

Financial Foundations for Kansas Kids



Teacher's Guide Grades 6-8



Financial Foundations for Kansas Kids (FF4Kids) is an interactive economics and personal financial literacy curriculum for students grades K-8. The original interactive courseware was designed in 2005. This teacher’s guide was revised in 2018 and is designed to enhance the courseware learning and add even more cross-curricular resources from some of our great economic education friends around the U.S. We are grateful for the 2018 revision team for helping us find all these great resources.

The Moolah Report introduces more advanced personal financial management skills through a TV News program format. The teenage newscasters demonstrate through news stories and interviews with people from the community how important education and good financial management skills are to a successful life.

The Moolah Report (6-8) contains:

- **23 teaching units**
- 49 interactive exercises
- 41 interactive math exercises

Financial Foundations for Kansas Kids is available free-of-charge to all elementary and middle schools in Kansas. Many Kansas organizations joined to make this project possible. These organizations understand the importance of preparing our children to be productive members of the community. They also understand that it is not a job for educators alone – we all have a responsibility when it comes to the education of our youth.

The Kansas Council for Economic Education gratefully acknowledges these Kansas organizations & individuals:

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Table of Contents

Level 6: Program 1 – The Budget Balancing Act

Episode 1- Budgeting, Trade-Offs and Opportunity Cost

Episode 2- Spending Less, Saving the Rest

Episode 3- Income Management and Payment Methods

Episode 4- To Spend, Save, or Borrow? That is the Question!

Level 6: Program 2 – The Specs on Specialization

Episode 1- The Importance of Specialization

Episode 2- The Effect of Productivity on Income

Episode 3- Improving Productivity Through Specialization

Level 7: Program 1 – Personal and Public Benefits

Episode 1- Inflation and Deflation

Episode 2- Positive and Negative Incentives

Episode 3- Types of Employee Benefits

Episode 4- Government Goods and Services

Level 7: Program 2 – Investing in Your Future

Episode 1- Human Capital Supply and Demand

Episode 2- What is compound interest?

Episode 3- Return, Liquidity, and Risk

Episode 4- Costs and Benefits of Spending, Saving, or Both

Level 8 programs are not complete at this date but videos are available:

Level 8: Program 1 – Income, Incentives, and Institutions

Episode 1- Types of Earned Income

Episode 2- Employee Responses to Positive and Negative Incentives

Episode 3- Specialized Economic Institutions

Level 8: Program 2 – Starting the Savings Snowball

Episode 1- Saving Accumulation: Amount Saved, Rate of Return, and Time

Episode 2- Products and Services: Spending, Saving, and Borrowing Decisions

Episode 3- Calculating Interest and Account Balances

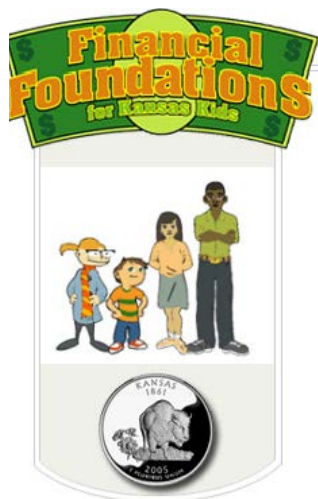
Level 8: Program 3 – Mastering Your Money

Episode 1- Opportunity Cost: Decisions for Your Budget

Episode 2- Being an Informed Consumer

GLOSSARY

Technical Requirements for FF4K



FF4K Log In
(Kansas schools only)

Financial Foundations for Kids (FF4K) is a cross-curricular educational courseware for teaching offered FREE to any Kansas K-12 school through the Kansas Council for Economic Education. FF4K was created for Kansas schools in 2005 when the mandate for personal finance and economics became part of the Kansas standards and this resource was designed to meet each of those standards at that time while integrating math and language arts skills to add even more value. FF4K is designed with two parts: the video activity and the companion Teacher's Guide with lessons/activities selected to reinforce the video education.

As technology changed and Flash Player became unsupported, access to the video portion has changed. We now have a way that everyone can still use most of this great resource. If you are using a school computer where app installation is limited, please skip to option 3.

Please visit the section that meets your technology platform for access instructions.

1. Preferred Full Access Method usable through December 2020.
2. Alternative Puffin Browser for Android or PC machines not controlled by schools for downloads through Dec. 2020.
3. Video access method on <http://bit.ly/FF4Kids> – WILL WORK FOR ALL TYPES including iPads but does not give access to math problems and drag and drop activities within the program. This option will be available long-term.

1. PREFERRED FULL ACCESS METHOD FOR PC & MAC LAPTOP USERS WHERE FLASH PLAYER CAN BE ALLOWED USING

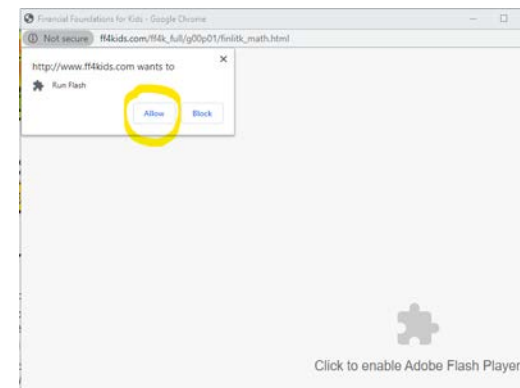
CHROME: Most computers are still able to access the full version using Chrome Browser and allowing Flash to run through Chrome Browser unless the school has blocked it. iPads must use the alternative video method. This option is good through December 2020 and then you will have switch to the flash alternative method below. The teacher's guide and other resources are available at www.ff4kids.com.

Step 1: LOG IN to Create One Account for Your Class:

Open Chrome Browser. Go to www.ff4kids.com and click on the FF4K LOG IN link see to the left here to register and receive a password to log in. Teachers register one time sharing the teacher ID/password with all students logging in directly. The entire class can be logged in under one account and most devices will allow you to save the login. Don't forget to download the new FF4Kids Teacher's Guide and other resources at <http://bit.ly/FF4Kids>.

Step 2: ENABLE Flash Player on Chrome:

There are two ways to enable Flash in Google Chrome. You can enable it once for a single site, or set Google Chrome to automatically ask you if you want to run Flash. **To allow Flash for a single website:** **1.** Go to the website that you want to use. **2.** When you see the "Plugin Blocked" icon pop up at the right side of your search bar, click the lock button on the left side. **3.** In the pop-up window that appears, you'll see an option labeled "Site settings." Click it.



2. ALTERNATIVE FULL ACCESS METHOD: Use the FREE Puffin Academy App or FREE Puffin Browser

Through December 2020 tablets and computer system that will not run flash player can try using a FREE education app [Puffin Academy](#) (Designed for K-12 teachers, parents and students) or there is another version Puffin Browser that can be used to access the FF4Kids courseware since it is flash based. Puffin Academy for K-12 has no cost and is safe for schools. Only whitelisted educational sites are allowed. Go to www.flashbrowser.com and down at the bottom menu is a link to about the program and app to find downloads and the FAQ section will provide the information that your school technology administrator might need to get it approved. You must open the app and the access the program but speeds are amazing and you'll find lots of other great education programs. Too complex? Skip to option 3 to access the program.

- ANDROID TABLETS/MOBILE DEVICES: Download the PUFFIN ACADEMY or PUFFIN BROWSER app from Google Play.
- LAPTOPS/DESKTOPS without Flash Player: Go to <http://www.flashbrowser.com/PuffinAcademy/>



Open the browser app and once you are at the Puffin Academy page, FF4Kids can be found under the History/Social Studies tab and then select Economics/Finance and you should find the FF4Kids icon that will take you to the FF4Kids page to launch.

