

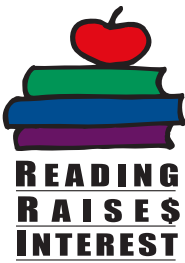
National Teach Children to Save Day

Money Troubles

By Bill Cosby (Scholastic)

- ▶ **Description:** Little Bill wants to discover a comet and be famous. First he needs a telescope ... but it costs \$100! Where will Little Bill find that much money? (Ages 6-10)
- ▶ **Personal Finance Concepts:** Spending, income, saving
- ▶ **Related Subject Areas:** Helping others
- ▶ **Time required:** 30 to 90 minutes
- ▶ **Materials Required:**
 1. Copy of Money Troubles
 2. Optional Activity: Have students create "critter banks." Provide a one-gallon milk jug for each student or another container, such as a cardboard can with a lid or an oatmeal box. (Prior to the lesson, ask parents to collect and send well-rinsed milk jugs or other containers to school.)
 3. Markers for each student.
 4. Paste, pipe cleaners, plastic eyes, ribbon, yarn, construction paper, tissue paper, and other art supplies.
- ▶ **Procedure:**
 1. Explain that today students will listen to a story called Money Troubles.
 2. Ask the students if they've ever had to save for something they really wanted.
 3. Read the story and discuss the following.
 - a. What did Little Bill want to be and how was he going to do it? (He wanted to be famous and have a comet named after him, so he needed to buy a telescope)
 - b. Not counting what he already had saved, how much did Little Bill need to raise? (\$52.13, a total of \$100)
 - c. Who did Little Bill ask about how they raised money when they were young? (Dad)
 - d. What was Little Bill's first job? (Washing Mrs. Rizzo's car)
 - e. How long did it take him to do that job? (Almost all day)
 - f. Little Bill was tired after washing the car, too tired to play what? (Basketball with his friends)
 - g. What was his second job? (Collecting pop cans)
 - h. Why did he leave the cans for someone else? (Little Bill knew that the boy needed the money more than he did)
 - i. How did he save \$8? (By having his friend cut his hair)
 - j. What did he buy with the money he collected? (Food for the school food drive)
 - k. How did Little Bill become famous? (By collecting the most food and being a good citizen)

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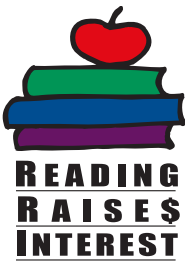


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► **Procedure:** (continued)

4. Explain that when we spend money we use it to buy things. Ask students for examples of things that they buy. (Candy, baseball cards, video games, clothes, school lunches)
5. Explain that some of the things we buy are goods and some are services. **Goods** are things that we can touch and use. **Services** are activities that people do for us, such as cutting our hair.
6. Explain that the money the Little Bill received for washing the car is called income. When people work, they receive **income**. Ask students when they have received income for the work that they have done. (Setting the table, cleaning rooms, picking up toys, helping mom or dad with yard work, walking a neighbor's pet)
7. Explain that sometimes Little Bill received money as a gift or for no reason at all. Ask students the following.
 - a. When have you received money as a gift? (Birthday, Christmas, Hanukkah)
 - b. When have you received money for nothing at all? (Grandparents visited, parents gave me money to spend at the mall)
8. Explain that most people spend some of their income and save some of their income. When they **spend**, they buy goods and services right now. When they **save**, they keep part of their income to spend in the future. Discuss the following.
9. Little Bill expected to raise \$52.13 in one day, but sometimes it takes days, weeks and even years to save money.
 - a. What other kinds of work could Little Bill do to earn money? (Deliver newspapers, collect empty bottles, wash cars. Ask students what they could do to earn money.)
 - b. Discuss the importance of saving money. Little Bill had \$47.87 saved in his piggy bank. Ask the children how much, if any, do they save when they work or receive gifts.
10. Explain that when people put savings in a bank, the bank pays the people interest. This means that the bank gives people a little extra money for saving. **Interest** is the price banks pay to encourage people to save at the bank. Interest is also the price people pay to borrow money.
11. Point out that when you save, you collect (accumulate) savings. Little Bill put his savings in his football "piggy" bank, but you can also take it to the local bank.
12. Even though Little Bill ends up not buying a telescope and having a comet named after him, he becomes "famous" in another way. How? Ask the students to name ways they have helped other people, either by giving money or doing something for them. You may want to discuss the different purposes of saving: to fulfill short-term goals (such as buying a telescope, a Game Boy or a bike); to fulfill long-term goals (saving for college, or for adults, buying a home or taking a vacation); to be prepared in case of an emergency (losing one's job, car breaks down); to invest; and to give to charity, like Little Bill did.

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► **Procedure:** (continued)

13. Place art supplies on a table in the room. Distribute a milk jug to each student. Explain that students can use the milk jug to create a creature. Explain that students may use their markers and any of the art supplies on the table to create their bank.
14. Point out that there must be a slot in the critter bank through which students can drop coins. With the milk jug, they can remove the cap to drop in coins, or they may choose a spot on their bank for a coin slot. As they finish making their banks, check to see which students want a coin slot cut into the bank. Use a pair of pointed scissors to cut the slots for the students.

► **Closure:**

To review the main points of the lesson, discuss the following.

1. What are goods? (Things we can touch and use)
2. Give some examples of goods. (Clothes, shoes, ice cream cones, pizza, toys)
3. What are services? (Activities that people do for us)
4. Give some examples of services. (Bike repair, concert, movie, doctor's care)
5. What is income? (Money people receive for their work)
6. What is spending? (Using income to buy goods and services)
7. What is saving? (Income that isn't spent on goods and services now)
8. What is interest? (The amount people receive for their savings and the amount they pay to borrow)
9. Why do people save? (To fulfill short-term or long-term goals; to be prepared for an emergency; to invest; to give to charity.)

Lesson plan adapted from plan by Mary Suiter, Courtesy of the Center for Entrepreneurship and Economic Education, University of Missouri – St. Louis

