



Sidney Goodcents & Friends

Teachers Guide
Grades 3-5



Teaching Opportunity®



Financial Foundations for Kansas Kids is an interactive economics and personal financial literacy curriculum for students grades K-8. This teacher's guide is designed for the FF4Kids (Grades 3-5) curriculum of the program.

Sidney Goodcents reinforces and expands on many of the concepts presented by Buddy Bargain in the K-2 curriculum, while introducing more sophisticated concepts such as the role of government, financial institutions, lending and borrowing, and markets. Sydney and her friends use these new concepts to help make better decisions as they encounter economic and financial dilemmas.

Sidney Goodcents and Friends (3-5) contains

- 29 teaching units
 - 79 interactive exercises
 - 71 interactive math exercises

The lessons contained in this program correlate to:

- Kansas State Standards for Economics and Personal Finance contained within the Kansas Standards for History and Government; Economics and Geography;
- Kansas State Standards for Mathematics;
- Kansas State Standards for Language Arts;
- National Standards for Economics developed by the National Council on Economic Education; and
- National Standards for Personal Financial Literacy developed by the Jump\$tart Coalition for Personal Financial Literacy.

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Financial Foundations for Kansas Kids is available free-of-charge to all elementary and middle schools in Kansas. Many Kansas organizations joined to make this project possible. These organizations understand the importance of preparing our children to be productive members of the community. They also understand that it is not a job for educators alone – we all have a responsibility when it comes to the education of our youth.

**The Kansas Council for Economic Education
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Learning Standards

[Kansas Economics Standards](#)

[National Personal Finance Standards](#)

[Kansas Math Standards: 3d Grade, 4th Grade, 5th Grade](#)

[Kansas Communication Arts Standards](#)

Link to **[CORRELATIONS: Economics/Personal Finance/Math/Language Arts*](#)**

Link to **[GLOSSARY](#)**

*The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

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Level 3: Program 1 – Dollar Dilemmas

Episode 1 – Producers and Consumers

03 01 01

Synopsis: Penny wants to produce a play but discovers that she will need resources, including a lava-spewing volcano and a live turkey.

Interactive Exercises: Students define producer, resources, goods and services

Standards/Concepts: S = Standard; B = Benchmark; K = Knowledge Indicator

Economics	3rd Grade S1 B1 K1	human resources, capital resources, natural resources, producer
Mathematics	3rd Grade S1 B1 K3	computation, problem solving
Comm Arts	3rd Grade S1 B4 K13	reading and listening purpose

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will explain that producers use resources to produce goods and services provide goods and services to consumers.

Time Required: 55 minutes (20 minutes for the computer program and 35 for the Activity.)

Activity: This lesson requires the book, *The Goat in the Rug*. The lesson focuses on producers and resources, while also teaching language arts concepts.

Access activity here: <http://ecedweb.unomaha.edu/lit-goat.htm>

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Buyer](#), [Capital Resources](#), [Consumer](#), [Goods](#), [Human Resources](#), [Income](#), [Money](#), [Natural Resources](#), [Producer](#), [Resources](#), [Seller](#), [Services](#), [Spending](#)

Teacher Notes:

Level 3: Program 1 – Dollar Dilemmas

Episode 2 – Consumers and Their Wants

03 01 02

Synopsis: Nick learns that owning a dog is a big responsibility and that part of that responsibility is being sure the dog is fed and cared for. Sydney teaches Nick that he is a consumer who has wants for his dog, Pierre.

Interactive Exercises: Students differentiate between consumers and producers and between goods and services.

Standards/Concepts: S = Standard; B = Benchmark; K = Knowledge Indicator

Economics:	3rd Grade S1 B5 K1	producers, consumers
Mathematics:	3rd Grade S4 B2 K1	data analysis
Comm Arts:	3rd Grade S1 B4 K13	reading and listening purpose

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will explain that consumers purchase goods and services to satisfy their wants. Students will give examples of producers and consumers.

Time Required: 45 minutes (20 for the computer program and 25 for the activity)

Activity: Class discussion following the computer program: Ask students to give an example of a pet they have at home or would like to have. Ask what items (housing, food, toys, etc.) each pet requires. In groups of two or three students (make sure pets in each group are different) ask the students to do a Venn diagram using the needs of each pet. Ask students to estimate the cost of providing the pets' needs. This web site has prices for a variety of pet products: www.petsmart.com. Complete a graph showing the pet and the estimated cost and then ask students if they would still choose the same pet.

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Buyer](#), [Consumer](#), [Goods](#), [Money](#), [Positive Incentive](#), [Producer](#), [Resources](#), [Seller](#),
[Services](#), [Wants](#)

Level 3: Program 1 – Dollar Dilemmas

Episode 3 – How Markets are Created

03 01 03

Synopsis: Penny and Sydney get into a bidding war over a trading card that Ben's offering for sale. The kids discover that a market has developed.

Interactive Exercises: Students define a market, match buyers and sellers, and identify markets and sellers.

Standards/Concepts: S = Standard; B = Benchmark; K = Knowledge Indicator

Economics:	3rd Grade S1 B2 K1	market, monetary exchange, producer, consumer
Personal Finance:	S3 B1 4th Grade K1	personal financial decision making,
Mathematics:	3rd Grade S4 B2 K1, S3 B4 K3	graphing, problem solving
Comm Arts:	3rd Grade S1 B4 K13	reading and listening purpose

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will identify and give examples of markets that are created when buyers and sellers exchange goods and services in the community.

Time Required: 50 minutes (20 minutes for the computer program and 35 for the activity)

Activity: What is Competition? Students will understand what businesses are; that a marketplace exists whenever buyers and sellers exchange goods and services, and that there is competition in the market place if you have more than one seller of the same item or similar items.

Access activity here: <http://www.econedlink.org/lesson/509/What-is-Competition>

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Buyer](#), [Choice](#), [Community](#), [Exchange](#), [Goods](#), [Market](#), [Money](#), [Price](#), [Producer](#), [Services](#), [Seller](#), [Wants](#)

Teacher Notes:

Level 3: Program 2 – Money Mayhem

Episode 1 – Some Resources are Limited

03 02 01

Synopsis: Penny is producing another play, this time it's Shakespeare. She discovers, however, that she needs to gather resources. Sydney points out that human resources are particularly scarce – Penny has only two actors playing 26 parts!

Interactive Exercises: Students define and identify resources and recognize that there are not enough resources to satisfy everyone's wants.

Standards/Concepts: S = Standard; B = Benchmark; K = Knowledge Indicator

Economics: [3rd Grade S1 B1 K1](#) limited resources, scarcity, wants

Mathematics: [3rd Grade S2 B2 K4](#) equations

Comm Arts: [3rd Grade S1 B4 K13](#) reading/listening purpose

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will learn that there are not always enough resources to satisfy all want for goods and services.

Time Required: 60 minutes (20 minutes for the computer program and 40 minutes for the activity)

Activity: The Productive Blues (Jeans). Students explore various websites, learning about the production of jeans, chocolates, gum, and pencils.

Access activity here: <http://www.econedlink.org/teacher-lesson/229/>

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Capital Resources](#), [Choice](#), [Goods](#), [Human Resources](#), [Natural Resources](#),
[Resources](#), [Scarcity](#), [Services](#), [Wants](#)

Teacher Notes:

Level 3: Program 2 – Money Mayhem

Episode 2 – How Wants are Satisfied

03 02 02

Synopsis: Penny forms a band to perform at “Willfest,” a fundraiser to send Will to a baseball game. Sydney doesn’t consider this a cause worth funding and, instead, explains to Will that he can’t have everything he wants and must make good saving and spending decisions.

Interactive Exercises: Students make saving and spending decisions.

Standards/Concepts: S = Standard; B = Benchmark; K = Knowledge Indicator

Economics:	3rd Grade S1 B5 K1, K3	saving, spending, income, decision-making
Personal Finance:	S3 B1 4th Grade K1	spending and saving
Mathematics:	3rd Grade S1 B3 K1 S1 B4 K1	estimation, computation
Comm Arts:	3rd Grade S1 B4 K13	reading and listening purpose

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will understand that wants for goods and services are met through spending and saving decisions.

Time Required: 50 minutes (20 minutes for the computer program and 30 minutes for the activity)

Activity: Tim’s Turn to Learn. Students read a story about Tim’s spending problems and discover a tool, a spending diary that can help students make wise spending decisions.

Access activity here: <http://www.umsl.edu/~wpockets/clubhouse/library.htm>.

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Choice](#), [Goods](#), [Income Taxes](#), [Money](#), [Price](#), [Saving](#), [Services](#), [Spending](#), [Wants](#)

Teacher Notes:

Level 3: Program 2 – Money Mayhem

Episode 3 – Opportunity Cost

03 02 03

Synopsis: It's a rainy day, so the kids decide to meet in the tree house and play games. After a few boring rounds of charades, they decide to play a board game – but which one?