If you experience technical problems, please contact us at 316-978-5183 or KCEE@wichita.edu and we will do our best to help solve any issues. You can find a tutorial for teachers or IT staff at <http://www.flashbrowser.com/tutorial/teacher.html>.



3. ALTERNATIVE VIDEO ONLY METHOD: Accessible to anyone regardless of system

<http://bit.ly/FF4Kids> This method will be available to anyone without a cut off date. This is a video recording of the resource and will play just like a video. We are working to re-create some of the math and drag and drop activities that are cut off when this was moved to a video only access. The active buttons no longer work but the video will function exactly like any regular video.

These videos can be linked into any Google documents or direct links can be sent to the students through the Vimeo website where they are hosted. They are setup by showcase for K-2, 3-5 & 6-8.

Learning Standards

The FF4Kids courseware and the lessons contained in this program are aligned to Kansas education standards.

- [Kansas History, Government and Social Studies Standards \(HGSS\)](#)
- [National JUMPSTART Personal Finance Standards \(Adopted by Kansas\)](#)
- Kansas Math Standards: [6th Grade](#), [7th Grade](#)
- [Kansas Communication Arts Standards](#)

[GLOSSARY](#)

KANSAS HISTORY, GOVERNMENT, AND SOCIAL STUDIES STANDARDS

Standard # 1

Choices have consequences.

Benchmark:

- 1.1 The student will recognize and evaluate significant choices made by individuals, communities, states, and nations that have impacted our lives and futures.
- 1.2 The student will analyze the context under which choices are made and draw conclusions about the motivations and goals of the decision-makers.
- 1.3 The student will investigate examples of causes and consequences of particular choices and connect those choices with contemporary issues.
- 1.4 The student will use his/her understanding of choices and consequences to construct a decision-making process and to justify a decision.

Standard # 2

Individuals have rights and responsibilities.

Benchmark:

- 2.1 The student will recognize and evaluate the rights and responsibilities of people living in societies.
- 2.2 The student will analyze the context under which significant rights and responsibilities are defined and demonstrated, their various interpretations, and draw conclusions about those interpretations.
- 2.3 The student will investigate specific rights and responsibilities of individuals and connect those rights and responsibilities with contemporary issues.
- 2.4 The student will use his/her understanding of rights and responsibilities to address contemporary issues.

Standard # 3

Societies are shaped by beliefs, ideas, and diversity.

Benchmark:

- 3.1 The student will recognize and evaluate significant beliefs, contributions, and ideas of the many diverse peoples and groups and their impact on individuals, communities, states, and nations.
- 3.2 The student will draw conclusions about significant beliefs, contributions, and ideas, analyzing the origins and context under which these competing ideals were reached and the multiple perspectives from which they come.
- 3.3 The student will investigate specific beliefs, contributions, ideas, and/or diverse populations and connect those beliefs, contributions, ideas and/or diversity to contemporary issues.
- 3.4 The student will use his/her understanding of those beliefs, contributions, ideas, and diversity to justify or define how community, state, national, and international ideals shape contemporary society.

Standard # 4

Societies experience continuity and change over time.

Benchmark:

- 4.1 The student will recognize and evaluate continuity and change over time and its impact on individuals, institutions, communities, states, and nations.
- 4.2 The student will analyze the context of continuity and change and the vehicles of reform, drawing conclusions about past change and potential future change.
- 4.3 The student will investigate an example of continuity and/or change and connect that continuity and/or change to a contemporary issue.
- 4.4 The student will use his/her understanding of continuity and change to construct a model for contemporary reform.

Standard # 5

Relationships among people, places, ideas, and environments are dynamic.

Benchmark:

- 5.1 The student will recognize and evaluate dynamic relationships that impact lives in communities, states, and nations.
- 5.2 The student will analyze the context of significant relationships and draw conclusions about a contemporary world.
- 5.3 The student will investigate the relationship among people, places, ideas, and/or the environment and connect those relationships to contemporary issues.
- 5.4 The student will use his/her understanding of these dynamic relationships to create a personal, community, state, and/or national narrative.

NATIONAL JUMPSTART STANDARDS IN K-12 PERSONAL FINANCIAL EDUCATION

Spending and Saving

Overall Competency

Apply strategies to monitor income and expenses, plan for spending and save for future goals.

- Standard 1. Develop a plan for spending and saving.
- Standard 2. Develop a system for keeping and using financial records.
- Standard 3. Describe how to use different payment methods.
- Standard 4. Apply consumer skills to spending and saving decisions.

Credit and Debt

Overall Competency

Develop strategies to control and manage credit and debt.

- Standard 1. Analyze the costs and benefits of various types of credit.
- Standard 2. Summarize a borrower's rights and responsibilities related to credit reports.
- Standard 3. Apply strategies to avoid or correct debt management problems.
- Standard 4. Summarize major consumer credit laws.

Employment and Income

Overall Competency

Use a career plan to develop personal income potential.

- Standard 1. Explore job and career options.
- Standard 2. Compare sources of personal income and compensation.
- Standard 3. Analyze factors that affect net income.

Investing

Overall Competency

Implement a diversified investment strategy that is compatible with personal financial goals.

- Standard 1. Explain how investing may build wealth and help meet financial goals.
- Standard 2. Evaluate investment alternatives.
- Standard 3. Demonstrate how to buy and sell investments.
- Standard 4. Investigate how agencies protect investors and regulate financial markets and products.

Risk Management and Insurance

Overall Competency

Apply appropriate and cost-effective risk management strategies.

- Standard 1. Identify common types of risks and basic risk management methods.
- Standard 2. Justify reasons to use property and liability insurance.
- Standard 3. Justify reasons to use health, disability, long-term care and life insurance.

Financial Decision Making

Overall Competency

Apply reliable information and systematic decision making to personal financial decisions.

- Standard 1. Recognize the responsibilities associated with personal financial decisions.
- Standard 2. Use reliable resources when making financial decisions.
- Standard 3. Summarize major consumer protection laws.
- Standard 4. Make criterion-based financial decisions by systematically considering alternatives and consequences.
- Standard 5. Apply communication strategies when discussing financial issues.
- Standard 6. Analyze the requirements of contractual obligations.
- Standard 7. Control personal information.
- Standard 8. Use a personal financial plan.

Grade Level: 6 Program: 1 The Budget Balancing Act
Episode: 1 Budgeting, Trade-Offs and Opportunity Cost

Episode Synopsis: The kids are delivering a news report on trade-offs and opportunity cost. Sloane is interviewing Jeremy regarding his decision to save part of his income for a mountain bike, even though he would really like to spend it on an electric guitar. They determine that the guitar is Jeremy’s opportunity cost.

Essential Question: What are trade-offs and the opportunity cost that result from them?

Time: 50-55 minutes total
Episode 1: 8 minutes
Learning Activity: 40-45 minutes

Materials Needed:
[Handout/Visual 1: Why It Matters: Opportunity Cost](#)
[Handout/Visual 2: What is the Opportunity Cost?](#)
 Paper, Pencils
Lesson Link: https://www.economicscenter.org/media/431196/september_lesson.pdf

Learning Objective: Students will explain that budgeting requires trade-offs in managing income and spending, and identify the opportunity costs that result from these trade-offs.

