

FINANCIAL EDUCATION WORKBOOK

TEACHERS AID

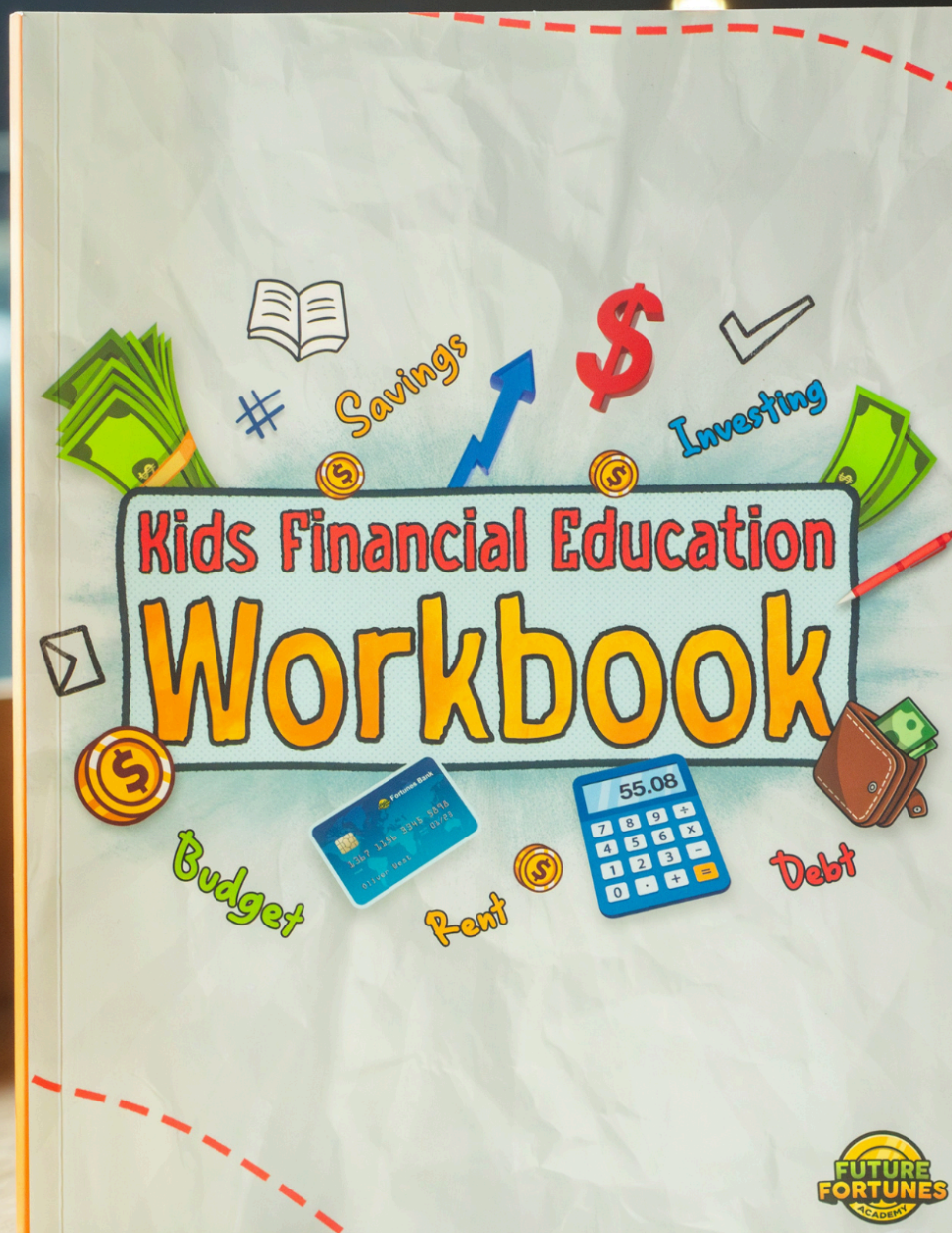


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Understanding Needs vs. Wants

Corresponding Workbook Pages: 2–5

Duration: 30 Minutes

Prerequisite:

Lesson Objectives:

- Define and differentiate between needs and wants.
- Identify real-life examples of both needs and wants.
- Apply their understanding by evaluating and prioritizing spending choices.
- Understand why prioritizing needs over wants is essential for financial responsibility and budgeting.

Materials Needed:

- Whiteboard and markers
- Printed images of common goods and services (toys, food, clothing, shelter, etc.)
- Scissors and glue (optional for group cut-and-paste activity)
- Play money or budgeting visuals (optional)

Definitions:

- **Need** – A good or service that is essential for survival, such as food, water, shelter, or basic clothing.
- **Want** – A good or service that is enjoyable or desirable, but not necessary for survival, such as toys, candy, or video games.

Class Discussion:

Story Starter:

Tell a short story about a character stranded on an island with only a backpack. What should they bring? Ask the class to help decide.

Guided Questions:

- What do you think you need to survive? (Prompt: food, water, shelter, clothes.)
- What are some things you like to have but don't really need to survive? (Prompt: toys, candy, games.)

Draw two columns on the board: **NEEDS** and **WANTS**. Write student answers in the correct category. Then ask students to copy the definitions and examples into their workbooks on pages 2 and 4.

Activities:

Independent Work Stranded Island (Workbook Page 2): Students choose 5 items they would bring if stranded and explain why they chose them. Ask them to justify which items are needs and which are wants.

Group Activity Business Opening Day (Workbook Page 3): Present printed item images. In groups, students sort products into needs and wants for a new business. Class Discussion: Which businesses are selling more needs? Which are selling more wants? Why does it matter?

Math Integration Budget Calculation (Workbook Page 5): Complete a spending scenario where students are given a fixed amount of money. Have them calculate what they can buy based on prioritizing needs first.

Reflection:

Ask:

- What did you learn today about needs and wants?
- Why is it important to buy needs before wants?
- How can knowing the difference help you save money or make smart choices in the future?

Assessment:

- ✓ Observe student participation in group and class discussions.
- ✓ Assess their ability to justify item choices during activities and calculations on budgeting problems.

Understanding Impulse Purchases

Corresponding Workbook Pages: 6–7

Duration: 30 Minutes

Prerequisite: Understanding Needs vs. Wants

Lesson Objectives:

- Define what an impulse purchase is.
- Recognize how emotions and advertising can lead to buying things on a whim.
- Discuss why planning purchases can help manage money more effectively.
- Learn strategies to avoid impulse buying.

Materials Needed:

- Whiteboard and markers
- Printed images of common impulse items (optional)
- Sample advertisements (print or digital)

Definitions:

- **Impulse Purchase** – Buying something suddenly without planning or thinking it through.
- **Emotional Spending** – Buying something because of how you feel (happy, sad, bored).
- **Advertisement** – A message that tries to get you to buy something.
- **Delayed Gratification** – Waiting to buy something so you can make a smarter choice or save money.

Class Discussion:

Story Starter:

Ask: “Has anyone bought something they didn’t plan on buying just because it looked cool or was on sale?”

Follow-up Question: “Why do you think it’s easy for people to buy things they don’t really need when they see them—especially if it’s an exciting sale or a flashy advertisement?”

Write student responses on the board and discuss how our emotions and advertising affect our choices.

Activities:

Independent Work Workbook Page 6 (Grocery List and Receipt): Students identify which items might be impulse buys. Workbook Page 7 (Why Do We Impulse Buy?): Students match common reasons (Sales, Mood, Instant Gratification, etc.) to corresponding pictures, and reflect on a recent family impulse purchase.

Group Activity Review answers for impulse purchases from Page 6. Write common responses on the board (e.g., cupcakes, Oreos, Fruit Gushers). Review Page 7 answers for reasons behind impulse buying. Match reasons to the images as a class. Ask students: “What are some strategies to avoid impulse purchases?” Examples might include: Making a shopping list, waiting 24 hours before buying, using a budget.

Reflection:

Ask: “What did you learn about impulse buying, and how can these strategies help you or your family spend money more wisely?” Invite volunteers to share personal stories about times they made or avoided an impulse purchase.

Assessment:

- ✓ Observe class participation during group discussion and story sharing.
- ✓ Assess ability to suggest strategies to avoid impulse purchases.

Understanding Contentment

Corresponding Workbook Pages: 14–15

Duration: 30 Minutes

Prerequisite: Understanding Needs vs. Wants

Lesson Objectives:

- Define contentment and explain how it can positively impact well-being.
- Recognize situations where contentment (or lack of it) affects happiness and decision-making.
- Discuss the connection between contentment and wise financial choices (e.g., avoiding impulse buying).
- Learn practical ways to cultivate contentment and gratitude in daily life.

Materials Needed:

- Whiteboard and markers
- Gratitude Jar or box
- Strips of paper and pens for students

Definitions:

- **Contentment** – A feeling of being satisfied with what you have, rather than always wanting more.
- **Gratitude** – Being thankful and showing appreciation for the good things in your life.

Class Discussion:

Begin by writing the definition of **Contentment** on the board. Ask:

- “What does it mean to be content?”
- “Why is it sometimes hard to be content with what we have?”

Discuss how contentment doesn’t mean we never want to improve our lives—it means we are grateful for what we have while we work toward goals. Emphasize that contentment helps us avoid comparing ourselves to others and making poor financial decisions to keep up.

Activities:

Independent Work

- Workbook Page 14: Students calculate David’s current monthly rent by adding his storage space, apartment, parking space, and office. Then they compare it to a \$1,400/month apartment.
- Workbook Page 15: Students complete a contentment journal and draw or fill in a gratitude tree with things they are thankful for.

Group Activity

- Gratitude Jar: Have students write down one thing they are thankful for on a slip of paper. Each student places their slip in a class jar or box.
- Once everyone has contributed, read a selection of notes aloud to the class to create a moment of shared appreciation.

Reflection:

Ask:

- “How might contentment help us make better decisions about what we spend money on?”
- “What is one thing you are already grateful for that doesn’t cost money?”

Assessment:

- ✓ Observe class engagement and participation in discussion, journaling, and group activity.
- ✓ Assess student understanding through their ability to define contentment and explain its connection to financial decisions.

Understanding Expenses, Budget, and Emergency Fund

Corresponding Workbook Pages: 22–23, 24–25, 26–27

Duration: 45 Minutes

Prerequisite: Understanding Needs vs. Wants

Lesson Objectives:

- Define the concepts of expenses, budgets, and emergency funds.
- Identify and categorize real-life examples of expenses and distinguish between necessary and discretionary spending.
- Apply budgeting skills to make informed purchasing decisions within a set limit.
- Explain the importance of maintaining an emergency fund for unexpected financial challenges.

Materials Needed:

- Whiteboard and markers
- Printed or digital character budget scenarios (optional)
- Calculators (optional)

Definitions:

- **Expenses** – Money spent to buy goods or services.
- **Budget** – A plan for how to spend and save money based on your income and expenses.

- **Emergency Fund** – Money saved to cover unexpected events, like car repairs or medical bills.

Class Discussion:

Write "**Expenses**" on one side of the board and "**Reasons to Save**" on the other. Ask:

- "What are some expenses you or your family have each month?" (Prompt: food, rent, phone bill, internet, school supplies.) Record answers under **Expenses**.

Ask:

- "Why is it important to plan a budget and save for emergencies?" (Prompt: for emergencies, to avoid stress, to reach savings goals.) Record answers under **Reasons to Save**.

Activities:

Write the definitions for Expenses, Budget, and Emergency Fund on the board and have students copy them into their workbooks.

Independent Work

- Students complete Page 22 (expenses), Page 24 (budget), and Page 26 (emergency fund definitions).
- Students complete budgeting activity on Page 25.

Group Activity

- Ask the class: "Why might it be important to have an emergency fund?" Write their responses on the board.

Independent Work

- Students complete Pages 26–27 by working through emergency savings situations.

Reflection:

Share: "As of today, about 44% of people cannot afford a \$1,000 unexpected expense. Why do you think that is?" Discuss how having a budget and emergency fund can protect people from debt and stress.

Assessment:

- ✓ Observe participation in class discussions and activities.

Understanding the Importance of Giving Through Donations

Corresponding Workbook Pages: 28–29

Duration: 20 Minutes

Prerequisite:

Lesson Objectives:

- Define what a donation is and recognize its various forms.
- Identify real-life examples of donations, including goods, money, time, and organ donation.
- Apply their understanding by choosing where to donate time or resources based on personal values.
- Explain the importance of donations to individuals and communities, including the impact of organ donation.

Materials Needed:

- Whiteboard and markers
- A physical "Donation Box" (or labeled container)
- Printed or digital resources on local charities (optional)

Definitions:

- **Donation** – A gift or contribution made to help others, such as money, goods, time, or even parts of the body like blood or organs.

Class Discussion:

Ask:

- “If you had one million dollars to give away, where would you donate it?”
- “What can you do to donate if you don’t have any money to give?”

Record student responses on the board and highlight that donation isn’t only about money. Time, effort, and sharing are all powerful ways to give.

Write the definition for **Donation** on the board and have students copy it into their workbook.

Activities:

Independent Work

- Students complete workbook pages 28–29, which explore different forms of donation and allow students to reflect on what causes or groups they personally care about.

Group Activity

- Set up a classroom "Donation Box."
- Invite students to bring in food, clothing, or household goods over the course of the week.
- At the end of the week, collect and donate the items to a local food bank or shelter.
- Report back to the class where the items went and who they helped.

Reflection:

Ask:

- "Why do you think it's important to donate?"
- "How did it feel to know your items went to help someone in need?"

Explain: Even small contributions can make a big difference to someone else's life.

Assessment:

- ✓ Observe participation in discussion and workbook completion.
- ✓ Review the donations brought in throughout the week and thank each student for their contribution to reinforce the impact of giving.

