



## “The Can Man” by Laura E. Williams

Creativity and hard work can help children earn the money for things that they want, but don’t need. This story explores one boy’s efforts to raise funds for a skateboard and the choice he ultimately makes regarding how best to spend the money he has earned. This exercise provides the opportunity to:

1. Define the terms of opportunity cost and benefit;
2. Identify the opportunity cost of specific money-related choices;
3. Illustrate how these concepts work through *The Can Man*; and
4. Practice evaluating the cost and benefits of decisions.

**Time Limit:** 40 minutes

### Supplies Needed:

- *The Can Man* by Laura E. Williams
- One soda and two packs of gum
- Flip chart paper and markers or overheads from master on page 37 of this guide
- Money choices worksheet for each student

Portions of this lesson were taken from an educational plan written by the Federal Reserve Bank of St. Louis, [www.stlouisfed.org/education\\_resources](http://www.stlouisfed.org/education_resources).



### Spending: What is the real cost?

**(1)** When you make a choice, you have to give up something—the opportunity to get another thing that you want or need more. We all make choices every day. What time will I get out of bed? What will I eat for breakfast? How much time will I spend doing homework? These are some of the choices you might make. When it comes to money—many times you can spend it without really thinking about what you’re doing. When you make a choice to spend your time or money on one thing, you give up the opportunity to spend it on another thing. The thing that you give up—your second-best choice—is called your **OPPORTUNITY COST**. Being aware of the opportunity cost of your choices can help you make smart decisions about how you spend your money.

Here’s an example. ***Have a soda and two packs of gum to illustrate your point.*** You love two things, soda and gum. A soda costs \$1 and a pack of gum costs 50 cents. If you have only \$1, you can buy either one soda or two packs of gum. The opportunity cost of buying one soda is two packs of gum—you give up the gum in order to buy the soda. On the flip side, the opportunity cost of buying two packs of gum is one soda. Or, you could also do another thing with your money. Instead of spending it you could . . . (save it!)

**(2)** Let’s try out some examples of things we could spend our money on and see if we can identify the opportunity cost for each item. ***Prepare the chart on page 35 on flip chart paper in advance. Have the students select several things they might spend their time or money on and help them identify the opportunity cost of each item. Some straightforward examples: (1) choosing between two movies at the theatre; (2) buying a new game with all of their birthday money, then having none left over to purchase anything else; and (3) choosing to watch TV after school over finishing homework due the next day.***



If I spend my time/money on . . .	I have to give up . . .

**(3) Read the story.**

- Why didn't Tim own his own skateboard? (His family couldn't afford to buy him one. He was using his friend's skateboard.)
- Why did he decide to start collecting cans? (To earn money to buy a skateboard.)
- Why do you think Tim decided to give his money to Mr. Peters? **Allow students to discuss.**

Let's look a little closer at the choices Tim had to make and the costs and benefits of each of those choices. When I say something is a BENEFIT, I am talking about things that happen that are good for the person making the choice—in this case, Tim. By COST, I'm talking about not only what Tim had to give up, but also some of the not so good things that can happen because of a choice he made.

Let's look at three choices Tim had—do nothing; earn the money for a skateboard; and give the money to Mr. Peters. **Put up three separate flip chart pages on the wall so students can see all three or you can make three overheads of the master on page 37 of this guide. As you proceed through the discussion of the costs and benefits of his choices, write down the answers you see illustrated below. Guide the discussion to allow students to see how choices have costs and benefits. Emphasize that by looking at our choices in terms of the costs and benefits, we can make the best decisions with our money.**

**CHOICE 1: Do nothing**

**BENEFITS**

Still play with friends, do not have to stop and work

May find a better skateboard in the future

**CHOICE 2: Earn the Money**

**BENEFITS**

Get a skateboard faster

Will not have to borrow from his friend

Can skateboard any time he wants

Look cool with new skateboard

It feels good to buy your own things

**CHOICE 3: Give \$ to Mr. Peters**

**BENEFITS**

Know Mr. Peters has a coat he needs

Be proud of self that he helped someone

Create a friendship with Mr. Peters



**CHOICE 1: Do nothing**

**COSTS**

**Must rely on friend to loan him a skateboard**

**Can't skateboard whenever he wants to**

**Hard to wait**

**CHOICE 2: Earn the Money**

**COSTS**

**Less time for play**

**Work can be hard**

**Money he spends on the skateboard can't be spent on other things**

**CHOICE 3: Give \$ to Mr. Peters**

**COSTS**

**Won't own a skateboard YET**

**It is hard to continue to wait for a skateboard**

**Must continue to earn money for a skateboard**

**He's broke! No money!**

**(4)** Making good money choices is all about weighing the costs and benefits of each choice. I am going to give each of you your own money choices worksheet. *You can either have students fill these out during library time or send them home. If you'd like to follow-up with the students the next time you have them for library time, offer an incentive for them to bring their worksheets back filled out.* Like Tim, we can make choices about how best to spend our money. What choices will you make?

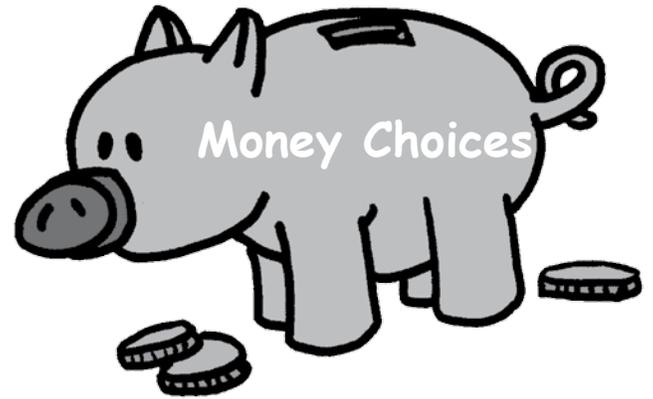


**FUN FACTS:**

- More than 100,000 aluminum cans are recycled every minute in the U.S.
- Aluminum cans are recycled and back on the shelf as new cans in as few as 60 days.
- Aluminum can be recycled forever. It never wears out.

Source: Keep America Beautiful web site. Keep America Beautiful is a national non-profit organization that engages individuals to take greater responsibility for improving their community's environment. ([www.kab.org](http://www.kab.org))

**CHOICE:**



**BENEFITS:**

**COSTS:**

# Money Choices Worksheet

Like Tim in *The Can Man*, we have choices to make on how we spend our money. Looking at the costs and benefits of each of our choices will help us make good money decisions. Let's practice making money choices. Below, write down two ways you could spend or save your money. Write down the costs and benefits of each choice. Which choice did you decide was best?



I have \_\_\_\_\_ dollars.

CHOICE 1:

CHOICE 2:

BENEFITS OF THIS CHOICE:

BENEFITS OF THIS CHOICE:

COSTS OF THIS CHOICE:

COSTS OF THIS CHOICE:

I choose to spend/save my money for: \_\_\_\_\_