Interactive Exercises: Students practice identifying the opportunity cost of a decision.

Standards/Concepts:

Economics:	3rd Grade S1 B1 K1	decision-making, opportunity cost, choices
Mathematics:	3rd Grade S3 B2 K1	measurement, estimation
Comm Arts:	3rd Grade S1 B4 K13	reading and listening purpose

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will identify the opportunity cost of a choice.

Time Required: 45 minutes (20 minutes for the computer program and 25 minutes for the activity)

Activity: Jelly Belly Jam: a Lesson on Decision Making. In this lesson, students will make a decision making chart and use it to help them in deciding which flavor of Jelly beans to buy.

Access activity here: <http://www.econedlink.org/teacher-lesson/365/undefined>

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Choice, Opportunity Cost](#)

Teacher Notes:

Level 3: Program 3 – Currency Chaos

Episode 1 – Where People Save and Borrow

03 03 01

Synopsis: When Ben opens the Bank of Ben, Nick is eager to borrow money – until he is informed that he must pay interest. He doesn't want to pay the interest and looks to Sydney and Will to back him up. Sydney explains that interest is the price people pay to borrow money, and furthers the discussion by explaining the various types of financial institutions and their functions.

Interactive Exercises: Students describe the various financial institutions, differentiate between lending and borrowing, and define interest.

Standards/Concepts:

Economics:	3rd Grade S1 B3 K1	interest, financial institutions
Personal Finance:	S3 B3 4th Grade K6	financial institutions, savings
Mathematics:	3rd Grade S1 B4 K1, S3 B2 K4, S2 B3 K2	computation, estimation
Comm Arts:	3rd Grade S1 B4 K13	reading and listening purpose

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will identify banks, credit unions, and savings and loan associations as places where people save money and earn interest and where other people borrow money and pay interest. Students will give examples of borrowing and lending.

Time Required: 60 minutes (25 minutes for the computer program and 35 minutes for the activity)

Activity: What's My Interest? In this lesson, students explore the concept of interest by means of two activities. The first, a simple activity with jellybeans, introduces the concept of interest accrument, and the second, a practical, "real world" activity, reinforces the concept and places it into a larger context.

Access activity here: <http://www.econedlink.org/lessons/index.cfm?lesson=EM377&page=teacher>

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Bank](#), [Borrow](#), [Borrowing](#), [Credit](#), [Credit Union](#), [FDIC](#), [Goods](#), [Interest](#), [Lending](#), [Loan](#), [Money](#), [Price](#), [Save](#), [Savings](#), [Services](#), [Spend](#)

Teacher Notes:

Level 3: Program 3 – Currency Chaos

Episode 2 – How Income is Used

03 03 02

Synopsis: Sydney, Penny and Ned have plans to ride the In-spin-erator at Thrillville, but Penny has no money. The kids go on to discuss her need for an income and the various ways in which she might earn income.

Interactive Exercises: Students will give examples of how people earn income by doing work. Students will give examples of saving income or using it to buy goods and services

Standards/Concepts:

Economics:	2nd Grade S1 B5 K1 , 3rd Grade S1 B5 K3	income, saving, wages
Personal Finance:	S1 B1 4th Grade K1	income, careers
Mathematics:	3rd Grade S1 B1 K3b , S3 B2 K3 , S3 B2 K2	number sense, measurement and estimation, transformation, geometry
Comm Arts:	4th Grade S1 B4 K12	reading and listening

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students define income and identify jobs that would provide income.

Time Required: 60 minutes (20 minutes for the computer program and 40 minutes for the activity)

Activity: [Do I Look Like I'm Made of Money?](#) One of the most common replies given by parents when their children ask for money is "Do I look like I'm made of Money?" This lesson is designed to educate students about the need for money as a generally accepted medium of exchange. The students will also learn how money is earned. Finally, the students will identify useful endeavors they can be a part of.

Access activity here: <http://www.econedlink.org/teacher-lesson/556/undefined>.

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Goods](#), [Income](#), [Interest](#), [Money](#), [Price](#), [Profit](#), [Rent](#), [Saving](#), [Services](#), [Spending](#), [Wages](#), [Wants](#)

Teacher Notes:

Level 3: Program 3 – Currency Chaos

Episode 3 – Human Capital and Incentives

03 03 03

Synopsis: Ben is working on his comedy act when Sydney explains that he is developing his human capital through practice. She describes her mother’s experience in developing her human capital as a chemist. Her mother’s employer helped with this development by offering incentives such as childcare and tuition payments.

Interactive Exercises: Students identify ways to develop human capital and provide examples of positive and negative incentives.

Standards/Concepts:

Economics:	4th Grade S1 B5 K1	incentives, human capital, decision making
Personal Finance:	S1 B2 4th Grade K3	income, careers
Mathematics:	3rd Grade S3 B2 K3, S4 B2 K3	estimation, statistics
Comm Arts:	4th Grade S1 B4 K12	reading and listening

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will state ways people can develop their human capital and use it when they work. Students will give examples of positive incentives and negative incentives and how they affect people’s choices and behavior.

Time Required: 35 minutes (20 minutes for the computer program and 15 minutes for the activity)

Activity: Have students develop a list of the human capital they possess, such as the ability to read, write, compose, play an instrument or draw. Tell students to identify ways they could improve their human capital such as by attending school or practicing.

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Benefits](#), [Buyer](#), [Capital Resources](#), [Choice](#), [Consumer](#), [Costs](#), [Human Resources](#), [Market](#), [Natural Resources](#), [Negative Incentive](#), [Positive Incentive](#), [Producer](#), [Production](#), [Profit](#), [Seller](#)

Teacher Notes:

Level 3: Program 3 – Currency Chaos

Episode 4 – Employee Benefits and Jobs

03 03 04

Synopsis: Just as Ben is about to send off for his Amazing Mathmo Megavision Binoculars, Ned shows up wearing a pair. Ben has gone to the trouble of collecting box tops, adding \$3.00 for shipping and handling, and writing a letter to get his pair, but Ned was able to get his because his aunt works for the company offering the binoculars. Sydney explains that the binoculars are an employee benefit. This is a continuation of the idea of positive incentives presented in Episode 3.

Interactive Exercises: Students define employee benefits and give examples. They also identify jobs in the community.

Standards/Concepts:

Economics:	3rd Grade S1B2 K1	income, wages, employee benefits, monetary exchange
Personal Finance:	S1 B1 4th Grade K1	wages, salary, benefits
Mathematics:	3rd Grade S1 B1 K1b, S3 B3 K1	mathematical relationships, transformation
Comm Arts:	4th Grade S1 B4 K12	reading and listening

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will understand that people earn an income and sometimes employee benefits for the work they do. Students will give examples of different types of jobs people do within a community.

Time Required: 60 minutes (20 minutes for the computer program and 40 for the activity)

Activity: Inventive Incentive. There are many ways in which people are rewarded or penalized for doing, or not doing, their work. These are known as “incentives.”

Access activity here: <http://www.econedlink.org/teacher-lesson/260/undefined>.

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Benefits](#), [Community](#), [Income](#), [Money](#), [Price](#), [Specialization](#)

Teacher Notes:

Level 4: Program 1 – The Trade-off Tug of War

Episode 1 – Opportunity Cost of Activities

04 01 01

Synopsis: Sydney has a perfect score in science. To keep her A+ record, she must pick the perfect science experiment to complete her homework. She has four experiments to choose from. She explains that after she makes her choice, she will experience opportunity cost.

Interactive Exercises: Students identify opportunity cost.

Standards/Concepts:

Economics:	5th Grade S1 B1 K2	opportunity cost, decision making
Mathematics:	4th Grade S3 B2 K5b, S2 B3 K2	measurement, estimation, mathematical relationships
Comm Arts:	4th Grade S1 B4 K12	reading and listening

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will identify the opportunity cost of an activity.

Time Required: 55 minutes (25 minutes for the computer program and 30 minutes for the activity)

Activity: You Decide! Think about a difficult decision you have had to make. After you decided did it work out? Why or why not? Why do you think decisions and choices are hard to make? We make personal decisions and we make decisions as groups. There is a tool you can use to improve your decision making that will help you reach a better outcome.

Access activity here: <http://www.econedlink.org/teacher-lesson/396/undefined>.

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Capital resources](#), [Choice](#), [Human Resources](#), [Natural Resources](#), [Opportunity Costs](#)

Teacher Notes:

Level 4: Program 1 – The Trade-off Tug of War

Episode 2 – Most Decisions Require Trade-offs

04 01 02

Synopsis: Nick is stressing over which games to play at the computer program arcade. He has only eight tokens but wants to play two games. Sydney explains that he could use all of his tokens to play one game or the other, or he could give up playing some of one game in order to play more of another.

