



# LESSON PLAN - 1st & 2nd Grades

## “Three Cups” by Mark St. Germain

### Lesson Plan: Making a Money Plan

**Grade Level:** 1st-2nd grades

**Content Area:** Personal Finance

**Recommended Length/Duration:** 50 minutes

**Essential Understanding:** A money plan is called a budget. A money plan will help me make choices about how to use my money. I can spend money. I can save money. I can give money to help others. I can write down and track my spending.

**Learning Goals:** Students will understand that a budget is a money plan. Students will identify three ways they can use their money: spend, save or give. Students will perform basic addition and subtraction on a budget sheet to understand how they can track their spending.

**Standards:** CCSS for Mathematics, 1.OA 1, 2, 5, 6 / 2:OA 1, 2(Operations & Algebraic Thinking); 2.MD 8 (Measurement & Data), and VT DOE History & Social Sciences, H&SSP1-2:19, 1-2:20.

### Description/Sequence:

#### Making a Money Plan

*Before you begin, use your SMART board or other internet/projection system and pull up the PowerPoint presentation that goes with this lesson. Test the link on slide 3 to the online game. If it doesn't automatically pull up the game when you click on the link on the slide, go to: <http://pbskids.org/lunchlab/games/fresh-pick?level=2>. This online exercise will allow you to check for student understanding regarding money values, how money is used and how the buying process works. The PowerPoint presentation is located on the Reading is an Investment web page at [www.MoneyEd.Vermont.gov](http://www.MoneyEd.Vermont.gov). Select the program tab on the right.*

**(1)** We're going to learn about money today. Specifically, we're going to see how a money plan or budget helps us stick with our choices about money and reach our goals! Have you ever heard of the word - budget? **Discuss.** (SLIDE) (Guide to - a money plan or budget is a written plan for your money. It can be very simple.) Two important parts of a money plan are how much money you have and the money you need to reach your money goal.

We're going to play a game online. We are going to the grocery store. (SLIDE) If you look at the top of the screen we see a question. On this first screen we are asked, "What can you buy with \$2.00?" **Show the students \$2 to check for understanding regarding money identification and value.** We know we have \$2 to spend on peanut butter and jelly. How much does the peanut butter cost? How much does the jelly cost? Let's see what we can buy! **First spend more than your budget and then spend less than your budget. Finally, do the correct purchase amount. Practice a few screens to confirm student understanding of the concepts and then quit the game.**



A good money plan includes: (SLIDE)

- **Goal:** A sentence that describes how you want to use your money. In the game, we had specifically put money away to spend on groceries.
- **Income:** Income means how much money you have. In a money plan you match your spending to your income. When we bought the correct amount, we could go forward in the game.
- **Spending:** That's when we actually commit our money to a specific use--whether we are buying something or saving our money.
- **Tracking:** We keep track of whether our money is being spent on the things in our money plan, whether we have enough money for our plan, where will we get more money--things like that.

(2) I'm going to read you a story about a boy who learned how to put a money plan, or budget, in place using some creative ways to organize his money and his choices.

**Read the story.**

(3) For discussion:

- What are the three areas of his money plan? (Spend, Save, Give)
- How did having the cups, labeled and on his dresser, help him stick to his plan? **Discuss.** (Guide to - it reminded him of what his money choices were and kept him from using the money in other ways.)
- Where did he eventually put the money he had saved? (A savings account at a bank.) Does anyone here have a savings account at a bank or credit union? **Allow brief discussion.**

(4) Practice the money plan concepts.

We can each create our own money plan or budget and keep track of our money. We are going to help a student named Katie create and stick to her money plan.

**Distribute money plan activity sheet. As a class, work through the money plan scenario together. The students may record their answers on their activity sheets. You can use the PowerPoint presentation to illustrate your answers.**

**IMPORTANT:** If you are using a SMART board, you should be able to write directly on the projected image to record your class responses. If you are using the PowerPoint presentation via a laptop and projector, you can use the drawing tool. To use the drawing tool:

In slide show mode, click on the pen icon at the bottom left side of the screen. Select the "pen" option. Another way to pull up the drawing tool is (in slide show mode) to right click on the screen. In the pop-up menu select the pointer options and pen.



