

LESSON

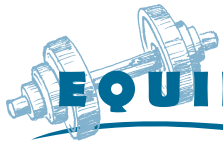
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Saving Makes Us Wait

Story 7: Saving Requires Waiting

Fitness Focus



EQUIPMENT

- ✓ Storybook: *Story 7 - Saving Requires Waiting*
- ✓ Activity Sheet 3.1: *Pocket Change* (from Lesson 3)
- ✓ Activity Sheet 4.1: *Benefits and Costs* (from Lesson 4)
- ✓ Activity Sheet 7.1: *Gazing into the Future*
- ✓ Brown and green construction paper
- ✓ A small hand mirror

LESSON DESCRIPTION

Students experience setting a goal and saving to achieve that goal. The class discusses the costs and benefits of saving by completing a decision grid. Using a magic mirror they gaze into the future and learn that people must plan for future wants.

This lesson correlates with the national English language arts, mathematics, and economics standards and with the personal finance guidelines as shown in Tables 1-4 in the introductory section of this publication.

BACKGROUND

Saving is delayed spending. People decide to save in order to reach goals. There are benefits and costs to such a decision. The benefits include accumulating money to achieve goals. The costs include not being able to satisfy wants now.

Student Objectives

At the end of this lesson the student will be able to:

- ✓ Explain that saving is an alternative to spending.
- ✓ Identify the benefits, costs, and opportunity costs of a decision to save.
- ✓ Show that a plan, such as a plan to save, can transform satisfying a want into an achievable goal.



ECONOMIC AND PERSONAL FINANCE CONCEPTS

Benefits and costs, money, opportunity cost, saving, wants, savings goals



PARENT CONNECTION

The Parents' Guide to Pocket Power, Theme 2 - *Tomorrow's Money: Getting to the End of the Rainbow*, contains background information for parents, some additional activities that parents can use with their children to reinforce learning, and a bibliography of appropriate children's literature.

GETTING READY!

A. FOR ACTIVITY 1:

Up a Tree: Saving Toward a Goal

- Using the green and brown construction paper, make a large "money tree" to display on a wall or a bulletin board. Be sure that it is at a height and position so students can reach to the top of it.

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

B. FOR ACTIVITY 2:

Mr. Lopez Faces his Problem

Make a transparency of Activity Sheet 4.1: *Benefits and Costs* (from Lesson 4); or, if a transparency was made in lesson 4, use that one.

C. FOR ACTIVITY 3: Fairy Tale Wants

Duplicate Activity Sheet 7.1: *Gazing into the Future*, making enough copies for each student to have one.



Workout



This symbol indicates that the lesson activity is suitable for all students in grades K-2.



This symbol indicates that the lesson activity may be challenging for some students in grades K-2.



WARM-UP

A. Using the storybook, read to students *Story 7 – Saving Requires Waiting*

B. Ask the following questions, or intersperse the questions while reading the story:

- Do you dream about the future? (Allow time for students to tell about their dreams.)
- What was Mr. Lopez's dream? (To go home to Mexico where he was born.)
- Were the children's wants the same as Mr. Lopez's wants? (No.)
- What were some of the things Mr. Lopez said the children wanted? (Bikes, movies, ball games.)

5. Why are people's wants different?

(At different times in their lives, individuals have different wants, dreams, and goals.)

6. How did Mr. Lopez get the money to go to Mexico? (By saving.)

7. When people decide to save money, what do they give up? (They give up the chance to spend and enjoy their money now.)

8. What did Mr. Lopez have to give up to be able to save enough money to go to Mexico? (He gave up owning and using a car.)