Essential Vocabulary: budget, choice, income, opportunity cost, saving, spending, trade-off, wages, want

FF4Kids.com Video Series:

1. Introduce the lesson by asking students what an opportunity is, and have them share their thoughts with the class. (Students may suggest a choice or option, or a chance to do something. Reinforce that opportunity implies some kind of future value or benefit.)
2. Watch Video: <https://vimeo.com/398335426>

Extension Lesson Description and Links:

3. Follow the lesson from the University of Cincinnati Economics Center: [Why it Matters: What is the “Real” Cost?](#). In this lesson, students will explore opportunity cost, specifically in the decision to go to college.
 - a. Introduce the concept of opportunity cost. Define opportunity cost as: “The second-best alternative (or the value of that alternative) that must be given up when scarce resources are used for one purpose instead of another.”
 - b. Distribute copies of [Handout/Visual 1: Why It Matters: Opportunity Cost](#). Allow students time to read the article, and then have them review the main points of it. Ask students to give examples of “real” costs of college.
 - c. Have students complete [Handout/Visual 2: What is the Opportunity Cost?](#). Using Part 1, direct the students to read the five situations and determine the opportunity cost of each situation. Using a blank piece of paper the students should describe the opportunity cost of each choice.
 - d. Using Part 2 of Handout/Visual 2: What is the Opportunity Cost? The students (pairs) should write an example of an opportunity cost situation. (More available in the [Why it Matters: What is the “Real” Cost? Lesson](#).)
4. Have students discuss and answer the essential question.

Literature Connections: *From the Mixed-up Files of Mrs. Basil E. Frankweiler* by E.L. Konigsburg ([Lesson](#) from Center for Entrepreneurship and Economic Education at the University of Missouri St. Louis’ WisePockets.)

Kansas Standards Alignment:

[HGSS](#)
1.1; 1.4

[Personal Finance](#)
Spending and Saving Standard 4

[English Language Arts](#)
W.6.12

[Math](#)

Grade Level: 6 Program: 1 The Budget Balancing Act
Episode: 2 Spending Less, Saving the Rest

Episode Synopsis: Sloane interviews Polly regarding Polly’s spending and saving decisions. Polly wants to go on a ski trip, but must pay for part of the expenses. She has no money for the trip, but continues to buy things she wants with her babysitting income and allowance. Sloane tries to explain the concept of saving to Polly.

Essential Question: What is the key to financial well-being?

<p>Time: 40-50 minutes total Episode 2: 8 minutes Learning Activity: 30-40 minutes</p>	<p>Materials Needed: Uncle Jed’s Barbershop by Margaree King Mitchell Savings and Spending Game Handouts 1, 2, & 3 Lesson Link: https://www.phil.frb.org/-/media/education/teachers/lesson-plans/UncleJedsBarbershop.pdf</p>
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Learning Objective: Students will state that a key to financial well-being is to *spend* less than you earn and *save* the difference.

Essential Vocabulary: spending, saving, income, financial well being

FF4Kids.com Video Series:

1. Introduce the lesson by asking students: if they’ve ever gotten their hair cut by a family member, if they’ve gotten their hair cut at a barbershop or beauty salon, who cut their hair, what do the owners of barbershops/beauty salons have to spend their money on when they start their business, how they think the owners got the money to start their businesses.
2. Watch Video: <https://vimeo.com/398335889>

Extension Lesson Description and Links:

3. Follow the Federal Reserve Banks of St. Louis and Philadelphia lesson: [Uncle Jed’s Barbershop](#). In this lesson, students will learn what it takes to reach a savings goal by participating in a card game.
 - a. Read [Uncle Jed’s Barbershop](#). Explain to the students that they are going to work in groups to investigate what it takes to reach a savings goal. Divide the class into groups of four to five students each. Direct each group to push their desks together to create a common work surface.
 - b. Tell students that each group is going to have the same savings goal: a new video game just came out and costs \$50.
 - c. Distribute one copy of [Handout 1: Saving and Spending Register](#) to each group. Display your visual of Handout 1. Show the students a deck of cards created from [Handout 2: Saving and Spending Cards](#). Distribute one copy of [Handout 3: Saving and Spending Game Directions](#) to each group. Display a visual of Handout 3 and review the directions with the students. Using the visual of Handout 1, demonstrate how to throw the dice, draw cards, and complete lines on the register. Distribute a set of cards from Handout 2 and the dice to each group of students. Give students time to play the game until every group has reached the savings goal of at least \$50.
 - d. After students have completed the game, discuss the following: How many weeks did it take each group to reach the savings goal? What made it difficult to reach the savings goal? Did any groups ever have less than zero in their balance at any time? Why is it harder to reach a savings goal in real life or in the saving and spending game? In real life, which are easier to achieve—savings goals that cost a little bit of money or savings goals that cost a lot of money? Why? (More available in the [Uncle Jed’s Barbershop Lesson](#).)
4. Have students discuss and answer the essential question.

Literature Connections: [Tarantula Shoes](#) by Tom Birdseye ([Lesson](#) from Center for Entrepreneurship and Economic Education at University of Missouri St. Louis’ WisePockets.)

Kansas Standards Alignment:	HGSS 1.1; 1.4	Personal Finance Spending and Saving Standard 4	English Language Arts SL.6.1	Math 6. NS.3.
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Grade Level: 6 Program: 1 The Budget Balancing Act

Episode: 3 Income Management and Payment Methods

Episode Synopsis: Sloane interviews a banker about different methods of payment. Then, Seymour goes on to instruct on the maintenance of a checking account.

Essential Question: What are the different payment methods people use to pay for goods and services?

Time: 55-65 minutes total

Episode 3: 9 minutes

Learning Activity: 45-60 minutes

Materials Needed:

[Activity 1 "Payment Parliament"](#)

Lesson Link: [https://www.kansascityfed.org/publicat/education/teachingresources/Payment Parliament.pdf](https://www.kansascityfed.org/publicat/education/teachingresources/Payment%20Parliament.pdf)

Learning Objective: Students will explain the different payment methods people use. Students will explain why some payment methods cost more than others.

Essential Vocabulary: income, checks, debit, debit cards, credit cards, cash, money orders, certified checks

FF4Kids.com Video Series:

1. To introduce the lesson, ask students the following questions: What is your favorite place to shop? How do you usually pay for purchases at stores? Can you help me make a list of the different ways consumers can pay for goods and services? (List items on a whiteboard. Answers should include cash, check, debit card, credit card and electronic payments. If students do not name all of these, teacher should add these ideas to the list.)
2. Watch Video: <https://vimeo.com/398336216>

Lesson Description and Links:

3. Follow the Federal Reserve Bank of Kansas City lesson: [Payment Parliament](#). In this lesson, students will learn about different methods of payment and the costs and benefits of each method by participating in a role play of a round table discussion called, "Payment Parliament."
 - a. Tell students that they will learn more about these methods of payment by participating in a role play titled "Payment Parliament." Hand out [Activity 1](#), "Payment Parliament" script. Introduce the list of characters at the top of the script, and the form of payment each represents.
 - b. Choose seven volunteers to role play the characters. For the setting, place a large table with seven chairs in the front of the room. Ask Bob Banker to sit at the head of the table, and Fred Fed to sit at the opposite end. All other characters can choose their seats randomly, making sure their backs are not to the audience. Ask students in the audience to follow along with the role play reading, thinking about which payment method they would prefer. Read through the script orally.
 - c. For review, discuss the following:
 - i. What are the types of payments used for goods and services? Name one advantage and one disadvantage of using each method of payment. How does the Federal Reserve help in the processing of payments? (More available in the [Payment Parliament Lesson](#).)
4. Have students discuss and answer the essential question.

Literature Connections: *The Go-Around Dollar* by Barbara Johnston Adams ([Comprehension Questions](#) from Indiana Council for Economic Education's KidsEcon Posters.)

Kansas Standards Alignment:

[HGSS](#)

1.3; 1.4

[Personal Finance](#)

Credit and Debt Standard 1

[English Language Arts](#)

RL.6.10; RL.6.12

[Math](#)

Grade Level: 6 Program: 1 The Budget Balancing Act

Episode: 4 To Spend, Save, or Borrow? That is the Question!

Episode Synopsis: Seymour and Sloane debate the costs and benefits of spending, saving or borrowing decisions.

Essential Question: What are the benefits of spending, saving and borrowing?