Understanding the Importance of Paying Yourself First

Corresponding Workbook Pages: 94-95

Duration: 15 Minutes

Prerequisite: Understanding Needs vs. Wants, Understanding Expenses, Budget, and Emergency Fund

Lesson Objectives:

- Understand the concept of "Pay Yourself First" and how it relates to saving money.
- Recognize the importance of setting aside money for savings before spending on other things.
- Identify different ways to save money (e.g., savings accounts, investments).
- Apply the concept of "Pay Yourself First" to their personal finances in a practical way.

Materials Needed:

- Whiteboard and markers
- Paper and pencils
- Calculator (optional)

Definitions:

- **Pay Yourself First** – A habit of saving money before spending on anything else.
- **Savings** – Money you put aside to use in the future.
- **Spending** – Using money to buy things you want or need.
- **Income** – Money you receive, such as from an allowance, gift, or job.
- **Financial Goal** – Something you want to achieve by saving money, like buying a bike or going to college.

Class Discussion:

- *Have you ever heard the phrase "Pay yourself first"? What do you think it means?*
(Wait for responses.)

Explain that "Pay Yourself First" means putting money into savings or investments **before** spending on anything else. It's like treating savings as a **bill** that must be paid.

Why is this important?

- Many people spend first and save what's left—often leaving them with nothing saved.
- Paying yourself first ensures that you always set aside money, no matter how much you earn.

Discuss:

What makes someone rich or successful? Many people think it's fancy cars or stylish shoes. But someone can look rich and still have no savings. True wealth comes from making smart financial decisions—like saving regularly.

Example:

Imagine you get a weekly allowance of **\$10**. If you spend it all on candy or toys, there's nothing left. But if you save **\$3 each week**, like your friend did, by the end of the year you could have **\$150 saved!**

Questions for Discussion:

- Why is it important to pay yourself first?
- What happens if you don't save money or only save what's left over?
- How much do you think you should save each week?
- What could you use your saved money for in the future?

Story: Alex Learns to Pay Himself First

Every week, Alex's grandfather gave him **\$20** as an allowance. At first, Alex spent all of it on video games, snacks, and toys. But one day, his grandfather shared a tip: "You should always pay yourself first."

The next week, Alex set aside **\$5** for savings before spending the rest. He still enjoyed his favorite snacks, but he also felt proud watching his savings grow. After a few months, Alex had enough money saved to buy a **bike**—something he'd wanted for a long time. He even kept saving for future goals, like college.

When his grandfather asked how he was doing with his money, Alex smiled and proudly showed him the jar. "Paying myself first really worked!"

Activities:

Class Scenario:

Give students a worksheet with a **fictional \$50 allowance**. Ask them to:

- Decide how much they will save first.
- Break down the rest into categories: food, entertainment, other wants/needs.
- Encourage saving **at least 20%** of their allowance.
- Discuss how different saving amounts help reach future goals.

Individual Work:

- Complete **pages 94-95** in the workbook.
- Write a **five-paragraph journal entry** about what "Pay Yourself First" means to them and what they want to save for.

Reflection:

Ask students:

- What did you learn about the importance of saving first?
- How will you use this lesson in your own life?

Assessment:

- ✓ Ask students to write one thing they will do differently with their money.
- ✓ Review their answers to ensure they understand the concept of **"Pay Yourself First."**

Understanding Subscriptions

Corresponding Workbook Pages: 10–11

Duration: 30 Minutes

Prerequisite:

Lesson Objectives:

- Define what a subscription is and understand how subscription services work.
- Recognize common subscription models (monthly vs. annual) and how costs can add up over time.
- Discuss why it's important to regularly review and manage subscriptions.
- Learn strategies to evaluate whether a subscription is worth the cost.

Materials Needed:

- Whiteboard and markers
- Calculator (optional)
- Printed examples of subscription services (e.g., Netflix, Spotify, meal kits)

Definitions:

- **Subscription** – An agreement to pay regularly (monthly or yearly) to access a product or service.
- **Monthly Subscription** – A payment made every month for continued access.
- **Annual Subscription** – A payment made once a year, often at a discounted rate compared to monthly payments.
- **Recurring Cost** – A payment that happens repeatedly over time.

Class Discussion:

Ask:

- “What is a subscription?”
- “What subscriptions do you or your family have?”

Write responses on the board and explain how subscriptions can be useful, but they also require ongoing payments whether or not you use the service.

Discuss examples of digital (music, games, streaming), physical (magazine, meal kits), and service-based (gym, apps) subscriptions.

Activities:

Independent Work

- Workbook Page 10: Students review a list of subscriptions, choose which ones they would want, and calculate the total monthly and yearly cost.
- Workbook Page 11 (top): Students compare two pricing options (monthly vs. annual) and underline the better deal.

Group Activity

- Divide students into small groups and assign them to invent a new subscription service.
- They must decide:
 - What their service offers
 - How often it is paid (monthly or annually)
 - How much it costs
 - How much revenue it would generate with 20 subscribers
- Each group presents their subscription idea to the class.

Reflection:

Ask:

- “Why is it important to think carefully before signing up for a subscription?”
- Emphasize that many people forget to cancel subscriptions they no longer use.

Assessment:

- ✓ Observe class participation during discussion and group activity.
- ✓ Assess students’ ability to explain what a subscription is and identify its pros and cons.

Understanding What Banks and ATMs Are

Corresponding Workbook Pages: 34-35, 42-43

Duration: 30 Minutes

Prerequisite:

Lesson Objectives:

- Define what a bank and an ATM are, and understand their roles in managing money.
- Identify the functions of banks (e.g., deposits, withdrawals) and ATMs (e.g., accessing cash).
- Apply their understanding by calculating bank transactions and evaluating ATM placement scenarios.
- Explain the importance of banks and ATMs in everyday financial management and decision-making.

Materials Needed:

- Whiteboard and markers
- Blank paper for PIN activity
- Pre-drawn PIN pad on large paper or board

Definitions:

- **Bank** – A place where people keep their money safe, and where they can deposit, withdraw, or manage their money.
- **ATM (Automated Teller Machine)** – A machine that lets you deposit or withdraw money from your bank account.
- **Deposit** – Putting money into a bank account.
- **Withdrawal** – Taking money out of a bank account.
- **PIN (Personal Identification Number)** – A secret number used to access your money at an ATM.

Class Discussion:

Write the word **Bank** and **ATM** on the board along with their definitions. Read them aloud and explain their meaning.

Tell a short story about someone who needs to buy something but realizes they have no cash. They go to find an ATM, use their PIN, and withdraw money. This shows how helpful banks and ATMs are in daily life.

Ask:

- “What do you think banks and ATMs are used for?”
- “Why might it be helpful to have an ATM near you?”

List student responses on the board.

Explain:

- A **bank** is a place where your money is stored safely.
- An **ATM** is like a mini version of a bank. You can use it to **deposit** money or **withdraw** cash using your **PIN**.

Activities:

Independent Work

- Students complete workbook pages 34-35 and 42-43, which explore how banks work, how ATMs are used, and how to calculate simple transactions.

Group Activity

- Hand each student a small piece of paper to write a secret **PIN** (they should not share it).
- Collect the PIN papers, and then have a pre-drawn **PIN pad** on the board.
- Call students one by one to “enter” their PIN by pressing their secret numbers.
- If a student forgets their PIN, give them a new slip to write a new one, explaining that this happens in real life too.
- Discuss how important it is to keep your PIN private.

Reflection:

Ask:

- “Why do you think banks are a good place to keep money?”
- “How does an ATM help when you need money quickly?”

Explain how banks protect your money and that ATMs give you access to your money anytime, as long as you keep your PIN safe.

Assessment:

- ✓ Observe student understanding of key terms and participation in group activity.
- ✓ Review workbook pages for understanding of transactions and ATM use.

Understanding What a Checking Account and a Savings Account Are

Corresponding Workbook Pages: 36–37, 40–41

Duration: 30 Minutes

Prerequisite: Understanding Needs vs. Wants, Understanding Expenses, Budget, and Emergency Fund, Understanding What Banks and ATMs Are

Lesson Objectives:

- Define what a checking account and a savings account are, and understand their purposes.
- Identify examples of deposits, withdrawals, and savings goals using real-life scenarios.
- Apply their understanding by calculating balances, setting savings goals, and making spending decisions.
- Explain the importance of managing checking and savings accounts for financial responsibility and future planning.

Materials Needed:

- Whiteboard and markers
- Printed worksheets (optional)
- Sample transaction slips or balance tracking sheets (optional)

Definitions:

- **Checking Account** – A bank account used for everyday purchases. Money is added through deposits and used through withdrawals, debit card use, or writing checks.
- **Savings Account** – A bank account meant for saving money over time. It earns interest and is used for future goals or emergencies.
- **Deposit** – Money added into your account.
- **Withdrawal** – Money taken out of your account.
- **Interest** – Extra money earned from the bank by keeping your money in a savings account.

Class Discussion:

Write the definitions on the board. Ask the class to brainstorm examples of “everyday purchases” that would be made with a checking account (e.g., snacks, clothes, movie tickets). Then introduce the idea of a savings account earning interest and being used for future goals or emergencies.

Ask:

- *If you were given \$100 but knew you wouldn't spend it for a year, what account would you put it in and why?*
- *How do you think having both a checking and a savings account can help someone manage their money better?*

Write down student responses on the board. Discuss how each account helps manage money differently.

Activites:

Independent Work

- Complete workbook pages 36–37 and 40–41.
- Students will review real-life scenarios and practice tracking deposits, withdrawals, and saving goals.

Group Activity

- Read the stories from page 41 aloud as a class. Pause after each one to ask students what the character should do and why. Use the board to walk through the math as needed to show account balances changing.

Reflection:

Explain that both types of accounts serve different purposes. A **checking account** helps manage daily expenses. A **savings account** grows money over time, especially when left untouched and paired with regular deposits.

Assesment:

- ✓ Students can explain the difference between a checking and a savings account.
- ✓ Students can describe a situation where each type of account would be used.

Understanding the Benefits and Risks of Cryptocurrency

Corresponding Workbook Pages: 44-45

Duration: 30 Minutes

Prerequisite: Understanding What Banks and ATMs Are

Lesson Objectives

- Understand what cryptocurrency is and how it differs from traditional money.
- Identify key terms related to cryptocurrency (e.g., Bitcoin, blockchain, digital wallets).
- Recognize the potential risks and benefits of using cryptocurrency.
- Discuss how digital money might shape the future of finance.

Materials Needed

- Whiteboard and markers
- Printed images of coins (page 45) in the workbook

Definitions

- **Cryptocurrency** – A type of digital money that exists only online and is not controlled by banks or governments.
- **Traditional Money** – The money we use every day, like cash, coins, and money in bank accounts.
- **Digital Wallet** – A special app or online tool used to store and send cryptocurrency.
- **Bitcoin** – The first and most well-known type of cryptocurrency.
- **Decentralized** – Not controlled by one person, company, or government.
- **Blockchain** – A special online system that records cryptocurrency transactions in a secure and permanent way.

Class Discussion

Open with the following questions:

- What is money? (Discuss cash, coins, digital payments, etc.)
- Why do people use debit cards, credit cards, and apps to pay instead of cash?
- What do you think happens when you send money to someone online?

Introduce the lesson by explaining:

"Today, we are going to learn about cryptocurrency and how it differs from traditional money.

Money has been around for thousands of years, evolving from gold coins to paper bills to digital payments. In today's world, money is changing again. You may have heard of Bitcoin, Ethereum, or Dogecoin—these are all examples of cryptocurrency, a new type of money that exists only in digital form.

Unlike traditional money, which is controlled by governments and banks, cryptocurrency is decentralized. This means no single person or government controls it. Instead, it relies on blockchain technology, which securely records transactions in a transparent way.

People use cryptocurrency to buy things, invest, or send money without going through a bank. However, because it is still new, its value can change quickly, and there are risks involved—such as losing access to your money if you forget your password.

As technology continues to evolve, cryptocurrency is becoming more popular. But will it replace traditional money one day? That's a question for the future!"

Story: The Mystery of the Missing Crypto Coins

Liam, a 12-year-old boy who loved technology, was watching a video about money when he heard a new word—cryptocurrency. "Digital money that isn't controlled by a bank? That sounds cool!" he thought. Excited to learn more, he asked his dad about it.

His dad explained, “Cryptocurrency is like a secret digital treasure. People use it to buy things online, but you have to keep it safe, just like a real treasure chest.” He even showed Liam a digital wallet, where people store their crypto, protected by a special secret key—a long password that only the owner knows.

Earning His First Crypto

Determined to get his own crypto, Liam helped his neighbor, Mr. Jones, with some tech support. Mr. Jones had extra Bitcoin and said, “Instead of cash, how about I send you some Bitcoin?” Liam was thrilled! He set up his digital wallet and received 0.001 Bitcoin. It wasn’t much, but it felt like he had discovered pirate gold!

The Big Mistake

Excited to use his new digital money, Liam found a website that claimed, “*Send us Bitcoin, and we’ll double your money!*” It sounded too good to be true... but he decided to try it anyway. He sent his Bitcoin and waited. And waited. Nothing happened. The website disappeared. His Bitcoin was gone.

Learning the Hard Way

Heartbroken, Liam told his dad what happened. His dad sighed and said, “Scammers trick people into sending their crypto all the time. That’s why you should always think before you spend—and never trust ‘too good to be true’ offers.” Liam learned a valuable lesson: Cryptocurrency is exciting, but you have to be smart and careful with it!

The Comeback

Instead of giving up, Liam decided to learn more about cryptocurrency. He read about blockchain, security, and how to spot scams. A few months later, he earned another small amount of Bitcoin—this time, he saved it carefully. He even helped his friends set up digital wallets the right way!

As he looked at his growing crypto balance, Liam smiled. He had lost some money, but he had gained something even more valuable—**knowledge**.

Activity: Identifying Benefits and Risks

Create two lists on the board: **BENEFITS** and **RISKS**. Have students identify which features belong in which column.

