



The Centsables®

GRADES 1-2 LESSON PLAN



Lesson topic

Earning and saving money

Instructional Objectives

Students will be able to:

1. Identify ways to earn money
2. Discuss some ways money is spent
3. Distinguish between people who provide goods and people who deliver services
4. Recognize some of the ways banks can help us with our money

Essential Question

How do people earn money?
What are some things we
can do with money?

Financial Literacy Standards

First Grade – Social Studies:

- **Standard 4 (Financial Literacy):** Students will describe the economic choices people make to meet their basic economic needs.
 - **Objective 1: Explain how goods and services meet people's needs.**
 - d. Explain the concept of exchanging money to purchase goods and services**
 - **Objective 2: Recognize that people need to make choices to meet their needs**
 - a. Describe the economic choices that people make regarding goods and services.**
 - b. Describe why wanting more than a person can have requires a person to make choices.**
 - c. Identify choices families make when buying goods and services.**



Financial Literacy Standards

CEE Voluntary National Content Standards in Economics , Standard 11: Money and Inflation

CEE National Standards for Financial Literacy , Standard I: Earning Income

CEE National Standards for Financial Literacy , Standard II: Buying Goods and Services

Jump\$tart Coalition, National Standards in K-12 Personal Finance Education:

• **Overall Competency.**

- **Apply strategies to monitor income and expenses, plan for spending and save for future goals.**
- **Standard 1. Develop a plan for spending and saving.**

National Content Standards in Economics (from Council for Economic Education):

- **Standard 10, Economic institutions, specifically banks**



Materials

- **Whiteboard, smart board, or large sheets of paper to record answers**
- **Marker pen**
- **“Goods and Services” picture sheet**
- **Copy of “Bank Maze” activity sheet for each student**
- **“Goods or Services?” T-chart**
- **Push pins or tape to affix pictures to T-chart**
- **Pencil or crayon for each student**



Preparation



Do:

Print the “Goods and Services” sheet, and cut out the individual pictures. There should be one picture for each student. (You may need to print additional copies, as needed)

Motivation

Do:

Begin to engage children by having each name someone they know who has a job, and what it is. Record the jobs the children name.

Say:

- Why do people work at jobs? (Elicit: to earn money)
- When you work and earn money, it is called your income. Why do people need income? (Elicit: to pay for the things they need)
- What are some of the things you need that your parents' spend their income on? (Elicit: place to live, clothes, food, computer, vacation)

Do:

Record student answers on the same list as above.

Learning Activity

Say:

- People sometimes use the money they earn to buy “goods.” These are things that you can see, touch and feel. Look at our list of what your parents buy. Are some of these ‘goods’ that you can touch? (Elicit: yes)
- People can also spend money on a “service.” This is something that someone does for another person. It is an action that meets someone’s need. For instance, going to the dentist. Can you touch or hold your dental care? (Elicit: no)
- But is it very important to have dentist visits? (Elicit: yes) Are there any services on our list? (Elicit: yes) Who can think of some services your family pays for? (Elicit: cable tv, electricity, water, doctor, school)

Do:

Do the “Goods or Service?” activity: Distribute one picture to each child, then instruct them to come up one at a time and tell the class about their picture, and whether it is a good or a service. The child then puts the picture on the correct column of your T-chart, and you tape or tack it in place.



Do:

Display the list of jobs and items parents purchase. Point to items one by one as you address the class.

Say:

- **Now let's go back to our original list. Here are the jobs you shared. And some of the things your parents buy for you. By show of hands, let's decide which are goods and which are services.**
- **We agree that a service is something that someone does for us. It is not an actual thing that can be touched or held. But do people who provide services sometimes have to buy actual things to do their jobs? (Elicit: yes)**
- **Let's say I want to have my living room painted. Is that a good or a service? (Elicit: service) What goods would my painter need in order to do his service? (Elicit: paint, brushes, ladder, drop cloths)**
- **How about farmers? What goods do they need to buy? (Elicit: seeds, tractor, barn)**
- **What goods does your doctor need to buy? (Elicit: stethoscope, thermometer, medicines and vaccines, bandaids)**
- **We have discussed that people can earn income by offering goods and services. We also talked about some things people spend money on. Now, let's talk about what people can do with the money they have not spent. Can anyone make a suggestion? (Elicit: put it in a bank)**
- **How many of you children have savings accounts. Why did you open your account?**



Key points to discuss

- Banks are businesses where people can keep their money safe
- When you put your money into a savings account, the bank says 'thank you' by paying you a little money
- The money the bank pays you is called interest
- Putting your money in the bank keeps it safe and the interest that's added makes your savings grow
- Banks also offer other services, such as a checking account. This enables people to pay for things like rent, groceries, and other bills, by using checks instead of cash
- Banks lend people money, too, because sometimes they have to buy expensive things and they don't have enough savings to pay for them

Say:

- Who can tell us some things to buy that cost a lot of money? (Elicit: car, house, college, vacation)
- When you borrow from the bank, it's called a loan. You get the money now, then pay it back a little at a time
- But you must also pay the bank a little extra, for the convenience of using their money
- The money you pay the bank is also called interest
- How is this interest different from the interest on a savings account? (Elicit: people pay loan interest, people get savings interest)
- Do you have to go to the bank in order to do business? (Elicit: no)
- Today, there are many different ways to do your banking. Who can tell us these ways? (Elicit: ATM machine, online, over the phone, credit card, debit card, banking store in a supermarket)

Do:

Distribute the Bank Maze sheet and pencils or crayons.