Interactive Exercises: Students define and explain trade-offs.

Standards/Concepts:

Economics:	4th Grade S1 B1 K1	trade-offs, decision-making, exchange
Personal Finance:	S3 B1 4th Grade K1	financial decision making
Mathematics:	4th Grade S1 B4 K3e, S2 B2 K2a	computation, equations
Comm Arts:	4th Grade S1 B4 K12	reading and listening

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will recognize that most decisions require trade-offs

Time Required: 60 minutes (30 minutes for the computer program and 30 minutes for the activity.)

Activity: Hawaiian Economics: From the Mountains to the Sea Ancient

Hawaii was ruled by chiefs, who were responsible for the well-being of their people and for managing the islands' resources. The chiefs divided the islands into land districts shaped like pie slices called Ahupua'a (ah-who- pu-ah-ah.) Each Ahupua'a covered the three main regions of the islands: the mountains, the valleys, and the shore. This system was designed to allow all Hawaiian communities equal access to the limited natural resources of the islands.

Access activity here: <http://www.econedlink.org/teacher-lesson/470/undefined>.

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Choice](#), [Community](#), [Money](#), [Price](#), [Trade](#), [Trade-offs](#), [Wants](#)

Teacher Notes:

Level 4: Program 1 – The Trade-off Tug of War

Episode 3 – Costs Versus Benefits

04 01 03

Synopsis: Sydney visits Ben in the tree house to find him with two phones in his hands anticipating his opportunity to win a call-in radio contest. Ben skipped soccer practice to listen to the radio, so Sydney introduces a discussion about the costs and benefits of Ben's decision.

Interactive Exercises: Students define and identify the costs and benefits of a decision.

Standards/Concepts:

Economics:	4th Grade S1 B5 K2	decision making, costs and benefits
Mathematics:	4th Grade S3 B4 K3, S1 B4 K3a	geometric concepts, number sense
Comm Arts:	4th Grade S1 B4 K12	reading and listening

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will identify the costs and the benefits of making a choice.

Time Required: 70 minutes (25 minutes for the computer program and 45 for the activity)

Activity: Sand Art Brownies In this lesson, you will learn about substitute goods. You will have choices to make in your role as a shopper. In making these choices, you will decide whether you are willing to accept one good as a substitute for another or not. Are you willing to make substitutions at the grocery store? Complete this lesson and see.

Access activity here: <http://www.econedlink.org/teacher-lesson/592/>.

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Benefits](#), [Borrow](#), [Choice](#), [Costs](#), [Money](#), [Price](#), [Trade](#)

Teacher Notes:

Level 4: Program 2 – A Supply and Demand Market

Episode 1 – Market Economic Systems

04 02 01

Synopsis: Ben discovers that competition forces businesses to offer quality products at competitive prices when he goes up against Trent Trainor for the lemonade trade. Ben's price is high compared to Trent, and Trent offers lemon bars to go with his lemonade, free of charge! Sydney explains that Ben is participating in a market economic system.

Interactive Exercises: Students define a market system and suggest ways that Ben could better compete.

Standards/Concepts:

Economics: [4th Grade S1 B3 K1](#)

market economy, monetary exchange, production

Personal Finance: [S1 B2 4th Grade K3](#)

careers, economic conditions, income

Mathematics: [4th Grade S4 B2 K1g, S1 B1 K1b](#)

number sense

Comm Arts: [4th Grade S1 B4 K12](#)

reading and listening

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will define and give examples of a “market economic system.”

Time Required: 60 minutes (25 for the computer program and 35 for the activity)

Activity: Use the NCEE online lesson, [To Market To Market](#). In a classroom market, students discover the effect of prices on consumers and producers.

Access activity here: <http://www.econedlink.org/teacher-lesson/357/undefined>

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Buyer](#), [Choice](#), [Consumer](#), [Demand](#), [Entrepreneur](#), [Exchange](#), [Goods](#), [Income](#), [Market](#), [Market Economy](#), [Money](#), [Price](#), [Producer](#), [Production](#), [Saving](#), [Seller](#), [Services](#), [Spending](#), [Supply](#), [Wants](#)

Teacher Notes:

Level 4: Program 2 – A Supply and Demand Market

Episode 2 – Market Competition and Prices

04 02 02

Synopsis: Penny and Sydney are interested in the Pink-a-Links Ben has available at his garage sale – until they hear the price. Ben’s Pink-a-Links are twice as expensive as the new ones that are on sale at Globomart. Ben discovers that he must lower his price.

Interactive Exercises: Students explain how prices are determined, all the ways sellers compete, and how Ben competes with another seller.

Standards/Concepts:

Economics:	4th Grade S1 B3 K1	prices, producers, consumers, market, monetary exchange
Personal Finance:	S3 B1 4th Grade K1	financial decision making, spending alternatives
Mathematics:	4th Grade S1 B1 K1c	computation
Comm Arts:	4th Grade S1 B4 K12	reading and listening

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will explain that in markets, prices are determined when buyers and sellers interact. Students will explain that sellers compete on the basis of price, product quality, customer service, product design, variety, and advertising

Time Required: 60 minutes (20 minutes for the computer program and 40 minutes for the activity.)

Activity: Competition: Pizza! Students will learn about competition in the market place. They will understand that competition takes place when there are many buyers and sellers of similar products. They will discuss how competition among sellers results in lower costs and prices, higher product quality, and better customer service.

Access activity here: <http://www.econedlink.org/teacher-lesson/383/undefined>.

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Buyer](#), [Consumer](#), [Exchange](#), [Market](#), [Money](#), [Price](#), [Producer](#), [Seller](#), [Spending](#), [Supply](#)

Teacher Notes:

Level 4: Program 2 – A Supply and Demand Market

Episode 3 – Careers and Specialization

04 02 03

Synopsis: Penny is producing a play about a long-ago time when settlers established farms and produced most of the goods and services they used themselves. Sydney explains that these days, people choose to specialize in a career area and purchase their goods and services from others.

Interactive Exercises: Students define specialization, state why specialization is important, and provide examples of people specializing during the interactive exercises.

Standards/Concepts:

Economics:	5th Grade S1 B1 K3	specialization, income, markets
Personal Finance:	S1 B2 4th Grade K3	careers, financial decision making
Mathematics:	4th Grade S3 B2 K2c, S4 B2 K1f	data analysis
Comm Arts:	4th Grade S1 B4	reading and listening

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will identify careers that require specialized skills and give examples of why specialization is necessary.

Time Required: 70 minutes (25 for the computer program and 45 for the activity)

Activity: [Hawaiian Economics: Barter for Fish & Poi](#). In ancient Hawaii, chiefs managed the economy by creating a land division system, the Ahupua'a, which divided the islands into pie slice shapes. Each Ahupua'a covered the three main regions of the islands: the mountains, the valleys, and the beach. This system was designed to allow all Hawaiian communities equal access to the limited natural resources of the islands. However, it took a lot of time and energy to gather and grow all these resources, which were often spread out over great distances and located at different elevations. Many Hawaiians began to specialize in fishing and farming, and soon there was a need for Hawaiians to trade with one another to receive items they were no longer growing or gathering for themselves.

Access activity here: <http://www.econedlink.org/lesson/478/undefined>.

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Consumer](#), [Goods](#), [Market](#), [Producer](#), [Resources](#), [Services](#), [Specialization](#)

Teacher Notes:

Level 5: Program 1 – Decisions, Decisions

Episode 1 – Effects of Scarce Resources

05 01 01

Synopsis: Ben wants an Amazing Mathmo action figure, but the store has only a few available for sale. Sydney explains that scarcity exists not only in this situation, but in many situations faced by individuals, communities, states, and nations.

Interactive Exercises: Students define scarcity and work through some allocation problems.

Standards/Concepts:

Economics:	5th Grade S1 B1 K1	scarcity, resources, government goods and services
Mathematics:	5th Grade S1 B4 K2.c & K 2.d	computation
Comm Arts:	5th Grade S1 B4 K14	reading and listening

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Learning Objective: Students will explain how scarcity of resources requires individuals, communities, states, and nations to make choices about goods and services.

Time Required: 70 minutes (25 for the computer program and 45 for the activity)

Activity: Destination: Mars. Students decide what they should take on their trip to Mars.

