

GRADE LEVEL 3-5

WHERE DOES YOUR MONEY GO?



TOPIC

Accountability of Money Spent and Earned

SUBJECT AREA

Math

RELATED SUBJECT AREAS

Economics

LESSON OBJECTIVES

Students will:

- Calculate total amounts from expenses that occur daily, weekly, or monthly
- Recognize the cumulative effect of spending small amounts often
- Explore recording expenses and income

IMPORTANT TERMS

income, expenses, needs, wants

LITERATURE CONNECTION

McGillian, Jamie Kyle. *The Kids' Money Book: Earning Saving Spending Investing Donating*. Sterling Publishing Company, Inc., 2004.

Viorst, Judith. *Alexander, Who Used to Be Rich, Last Sunday*. Simon & Schuster Adult Publishing Group, 1980.

INTERACTIVE EXTENSION

Students practice tracking expenses on a chart for a three-day period and identify where their money is spent. The following is the Web address for the interactive activity that complements this lesson:

<http://www.citigroup.com/citigroup/financialeducation/curriculum/kids.htm> and click on "Where Does Your Money Go?"

Teaching Notes

Estimated Time Requirement

30 minutes

Materials Needed

- Calculators, one per pair
- Paper, one sheet per student
- Chart paper and marking pen or chalkboard and chalk
- Copies of **Handout 1: Track Your Expenses** worksheet, one per student

GRADE LEVEL 3-5

WHERE DOES YOUR MONEY GO?



Teaching Notes

Introduction

Teaching students to know where they spend their money is the first step in helping them learn financial responsibility. In this lesson, students will explore the cumulative effect of their spending and begin to learn how to track their expenses.

Teaching Strategies and Learning Activities

- Throughout the lesson, emphasize the Important Terms.
- Begin a class discussion reviewing ways to get money and ways to spend it. Explain that it is important to keep track of **income** (money in) and **expenses** (money out) so that you do not spend more money than you have.
- Divide class into pairs. Distribute a calculator to each pair. Say, "If Carlos bought lunch for 5 days at a cost of \$3.25 a day, about how much would that be?" Have students calculate the answer. (Cost of lunch [$\$3.25$] x 5 days = total per week)
- On a chart or chalkboard, demonstrate how to record expenses for a week.

Date	Money Carlos Spends (Expenses)	Total Money Carlos Spends

- Continue to pose questions about additional expenses, such as milk money, bus fare, candy treats, school supplies, new clothes, CDs, and so on. Have students use calculators to calculate cumulative costs for the week.
- Discuss how much Carlos spent for the week and the amount of income Carlos needed. Reinforce the ways to get money. Have students determine which are **needs** and which are **wants**. Ask, "If Carlos' expenses were more than his income, what could he do without?"
- Distribute the **Track Your Expenses** worksheets to students. Ask them to keep track of their expenses for the next 7 days. At the end of the week, have students compare their expenses with those of their classmates. As a class, discuss the various expenses and choices made. Discuss the sources for the money that was used for these expenses.
- Review the Important Terms.

Evaluation

Give students the price of several items and the frequency purchased, such as school lunches at \$3.25 three times a week and one CD at \$12.99 once a month. Have students calculate cumulative costs for a week or month to determine how much they would spend in that period of time.

TIP: A fictitious scenario is used in this lesson since many students may not be given any spending money or an allowance. However, feel free to personalize this lesson to work best for your students by including a column on the worksheet for Income, if appropriate.

TIP: The topics of personal income and expenses are private matters. Be aware of the sensitivity of these topics for some by allowing students to use fictitious expenses that are reasonable for students their age.

HANDOUT 1: TRACK YOUR EXPENSES



Name: _____ **Date** _____

Record your expenses for one week on the chart below.

Date	Money You Spend (Expenses)	Total Money You Spend