Time: 30-40 minutes total

Episode 4: 11minutes

Learning Activity: 20-30 minutes

Materials Needed:

[Non-savings Account Budget Worksheet](#), [Savings Account Budget Worksheet](#), Pencils

Lesson Link: <https://www.econedlink.org/resources/a-penny-saved-is-a-penny-at-4-7-earned/>

Learning Objective: Students will determine the costs and benefits of a spending, saving, or borrowing decisions.

Essential Vocabulary: cost, benefit, spending, saving

FF4Kids.com Video Series:

1. To introduce the lesson, ask students if they get an income, and if so, how? Do they baby-sit? Mow lawns? Receive income as a gift? Then, ask them what they do with their income. Do they spend it right away? Spend some now and some later? Or do they save it all?
2. Watch Video: <https://vimeo.com/398336615>

Extension Lesson Description and Links:

3. Follow the EconEdLink lesson: [A Penny Saved is a Penny at 4.7% Earned](#). This lesson teaches students how to budget and save their money, while helping them understand that there are opportunity costs whether money is saved or spent.
 - a. Remind students that when money is not spent, it is saved. Tell students that they will be creating two budgets, one without a savings account and one with a savings account.
 - b. Tell students that they will have \$5 to spend. Have them fill out the [Non-savings Account Budget Worksheet](#) and then answer the following questions:
 - i. In terms of gum, what is the opportunity cost of two sodas?
 - ii. In terms of soda, what is the opportunity cost of a movie ticket?
 - c. Have students complete the [Savings Account Budget Worksheet](#) and then answer the following questions:
 - i. Assuming soda and gum are your next best alternatives, what is the opportunity cost of putting \$2.50 in the bank?
 - ii. If the bank pays 10% interest, how much interest will you earn on your \$2.50 deposit?
 - d. Compare Budget #1 and Budget #2. How have the budgets changed? (More available in the [A Penny Saved is a Penny at 4.7% Earned Lesson](#).)
5. Have students discuss and answer the essential question.

Literature Connections: *Meet Molly, An American Girl* by Valerie Tripp ([Lesson](#) from Center for Entrepreneurship and Economic Education at University of Missouri St. Louis' WisePockets.)

Kansas Standards Alignment:

HGSS

1.1; 1.4

Personal Finance

Spending and Saving Standard 4

English Language Arts

Math

6. NS.3.; 6.NS.5a.

Grade Level: 6 Program: 2 The Specs on Specialization

Episode: 1 The Importance of Specialization

Episode Synopsis: Sloane interviews Wes Wiseman, the Theatre and Drama teacher at her school. Mr. Wiseman explains that by specializing in teaching theatre and drama, he is a better teacher than if he taught all subjects.

Essential Question: Why is specialization desirable?

Time: 30-40 minutes total
Episode 1: 9 minutes
Learning Activity: 20-30 minutes

Materials Needed:
Lesson Link: <https://www.econedlink.org/resources/frontier-specialists/>

Learning Objective: Identify careers that require specialized skills and discuss why specialization is desirable.

Essential Vocabulary: specialization, producer, production

FF4Kids.com Video Series:

1. To introduce the lesson, have students share what they know about trade. Ask them: Who would benefit if there were less trade in the world? Who would be hurt? Why is this? Tell them that we will go back to simpler times and find out why.
2. Watch Video: <https://vimeo.com/398337186>

Extension Lesson Description and Links:

3. Follow the EconEdLink Lesson: [Frontier Specialists](#). This lesson teaches that the level of output in an economy can be increased through specialization.
 - a. Tell students that they are going to pretend the year is 1840, and that their family moved one year ago to a sparsely populated area west of the Mississippi River. Only one other family lives within 10 miles of their house, and it is 50 miles to the next town. Each family has 50 acres of land.
 - b. Each family is has been producing all its own food and clothing. Each family has some special skills and resources that gives them an absolute advantage in a certain area. The families want to see if they would be better off if each family specialized in their strength.
 - c. Display the charts found in the [lesson](#), and answer the following questions:
 - i. In which case does each family have an absolute advantage?
 - ii. Would the families be better off if each family produced only one item and traded with the other? Explain.
 - iii. What will happen if one of the families does not produce all it can? (More available in the [Frontier Specialists Lesson](#).)
4. Have students discuss and answer the essential question.

Literature Connections: *Take Me Out to the Bat and Ball Factory* by Peggy Thomson ([Comprehension Questions](#) from Indiana Council for Economic Education’s KidsEcon Posters.)

Kansas Standards Alignment:	HGSS 5.1; 5.2	Personal Finance Employment and Income Standard 1	English Language Arts	Math
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Grade Level: 6 Program: 2 The Specs on Specialization

Episode: 2 The Effect of Productivity on Income

Episode Synopsis: Sloane, who is investigating the link between worker productivity and income, interviews Marty McLoan. As chief foreman at Zoom, Inc., McLoan is aware of efforts the company makes to help its employees become more productive.

Essential Question: Why does increasing productivity result in higher income?

Time: 30-40 minutes total

Episode 2: 8 minutes

Learning Activity: 20-30 minutes

Materials Needed:

[Activity 10: Widget Production Table](#)

8 ½ “-11” Paper, Rulers, Pencils, Single-hole Paper Punches, Pens, Paper Clips, Triple-hole Paper Punch

Lesson Link: https://www.econedlink.org/wp-content/uploads/legacy/539_widget_production1.pdf

Learning Objective: Students will explain why increases in a worker’s productivity can result in higher income.

Essential Vocabulary: income, productivity, profit, rate, revenue, capital resources

FF4Kids.com Video Series:

1. To introduce the lesson, have students discuss why people are served food more quickly in a fast food restaurant than in other restaurants. Help students focus on different methods of production.
2. Watch Video: <https://vimeo.com/398337658>

Extension Lesson Description and Links:

3. Follow the EconEdLink lesson: [Widget Production](#). In this lesson, students will learn the advantages and disadvantages of production based on craftspersons and specialists and how productivity can be increased through specialization, training and education, investment in capital, and technology improvements.
 - a. Explain that the class will be producing something called a “widget.” Use the following procedure to demonstrate widget production for the class: Neatly stack two sheets of used 8 1/2" by 11" paper. Using the ruler and the pencil, mark three dots at 1 ½ ", 5 ½ ", and 9 ½ " along the 11" side of the paper. Using the single-hole punch, punch a hole at each of the three dots. Slip a paper clip through the middle hole to hold the two pieces of paper together. For decoration, draw a flower around each of the other two holes using the marking pen.
 - b. Discuss the following questions: What are some ways you could organize widget production? What are the inputs needed to produce widgets?
 - c. Divide the class in half. Assign half the class to produce as specialists while the others are craftspersons. Explain that the craftspersons will produce widgets but will not divide the work. The specialists, however, will each do a part of the production process, sharing the labor and materials among the workers. Explain that groups will have two minutes to produce as many widgets as possible while maintaining high standards of quality.
 - d. Discuss: Which group had the most productive workers? What are some advantages and disadvantages of each method? (More available in the [Widget Production Lesson](#).)
4. Have students discuss and answer the essential question.

Literature Connections: *Homer Price (The Doughnuts)* by Robert McClosky ([Lesson](#) from University of Nebraska Omaha Center for Economic Education.)

Kansas Standards Alignment:

[HGSS](#)

5.1; 5.2

[Personal Finance](#)

Employment and Income Standard 1

[English Language Arts](#)

[Math](#)

Grade Level: 6 Program: 2 The Specs on Specialization
Episode: 3 Improving Productivity Through Specialization

Episode Synopsis: Sloane interviews Kip Kipling, a high school student who has moved through several employment positions at the golf course. Sloane explains how Kip’s increase in human capital made him more productive and, therefore, more attractive to his employer.

Essential Question: Why does improving human capital lead to increase work production and income? How does supply and demand affect the cost of services and goods?