Access activity here: <http://www.econedlink.org/teacher-lesson/392/undefined>

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Buyer](#), [Capital Resources](#), [Choice](#), [Community](#), [Consumer](#), [Demand](#), [Goods](#),
[Human Resources](#), [Market](#), [Money](#), [Natural Resources](#), [Opportunity Costs](#), [Price](#),
[Producer](#), [Production](#), [Resources](#), [Scarcity](#), [Seller](#), [Services](#), [Supply](#), [Wants](#)

Teacher Notes:

Level 5: Program 1 – Decisions, Decisions

Episode 2 – What Influences Choices?

05 01 02

Synopsis: Ned is writing another Jack Casey story, but has a writer's block. Sydney helps him with the plot, but in the course of the story they develop, the character, Jack Casey, must make decisions – and each has an opportunity cost.

Interactive Exercises: Students define opportunity cost and cite examples.

Standards/Concepts:

Economics:	5th Grade S1 B1 K2	opportunity cost, decision making
Mathematics:	5th Grade S1 B4 K2.c	computation
Comm Arts:	5th Grade S1 B4 K14	reading and listening

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will explain how unlimited wants and limited resources lead to choices that involve opportunity costs.

Time Required: 60 minutes (25 for the computer program and 35 for the activity)

Activity: Paraffin-alia. In this lesson, students observe how a crayon is made, consider all of the things that are made from paraffin, and recognize that choices must be made regarding this scarce resource.

Access activity here: <http://www.econedlink.org/teacher-lesson/39/undefined>

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Choice](#), [Opportunity Costs](#), [Resource](#), [Trade-Offs](#), [Wants](#)

Teacher Notes:

Level 5: Program 1 – Decisions, Decisions

Episode 3 – Decisions Involve Trade-offs

05 01 03

Synopsis: Ned's birthday is coming up, and he has already received \$30 from his granddad. The problem is that Ned wants a set of books priced at just under \$30, and he also wants to see a movie, complete with popcorn and soda. Sydney helps Ned see that, although he can't have it all, he can see a movie and have some of the books he wants if he trades off a little of one thing to get a little more of something else.

Interactive Exercises: Students ascertain that Ned does not have enough money to purchase everything that he wants, so they work on combinations of items, trading off a little of some things to get more of other things.

Standards/Concepts:

Economics:	5th Grade S1 B1 K1	trade-offs, prices, income
Personal Finance:	S3 B1 4th Grade K1	financial decision making, spending
Mathematics:	5th Grade S1 B1 K1.b, S1 B4 K2.c & K2.d	number sense, computation
Comm Arts:	5th Grade S1 B4 K12	reading and listening

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will explain how decisions usually involve trade-offs.

Time Required: 60 minutes (25 for the computer program and 35 for the activity)

Activity: *Tarantula Shoes*. Students read *Tarantula Shoes* by Tom Birdseye, a book about Ryan O'Keefe, a young man who wants a pair of basketball shoes promoted by a basketball star. They learn about spending, saving, opportunity cost, and trade-offs as they study Ryan's decisions throughout the book. Students keep a diary of expenses to track their spending and examine their opportunity costs.

Access activity here: <http://www.umsl.edu/~wpockets/schoolhouse/lessons/Tarshoes/tarshoes.html>

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Benefits](#), [Buyer](#), [Choice](#), [Costs](#), [Consumer](#), [Goods](#), [Income](#), [Money](#), [Opportunity Costs](#), [Price](#), [Seller](#), [Services](#), [Spending](#), [Trade-Offs](#), [Taxes](#), [Wants](#)

Teacher Notes:

Level 5: Program 2 – Making a Buck

Episode 1 – Producing Goods and Services

05 02 01

Synopsis: Ben has difficulty learning to yo-yo, so he imagines a new product – an automated yo-yo. Sydney explains that Ben is aspiring to become an entrepreneur, and discusses the entrepreneur's roll in combining resources to bring a good or service to market.

Interactive Exercises: Students define entrepreneur, natural resources, capital resources and human resources, then identify a product that could be produced using specific resources.

Standards/Concepts:

Economics:	4th Grade S1 B1 K2 , S1 B4 K1	entrepreneur, natural resources, human resources, capital resources
Personal Finance:	S1 B2 4th Grade K5	careers, entrepreneur
Mathematics:	5th Grade S1 B1 K2.b	number sense, problem solving
Comm Arts:	5th Grade S1 B4 K12	reading and listening

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will explain that entrepreneurs, natural resources, human resources and capital resources are combined to produce goods and services.

Time Required: 70 minutes (25 minutes for the computer program and 45 minutes for the activity)

Activity: I Can Be an Entrepreneur. In this lesson, students are given advice on how they can earn extra money by becoming an entrepreneur. They investigate web pages to see what other students their age have done to earn money.

Access activity here: <http://www.econedlink.org/teacher-lesson/476/undefined>.

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Capital Resources](#), [Consumer](#), [Entrepreneur](#), [Goods](#), [Human Resources](#), [Market](#), [Money](#), [Natural Resources](#), [Producer](#), [Production](#), [Profit](#), [Resources](#), [Risk](#), [Self-Interest](#), [Services](#)

Teacher Notes:

Level 5: Program 2 – Making a Buck

Episode 2 – How are Prices Determined?

05 02 02

Synopsis: Penny has started a business selling “Friendchips,” but she doesn’t know how to price them. She places an anonymous call to Sydney, conducting a survey to determine a price. Meanwhile, Will, who has entered into the same business, under the name of “Oilies,” attempts to sell to Will. All of this activity results in a market for potato chips, and Sydney explains how the interaction of buyers and sellers establishes prices.

Interactive Exercises: Students state how prices are determined and then define the terms: market, price, buyers, and sellers.

Standards/Concepts:

Economics:	4th Grade S1 B3 K1	prices, markets, supply, demand
Mathematics:	5th Grade S3 B4 K4	graphing
Comm Arts:	5th Grade S1 B4 K12	reading and listening

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will explain how prices are determined when buyers and sellers interact in a market.

Time Required: 70 minutes (20 minutes for the computer program and 50 minutes for the activity.)

Activity: What's Your Angle? Students will learn about market research and ways to influence consumer behavior through non-price competition. They will look for ways to make their products or innovations more appealing to consumers through advertisements.

Access activity here: <http://www.econedlink.org/teacher-lesson/501/undefined>.

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Buyer](#), [Consumers](#), [Demand](#), [Market](#), [Money](#), [Producer](#), [Price](#), [Seller](#), [Supply](#), [Wants](#)

Teacher Notes:

Level 5: Program 2 – Making a Buck

Episode 3 – Competition Affects Prices

05 02 03

Synopsis: Ben summons Nick and Sydney to the tree house. When they arrive, they find Penny and Ben frantically scribbling on paper. It turns out that Penny and Ben are designing and selling greeting cards – but they are not working together. They’ve gone into competition, and so they are competing to see who will sell cards to Mick and Sydney. Sydney explains the ways in which sellers compete – quality, customer service, design and variety, advertising, and price.

Interactive Exercises: Students identify how sellers compete.

Standards/Concepts:

Economics:	5th Grade S1 B2 K2	competition, consumers, producers
Mathematics:	5th Grade S1 B4 K2.d application 1.c	computation
Comm Arts:	5th Grade S1 B4 K12	reading and listening

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will explain how sellers compete on the basis of price, product quality, customer service, product design and variety, and advertising.

Time Required: 60 minutes (20 minutes for the computer program and 40 minutes for the activity.)

Activity: Competition: Pizza! Students will learn about competition in the market place. They will understand that competition takes place when there are many buyers and sellers of similar products. They will discuss how competition among sellers results in lower costs and prices, higher product quality, and better customer service.

Access activity here: <http://www.econedlink.org/teacher-lesson/383/undefined>.

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Benefit](#), [Buyer](#), [Consumer](#), [Market](#), [Money](#), [Positive Incentive](#), [Price](#), [Producer](#),
[Savings](#), [Seller](#)

Level 5: Program 3 – Helping Bankers Help You

Episode 1 – What are Banks?

05 03 01

Synopsis: Ben develops an amusement park type of ride that explains the function and history of banks. However, it's Sydney who does all of the explaining, describing how banks function for the benefit of savers and borrowers.

Interactive Exercises: Students identify saving/earning interest and borrowing/paying interest as ways households and businesses interact with banks. Students also define the terms: banks, borrowing, interest, and save.

Standards/Concepts:

Economics:	5th Grade S1 B3 K1	interest, financial intermediaries
Personal Finance:	S4 B6 4th Grade K3	financial institutions, savings, interest
Mathematics:	5th Grade S1 B1 app.1.c	number sense, computation
Comm Arts:	5th Grade S1 B4 K12	reading and listening

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will learn that banks are institutions where people in households and businesses save money and earn interest and where people borrow money and pay interest.

Time Required: 70 minutes (25 minutes for the computer program and 45 minutes for the activity)

Activity: What Happens When a Bank Makes a Loan? Students participate in a role play that describes what happens when a member of the community borrows money for a remodeling project.

