

MONEY MATTERS

Lesson Descriptions

Money Matters 1: Understanding Advertising

How does advertising influence my spending?

Money Matters 2: Budgeting I

How will knowing the difference between wants and needs help me make good spending choices?

Money Matters 3 : Budgeting II

How can a spending diary help me make good money choices?

PLANNING PYRAMID

GRADE 7, Unit 6, Money Matters



Some Students Will:

- Use a spending diary for a week.
- Understand that for a budget to be effective, you must compare what you've budgeted with what you actually spend, and make changes to your plan or your spending.



Most Students Will:

- Recognize that a budget is a plan that gives control over how money is spent.
- Identify techniques advertisers use to sell products.
- Distinguish between wants and needs.
- Understand that grouping expenses by category helps in planning future spending.
- Compare price and other criteria (convenience, brand, quality) to decide on the better choice between two purchases.



All Students Will:

- Understand that they have choices concerning how they spend their money.
- Understand that advertisers try to influence those choices.
- Understand that writing down your purchases can help you recognize where you're spending most of your money.
- Understand that when making a purchase, there are things to consider other than price.

Managing Money

Roads to Success is a new program designed to help middle and high school students prepare for their futures. This newsletter will keep you posted on what we're doing in school, and how families can follow through at home.

Did you know?

In a 2004 survey, six out of 10 high school seniors said they learned most of their money management skills at home.

Do you think money grows on trees?

I don't care if all the other kids have it. You're not getting it.

Parents often make it clear that they don't want to be nagged to buy things that seem silly or cost too much. But there's lots more you can say to help your teen learn to manage money.

Want or Need?

Managing money is all about making choices.

The average American child sees up to 40,000 TV commercials a year. The pressure to have the right clothes, toys, and electronic gadgets can be huge!

To help your teen resist this pressure, help him figure out the difference between things he wants

and things he actually needs. (He needs shoes. He wants a special brand of sneakers.)



Some families ask kids to decide just how important brand names are. Parents say something like, "I'm willing to pay up to (name a reasonable amount) for sneakers. If you want the (name your favorite basketball star) brand, you have to come up with the extra money yourself."

Keeping Track

Teens can't make good financial choices if they don't know where their money's going.

Making a list of every purchase will help your teen separate financial fantasy from reality.

Spending \$1 a day on snacks? That's \$365 a year. \$5 a day on fast food? That's \$1,825 a year! Enough for a fancy computer, almost a year of community college, or a family trip to Disney World.

Savings

Saving money = power. The power to get through an emergency. The power to buy things you need without going into debt.

To get your teen into a saving habit, help him set a goal he can reach in a few weeks or months — like buying a T-shirt or CD. Reaching the goal should feel great. So great that the next goal can be a little bigger or take a little longer to reach.

If your teen doesn't have a savings account, you can open one for him at your local bank or credit union. (Ask about teen accounts that require a parent's permission to take money out.)

Grade by Grade: Money in the Classroom

It takes practice to manage money. That's why Roads to Success students are starting in Grade 7, where they'll find that it's all about choices. They'll learn about wants vs. needs,

techniques advertisers use, and what to think about before they buy. They'll also "shop" for purchases like work boots and basketballs, comparing prices, brands, and quality.

For more about kids and money, visit www.consumerjungle.org or www.360financialliteracy.org.

For program info, visit www.roadstosuccess.org.

Understanding Advertising

The **BIG** Idea

- How does advertising influence my spending?

AGENDA

Approx. 45 minutes

- I. Warm Up: Ad Facts
(5 minutes)
- II. Name That Ad (5 minutes)
- III. Analyzing Ads Activity
(25 minutes)
- IV. Wrap Up (10 minutes)

MATERIALS

STUDENT HANDBOOK PAGES:

- Student Handbook page 58, Advertising Techniques
- Student Handbook page 59, Questions for Analyzing Ads

FACILITATOR PAGES:

- Facilitator Resource 1, Ad Slogans
 - Facilitator Resource 2, Ad Samples
 - Facilitator Resource 3, Ad Samples: Notes
- Laptop and LCD projector
- Overhead projector (optional)

OBJECTIVES

During this lesson, the student(s) will:

- Recognize him/herself as a target of advertising.
- Identify strategies used to spend their money.

OVERVIEW

In this lesson, students discover the role advertising plays in their purchasing decisions by participating in activities ranging from identifying brands based on their slogans to analyzing the power of popular ads. A Futures Channel video, *Creating an Ad Campaign*, shows what goes on behind the scenes at an ad agency and profiles the work of a copywriter and art director.

PREPARATION

- List the **BIG IDEA** and the day's activities on the board.
- Write the day's vocabulary words and definitions on the board.
- For Part III, make a transparency page of **Student Handbook page 58, Advertising Techniques**. (Alternatively, you can reproduce this on chart paper or on your laptop for an LCD projector.)
- For Part IV, prepare **Facilitator Resource 2, Ad Samples**, so they're viewable by the entire class. (Lessons are available on our website; you can present them via laptop/LCD projector. You could also make copies to distribute to students.)
- Cut out ads from magazines, newspapers, etc. featuring popular brands (e.g., soda, cereal, sneakers).

BACKGROUND INFORMATION

Did you know that the average American child may view as many as 40,000 television commercials a year?* Or that teens in the U.S. spent an estimated \$153 billion in 2006?*** In a 2004 report conducted by the American Psychological Association's Task Force on Advertising and Children found that after just one exposure to a commercial, children can recall the ad's content and have a desire for the product.* This is particularly alarming when you consider that the advertising industry spends \$12 billion per year on ads targeted to children.*** The task force's report raises concern about children's inability to recognize the exaggeration or bias in many ads, and their tendency to accept advertising messages as truthful. As a result, the report emphasizes the importance of teaching children to be critical of ads—to look past advertisers'

tricks and techniques—and be aware of their persuasive intent. For more about the techniques used by advertisers, take time to review **Student Handbook page 58, Advertising Techniques**.

SOURCES

*Report of the APA Task Force on Advertising and Children
(<http://www.apa.org/pubs/info/reports/advertising-children.aspx>)

**Source: Spending Power of the Teen Consumer – US, Mintel International Group, September 1, 2006,
(http://www.marketresearchworld.net/index.php?option=com_content&task=view&id=615)

***Protecting children from advertising by Melissa Dittmann, APA Online: Monitor on Psychology, Vol. 35, No. 6,
June 2004 (<http://www.apa.org/monitor/jun04/protecting.html>)

VOCABULARY

Advertise: To use media such as television, radio, Internet, magazines, billboards, and more to persuade someone to buy something.

Advertisement: Words or pictures that try to persuade you to buy or do something, like a television or radio commercial.