Benefits

- ✓ Fast Money Transfers – Send money quickly to anyone, anywhere.
- ✓ Lower Fees – Some transactions cost less than using a bank.
- ✓ Little Control – No bank or government controls it.
- ✓ Private & Secure – Protected transactions without sharing personal details.
- ✓ Anyone Can Use It – All you need is the internet to send and receive crypto.
- ✓ Might Grow in Value – Some people invest in crypto hoping its price will go up.
- ✓ No Fake Money – Blockchain technology makes it difficult to counterfeit.

Risks

- △ Prices Change A Lot – The value can rise or fall quickly.
- △ Hackers & Scammers – Some people try to steal crypto online.
- △ No Refunds – If sent to the wrong person, it may not be recoverable.
- △ Can Be Confusing – More complex than traditional money.
- △ Not Used Everywhere – Most stores don't accept cryptocurrency.
- △ Lost = Gone Forever – Forgetting your password means losing access to your money.
- △ Used for Bad Things – Some people use it for illegal activities.
- △ Bad for the Planet – Some cryptocurrencies require a lot of electricity to operate.

Independent Work

- Complete the worksheets on pages 44-45.

Reflection

Ask students: *“Do you think we will use cryptocurrency more in the future? Why or why not?”*

- Reinforce that **understanding digital money is important, but being cautious is key.**

Assessment

- ✓ Observe class discussions on the benefits vs. risks of cryptocurrency.
- ✓ Review students' reflections on cryptocurrency.

Understanding Interest and How It Is Calculated

Corresponding Workbook Pages: 50-51

Duration: 45 Minutes

Prerequisite:

Lesson Objectives

- Define interest and differentiate between simple and compound interest.
- Understand how interest applies to savings and debt.
- Recognize the impact of interest when using credit cards and loans.
- Learn how to use interest to their advantage when saving money.

Materials Needed

- Whiteboard and markers
- Calculator or chart paper for manual interest calculations
- Online interest calculator (optional)
- Graph paper or visual charts – To plot the growth of compound interest over time
- Printed bank statements or loan examples – To show how interest applies in real-life situations (optional)

Definitions

- **Interest** – The extra money paid or earned when using money.
- **Simple Interest** – Interest earned or paid only on the original amount of money.
- **Compound Interest** – Interest earned or paid on both the original amount and any previously earned interest.
- **Principal** – The starting amount of money that is saved or borrowed.
- **Loan** – Money borrowed that must be repaid, often with interest.
- **Loan Term** – The length of time a borrower agrees to repay a loan.

Class Discussion

Open with the following questions:

- Have you ever heard the word "interest" when talking about money?
- Can you think of any situations where interest would be a good thing? A bad thing?
- How do you think interest can help or hurt someone's money?

Introduce the lesson by explaining:

"Interest is the extra money paid or earned when using money. There are two main types of interest: **simple interest**, which is earned or paid only on the original amount, and **compound interest**, which is earned or paid on both the original amount and any previously earned interest. Interest can work **for you** when saving or **against you** when borrowing."

Ask: *"Would you rather have an account that earns simple interest or compound interest? Why?"*

Discuss how compound interest can **help savings grow over time** but can also **increase debt significantly if payments are not made**.

Story: Interest in Action

Mia and Noah are best friends who both receive \$100 for their birthdays. They decide to do different things with their money.

- **Mia** deposits her money into a savings account that earns **5% annual interest**. She leaves it alone and lets it grow. She's excited that her bank will reward her for saving her money.
- **Noah** really wants a skateboard that costs \$100, but he doesn't have enough saved. Instead, he gets a **credit card** and buys the skateboard, agreeing to pay it back later with **5% interest**.

One year later, they compare their financial situations:

- **Mia's savings have grown to \$105** because she earned interest. If she continues saving, her balance will keep increasing over time.
- **Noah now owes \$105** for his skateboard because of the interest charged by the credit card company. If he doesn't pay the full amount soon, interest will keep adding up, making the skateboard cost much more than its original price.

Mia realizes that **saving money allows it to grow**. Noah learns that **borrowing money can cost more in the long run** and that paying off debt quickly helps avoid extra charges.

Activity: Interest Working For You

Work through the following equations to explain and visualize **simple vs. compound interest**.

Simple Interest Formula:

$I = P \times r \times t$, where:

- I = Interest earned or paid
- P = Principal (starting amount)
- r = Annual interest rate (as a decimal)
- t = Time in years

Example: If you deposit **\$1,000** in a bank account that offers **5% simple interest per year**, how much interest will you earn in **3 years**?

Solution: $I = 1000 \times 0.05 \times 3 = \150

Total amount after 3 years = $\$1,000 + \$150 = \$1,150$

Compound Interest Formula:

$A = P(1 + r/n)^{nt}$, where:

- A = Total amount after interest
- P = Principal
- r = Annual interest rate (as a decimal)
- n = Number of times interest is compounded per year
- t = Time in years

Example: If you deposit **\$1,000** in a savings account with a **5% annual interest rate compounded yearly**, how much will you have after **3 years**?

Solution: $A = 1000(1 + 0.05/1)^{(1 \times 3)} = 1000(1.05)^3 = \$1,157.63$

Total interest earned: $\$1,157.63 - \$1,000 = \$157.63$

Comparison: Compound interest earned **\$7.63 more** in just 3 years than simple interest! Discuss how **simple interest is easier to calculate** but doesn't **grow money as quickly as compound interest**.

Activity: Interest Working Against You

Use the **Bright Borrowing and Lucky Lenders** scenario from **worksheets 50-51**. Write the loan terms on the board and answer the following questions:

- How many years is Bright Borrowing's loan for? *2 Years*
- Which loan will cost the most? *Lucky Lenders*
- How many years is Lucky Lender's loan for? *6 Years*
- How much will Jamal pay in total if he chooses Bright Borrowing? *\$31,587.36*
- How much will Jamal pay in total if he chooses Lucky Lenders? *\$34,786.80*

- Which loan will Jamal need to choose if he only has \$500.00 per month for a car loan? *Lucky Lenders*
- How much money could Jamal save if he chose the other loan? \$3,199.44

Independent Work

- Complete the worksheets on **pages 50-51**.

Reflection

"Interest can either help us grow our savings or increase the cost of borrowing. Understanding how it works allows us to make smart financial choices."

- Encourage students to discuss with their families how **interest affects savings and loans** in real life.

Assessment

- ✓ Observe class discussions on the differences between **simple and compound interest**.
- ✓ Review students' calculations on **interest earned and owed**.
- ✓ Assess worksheet completion and student reflections.

Understanding How Mortgages Work

Corresponding Workbook Pages: 52-53

Duration: 45 Minutes

Prerequisite: Understanding Interest and How It Is Calculated

Lesson Objectives

- Define what a mortgage is and explain its purpose.
- Understand key mortgage concepts such as interest rates, monthly payments, and loan terms.
- Calculate down payments and monthly payments based on different home prices and mortgage structures.
- Recognize the impact of interest rates on mortgage affordability.

Materials Needed

- Whiteboard and markers
- Calculator or chart paper for manual calculations
- Printed mortgage rate comparison charts (optional)
- Sample mortgage statements (optional)
- Play money or tokens for down payment calculations
- Graph paper for visualizing payments over time

Definitions

- **Mortgage** – A loan used to buy a house, paid back over time with interest.
- **Down Payment** – The upfront payment made when buying a house, usually a percentage of the home price.
- **Loan Amount** – The total amount borrowed from the bank after the down payment.
- **Interest Rate** – The percentage the bank charges for lending money. A lower rate means lower overall costs.
- **Monthly Payment** – The fixed amount a homeowner pays to the bank each month.
- **Bi-Weekly Payment** – A payment made every two weeks instead of once a month, which results in one extra payment per year.
- **Loan Term** – The length of time a borrower has to repay the mortgage (e.g., 15 years, 30 years).

Class Discussion

Open with the following questions:

- Have you ever heard the word "mortgage" before?
- Do you think most people pay for their houses all at once?
- Where do you think people get the money to buy a house?

Explain that a **mortgage is a loan** that helps people buy a home. Since most people don't have enough money to pay for a house upfront, they borrow money from a bank. The bank lends them the money with the agreement that it will be **paid back over time with interest**—an extra charge for borrowing money.

You can compare this to **saving up for a big purchase** over time instead of paying for it immediately.

Activity: How a Mortgage Works

Mortgages are made up of several important parts. Explain each one clearly with examples:

- **Home Price:** The total cost of the house.
- **Down Payment:** The amount paid upfront (often 20% of the total price). A larger down payment means borrowing less money.
- **Loan Amount:** The amount borrowed after the down payment is made.
- **Interest Rate:** A fee charged for borrowing money. The lower the rate, the less total money paid.
- **Monthly Payments:** The amount the homeowner pays each month until the loan is paid off.

Calculation Exercise:

Write different home prices on the board and have students calculate the **20% down payment** for each. Then, discuss which house would be the best choice if a family has **\$40,000 saved**.

Example:

- Home Price: **\$200,000**
- 20% Down Payment: **\$40,000**
- Loan Amount: **\$160,000**
- The homeowner will pay this loan back over time.

Activity: Monthly vs. Bi-Weekly Mortgage Payments

After taking out a mortgage, homeowners must make regular payments to the bank. These payments can be made in two ways:

- **Monthly Payments** – A set payment made once a month.
- **Bi-Weekly Payments** – A smaller payment made every two weeks, which results in **one extra payment per year** and helps pay off the mortgage faster.

Example:

- **Monthly Payment:** \$1,000 per month
- **Bi-Weekly Payment:** \$500 every two weeks

Discussion Questions:

- How much money is paid in a year for each option?
- Which option helps pay off the loan faster?

Activity: The Impact of Interest Rates

Interest rates can change over time, making mortgages **more expensive or more affordable**. A higher interest rate means **higher monthly payments**, while a lower interest rate makes payments **smaller**.

Example: Buying a home for **\$300,000** with two different interest rates:

- **Low Interest Rate (3%)** → **Monthly Payment: \$1,500**
- **High Interest Rate (6%)** → **Monthly Payment: \$2,000**

Discussion Questions:

- Which loan costs more per month?
- Why is it important to look at interest rates before buying a house?

Activity: Budgeting for a Mortgage

Buying a home is one of the **biggest financial decisions** a family makes. A good rule of thumb is that a family should spend **no more than 30% of their monthly income on a mortgage**.

Example Calculation:

- If a family earns **\$6,000 per month**, their mortgage should not exceed **\$1,800 per month (30% of \$6,000)**.
- If their mortgage payment is **\$2,500 per month**, they might struggle to afford other expenses like food, electricity, and car payments.

Independent Work

- Complete the worksheets on **pages 52-53**.

Reflection

"Buying a home is a big responsibility. Making **smart mortgage choices** can help people afford a home comfortably and avoid financial trouble. Understanding **how loans and interest work** is key to making informed financial decisions."

- Encourage students to think about how **mortgages impact families** and why **planning ahead** is important when making big financial decisions.

Assessment

- ✓ Observe class discussions on mortgages and interest rates.
- ✓ Review students' mortgage calculations and budgeting exercises.
- ✓ Assess worksheet completion and student reflections.

Understanding Debt and a Credit Score

Corresponding Workbook Pages: 20–21, 48–49

Duration: 45 Minutes

Prerequisite: Understanding Interest and How It Is Calculated, Understanding How Mortgages Work

Lesson Objectives:

- Define debt and credit score, and understand how they are related.
- Recognize the difference between healthy debt (investments in future growth, like education or a business) and unhealthy debt (unnecessary spending).
- Discuss how a credit score is determined and why it matters for borrowing money or making large purchases.

Materials Needed:

- Whiteboard and markers
- Printed chance cards (expenses, income, payments)
- Drawing board or poster
- Markers or chalk for tallying on the board

Definitions:

- **Debt** – Money that is owed to someone else, typically because it was borrowed.
- **Credit Score** – A number that shows how well you manage your money and repay debts. A higher score means you're more likely to be trusted to borrow money.
- **Healthy Debt** – Debt taken on to improve your future, such as a student loan or business loan.
- **Unhealthy Debt** – Debt caused by spending on things you don't really need or can't afford, such as luxury items.

Class Discussion:

Write the definitions of **Debt** and **Credit Score** on the board. Ask:

- "What is debt?" and "Why do people go into debt?"
- "Based on the definition of credit score, what happens if you don't pay your bills on time?"

Explain: A credit score is like a report card for your money habits. If you pay your bills on time, your score goes up. If you miss payments, your score goes down. A low score makes it harder and more expensive to borrow money in the future.

Group Activity:

Set up a board and draw a character with a starting cash amount of \$150. Lay out printed "Chance Cards" at the front of the room. Each student takes a turn drawing a card and reading it aloud. Examples:

- "Bought shoes – \$70"
- "Was paid – \$100"
- "Paid phone bill – \$40" Update the character's balance after each card. At the end, determine whether the character is in or out of debt. Use this as a visual, interactive way to show how small decisions affect financial health.

Activities:

Independent Work

- Workbook Page 20: Students complete questions related to managing and understanding debt.
- Workbook Page 21: In pairs, students review common financial scenarios and determine whether they are examples of good or bad debt.

Explain: "A credit score is a number that tells you how healthy your spending habits are. Late payments and having lots of bad debt lower your score. Paying bills on time and keeping debt low raise your score."

- Workbook Pages 48–49: Students examine how actions affect credit scores and apply what they've learned to sample situations.

Reflection:

Ask:

- "How does having a bad credit score affect your life?"

Explain: A bad credit score can make it hard to borrow money, increase your costs, and even make it difficult to rent or buy a home.

Assessment:

- ✓ Observe participation in the group activity and math updates.
- ✓ Check students' understanding based on workbook completion and their ability to explain the importance of a credit score.

Understanding the Difference Between Debit and Credit Cards

Corresponding Workbook Pages: 38-39, 46-47

Duration: 45 Minutes

Prerequisite: Understanding What Banks and ATMs Are, Understanding Interest and How It Is Calculated, Understanding Debt and a Credit Score

Lesson Objectives

- Understand the difference between debit and credit cards.
- Learn how each type of card works in everyday transactions.
- Recognize the importance of responsible spending and budgeting.
- Discuss the potential consequences of credit cards when used irresponsibly.

