



Great Minds Think



A New Guide to Money

FEDERAL RESERVE BANK of CLEVELAND

Title:
Great Minds Think
1. Choices

Grade Level:
1–6

Time Allotment:
30 minutes

Description:

In this activity, students will learn about making decisions and the cost, consequence, and benefit of each decision.

Learning Objectives:

- I can define the terms choice, cost, consequence, and benefit.
- I can analyze the cost, benefit, and consequence of making a choice.

Teacher Materials:

- *Great Minds Think* ([interactive online game](#))
- *Choices Vocabulary Worksheet* (in person)
- *Choices Vocabulary Worksheet: Answer Key* (in person)

Student Materials:

- *Great Minds Think*
- *Choices Vocabulary Worksheet*
- Pencil
- Laptop or tablet (virtual)

Teacher Preparation:

In person: Order or print enough copies of *Great Minds Think* for each student prior to conducting the activity, or have each student download the online game. Print a copy of the *Choices Vocabulary Worksheet* for each student if using the paper or PDF version of *Great Minds Think*. If using the online game, the worksheet is not necessary—a vocabulary assessment is included.

Virtual: Order or print enough copies of *Great Minds Think* for each student prior to conducting the activity, or have each student download the online game. Print a copy of the *Choices Vocabulary Worksheet* for each student if using the paper or PDF version of *Great Minds Think*. The *Choices Vocabulary Worksheet* can be accessed in the Learning Center’s Google Drive. If using the online game, the worksheet is not necessary—a vocabulary assessment is included.

The resources needed for this activity are linked in the Teacher Materials section.

Instructional Procedure:

1. Read out loud the following items—hoverboard, video game, and headphones. As you read through them a second time, ask students to raise their hand for whichever item they would like to have. Explain to the students that they just made a **choice**. A choice is when you pick one option out of several. When you make a choice there is always a cost or something you give up, and a **benefit** or something you gain. There is also always a consequence, which is what happens as a result of your choice. A **consequence** can be good or bad.
2. **In person:** Distribute the *Great Minds Think* publication to each student. Have them turn to page 1 and read the “You Decide” section. As a class, complete the “Let’s Talk About” activity.

Virtual: Have students access the interactive online game and then click on the “home” icon to access the different sections of *Great Minds Think*. From there, students will select the “Choices” bubble and start the activity by reading the “You Decide” section. Have students complete the vocabulary assessment that follows.

3. **In person:** Instruct students turn to page 2 and explain that they will now have the opportunity make their own choices while completing the “How Do I Choose” activity.
- Virtual:** After completing the vocabulary assessment, have students hit the “next” button and complete the “How Do I Choose” activity. In this activity, students will have the opportunity to practice making a choice.
4. **In person** and **virtual:** Once the class has completed the “How Do I Choose” activity, review the activity as a class. Select a few students to share what choices they made and the costs, benefits, and consequences of that choice.
5. **In person:** Have students complete the *Choices Vocabulary Worksheet*. Review terms as a class.

Key Vocabulary:

- **Benefit:** What you gain when you make a choice.
- **Choice:** One of several options that you pick.
- **Consequence:** What happens as a result of your choice—good or bad.
- **Cost:** What you give up when you make a choice.
- **Decision making:** the action or process of making decisions.
- **Scarcity:** The idea that resources are limited.

Attachments:

- *Choice Vocabulary Worksheet*
- *Choices Vocabulary Worksheet: Answer Key*

Resources:

