



FEDERAL DEPOSIT INSURANCE CORPORATION

# Money Smart for Elementary School Students



Instructor Guide

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## Money Smart for Elementary School Students Layering Table

Pages	Time (Min.)	Topic	Subtopic & Activities	Target Audiences
6	5	Checking In	<ul style="list-style-type: none"> <li>• Purpose</li> <li>• Student Materials</li> </ul>	<ul style="list-style-type: none"> <li>• All students</li> </ul>
7–8	5–10	Overview of Saving	<ul style="list-style-type: none"> <li>• Introduction</li> </ul>	<ul style="list-style-type: none"> <li>• All students</li> </ul>
8–9	10–15	Needs vs. Wants	<ul style="list-style-type: none"> <li>• Activity 1: Needs vs. Wants</li> </ul>	<ul style="list-style-type: none"> <li>• All students</li> </ul>
9–10	10	Spending Plans	<ul style="list-style-type: none"> <li>• Activity 2: My Spending Plan</li> </ul>	<ul style="list-style-type: none"> <li>• All students</li> </ul>
10–12	15–25	The Meaning of “Pay Yourself First”	<ul style="list-style-type: none"> <li>• Why is it Important to “Pay Yourself First?”</li> <li>• Activity 3: Savings Goal</li> </ul>	<ul style="list-style-type: none"> <li>• All students</li> </ul>
12–13	10–15	Savings Tips	<ul style="list-style-type: none"> <li>• Activity 4: Savings Tips</li> </ul>	<ul style="list-style-type: none"> <li>• All students</li> </ul>
14–15	10–15	Grow Your Money	<ul style="list-style-type: none"> <li>• Activity 5: Grow Your Money</li> </ul>	<ul style="list-style-type: none"> <li>• Older, more advanced students</li> </ul>
15–17	15–25	What Do Banks Do?	<ul style="list-style-type: none"> <li>• Why Keep Money in a Bank?</li> <li>• Activity 6: Race to the Bank Maze</li> </ul>	<ul style="list-style-type: none"> <li>• All students</li> </ul>
17–18	20	Lesson Summary	<ul style="list-style-type: none"> <li>• Activity 7: Money Smart Posters</li> </ul>	<ul style="list-style-type: none"> <li>• All students</li> </ul>

## Getting Started

### Purpose

The *Money Smart for Elementary School Students* lesson helps students ages 5–8 identify ways to save money. It introduces savings options students can use to save toward their goals.

### Presentation Time

Each topic has an approximate completion time listed in the *Money Smart for Elementary School Students* Layering Table. Use the suggested times to personalize the lesson based on your students' needs, age level, and given time period. Allow extra time for activities and questions when teaching younger students and/or larger groups.

### Materials and Equipment

Teachers will need the following materials and equipment to present the *Money Smart for Elementary School Students* curriculum:

- Dry erase board, chalk board, or chart paper
- Poster board
- Construction paper or colored paper
- Pencils, pens, markers, crayons, or colored pencils
- Glue or tape
- Scissors

### Lesson Activities

- Activity 1: Needs vs. Wants
- Activity 2: My Spending Plan
- Activity 3: Savings Goal
- Activity 4: Savings Tips
- Activity 5: Grow Your Money
- Activity 6: Race to the Bank Maze
- Activity 7: Money Smart Posters

## Icons

The following icons are used throughout the Instructor Guide to indicate what type of activity will be conducted.

**Learning Objectives**

List the objectives to set the stage for learning.

**Flip Chart**

Use a flip chart to document students' comments or write important points for students to remember.

**Presentation**

Present information or demonstrate an idea.

**Review**

Refer students to and summarize material provided in the Student Activity Book.

**Activity**

Guide students through an activity to support their learning.

**Ask a Question**

Present a problem or question for discussion.

**Discussion**

Facilitate a discussion about a topic as directed.

## Checking In

### 5 minutes or less Purpose



The *Money Smart for Elementary School Students* lesson will help students understand why it is important to save money and identify ways they can save money. It will also introduce savings options that they can use to save toward their goals.



By the end of the lesson, students will be able to:

- Describe the difference between a “need” and a “want” and the importance of having a spending plan.
- Explain why it is important to save money.
- Identify two reasons to use an insured financial institution.