Target market: A specified audience defined by gender, age, ethnic group, income, occupation, region of the country, etc. for which an advertising message is designed.

IMPLEMENTATION OPTIONS

For Part II (Name That Ad), divide the class into two groups and award points for correct answers. Update the slogans with ones that are popular at the moment or ones you know your students are familiar with. If time is tight, challenge students to identify just five slogans in Part II, rather than 10.

ACTIVITY STEPS

I. Warm Up: Ad Facts (5 minutes)

1. [Welcome students to class.]
2. **SAY SOMETHING LIKE:** Throughout the year, we've been talking about goal setting —from improving your study skills to choosing your career. For the next three weeks, we're going to talk about money —and how setting goals can help you make the most of what you've got.

Just a reminder: please be courteous when discussing money. It's a sensitive subject for many people. This means avoiding comments like "Rich people. . ." or "Poor people. . ." or talking about stores where a person should or should not shop.

[Grab their attention by asking: *How many commercials do you think you watch a year?* After students have a chance to answer:]

SAY SOMETHING LIKE: Believe it or not, the average American kid sees more than 40,000 television commercials in just one year! Today we'll look at the way advertisers try to influence your decisions. Knowing a few tricks can help you avoid spending money on stuff that may not be worth it.

II. Name That Ad (5 minutes)

1. [Tell the class that in this game, they will identify products by their slogan. Instruct students to take out a sheet of paper and a pencil. Have them number the pages one through five. Explain that you will read aloud slogans without giving away the name of the product and that they are to write down what each slogan is an ad for.]
2. [Read aloud the first slogan from the **Facilitator Resource 1, Ad Slogans**. Allow time for students to write down what the slogan is advertising next to #1 on their sheet of paper. Continue for five of the 10 slogans listed.]
3. [Now re-read each slogan and invite volunteers to share their responses as the rest of the class checks their answers.]
4. **SAY SOMETHING LIKE:** How many did you get right? Are you surprised by how quickly and easily you knew the answers? What does this tell you about advertising?

Do you think that the catchiness of an ad is related to the quality of the product?
Explain your answer.

5. [Conclude this activity by guiding students to realize that they are bombarded with tons of ads daily — on TV, radio, billboards, magazines, etc. Advertisers even pay TV shows and movies to display their products as part of their show, for example, arrange for the hosts of American Idol to be drinking from containers that say “Coke.” Explain that all these clever ads make it important to be able to separate the hype from fact, and not be manipulated by the sales pitches.]

III. Analyzing Ads Activity (25 minutes)

1. **SAY SOMETHING LIKE:** Teens spent about \$153 billion dollars in 2006, and you can be sure that ad agencies are working hard — and spending lots of money — to capture your attention. Let’s have a look at some of the ways they accomplish this.
2. [Explain to students that advertisers use a variety of different techniques to get consumers like you to buy their products. Say: *A technique is a method ads use to persuade consumers to buy a product. Most techniques appeal to our need for a sense of belonging and acceptance.*]
3. [Display **Student Handbook page 58, Advertising Techniques** on the overhead projector. Tell students that these are some of the more common techniques advertisers use. Have volunteers read aloud the technique names and what they mean.]
4. [Use examples from **Facilitator Resource 2, Ad Samples** and discuss the following: (Note: It’s not necessary to cover all of the ads pictured; just make sure you have one from all four categories.)
 - What product is the advertisement for?
 - Who is the target audience?
 - What is the message?
 - How are the pictures trying to make you feel?
 - What advertising techniques are being used to sell the product? Explain how each technique is being used.

See **Facilitator Resource 3, Ad Samples: Notes** for help.]

5. [Refer students to **Student Handbook page 59, Questions for Analyzing Ads** and provide a sample ad to work through together as a class. Each student should write the answers to the questions in Part I as you model this activity on the overhead projector.]
6. [Divide the class into teams of four, and provide each with an ad to analyze. Allow time for groups to analyze their ads and complete Part 2.]

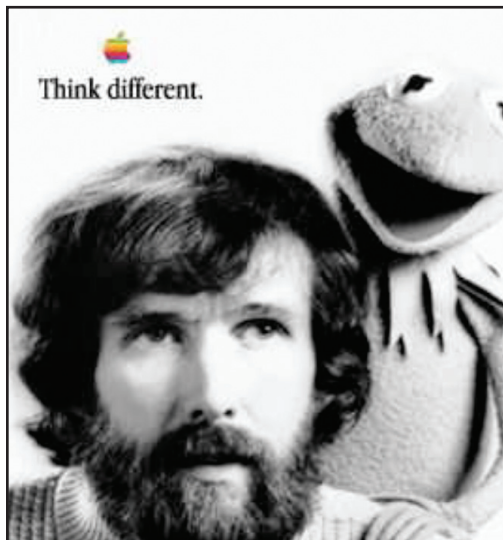
IV. Wrap Up: (10 minutes)

1. [Invite each group to share their ads and their analyses with the rest of the class.]
2. **SAY SOMETHING LIKE:** Great job! You are really getting to be experts at analyzing advertisements, and seeing through the hype. This is very important because as you are discovering, ads are crafted in ways that make us believe we must have things that we may not need. By examining and questioning ads, you will make better choices as a consumer.

AD SLOGANS

Choose five of the following slogans to share with your students. Feel free to substitute current slogans for products they're familiar with.

1. I'm lovin' it! (McDonalds)
2. Make it real. (Coca-Cola)
3. Just do it. (Nike)
4. Can you hear me now? (Verizon Wireless)
5. Drivers wanted. (Volkswagen)
6. "M'm! M'm! Good!" (Campbell's Soup)
7. Get more. (T-Mobile)
8. Do you have the bunny inside? (Energizer batteries)
9. Maybe she's born with it — maybe it's... (Maybelline)
10. The cheesiest! (Kraft Macaroni & Cheese)



Apple Computer "Think Different"



**Nike
Air Jordans**



**FUBU
Clothing**



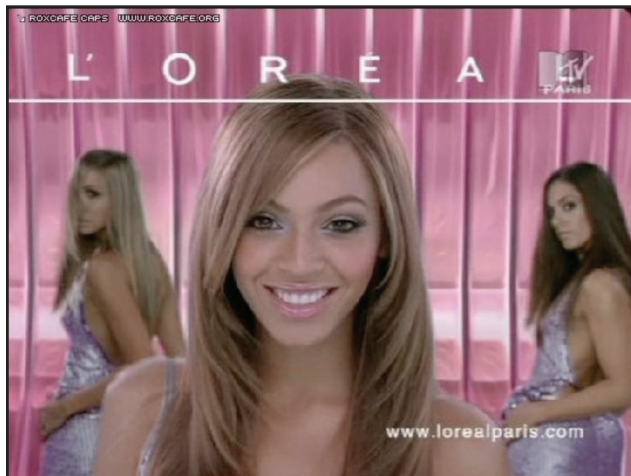
**Carhartt
Work clothes**



**Apple
iPod**



**Purina
“Your Pet. Our passion.”**



**L'Oreal Make-up
Beyonce Knowles**

Ad Samples: Notes

Apple's "Think Different" Campaign (also featured in the Futures Channel video)