FederalReserveEducation.org

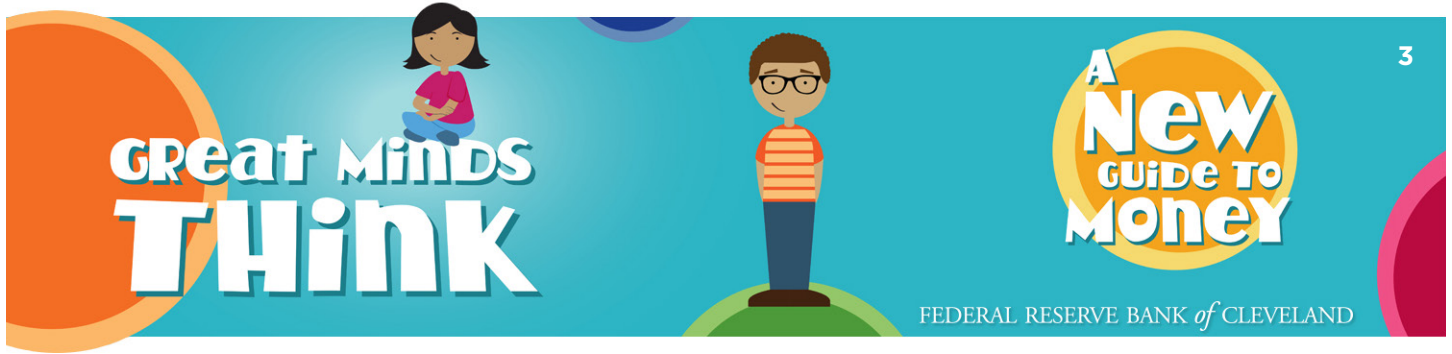
- [Common Cents: It's Free, But at What Cost](#)—Article
- [Why Budget](#)—Infographic
- [Piggy Bank Primer](#)—EBook

Extension:

- Use classroom downtime to conduct a “Friday Fun Day Activity,” which allows students to choose how to spend their free time by selecting from two different activities. Have a discussion with the students about the costs, benefits, and consequences of their choices.
 - Example: Students choose between two Friday Fun activities: extra recess or extra computer time. Help students understand the benefit of their choice is getting either extra recess or extra computer time. The cost of their choice is that they can only get extra recess or extra computer time. The consequence of their choice is the result of what they have chosen.

Differentiation:

- Read the “You Decide” (pg. 1) section of the Choices activity aloud to the class.
- Pair students with a partner to work through the *Choices Vocabulary Worksheet*. Or complete the *Choices Vocabulary Worksheet* together as a class.
- Select a student to lead the class through the “How Do I choose” activity (pg. 2).



Ohio's Learning Standards for Social Studies:

- 3.19: Making decisions involves weighing costs and benefits.
- 6.12: The choices made by individuals have both present and future consequences.

Ohio's Learning Standards for Financial Literacy:

- K-6: Choices can be made with your money.
- K-6: An informed consumer makes decisions on purchases.
- 4-6: People have limited resources and must prioritize their needs and wants.

Kentucky's Learning Standards for Social Studies:

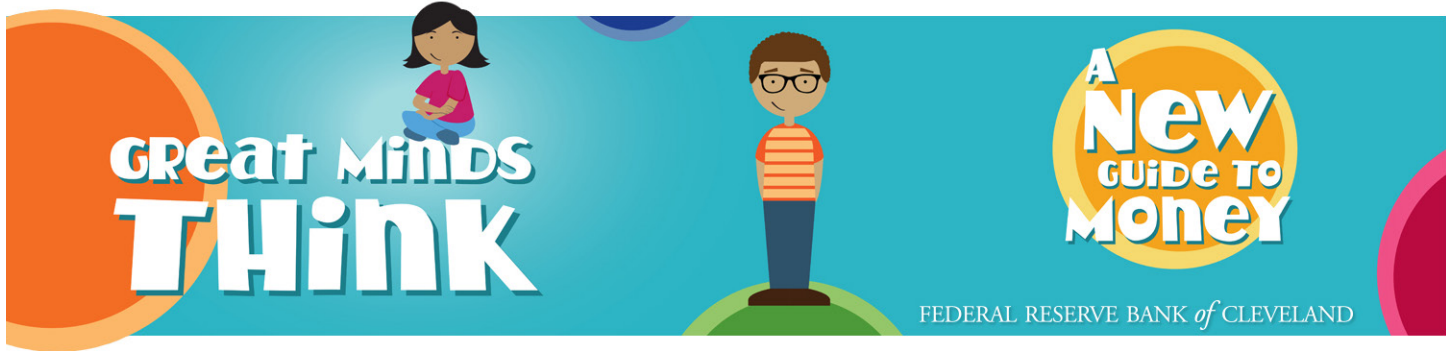
- 1.E.IC.2 Explain how choices are made as a result of scarcity.

Kentucky's Learning Standards for Financial Literacy:

- K-3 F.P.4: Identify why people make financial choices.

This activity is part one of the [Great Minds Think](#) activity series.