**The teacher introduces the lesson and clearly states the objectives.**

### Student Materials

**Refer students to the Student Activity Book. Review its contents and organization.**

Each student should receive a copy of the *Money Smart for Elementary School Students* Student Activity Book. Students can take it home and use it as a reference. It contains:

- Information and activities to help them learn the material
- Tools and instructions to complete the activities

## Lesson Topics

### 5–10 minutes Overview of Saving



*This section will help you gauge how much students know about paying themselves first.*



*Facilitate a discussion about paying yourself first. You may also want to ask how many students have money saved.*



Today we are going to talk about what we do with our money. *Hold up several dollar bills and coins.*

Money comes to us in many different ways. You may be given money as a gift, like for your birthday or a holiday. You may also do a good deed, like help a neighbor rake leaves or shovel snow. As a reward for your kindness, your neighbor may give you a dollar or two for your help. When you get older and have a job, you receive money in the form of a paycheck.

After you get money, what do you do with it? Do you put it in a piggy bank and save it for something special or do you spend it right away on a new toy or ice cream?

*Acknowledge students who raise their hands.*



*Ask students if they have any questions. If students do not have any questions, transition to the next topic, Needs vs. Wants.*

We talked about how we receive money and what we like to do with our money. Next, we are going to discuss our “needs” and “wants” and what makes them different.

## 10–15 minutes Needs vs. Wants



*Ask students:* What is the difference between a “need” and a “want?”

*Write students’ responses on dry erase board, chalk board, or chart paper.*



**Need** – A need is something you *must* have to live.

- Examples: shelter, food, water, clothing, medicine, soap

**Want** – A want is something you *would like* to have but that you can live without.

- Examples: video games, stuffed animals, toys, vacations, jewelry, candy, soda
- It can also be a more expensive version of something you need. For example, you need shoes, but you don’t have to have the expensive brand you see a friend wear or that is advertised on TV.



### **Activity 1: Needs vs. Wants**

Look at the Needs vs. Wants activity in your Student Activity Book. Take a few minutes to review the items on the page. You need to decide which items are “needs” and which items are “wants.” Then, you need to match each item by drawing a line from the item to the correct box.

**Refer students to Activity 1: Needs vs. Wants on page 1 in their Student Activity Book.**

There are two boxes—one is labeled “needs” and the other “wants.” When you are done matching the items in the correct boxes, we will go over them as a class.

**Materials needed to complete this activity:** Pencils, pens, markers, crayons, or colored pencils.

*Give students 5–10 minutes to match the items that are considered needs and wants. Ask for volunteers to share their thoughts with the class. Make sure students understand which items are needs*

*and which are wants before moving on to the next topic. Encourage students to color in the pictures at home and share them with their families.*



*Ask students if they have any questions about needs and wants. If students do not have any questions, transition to the next topic, Spending Plans.*

Now we will talk about the importance of knowing what we spend our money on.

## 10 minutes **Spending Plans**



Sometimes you might receive money for your birthday or for doing a good deed and wonder a week later where your money went and what you bought with your money.

A good way to take control of your money is to decide on the most you plan to spend each week or each month for certain expenses, such as movie rentals and snack food.

This task is commonly known as “budgeting” your money or developing a “spending plan.” And to help manage your money, it's worth keeping a list of your expenses for about a month, so you have a better idea of where your dollars and cents are going.



### **Activity 2: My Spending Plan**

Turn to the My Spending Plan worksheet in your Student Activity Book. First, review the sample spending plan with students. The sample spending plan should be used as a reference for filling out the blank one.

**Refer students to Activity 2: My Spending Plan on page 2–3 in their Student Activity Book.**

The worksheet has two columns. One column lists the days of the week (Sunday through Saturday) for one week and the other column is blank for you to fill in what you spend money on. Today is {today's day of the week}. Has anyone bought something today? If so, fill in what you bought in the blank space next to

{today's day of the week}.

*Ask students to take their spending plans home and fill them out for the next week. Remind students daily that they should be recording their purchases. Have students bring their spending plans to class in one week to discuss how easy or difficult it was to record their purchases/expenses.*



*Ask students if they have any questions about spending plans and their take-home assignment. If students do not have any questions, transition to the next topic, The Meaning of “Pay Yourself First.”*

We talked about the differences between “needs” and “wants.” We also learned that it is important to write down or track what we spend our money on. Now we will look at what it means to “pay yourself first.”

## 5–10 minutes **The Meaning of “Pay Yourself First”**



*Ask Students:* What do you think it means to “pay yourself first?”

*Acknowledge students’ responses.*

“Paying yourself first” means that you save your money. When you get money (for example, money for doing a good deed); you put some of that money in a bank account (or piggy bank) before you buy things that you want.

