



LESSON PLAN - 1st & 2nd Grades

“Betty Bunny Wants Everything” by Michael B. Kaplan

Lesson Plan: Making Money Choices

Grade Level: 1st-2nd grades

Content Area: Personal Finance

Recommended Length/Duration: 45 minutes

Essential Understanding: We have unlimited wants and we must learn how to make choices with our money. Evaluating our spending decisions based on our wants and needs allows us to make smarter money decisions. Opportunity cost is the value of something that must be given up to acquire or achieve something else.

Learning Goals: Students will learn that they must make choices because of unlimited wants and limited resources. Students will learn how to evaluate a money choice based on their wants and needs. Students will practice recognizing the opportunity cost of their decisions.

VTDOE Standards: Mathematics , M1:3, M1:5, M1:22, M2:5, M2:25 and History & Social Sciences, H&SSP1-2:19, 1-2:20

Portions of this lesson were taken from educational plans developed by the Federal Reserve banks of St. Louis and Philadelphia (<http://www.stlouisfed.org/education/>) and the Maryland Council on Economic Education and their partner Consumer Credit Counseling Service of MD and DE. Thank you!

Description/Sequence:

Making Money Choices

(1) *On a small table, set up a store using a toy cash register, play money, cookies and pizza slices. Give several students each two \$1 bills in play money. Have prices posted by the items. (\$1 for one cookie; \$3 for three cookies, \$5 for six cookies and \$1 for one pizza slice, \$2 for two slices) Let each of the students spend their money at the store. When your store “closes” have the following discussion.*

- Why couldn't you buy everything that you wanted? (didn't have enough money, had to make choices)
- Making a choice means we have to give up something else. What did you have to give up? (if choose pizza—cookies; if choose cookies—pizza)

This is an example of an opportunity cost. OPPORTUNITY COST is something you must give up because you are choosing something else. When we make choices with our money we have a limited amount and must make a choice. *Discuss with students why they made the choices they did at the store.*



What if you had trouble deciding? What if you decided you weren't going to make a choice? What if you decided you were going to have everything? That's what happens in the story I'm going to read to you today, *Betty Bunny Wants Everything*. Show students the cover of the book. As I read, think about what Betty Bunny needed to learn about making choices.

(2) Read the story.

- What did Betty Bunny want? (everything)
- Instead of getting everything she wanted, what did she actually get? (nothing the first time she went to the store/ little Betty stuffed rabbit the second time she went to the store)
- What did Betty Bunny need to learn? (she couldn't have everything because there's a limit to things—money, toys, etc./she also needed to learn to make a choice)

SCARCITY means we can't have everything we want. It means there is a shortage of something; there is not enough of something to meet our unlimited wants. Betty Bunny had unlimited wants, but what was scarce? (money/ room for toys in her room—i.e. space was scarce)

Betty Bunny's mom explained this to her. *Go back and reread page 23-25.*

Betty Bunny's mother gave her some money. "This is your money," she said. "You can spend it on whatever toys you want, but when you run out of money, you can't get any more." Her father explained, "It will help you understand why you can't have everything you want." Betty Bunny looked at her new money. She liked it very much. "But if I use my money to buy toys," she said, "then I won't have my money anymore." "That's the way money works," said Henry.

(3) Divide students into pairs. Give each pair a sheet of paper, a card from the want cards you duplicated from page 49 of this guide, and a copy of the money choices worksheet. Show students the visual on page 51. Instruct students to complete each step before moving to the next step. Demonstrate the process.

- Draw a circle in the center of the paper and write the want on their card in the circle. Students may copy the word from the card. *Point to step 1 on the visual as an example.*
- Around the circle, write examples of goods that could satisfy the want. *Give students the option of drawing a small picture of each of the goods if they cannot spell something. Explain that the word GOODS means some item or thing that satisfies a want.* (If you want something to read, among the goods you could choose from are a book, comic book, magazine or newspaper.) *Point to step 2 on visual 1 as an example.*
- Connect the goods to the want, make a word web. *Point to step 3 on visual 1 as an example.*
- Ask students to put a number "1" by their first choice and a "2" by their second choice.