Name: _____



CHOICES

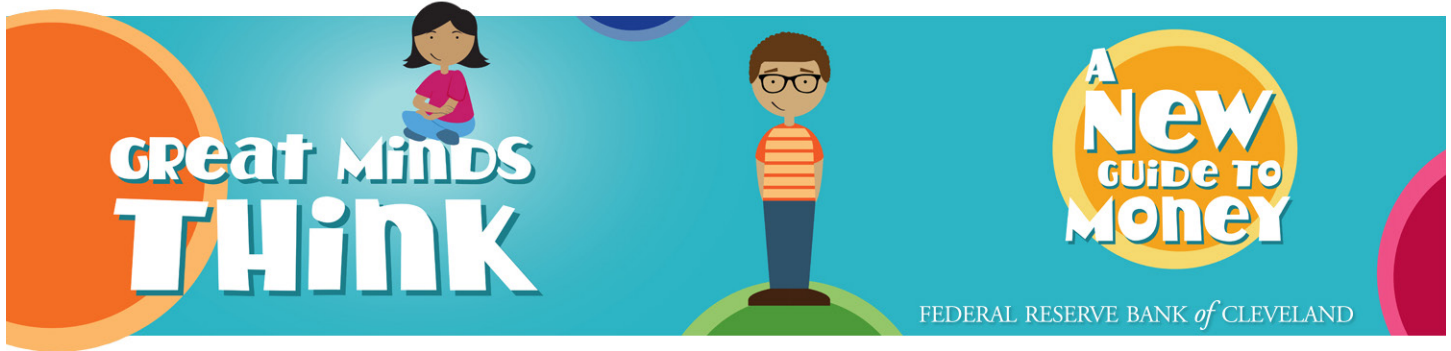
Directions: Read the list of vocabulary terms and then match each vocabulary word to its definition.

Word Bank

Consequence	Benefit	Choice
Decision Making	Scarcity	Cost

1. _____ The idea that resources are limited.
2. _____ The action or process of making a decision.
3. _____ What an individual gains when you make a choice.
4. _____ What an individual gives up when they make a choice.
5. _____ One of several options that you pick.
6. _____ What happens as a result of your choice—good or bad.

Name: _____



CHOICES

Directions: Read the list of vocabulary terms and then match each vocabulary word to its definition.

Word Bank

Consequence	Benefit	Choice
Decision Making	Scarcity	Cost

1. **Scarcity** _____ The idea that resources are limited.
2. **Decision Making** _____ The action or process of making a decision.
3. **Benefit** _____ What an individual gains when you make a choice.
4. **Cost** _____ What an individual gives up when they make a choice.
5. **Choice** _____ One of several options that you pick.
6. **Consequence** _____ What happens as a result of your choice—good or bad.



Great Minds Think



A New Guide To Money

FEDERAL RESERVE BANK of CLEVELAND

Title:
Great Minds Think
2. Earning

Grade Level:
2-6

Time Allotment:
55 minutes

Description:

In this activity, students will identify ways to earn an income, learn how to create a savings goal, and develop a plan for how to reach their savings goal. Students will also be introduced to the basics of banking.

Learning Objectives:

- I can identify different ways to earn income.
- I can create a financial plan to help me achieve my savings goal.
- I can explain how a bank account works.

Teacher Materials:

- *Great Minds Think* ([interactive online game](#))
- *Earning Vocab Worksheet*
- *Earning Vocab Worksheet: Answer Key*
- *Count your Coins PPT*
- *Smartboard*

Student Materials:

- *Great Minds Think*
- *Earning Vocab Worksheet*
- *Calculator*
- *Paper*
- *Coloring supplies*

Teacher Preparation:

In person: Order or print enough copies of *Great Minds Think* for each student prior to conducting the activity, or have each student download the online game. Print a copy of the *Earning Vocabulary Worksheet* for each student. If using interactive online game, the vocabulary is included. Each student needs to be able to view the *Count your Coins PPT* as a class. Each student needs a calculator to complete this activity.

Virtual: Order or print enough copies of *Great Minds Think* for each student prior to conducting the activity, or have each student download the online game. For virtual learning, we strongly encourage use of the online game. Have a copy of the *Earning Vocabulary Worksheet* for each student participating in the activity, which can be accessed in the Learning Center's Google Drive. If using the interactive online game, the vocabulary is included. Each student needs to be able to view the *Count your Coins PPT* as a class, this can be done with screen sharing over a video call. Each student needs a calculator to complete this activity.

The resources needed for this activity are linked in the Teacher Materials section.