9. What do we call the thing that is given up when people make decisions? (Their opportunity cost.)



EXERCISE

ACTIVITY 1 — Up a Tree: Saving Toward a Goal

- Recall with students Mr. Lopez’s experience with saving money. Ask them:
 - Why was Mr. Lopez saving money? (*He wanted to be able to go home to Mexico for a visit.*)
 - 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.*)
 - Why do you think he was willing to go without a car for so long? (*He wanted so much to go to Mexico and visit.*)
- Tell the students that they will participate in an activity in which they will put money aside, just as Mr. Lopez did. They, too, must wait and watch their money grow, so they can reach their goal and get what they want.
- Discuss the expression “Money doesn’t grow on trees.” Ask students what they think it means. (*Money is not easy to get and cannot just be picked from a tree. Instead people must work hard to earn the money they want, just as Mr. Lopez did.*)
- Tell students they will try to make money grow on a tree. Show them the large “Money Tree” display. (See preparation instructions in the *Getting Ready!* section.) Give students one paper coin each (from Activity Sheet 3.1: *Pocket Change*). 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 paste it on the tree. Allow them to paste the coins they have already received on the tree.
- Decide upon 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 or whatever amount you set.
- Determine the “charge” 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.
- Explain that you will pay more coins to them for certain things. Determine the things for which you will pay 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 can be improvised on the spot and can be a powerful incentive to get students to do what you want them to do. (To keep 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, but will only receive payments when you observe their good behavior without comments.)
- 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 older students. You may want to make the tree have a branch for each type of coin.
- Point out that they are not really saving money, as Mr. Lopez did; they are only collecting paper coins. But they get to see how it feels to watch their savings grow toward their goal, just as it would if they were saving real money in an account at the bank.
- From time to time you can count up the amount of money on the tree to see how close they are to 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.
- 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 when Penny faced a problem about whether to buy a vest now or save for a bike later. Show them the transparency with the benefits and costs grid used with Lesson 4 (Activity Sheet 4.1: *Benefits and Costs*). Suggest that Mr. Lopez also faced a problem, just as Penny did. He could have used this grid to discover the benefits and cost for his choice.
2. Ask what Mr. Lopez’s alternatives were 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 page. Write in the “Alternative 1” square “Going to Mexico” and draw a picture of a visit. Put “Getting a Car” in the “Alternative 2” square. See the chart below.
3. Tell the students to remember that they will suggest possible benefits and costs and put them by the happy and sad faces. 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 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.
5. As in the previous costs and benefits lesson, ask the students if they think this chart tells what the *right* choice is for Mr. Lopez. (*No.*) 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.

	Alternative 1: Going to Mexico	Alternative 2: Getting a Car
☺ Benefits (Good Points)	☺ he had been dreaming about the trip for a long time ☺ he would get to see his family in Mexico	☺ car would last for a long time ☺ he wouldn’t have to take the bus anymore
☹ Costs (Bad Points)	☹ it wouldn’t last—the trip would soon be over ☹ the money would be gone and he wouldn’t have anything to show for it	☹ he would miss out on the trip ☹ his dream wouldn’t come true ☹ he wouldn’t get to see his family



ACTIVITY 3 — Fairy Tale Wants

1. Explain to students that they cannot see into the future to know exactly what their wants might be at some later time. People should make wise savings decisions now in order to be able to meet their needs in the future.
2. To reinforce this idea display a hand mirror and have a few selected 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?
3. In a discussion, point out that if it were this easy, people would only have to talk to a

mirror to know what the future holds or look into a crystal ball for answers to questions about why they will need money in the future. Explain that, in real life, no one can foresee the future, and that is one reason why saving is so important. People must make decisions that will prepare them for an uncertain future.

4. Distribute Activity Sheet 7.1, *Gazing into the Future*, giving a copy to each student. Tell the students to draw the following on each of the four wall mirrors:

A. Draw something you want and could save for at the present time.

B. Draw something that you may want when you are a teenager—something for which you would need to save.

C. Draw something that you may want when you are a parent—something for which you would need to save.

D. Draw something that you may want when you are a grandparent—something for which you would need to save.

5. Repeat the mirror activity, asking the students to choose one of their drawings, and recite the lines again, changing it to:
Mirror, mirror, on the wall,
I will need money for _____ when I am _____.



COOL DOWN

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

1. **Why do people save money?** *(They have goals or rewards they are trying to reach.)*
2. **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 our wants now.)*
3. **Give an example of a cost of saving.** *(You can't have what you want today. You have to put off spending the money now and wait to spend it later.)*

4. **Give an example of a benefit of saving.**

(You can have more expensive wants when you save.)

5. **Why doesn't everyone want the same things?**

(We are all different, and we want different things.)

6. **Give me an example of something you want that your parents do not want.**

(Answers will vary, but they might include a video game, a bicycle, or a toy.)

7. **Do you know what all the things are that you might want in the future?** *(No.)*

8. **How can you plan for future wants?** *(Saving will help me be ready for future wants.)*

Crosstraining

Crosstraining can be done in many ways. One example is given here. Others can be found on our web site, www.ncee.net.

Music Connection:

Teach the students the song below. Change the name “Johnny” on each verse to the name of a selected student; this student will come to the front of the class and pantomime marching to the bank. All students can stand for 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 follow in.
 And they save, save, save, save.
 And they all go marching home!

Other Training Equipment

An annotated bibliography of related children's literature is available on our web site, www.ncee.net, as well as in *The Parents' Guide to Pocket Power*.