Time: 40 minutes total
Episode 3: 9 Minutes
Learning Activity: 30 minutes

Materials Needed:
 Laptops/Tablets, Pencils, [Career Information Sheets](#)
Lesson Link: <https://www.econedlink.org/resources/human-capital-for-money/>

Learning Objective: Students will give examples of how workers can improve their productivity by gaining new knowledge, skills, and experiences through specialization. Students will analyze how supply of and demand for workers in various careers affect income.

Essential Vocabulary: specialization, income, productivity, human resources, human capital, supply and demand

FF4Kids.com Video Series:

1. To introduce the lesson, explain to students that people’s income, in part, reflect choices they have made about education, training, skill development, and careers. People with few skills are more likely to be poor and investing now will pay off in the future.
2. Watch Video: <https://vimeo.com/398338166>

Extension Lesson Description and Links:

3. Follow the EconEdLink lesson: [Human Capital for Money](#). This lesson introduces students to the terms human capital, occupation, salary and wages, while providing them an opportunity to compare selected careers including median salary and education statistics.
 - a. Introduce the terms human capital, occupation, wage and salary to the class. This [Interactive Activity](#) will test their understanding of the terms.
 - i. Human Capital: Knowledge and skills, acquired on the job or through training and experience that increase the employee's value in the marketplace. Occupation: An activity that serves as one's regular source of livelihood; a vocation. Salary or Wage: Fixed compensation for services, paid to a person on a regular basis; Payment for labor or services to a worker, especially remuneration on an hourly, daily, or weekly basis or by the piece.
 - b. Using the [Occupational Outlook Handbook](#) website, students can fill in the missing information on the [Career Information Sheets](#). Have the students share their results with a classmate. Have students answer the following questions:
 - i. Which career choice had the highest salary? (Doctor) Which career choice had the lowest salary? (Data Entry Worker)
 - ii. Can you give a statement that shows how education and salary are related? (The more Education, the higher expected salary)
 - c. Have each student share something learned from the lesson using the vocabulary terms from above. (More available in the [Human Capital for Money Lesson](#).)
4. Have students discuss and answer the essential question.

Literature Connections: *Journey to Jo’burg: A South African Story* by Beverley Naidoo ([Lesson](#) from Federal Reserve Banks of St. Louis and Philadelphia.)

Kansas Standards Alignment:

[HGSS](#)
5.1; 5.2

[Personal Finance](#)
Employment and Income Standard 1

[English Language Arts](#)
SL.6.1

[Math](#)

Grade Level: 7 Program: 1 Personal and Public Benefits
Episode: 1 Inflation

Episode 1 Synopsis: Seymour explains how inflation is measured. Later, Sloane interviews an architect about how a concern about prospective inflation affects contract negotiations for long-term architect services, as well as how inflation concerns affects the method in which the architect saves.

Essential Question: How does inflation or deflation affect the value of money and people’s purchasing power?

Time: 30 minutes total

Episode 1: 11 minutes

Learning Activity: 20 minutes

Materials Needed:

“Bonus Bucks”

Lesson Link: <https://www.econedlink.org/resources/when-gas-was-a-quarter/>

Learning Objective: Students will explain the impact of inflation or deflation on the value of money and people’s purchasing power.

Essential Vocabulary: inflation, deflation, purchasing power, consumer price index (CPI)

FF4Kids.com Video Series:

1. To introduce the lesson, ask students why everything costs so much more now, compared to when their parents were growing up? Ask the students if they have heard their relatives say that they paid a quarter for a gallon of gas? Or that they paid a dollar to get into the movies? Well, tell the students that their grandparents or their great grandparents only paid a dime!
2. Watch Video: <https://vimeo.com/398338818>

Extension Lesson Description and Links:

1. Follow the EconEdLink Lesson: [When Gas was a Quarter](#). In this lesson, students will use the Consumer Price Index and be introduced to inflation and deflation in the United States.
 - a. Have the students read the story “[Bonus Bucks](#)” to introduce the concept of inflation. Tell the students that what happened in the story is something we call INFLATION. It means an increase in the average price level in the entire economy. Deflation is the decrease in the average price level of the entire economy.
 - b. Ask your students how they might know how much things were worth back in their parents and grandparents’ day? If someone tells you that gas was \$.25 a gallon in 1967, which sounds cheap doesn’t it? But was it actually cheap for the people who bought it in 1967? There is a way to find out. You can check it out on the Consumer Price Index. The Consumer Price Index provides information that lets you find out about the average prices in a certain year, and also how prices from one year compare to prices from another year. Go to the [CPI Inflation Calculator](#) and enter \$.25 and change the year to 1967. Click calculate to see how much it would cost today.
 - c. Tell students that as long as everyone’s wages and salaries go up at the same rate, then inflation is hardly noticed by most people. However, inflation is a real pain if your salary stays the same when the prices increase. Then you cannot buy as much as you did the year before. (More available in the [When Gas was a Quarter Lesson](#).)
2. Have students discuss and answer the essential question.

Literature Connections: *All the Money in the World* by Bill Brittain ([Lesson](#) from Indiana Council for Economic Education- Teaching Economics Using Children’s Literature.)

Kansas Standards Alignment:

[HGSS](#)
4.1

[Personal Finance](#)
Spending and Saving Standard 4

[English Language Arts](#)

[Math](#)

Grade Level: 7 Program: 1 Personal and Public Benefits
Episode: 2 Positive and Negative Incentives

Episode 1 Synopsis: Sloane interviews Polly’s sister Patience about the great deal on popular T-shirts going on at Trendy World. Sloane refers to the “Buy 2, Get 1 Free” offer as a positive incentive that customers respond to in pursuing their self-interest. Seymour continues the report by discussing how people respond to negative incentives.

Essential Question: How do incentives impact consumer behavior?

Time: 55 minutes total
Episode 2: 8 minutes
Learning Activity: 45 minutes

Materials Needed:
[Best Deal Challenge](#)
Lesson Link: <https://www.econedlink.org/resources/the-best-deal/>

Learning Objective: Students will explain how positive and negative incentives affect the way people behave. Students will recognize that responses to incentives are predictable because people usually pursue their self-interest.

Essential Vocabulary: monetary incentives, non-monetary incentives, consumer behavior, self-interest

FF4Kids.com Video Series:

1. To introduce the lesson, discuss the following situation with students: A customer walks into a store to make a quick purchase– maybe it’s a candy bar or a can of soda pop. She picks something up for 75 cents. Then, just to the side she notices a small ad for a similar product that reads, ‘New larger size, only 95 cents!’ Now what? Does she go with the original item or switch? Which is the better deal? Is bigger always better? Ask students how they decide when and what to buy.
2. Watch Video: <https://vimeo.com/398338921>

Extension Lesson Description and Links:

1. Follow the EconEdLink Lesson: [The Best Deal](#). In this lesson, students will learn how to determine price per unit in order to understand what is the ‘best deal’ when comparing prices and discuss what influences customer decisions.
 - a. Demonstrate how to determine price per unit. To do this, take the price and divide it by the number of units. All examples and problems in this lesson are rounded to the nearest cent.
 - b. Example: 20 ounces of soda pop for 95 cents is $\$0.95/20$ ounces = $\$0.05$ per ounce. Compare this to 12 ounces of soda pop for 75 cents or $\$0.75/12$ ounces = $\$0.06$ per ounce. You may want to create additional examples, or have your students develop examples of their own, for more practice.
 - c. For guided practice, have students complete the [Best Deal Challenge](#). You can decide if you want to allow students to use calculators or not. Several problems can be solved with mental math (2 pops for \$1.00 vs 3 pops for \$2.00). This could also be a point of discussion with your students as to what consumers typically do. If it isn't brought up by a student, also point out that sometimes producers offer 'incentives,' or a special reason to buy their product. An incentive might be a discount, like a coupon, or a 'gift' like a toy in a cereal box. Incentives may prompt consumers to want to buy one product instead of another product.
 - d. Encourage students to apply what they learned in a real-life situation and bring a calculator with them the next time they go to the grocery store! (More available in [The Best Deal](#).)
2. Have students discuss and answer the essential question.

