their commercial:

- name of product
- what it's for, or what it does
- why the viewing audience "needs" one
- cost

Share the commercials with the group. Were the ads effective? What kinds of things make ads appealing?

Application: Encourage the children to pay attention to television advertising. In what ways do commercials try to convince the viewers to spend money on the advertised products?

☀ **ACTIVITY:** "Product Comparisons: Taste Test" (7 - 9 minutes)

Grade Level: K - 3

Materials: a name-brand cereal and a similar generic brand, blindfold, paper, and pencil.

Show the children the two boxes of cereal. Point out the packaging. Attractive packages are another way manufacturers use to get people to buy their products. Tell the children the prices of the two cereals. Ask why they think the generic brand costs less. Explain that they are going to do a taste test to see if the two cereals are really different. Let the children take turns using the blindfold and tasting the cereals. Keep a record of the taste test results. Discuss the following:

- Did the products taste different?
- Look on the box and compare ingredients. Are they different?
- Is it worth the extra money to buy the name brand?

Application: Encourage the children to be on the look out for other generic products at the grocery that are similar to name-brand items.



III. LOOKING WITHIN

☀ **ACTIVITY:** "Smart Shopping" (7 - 9 minutes)

Grade Level: 2 - 3

Materials: empty boxes of name-brand and generic pudding, jello, cereal, and a calculator; general merchandise catalog and weekly ads of products carried in catalogs.

Ask the children to compare the prices of similar items. Help them find the amount of savings by showing them how to use the calculator. Look through the weekly ads for items also carried in the catalog. Check and see if the sale price is less expensive. Use the calculator to determine savings.

Application: Ask the children to look for other opportunities to save the next time they go shopping.

☀ **ACTIVITY:** Fingerplay "A Shiny Penny" (4 - 6 minutes)

Grade Level: K - 3

Materials: none.

Ask the children to think about what "a penny saved is a penny earned" means. Encourage them to act out the following finger play:

A Shiny Penny


As I was looking on the ground	(cup hand over eye, look around)
A shiny penny I soon found.	(point to ground)
I picked it up and what do you know?	(pick up penny from ground)
I put it in my bank so it could grow.	(cup fist, put penny in)
I added to it and in no time	(put more pennies in fist)
It grew from one penny into a dime!	(hold one finger up, then all ten)

Talk about the importance of saving and not letting money "burn a hole in your pocket!"

Application: Ask the children to see if they have a piggy bank at home or savings account at a bank. Encourage them to "add to it."



IV. GOING BEYOND

 **ACTIVITY:** "Saving for a Rainy Day" (4 - 6 minutes)

Grade Level: K - 3

Materials: a piggy bank, an example of a savings passbook, a roll of pennies, and a coffee can with a slot in the lid.

Show the children the piggy bank and the passbook. Explain that these are ways that people save. Ask the children to think of things grown-ups save money for. What kinds of things can children save for? Talk about the meaning of "a penny saved is a penny earned." Give each child a penny and ask them to think about something they might want to save for. Pass the can around and have each child share their idea as they "deposit" their penny.

Application: Encourage the children to think of ways they can help their family save money. Are there things you purchase or have purchased for you that are "wants"?

Reading Adventures

This listing of reading materials can be used by you as background, or for sharing before to set the stage for the lesson or for sharing afterwards to reinforce the lesson.

The Beranstain Bears Trouble with Money, by Stan and Jan Beranstain

Arthur's Funny Money, by Lillian Hobran

Alexander Who Used to Be Rich Last Sunday, by Judith Viorst