Say:

- Someone is having trouble getting to the bank, and needs your help. See if you can find the way through the maze so our friend can make a deposit into her savings account.

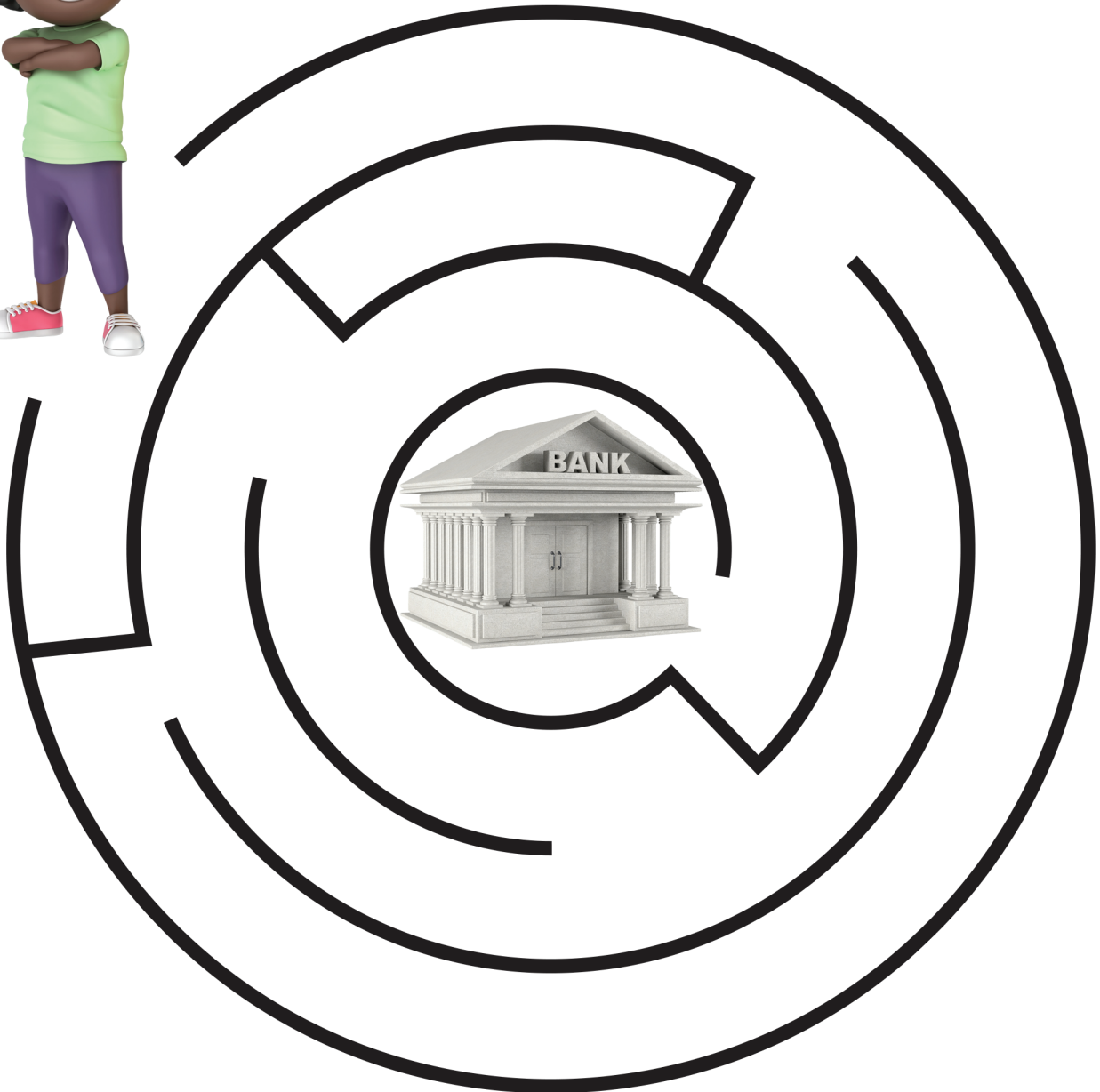
Closure/Summary

Student should be able to answer the following questions:

- Who can tell us two types of things people spend money on? (Elicit: goods and services)
- As your teacher, which do I provide to you? (Elicit: service)
- We talked about some of the things parents buy for their families. What are they? (Elicit: rent, clothes, food, cable, toys, computer)
- And when all the bills are paid, where do many people put their savings? (Elicit: banks)
- Why is that a good idea? (Elicit: earns interest, stays safe)



Rachael's grandparents gave her \$25 for her birthday. She is saving up for a computer, and she needs to deposit her gift into her savings account, where it can earn interest. Can you help her find the way?



The Centsables

**GOODS AND SERVICES
PICTURE SHEET**

Cut out the pictures. There should be one for each student. If necessary print this sheet multiple times, so that each child has the opportunity to take part.





Goods

Services

Goods	Services