*Ask students:* Why would you want to save your money before buying things you want, like toys and candy?



*Confirm that students understand the meaning of “pay yourself first.” If students understand this concept, transition to the next topic, Why is it Important to “Pay Yourself First?”*

Now that we understand what it means to “pay yourself first,” let’s talk about why it is important.

## 10–15 minutes Why is it Important to “Pay Yourself First?”



There are many reasons to pay yourself first. You can:

- Learn to manage money better
  - **Example:** I want to save money so I can buy things I need and want.
- Save money toward goals
  - **Example:** I want to save money to buy a new video game.
- Improve the way you live
  - **Example:** I want to save money to buy food that is good for me.
- Have money for emergencies
  - **Example:** I want to save money to buy medicine when I am sick.
- Save money for upcoming events
  - **Example:** I want to save money so that I can buy my mom a birthday gift next month.

*Ask Students:* What are some of the things you might want to save money for?

*Acknowledge students' responses.*



**Refer students to Activity 3: Savings Goal on page 4 in their Student Activity Book.**

### **Activity 3: Savings Goal**

One way to meet your savings goal (something you want to buy with your money) is to see what you want to save money for. To do this, you are going to write down and draw a picture of your savings goal (for example, a bicycle) in the piggy bank in your Student Activity Book.

**Materials needed to complete this activity:** Crayons, markers, or colored pencils.

*Ask for volunteers or call on students to share their goals with the class. Encourage students to take their piggy banks home and*

*share them with their parent(s)/guardian(s).*



*Ask students if they have any questions about why it is important to save money. If students understand this concept, transition to the next topic, Savings Tips.*

We have talked about why it is important to save and have identified our savings goals. Now we will look at some tips for how to save our money.

## 10–15 minutes Savings Tips



Many people spend all of the money they get. However, saving money is important. You may think you are too young to start saving.

*Ask students:* What are some things you can do to start saving money?



*Write students' responses on dry erase board, chalk board, or chart paper.*



### **Activity 4: Savings Tips**

Discuss each money-saving activity as a class. Ask students to identify what is going on in the picture and how it can help save their families' money. In the blank space, instruct students to draw their own money-saving activity that they can use at home.

**Refer students to Activity 4: Savings Tips on page 5 in their Student Activity Book.**

The money-saving activities include:

- Turn off the lights if not in the room.
- Shop around for the best deal.
- Buy snacks in bulk to take to school rather than buy them from a vending machine.

**Materials needed to complete this activity:** Crayons, markers, or colored pencils.

*Ask for volunteers or call on students to share their money-saving activity with the class. Encourage students to take their savings tips home and share them with their parent(s)/guardian(s).*



*Ask students if they have any questions about ways to save money. If students understand this concept, transition to the next topic, *Grow Your Money* or *What Do Banks Do*. Please read the *Teacher's Note* to the left before advancing.*

**Teacher's Note:** The next topic, “Grow Your Money,” may be too difficult for some students. If this topic is too advanced, skip to the topic, “What Do Banks Do?”

*If you choose to teach *Grow Your Money*:*

Now that we are familiar with several ways to help our families save money, let's discuss how you can grow your money by keeping it in a savings account.

*OR*

*If you choose to skip *Grow Your Money* and teach *What Do Banks Do*:*

Now that we are familiar with several ways to help our families save money, let's discuss how you can save your money by keeping it in a bank.

## 10–15 minutes **Grow Your Money (Optional)**



**Teacher's Note:** *Grow Your Money* may be too advanced for your students. Please consider your students' age level and learning needs before incorporating this topic into your classroom. Activity 5 is associated with

People who put even a small amount of money into a savings account as often as they can and leave it untouched for years may be amazed at how big the account grows.

*Ask students:* How does your money grow in a savings account?

*Acknowledge students' responses.*

Your money grows through a combination of saving as much as possible on a regular basis and the impact of interest payments. The sooner you begin saving, the easier it will be to reach your financial goals.

this topic. If you choose not to incorporate this topic in your lesson, you can still have your students color in the picture for fun.

Interest is:

- An amount of money banks or other financial institutions pay you for keeping money on deposit with them
- Expressed as a percentage
- Calculated based on the amount of money in your account

*To demonstrate this concept, use two coffee cans with a slot cut in the lid. Label the first coffee can, “Piggy Bank” and the second coffee can “FDIC-insured Bank.” The “Piggy Bank” should be empty but the “FDIC-insured Bank” should have two pennies inside.*

For example, let’s say that every day for one week you can either put one penny in your piggy bank or one penny in an FDIC-insured bank. We will try both out and see which one has more money at the end of the week.