Access activity here: <http://lei.ncee.net/about/lessons.php?bk=45>

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Banks](#), [Borrowing](#), [Interest](#), [Income](#), [Lending](#), [Money](#), [Profit](#), [Saving](#)

Teacher Notes:

Level 5: Program 3 – Helping Bankers Help You

Episode 2 – What is Credit?

05 03 02

Synopsis: Nick and Sydney run into each other at the bookstore, where Nick is doing some research for his English project. He is writing a poem about buying running shoes with a credit card. Sydney encourages Nick to include a part about paying back the money he owes on the credit card, and the kids discuss creditworthiness.

Interactive Exercises: Students define credit, money, creditworthy, and debt, and explain that when they use credit, they are borrowing money.

Standards/Concepts:

Economics: [5th Grade S1 B3 K1](#)

Personal Finance: [S3 B6 8th Grade K5](#)

Mathematics: [5th Grade S1 B1 K1c](#)

Comm Arts: [5th Grade S1 B4 K12](#)

interest, saving, spending

costs and benefits of spending decisions,
consumer, credit decisions, payment methods

number sense, computation

reading and listening

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will explain that when people use credit, they are borrowing money. Students will explain that responsible borrowers repay as promised, showing that they are creditworthy.

Time Required: 75 minutes (25 minutes for the computer program and 50 minutes for the activity)

Activity: [Four Dollars and Fifty Cents](#). In this lesson, students learn about credit and credit reports.

Access activity here: [http://www.umsl.edu/~wpockets/schoolhouse/lessons/ 4 50/ 4.50.html](http://www.umsl.edu/~wpockets/schoolhouse/lessons/4_50/4.50.html).

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Benefits](#), [Borrow](#), [Borrowing](#), [Buyer](#), [Consumer](#), [Costs](#), [Credit](#), [Credit Worthy](#), [Debt](#),
[Goods](#), [Interest](#), [Market](#), [Money](#), [Producer](#), [Profit](#), [Risk](#), [Seller](#), [Services](#), [Spending](#)

Teacher Notes:

Level 5: Program 3 – Helping Bankers Help You

Episode 3 – Choices have Financial Effects

05 03 03

Synopsis: Will is helping Penny design her fantasy kickball team, but Penny is a little more interested in what the players are wearing and who they are dating. As Will works through Penny's choices for players, he and Sydney discuss the costs and benefits of each choice.

Interactive Exercises: Students define choices, benefits, costs, and consequences, and practice identifying the costs and benefits of a choice.

Standards/Concepts:

Economics:	4th Grade S1B5 K2	costs and benefits
Mathematics:	5th Grade S1 B4 K1	computation
Comm Arts:	5th Grade S1 B4 K12	reading and listening

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will recognize that financial and non-financial choices that people make have benefits, costs, and consequences

Time Required: 70 minutes (25 for the computer program and 45 minutes for the activity)

Activity: Dynamic Decision Making. Students will be introduced to the PACED Model and learn to use the parts of the model-- Problem, Alternatives, Criteria, and Evaluation- - in solving problems and making decisions. They will practice using the model in decisions about meals and career possibilities.

Access activity here: <http://www.econedlink.org/teacher-lesson/489/Dynamic-Decision-Making>.

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Benefits](#), [Budget](#), [Costs](#), [Income](#), [Interest](#), [Market](#), [Money](#), [Price](#), [Wants](#)

Teacher Notes:

Level 5: Program 3 – Helping Bankers Help You

Episode 4 – Spending, Saving and Borrowing

05 03 04

Synopsis: The story opens with Will desperately asking to borrow \$5.00 from Ned. Will wants to buy special edition baseball cards that won't be available for long. Ned and Sydney explain the costs and benefits of borrowing decisions to Will.

Interactive Exercises: Students define costs, benefits, spending, saving, and borrowing. They identify Will's costs and benefits of borrowing money.

Standards/Concepts:

Economics:	5th Grade S1 B5 K1	spending, saving, decision-making, costs and benefits
Personal Finance:	S3 B4 8th Grade K5	credit, financial decision making
Mathematics:	5th Grade S1 B4 K1, S2 B2 K3	computation, algebraic equations
Comm Arts:	5th Grade S1 B4 K12	reading and listening

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will determine the costs and benefits of a spending, saving, or borrowing decision.

Time Required: 70 minutes (25 minutes for the computer program and 45 minutes for the activity)

Activity: Giving Credit. This lesson introduces the role and importance of the 3 C's -- capacity, character, and collateral – to being granted credit. An online story about a girl who fails to return soccer shin guards borrowed from a friend is used to spark discussion on responsible borrowing. In a second activity, students are introduced to the 3 C's used by lenders to determine creditworthiness. Given everyday scenarios where they might be asked to make a loan, students must make a decision whether to grant credit based on what they know about the creditworthiness of the potential lender. The culminating activity asks students to identify ways they can establish and maintain their personal credit worthiness – principles that will be important throughout their lives.

Access activity here: <http://www.econedlink.org/teacher-lesson/481/Giving-Credit>.

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Benefits](#), [Borrowing](#), [Costs](#), [Demand](#), [Lending](#), [Money](#), [Price](#), [Saving](#), [Spending](#), [Supply](#)

Level 5: Program 3 – Helping Bankers Help You

Episode 5 – Positive and Negative Incentives

05 03 05

Synopsis: Several scenarios are presented featuring positive and negative incentives. In the first, Mathmo considers incentives in a battle with Fly by Night. In the second, Penny and Patience want to buy jeans and are feeling persuaded by a 15% discount for opening a credit account. Finally, Ben works through the positive and negative incentives of buying a bicycle through a catalog.

Interactive Exercises: Students define the terms positive incentive and negative incentive, and then practice identifying the positive incentives and negative incentives in making a decision.

Standards/Concepts:

Economics: [5th Grade S1 B3 K2](#)

Personal Finance: [S1 B2 8th Grade K1](#)

Mathematics: [5th Grade S1 B1 K3, S1 B4 K1](#)

Comm Arts: [5th Grade S1 B4 K12](#)

positive and negative incentives, price
spending, financial decision making,
payment methods

number sense, computation

reading and listening

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will give examples of how positive and negative incentives affect people's behavior.

Time Required: 60 minutes (25 minutes for the computer program and 35 for the activity)

Activity: Incentives Influence Us! Students will learn that people respond predictably to positive incentives (rewards) and negative incentives (penalties). They will identify incentives in their daily lives at home and school. Students will discuss which incentives have worked to influence their decisions and why.

Access activity here: <http://www.econedlink.org/teacher-lesson/378/>.

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Benefit](#), [Buyer](#), [Cost](#), [Credit](#), [Demand](#), [Interest](#), [Market](#), [Money](#), [Negative Incentive](#),
[Positive Incentive](#), [Price](#), [Seller](#), [Supply](#), [Tax](#)

Teacher Notes:

Level 5: Program 4 – The Tax Man

Episode 1 – How Governments Use Taxes

05 04 01

Synopsis: Ben introduces Benatopia, the city of the future. In Benatopia, the government sponsors scientific research, education, and the arts. And, it does all of this without collecting any type of taxes. That, at least, is the plan until Sydney explains the government goods and services can not be provided without charging taxes to cover the costs.

Interactive Exercises: Students state the main purpose for government collection of tax money and identify all of the goods and services provided by the government of Benatopia.

Standards/Concepts:

Economics:	5th Grade S1B4 K1 , 7 th Grade S1 B4 K1	government goods, services, taxes
Personal Finance:	S1 B3 8th Grade K2	taxes, disposable income
Mathematics:	5th Grade S2 B2 K1, K3	algebraic equations
Comm Arts:	5th Grade S1 B4 K12	reading and listening

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will learn that governments provide goods and services and pay for them with taxes collected from citizens.

Time Required: 70 minutes (25 minutes for the computer program and 45 minutes for the activity)

Activity: President Obama's Allowance. In this lesson, students will identify different expenses in the US budget and will decide on the order of importance for different expenses.

Access activity here: <http://www.econedlink.org/teacher-lesson/375/President-Obama-s-Allowance>.

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Disposable Income](#), [Money](#), [Price](#), [Public \(government\) Goods and Services](#), [Taxes](#)

Teacher Notes:

Level 5: Program 4 – The Tax Man

Episode 2 – Government Revenue Sources

05 04 02

Synopsis: Penny is producing another play. She and Sydney go off to the store to get paper for tickets. When the purchase is calculated, Penny is shocked to discover that she is being charged \$3.18 for a \$3.00 pack of paper. Sydney explains the roll of taxes in paying for goods and services offered by local, state, and federal governments.