Literature Connections: *The Great Brain Does it Again* by John Fitzgerald, *Kizzy Ann Stamps* by Jeri Watts ([Lesson](#) and [PowerPoint](#) from Center for Economic Education at Lynchburg College)

Kansas Standards Alignment:	HGSS 1.1; 1.2	Personal Finance Spending and Saving Standard 4 Financial Decision Making Standards 1 & 2	English Language Arts	Math 7.RP.2c.
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Grade Level: 7 Program: 1 Personal and Public Benefits
Episode: 3 Types of Employee Benefits

Episode 1 Synopsis: Seymour reports on the various types of employee benefits. In a later interview, Sloane interviews Buck Bargain, owner of Bargain Building, to see how offering benefits to employees actually benefits the employer too.

Essential Question: How do employee benefits impact employees?

Time: 40 minutes total
[Episode 3:](#) 10 minutes
Learning Activity: 30 minutes

Materials Needed:
 Websites for various businesses based on student interest

Learning Objective: Students will give examples of employee benefits that workers may receive in addition to their pay.

Essential Vocabulary: employee benefits, income, wages, productivity

FF4Kids.com Video Series:

1. To introduce the lesson, ask students to share what they think employee benefits are, and have them give some examples. Have students discuss whether they think adults take employee benefits into account before accepting a job and why.
2. Watch Video: <https://vimeo.com/398339018>

Extension Lesson Description and Links:

1. Have students brainstorm questions they could ask adults about the employee benefits they receive from their employer and how the offering of these benefits affects the employees' productivity. Later, have each student conduct an interview of an adult with which he or she is familiar and report the results to the class.
2. Have students investigate the employee benefits a few businesses they are interested in working for some day. Have them keep track of the benefits and determine which business looks more appealing as a result.
3. Have students discuss and answer the essential question.

Literature Connections: *Because of Winn-Dixie* by Kate DiCamillo ([Questions](#) from Federal Reserve Bank of St. Louis), (Additional Lesson from Learning for Life-Career Exploration Lessons for Sixth and Seventh Graders: [Understanding Benefits.](#))

Kansas Standards Alignment:

[HGSS](#)
5.1

[Personal Finance](#)
Employment and Income Standards 1 & 2

[English Language Arts](#)
SL. 7.1

[Math](#)

Grade Level: 7 Program: 1 Personal and Public Benefits
Episode: 4 Government Goods and Services

Episode 1 Synopsis: Seymour explains the difference between public goods and private goods, and why it is necessary for governments to provide certain goods to their citizens.

Essential Question: How does the public benefit from public goods?

<p>Time: 50 minutes total Episode 4: 8 minutes Learning Activity: 40 minutes</p>	<p>Materials Needed: Visual 1, Activity 1, Activity 2, Construction Paper, Crayons, Scissors Lesson Link: https://www.econedlink.org/resources/goods-and-services-some-are-private-some-are-not/</p>
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Learning Objective: Students will identify goods and services provided by local, state, and national governments.

Essential Vocabulary: non-exclusion, consumption, public goods and services, taxes

FF4Kids.com Video Series:

1. To introduce the lesson, ask students what a public good is. Explain that public goods are meant to be shared with everyone. Examples of public goods include highways and streetlights.
2. Watch Video: <https://vimeo.com/398339147>

Extension Lesson Description and Links:

1. Follow the EconEdLink Lesson: [Goods and Services: Some are Private, Some are Not](#). In this lesson, students will construct a community map bulletin board using construction paper cutouts of businesses and structures. Students will explore goods and services in their community and determine that some are privately produced and governments provides others. Students learn that taxes, fees, and loans pay for government goods and services.
 - a. Display [Visual 1](#) and ask students where they would call to report a broken swing set in the park, writing the answer below.
 - b. Randomly distribute one card from either [Activity 1](#) or [Activity 2](#) to each student. Tell students to read the cards and write the answer on the back. Direct students' attention to the blank bulletin board. Tell them that the bulletin board is a picture of their community. Ask what is missing. *[Possible answers might include houses, buildings, stores, and businesses.]* Tell students to look at the answers they wrote on the back of their cards. Ask them to share their answers. Tell students that all their answers are examples of buildings and structures that are missing from their community. Explain that they will make construction-paper cutouts of structures that they have written on the back of their cards.
 - c. Give a piece of construction paper, scissors, and crayons to each student. Ask them to make their construction-paper structures. When they are finished, have them share their structures. (More available in the [Goods and Services: Some are Private, Some are Not Lesson](#).)
1. Have students discuss and answer the essential question.

Literature Connections: (Additional Lesson from EconEdLink: [No Fireworks on the 4th of July](#).)

<p>Kansas Standards Alignment:</p>	<p align="center">HGSS 5.1</p>	<p align="center">Personal Finance</p>	<p align="center">English Language Arts</p>	<p align="center">Math</p>
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Grade Level: 7 Program: 2 Investing in Your Future

Episode: 1 Human Capital Supply and Demand

Episode 1 Synopsis: Seymour discusses how human capital development can help people gain skills that will make them valuable in the labor market.

Essential Question: How does human capital affect an individual's income?

Time: 50 minutes total

Episode 1: 7 minutes

Learning Activity: 40 minutes

Materials Needed:

Lesson Link: <https://www.econedlink.org/resources/it-pays-to-stay-in-school/?view=student>

Learning Objective: Students will explain how an individual's income will differ in the labor market depending on supply of and demand for his/her human capital.

Essential Vocabulary: choice, demand, human capital, income, market, supply, wage

FF4Kids.com Video Series:

1. To introduce the lesson, ask students if they ever thought they should be paid to go to school? After all, you spend many hours per day there and you are working. Believe it or not, there are places where students have incentives to stay in school. Incentives produce positive and negative motivation for desired actions or behaviors.
2. Watch Video: <https://vimeo.com/398340012>

Extension Lesson Description and Links:

1. Follow the EconEdLink Lesson: [It Pays to Stay in School](#). In this lesson, students will analyze some key elements of different stay-in-school incentive programs, explore why these programs exist, identify reasons why disincentive programs may be as effective as incentive programs, and develop an incentive program for a specific group of students.
 - a. Tell students that there are many different economic incentive programs in the U.S. encouraging students to stay in school. Some programs are offered by local school districts and others are offered by state and national organizations. Some are even offered by professional sports teams. They are structured differently and offer different incentives but the goal remains the same: to keep students in school.
 - b. In Oakland, California, the Oakland Unified School District has an incentive program known as the Oakland Technology Exchange. Oakland students learn about and recycle computers that are obsolete by current business standards and earn credits that are redeemable for take-home computers. Read [Idea of the Week: Recycling Computers For Schools](#). Have students discuss with their classmates some of the potential benefits of this program. (More available in the [It Pays to Stay in School Lesson](#).)
2. Have students discuss and answer the essential question.

Literature Connections: *My Side of the Mountain* by Jean Craighead George ([Lesson](#) from Federal Reserve Banks of St. Louis and Philadelphia.)

Kansas Standards Alignment:

[HGSS](#)

1.1

[Personal Finance](#)

Employment and Income Standard 2

[English Language Arts](#)

[Math](#)

Grade Level: 7 Program: 2 Investing in Your Future

Episode: 2 What is compound interest?

Episode Synopsis: Seymour demonstrates calculating compound interest, and then Sydney Goodcents (from the 3-5 programs) is interviewed by Sloane as they examine Polly's bank statement.

Essential Question: How can investors earn the highest amount of returns on their investments?