Materials Needed

- Whiteboard and markers
- Calculator or chart paper for manual interest calculations
- Online credit card calculator (optional)
- Printed example of a credit card statement (optional)
- Fake debit and credit cards (printed or real expired cards)

Definitions

- **Savings Account** – A bank account used to save money and collect interest.
- **Checking Account** – A bank account used for everyday purchases.
- **Credit Card** – A card used to buy goods and services and pay for them later.
- **Debit Card** – A card used to buy goods and services with money in your bank account.
- **Credit Score** – A number that shows how well you pay your debts and bills on time.
- **Interest** – Extra money charged when borrowing money if it is not paid back in full.
- **Minimum Payment** – The smallest amount you must pay on a credit card bill each month.

- **Debt** – Money that is borrowed and must be repaid.
- **Statement** – A document showing how much money you owe on a credit card.
- **Billing Cycle** – The time period for which a credit card statement is calculated (usually a month).
- **Late Fee** – A penalty charged when a credit card payment is not made on time.

Class Discussion

Open with the following questions:

- How do you usually see people pay for things at a store?
- Have you ever used or seen someone use a debit or credit card?
- What do you think happens when someone swipes a card to buy something?
- Why do you think people use cards instead of cash?

Introduce the lesson by explaining:

"There are two types of payment cards people commonly use: **debit cards and credit cards**. While they might look the same, they work in very different ways. Today, we're going to learn how each card works and why it's important to use them wisely.

Imagine you have a wallet with two special cards. One lets you spend only the money you already have, and the other lets you borrow money that you must pay back later. Does that sound like there could be some problems if you mix them up? Let's find out more by reading a story about two friends who learn an important lesson about debit and credit cards."

Story: A Lesson in Spending

Alex and Jordan are best friends who love to go to the mall. One weekend, they both find a cool new video game they want to buy. But they have different ways to pay for it.

- **Alex** has a **debit card**, meaning the money comes directly from a bank account. If there's no money in the account, Alex can't buy the game. Before heading to the checkout, Alex checks the account balance on a phone app and sees that there's enough money to buy the game.
- **Jordan** has a **credit card**, which allows people to **borrow money up to a limit and pay it back later**. Jordan doesn't have enough money in a bank account but still swipes the credit card to buy the game.

A few weeks later, Jordan gets a **bill** in the mail. It turns out that credit cards must be paid back, and if you don't pay everything right away, extra money called **interest** is added. Jordan now owes **more money** than the original price of the game!

Alex and Jordan talk about what happened. **Alex realizes** that using a debit card helped keep spending under control. **Jordan learns** that credit cards can be useful, but they need to be used carefully to avoid extra charges.

Activity: The Cost of Interest

1. **Work through the definitions provided on page 38 of the workbook.**
2. Provide students with a situation where they owe **\$500 on a credit card with a 20% annual interest rate**. They have two options:
 - Pay the full amount immediately.
 - Make only the minimum payment of **\$25 per month**.
3. Work with students to **calculate how long it will take** to pay off the debt if only the minimum payment is made. Use an online credit card calculator or manually estimate by showing that **interest accumulates monthly**.
4. **Illustrate how the \$500 debt could take years to pay off** if only minimum payments are made, ultimately costing much more in interest.
5. **Discuss:**
 - What did you notice about the cost of making only the minimum payments?
 - How does interest affect the total amount you owe?
 - What are some ways to avoid paying too much interest on a credit card?

Independent Work

- Complete the worksheets on pages 38, 39, 46, 47.

Reflection

"Debit and credit cards are useful tools, but they work in different ways. Debit cards help you spend only what you have, while credit cards let you borrow money, which must be paid back. Understanding the difference helps people make smart financial choices!"

- Encourage students to talk with their families about how they use debit and credit cards in everyday life.

Assessment

- ✓ Observe class discussions on the differences between debit and credit cards.
- ✓ Review students' calculations on interest and minimum payments.
- ✓ Assess worksheet completion and student reflections.

Understanding Insurance, Its Premiums and Deductibles

Corresponding Workbook Pages: 56-57

Duration: 30 Minutes

Prerequisite: Understanding What Banks and ATMs Are, Understanding Interest and How It Is Calculated

Lesson Objectives

- Understand what insurance is and why it is important.
- Learn about different types of insurance (health, auto, home, life).
- Recognize how insurance helps protect against financial risk.
- Discuss how premiums, deductibles, and claims work.

Materials Needed

- Whiteboard and markers
- Printed insurance policy examples (optional)
- Play money or tokens for premium and deductible activities
- Calculator for premium vs. deductible calculations

Definitions

- **Insurance** – A financial safety net that helps pay for unexpected expenses.
- **Premium** – The amount paid monthly or yearly to have insurance.
- **Deductible** – The amount a person must pay out of pocket before insurance covers the rest.
- **Claim** – A request made to an insurance company for payment after an accident or loss.
- **Policy** – A contract that outlines what an insurance company will cover.
- **Coverage** – The types of risks or losses an insurance policy will pay for.

Class Discussion

Open with the following questions:

- Have you ever heard someone say, "Don't worry, it's covered by insurance"? What do you think that means?
- Have you ever heard about car insurance, health insurance, or home insurance? What do you know about them?
- Why do you think people pay for insurance even if they don't always use it?
- What kinds of things do you think insurance can help cover?

Explain that **insurance is a way to protect ourselves from big expenses if something unexpected happens**. It works like a safety net that helps people pay for things like doctor visits, car accidents, or damage to their homes.

Story: A Lesson in Insurance

Maya and Jake love riding their bikes around the neighborhood. One day, they decide to race each other. Maya speeds up, but suddenly a rock gets in her way, and she crashes into a mailbox, damaging her bike and scraping her knee.

Maya is upset because fixing her bike will cost **\$100**, and she needs to see a doctor for her knee. Luckily, **Maya's parents have health insurance**, which helps pay for her doctor visit. But they **don't have bike insurance**, so they have to pay for the bike repair themselves.

Jake wonders, “What if there was an insurance for bikes? Would it help Maya?”

Maya and Jake talk to Maya’s dad, who explains that **insurance helps cover unexpected costs** when something bad happens. He tells them about different types of insurance:

- **Car insurance** – Helps if there’s an accident.
- **Home insurance** – Helps if a house is damaged.
- **Health insurance** – Helps pay for doctor visits and medical costs.
- **Life insurance** – Helps a family if someone passes away.

Maya now understands that **insurance helps people when unexpected problems happen**, and she realizes why her parents always say it’s important.

Activity: Story Follow-Up Questions

1. What does insurance do to help people?
2. Why did Maya’s parents have health insurance but not bike insurance?
3. Can you think of a situation where insurance would be helpful?
4. Why do people need to pay for insurance even if they don’t use it all the time?

Activity: Understanding Premiums and Deductibles

Write the following definitions on the board:

- **Premium** – The amount you pay each month or year to have insurance. Even if you don’t use your insurance, you still have to pay the premium.
- **Deductible** – The amount you must pay out of pocket before your insurance starts to help. If your deductible is high, your monthly premium is usually lower, and vice versa.

Calculation Examples:

1. **Car Insurance:** \$20 monthly premium, \$100 deductible. If an accident costs \$500, how much does the person pay before insurance helps? (*Answer: \$100, then insurance covers the rest.*)
2. **Health Insurance:** \$50 monthly premium, \$200 deductible. A doctor visit costs \$600. How much does the person pay? How much does insurance cover? (*Answer: The person pays \$200, insurance covers \$400.*)
3. **Home Insurance:** \$30 monthly premium, \$500 deductible. A storm causes \$2,000 in damages. How much does the homeowner pay? (*Answer: \$500, insurance covers the remaining \$1,500.*)

Discussion Questions:

- What do you think is better: a lower monthly premium or a lower deductible?
- How does insurance help people manage large expenses?
- Why is it important to choose the right type of insurance?

Independent Work

- Complete the worksheets on **pages 56-57**.

Reflection

"Insurance is like a safety net that helps people pay for unexpected events. There are different types of insurance, and each one protects against specific risks. Understanding how insurance works can help people make smart financial choices and be prepared for emergencies!"

- Encourage students to talk with their families about **what kinds of insurance they have and why it's important**.

Assessment

- ✓ Observe class discussions on different types of insurance.
- ✓ Review students' premium and deductible calculations.
- ✓ Assess worksheet completion and student reflections.

Understanding Appreciation and Depreciation

Corresponding Workbook Pages: 60-61, 62-63

Duration: 30 Minutes

Prerequisite:

Lesson Objectives

- Define appreciation and depreciation in simple terms.
- Understand why some things increase in value (**appreciation**) and others lose value over time (**depreciation**).
- Recognize real-world examples of appreciation and depreciation, including houses, cars, and electronics.
- Calculate basic appreciation and depreciation using simple percentages.

Materials Needed

- Whiteboard and markers
- Photos of a house, collectibles, land, car, phones, and clothing
- Play money or tokens for appreciation and depreciation activities
- Calculator or chart paper for manual calculations

Definitions

- **Appreciation** – When something **increases** in value over time because people want it more or it becomes rarer.
- **Depreciation** – When something **loses** value over time due to wear and tear, newer models, or lower demand.
- **Supply and Demand** – The idea that prices change based on how much of something is available and how many people want it.

- **Wear and Tear** – The natural aging and use of an item that makes it less valuable.

Introduction

Open with the following question:

"Have you ever noticed that some things get more expensive over time, while others lose value?"

Encourage students to think of examples. If they struggle, guide them with these questions:

- *Does a new car cost more or less than a 5-year-old car?*
- *Have you heard of houses getting more expensive over time?*

Explain that some things increase in value over time (**appreciation**) and some things lose value over time (**depreciation**).

Write the words **Appreciation** and **Depreciation** on the board and ask students to guess their meanings before giving the definitions.

Activity: Understanding Appreciation & Depreciation

As you go through the examples below, display images of each.

Appreciation (Increases in Value Over Time)

- **Houses** – Many houses become more valuable because land is limited, and people always need places to live.
- **Collectibles** – Rare items like old comic books or limited-edition sneakers can become more valuable over time.
- **Land** – Open land becomes more valuable when more people want to build on it.

Depreciation (Loses Value Over Time)

- **Cars** – A brand-new car loses value the moment it is driven off the dealership lot.
- **Phones & Electronics** – A phone bought today will be worth less in a year when a new model comes out.
- **Clothing** – Brand-new clothes can be expensive, but once they are used, they lose value and are harder to sell.

Activity: Why Do Things Appreciate or Depreciate?

Explain that appreciation and depreciation are influenced by **supply and demand** and other conditions.

Why Do Things Appreciate?

- **Limited Supply** – If something is rare, like land or vintage items, it tends to appreciate.
- **High Demand** – If many people want something, its value will increase.

Why Do Things Depreciate?

- **Wear and Tear** – Things like cars and clothes lose value because they get used and worn out.
- **Newer Models** – When new versions of products come out, the old ones lose value.
- **Oversupply** – If there are too many of something, like old phones, they lose value because people don't want them as much.

Discussion: Write a list of items on the board:

House, car, phone, land, rare baseball card, brand-new sneakers, laptop.

Ask students to decide **which items appreciate** and **which items depreciate** and explain why.

Activity: Real-Life Impact of Appreciation & Depreciation

Example 1: Home Appreciation

- A house usually **appreciates** because land is valuable, and more people want homes.
- If someone buys a house for **\$200,000**, and in 10 years it is worth **\$250,000**, they have gained **\$50,000 in appreciation**.

Example 2: Car Depreciation

- A new car usually **depreciates** because newer models come out, and cars get used and worn down.
- If someone buys a car for **\$30,000**, and in 5 years it is only worth **\$15,000**, it has lost **\$15,000 in value**.

Calculation Exercise:

Give students different starting values for houses, cars, and electronics. Ask them to calculate the appreciation or depreciation after a few years using simple percentages.

1. House Appreciation

- A house is worth **\$100,000** and appreciates by **5% per year**.
- What is its value after **one year**?
- (*Answer: \$105,000*)

2. Phone Depreciation

- A phone is worth **\$1,000** and depreciates by **20% per year**.
- What is its value after **one year**?
- (*Answer: \$800*)

Independent Work

- Complete the worksheets on **pages 60, 61, 62, 63**.

Reflection

"Why is it important to know about appreciation and depreciation?"

- Making **smart financial choices** means knowing what will **gain value over time** and what will **lose value**.
- Understanding appreciation helps with **investing wisely**, while understanding depreciation helps **avoid financial loss**.

Assessment

- ✓ Observe class discussions on appreciation and depreciation.
- ✓ Review students' calculations on appreciation and depreciation.
- ✓ Assess worksheet completion and student reflections.

Understanding Income

Corresponding Workbook Pages: 18–19

Duration: 30 Minutes

Prerequisite: Understanding Expenses, Budget, and Emergency Fund

Lesson Objectives:

- Define what income is and how it supports daily living and future goals.
- Recognize the difference between living below one's means and living paycheck-to-paycheck.
- Discuss how skills, education, and career choices can affect overall income potential.

Materials Needed:

- Whiteboard and markers
- Calculator (optional)
- Printed character profiles (optional)

Definitions:

- **Income** – Money that a person earns from work, business, or other sources.
- **Living Below Your Means** – Spending less than you earn and saving the rest.
- **Paycheck-to-Paycheck** – Using nearly all your income to cover monthly expenses, with little or no money left over.

Class Discussion:

Begin by writing the word **Income** on the board. Ask:

- “What is income, and where does it come from?” Record student responses on the board. Read aloud the definition of **Income** and have students copy it down into their workbook on Page 18.

Activities:

Independent Work

- Workbook Page 18: Students complete questions on income, sources of income, and how income helps support daily needs and savings goals.