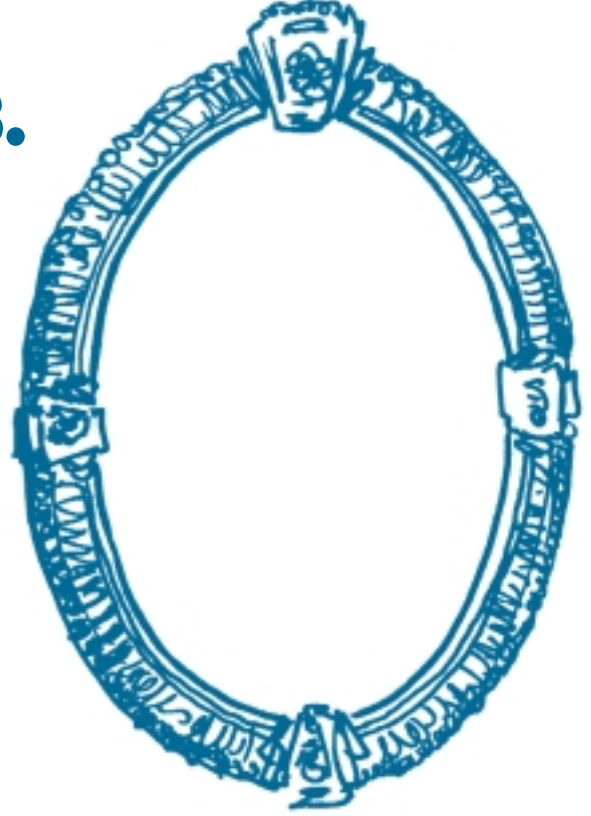
ACTIVITY SHEET
7.1

Gazing into the Future

A.



B.



C.



D.



story 7

Saving Requires Waiting

It was Saturday, and the sun was shining brightly. Penny and Nicholas were playing ball in the front yard. Christopher sat on the porch and watched and wished he could play too. But the older kids had told him he was too little.

Ms. Kim was working in her flower garden next door and listening to the children's laughter as they played.

Christopher was bored. He walked over to Ms. Kim and looked at her vegetable garden. "Why are you working so hard in your garden, Ms. Kim?" he asked.

"I like to work in my garden and make plants grow. It's fun for me. And then I can have the vegetables that I like best when I want them," said Ms. Kim.

Penny's mom came out of the house to visit with Ms. Kim. "Isn't this a beautiful day?" Mom said to Ms. Kim.

Just then Mr. Lopez came rushing up and startled all of them as he yelled from the sidewalk, “Guess what! I have some exciting news! I wanted to share it with my friends, and now I have found all of you together.”

“What is it? What is it?” all the children cried as they ran toward Mr. Lopez. “Tell us! Tell us!”

Mr. Lopez had a big smile on his face as he walked toward Penny’s mom and Ms. Kim. They both smiled at him and said, “Yes, tell us what is so exciting.”

“Well,” Mr. Lopez said, “I’m going home for a visit—to the home where I grew up and played ball in the yard! It’s a trip that I have dreamed about and planned for, and it’s finally going to happen.”



“Where is your home?” Nicholas asked.

“I was born in Mexico 70 years ago,” Mr. Lopez explained.

“I came to the United States over 50 years ago. I have wanted to go home for a visit many times, but travel is so expensive and I’ve never had enough money to buy a ticket.”

“Do you have enough money now?” Christopher asked.

“Yes, I do, Christopher,” said Mr. Lopez. “I’ve been saving some of my income each week for five years. I decided to ride the bus and not buy a car, so I could save for this trip.” Mr. Lopez laughed out loud, “For me this is truly a dream come true.”

Penny asked, “Mr. Lopez, didn’t you want a car? I don’t think riding the bus is much fun.”

“And going home doesn’t sound too exciting either,” said Nicholas. “I wouldn’t spend the money I saved on something like that.”



Mom, Ms. Kim, and Mr. Lopez all smiled at each other.

“Penny,” Mr. Lopez said “you and Nicholas are young. Bikes, movies, and ball games are fun for you, and you have to save money for those things. But as you get older, you have different



wants. Nicholas doesn't want the same things Christopher wants. You don't want the same things your mom wants. Before you know it, you will be all grown up and you will have new and different wants, too."

They all began talking at once about the things they wanted.

Then Mr. Lopez smiled and said, "Well, Peluche, we'd better get home. We have many plans to make. I am so glad I saved for this trip. It has really been worth the wait, but now I must make some more decisions. I need to think about just when I want to leave, how long I will stay, and what to take with me. See, Penny! Decision making never ends, even when you are old," Mr. Lopez said as he waved good-bye.



ACTIVITY SHEET
3.1

Pocket Change

Quarters



Pennies



Nickels



Dollar Coin






Dimes



ACTIVITY SHEET
4.1

Benefits and Costs

	Alternative 1:	Alternative 2:
<p>Benefits (Good Points)</p> 		
<p>Costs (Bad Points)</p> 