Time: 55 minutes total

Episode 2: 10 minutes

Learning Activity: 45 minutes

Materials Needed:

[Visual 6B.1 & 6B.3](#), [Handout 6B.1](#)

Lesson Link: <https://www.stlouisfed.org/~media/education/curriculum/pdf/making-personal-finance-decisions-lesson-6b.pdf?la=en>

Learning Objective: Students will explain that compound interest is interest earned on both principal and previously earned interest. The interest earned depends on time, interest rate, and the amount saved.

Essential Vocabulary: bank, invest, money, savings, loan, principal

FF4Kids.com Video Series:

1. To introduce the lesson, ask students to share some benefits of saving their money versus always spending it.
2. Watch Video: <https://vimeo.com/398340096>

Extension Lesson Description and Links:

1. Follow the Minnesota Council on Economic Education Lesson: [Simple and Compound Interest- Why It Is Great to Save](#). In this lesson, formulas for simple and compound interest are explained and used to illustrate the benefit of saving general and the benefit of saving early in particular.
 - a. Write "\$100" on the board. Define simple interest as an annual payment based on a percentage of the amount you save. This percentage is called the annual interest rate. The original amount of money you deposit or invest, excluding any interest or dividends, is called the principal.
 - b. Discuss: Suppose that you save \$100 at an annual interest rate of 8%. 8 percent written in decimal terms is .08. \$8 is the interest earned in one year, so you would have \$108.00 after one year. \$108 is the original \$100 plus the interest. (Show and explain to students the calculations.)
 - c. Display [Visual 6B.1: Simple Interest](#). Explain that the visual shows a general formula for calculating interest as just discussed. Illustrate the use of the formula with the information from Step b. Distribute a copy of [Handout 6B.1: Calculating Interest](#) and a calculator to each student. Have the students practice using the simple interest formula with the saving scenarios on Handout 6B.1. (More available in the [Simple and Compound Interest- Why It Is Great to Save Lesson](#).)
2. Have students discuss and answer the essential question.

Literature Connections: *The Hundred Penny Box* by Sharon Bell Mathis ([Lesson](#) from Center for Entrepreneurship and Economic Education at the University of Missouri St. Louis' WisePockets.)

Kansas Standards Alignment:

[HGSS](#)

1.1; 1.3

[Personal Finance](#)

Spending and Saving Standard 1
Investing Standard 1

[English Language Arts](#)

[Math](#)

7. NS.3.; 7.EE.4a.

Grade Level: 7 Program: 2 Investing in Your Future

Episode: 3 Return, Liquidity, and Risk

Episode Synopsis: Sloane holds a panel discussion on the risk associated with various types of financial investments. She investigates instruments such as Certificates of Deposit, government bonds, corporate bonds, and stocks, assessing the type of risk associated with each.

Essential Question: How do investment products differ in their potential rate of return, liquidity, and level of risk?

Time: 55 minutes total

Episode 3: 10 minutes

Learning Activity: 45 minutes

Materials Needed:

Activity 1: [Risk and Return Case Studies](#)

Lesson Link: <https://www.dallasfed.org/~media/documents/educate/lessons/bw09.pdf>

Learning Objective: Students will explain that financial investment products differ in their potential rate of return, liquidity, and level of risk.

Essential Vocabulary: financial investment, interest, liquidity, money, risk, return, savings

FF4Kids.com Video Series

1. To introduce the lesson, ask students to brainstorm risks involved in playing sports or driving a car. The concept of risk is defined as the possibility of a loss or injury.
2. Watch Video: <https://vimeo.com/398340184>

Extension Lesson Description and Links:

1. Follow the Federal Reserve Bank of Dallas Lesson: [Save and Invest- Risk and Return](#). In this lesson, students will learn about financial risk working in groups to analyze case studies to identify risk factors faced by savers and investors.
 - a. Discuss financial risks faced by investors. Explain that when an interest-bearing investment fails to pay the promised interest or return the original investment, it has defaulted. This occurs because the borrower is failing to make payments as promised. Remind students that inflation is when prices of all goods and services provided in the market are increasing. Explain that whenever an investor earns a rate of return less than the rate of inflation, the investor experiences a decrease in purchasing power.
 - b. Divide students into four groups. Distribute one section from [Activity 1: Risk and Return Case Studies](#) to each group. Have each group work together to identify the specific type of financial risk that is faced by the saver in their case study. (More available in the [Save and Invest- Risk and Return Lesson](#).)
2. Have students discuss and answer the essential question.

Literature Connections: [Growing Money: A Complete Investing Guide for Kids](#) by Gail Karlitz (Additional Lesson from EconEdLink: [Collecting for Fun...and Profit?](#))

Kansas Standards Alignment:

[HGSS](#)
1.2; 1.3

[Personal Finance](#)
Investing Standard 3
Financial Decision Making Standard 1

[English Language Arts](#)
SL.7.1

[Math](#)

Grade Level: 7 Program: 2 Investing in Your Future

Episode: 4 Costs and Benefits of Spending, Saving, or Both

Episode Synopsis: Seymour explains the costs and benefits of saving, spending and borrowing decisions. Later, Sloane interviews Libby Lewellen, a college-bound student who has taken out a student loan. Libby explains the costs and benefits of this borrowing decision.

Essential Question: How do investment products differ in their potential rate of return, liquidity, and level of risk?

Time: 100 minutes total

Episode 4: 9 minutes

Learning Activity: 3 modules, 30 minutes per module

Materials Needed:

Laptop/Tablet- one per group of 3-5 students

Lesson Link: <https://www.econedlink.org/resources/how-will-i-pay-for-college/>

Learning Objective: Students will compare the costs and benefits of spending, saving, or borrowing decisions based on information about products and services.

Essential Vocabulary: benefits, borrowing, choice, costs, goods, income, interest, loan, money, spending, services, saving

FF4Kids.com Video Series:

1. To introduce this lesson, tell students that according to the Federal Reserve Bank of New York, student loan debt has tripled between 2004 and 2014, and the average amount of debt per borrower in 2014 was \$27,000. Most students do not understand the long-term implications of taking on large amounts of student debt and have no idea what their monthly loan payments will be after graduation.
2. Watch Video: <https://vimeo.com/398340269>

Extension Lesson Description and Links:

1. Follow the EconEdLink lesson: [How Will I Pay for College?](#) In this lesson, students will analyze the student loan decisions of hypothetical students, consider ways to reduce the amount to borrow, and examine data to determine wise choices for their own anticipated student loan debt.
 - a. Put students in small groups of three to five. Students will take the [Student Debt Quiz](#), discussing each question before answering as a group.
 - b. Students will read case studies of hypothetical students and advise them regarding a manageable amount of money to borrow. Have students compare the monthly income to the monthly student loan repayment. How would the students advise each student in the case studies?
 - i. Jason wants to become an elementary school teacher. His dream school is out of state, which will require him to borrow \$191,560. [His monthly loan payment would consume more than 40% of his monthly income. He should look for less expensive schools.]
 - ii. Alex wants to become a welder. She can complete a one-year program at her local community college, which requires her to borrow \$14,523. [Her monthly loan payment would consume less than 5% of her monthly income. It is a reasonable loan debt.]
 - c. Discuss with students ways they can reduce college costs, reducing their reliance on student loans. (More available in the [How Will I Pay for College?](#))
2. Have students discuss and answer the essential question.

Literature Connections: *Worth!* By A. LaFaye ([Lesson](#) from Federal Reserve Banks of St. Louis and Philadelphia.)

Kansas Standards Alignment:

HGSS

1.1; 1.3

Personal Finance

Spending and Saving Standard 4
Credit and Debt Standard 3

English Language Arts

Math

7.RP.2d; 7.NS.3

8th grade had not been completed at this time. Please check the website for updates at <http://bit.ly/FF4Kids>.