- How do you know this is not an example of the bandwagon technique? They're saying people who use Apple computers are different from the crowd, and using examples of people who were brave, imaginative, accomplished, or all three. Note: for students who may not recognize these cultural icons, identify Mohammed Ali, former heavyweight champion of the world, and Jim Henson, creator of the muppets, including Kermit the Frog.
- Which technique do the creators of this ad seem to be using? A case could be made for almost any of the other answers. Heartstrings, because for some viewers of these ads, there will be a real feeling of nostalgia attached to the people they've pictured. Some students may say celebrity endorsements, and, in a way, they're right; Apple is trying to associate these celebrities with their brand. But the celebrities aren't actually recommending Apple computers. Jim Henson is no longer alive, and we can be pretty sure the astronauts did not have Apple computers on their minds when they landed on the moon. The best answer is "Be Like Me."

Nike Air Jordans

- Who's in this photo and what's being advertised? The original ad probably included the Nike logo, but this picture has become so famous it's hardly needed.
- There's a big "Be Like Me" factor here, as if wearing a particular brand of sneakers could possibly cause someone to rise to this height of athleticism. This is also a celebrity endorsement; Michael Jordan's name is right there on the shoes.

FUBU

- FUBU stands for "For Us, By Us" and this clothing (and its designers, pictured) will be instantly recognizable to urban audiences. There's an element of celebrity endorsement here; the designers have become celebrities, and students may know rap stars who wear this clothing in videos or on stage.
- If the message is "Be Like Me," what attitude or attributes are being sold? (streetwise, tough, cool)

Carhartt

- You can't even see the product in this illustration from their website, but if you're already on the website, you don't need to be told. Carhartt is synonymous with tough work clothes worn by real working people.
- How do the picture and slogan fit in to the image Carhartt is trying to sell? If the message is "Be Like Me," what attitude or attributes are being sold? (hard-working, at home in the outdoors, for real)

Apple iPod

- There's definitely an element of "Be Like Me" here, too. What attitude or attributes are being sold? (cool, fashionable, up-to-date, knows a lot about music)
- Although they don't say "four out of five people use iPods," how does this ad use the bandwagon technique to get you to buy? (Lots of ads representing many different kinds of music. There's definitely an "Everybody who cares about music and is cool has an iPod" vibe.)

Purina

- What do they make? (pet food)
- Who do they want to buy it? (people who really care about their pets)

This has a definite heartstrings appeal. If you want to see a multicultural array of people bonding with pets, check out www.purina.com.

L'Oreal

- Students should recognize this as a celebrity endorsement. Wear L'Oreal make-up, be as beautiful as Beyoncé. What could be simpler?

ADVERTISING TECHNIQUES

Technique	How it Works
Bandwagon	Everyone is using the product. Don't be left out! EXAMPLE: Everyone is shopping at this clothing store. You should, too.
Celebrity Testimonial	A famous person recommends the product. EXAMPLE: An actress or singer uses X brand of makeup.
Be Like Me	Using the product will make you look or feel like the people in the ad, who are amazing and great. EXAMPLE: Wear X brand of running shoes, and you'll be as fast as the guy in the ad.
Heartstrings	This ad tells a story, and tugs at your emotions. EXAMPLE: A cute kid gets a good report card. His dad is so proud he treats him to lunch at a fast-food restaurant, where they are seen laughing as they eat fries.

Sources:

Media Awareness Network Marketing to Teens — Advertising Strategies

http://www.media-awareness.ca/english/resources/educational/handouts/advertising_marketing/mtt_advertising_strategies.cfm

Questions for Analyzing Ads

Think about these questions as you examine each ad. Write your responses on the lines below.

AD #1

What product is the advertisement for?

Who is the target audience?

What is the message?

How are the pictures trying to make you feel?

What advertising techniques are being used to sell the product? Explain how each technique is being used.

AD #2

What product is the advertisement for?

Who is the target audience?

What is the message?

How are the pictures trying to make you feel?

What advertising techniques are being used to sell the product? Explain how each technique is being used.

Budgeting I

The **BIG** Idea

- How will knowing the difference between wants and needs help me make good spending choices?

AGENDA

Approx. 45 minutes

- I. Warm Up: Spending Smarts Questionnaire & Discussion (10 minutes)
- II. Decisions, Decisions: A Budgeting Game (15 minutes)
- III. Needs vs. Wants (15 minutes)
- IV. Wrap Up (5 minutes)

MATERIALS

STUDENT HANDBOOK PAGES:

- Student Handbook page 60, Spending Smarts Questionnaire
- Student Handbook page 61, Spending Diary

FACILITATOR PAGES:

- Facilitator Resource 1, Budgeting Game
- Facilitator Resource 2, Needs vs. Wants Pictures

Beans, buttons or other small items

(15 per student)

Chart paper and markers

OBJECTIVES

During this lesson, the student(s) will:

- Consider his/her spending habits and attitudes about money.
- Use a simple simulation game to allocate finite resources to various categories (budgeting).
- Presented with items used or desired by teens, distinguish between needs and wants.

OVERVIEW

In this lesson students begin by assessing and discussing their spending habits and attitudes about money. Through hands-on games and activities, students make decisions about allocating an allowance and discover the differences between wants and needs. Finally, small groups work together to generate lists of ways to cut spending and share tips with the rest of the class.

PREPARATION

- List the **BIG IDEA** and the day's activities on the board.
- Write the day's vocabulary words and definitions on the board.
- For **Activity II**, divide the beans (or other objects) into sets of 15 per student. Duplicate **Facilitator Resource 1, Budgeting Game** (one card per student).
- For **Activity III**, display **Facilitator Resource 2, Needs vs. Wants Pictures** where the whole class can see.

BACKGROUND INFORMATION

According to national surveys conducted over the past decade, many twelfth-graders have limited knowledge of basic financial literacy concepts, particularly in the areas of money management and savings. Nearly 60 percent of students say they learn most of their money management skills at home, with about 20 percent saying their primary source of information is school, and another 18 percent citing their own experiences.*

Facilitators should be sensitive to the fact that students will not want to reveal too much about their family's financial status. This may be a particularly difficult topic for low-income students whose households are financially chaotic, with decisions about money made on a crisis-by-crisis basis. We should be careful not to assume that these students have access to middle-class sources of income such as allowances and birthday gifts from relatives (often used as discussion points in financial-ed materials), and allow some flexibility in completing assignments such as the spending diary.

