

Tools for Instruction

Make Financial Decisions

Objective Identify the costs and benefits of decisions involving income, spending, saving, credit, and charitable giving.

Materials number cube (1 per pair), counters (1 per student), **Financial Decisions Game Board** (1 per pair) (page 3), **Financial Decisions Cards** (1 per pair) (pages 4–6), **Card Organizer Sheet** (1 per pair) (page 7), **Bills** (1 per student) (pages 8–10)

People make financial decisions every day. Should I spend this money on a weekend trip or buy a new sofa? I worked an extra few hours this week—should I spend the money on a dinner out or save it toward a new car? Students are already familiar with terms such as *income* and *spending*, and they know that money can be spent, saved, or given away. In this lesson, students play a game to help them understand their choices with the financial decisions that people must make.

Step by Step 20–25 minutes

1 Discuss options after receiving money.

- On the board, write the word *income* and have students read it. Ask: *What is income?* (Sample answer: money that is earned through work or a job) *If you earned money from having a lemonade stand, what would you do with the money?* (Sample answers: buy snacks, buy school supplies, donate the money to a charity) *What would you do if you used all of your supplies for lemonade and people still wanted more?* (Sample answer: buy more supplies so I can keep selling)
- Explain that income can be used in different ways. Write *planned spending* and *unplanned spending* on the board and read the terms with students. Ask: *What is planned spending?* (Sample answer: money that a person expects to spend) *What are some examples of planned spending?* (Sample answers: rent, insurance, car payment)
- Repeat with *unplanned spending*, noting that this includes bills that are unexpected, such as the need to repair a car if it breaks down.
- Write *charitable donations* on the board. Remind students that people can give money for good causes, such as improving the environment or helping animals. Ask: *Is giving money to a charity an example of planned or unplanned spending?* (Answers will vary. Some students may say planned because you can commit to giving the charity a specific amount of money each month. Others may say unplanned because you could decide to only donate money once.)
- Continue with discussing *credit* and *saving*. Explain that credit allows people to pay later for items they receive now. Review that saving means putting money aside to use for an emergency or a more expensive purchase later.

Support English Learners Point out the prefix *un-* in *unplanned spending* and contrast the term with *planned spending*. Explain that *un-* is a prefix that means “not,” so *unplanned* means “not planned.”

2 Discuss financial decisions.

- Explain that people often need to decide what to do with the income they earn.
- Remind students of their answer for how they would spend earnings from a lemonade stand. Ask: *Did you make good decisions with your earnings? Explain.* (Answers will vary.) Encourage students to provide evidence to support how they decided to spend their money. Ask: *What might happen if you do not make good decisions with your earnings?* (Sample answers: run out of money, not be able to get the things I want, have no savings)

3 Play the Financial Decisions game.

- Give each pair a copy of the **Financial Decisions Game Board** (page 3), a set of **Financial Decisions Cards** (pages 4–6), one copy of the **Card Organizer Sheet** (page 7), two sets of **Bills** (pages 8–10), one number cube, and two counters to use as game pieces. Tell students to take \$400 to begin the game.
- Have students place the **Financial Decisions Cards** into the categories on the **Card Organizer Sheet**. Have them place any leftover money into a bank.
- Explain that students will take turns tossing the number cube and moving clockwise around the board. On his or her turn, the student moves the number of spaces shown and chooses a card that corresponds to the space landed on. For instance, if a student lands on Savings, he or she takes a Savings card. At the end of each turn, return the **Financial Decision Card** to the bottom of the stack.
- Tell students that each card has two options and that the student will choose one. For instance, a student might have the choice of saving for a computer or saving for a drone. After making the choice, the student explains his or her decision.
- Have the student save or spend the amount of money shown on the card. For Income or Credit, the student takes the amount shown from the bank. Have students list at the bottom of the **Card Organizer Sheet** any credits they have taken. The total credit is due at the end of the game. For Savings, the student puts that amount aside. For Planned Spending, Unplanned Spending, or Charitable Donations, the student returns that amount to the bank.
- The game ends when one player has gone around the board twice.
- Wrap up by discussing students' choices. Ask: *Which decisions were difficult? Which were easy? Why?* (Answers will vary.)

Check for Understanding


Provide the following example for students. *Kelly received \$50 for her graduation. She can choose to save, spend, or donate the money. Describe a plan for the money.*

For the student who struggles, use the table below to help pinpoint where extra help may be needed.

If you observe . . .	the student may . . .	Then try . . .
the student cannot tell you what he or she plans to do with the money,	not understand the meaning of terms such as <i>spending</i> and <i>saving</i> .	having the student use play money and act out spending, saving, and donating.
the student cannot explain the reasoning for his or her choice,	not know how to weigh the benefits and drawbacks for each possible decision.	making a different choice and modeling your reasoning for making that choice and creating a chart listing the costs and benefits of your choice.