Group Activity

- Write the names Trevor, Carly, and Amiee on the board (characters from Page 19).
- Read each character’s story aloud to the class.
- As a class, calculate:
 - Their yearly expenses
 - Whether they have extra money or are in debt each month
 - If they are living below their means (yes or no)
- Work through the math together on the board so all students can follow along visually.

Reflection:

Ask:

- “Is it better to live below your means or paycheck-to-paycheck?”
- “Why does it matter how we manage our income?”

Assessment:

- ✓ Observe student participation during math calculations and class discussion.
- ✓ Evaluate understanding through student responses and workbook completion.

Understanding Active and Passive Income

Corresponding Workbook Pages: 68–69, 72–73

Duration: 40 Minutes

Prerequisite: Understanding Income

Lesson Objectives:

- Define active and passive income, and differentiate between the two.

- Identify examples of active and passive income through job descriptions and business models.
- Apply their understanding by matching jobs to descriptions, evaluating pros and cons of passive income, and calculating income.
Explain the importance of balancing active and passive income for financial stability and future planning.

Materials Needed:

- Whiteboard and markers
- Job description cards (Babysitting, Dog Walking, Dividend Stocks, etc.)
- Printed worksheets (optional)

Definitions:

- **Active Income** – Money earned through direct effort, like working a job or providing a service.
- **Passive Income** – Money earned with little to no ongoing effort, such as rental income or dividends from investments.

Class Discussion:

Write the definitions of *active* and *passive income* on the board. Have students copy them into their workbooks on pages 68 and 72.

Share a short story comparing two characters:

- One earns **active income** by working as a dog walker every afternoon.
- The other earns **passive income** from renting out a camera online and collecting payments.

Ask:

- *What are some ways that you could receive active income?*
- *What are some ways that you could receive passive income?*

List student responses on the board under each category.

Activities:

Independent Work

- Have students complete workbook pages 68–69 and 72–73, which include examples of jobs and opportunities to classify each as active or passive income.

Group Activity

- Hand out job cards with different roles (e.g., Babysitting, Dog Walking, Dividend Stocks, Rental Property, Automated Car Wash, Camera Rentals, Newspaper Delivery).
- Have students walk around the room and ask others what their “job” is, then group up into two clusters: those earning active income and those earning passive income.

- As a class, discuss which jobs might provide more flexibility, security, or long-term growth.

Independent Work (Shark Tank Exercise)

- Read aloud the Shark Tank scenario on page 75 of the workbook. Clarify any questions students have.
- Explain that each student is now an investor and must decide whether or not to invest in *Paul's Live Bait Boat*.
- Have students complete the final activity on page 75, using reasoning based on what they've learned about income, risk, and investment.

Reflection:

Ask:

- *Did you choose to invest in Paul's business? Why or why not?*
- *What are some things you should consider before making an investment?*

Emphasize that **investing always involves risk and reward**, and it's important to **research thoroughly** before committing money to any person or business.

Assesment:

- ✓ Students can accurately define and distinguish between active and passive income.
- ✓ Students can match income types to different job examples.
- ✓ Students can explain what factors to consider when evaluating an investment opportunity.

Understanding Salaries

Corresponding Workbook Pages: 70-71

Duration: 20 Minutes

Prerequisite: Understanding Needs vs. Wants, Understanding Expenses, Budget, and Emergency Fund Understanding Income, Understanding Active and Passive Income

Lesson Objectives:

- Understand what a salary is and how people earn it.
- Learn the difference between salary and hourly wages.
- Explore factors that affect salaries, such as education, experience, and job type.
- Discuss how salaries help people manage their financial needs.

Materials Needed:

- Whiteboard and markers
- Printed worksheet with different salary examples
- Play money (optional)
- Career cards (each with a different job and salary range)

Definitions:

- **Salary** – A fixed amount of money paid to a worker for doing a job, usually per year or month.
- **Hourly Wage** – Payment based on the number of hours worked.
- **Income** – Money received from work or investments.
- **Benefits** – Extra things some jobs offer in addition to salary, like health insurance.
- **Budget** – A plan for how to spend money each month.

Class Discussion:

Start with questions:

- What do your parents or family members do for work?
- What job did you want to do when you were little? Do you still want that job? Why or why not?
- Why do people have jobs? Why work at all?

Explain: Most people work because they need money. That money helps pay for food, clothes, homes, and fun. The money earned from working is called a **salary**.

A salary is a **fixed amount** paid regularly for doing a job, such as monthly or yearly. For example, teachers, police officers, and businesspeople often receive salaries.

Factors that Affect Salary:

- Education
- Skills and experience
- Job type and location
- The value you add to a business

If you want to earn more, choose jobs where you add more value. Employers pay higher salaries to workers who help the business earn or save more money.

Story: Jamal’s First Job Offer

Jamal finished school and had two job offers. One paid **\$15/hour**, and the other offered a **\$40,000 salary** per year. He calculated that the hourly job paid about \$31,200 a year. The salary job paid more and included benefits like health insurance. He chose the salary job for better stability and future opportunities.

Questions for Discussion:

- What was the difference between Jamal’s two job offers?
- Why did he choose the salary job?
- What are the benefits of having a salary?
- What jobs do you think have a high salary? Why?

Activities:

Salary Sorting Game:

- Provide a list of jobs (e.g., teacher, nurse, sales rep, cashier).
- Discuss which jobs add more value to a business or society.
- Sort jobs by higher or lower salary expectations.

Budgeting on a Salary:

- Give students a pretend salary (e.g., \$3,000/month).
- Have them allocate money to rent, food, transportation, and savings.
- Discuss how people make financial choices based on their salary.

Reflection:

- What kind of salary would you want?
- What kind of value would you need to give to earn it?
- How can knowing about salaries help you make smart career decisions?

Assessment:

- ✓ Students define **salary** and explain the difference between salary and hourly pay.
- ✓ Students list one factor that affects salary.
- ✓ Students share one thing they learned and one question they still have.

Understanding Sales, Property, and Income Taxes

Corresponding Workbook Pages: 8–9, 54–55, 112–113

Duration: 45 Minutes

Prerequisite: Understanding Income, Understanding Active and Passive Income, Understanding Salaries

Lesson Objectives:

- Define what taxes are, focusing on Sales Tax, Property Tax, and Income Tax.
- Recognize how and when each type of tax applies in everyday life.
- Discuss how taxes fund community services and why they are essential.
- Learn strategies to plan personal finances by accounting for different taxes.

Materials Needed:

- Whiteboard and markers
- Printed menus or mock receipts (optional)
- Calculators (optional)

Definitions:

- **Tax** – Money that people and businesses are required to pay to the government.
- **Sales Tax** – A percentage added to the cost of items or services purchased.
- **Property Tax** – A tax paid by people who own homes or land, based on its value.
- **Income Tax** – A portion of a person’s earnings taken by the government to fund public services.
- **Net Pay** – The amount of money you take home after taxes are deducted.
- **Gross Pay** – The total amount earned before any taxes or deductions.

Class Discussion:

Begin by writing the word “TAX” on the board. Ask students:

- “What is a tax?”
- “Why do people pay taxes?”
- “Do you think taxes are fair? Why or why not?”

Guide students to understand that taxes are used to fund community services like schools, libraries, roads, and hospitals.

Introduce the three types of taxes:

- **Sales Tax:** Collected at the time of purchase.
- **Property Tax:** Paid by homeowners or landowners.
- **Income Tax:** Taken out of paychecks.

Have students copy these definitions into their workbooks in the appropriate sections.

Activities:

Independent Work

- **Sales Tax:** Use a restaurant menu activity to calculate which items can be purchased and calculate final costs after applying local sales tax.
- **Property Tax:** Compare homeowners and renters to determine who pays property tax and complete a visual problem-solving exercise.
- **Income Tax:** Use sample pay stubs to calculate gross pay, subtract tax (e.g., 20%), and find net pay.

Group Activity Divide the class into three groups. Assign each group one type of tax to memorize and recite back to the class. Encourage them to make it creative—a chant or slogan.

Reflection:

Ask students:

- “How do taxes help our community?”
- “Have you ever had to pay a tax or noticed one on a receipt?”

Discuss how understanding taxes helps prepare for adult responsibilities and better financial choices.

Assessment:

- ✓ Observe class participation during group recitations and discussions.
- ✓ Evaluate understanding based on ability to define each type of tax and explain its purpose.

Understanding Inflation and How It Is Caused

Corresponding Workbook Pages: 64-65

Duration: 30 Minutes

Prerequisite: Understanding Expenses, Budget, and Emergency Fund, Understanding Income

Lesson Objectives

- Define inflation and explain how it affects the prices of goods and services.
- Understand the reasons behind inflation and why prices go up over time.
- Recognize real-world examples of inflation and how it impacts daily life.
- Learn basic strategies for dealing with inflation, such as saving and making smart financial choices.

Materials Needed

- Whiteboard and markers
- Printed historical price charts (optional)
- Internet access for research activity
- Play money or tokens for demonstrating purchasing power changes

Definitions

- **Inflation** – When the prices of goods and services rise over time, reducing the purchasing power of money.
- **Purchasing Power** – The amount of goods and services that can be bought with a certain amount of money.
- **Supply and Demand** – The relationship between how much of something is available and how many people want it.
- **Wages** – The money people earn from working, which may or may not increase with inflation.
- **Production Costs** – The expenses involved in making a product, which can affect its price.

Introduction

Open with the following questions:

- Have you ever heard someone say, “*Things used to be much cheaper when I was younger*”?
- Have you noticed that your favorite snacks, toys, or video games cost more now than they did a few years ago?
- Why do you think prices change over time?

Encourage students to share their thoughts before introducing the idea of **inflation**.

Explain that **inflation** is when prices of things go **up over time**. This means that the same amount of money **buys less than it used to**.

Example: Imagine that a **candy bar cost \$1.00 last year**, but when you go to the store today, it **now costs \$1.25**. That extra 25 cents is because of **inflation**—the price has increased over time.

To help students connect with the topic, ask them to think about items they or their families buy regularly, such as **groceries, gas, or toys**. Have they noticed a change in the price of these things over time? If so, that’s **inflation at work!**

Story: Timmy Learns About Inflation

Timmy was an excited 10-year-old who had been saving his allowance for months to buy his dream toy—a robot that cost **\$50**. Every week, he carefully put his money into his piggy bank, counting his savings over and over, dreaming about the day he could finally buy the robot.

One day, he walked into the toy store, smiling as he placed his **\$50** on the counter. But to his surprise, the store owner, Mr. Jenkins, shook his head. “*I’m sorry, Timmy,*” he said. “*The price of the robot has gone up. It now costs \$60.*”

Timmy’s smile faded. “*But last month, it was only \$50!*” he exclaimed.

“*That’s inflation,*” Mr. Jenkins explained. “*When prices go up over time, your money doesn’t buy as much as it used to.*”

Timmy walked home confused and a little frustrated. He had saved so carefully, yet now he didn’t have enough money! He had two choices:

- Save more money until he could afford the toy.
- Look for a different, more affordable toy.

Timmy decided to be smart—he would **save a little more** and also **look for ways to earn extra money** by helping his neighbors with chores. In a few weeks, he had enough to buy the robot! But he also learned an important lesson about **inflation**—prices don’t always stay the same.

Activity: How Inflation is Caused

Now that students understand what inflation is, let's talk about **why it happens**.

1. More Money in the Economy

- When there is a lot of money available, businesses and stores can charge higher prices because people are willing to pay more.
- **Example:** If a new video game is really popular and many kids want it, the price might go up because companies know people will buy it no matter what.

2. Higher Costs to Make Products

- If it becomes more expensive to produce or deliver products, businesses will increase prices to cover their costs.
- **Example:** If the cost of making sneakers goes up because materials like rubber and fabric are harder to find, the price of sneakers will also increase.

3. Supply and Demand

- If there are fewer of an item available, but lots of people want it, the price goes up.
- **Example:** A new gaming console is released, but only a few are made. Because so many people want it, the price skyrockets!

Write a list of items on the board: **bread, video games, movie tickets, bikes, gasoline, ice cream**. Discuss different reasons for price increases using the three causes above and write them on the board.

Activity: How Inflation Affects Us

Inflation doesn't just affect one or two things—it affects **everything**. If prices go up but people's **wages don't increase fast enough**, they might struggle to afford the things they need.

Group Research Activity:

Have students split into groups and **use the internet to research inflation** for different items over time. Each group will research one of the following:

- **Movie Ticket Prices**
- **Gasoline Prices**
- **Milk, Bread & Eggs Prices**
- **Theme-Park Ticket Prices**

After completing their research, have the groups **share their findings** with the class and discuss **why they think each item's price increased**.

Independent Work

- Complete the worksheets on **pages 64, 65**.

Reflection

"Inflation causes prices to rise over time, meaning the same amount of money buys less. We saw this through **Timmy's story**—his saved money wasn't enough when prices increased, just like in real life when groceries, gas, and toys become more expensive.

We explored **why inflation happens**, including **increased demand, higher production costs, and more money in circulation**. Through our research, we saw how prices of everyday items have changed over the years.

As prices continue to rise, it's important to plan ahead by **saving wisely and making smart spending choices**. Understanding inflation helps us make better financial decisions for the future!"

Assessment

- ✓ Observe class discussions on the causes and effects of inflation.
- ✓ Review students' research findings on price increases.
- ✓ Assess worksheet completion and student reflections.

Understanding Goods and Services and How They Work Together

Corresponding Workbook Pages: 82-83, 84-85

Duration: 30 Minutes

Prerequisite:

Lesson Objectives

- Understand the difference between goods and services.
- Identify examples of goods and services in everyday life.
- Recognize the importance of both goods and services in the economy.
- Participate in interactive activities to reinforce learning.

Materials Needed

- Whiteboard and markers
- Devices with internet access
- Printed images or flashcards of different goods and services (optional)
- Play money or tokens for role-playing activity (optional)

Definitions

- **Goods** – Physical objects that people buy and use, such as toys, food, clothes, and books.
- **Services** – Actions or work done by others that people pay for, such as a haircut, a bus ride, or a doctor's visit.
- **Economy** – The system of buying, selling, and producing goods and services.
- **Consumer** – A person who buys goods or services.
- **Producer** – A person or business that makes goods or provides services.