*Take 14 pennies and give them to students in the class.*

It is Monday. Who wants to save money?

*Have one student put a penny in the “Piggy Bank” and one student put a penny in the “FDIC-insured Bank.”*

Let’s pretend a day has gone by. It is now Tuesday. Who wants to save money?

*Have one student put a penny in the “Piggy Bank” and one student put a penny in the “FDIC-insured Bank.” Continue this activity for all seven days of the week. Seven pennies should have been deposited in the “Piggy Bank” and seven in the “FDIC-insured Bank.”*

*Ask students: How many pennies are in the piggy bank? Acknowledge students’ responses.*

*Ask students:* And how many pennies do you think are in the FDIC-insured bank?

*Acknowledge students' responses.*

*Empty the "Piggy Bank" and count the seven pennies with the class. Now empty the "FDIC-insured Bank" and count the nine pennies with the class.*

There is more money in the FDIC-insured bank because every couple of days the bank paid us a penny for letting them use their money. That's called interest and that's why your money can grow faster in a savings account than it can if you leave it at home.



**Refer students to Activity 5: Grow Your Money on page 6 in their Student Activity Book.**

### **Activity 5: Grow Your Money**

Discuss the picture as a class. Ask students to explain what is going on in the picture. The larger piggy bank inside the FDIC-insured bank is getting bigger through the interest money.

Meanwhile the two little piggy banks on the outside of the bank are not growing as big because they are not receiving the interest money.

**Materials needed to complete this activity:** Crayons, markers, or colored pencils.

*Encourage students to talk to their parent(s)/guardian(s) about opening a savings account at a FDIC-insured financial institution.*



*Ask students if they have any questions. If students seem to understand this concept, transition to the next topic, What Do Banks Do?*

We know that our money grows by keeping it in an interest-earning bank account, but what exactly do banks do? Next, we are going to discuss banks and why we should keep money in them.

## 5–10 minutes What Do Banks Do?



*Reiterate to students the importance of saving money. This section will help you gauge how much students know about banks and what they do. The term “banks” includes credit unions and thrifts.*

*Ask for a show of hands:* How many of you keep your money at home? How many of you have a bank account (for example, a savings account)?

A bank is a business that offers you a safe place to keep your money. Banks offer many services to help you with your money.

*Ask for a show of hands:* Who has visited a bank with their mom/dad, grandparents, or another family member?

## 10–15 minutes Why Keep Money in a Bank?



Why do you (or should you) keep your money in a bank? Some reasons might include:

**Safe** – What happens if someone steals your piggy bank or you lose it? You would be out of the money. But, money in a bank is safe from theft, loss, and fire. You also do not have to worry if the bank ever closes (goes out of business). That is because the FDIC insures your savings in an insured bank account. Since the creation of the FDIC over 75 years ago, no depositor has ever lost one penny of insured deposits.

**Easy** – You can get money quickly and easily. What happens if you have an emergency and you need to buy medicine but you left all of your money at home?

*Ask for a show of hands:* How many of you have visited an Automated Teller Machine (ATM) with your parents? What did they do at the ATM?

**Teacher’s Note:** The Federal Deposit Insurance Corporation (FDIC) insures deposits up to the maximum amount allowed by law. This means that the FDIC will return customers’ money up to \$250,000.00 per depositor, per insured bank based on the current Standard Maximum Deposit Insurance Amount (SMDIA) if a bank closes and cannot give its customers

their money. The National Credit Union Administration (NCUA) provides similar insurance coverage for deposits in insured credit unions.



**Refer students to Activity 6: Race to the Bank Maze on page 7 in their Student Activity Book.**

You can also use ATMs to get fast access to your money. Most ATMs are available 24 hours a day, 7 days a week. You can also use your bank's ATM or debit card to make purchases instead of using cash.

**Accessing Other Bank Services** – Opening a savings account can help you build a relationship with the bank that may be helpful when you grow up and need to borrow money for something like a new car.

### **Activity 6: Race to the Bank Maze**

Students need to get the piggy bank (filled with money) to an FDIC-insured bank. Throughout the maze there are obstacles or temptations preventing the piggy bank from getting to the bank. Students will have to be “Money Smart” and ignore the temptations (for example, candy store, pet shop, video arcade, etc.).