*Source: Jump\$tart Coalition for Personal Financial Literacy, 2004 survey of high school seniors

VOCABULARY

Budgeting: Planning how you will spend your money.

Need: Something that is necessary (examples: food, clothing, shelter).

Save: Hanging onto your money for a future use instead of spending it; saving is the opposite of spending.

Want: Something you would like to have, but it's not a necessity (examples: designer clothing, toys, and magazines).

ACTIVITY STEPS

I. Warm Up: Spending Smarts Questionnaire & Discussion (10 minutes)

1. [Welcome the students and let them know how happy you are to be with them again. Tell them that today they are going to learn about a topic everyone loves: money!]
2. **SAY SOMETHING LIKE:** How many of you have ever bought something expensive, and later felt like it was a complete waste of money? How many of you have ever saved up money for something you really wanted?"

[Use student responses to make the point that the secret to having money for what they want, when they want it, is to know when to spend and when to save—and that it's possible to do both.]
3. [Invite students to consider how they spend their money, and what they think about money by completing **Student Handbook page 60, Spending Smarts Questionnaire.**]
4. [Follow up the questionnaire by having students discuss their responses with a partner. Encourage them to share with each other what money decisions they were most and least happy about and what they would like to change about their spending habits. How were their responses alike? How were they different?]

II. Decisions, Decisions: A Budgeting Game (15 minutes)

1. [Distribute the **Facilitator Resource 1, Budgeting Game** and 15 beans (or other objects) to each student.]

SAY SOMETHING LIKE: Who likes to spend money? [Students will likely respond that they do.] That's good because this game is about spending money. Just like in real life, you will not be able to buy everything you want. The challenge is to make choices about how to spend your money so that you get the things that you really want, or need.
2. [Tell students that the 15 beans (or other objects) represent their money. Explain that the boxes list choices for how to spend their money. Point out that each box is a different category (e.g., school lunch, movies, etc). Tell them that they may choose only one option in each category or box by placing one bean (or other object) in the square(s) next to the option they choose in each category.]
3. [Explain that the goal of the game is to spend something in each category, making

sure they have enough money to cover all categories. Guide them to notice that there are more squares than beans (or other objects), and that each box offers different spending choices.]

4. Once students have made their choices, **SAY SOMETHING LIKE:** Let's say you're now experiencing a financial crunch. You have only 12 beans to spend. Decide where you can cut three beans from your budget. Will you take beans away from several categories? Will you move beans from one category, say "video games" to another, like "clothing?"
5. [Allow time at the end of the game for students to discuss the choices they made and why. Ask the following debriefing questions:
 - How many saved money? Why or why not?
 - How many of you spent most of your money on video games? On movies? On clothing? What influences these spending decisions in real life?]
6. **SAY SOMETHING LIKE:** In this game, all of you thought really hard about how best to spend your money. You cut spending (used less beans) in some places, so that you'd have enough money for the things you really want. This is called **budgeting**, and you did a great job!

SOURCE: Decisions, Decisions is an adaptation of Allowance Allocation activity at Practical Money Skills for Life (<http://www.practicalmoneyskills.com/english/index.php>)

III. Needs Versus Wants (15 minutes)

1. [Ask students what comes to mind when they think of water, shelter, and food. Give students a chance to respond. Most likely, someone will indicate that these are things we NEED to live.]

SAY SOMETHING LIKE: You're right! Water, shelter, and food are all examples of **needs**. Without them we would not be able to survive.

2. [Now ask students what comes to mind when they think of an MP3 player, sports equipment, or name-brand clothing. Give students a chance to respond. Most likely, someone will indicate that these are things they want.]

SAY SOMETHING LIKE: You've got it! We don't need the latest technology and brand-name clothes to survive, but they are things we'd like to have. They are known as **wants**.

[Point out that sometimes needs and wants overlap. For example, fast food is food, but it is not a need; it's a want. While you need a basic diet to survive, that diet does not NEED to include fast food.]

3. [Draw students' attention to the **Facilitator Resource 2, Needs vs. Wants Pictures** displayed around the classroom. Tell students that as you point to each picture, they are to put their thumbs up for "need" and thumbs down for "want." As you point to each picture, see if students agree. If students disagree, encourage them to make a case for their opinion. It's OK to allow some ambiguity here. It may be a struggle for kids to give up the idea that their favorite items aren't "needs." The bottom line is: what else are they willing to give up to have those items?]

[NOTE: You may wish to choose the items most relevant to your students, e.g. apartment building for city kids, house for rural or suburban kids. Don't feel obligated to "get through" all or even most of them, particularly if there's a lot of discussion.]

4. [Invite students to make a list of things that are necessary for their day-to-day existence. Ask: Why do you feel these things are necessary? Then have them make a list of things they want. Ask: Why do you want these things? Are any of your wants also needs?]

IV. Wrap Up (5 minutes)

1. **SAY SOMETHING LIKE:** This week is one of the rare weeks that Roads to Success has a homework assignment for you to complete. The first step in creating a good budget is to keep track of your spending to see where your money is really going. You might be surprised by how many dollars you actually end up spending a week on candy, or question if you needed that new shirt, after all. But the only way to do this is to write down everything you spend your money on. And that's what your challenge is for the next week.
2. [Direct students to **Student Handbook page 61, Spending Diary**. Go over the instructions and do an example. Explain what reward students will get for bringing in completed diaries the following week. You might suggest they put the diary in the same place they keep their money so they won't forget to record their spending. Collecting receipts from purchases to add up later is also a good idea.]
3. [Congratulate students on taking the first steps to becoming smarter spenders and tell them you look forward to reviewing their spending diaries with them next week.]

Budgeting Game

Video Games				
Play with games you already have	<input type="checkbox"/>			
Purchase used video games	<input type="checkbox"/>	<input type="checkbox"/>		
Play video games at an arcade	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Buy new video games	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Sports Equipment				
Use equipment you already have	<input type="checkbox"/>			
Buy used sports equipment	<input type="checkbox"/>	<input type="checkbox"/>		
Buy new sports equipment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Buy brand-name sports equipment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Movies				
Borrow from public library	<input type="checkbox"/>			
Rent a video	<input type="checkbox"/>	<input type="checkbox"/>		
Go to a half-price matinee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Go to a full-price movie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Clothes				
Wear what you already have	<input type="checkbox"/>			
Buy at a thrift store	<input type="checkbox"/>	<input type="checkbox"/>		
Buy at a discount store	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Buy at a department store	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

School Lunches				
Take packed lunch from home	<input type="checkbox"/>			
Buy lunch at school	<input type="checkbox"/>	<input type="checkbox"/>		
Buy lunch at a nearby fast-food restaurant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Donations to Charity				
About 5%	<input type="checkbox"/>			
About 10%	<input type="checkbox"/>	<input type="checkbox"/>		
More than 10%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