Introduction

Open with the following questions:

- *"What are some things you buy at a store?"*
- *"What are some things people do for you that help you?"*

Encourage students to brainstorm and share their ideas. As they respond, write their answers on the board, making two columns: **Things We Buy** and **Things People Do for Us**.

Explain that everything we use or pay for falls into two categories: **goods** or **services**.

- **Goods** are **physical objects** that people buy and use. They are things we can see, touch, and take home. Examples include **toys, food, clothes, and books**. Goods are things that businesses **make and sell** to people who need them.
- **Services** are **actions** that people do for others. A service is not something you can hold in your hands, but it is just as important as a good. Examples include **a doctor treating a patient, a teacher giving a lesson, a barber cutting hair, or a bus driver driving people to school**. Instead of buying an object, when we pay for a service, we are **paying for someone's time, skill, or expertise**.

Activity: Goods vs. Services Sorting Game

Write two big headings on the board: **Goods** and **Services**. Then, call out different words and ask students to decide which category each word belongs to. For each item, ask students to explain their reasoning.

Examples:

- **Goods:** Pizza, Car, Video Game, Backpack
- **Services:** Haircut, Bus Ride, Garbage Removal, Babysitting

Activity: Why Goods and Services Are Important

Goods and services are **both essential** because they help people get what they need. A society cannot function without both.

Ask students to imagine:

- *What would happen if we had only goods but no services?*
- *What would happen if we had only services but no goods?*

Explain that:

- Goods help people by providing them with **items they need for daily life**, such as food, tools, and technology.
- Services help people by **keeping them healthy, safe, and educated**. Teachers provide knowledge, firefighters protect homes, and mechanics repair cars.

Discussion Questions:

- *"What would happen if there were no doctors, teachers, or firefighters?"*
- *"What if we didn't have grocery stores, clothes, or houses?"*

Activity: Expanding Services

Group Work: Split students into groups and have them **brainstorm services** for different businesses using **worksheet page 84**.

- Once they have completed their lists, have them **present as groups to the class**.

Independent Work

- Complete the worksheets on **pages 84, 85**.

Reflection

- *"Can you name one good and one service you used today?"*
- *"If you could provide a good or a service when you grow up, what would it be?"*

Assessment

- ✓ Observe class discussions on goods and services.
- ✓ Review students' sorting activity responses.
- ✓ Assess group presentations on services for businesses.
- ✓ Evaluate worksheet completion and student reflections.

Understanding and Identifying Assets and Liabilities

Corresponding Workbook Pages: 114-117

Duration: 20 Minutes

Prerequisite:

Lesson Objectives

- Define and differentiate between assets and liabilities.

- Identify common examples of assets and liabilities in real life.
- Apply knowledge through interactive workbook activities.

Materials Needed

- Large sheets of paper or whiteboard
- Markers
- Pre-written scenario cards (with various assets and liabilities examples)
- Calculators (optional)

Definitions

- **Assets** – Things you own that have value, such as money, property, or valuable items.
- **Liabilities** – Money you owe to others, such as loans, credit card debt, or bills.
- **Net Worth** – A calculation of wealth by subtracting liabilities from assets.
- **Financial Growth** – The process of increasing assets and reducing liabilities over time.

Class Discussion

Imagine you have a **piggy bank full of money, a bike, and a video game console**. These are all things that belong to you and have value—they are called **assets**!

Now imagine you **borrow money from a friend** to buy something you really want, like a new phone. The money you owe your friend is a **liability** – a debt.

- **Assets** help you become **rich**. Some assets, like **money in a savings account**, can grow over time. Others, like **a house or a business**, can become more valuable.
- **Liabilities** can make you **poor** if not managed properly. They include **loans, credit card bills, or borrowed money**.

Story: Mia’s Lesson on Assets & Liabilities

Mia, a 12-year-old who loved video games, wanted to buy the newest gaming console. She didn’t have enough money saved, so her friend Liam **loaned her \$300**.

Mia was excited to get the console, but she didn’t realize that **borrowing money created a liability**. Even though she had the console, she now owed Liam money.

To **pay him back**, Mia started **doing extra chores and saving her earnings**. After a few months, she paid Liam back, learning that liabilities require **extra work to repay**.

Meanwhile, Mia’s **old bike was an asset**. If she ever sold it, she could make money from it. Over time, Mia realized that the **more assets she had, the richer she became**.

Activity: Sorting Assets & Liabilities

1. **Group Activity:**

- Divide students into **small groups (3-4 students per group)**.
 - Each group gets a **large sheet of paper or whiteboard**. They draw two columns: **Assets** and **Liabilities**.
 - Hand out **scenario cards** with different items or situations:
 - **A savings account with \$200** (*Asset*)
 - **A car loan of \$5,000** (*Liability*)
 - **A bicycle worth \$100** (*Asset*)
 - **Credit card debt of \$300** (*Liability*)
 - **A rare comic book collection worth \$500** (*Asset*)
 - **Monthly rent payment of \$1,000** (*Liability*)
 - Groups **sort** their cards into the correct columns.
2. **Class Discussion:**
- Each group shares their decisions with the class.
 - Ask the following questions:
 - *"Why is this item an asset?"*
 - *"Why is this a liability?"*
 - *"How can liabilities affect a person's net worth?"*
 - *"How do assets contribute to financial growth?"*

Individual Work

- Complete the worksheets on **pages 114-117**.

Reflection

- *"What did you learn about the difference between assets and liabilities?"*
- *"Can you name one asset and one liability in your life?"*
- *"How can managing liabilities help grow wealth?"*
- *"Why is it important to balance earning, spending, saving, and investing?"*

Assessment

- ✓ Students correctly identify **assets vs. liabilities**.
- ✓ Students provide personal examples of assets and how they impact financial situations.
- ✓ Students analyze **real-life financial decisions**, such as taking a student loan, and discuss the impact on assets or liabilities.

Understanding Net Worth & Wealth

Corresponding Workbook Pages: 118-119

Duration: 30 Minutes

Prerequisite: Understanding and Identifying Assets and Liabilities

Lesson Objectives

- Understand Net Worth and how it is calculated by subtracting liabilities (debts) from assets (things of value).
- Identify what affects the increase or decrease in net worth.
- Recognize the difference between income and wealth.
- Discuss smart financial habits for growing net worth.

Materials Needed

- Whiteboard and markers
- Printed charts or digital presentation for assets vs. liabilities
- Play money or tokens for group activity
- Printed spending choice scenarios for group discussions

Definitions

- **Earning** – The money you make at a job.
- **Spending** – The money you use to enjoy life.
- **Saving** – The money you put aside for things you want or need.
- **Investing** – The money you put aside and protect for the future.
- **Net Worth** – A calculation used to show how much wealth you have (or how rich you are).

Class Discussion

Open with a few questions:

- Have you ever seen people on social media talking about being rich?
- What do you think makes someone rich? (*Students might say: fancy cars, big houses, or expensive clothes.*)
- If a person has a nice car, does that make them rich? What if they have an old car?
- What do you think “being rich” really means?

Introduce the concept of **Net Worth**:

- Being rich isn’t just about having a lot of money or nice things—it’s about making smart choices.
- Net worth is the total value of what you **own** (like money, property, or valuable items) **minus what you owe** (like loans or debts).
- Someone with a **high net worth** isn’t just making a lot of money—they are **keeping, saving, and growing** their wealth over time.

The Four Key Categories of Building Net Worth

1. **Money Earned** – Money from work, gifts, or businesses. The more sources of income, the better.
2. **Money Spent** – Expenses, including needs (food, rent) and wants (toys, entertainment). Smart spending helps grow wealth.
3. **Money Saved** – Money set aside for emergencies and future opportunities.

4. **Money Invested** – Money that grows over time, like savings accounts with interest, businesses, or property.

Story: Who is Truly Rich?

Jason and Mark were childhood friends who both got their first jobs at the same time. They earned the **same amount** of money, but their financial situations changed over the years.

- **Jason was smart** with money:
 - Spent wisely and only splurged occasionally.
 - Saved a portion of every paycheck for emergencies.
 - Learned about investing and put money into stocks and a retirement account.
 - Bought a small house instead of renting.
 - *He always looked poor but was financially secure.*
- **Mark was careless** with money:
 - Spent most of his paycheck on gadgets, clothes, and eating out.
 - Never saved, assuming he would always have more money coming in.
 - Used credit cards for things he couldn't afford, accumulating debt.
 - Never invested, so his money never grew.
 - *He always looked rich but had no financial security.*

10 Years Later: Jason had a **strong net worth**—he owned a house, had savings, and his investments were growing. Even if he lost his job, he had money. Mark, however, had **no savings, a lot of debt, and nothing valuable** to show for his earnings.

Who was truly rich? (*Discuss with students*)

Activity: Understanding Net Worth

1. **Class Discussion:**
 - Create a blank table on the board with two columns: **Assets** (left) and **Liabilities (Debts)** (right).
 - Have students categorize the following:
 - **Money, savings, bike, video game system, a loan from Mom, a credit card bill.**
 - Work as a class to **calculate net worth** by subtracting liabilities from assets.
2. **Group Activity: Managing Money Wisely**
 - Divide students into **4-6 groups**.
 - Each group starts with **\$500**.
 - Present different spending choices (*e.g., saving, buying unnecessary items, investing*).
 - Groups **decide how to use their money** and **calculate their net worth at the end**.
 - Discuss how smart decisions lead to a **higher net worth** over time.

Independent Work

- Complete the worksheets on **pages 118-119**.

Reflection

"Now that we've talked about net worth and worked through examples, what do you think it really means to be rich?"

- Being truly rich isn't about **how much money you make**—it's about **how you manage, save, and invest it**.
- **Your metric for wealth: Net Worth!**

Assessment

- ✓ Students can correctly explain **net worth** and how it increases or decreases.
- ✓ The class can come up with their own examples of how to **impact net worth positively**.
- ✓ Groups successfully analyze spending choices and calculate net worth outcomes.

Understanding Investing

Corresponding Workbook Pages: 74–75

Duration: 45 minutes

Prerequisite: Understanding Active and Passive Income

Lesson Objectives:

- Define what investing is and differentiate between low-risk/low-reward and high-risk/high-reward investment options.
- Identify various types of investments (e.g., savings accounts, REITs, foreign currency) and their potential risks and rewards.
- Apply their understanding by evaluating investment opportunities and calculating returns or break-even periods
- Explain the importance of investing for long-term financial growth and the need to assess risks.

Materials Needed:

- Whiteboard and markers
- Sample investment charts (optional)
- Printed worksheets (optional)

Definitions:

- **Investing** – Using money to buy something with the goal of it growing in value over time.
- **High-Risk Investment** – An investment that could bring high rewards but also has a bigger chance of losing money.
- **Low-Risk Investment** – A safer investment with smaller rewards, but less chance of losing money.

- **Return on Investment (ROI)** – The money earned from an investment, compared to what was originally spent.

Class Discussion:

Begin by writing the definition of **investing** on the board and explain how it helps build long-term wealth.

Share a brief story or example of a real or fictional investor who made money through smart investments (e.g., someone who invested early in Apple or Disney and watched their money grow).

Ask:

- *Why do you think it's smart to invest your money instead of just spending it or saving all of it?*
- *What are some companies or ideas you would want to invest in?*

Write student responses on the board and explore why certain companies feel “safe” or “exciting” to invest in.

Activities:

Independent Work

- Complete pages 74–75 in the workbook. Students will compare different investment opportunities, identify their risk and reward levels, and reflect on which investment they'd choose.

Group Activity

- Read aloud the section on **High Risk vs. Low Risk Investments** from page 74.
- As a class, discuss what each example means and write a few on the board under two columns: **High Risk / High Reward** and **Low Risk / Low Reward**.
- Ask students which type they would prefer and why.

Reflection:

Highlight that **active income** (like mowing lawns) gives fast results, while **investing** (a form of passive income) can take time but grow much bigger.

Ask:

- *Do your parents make mostly active income, passive income, or both?*
- *If you had \$100, would you rather spend it, save it, or invest it? Why?*

Assesment:

- ✓ Students can define investing and differentiate between high- and low-risk investments.
- ✓ Students can identify an investment they'd make and explain their choice.
- ✓ Students understand that investing helps money grow over time.

Understanding Capital, Capital Investment & Capital Gains

Corresponding Workbook Pages: 106-109

Duration: 30 Minutes

Prerequisite: Understanding and Identifying Assets and Liabilities, Understanding Investing

Lesson Objectives

- Define capital and understand its importance in building wealth.
- Understand the concept of capital gain and how it works.
- Identify examples of capital and capital gain in real life.

Definitions

- **Capital** – Money or resources used to create wealth (such as starting a business, buying property, or investing).
- **Capital Investment** – How money (capital) is used to generate income or wealth (e.g., buying a house, starting a business, investing in stocks).
- **Capital Gain** – Profit earned from selling an asset (like property, stocks, or a business) for more than its original purchase price.

Class Discussion

Open with a scenario:

- *"Let's say your family wants to buy a new house. You need money to buy a house, right? You can borrow some money from the bank, but you also need to have some of your own money. That money is called capital."*
- *"When your family buys that house, it is called a capital investment because they are using capital (money) to purchase something valuable."*
- *"Now, if your family sells the house for more money than they paid, the extra money is called a capital gain—the profit made from selling an asset at a higher price."*

Discussion Questions:

- *What are some examples of capital? (Savings account, cash, money from a gift, profits from a small business, etc.)*
- *Where could you get capital from? (Selling a car, bike, or personal items, earning money through a job or business.)*
- *What could you make a capital investment in? (A business, stocks, real estate, collectibles.)*
- *How much capital gain do you think you could earn if you bought something like:*
 - **A car?** *(Not much, maybe none—cars usually lose value.)*
 - **A house?** *(Probably a lot—houses often appreciate over time.)*
 - **A business?** *(If successful, potentially a lot.)*

Story: Max's Lemonade Stand

Max loved lemonade, so he decided to start his own **lemonade stand**. He had **\$50 saved** from birthdays and chores—this money was his **capital**.