Interactive Exercises: Students define sales tax, income tax, and property tax, and identify the items on which each type of tax is assessed.

Standards/Concepts:

Economics:	5th Grade S1 B4 K1	taxes, monetary exchange
Personal Finance:	S1 B3 8th Grade K2	sales tax
Mathematics:	5th Grade S1 B4 K2c	problem solving, computation
Comm Arts:	5th Grade S1 B4 K12	reading and listening

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Learning Objective: Students will describe revenue sources for different levels of government.

Time Required: 60 minutes (25 for the computer program and 35 for the activity)

Activity: Tic Tac Taxes! This lesson will assist students in identifying various taxes and the services they help governments provide.

Access activity here: <http://www.econedlink.org/teacher-lesson/370/undefined>.

***Additional Lessons/Activities:** Go to www.econedlink.org/educator and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

Glossary:

[Borrow](#), [Buyer](#), [Exchange](#), [Income](#), [Income Taxes](#), [Lending](#), [Market](#), [Price](#), [Property Tax](#), [Revenue](#), [Seller](#), [Sales Tax](#), [Taxes](#)

Teacher Notes:

Previous Kansas Standards for Economics – Grades 3-5

(We are currently in the process of correlating the new standards)

[3rd Grade H](#)

[4th Grade H](#)

[5th Grade H](#)

Third Grade

Economics Standard: The student uses a working knowledge and understanding of major economic concepts, issues, and systems, applying decision-making skills as a consumer, producer, saver, investor, and citizen of Kansas and the United States living in an interdependent world.

Benchmark 1: The student understands how limited resources require choices.

Knowledge and/or Application Indicators

The student:

1. ♦ (K) knows that there are not enough available resources to satisfy all wants for goods and services.

Teacher Notes:

1. ♦ E6B111
Community- any group living in the same area or having interests, works, etc. in common.
Goods - something that you can touch or hold.
Needs - necessities (food, clothing, shelter)
Services - something that one person does for someone else.
Wants - desires that can be satisfied by consuming a good, service, or leisure activity.

Benchmark 2: The student understands how the market economy works in the United States.

Knowledge and/or Application Indicators

The student:

1. ♦ (A) identifies and gives examples of markets that occur when buyers and sellers exchange goods and services in the community.

Teacher Notes:

1. ♦ H5B213
Community - any group living in the same area or having interests, work, etc. in common.
Goods - something that you can touch or hold.
Services - something that one person does for someone else.

Benchmark 3: The student analyzes how different incentives, economic systems and their institutions, and local, national, and international interdependence affect people.

Knowledge and/or Application

The student:

1. ♦ (K) - (\$) knows that when borrowing money the consumer is receiving credit that must be repaid.

Teacher Notes:

Borrowing - promising to repay a given amount of money, often with added interest.

Consumer - a person who buys goods or services to satisfy wants.

Credit - an arrangement for deferred payment for goods and services; money available for someone to borrow.

Lending - to give for temporary use on condition that the same or its equivalent will be returned.

Benchmark 4: The student analyzes the role of the government in the economy.

Knowledge and/or Application Indicators

The student:

1. ♦ (A) - (\$) lists goods and services in the community that are paid for by taxes (e.g., roads, parks, schools, fire protection).

Teacher Notes:

1. ♦ E6B111, E5B511, H5B311

Community - any group living in the same area or having interests, work, etc. in common.

Goods - something that you can touch or hold.

Services - something that one person does for someone else.

Benchmark 5: The student makes effective decisions as a consumer, producer, saver, investor, and citizen.

Knowledge and/or Application Indicators

The student:

1. ♦ (A) - (\$) analyzes how needs and wants are met through spending and saving decisions.
2. ♦ (K) - (\$) identifies consequences of borrowing and lending.
3. ♦ (A) - (\$) gives an example of income and how the money was spent or saved.

Teacher Notes:

1. ♦ E5B511

2. ♦ E5B511

3. ♦ E5B511

Borrowing - promising to repay a given amount of money, often with added interest.

Cost - something that is given up to satisfy your wants.

Income - financial gain received as wages/salaries, rent, interest, and/or profit.

Lending - to give for temporary use on condition that the same or its equivalent will be returned.

Needs - necessities (food, clothing, shelter)

Spending - the use of money to buy goods and services.

Wants - desires that can be satisfied by consuming a good, service, or leisure activity.

Fourth Grade

Economics Standard: The student uses a working knowledge and understanding of major economic concepts, issues, and systems, applying decision-making skills as a consumer, producer, saver, investor, and citizen of Kansas and the United States living in an interdependent world.

Benchmark 1: The student understands how limited resources require choices.
Knowledge and/or Application Indicators

The student:

1. ♦ (K) - (\$) knows that every spending and saving decision has an opportunity cost.
2. (A) identifies examples of how natural, capital, and human resources are used in production of goods and services (e.g., land resources [natural] are used to produce wheat [goods] that is harvested by skilled farmers [human] using combines [capital]).
3. ♦ (A) traces the production, distribution, and consumption of a particular good in the state or region.
4. (A) gives an example of economic specialization that leads to trade between regions of the United States (e.g., Kansas produces wheat and beef and trades with other regions, Michigan produces automobiles, the Southeast produces rice, and the Northwest produces paper).

Teacher Notes:

1. ♦ E5B5I1
3. ♦ E5B2I2

Capital goods, capital resources - special goods such as tools, equipment, machines, and buildings which are used to produce other goods and services.

Consumer- a person who buys goods or services to satisfy wants.

Consumption - the using up of goods and services by consumer purchasing or in the production of other goods.

Distribution - the arrangement of items over a specified area.

Goods - something that you can touch or hold.

Human resource - people who work in jobs to produce goods and services.

Natural resource - resources (fields, forests, the sea, and other gifts of nature) used to produce goods and services.

Opportunity cost - in making a decision, the most valuable alternative not chosen.

Production - the creation of value or wealth by producing goods or services.

Region - an area with one or more common characteristics or features which make it different from surrounding areas.

Services - something that one person does for someone else.

Specialization - people who work in jobs where they produce a few special goods and services.

Spending -the use of money to buy goods and services.

Trade - the exchange of goods or services for other goods and services or money.

Benchmark 2: The student understands how the market economy works in the United States.

Knowledge and/or Application Indicators

The student:

1. (K) - (\$) defines the characteristics of an entrepreneur and gives an example of someone who shows those characteristics (e.g., risk taker, innovator, gets together all resources needed to produce a product).

Teacher Notes:

Entrepreneur - a person who organizes productive resources to take the risk to start a business.
Resource - an aspect of the physical environment that people value and use.

Benchmark 3: The student analyzes how different incentives, economic systems and their institutions, and local, national, and international interdependence affect people.

Knowledge and/or Application Indicators

The student:

1. ♦(K) defines market economy as an economic system in which buyers and sellers make major decisions about production and distribution, based on supply and demand.

Teacher Notes:

1. ♦ E5B2I2

Demand- the number of consumers willing and able to purchase a good or service at a given price.

Distribution- the arrangement of items over a specified area.

Economic system- establishes how a country produces and distributes goods and services.

Market economy- a system in which buyers and sellers make major decisions about production and distribution, based on supply and demand.

Production- the creation of value or wealth by producing goods or services.

Supply- the quantity of resources, goods, or services that sellers offer at various prices at a particular time.

Benchmark 4: The student analyzes the role of the government in the economy.

This benchmark will be taught at another grade level.

Benchmark 5: The student makes effective decisions as a consumer, producer, saver, investor, and citizen.

Knowledge and/or Application Indicators

The student:

1. ♦(A) - (\$) discusses ways workers can improve their ability to earn income by gaining new knowledge, skills, and experience.
2. ♦(A) analyzes the costs and benefits of making a choice.

Teacher Notes:

1. ♦ E5B5I1

2. ♦E5B5I1

Benefit- something that satisfies ones wants.

Community- any group living in the same area or having interests, works, etc. in common.

Cost- something that is given up to satisfy your wants.

Income- financial gain received as wages/salaries, rent, interest, and/or profit.

Fifth Grade

Economics Standard: The student uses a working knowledge and understanding of major economic concepts, issues, and systems, applying decision-making skills as a consumer, producer, saver, investor, and citizen of Kansas and the United States living in an interdependent world.

Benchmark 1: The student understands how limited resources require choices.

Knowledge and/or Application Indicators

The student:

1. (K) explains how scarcity of resources requires individuals, communities, states, and nations to make choices about goods and services (e.g., what food to eat, type of housing to live in, how to use land).
2. (A) determines how unlimited wants and limited resources lead to choices that involve opportunity costs.
3. (K) describes how specialization results in increased productivity (e.g., when each person in a city specializes in producing one product and then sells or trades with each other, there is more produced than if everyone tried to make everything they need for themselves).
4. (A) gives examples of economic interdependence at either the local, state, regional, or national level. (e.g., Western settlers depended on Easterners for textiles; Easterners depended on Westerners for furs and hides).