Instructional Procedure:

1. Read the two options to students and ask them to raise their hand for the option they prefer:
 - Receive \$1,000,000 right now.
 - Receive 1¢ today and 2¢ tomorrow and continue to double that each day for a month.

Display the *Count your Pennies PPT* to the class and walk through the slides to demonstrate that a large profit can be earned slowly over a period of time. About halfway through the demonstration, ask students again which of the two options listed above they would prefer. Tell students that those who chose the 1,000,000 all at once will actually earn less than those who chose option two.

2. Ask students to identify moments in their lives where they have received money for performing a task. (Answers may vary but ultimately you want to discuss chores, jobs, lemonade stands, dog walking, etc.) Explain to students that there are several different ways to receive money, but a common way individuals receive money is by earning it. **Earning** means to receive money in exchange for work. The money individuals earn from working is known as an **income**. Income is the money that you earn or receive.
3. **In person:** Distribute the *Great Minds Think* publication to each student participating in the activity. Have students turn to page 3 and read “Learning to Earn.”
Virtual: Have students access the *interactive online game* and then click on the home icon to access the different section of GMT. From there students will select the “Earning” bubble and start the activity by reading “Learning to Earn.”
4. **Virtual:** Have students complete the vocabulary assessment following the “Learn to Earn” reading.
5. Explain to students that earning an income provides them the option to either to **save** or **spend** their money. To save means to put money aside to use later. To spend is uses money to buy things. Individuals can save their money in order to reach a savings goal. A savings goal is a good or service that you want to buy in the future. Savings goals can be items like PlayStations, bikes, tablets, vacations, shoes, etc.
6. **In person:** Tell students that they will create their own savings goal by completing the “Dream Board” activity on page 7. Ask students to draw item they intend to save for. Select a few students to share their dream board items with the class
Virtual: Tell students that they will create their own savings goal by completing the “Dream Board” activity. Have students click the next button after the vocabulary assessment to access the “Dream Board” activity on the *interactive online game*. Select a few students to share their dream board items with the class.
7. **In person:** Explain to students that reaching a savings goal happens when a person saves a portion of their money on a regular basis. Instruct students to turn to page 3 and complete the activity entitled “Here’s an Example.” In this activity, students try to help Alex reach his savings goal.
Virtual: Explain to students that reaching a savings goal happens when a person saves a portion of their money on a regular basis. Have students click the next button after completing the “Dream Board” activity and complete the activity entitled “Help Alex Get Concert Tickets.”
8. **In person:** Remind students of the examples provided in step 2 of ways they can earn money. Have students turn to page 4 and complete the “Earning Money” section. In this activity, students will think of jobs they can perform in order to earn money.
Virtual: Remind students of the examples provided in step 2 of ways they can earn money. Have students click the “next” button and complete the “Earning Money” section. In this activity students will think of jobs they can perform in order to earn money.
9. Next, have the students plan how they are going to save enough money to reach their savings goal:
In person: Ask students to turn to page 8 and complete the “What is the Plan” section.
Virtual: Ask students to click the next button and complete the “What is the Plan” section. Once the activity is complete, select a few students to share their plans with the class.
10. Ask students where they would feel safe keeping their money after it is earned. Answers will vary but the conversation should end with a discussion of banks. Explain to students that a **bank** is a place to put money for safekeeping.

11. **In person:** Have students turn to page 6 and read through “Banks: A Place to Put your Money” and complete the bonus interest activity on the page.
Virtual: After students have completed the “What is the Plan” section, have them click the next button and read through “Banks: A Place to Put your Money.” Once students have completed the reading, ask them to complete the bonus interest activity on that page.
12. **In person:** Once students complete the “Bank: A Place to Put your Money” section, have them click the “next” button and complete the vocabulary assessment.
13. **In person:** Once students have finished the reading about banks, have the class turn to page 5 and complete the activity entitled “Saving: Money in the Bank.” In this activity, students will help Nisa and Matt earn and save enough money for their savings goals.
Virtual: After completing the vocabulary assessment, have students hit the “next” button and read “Money in the Bank” and then click the “next” button to complete “Trip to the Amusement Park” activity. In this activity, students will help Alex to save \$80 for a trip to the amusement park.
14. **In person:** Have students complete the *Earnings Vocabulary Worksheet*. Review terms as a class.