With his capital, he bought **ingredients, cups, and a small sign** for **\$30**, leaving him with **\$20**.

Max's **capital investment** was the **\$30** he spent on supplies, hoping to make a profit. After a month, his lemonade stand earned him **\$80**.

Max made a **capital gain** of **\$50** because he sold his lemonade for more than he spent on supplies. He learned that **capital is money you use to start something, investment helps it grow, and capital gains are the profits you make**.

Activity: Identifying Capital, Capital Investment & Capital Gain

1. **Class Discussion Activity:** Write three words on the board: **Capital, Capital Investment, and Capital Gain**. Call out the following scenarios and ask students to decide which term applies:
 - **Mia buys a bike for \$50 and later sells it for \$70.** (*The \$20 difference is a capital gain.*)
 - **Emma uses \$100 of her savings to buy materials for a craft business.** (*\$100 is a capital investment.*)
 - **Jack purchases a baseball card for \$50 and sells it for \$120.** (*\$70 capital gain.*)
 - **Lily invests \$1,000 in a friend's new business.** (*That \$1,000 is a capital investment.*)
 - **Victoria is saving money for the future.** (*That savings is capital.*)
 - **Noah buys a used phone for \$200, repairs it, and sells it for \$400.** (*\$200 capital gain.*)
 - **Olivia puts \$5,000 into a mutual fund.** (*That is a capital investment.*)
 - **After two years, the investment grows to \$6,500.** (*That is a capital gain.*)
2. **Individual Work:**
 - Ask students to write down one example of capital in their life and one way they might make a capital gain in the future.
 - Ask students to research a famous entrepreneur or investor (e.g., **Elon Musk, Bill Gates**) and describe how they used capital to create a business.
 - How much capital did they start with?
 - What did they invest that capital in?
 - How much capital gain did they earn? (*Use net worth or business sale figures as an example.*)
 - Complete workbook pages **106-109**.

Reflection

- *Why is it important to understand capital and capital gain when it comes to building wealth?*
- *How could you use your own money to invest or create capital in the future?*
- *How do smart investments help you grow your wealth?*

Assessment

- ✓ Students correctly identify capital, capital investment, and capital gain in different scenarios.
- ✓ Students create their own **real-life example** of using capital to generate capital gain.
- ✓ Students analyze a famous entrepreneur's investment decisions and capital growth.

Understanding The Importance of Diversification

Corresponding Workbook Pages: 100-101

Duration: 30 Minutes

Prerequisite: Understanding and Identifying Assets and Liabilities, Understanding Investing

Lesson Objectives

- Define diversification and explain its importance in managing financial risk.
- Understand how spreading investments across different areas can reduce the chances of losing money.
- Identify real-life examples of diversification and how it can be applied to investments.

Materials Needed

- Whiteboard and markers
- Visual aids (graphs showing diversification vs. not diversifying)
- Scenario cards (with different investment choices like stocks, bonds, savings accounts, etc.)
- Computers/tablets (optional for research)

Definitions

- **Diversification** – Spreading money across different investments to reduce risk.
- **Risk Management** – Strategies to minimize financial loss.
- **Investment Portfolio** – A mix of different investments owned by an individual.
- **Asset Allocation** – Dividing investments among different types, such as stocks, bonds, and real estate.

Class Discussion

Scenario:

- You have **\$20** and want to grow it into **\$25 or \$40**. Your friend asks for **\$20** to start a dog-walking business, so you invest all your money. But he loses interest, and your money is gone.
- Now, imagine **splitting your money** between three different things:
 - **\$10** to your friend's dog-walking business.
 - **\$5** to buy **5 shares of a small company** at \$1 each.
 - **\$5** to buy **popsicles on sale**, then sell them for \$1 each at the park.

Results:

- **Dog walking business:** Invest **\$10**, Profit **\$0**.
- **Shares:** Invest **\$5**, Profit **\$2.50**.
- **Popsicles:** Invest **\$5**, Profit **\$15**.

Lesson: By **diversifying**, you don't lose everything if one investment fails.

Story: Sarah's Investment Strategy

Sarah, a middle schooler, received **\$500** for her birthday and wanted to invest it. She:

- Put **\$250 into a stock**, **\$150 into a savings account**, and **\$100 into bonds**.
- The stock lost value, but her savings and bonds **steadily grew**.
- Because she **diversified**, she **didn't lose all her money** when one investment didn't do well.

Discussion Questions:

- Why does diversification matter?
- What are some ways to diversify your money?
- Can you think of ways people can diversify outside of stocks and bonds?

Class Activity: Investment Scenarios

Scenario Cards:

Each student receives different investment choices. They analyze:

- **Sign up for an online survey platform** (Cost: **\$10**, Profit: **\$5**).
- **Buy a collectible action figure** (**\$50** → **\$75**, Profit: **\$25**).
- **Deposit in a high-yield savings account** (**\$100**, Earned **\$2** interest).
- **Invest in a tech company** (**\$10**, Grows to **\$12**, Profit: **\$2**).
- **Lend \$50 on a peer-to-peer lending platform** (Earns **\$2.50** interest).
- **Buy a portable speaker for rentals** (**\$100**, Earns **\$75** from rentals).
- **Buy and resell books from a thrift store** (**\$50** → **\$80**, Profit: **\$25**).
- **Invest in a dividend-paying stock** (**\$50**, Earns **\$8** in dividends).
- **Buy and sell cryptocurrency** (**\$10** → **\$12**, Profit: **\$2**).
- **Make and sell bracelets** (**\$20**, Earns **\$30** profit).
- **Buy a discounted gift card** (**\$80** → **\$100** value, Saves **\$20**).
- **Invest in an online business venture** (**\$50**, Earns **\$25** profit).
- **Rent out storage space** (**\$10/month**, Earns **\$60 over 6 months**).
- **Invest in crowdfunding for a gadget** (**\$25**, Earns **\$40** reward).
- **Take stock photos and earn royalties** (**\$50** camera, Earns **\$25**).

Group Activity: Diversifying a Portfolio

- Students divide into groups and **invest \$1,000** by choosing from different assets.
- Each group explains their choices and how they ensure **diversification**.
- Groups present their **investment strategies**, discussing risk and potential return.

Independent Activity

- Complete **workbook pages 100-101**.
- Write about a time they **spread out their choices** (e.g., choosing activities, picking teams).

Reflection

- Why is diversification important for financial success?
- How can spreading investments reduce risk?
- How can diversification apply to life beyond investing?

Assessment

✓ Quiz or exit discussion:

- Define diversification.
- Explain why it's important.

Understanding Stocks & Index Funds

Corresponding Workbook Pages: 98-99, 102-103

Duration: 45 Minutes

Prerequisite: Understanding Investing, Understanding The Importance of Diversification

Lesson Objectives

- Define stocks and explain how they represent ownership in a company.
- Understand what an index fund is and how it allows people to invest in a variety of stocks at once.
- Recognize the importance of stocks and index funds in personal investing and financial growth.

Materials Needed

- Whiteboard and markers
- Visual aids (diagrams explaining stocks and index funds)
- Scenario cards with examples of stock and index fund investments
- Computers/tablets (optional for online research)

Definitions

- **Stock** – A share of ownership in a company.
- **Index Fund** – A collection of many stocks grouped together to reduce risk.
- **Diversification** – Spreading money across different investments to reduce risk.
- **Stock Market** – A place where people buy and sell shares of companies.
- **Shareholder** – A person who owns stock in a company.

Class Discussion:

Understanding Stocks

- *What are stocks? (Gather responses from students.)*
- *If you could own part of any company, which one would you choose? (Prompt with examples of toys, games, or tech companies.)*

Example Scenario:

- Imagine starting a chocolate bar business called "**The Chocolate Recess.**"
- Each chocolate bar costs **\$1 to make** and sells for **\$2**.
- To expand, you sell **5 shares** of your business for **\$100 each** (50% of your company).
- If the business sells **1,000 chocolate bars a month**, it earns **\$1,000 in profit**.
- Shareholders (5 people) split **\$500 in profit**, earning **\$100 per month** for their **\$100 investment**.
- *Would you invest in this business? Why or why not?*
- *What information do you need before deciding?*
- Before investing, it's important to gather enough details to make an informed decision. How much money will your investment actually earn? What risks are involved?

Let's break it down: If each chocolate bar generates **\$1 in profit** and we sell **1,000 bars per month**, that results in **\$1,000 in total profit**. Since you and your **four other investors** own **50% of the company**, that means **\$500 in profit** is shared among you all. This means each of you would receive **\$100 per month** for owning just one share, which you originally purchased for **\$100**.

But what if sales drop? What if a new chocolate company opens and takes customers away? Understanding potential earnings is just one part of making a smart investment—assessing risks is equally important. This is why people research companies and industries before deciding where to invest their money, just like investors do in the real world.

Understanding Index Funds

Investing in a single company can be risky—what if the company doesn't do well? This is where index funds come in. Instead of putting all your money into one company, an **index fund** allows you to invest in many companies at once, reducing the chances of losing everything if one company performs poorly.

An **index fund** is like a big basket that holds tiny pieces of lots of different companies. So instead of buying just one stock, you're buying a little bit of many stocks at the same time. This way, some investments might do well while others might not, but overall, your risk is spread out.

Why Do People Like Index Funds?

They are a great way to **diversify**, or spread out your risk, without having to pick individual stocks. Instead of spending time researching which companies will succeed or fail, you can invest in an index fund that already includes a variety of companies.

Think of it like buying a mixed pack of snacks instead of just one flavor—you're not stuck with just one, and you get to enjoy more variety. Similarly, with an index fund, you don't have to worry about choosing the "perfect" stock because your investment is spread across many companies.

In short:

- **Stocks** give you ownership in a single company, meaning your investment depends entirely on that company's success.
- **Index funds** let you invest in multiple companies at once, reducing your risk and increasing the chances of steady financial growth over time.
- Investing in **one company** is risky (*What if the chocolate company fails?*)
- An **index fund** lets you invest in **many companies at once** (toys, games, clothing, food companies).
- If one company does poorly, the others **balance out the losses**.
- *Why do people like index funds?*
 - **They spread out risk** instead of putting all money into one company.
 - **They save time** – instead of picking individual stocks, investors own many at once.
 - **They grow steadily** over time as companies become more valuable.

Story: Sam vs. Alex's Investment Choices:

- **Sam** invests **\$100 in one tech company**. If the company does well, he makes money, but if it fails, he loses everything.
- **Alex** invests **\$100 in an index fund of 100 companies**. If some companies fail, others may still perform well, protecting his investment.
- *Who is taking the bigger risk? Who is more likely to make steady gains over time?*

Discussion Questions:

- Why do you think Alex might feel safer investing in an index fund?
- What could happen to Sam's investment if his tech company's stock price drops?
- Why do some people prefer to invest in index funds rather than individual stocks?

Activities

Group Scenario Activity:

- Divide students into **small groups** and give them different **investment choices** (stocks vs. index funds).
- Each group decides which strategy would be best and explains why.

Example Scenarios:

1. Invest **\$500 in a tech company stock** and **\$500 in an index fund**. The stock increases **10%**, and the index fund grows **6%**.
2. Invest **\$250 in a clothing company stock** and **\$750 in an index fund** tracking 500 companies. The stock grows **5%**, and the index fund grows **7%**.
3. Invest **\$100 in a video game company**, **\$200 in a fast food company**, and **\$700 in an index fund**. The game stock grows **8%**, fast food grows **6%**, and the index fund grows **5%**.
4. Invest **\$600 in an electric car stock** and **\$400 in a clean energy index fund**. The stock grows **12%**, and the index fund grows **9%**.

- Invest **\$500 in a sneaker company stock, \$300 in a streaming service stock, and \$200 in an index fund**. The sneaker stock grows **6%**, streaming grows **5%**, and the index fund grows **7%**.
- Invest **\$100 in a toy company, \$300 in a health company, and \$600 in a global index fund**. The toy stock grows **3%**, the health stock grows **6%**, and the index fund grows **7%**.

Activity Instructions:

- Groups calculate the **total return** on their investments.
- Discuss: **Which strategy was safer? Which had the highest reward?**
- Would you change your investment choice after seeing the results?*

Independent Work

- Complete **pages 98-99, 102-103** in the workbook.
- Write a short reflection: *Would you rather buy shares in one company or invest in an index fund? Why?*

Reflection Questions:

- How do stocks and index funds help people grow their money?
- How does investing in many companies at once help reduce risk?
- If you had **\$100 to invest**, would you choose **one stock or an index fund**? Why?

Assessment

- ✓ Students correctly explain **the difference between stocks and index funds**.
- ✓ Students evaluate **risk and reward** for different investment choices.
- ✓ Students identify **when to use an index fund versus individual stocks**.
- ✓ Students complete investment calculations accurately.

Understanding Dividends

Corresponding Workbook Pages: 104-105

Duration: 30 Minutes

Prerequisite: Understanding Income, Understanding Investing, Understanding Stocks & Index Funds

Lesson Objectives

- Define dividends and explain how they work.
- Understand why companies pay dividends to their shareholders.

- Identify how dividends can be a great form of income.

Materials Needed

- Whiteboard or chalkboard
- Markers or chalk
- Dividends worksheet (including real-world examples)
- Handout with definitions and examples of dividends
- Calculators (optional)

Definitions

- **Dividend** – A portion of a company’s earnings paid to its shareholders.
- **Shareholder** – A person who owns shares (stock) in a company.
- **Passive Income** – Money earned without actively working for it, such as dividends from investments.
- **Investment** – Money put into something, like stocks, with the expectation of making a profit.