Teacher Notes:

Economic interdependence - mutually dependent on each other financially.

Goods - something that you can touch or hold.

Opportunity cost- in making a decision, the most valuable alternative not chosen.

Productivity- a measure of goods and services produced over a period of time with a given set of resources.

Region - an area with one or more common characteristics or features which make it different from surrounding areas.

Resource - an aspect of the physical environment that people value and use.

Scarcity- not being able to have everything wanted making choices necessary; when supply is less than demand.

Services - something that one person does for someone else.

Specialization - people who work in jobs where they produce a few special goods and services.

Supply - the quantity of resources, goods, or services that sellers offer at various prices at a particular time.

Trade - the exchange of goods or services for other goods and services or money.

Wants- desires that can be satisfied by consuming a good, service, or leisure activity.

Benchmark 2: The student understands how the market economy works in the United States.

Knowledge and/or Application Indicators

The student:

1. (A) defines supply as the quantity of resources, goods, or services that sellers offer at various prices at a particular time and demand as the number of consumers willing and able to purchase a good or service at a given price.
2. ▲(K) identifies factors that change supply or demand for a product (e.g., supply: technology changes; demand: invention of new and substitute goods; supply or demand: climate and weather).
3. (K) describes how changes in supply and demand affect prices of specific products.

Teacher Notes:

Consumer- a person who buys goods or services to satisfy wants.

Cost- something that is given up to satisfy your wants.

Demand- the number of consumers willing and able to purchase a good or service at a given price.

Goods- something that you can touch or hold.

Price- amount of money that people pay when they buy a good or service. It is largely determined by the buying and selling decisions of consumers and producers.

Production- the creation of value or wealth by producing goods or services.

Resource- an aspect of the physical environment that people value and use.

Services- something that one person does for someone else.

Supply- the quantity of resources, goods, or services that sellers offer at various prices at a particular time.

Technology- science applied to achieve practical purposes.

Benchmark 3: The student analyzes how different incentives, economic systems and their institutions, and local, national, and international interdependence affect people.

Knowledge and/or Application Indicators

The student:

1. (K) - (\$) understands that banks are institutions where people (individuals, families, and businesses) save money and earn interest and where people borrow money and pay interest.
2. (A) - (\$) gives examples of how positive and negative incentives affect people's behavior (e.g., laws: Stamp Act, Sugar Act; profit; product price; indentured servant).
3. (K) recognizes barriers to trade among people across nations (e.g., quotas, tariffs, boycotts, geography).

Teacher Notes:

Borrowing- promising to repay a given amount of money, often with added interest.

Incentives- something, such as the fear of punishment or the expectation of reward, which induces action or motivates effort.

Interest- a charge for a loan, usually a percentage of the amount loaned.

Price- amount of money that people pay when they buy a good or service. It is largely determined by the buying and selling decisions of consumers and producers.

Profit- after producing and selling a good or service, profit is the difference between revenue and cost of production. If costs are greater than revenue, profit is negative (there is a loss).

Trade- the exchange of goods or services for other goods and services or money.

Benchmark 4: The student analyzes the role of the government in the economy.

Knowledge and/or Application Indicators

The student:

1. (K) - (\$) describes revenue sources for different levels of government (e.g., personal income taxes, property taxes, sales tax, interest, bonds).

Teacher Notes:

Consumer - a person who buys goods or services to satisfy wants.

Government - institutions and procedures through which a territory and its people are ruled.

Income - financial gain received as wages/salaries, rent, interest, and/or profit.

Interest- a charge for a loan, usually a percentage of the amount loaned.

Revenue- receipts from sales of goods and services.

Benchmark 5: The student makes effective decisions as a consumer, producer, saver, investor, and citizen.

Knowledge and/or Application Indicators

The student:

1. ▲ (A) - (\$) determines the costs and benefits of a spending, saving, or borrowing decision.
2. (K) - (\$) recognizes that supply of and demand for workers in various careers affect income.

Teacher Notes:

Benefit - something that satisfies ones wants.

Borrowing - promising to repay a given amount of money, often with added interest.

Cost - something that is given up to satisfy your wants.

Demand - the number of consumers willing and able to purchase a good or service at a given price.

Income - financial gain received as wages/salaries, rent, interest, and/or profit.

Spending -the use of money to buy goods and services.

Supply - the quantity of resources, goods, or services that sellers offer at various prices at a particular time.

Technology - science applied to achieve practical purposes.

PERSONAL FINANCIAL STANDARDS (National)

STANDARD 1 - INCOME STANDARDS

K-8 Benchmarks

Students will be able to:

1. Identify sources of income.
2. Analyze how career choice, education, skills, and economic conditions affect income.
3. Explain how taxes, government transfer payments, and employee benefits relate to disposable income.

4th Grade Knowledge indicators

Students will know that:

1. People can get income by earning wages and salaries or by receiving money gifts.
2. Income can be earned or unearned.
3. Workers can improve their ability to earn income by gaining new knowledge, skills, and experiences.
4. Many workers receive employee benefits in addition to their pay.
5. Entrepreneurs, who work for themselves by starting new businesses, hope to earn a profit, but accept the risk of a loss.
6. People are required to pay taxes, for which they receive government services.

8th Grade Knowledge indicators

(Students will know the grade 4 benchmarks and also that):

1. People can earn income from rent and interest.
2. Wages/salaries minus payroll deductions equal take-home pay.
3. Inflation reduces the purchasing power of income.
4. Government transfer payments provide unearned income to some households.
5. Generally, people earn higher incomes with higher levels of education.

STANDARD 2 - MONEY MANAGEMENT STANDARDS

K-8 Benchmarks

Students will be able to:

1. Explain how limited personal financial resources affect the choices people make.
2. Identify the opportunity cost of financial decisions.
3. Discuss the importance of taking responsibility for personal financial decisions.
4. Apply a decision-making process to personal financial choices.
5. Explain how inflation affects spending and investing decisions.
6. Describe how insurance and other risk-management strategies protect against financial loss.
7. Design a plan for earning, spending, saving, and investing.
8. Explain how to use money-management tools available from financial institutions.

4th Grade Knowledge indicators

Students will know that:

1. People make choices because they have limited financial resources and cannot have everything they want.
2. A first step toward reaching financial goals is to identify needs and wants and rank them in order of importance.
3. A decision-making process can help people make money decisions.
4. A budget is a plan for spending and saving income.

8th Grade Knowledge indicators

(Students will know the grade 4 benchmarks and also that):

1. Financial choices that people make have benefits, costs, and future consequences.
2. A key to financial well-being is to spend less than you earn and save the difference.
3. People perform basic financial tasks to manage money.
4. A budget identifies expected income and expenses, including saving, and serves as a guide to help people live within their income.
5. Risk management strategies include risk avoidance, risk control, and risk transfer through insurance.

STANDARD 3 - SPENDING AND CREDIT STANDARDS

K-8 Benchmarks

Students will be able to:

1. Compare the benefits and costs of spending decisions.
2. Evaluate information about products and services.
3. Compare the advantages and disadvantages of different payment methods.
4. Analyze the benefits and costs of consumer credit.
5. Compare sources of consumer credit.
6. Explain factors that affect creditworthiness and the purpose of credit records.
7. Identify ways to avoid or correct credit problems.
8. Describe the rights and responsibilities of buyers and sellers under consumer protection laws.

4th Grade Knowledge indicators

Students will know that:

1. To make a decision, careful consumers compare the benefits and costs of spending alternatives.
2. Information about goods and services comes from many sources.
3. Every spending decision has an opportunity cost.
4. People pay for goods and services in different ways.
5. Credit is a basic financial tool.
6. Borrowing money to buy something usually costs more than paying cash because there is a fee for credit.
7. Responsible borrowers repay as promised, showing that they are worthy of getting credit in the future.

8th Grade Knowledge indicators

(Students will know the grade 4 benchmarks and also that):

1. A consumer should not rely on advertising claims as the sole source of information about goods and services.
2. Comparison shopping helps consumers get the best value for their money.
3. Some payment methods are more expensive than others.
4. Online transactions can make consumers vulnerable to privacy infringement and identity theft.
5. Comparing the costs and benefits of buying on credit is key to making a good purchase decision.
6. For any given loan amount and interest rate, the longer the loan period, the smaller the monthly payment and the larger the total cost of credit.
7. Consumers can choose from a variety of credit sources.
8. Credit bureaus maintain credit reports, which record borrowers' histories of repaying loans.
9. Sometimes people borrow more money than they can repay.
10. Laws and regulations exist to protect consumers from a variety of seller and lender abuses.