Key Vocabulary:

- **Account:** The bank holds your money and you take it out when you need it.
- **Balance:** The amount of money you have in your bank account.
- **Bank:** A place to put money for safekeeping.
- **Deposit:** Putting money into a bank account.
- **Earn:** To receive money in exchange for work.
- **Income:** Money that you earn or receive.
- **Interest:** A fee paid for the use of money.
- **Save:** To put money aside to use later.
- **Savings goal:** A good or service that you want to buy in the future.
- **Spend:** To use money to buy things.
- **Withdraw:** Taking money out of a bank account.

Attachments:

- *Earning Vocab Worksheet*
- *Earning Vocab Worksheet: Answer Key*
- *Count your Coins PPT*

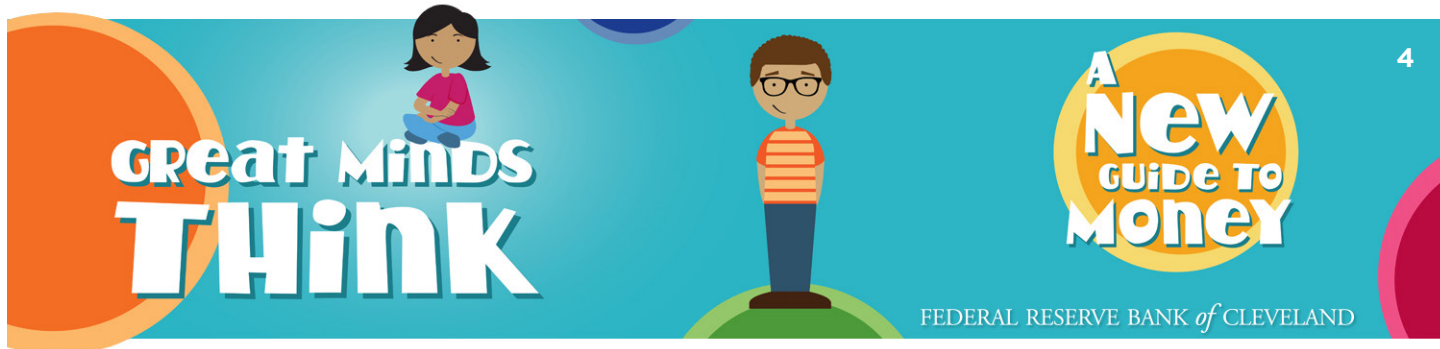
Resources:

FederalReserveEducation.org

- [*Common Cents: It's Free, But at What Cost*](#)—Article
- [*Why Budget*](#)—Infographic
- [*Piggy Bank Primer*](#)—EBook

Extension:

- **Class store:** Create a list of daily tasks students can perform along with the amount of daily classroom currency they can receive for that task. At the end of each week, provide students the opportunity to add up their earned totals for their completed tasks and exchange the currency they have earned for an item in the store.
- **Create a classroom bank** where students can open an account and keep their money they earn from performing tasks.



Differentiation:

- Read the “Learn to Earn” (pg. 9) section of the earning activity aloud to the class.
- Pair students with a partner to work through the earning vocab worksheet or complete the earning vocab worksheet together as a class.
- Pair students with a partner and have them complete the “Help Alex Get Concert Tickets” activity.
- As a class, brainstorm ways students could earn money while completing the “Earning Money” and “What’s the Plan” activity.
- Read the banking section of *Great Minds Think* (pg. 5–6) earning activity aloud to the class.
- On the banking activity, adjust the numbers to make the math more manageable for the students.

Ohio’s Learning Standards for Social Studies:

- 2.17: People earn income by working.
- 4.22: Saving a portion of income contributes to an individuals’ financial well-being.

Ohio’s Learning Standards for Financial Literacy:

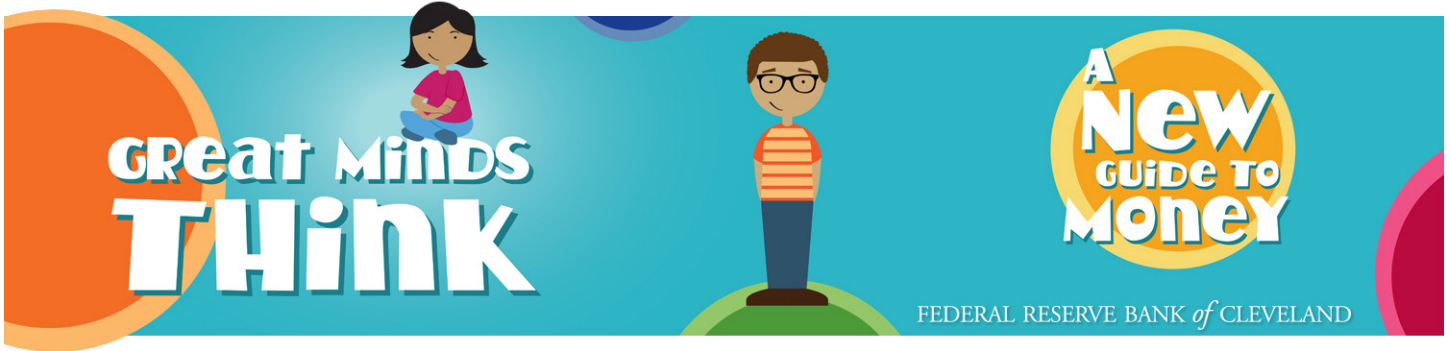
- K-3: Choices can be made with your money, choices include spending and saving. Money can also be saved in financial institutions.
- 4-6: Saving today can help meet future goals.

Kentucky’s Learning Standards for Social Studies:

- K-3 F.P.4: Identify why people make financial choices.
- K-3 F.P.7: Investigate different ways to save money (e.g., piggy bank, local bank, credit union).
- K-3 F.P.6: Describe how financial decisions impact the achievement of short and long-term goals.
- 4-5 FL.I.2: Identify ways people earn income (e.g., wages, salaries, tips).

This activity is part two of the [Great Minds Think](#) activity series.

Name: _____



Earning

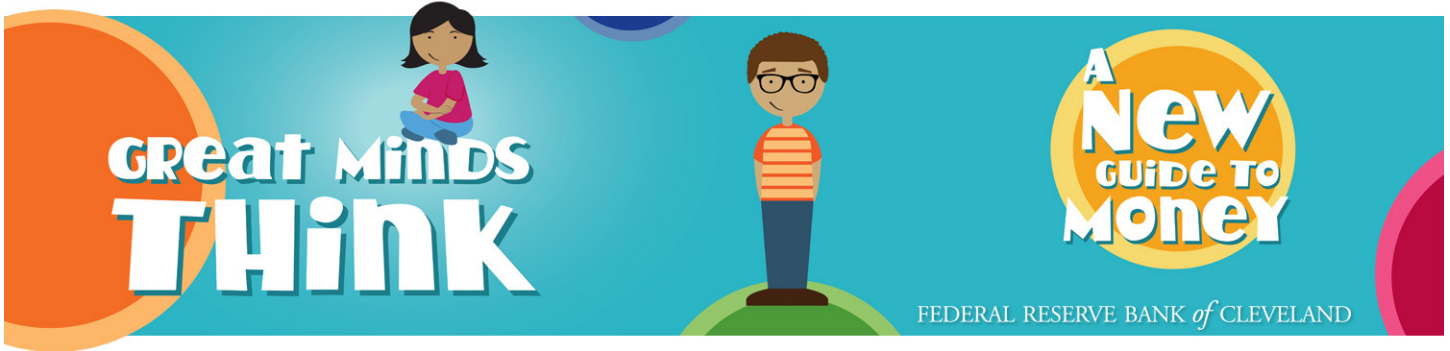
Directions: Read the list of vocabulary terms and then match each vocabulary word to its definition.

Word Bank

Income	Save	Spend	Earn	Interest
Deposit	Account	Balance	Bank	Withdraw

- _____ Putting money into a bank account.
- _____ The amount of money you have in your bank account.
- _____ A place to put money for safekeeping.
- _____ To use money to buy things.
- _____ To put money aside to use later.
- _____ Money that you earn or receive.
- _____ The bank holds your money, and you take it out when you need it.
- _____ Taking money out of a bank account.
- _____ A fee paid for the use of money.
- _____ To receive money in exchange for work.

Name: _____



Earning

Directions: Read the list of vocabulary terms and then match each vocabulary word to its definition.