Class Discussion

Open with the following questions:

- *Have you ever heard of people getting money just for owning something?*
- *When do you think that could happen?*

Example:

- How many of you have an **Apple iPhone or iPad**? Let’s say you decided to **buy shares in Apple** (which anyone can do).
- As Apple makes more money from selling iPhones, they **share some of their profits** with their investors—this payment is called a **dividend**.
- Dividends are payments made by a company to its shareholders, usually from the company’s profits.

How Dividends Work:

- Let’s say **you and your friend start a lemonade stand**. If you own a part of the lemonade business, you might receive a **small payment** as a reward for owning part of the business. This is a **dividend**.
- When companies make a **profit**, they can either **keep it** to grow the business or **share it** with shareholders as dividends.

Example Calculation:

- A company makes **\$1,000 in profit** and decides to pay out **\$200 as dividends** to its shareholders.

- If a person owns **10 shares**, and the company pays **\$2 per share**, that person will receive **\$20 in dividends**.

Why Do Companies Pay Dividends?

- To **reward** their investors.
- To **encourage people** to invest in the business.
- Dividends provide **extra income** (passive income) that doesn't require work.
- Not all companies pay dividends—some reinvest profits to **grow bigger** instead.

Story: Sam's Investment in Dividends

Sam, a 12-year-old middle schooler, loved learning about money and business. One day, his uncle told him about buying **shares in companies**, so Sam decided to try it for himself.

- He used **\$100 from chores** to buy shares in **TechCo**, a company that makes phones and gadgets.
- TechCo **paid dividends** to shareholders every year.
- The first year, Sam received **\$5 in dividends**—he was amazed he could **earn money without working!**
- He reinvested the dividends to **buy more shares**.
- By age 15, his **\$100 investment grew to \$200**, teaching him that **small investments can grow over time**.

Discussion Questions:

- *Do you think you could do this?*
- *What would you need to start investing?*
- *How much money would you like to make in dividends?*

Activity: Dividend Calculations

1. Group Scenario Activity:

- Divide students into small groups and give them different **dividend payout scenarios**.
- Have them **calculate** how much money someone would receive in dividends.

Example Scenarios:

- A company pays a **\$5 dividend per share**, and a person owns **15 shares**. How much do they receive? (*Answer: \$75*)
 - A company pays out **\$3,000 in dividends** to **100 shareholders**. If a person owns **5 shares**, how much will they receive? (*Answer: \$150*)
 - A company pays a **\$2 dividend per share**, and a person owns **20 shares**. How much do they receive? (*Answer: \$40*)
- ### 2. Real-World Example:
- Show students **real-world companies** that pay dividends (**Apple, Coca-Cola, Disney**).
 - Look up last year's dividend payments using [Nasdaq's Dividend History](#).

- Discuss how often dividends are paid (**quarterly, annually**).

Discussion Questions:

- What happens if a company **stops paying dividends**?
- Does **not paying dividends** mean a company is failing? (*No, they could be reinvesting profits to grow!*)

Independent Work

- Complete **pages 104-105** in the workbook.
- **Homework:** Research a company and find out:
 - **Does the company pay dividends?**
 - **How much is the dividend?**
 - **How often is it paid?**

Reflection

- *A dividend is money paid to shareholders from a company's profits.*
- *Companies pay dividends to reward investors and encourage investment.*
- *Dividends can be a form of **passive income**, meaning people earn money without working directly for it.*
- *How much money would you like to make from dividends?*
- *How much would you need to save and invest to do that?*

Assessment

- ✓ Students can explain **how dividends work** and **why companies pay them**.
- ✓ Students provide a **real or fictional example** of dividend earnings.
- ✓ Students complete calculations **correctly** in class activities.

Understanding Business & Entrepreneurship

Corresponding Workbook Pages: 78-81

Duration: 30 Minutes

Prerequisite: Understanding Needs vs. Wants, Understanding Goods and Services and How They Work Together

Lesson Objectives:

- Understand what a business is and how it operates.
- Learn what entrepreneurship means and why it is important.
- Identify characteristics of successful entrepreneurs.
- Brainstorm and develop their own simple business ideas.

Materials Needed:

- Whiteboard and markers
- Pictures or videos of young entrepreneurs
- Printed worksheet for brainstorming a business idea
- Small prizes for participation (optional)

Definitions:

- **Business** – A company or organization that sells products or services to earn money.
- **Entrepreneur** – A person who starts and runs a business.
- **Product** – Something you can sell, like an item or object.
- **Service** – Something you do for someone in exchange for money.
- **Profit** – The money left after all expenses are paid.
- **Customer** – A person who buys goods or services from a business.

Class Discussion:

Ask students:

- What is a business?
- Can you name some businesses you use every day?

Explain: A business sells a product or service to make money. Many businesses hire employees to help with tasks like packaging, shipping, customer service, and sales.

Introduce Entrepreneurs: Entrepreneurs are the people who start businesses. They are:

- Creative thinkers
- Problem-solvers
- Risk-takers
- Hardworking

Examples of Young Entrepreneurs:

- Elon Musk (Tesla)
- Mateo – Founded LOTTA WORLDWIDE, a motivational apparel brand
- Angelina Ly – Started Fireflyslime at age 14
- Sydney and Toni Loew – Created Poketti, plushies with phone pockets

Brainstorming Prompt: If you wanted to be an entrepreneur, what could you do?

- Design t-shirts and sell them online
- Sell crafts or snacks at local events
- Offer neighborhood services like pet-sitting
- Start a YouTube channel for a niche audience

Story: The School Snack Business

Jordan noticed that students often forgot snacks. He bought snacks in bulk and sold them during lunch. When the school banned selling, he adapted by taking snack orders and delivering them after school.

Moral: Entrepreneurs solve problems and keep going even when challenges arise.

Questions for Discussion:

- What problem did Jordan solve?
- What qualities made him a good entrepreneur?
- Can you think of a business idea that solves a problem in your school or community?

Activities:

Class Activity – "Shark Tank" Business Brainstorm:

- Split students into small groups.
- Each group creates a business idea.
- They decide what to sell, who their customers are, and what prices they will charge.
- Groups present their ideas to the class in a "Shark Tank" pitch.

Individual Work:

- Complete workbook pages 78-81.
- Write a two-page business plan including:
 - Product/service description
 - Target customers
 - Pricing strategy
 - Cost and profit calculations

Reflection:

- What makes a good business idea?
- If you started a business, what would it be?
- What skills do entrepreneurs need to succeed?

Assessment:

- ✓ Students write down one business idea and how it helps others.
- ✓ Students name an entrepreneur, describe their business, and explain why it's successful.

Understanding the Differences of Revenue & Profit

Corresponding Workbook Pages: 90-93

Duration: 15 Minutes

Prerequisite: Understanding Business & Entrepreneurship

Lesson Objectives:

- Understand the difference between revenue and profit.
- Learn how businesses earn money and what costs they must consider.

- Calculate revenue and profit using simple examples.
- Apply the concepts to real-life situations or small business ideas.

Materials Needed:

- Whiteboard and markers
- Printed worksheets with revenue and profit calculations
- Play money or tokens (optional)
- A simple business example (e.g., lemonade stand or snack shop)

Definitions:

- **Revenue** – The total money a business earns from selling its products or services.
- **Costs** – The money a business spends to make or sell its product or service.
- **Profit** – The money a business has left after subtracting its costs from its revenue.
- **Business** – An organization that sells goods or services to earn money.

Class Discussion:

Ask students:

- Have you ever sold something?
- Had a lemonade stand?
- Helped with a garage sale or fundraiser?

Introduce the concept: When you sell something, the money you earn is called **revenue**. This is the total amount of money a business brings in by selling goods or services.

Example: You set up a lemonade stand and sell 5 cups at \$1 each. Your revenue is **\$5**. But you spent **\$1** on frozen lemonade mix. That means you only made **\$4** after paying your cost. That leftover amount is called **profit**.

Formula to write on the board:

Revenue – Costs = Profit

Story: Emma's Cookie Business

Emma started selling homemade cookies at school for **\$2 each**. She sold **20 cookies** in one day.

- **Revenue:** $20 \times \$2 = \40
- **Costs:** Flour, sugar, chocolate chips = \$15
- **Profit:** $\$40 - \$15 = \$25$

Emma learned that even though she made \$40, her **real earnings** (profit) were only \$25.

Questions for Discussion:

- What is revenue?
- What is profit?
- Why do businesses need to track their costs?
- What expenses would you consider if you were starting a business?
- Why is profit important for a business?

Activities:

Group Activity – Revenue & Profit Calculation Game Give students various scenarios:

- Selling bracelets or keychains
- Pet sitting or dog walking
- Baking and selling snacks
- Offering car washes
- Reselling toys or books

Each group:

- Calculates **revenue**, **costs**, and **profit**
- Shares results with the class

Business Challenge

- Divide students into small groups
- Come up with a business idea, pricing, and estimated costs
- Present their business model and potential **revenue** and **profit**

Individual Work

- Complete workbook pages 90-93
- Optional: Track money earned in the next week and calculate their personal revenue and profit

Reflection:

- What was the most important thing you learned?
- Why do you think businesses care about profit?
- How could this lesson help if you start a business one day?

Assessment:

- ✓ Students explain the difference between **revenue** and **profit**
- ✓ Students complete example calculations correctly
- ✓ Students participate in group or individual business scenarios

Understanding Advertising & Customers

Corresponding Workbook Pages: 86-89

Duration: 15 Minutes

Prerequisite: Understanding Needs vs. Wants, Understanding Goods and Services and How They Work Together

Lesson Objectives:

- Understand what advertising is and why businesses use it.
- Identify different types of advertising (online, TV, social media, word-of-mouth, etc.).
- Learn how businesses attract and keep customers.
- Analyze real-life examples of advertising and discuss their effectiveness.

Materials Needed:

- Whiteboard and markers
- Examples of ads (printed or digital: TV commercials, online ads, posters, etc.)
- Worksheet with an activity on creating an advertisement
- Small prizes or tokens (optional for interactive activities)

Definitions:

- **Advertising** – A way for businesses to share information about their products or services with potential customers.
- **Customer** – A person who buys goods or services from a business.
- **Target Audience** – The specific group of people a business wants to reach with its ad.
- **Word-of-Mouth** – When people share their experiences with a product or service by talking to others.
- **Promotion** – Special offers or deals used to attract customers.

Class Discussion:

Ask: “Have you ever seen an ad that made you want to buy something? What was it?”

Explain: Advertising is how businesses **tell people about their products** and try to **convince them to buy**.

Where do we see ads?

- TikTok
- TV commercials
- Social media
- YouTube videos
- Posters and billboards
- Word-of-mouth
- Store displays

If you owned a video game or shoe store, how would you get people to come in and buy? You need **customers**, and the best way to attract them is through **advertising**.

Good ads get the attention of the right customers and make them interested in what the business offers.

Story: The Lemonade Stand

Liam and Maya opened a lemonade stand on a hot summer day. They had a great setup—but no one came.

Maya had an idea. They made a big, colorful sign. They asked a neighbor to help spread the word and even posted about their stand online. Soon, people came from all over, and they sold out in an hour.

Moral of the story: Even the best product won't sell if nobody knows about it. That's why advertising is so important.

Questions for Discussion:

- Why didn't Liam and Maya sell lemonade at first?
- What changed when they advertised their stand?
- Can you think of a time when an ad made you want to buy something?
- What makes an ad good or bad?

Activities:

Class Activity: Ad Analysis

- Show students different ads (videos, posters, online banners).
- Ask them to vote on which one is most effective.
- Have students explain why the ad worked or didn't work.

Group Project: Create an Advertisement

- Divide students into small groups.
- Each group chooses a product (real or imaginary).
- They create an ad using one of the following formats:
 - Poster
 - Skit/commercial
 - Social media post
- Each group presents their ad to the class.

Individual Work:

- Complete workbook pages 86-89.

Reflection:

- What makes an advertisement work?

- How do companies design ads to get customers' attention?
- If you had your own business, how would you advertise it?

Assessment:

- ✓ Students identify one thing they learned about advertising.
- ✓ Provide three example ads (real or fictional) and have students:
 - Identify the **target customer**
 - Determine the **type of ad**
 - Explain what makes it effective or ineffective
 -

Understanding What a Scholarship Is

Corresponding Workbook Pages: 30–31

Duration: 30 Minutes

Prerequisite:

Lesson Objectives:

- Define what a scholarship is and recognize its role in supporting education.
- Identify personal inspirations, dreams, and historical figures that influence educational aspirations.
- Apply their understanding by crafting written responses to scholarship application questions.
- Explain the importance of scholarships in achieving academic and personal goals.

Materials Needed:

- Whiteboard and markers
- Blank lined paper for writing activity
- Sample scholarship prompt (optional)

Definitions:

- **Scholarship** – Money awarded to a student to help pay for education. It is usually based on merit, need, or special talents and does not need to be paid back.

Class Discussion:

Write the word **Scholarship** on the board along with its definition. Read the definition aloud and explain how scholarships can help people go to school, especially when they may not have enough money.

Ask:

- “Why is it important to learn and do well in school?”
- “What are some dreams or goals you have for your future after high school?”

Write their responses on the board. Have students complete the "Dreams and Aspirations" section in the workbook to reflect on their own goals.

Activities:

Independent Work

- Students complete workbook pages 30–31, reflecting on their goals and interests.
- Explain that scholarships often require a written letter. Hand out lined paper and instruct students to write a pretend **Scholarship Application Letter** to a fictional school. Their letter should include:
 - Their name and grade
 - Their favorite hobbies and talents
 - What they enjoy learning about
 - What they hope to achieve with the help of a scholarship

Encourage students to use their own voice and be proud of what makes them unique.

Reflection:

Ask:

- "Why are scholarships a good thing?"
- "How could a scholarship help someone from a low-income family?"

Reinforce the idea that education can open doors and scholarships help make that possible for more people.

Assessment:

- ✓ Observe student participation in discussion and completion of workbook pages.
- ✓ Read their scholarship letters to evaluate how well they understand the purpose and personal impact of a scholarship.