SOURCE: Practical Money Skills for Life
(<http://www.practicalmoneyskills.com/english/index.php>)

Savings				
About 5%	<input type="checkbox"/>			
About 10%	<input type="checkbox"/>	<input type="checkbox"/>		
More than 10%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	









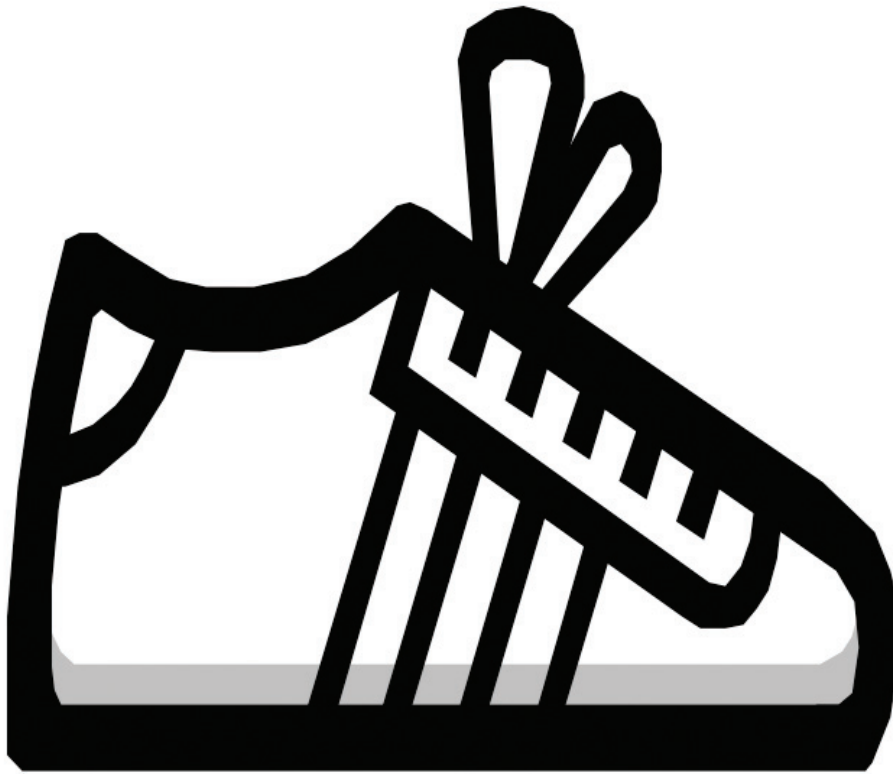










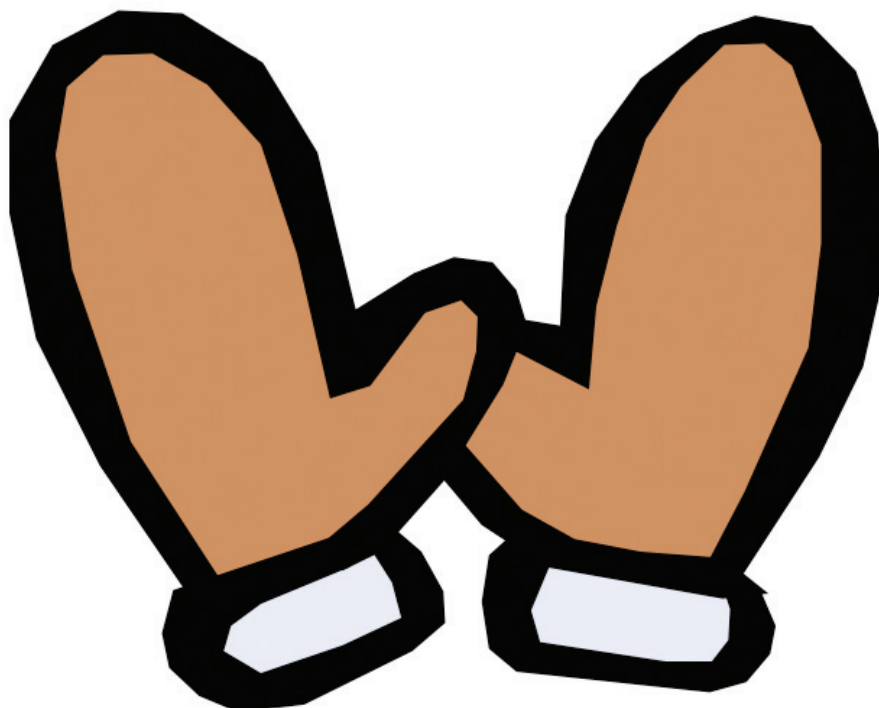


\$100

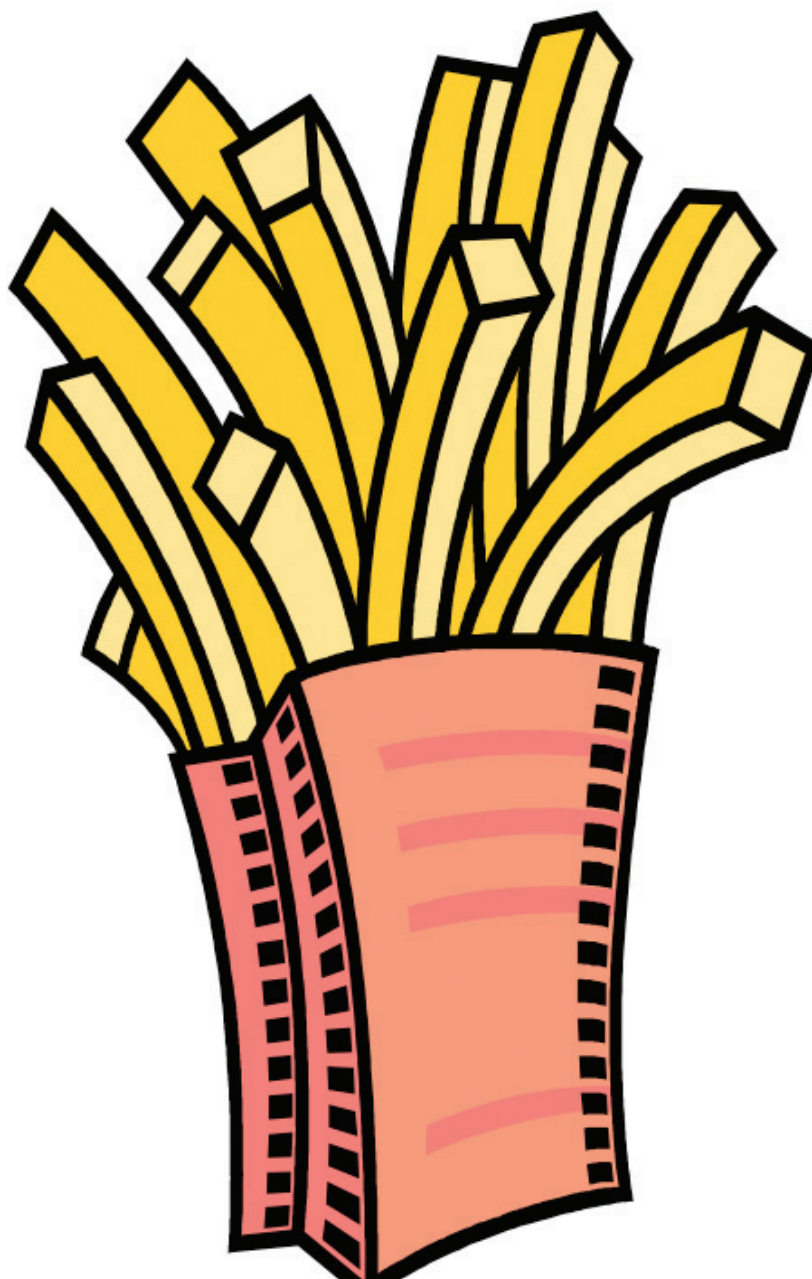


\$10

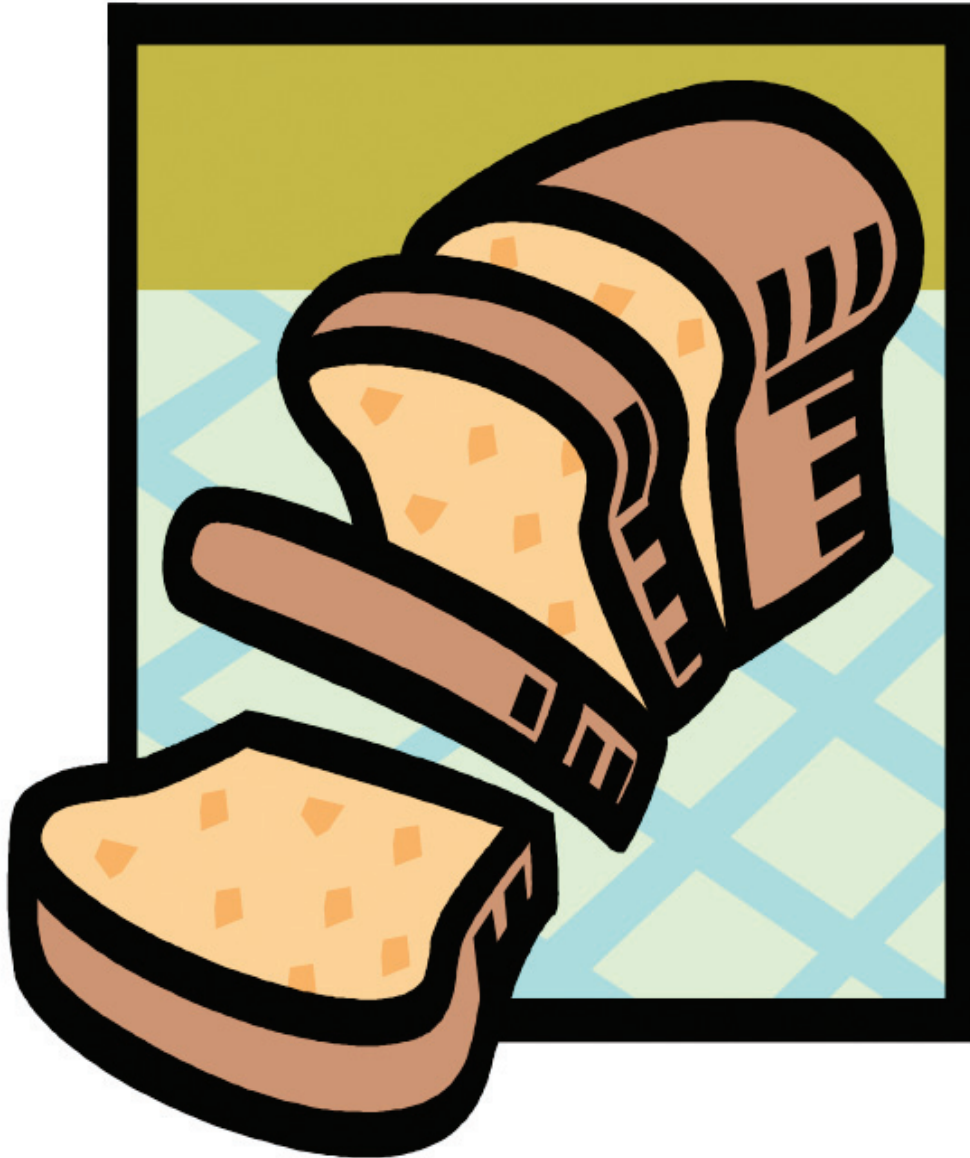












Spending Smarts Questionnaire

1. When I get money, I: (circle one response)
 - a. Spend it all
 - b. Save it all
 - c. Spend some and save some

2. Something I'm happy I spent my money on recently is:

because:

3. Something I regret I spent my money on recently is:

because:

4. I wish I had extra money for:

5. I think my spending habits: (circle a response, and then explain on lines below)
 - need improvement
 - don't need improvementbecause:

SOURCE: Adapted from the tween website It's My Life (<http://pbskids.org/itsmylife/>) © 2005 CastleWorks, Inc.

SPENDING DIARY

Being aware of your spending habits is the first step to budgeting. This is a spending diary. A spending diary allows you to keep track of your money by jotting down when you are spending money, what you're spending it on, and how much