VIDEO LINKS:

Level 8: Program 1 – Income, Incentives, and Institutions

- Episode 1 – Types of Earned Income
- Episode 2 – Employee Responses to Positive and Negative Incentives
- Episode 3 – Specialized Economic Institutions

Level 8: Program 2 – Starting the Savings Snowball

- Episode 1 – Saving Accumulation: Amount Saved, Rate of Return, and Time
- Episode 2 – Products and Services: Spending, Saving, and Borrowing Decisions
- Episode 3 – Calculating Interest and Account Balances

Level 8: Program 3 – Mastering Your Money

- Episode 1 – Opportunity Cost: Decisions for Your Budget
- Episode 2 – Being an Informed Consumer

Glossary

(Not all terms are relevant to 6-8 standards)

Banks

Corporations chartered by state or federal government to offer financial services such as checking and savings accounts, loans, and safe deposit boxes

Barter

Trading goods or services without the use of money

Benefit

Something that satisfies one's wants; something that is favorable to the decision maker

Borrow

To obtain or receive something on loan with the promise to return it or something that's equal to it

Borrowing

Promising to repay a given amount of money, often with added interest

Budget

A sum of money allocated for a particular use; a plan for saving and spending money

Buyers

People who purchase goods and services

Capital Resources

Resources made and used to produce and distribute goods and services; examples include tools, machinery and buildings

Choice

Decision made or course of action taken when faced with a set of alternatives

Community

Any group living in the same area or having interests, work, etc. in common

Consequences

The logical or natural result of an action or condition. Consequences can affect the decision maker or someone who is uninvolved

Consumer

A person who buys goods or services to satisfy wants

Consumer Price Index (CPI)

A price index that measures the cost of a fixed basket of consumer goods and services and compares the cost of this basket in one time period with its cost in some base period. Changes in the CPI are used to measure inflation

Cost

What is given up to satisfy your wants; an amount that must be paid or spent to buy or obtain something; the effort, loss or sacrifice necessary to achieve or obtain something; something unfavorable to the decision maker

Credit

An arrangement for deferred payment of a loan or purchase

Creditworthiness

The extent to which a person is deemed suitable to receive credit, especially as shown by reliability in repaying loans in the past

Credit Unions

Not-for-profit cooperatives of members with some type of common bond

like the same employer. Credit unions provide many financial services, often at a lower cost than banks

Currency

Paper money

Debt

Money owed to someone else. Also the state or condition of owing money. Can be individual, corporate or government debt

Decision Making

Reaching a conclusion after considering alternatives and their results

Deflation

A sustained decrease in the average price level of all the goods and services produced in the economy

Demand

The quantity of goods and services that buyers are willing and able to purchase at various prices at a particular time

Denomination

Value of coins and currency

Disposable Income

Income remaining after taxes have been paid

Distribution

The arrangement of items over a specified area

Economic System

Establishes how a country produces and distributes goods and services

Employee Benefits

Something of value that an employee receives in addition to a wage or salary

Entrepreneur

A person who organizes productive resources to take the risk to start a business

Exchange

Trading a good or service for another good or service, or for money

Federal Deposit Insurance Corporation (FDIC)

Insures accounts in some, but not all, federally chartered banks and savings associations

Financial Investment

Money set aside to increase wealth over time and accumulate funds for long-term financial goals such as retirement

Goods

Something that you can touch or hold that satisfy people's wants

Government

Institutions and procedures through which a territory and its people are ruled

Human Capital

The knowledge, skills and experience that make a worker more productive

Human Resources

The health, education, experience, training, skills and values of people. Also known as human capital

Incentives

Something, such as the fear of punishment or the expectation of reward, which induces action or motivates effort

Income

Financial gain received as wages/salaries, rent interest, and/or profit

Income Tax

Payments made by individuals and corporations to the federal government (and to some state and local governments) based on income received (both earned and unearned)

Inflation

A rise in the general or average price level of all the goods and services produced in an economy. Can be caused by pressure from the demand side of the market (demand-pull inflation) or pressure from the supply side of the market (cost-push inflation)

Interest

A charge for a loan, usually a percentage of the amount loaned

Interest rate

The price of using credit that relates to the amount owed

Job

A piece of work usually done on order at an agreed-upon rate. Also a paid position of regular employment

Lending

To give for temporary use on condition that the same or its equivalent will be returned

Loan

A sum of money borrowed for temporary use on condition that the same or its equivalent will be returned

Liquidity

The quality of an asset that makes it possible to sell it quickly in exchange for cash without the asset losing value

Market

A group of buyers and sellers of a particular good or service

Market Economy

A system in which buyers and sellers make major decisions about production and distribution, based on supply and demand

Money

Anything that is generally accepted as final payment for goods and services; serves as a medium of exchange, a store of value and a standard of value. Characteristics of money are portability, stability in value, uniformity, durability and acceptance

Natural Resources

"Gifts of nature" that can be used to produce goods and services; for example, oceans, air, mineral deposits, virgin forests and actual fields of land. When investments are made to improve fields of land or other natural resources, those resources become, in part, capital resources. Also known as land

Needs

Necessities (food, clothing, shelter)

Negative Incentives

Costs that discourage certain behaviors

Non-exclusion

The ability to use a good or service without paying for it

Opportunity cost

In making a decision, the most valuable alternative not chosen

Positive Incentives

Benefits that encourage certain behaviors

Price

The amount of money that people pay when they buy a good or service; the amount they receive when they sell a good or service

Principal

The original amount of money invested, does not include interest and dividends

Producer

One that produces especially a person or organization that produces goods or services for sale

Production

The creation of value or wealth by producing goods or services

Productivity

The amount a worker produces in a certain amount of time

Profit

Total revenue from the sale of goods or services minus the total cost

Property Tax

A tax on land and structures built on it. Payments go to state and/or local governments to pay for police protection, public schools, libraries, etc.

Public Goods & Services

Goods and services that cannot be sold effectively in the marketplace; these goods are characterized by shared consumption and non-exclusion

Resources

The basic kinds of resources used to produce goods and services. The kinds of resources are: human resources (people), capital resources (tools, computers) and natural resources (trees, land).

Rent

A payment for the temporary use of a resource

Return

A payment for making a financial investment expressed as a percentage of the total invested amount of money you invest

Revenue

Receipts from sales of goods and services

Risk

The chance of losing money

Sales Tax

Tax in the form of a percent of the cost of a good or service; paid to local and state governments when goods and services are purchased

Save/Saving

To keep money for future use; to divert money from current spending to a savings account or another form of investment; the act of saving

Savings

Income not spent on goods and services and not paid in taxes

Savings

Money set aside for a future use that is held in easily-accessed accounts, such as savings accounts and certificates of deposit (CDs)

Savings and Loan Associations

Financial institutions that provide loans and interest-bearing accounts

Scarcity

Not being able to have everything wanted making choices necessary; when supply is less than demand

Self-interest

Acting to achieve a desired outcome to the acting individual

Sellers

People who provide or sell goods and services

Services

Something that one person does for someone else that satisfy people's wants

Desires that can be satisfied by consuming or using a good or service.
Economists do not differentiate between wants and needs

Skills (Work or Job Skills)

Ability to do things demanded in particular jobs

Specialization

A situation in which people produce a narrower range of goods and services than they consume. Specialization increases productivity; it also requires trade and increases interdependence

Spending

The use of money to buy goods and service

Supply

The quantity of resources, goods, or services that sellers offer at various prices at a particular time

Taxes

Required government fees on business and individual income and on goods and services, or products

Trade

The exchange of goods or services for other goods and services or money

Trade-off

The giving up of one benefit or advantage in order to gain another regarded as more favorable

Wage

Payments for labor services that are directly tied to time worked, or to the number of units of output produced

Wants