Name _____

Financial Decisions Game Board

Income	Unplanned spending	Savings	Charitable donations	Planned spending
Planned spending	Financial Decisions			Credit
Charitable donations				Unplanned spending
Savings				Planned spending
Start Draw an income card. 	Credit	Unplanned spending	Savings	Income

Name _____

Financial Decisions Cards

Income Card

Babysit: \$60

Or

Walk neighbor's dog: \$50

Income Card

Wash the car: \$40

Or

Lemonade stand: \$50

Income Card

Help a friend move: \$150

Or

Mow lawns: \$100

Income Card

Sold bike: \$200

Or

Yard sale: \$150

Savings Card

Computer: \$20

Or

Drone: \$50

Savings Card

Bike: \$25

Or

Tablet: \$40

Savings Card

Cell phone: \$50

Or

Shoes: \$15

Savings Card

Scooter: \$45

Or

College: \$150

Name _____

Unplanned Spending Card

Broken glasses: \$85

Or

Tablet screen repair: \$100

Unplanned Spending Card

Instrument repair: \$25

Or

New bike tire: \$20

Unplanned Spending Card

Bicycle repairs: \$40

Or

Replace lost soccer ball: \$15

Unplanned Spending Card

Vet visit: \$75

Or

New scooter battery: \$65

Planned Spending Card

Gym membership: \$20

Or

Pet supplies: \$35

Planned Spending Card

Cell phone bill: \$25

Or

School supplies: \$10

Planned Spending Card

Eating out: \$80

Or

Movies and entertainment: \$40

Planned Spending Card

New clothes: \$60

Or

Club dues: \$25

Name _____

Charitable Donations Card

Animal rescues: \$15

Or

Food pantry: \$10

Charitable Donations Card

Disaster relief: \$20

Or

Veterans' fund: \$15

Charitable Donations Card

Educational scholarships: \$15

Or

Local library: \$10

Charitable Donations Card

Forest preservation: \$15

Or

Zoos: \$15

Credit Card

Bank loan: \$200

Or

Loan from parent: \$150

Credit Card

Store credit: \$50

Or

Loan from aunt: \$75

Credit Card

Credit union loan: \$200

Or

Loan from grandparent: \$100

Credit Card

Store credit: \$140

Or

Loan from sibling: \$50

Name _____

Card Organizer Sheet

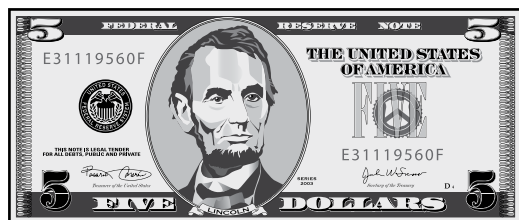
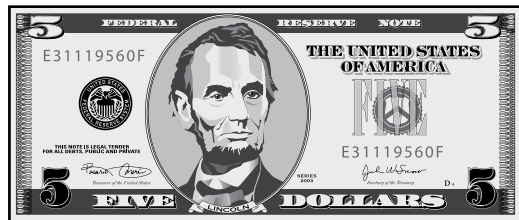
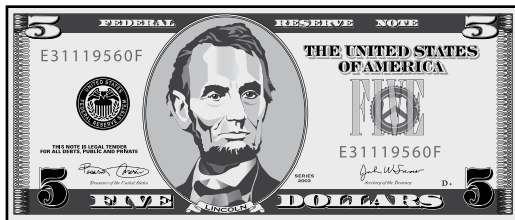
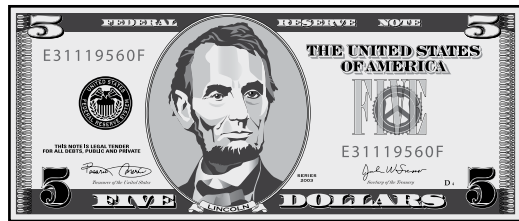
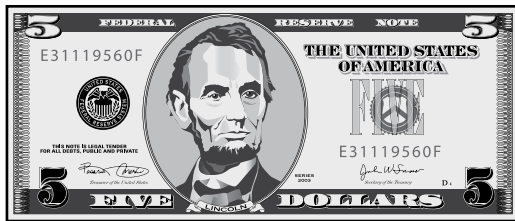
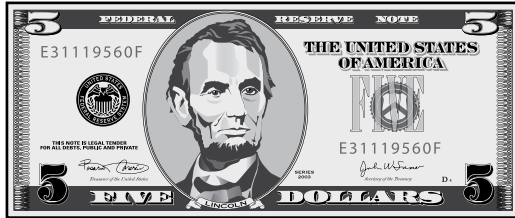
Income**Savings****Planned Spending****Unplanned Spending****Charitable Donations****Credit**

Credit Due at End of Game

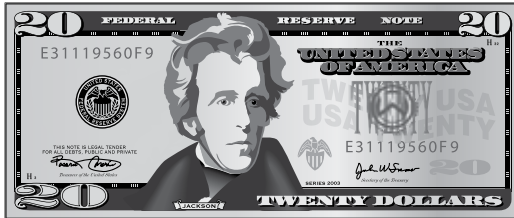
Credit Due at End of Game

Name _____

Bills



Name _____



Name _____

Bills