you're spending. Over the next week, try using the spending diary to keep track of how you spend your money. (If you don't have money of your own, ask your family members to help you estimate how much money has been spent on you during the week, and what each item costs.) By the end of the week, you may be surprised to see where your money goes.

Spending Diary

Day	Item Bought	Amount Spent

Budgeting II

The **BIG** Idea

- How can a spending diary help me make good money choices?

AGENDA

Approx. 45 minutes

- I. Warm Up: Money Matters (5 minutes)
- II. Class Trip (15 minutes)
- III. Comparison Shopping Game (20 minutes)
- V. Wrap Up (5 minutes)

MATERIALS

PORTFOLIO PAGES:

- Portfolio page 21, Grade 7 Skills Checklist (Money Matters skills only)

STUDENT HANDBOOK PAGES:

- Student Handbook page 62, Lindsay's Spending Diary
- Student Handbook pages 63-64, Class Trip
- Student Handbook page 65, Comparison Shopping
- Student Handbook page 66, Snapple Ads
- Student Handbook page 67, Boot Ads
- Student Handbook page 68, Basketball Ads

Overhead projector

Calculators (optional)

OBJECTIVES

During this lesson, the student(s) will:

- Review a weekly spending diary and create a budget that saves \$25 a week.
- Use ads to comparison shop and discover benefits of comparison shopping.

