

Understanding Financial Literacy: "Alexander Who Used to be Rich Last Sunday"

Objective: Students will be able to differentiate between spending and saving, identify reasons for saving money, and make simple decisions on spending and saving.

Assessment: Students will participate in analyzing the spending and saving of the main character Alexander.

Key Points:

- Define the concepts of spending and saving
- Discuss reasons why it is important to save money
- Practice making simple decisions on whether to spend or save

Opening:

1. Begin the lesson by discussing the following:
 - What do people use money for? (Answers will vary but may include the following: People use money to buy things, to pay for things. People save money.)
2. Show students a \$1 bill and discuss the following:
 - Is \$1 the same amount of money as 100 pennies? (Answers will vary, but some students will know that the two are equal.)
 - If you wanted to buy a candy bar and the price was \$1, could you buy it with a \$1 bill? (Yes.)
3. Show students the empty container and explain that they are going to fill the container with pennies—2 pennies at a time. Tell them/remind them that people can count to 100 one number at a time. But, they can also count to 100 two numbers at a time. Demonstrate/practice counting by 2s.
4. Distribute 2 pennies to each child. Call students by row or table and have each student drop his or her pennies into the container. As they do, have the class count by 2s. When each student has had a turn, distribute additional pennies, 2 at a time, and continue having students deposit pennies in the container and count by 2s until there are 100 pennies in the container.
5. Which would you rather have, 100 pennies or a \$1 bill? (Answers will vary, but many students this age may prefer the 100 pennies.)
6. Tell students that they are going to listen to a story about a little boy named Alexander who had \$1. Explain that Alexander could spend his \$1 or he could save it. Explain that spending is using some or all of your money to buy things you want now, and saving is keeping some of your money to buy things in the future—it is not spending.
7. Tell students that as they listen to the story they should notice what happens to Alexander's money.

Introduction to New Material:

The lesson will begin by reading the book "Alexander Who Used to Be Rich Last Sunday" to the students. Tell students that as they listen to the story they should notice what happens to Alexander's money. Read the book, Alexander, Who Used to be Rich Last Sunday, and then discuss the following:

- What did Alexander plan to do with his money when he first got it? (He planned to save it to buy a walkie-talkie.)
- Why wasn't he able to save his money? (He spent some on little things, lost some, and had to pay fines.)

Guided Practice:

Distribute a 100 grid to each student, and ask them to get out their crayons. Going through the book color each block of the grid based on what Alexander used his \$1.00 on. You will also guide the students to take the money from the jar you created in the beginning.

1. Point out the jar of pennies. Reread the portion of the story about Alexander's spending decisions; it begins with "Because last Sunday, when I used to be rich, I went to Pearson's Drug Store and got bubble gum." When you come to the phrase that says "Good-bye fifteen cents," ask a student to come up and remove 15 pennies from the container and give the pennies to you. Have students repeat, "Good-bye fifteen cents."
2. As you come to each subsequent spending decision in the book, invite a student to come up and remove the correct amount of money as the rest of the students chant, "Good-bye ___ cents." Again, have students give the pennies to you.
3. After you have reread all of the spending decisions—the container will be empty—discuss the following:
 - How much money did Alexander get from his grandparents? (\$1)
 - How much money was in our container? (100 pennies)
 - Does \$1 equal 100 pennies? (Yes.) How do you know? (At the end of the story, all Alexander had left was bus tokens—no money. And, at the end of the story, our container of pennies was empty.)
 - On what did Alexander spend his money? (Gum, lost bets, snake rental, a badwords fine, carelessness [he lost some of his money], a candy bar, his brother's magic trick, a kicking fine, and garage sale items)
4. Explain that Alexander had a savings goal. Ask students if he met his savings goal. Then challenge students to write their own savings goal.

Independent Practice:

For independent practice, students will write and illustrate their own savings goal on a ½ sheet of blank paper. The students will then create a basic savings plan to show how they will reach their goal.

Closing:

To wrap up the lesson, students will participate in a short class discussion summarizing the differences between spending and saving. Each student will share one reason why saving money is important.

Extension Activity:

For the extension activity, early finishers can create a mini poster illustrating the benefits of saving money and one example of something they are saving for.

Family Extension:

As a homework activity suggestion, students can have a conversation with their family members about a recent purchase they made and discuss if it was a spending or saving decision.

Standards Addressed:

- Common Core Standard: CCSS.MATH.CONTENT.2.MD.C.8 – Solve word problems involving dollar bills, quarters, dimes, nickels, and pennies, using \$ and ¢ symbols appropriately.
- JumpStart Coalition National Standards in K-12 Personal Finance: Standard 1 – Make informed financial decisions.