**Materials needed to complete this activity:** Pencils, pens, crayons, markers, or colored pencils.

*Ask students to list the obstacles or temptations they came across while completing the maze. Acknowledge their responses. Then, ask students how they would avoid these obstacles/temptations in their lives?*



*Ask students if they have any lingering questions about banks and what they do. If there are no questions, transition to the Lesson Summary and final in-class activity.*

## 20 minutes Lesson Summary



**Review what was covered in the lesson, and student expectations listed at the beginning, to make sure all student questions have been covered.**

*Ask students:* What have you learned about paying yourself first?

*Have students complete the remaining activities in the Student Activity Book on their own and answer any final questions they have.*

*Ask students:* What final questions do you have?

We have covered a lot of information today about how to save for your goals. You learned:

- What it means to pay yourself first and how you can benefit by doing it
- The difference between a “need” and a “want”
- Tips to help your family save money
- Why it is good to keep your money in an insured financial institution
- *Optional:* How your money can grow faster in a savings account

You should now be able to take this information and begin saving!



**Refer students to Activity 7: Money Smart Posters on page 8 in their Student Activity Book.**

### **Activity 7: Money Smart Posters**

The final lesson activity is designed to help students practice what they have learned and teach other students the importance of being “Money Smart.” Teachers will have students work together in small groups to create a poster that explains the importance of saving money, the difference between “needs” and “wants,” the importance of a spending plan, or why people should use banks insured by the FDIC.

Each group will create one poster based on one of the objectives for the Money Smart lesson. After students complete their posters, hang the posters around the school to show the school the importance of being Money Smart. The posters will serve as

community service announcements for the other students, teachers, and staff.

**Materials needed to complete this activity:** One piece of poster board per group, markers, crayons, colored pencils, scissors, glue, tape, or construction paper.

*Let's help the rest of the school be Money Smart too! We are going to make posters to hang around the school to show other students and teachers the importance of saving money and using an insured financial institution, such as a bank or credit union.*

## Dictionary

**Allowance:** Money given to a child by an adult for helping out with household chores.

**Automated Teller Machine (ATM):** A computer terminal with which you can deposit cash and checks into your account or withdraw cash from your account 24 hours a day, 7 days a week.

**Bank:** A business that offers you a safe place to keep your money and uses your deposits to make loans. This business is also called a financial institution.

**Compounding:** Interest paid on money that is invested, allowing the initial investment to increase over time.

**Expenses:** The amount of money spent to achieve a goal(s).

**Federal Deposit Insurance Corporation (FDIC):** The Federal Deposit Insurance Corporation (FDIC) insures deposits up to the maximum amount allowed by law. This means that the FDIC will return customers' money up to \$250,000.00 per depositor, per insured bank based on the current Standard Maximum Deposit Insurance Amount (SMDIA) if a bank closes and cannot give its customers their money.

**Goal:** Something you wish to achieve.

**Income:** Money received for working for a period of time.

**Interest:** An amount of money banks or other financial institutions pay you for keeping money on deposit with them.

**National Credit Union Association (NCUA):** The National Credit Union Administration (NCUA) provides similar insurance coverage to the FDIC for deposits in insured credit unions.

**Need:** A need is something you must have to live.

**Pay Yourself First:** When you receive money, you should put some of that money in a savings account before you buy things that you want.

**Paycheck:** A check for wages made out to an employee.

**Savings Account:** A bank account that earns interest.

**Want:** A want is something you would like to have but that you can live without.

## For Further Information

### **Federal Deposit Insurance Corporation (FDIC)**

[www.fdic.gov/consumer](http://www.fdic.gov/consumer)

1-877-ASK-FDIC (275-3342)

Visit the FDIC's website for additional information and resources on consumer issues. For example, every issue of the quarterly *FDIC Consumer News* provides practical hints and guidance on how to become a smarter, safer user of financial services. Also, the FDIC's Consumer Response Center is responsible for:

- Investigating all types of consumer complaints about FDIC-supervised institutions
- Responding to consumer inquiries about consumer laws and regulations and banking practices

### **U.S. Financial Literacy and Education Commission**

[www.mymoney.gov](http://www.mymoney.gov)

1-888-My-Money (696-6639)

MyMoney.gov is the U.S. Government's website dedicated to teaching all Americans about financial education. Whether you are planning to buy a home, balance your checkbook, or invest in your 401k the resources on MyMoney.gov can help you. Throughout the site you will find important information from federal agencies.