OVERVIEW

In this lesson, students review a sample spending diary, categorize expenses, and are given the task of figuring out where to cut \$25 in a weekly budget. A comparison shopping game challenges students to identify the better buy by comparing and contrasting ads for similar products.

PREPARATION

- List the **BIG IDEA** and the day’s activities on the board.
- Write the day’s vocabulary words and definitions on the board.
- If desired, for **Activity I, item 2**, write the four choices on chart paper or a transparency for easy reference.
- Make a transparency of **Student Handbook page 62, Lindsay’s Spending Diary, Student Handbook pages 63–65, Class Trip**, and **Student Handbook page 65, Comparison Shopping**.

VOCABULARY

Budget (noun): A plan for how money will be earned and spent.

Convenience: Degree to which something saves time and effort.

Comparison shopping: Shopping for the best buy, by comparing prices, brands, and stores.

Quality: How good something is or how well made it is.

IMPLEMENTATION OPTIONS

If your students know the correct answers to the “opinions” in Activity I, no need to repeat the exercise in the Wrap-up.

You may prefer to do Activity II as a whole-class activity.

In Activity III, Part 3, you may wish to model the note taking needed to compare the Snapple ads.

ACTIVITY STEPS

I. Warm Up: Money Matters (5 minutes)

1. **SAY SOMETHING LIKE:** How many of you kept spending diaries last week?
[Congratulate students who completed the assignment and give them the reward you indicated they would receive the previous week.] Was anyone surprised by how quickly little things added up?

Today we're going to learn how you can use that very same spending diary to help you save money. We'll also learn about asking the right questions before you buy something so that you can save your money, time, and more.

2. But first, let's take a quick survey and see where you are on the whole topic of budgeting. I'm going to read you some opinions about making a budget. Please raise your hand every time you hear something that describes what you think. (You can raise your hand more than once.)
 - A budget helps you keep track of the money you spend.
 - Once you create a budget, you never have to think about it again.
 - A budget can help you make day-to-day spending decisions.
 - Rich people never have to think about budgets.

[Don't ask students to explain their answers here, but let them know that they'll have a chance to consider these ideas during class and see if they hear anything that causes them to change their minds.]

II. Class Trip (15 minutes)

1. **SAY SOMETHING LIKE:** Experts say that the best way to keep track of your finances is to spend a few weeks writing down everything you spend your money on—everything! Once you have a really accurate picture of what you buy, you can figure out if you want to make any adjustments. For example, would you rather spend \$3 on snacks every day or buy a CD at the end of the week?

Grouping similar expenses—like food, transportation, clothing, recreation (fun)—makes it easier to get an idea of the big picture.

Let's see how this works.

2. [Have students refer to **Student Handbook page 62, Lindsay's Spending Diary.**]
SAY SOMETHING LIKE: Here's a list of all the stuff one seventh-grader bought in a week. She was shocked at how quickly the money added up—\$103.83 in all. Now she needs to cut \$25 from her weekly expenses so she can save money for a class trip.
3. [Have students get into pairs and discuss the expenses in Lindsay's budget that seem unnecessary.]
4. [Have students turn to **Student Handbook page 63–64, Class Trip**, and read through the story at the top of the page. Ask how they can come up with a total for each expense category. (*Total the actual expenses from Lindsay's Spending Diary.*)]
5. [Explain the steps on the second page, and have students come up with suggested deductions and new totals for each category. Note Lindsay must ride the bus to and from school every day, so transportation is an area where she won't be able to save money. The total for all four categories cannot add up to more than \$78.83. That's Lindsay's new budget.]
6. [Give students a few minutes to come up with deductions and a new total for each category. Then ask the following questions to process this info:
 - Will all of your budgets look the same? Why or why not? (*Each person gets to decide how they want to spend their money. That's what budgeting's about.*)
 - Is Lindsay finished with her budget once she has the new total for each category? Why or why not? (*She has to keep track of what she's spending to make sure she's sticking to her budget. If she's overspending, she has to figure out what's going wrong and make adjustments.*)
7. **SAY SOMETHING LIKE:** Knowing in advance how much money you have to spend can help when you go shopping. If you know you want to buy a CD on Friday, you may decide to skip buying snacks on Monday, Tuesday, Wednesday, and Thursday. It's up to you.

III. Comparison Shopping Game (20 minutes)

1. [Briefly share a time when you bought something at a price you thought was good only to find out later that you could have gotten it for a better price somewhere else. Then ask students if they've ever had a situation like yours. Allow time for students to tell their stories.]

2. **SAY SOMETHING LIKE: Comparison shopping** involves comparing the prices and quality of similar items or brands. When you are able to find a product of the same quality and amount for a better price, you've found a bargain! In the game you are about to play, you will put your shopper smarts to the test as you compare products, and determine which is the better buy.

[Display a transparency of **Student Handbook page 65, Comparison Shopping**, on the overhead projector.]

SAY SOMETHING LIKE: In each part of the game, you'll need to choose between two different products. Here are some of the things people consider when they're trying to decide what to buy. [Refer to chart.]

Which one of these do you think is most important to consider when deciding what to buy? (*price*) Let's look at some of the other things to consider.

- **Brand:** What things do you buy where the brand is important? What makes it important?
 - **Convenience:** How easy is it to get the product? If you can stop at a store on the way home from school, it's convenient. If you have to wait until the weekend for someone to drive you to the mall, it's not. (Note: If you live in a rural area, convenience may mean the difference between driving to the nearest shopping center or ordering something online and having it delivered right to your door. Sometimes people are willing to pay a higher price for convenience.)
 - **Features:** Do you need a cell phone with a 200-person phone book? A camera? The ability to play videos? Or do you just want to call your friends? Knowing what features are most important to you can keep you from going overboard and paying for things you don't need.
 - **Quality:** How well is the product made? Will it last a long time, or fall apart the first time you use it? If you have to replace it, it might not be the bargain you think it is.
3. [Divide the class into groups of three to four students each. Have the groups refer to **Student Handbook page 66, Snapple Ads**. Tell students they have four minutes to examine the ad, and determine at which store they'd buy their Snapple and why. They should consider each category (price, brand, etc.) and jot down notes that will help them make their decision. When time's up, ask: Where would you buy your Snapple? Why? Have the groups share their choices and defend their reasoning.]