Give students time to complete their word webs. Then have each pair come up and write their answers in the table you have drawn on the board with the following headings. Help students correctly spell each item.

Want	First Choice	Second Choice
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After all of the students have put their answers on the board, erase the heading **SECOND CHOICE** and replace it with the word **COST**.

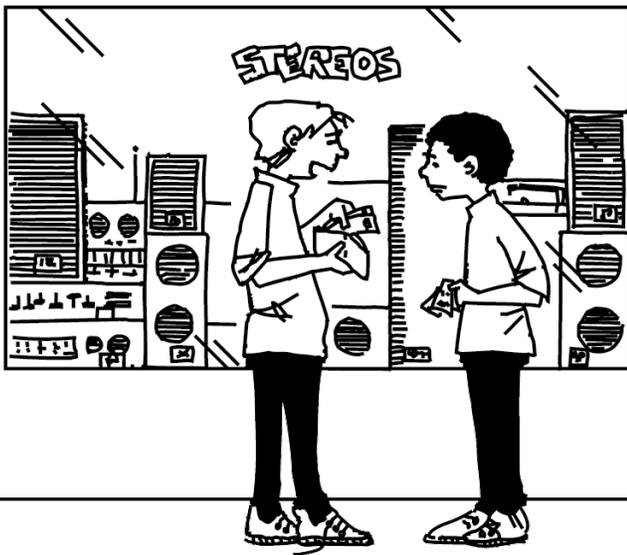
Why did I relabel this column **COST**? (In order to get your first choice, you have to give up your second choice.)

Add the word **OPPORTUNITY** before the word **COST**. Remind students that the opportunity cost is whatever must be given up in order to have something else. In other words, it is your second choice. Using examples from the board, point out some of the student pairs' actual opportunity costs.

Next time you go to the store to buy something, think about the opportunity cost. It will help you make smarter choices about how to spend your money.

Materials Needed:

1. *Betty Bunny Wants Everything* by Michael B. Kaplan
2. Cash register
3. Play money
4. Plastic cookies and pizza slices
5. White board or chalkboard
6. Wants activity cards
7. Money choices worksheet
8. Overhead of lesson visual or draw on board



BBBrown

FUN FACT:

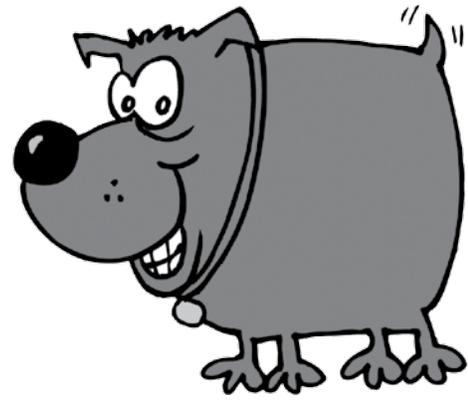
- 8 to 24 year olds represent \$239 billion in annual purchasing power.

Source: Harris Interactive annual YouthPulse report, 2010.

"Maybe we can refinance our sneakers."