STANDARD 4 - SAVING AND INVESTING STANDARDS

K-8 Benchmarks

Students will be able to:

1. Explain the relationship between saving and investing.
2. Describe reasons for saving and reasons for investing.
3. Compare the risk, return, and liquidity of investment alternatives.
4. Describe how to buy and sell investments.
5. Explain how different factors affect the rate of return of investments.
6. Evaluate sources of investment information.
7. Explain how agencies that regulate financial markets protect investors.

4th Grade Knowledge indicators

Students will know that:

1. People save for future financial goals.
2. Every saving decision has an opportunity cost.
3. Banks, savings and loan associations, and credit unions are places people can save money and earn interest.
4. Piggy banks, savings accounts, and savings bonds are alternatives for savings.

8th Grade Knowledge indicators

(Students will know the grade 4 benchmarks and also that):

1. Saving is for emergencies and short-term goals, and investing is for long-term goals. Funds for investing often come from savings.
2. Savings and investing products differ in their potential rate of return, liquidity, and level of risk.
3. There is usually a positive relationship between the average annual return on an investment and its risk.
4. Compound interest is earned on both principal and previously earned interest.
5. Inflation reduces the return on an investment.
6. The Rule of 72 is a tool for estimating the time or rate of return required to double a sum of money.
7. Investors can get information from many sources.
8. People can buy and sell investments in different ways.

Glossary

(Not all terms are relevant to 3-5 standards)

Banks

Corporations chartered by state or federal government to offer financial services such as checking and savings accounts, loans, and safe deposit boxes.

Barter

Trading goods or services without the use of money.

Benefit

Something that satisfies one's wants; something that is favorable to the decision maker.

Borrow

To obtain or receive something on loan with the promise to return it or something that's equal to it.

Borrowing

Promising to repay a given amount of money, often with added interest.

Budget

A sum of money allocated for a particular use; a plan for saving and spending money.

Buyers

People who purchase goods and services.

Capital Resources

Resources made and used to produce and distribute goods and services; examples include tools, machinery and buildings.

Choice

Decision made or course of action taken when faced with a set of alternatives.

Community

Any group living in the same area or having interests, work, etc. in common.

Consequences

The logical or natural result of an action or condition. Consequences can affect the decision maker or someone who is uninvolved.

Consumer

A person who buys goods or services to satisfy wants.

Consumer Price Index (CPI)

A price index that measures the cost of a fixed basket of consumer goods and services and compares the cost of this basket in one time period with its cost in some base period. Changes in the CPI are used to measure inflation.

Cost

What is given up to satisfy your wants; an amount that must be paid or spent to buy or obtain something; the effort, loss or sacrifice necessary to achieve or obtain something; something unfavorable to the decision maker.

Credit

An arrangement for deferred payment of a loan or purchase.

Creditworthiness

The extent to which a person is deemed suitable to receive credit, especially as shown by reliability in repaying loans in the past.

Credit unions

Not-for-profit cooperatives of members with some type of common bond like the same employer. Credit unions provide many financial services, often at a lower cost than banks.

Currency

Paper money

Debt

Money owed to someone else. Also the state or condition of owing money. Can be individual, corporate or government debt.

Decision Making

Reaching a conclusion after considering alternatives and their results.

Deflation

A sustained decrease in the average price level of all the goods and services produced in the economy.

Demand

The quantity of goods and services that buyers are willing and able to purchase at various prices at a particular time.

Denomination

Value of coins and currency

Disposable Income

Income remaining after taxes has been paid

Distribution

The arrangement of items over a specified area

Economic System

Establishes how a country produces and distributes goods and services

Employee Benefits

Something of value that an employee receives in addition to a wage or salary.

Entrepreneur

A person who organizes productive resources to take the risk to start a business.

Exchange

Trading a good or service for another good or service, or for money.

Federal Deposit Insurance Corporation (FDIC)

Insures accounts in some, but not all, federally chartered banks and savings associations.

Financial investment

Money set aside to increase wealth over time and accumulate funds for long-term financial goals such as retirement.

Goods

Something that you can touch or hold that satisfy people's wants.

Government

Institutions and procedures through which a territory and its people are ruled.

Human Capital

The knowledge, skills and experience that make a worker more productive.

Human Resources

The health, education, experience, training, skills and values of people. Also known as human capital.

Incentives

Something, such as the fear of punishment or the expectation of reward, which induces action or motivates effort.

Incentives

Something, such as the fear of punishment or the expectation of reward, which induces action or motivates effort.

Income

Financial gain received as wages/salaries, rent interest, and/or profit.

Income Tax

Payments made by individuals and corporations to the federal government (and to some state and local governments) based on income received (both earned and unearned).

Inflation

A rise in the general or average price level of all the goods and services produced in an economy. Can be caused by pressure from the demand side of the market (demand-pull inflation) or pressure from the supply side of the market (cost-push inflation).

Interest

A charge for a loan, usually a percentage of the amount loaned.

Interest rate

The price of using credit that relates to the amount owed.

Job

A piece of work usually done on order at an agreed-upon rate. Also a paid position of regular employment.

Lending

To give for temporary use on condition that the same or its equivalent will be returned.

Loan

A sum of money borrowed for temporary use on condition that the same or its equivalent will be returned.

Liquidity

The quality of an asset that makes it possible to sell it quickly in exchange for cash without the asset losing value.

Market

A group of buyers and sellers of a particular good or service

Market Economy

A system in which buyers and sellers make major decisions about production and distribution, based on supply and demand.

Money

Anything that is generally accepted as final payment for goods and services; serves as a medium of exchange, a store of value and a standard of value. Characteristics of money are portability, stability in value, uniformity, durability and acceptance.

Natural Resources

"Gifts of nature" that can be used to produce goods and services; for example, oceans, air, mineral deposits, virgin forests and actual fields of land. When investments are made to improve fields of land or other natural resources, those resources become, in part, capital resources. Also known as land.

Needs

Necessities (food, clothing, shelter)

Negative incentives

Costs that discourage certain behaviors.

Non-exclusion

The ability to use a good or service without paying for it.

Opportunity cost

In making a decision, the most valuable alternative not chosen.

Positive incentives

Benefits that encourage certain behaviors.

Price

The amount of money that people pay when they buy a good or service; the amount they receive when they sell a good or service.

Principal

The original amount of money invested, does not include interest and dividends.

Producer

One that produces especially a person or organization that produces goods or services for sale.

Production

The creation of value or wealth by producing goods or services.

Productivity

The amount a worker produces in a certain amount of time.

Profit

Total revenue from the sale of goods or services minus the total cost.

Property Tax

A tax on land and structures built on it. Payments go to state and/or local governments to pay for police protection, public schools, libraries, etc.

Public Goods & Services

Goods and services that cannot be sold effectively in the marketplace; these goods are characterized by shared consumption and non-exclusion.

Resources

The basic kinds of resources used to produce goods and services. The kinds of resources are: human resources (people), capital resources (tools, computers) and natural resources (trees, land).

Rent

A payment for the temporary use of a resource.

Return

A payment for making a financial investment expressed as a percentage of the total invested amount of money you invest.

Revenue

Receipts from sales of goods and services.

Risk

The chance of losing money.

Sales Tax

Tax in the form of a percent of the cost of a good or service; paid to local and state governments when goods and services are purchased.

Save/Saving

To keep money for future use; to divert money from current spending to a savings account or another form of investment; the act of saving.

Savings

Income not spent on goods and services and not paid in taxes.

Savings

Money set aside for a future use that is held in easily-accessed accounts, such as savings accounts and certificates of deposit (CDs).

Savings and loan associations

Financial institutions that provide loans and interest-bearing accounts

Scarcity

Not being able to have everything wanted making choices necessary; when supply is less than demand.

Self-interest

Acting to achieve a desired outcome to the acting individual

Sellers

People who provide or sell goods and services

Services

Something that one person does for someone else that satisfy people's wants

Skills (Work or Job Skills)

Ability to do things demanded in particular jobs.

Specialization

A situation in which people produce a narrower range of goods and services than they consume. Specialization increases productivity; it also requires trade and increases interdependence.

Spending

The use of money to buy goods and services.

Supply

The quantity of resources, goods, or services that sellers offer at various prices at a particular time.

Taxes

Required government fees on business and individual income and on goods and services, or products.

Trade

The exchange of goods or services for other goods and services or money.

Trade-off

The giving up of one benefit or advantage in order to gain another regarded as more favorable.

Wage

Payments for labor services that are directly tied to time worked, or to the number of units of output produced.

Wants

Desires that can be satisfied by consuming or using a good or service. Economists do not differentiate between wants and needs.