4. [Have groups repeat Step 3 with **Student Handbook page 67, Boot Ads**, and then again with **Student Handbook page 68, Basketball Ads**. After each set of ads, ask the same questions about which product they'd buy, where they'd buy it, and why.]
5. **SAY SOMETHING LIKE:** Great job! As you've discovered, comparing prices as well as quality, convenience, personal preference, and more can make you a smarter (and happier) shopper.

IV. Wrap Up: (5 minutes)

1. **SAY SOMETHING LIKE:** Let's go back to the opinions we voted on at the beginning of class.

Again, raise your hand every time you hear something that describes what you believe to be true about budgets. [Move quickly through the list, asking a student to explain his/her answer to each question.]

- A budget helps you keep track of the money you spend.
- Once you create a budget, you never have to think about it again.
- A budget can help you make day-to-day spending decisions.
- Rich people never have to think about budgets.

[Ask students if anyone changed their minds since the beginning of class, and what caused them to do so.]

SKILLS CHECKLIST

Direct students' attention to **Portfolio page 21, Grade 7 Skills Checklist**. Have students complete the skills checklist questions for Money Matters Skills.

Money Matters

I can...

Understand how advertising affects my spending decisions.	<input type="checkbox"/> not at all	<input type="checkbox"/> somewhat	<input type="checkbox"/> very well
Use a spending diary to find ways to cut spending.	<input type="checkbox"/> not at all	<input type="checkbox"/> somewhat	<input type="checkbox"/> very well

Lindsay's Spending Diary

Day	Item Bought	Amount Spent
Monday	Snapple	\$1.50
Monday	Trident gum	\$1.25
Monday	Bus to and from school	\$3.00
Tuesday	Rented DVD	\$5.50
Tuesday	Lunch at McDonalds	\$6.25
Tuesday	Bus to and from school	\$3.00
Tuesday	Gap t-shirt	\$10.00
Wednesday	Bagel with cream cheese and Tropicana orange juice	\$4.10
Wednesday	Bus to and from school	\$3.00
Wednesday	Arcade	\$10.75
Thursday	Bus to and from school	\$3.00
Thursday	School lunch	\$3.50
Thursday	CD	\$12.99
Friday	Snapple	\$1.50
Friday	Bus to and from school	\$3.00
Friday	Old Navy hat	\$7.49
Friday	Two slices of pizza and soda	\$5.00
Saturday	Movies	\$9.00
Saturday	Popcorn and soda	\$6.00
Sunday	Magazine	\$4.00

Class Trip




Lindsay gets a small allowance for doing her chores, which she can spend as she likes. Her mom gives her money for her basic needs. For example, her mom pays for lunch and the bus back and forth from school. Lindsay can sometimes talk her mom into buying something when they're in a store together.

In four weeks, Lindsay's class is going on a trip that will cost \$100. When her mom hears about it, she just shakes her head and says that it costs too much money.

Her mom agrees to pay for the trip if Lindsay can come up with a plan for saving money. How will she do it?

Lindsay divides the total she needs to save (\$100) by the time she needs to save it in (four weeks,) and sees she'll have to save \$25 a week until the class trip. Lindsay uses a spending diary to write down everything her mom buys her for one week.

Expense	Last Week (total from spending diary)	Budget for Next Week
Food		
Transportation	\$15	\$15
Clothing		
Recreation (Fun)		
Total	\$103.83	\$78.83



Lindsay has to take the bus to school. This expense stays the same.

To save \$25 a week, Lindsay's total spending needs to be \$78.83 or less.

Use Lindsay’s spending diary to figure out how much she spends in each category.

STEP 1. Add up how much she spent in each category last week. Write each total in the correct box. (An example has been provided in each category.)

FOOD		CLOTHING		RECREATION	
Item	Cost	Item	Cost	Item	Cost
Trident gum	\$1.25	Gap t-shirt	\$10.00	Rented DVD	\$5.50
TOTAL		TOTAL		TOTAL	

STEP 2: List some of the things you think she can do without. A Snapple? A CD? A bagel in the morning? (Remember, you’ll need to find \$25 worth of stuff she doesn’t need.)

	Item	Cost
Example:	Old Navy hat	\$7.49

STEP 3: Subtract each unneeded item from the category where it belongs. Write the new totals for each category in the boxes under “Budget for Next Week.” These numbers show how much Lindsay can spend next week in each category. (Remember: total expenses for food, clothing, transportation, and recreation can be no more than \$78.83.)

FOOD		CLOTHING		RECREATION	
TOTAL		TOTAL		TOTAL	
	-	\$17.49	- \$7.49		-
	-		-		-
	-		-		-
	-		-		-
Budget for Next Week		Budget for Next Week		Budget for Next Week	

Comparison Shopping

Facing a tough buying decision? Use a chart to compare products.

Iced Tea

Choices	Price	Brand	Convenience	Features	Quality
Joe's Corner Store					
Stop N' Shop					

Work Boots

Choices	Price	Brand	Convenience	Features	Quality
Timberland					
Payless					

Basketball

Choices	Price	Brand	Convenience	Features	Quality
Wilson Evolution					
Spalding NBA					

Joe's Corner Store



16 oz.

Buy your ice-cold Snapple here!

All your favorite flavors.

Only \$1.25 each.

STOP&SHOP

Weekly Super Saver



3/16 oz. bottles only 1.99 with coupon

Selected flavors

Sale ends one week from today

Sale



**30% off while supplies last
Timberland 6" Premium Work Boot
\$145**

There's just no substitute for a sturdy, Guaranteed Waterproof boot to keep feet comfortable and dry, rain or shine. And we've been making this one since we opened our doors over 30 years ago. Rugged and dependable, we like to think of it as the role model for everything we make today. Imported.

- Customize this boot for an additional \$30
- Premium guaranteed waterproof nubuck leather for comfort, durability, and abrasion resistance
- Direct-attach waterproof construction keeps feet dry and comfortable
- Durable laces with Taslan fibers for long-lasting wear
- Rubber lug outsole for traction and durability
- Padded collar for a comfortable fit that locks out debris
- Rustproof hardware for long-lasting wear
- Embossed logo on side



Payless Waterproof Work Boot

\$24.99

Stay dry! Man-made upper laces up the front for a good fit. Shoe is made from water resistant materials to keep feet dry. Rubber sole is flexible. Padded insole provides all day comfort. Padded collar provides additional comfort around the ankles.

NBA League Gear Spalding NBA Game Ball



Model No. 043995279

\$99.99

- The official game basketball of the NBA.
- Pro wide channel design.
- Top grain leather panels with deep pebbles.



Wilson Evolution Composite Indoor 29.5 Basketball

Wilson Evolution Composite Indoor Basketball allows you to give it your best shot every time. The High Definition Pebbling provides a better grip for improved ball control and durability. Plus, the Cushion Core technology provides a softer feel.

Just **\$39.99** at