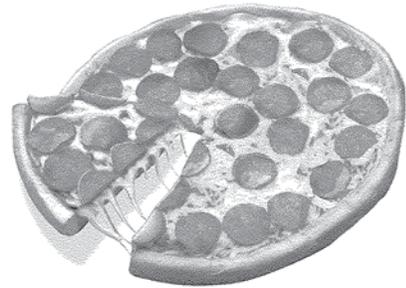
Candy



Pets



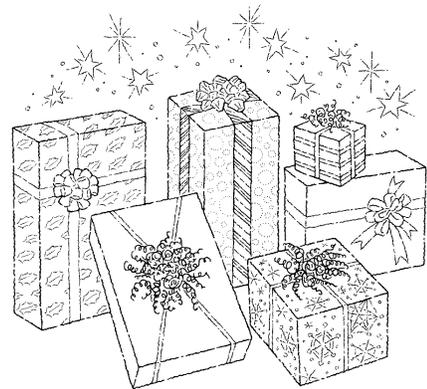
Drinks



Foods



Toys



Presents



Money Choices Student Worksheet

Step 1 - Your Want

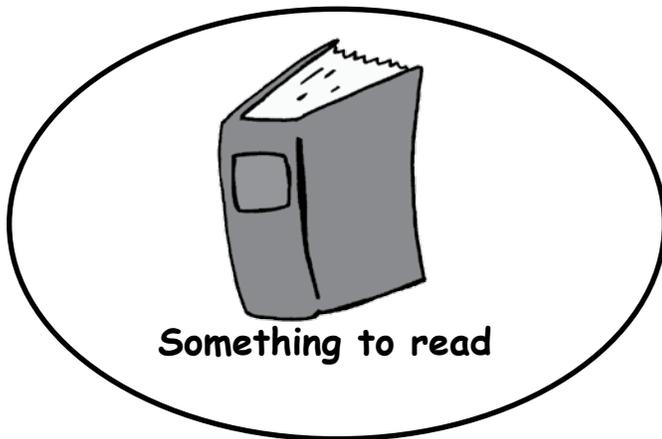


Step 2 - Goods



Step 3 - Top Choices!

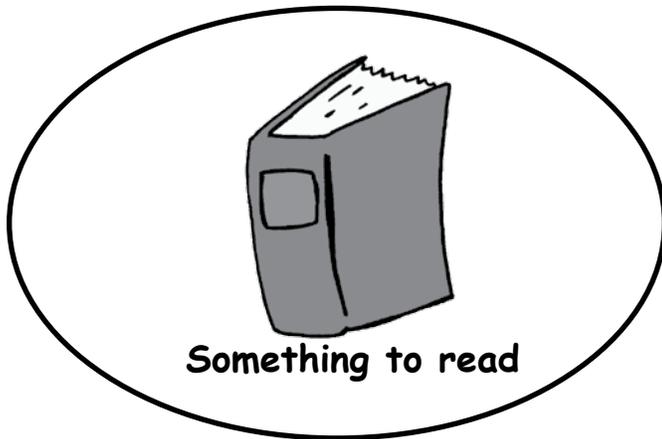
Money Choices Worksheet



Step 1 - Your Want

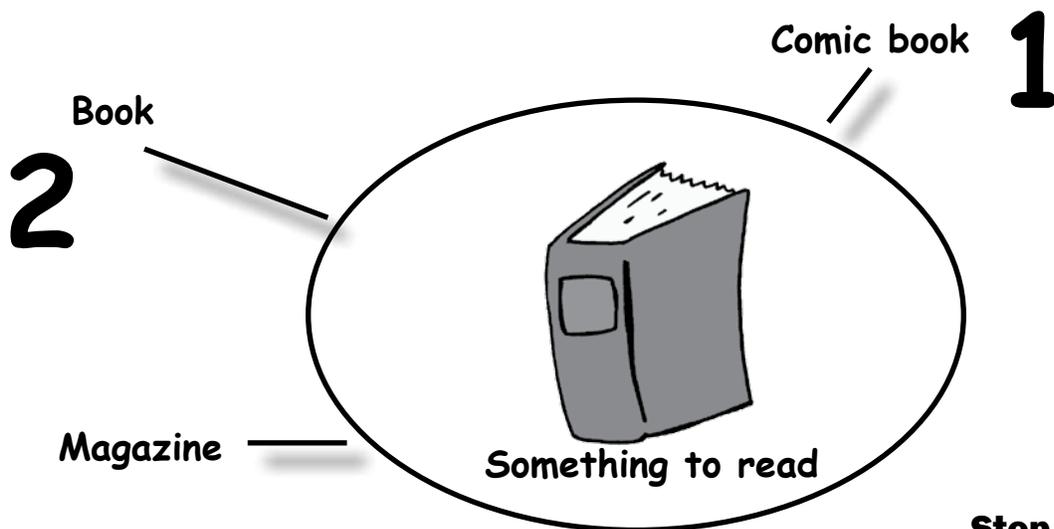
Book

Comic book



Magazine

Step 2 - Goods



Step 3 - Top Choices!