**Katie's Money Plan**

Katie received \$10 from her grandparents for her birthday. **Hold up ten \$1 bills and have the students count them out loud.** Katie isn't sure what she will do with her money. Her dad takes her to the store each week and Katie likes to buy candy. Katie also would like to have a new bike that costs \$50. What should Katie do with her money? **To emphasize how you are dividing the money up, you may use the ten \$1 bills for this first step and show students how the money is placed in each category.**

**SLIDE: Katie's Money Goal**

I would like to buy a new bike for \$50. **Have students write in this goal on their worksheet.**

**SLIDE: Katie's Income.** Let's see how much money Katie has. **Have students write down the answer.**

Date Received	Amount
<b>PUT IN TODAY'S DATE</b>	<b>\$10</b>

**SLIDE:** What should Katie spend, save, give?

**Discuss with students the various ways Katie could choose to use her money. You might ask each student to divide up the money on their own and then poll the class to see which budget area (spend, save, give) they put the most in. IMPORTANT: Guide students back to Katie's money plan goal. Point out that having a money plan helps Katie put her money where it is most important to her. Students should write in answers.**

SPEND	SAVE	GIVE
<b>\$2 to buy candy</b>	<b>\$7 for bike</b>	<b>\$1 to food drive</b>

**SLIDE: Katie Receives More Money**

Katie decides to earn more money. She does extra chores for her parents for three weeks and earns \$15.

Date Received	Amount
<b>THREE WEEKS LATER</b>	<b>\$15</b>



**SLIDE:** How will Katie budget the \$15?

*As you discuss options. Have students add the total amount of money in each of the columns. The totals should match her income of \$25.*

<b>SPEND</b>	<b>SAVE</b>	<b>GIVE</b>
<b>\$2 to buy candy</b>	<b>\$7 for bike</b>	<b>\$1 to food drive</b>
<b><u>+ \$2</u></b>	<b><u>+ \$12</u></b>	<b><u>+ \$1</u></b>
<b>\$4</b>	<b>\$19</b>	<b>\$2</b>

*As you progress to the next slide, you can add more earning and money choices to the scenario until Katie saves \$50. You can use the scenario to practice addition and subtraction skills.*

**SLIDE:** Katie Keeps Working Toward Her Money Goal

In the coming weeks, Katie continues to work and earn more money. Guided by her money plan, she continues to save money for her bike, but also occasionally spends some of it on candy or other small items she wanted.

<b>Dates Received (start date to finish date)</b>	<b>Amount (Total Income Earned)</b>
<b>PUT IN A FUTURE DATE</b>	<b>\$65</b>

<b>SPEND (total spending in time)</b>	<b>SAVE (total saved in time)</b>	<b>GIVE (total giving in time)</b>
<b>\$8</b>	<b>\$50</b>	<b>\$7</b>

*Point out that the total amount of money in her spend, save, give areas equals her total amount of income of \$65.*

If Katie had not put together a money plan or budget, how do you think she would have used her money?  
**Discuss.** (Guide to - she likely would have spent more on candy and other small items and would have wondered later where all of her money was.)



**(5)** Closure/review.

(SLIDE) A money plan or budget can help us keep track of our money. It helps remind us of what we decided to do with our money. It helps us make choices. Those choices we can make with our money are to: spend it, save it or give it to others.

***Distribute a second Making a Money Plan activity sheet to each student. Have the students cross out Katie's name in the heading and write in their own name. Challenge them to start a money plan of their own.***

**Materials Needed:**

1. ***Three Cups*** by Mark St. Germain
2. Play money
3. SMART board or projection system to use lesson PowerPoint. You may download the presentation by going to the Reading is an Investment program web page. Go to [MoneyEd.Vermont.gov](http://MoneyEd.Vermont.gov). Once on the program page, scroll down to the 1st-2nd grade lesson.
4. Copies of *Three Cups* money plan activity sheet.