Word Bank

Income	Save	Spend	Earn	Interest
Deposit	Account	Balance	Bank	Withdraw

1. **Deposit** _____ Putting money into a bank account.
2. **Balance** _____ The amount of money you have in your bank account.
3. **Bank** _____ A place to put money for safekeeping.
4. **Spend** _____ To use money to buy things.
5. **Save** _____ To put money aside to use later.
6. **Income** _____ Money that you earn or receive.
7. **Account** _____ The bank holds your money, and you take it out when you need it.
8. **Withdraw** _____ Taking money out of a bank account.
9. **Interest** _____ A fee paid for the use of money.
10. **Earn** _____ To receive money in exchange for work.



Great Minds Think



A New Guide to Money

FEDERAL RESERVE BANK of CLEVELAND

Title:
Great Minds Think
3. Spending

Grade Level:
3–6

Time Allotment:
50 minutes

Description:

In this activity, students will learn about various payment methods, the difference between a need and a want, and the concept of opportunity cost.

Learning Objectives:

- I can analyze different methods of payment.
- I can explain the difference between a want and a need.
- I can provide an example of an opportunity cost.

Teacher Materials:

- *Great Minds Think* ([interactive online game](#))
- *Spending Vocabulary Worksheet* (in person)
- *Spending Vocabulary Worksheet: Answer Key* (in person)

Student Materials:

- *Great Minds Think*
- *Spending Vocabulary Worksheet*
- Pencil
- Tablet or Computer (virtual)

Teacher Preparation:

In person: Order or print enough copies of *Great Minds Think* publication for each student prior to conducting the activity. Print a copy of the *Spending Vocabulary Worksheet* for each student if using the paper or PDF version of *Great Minds Think*. If using the online game, the worksheet is not necessary—a vocabulary assessment is included.

Virtual: Order or print enough copies of *Great Minds Think* for each student prior to conducting the activity, or have each student download the online game. Print a copy of the *Spending Vocabulary Worksheet* for each student if using the paper or PDF version of *Great Minds Think*. The *Spending Vocabulary Worksheet* can be accessed in the Learning Center's Google Drive. If using the online game, the worksheet is not necessary—a vocabulary assessment is included.

The resources needed for this activity are linked in the Teacher Materials section.

Instructional Procedure:

1. Ask students if they can name a few ways you can pay for items at the store. Record the answers on the whiteboard. Explain to students that paper bills and coins are not the only ways to pay for goods and services.
2. **In person:** Distribute the *Great Minds Think* publication to each student. Have them turn to page 9 and read the “Ways to Pay” section.

Virtual: Have students access the *interactive online game* and then click on the “home” icon to access the different sections of *Great Minds Think*. From there, students will select the “Spending” bubble and start the activity by reading “Ways to Pay.” Have students complete the vocabulary assessment that follows. Students will click the “next” button once they have completed the vocabulary assessment.

3. Ask students if they know the difference between a need and a want. Select a few students to provide examples of each to the class. Explain to students that a **need** is something that is necessary to survive. A **want** is something that is nice to have but isn't necessary to survive. For example, we need food to survive but candy is not necessary to survive and so it is a want.

4. **In person:** Have students turn to page 10 and read the “I Want It! I Need It!” section and then complete the corresponding activity.

Virtual: Have students read the “I Want It! I Need It!” section. After they have finished reading this section, have the students hit the “next” button and complete the vocabulary assessment and the “What Are Your Needs and Wants” activity.

5. Tell students to listen to the two scenarios below and pick which way they would like to spend the Saturday afternoon.

- Scenario 1: You and a friend spend that afternoon at an obstacle course climbing, bouncing, and zip lining.
- Scenario 2: You go to see the new Marvel movie with your family and pick out a box of candy.

Ask students what they give up if they pick Scenario 1 over Scenario 2 and vice-versa. (Answer: If you select Scenario 1 you don’t get to go to the obstacle course or see your friend. But if you select Scenario 2 you don’t get to see the new movie or buy a box of candy.) Explain to students that what they give up for something else is known as an **opportunity cost**. When you choose to spend your time or money on one thing, you give up the opportunity to spend it on another thing. The other thing that you give up—your second-best choice—is called your opportunity cost. Thinking about the cost of something in terms of opportunity cost can help you make choices because you have to think hard about what you are giving up.

6. **In person:** Tell students that they are going to have the opportunity to make their own choices. Have them turn to page 11 and read “Spending: What’s the Real Cost?” section. After they have finished reading, have students complete the “This or That” activity on the same page.

Virtual: Tell students that they are going to practice making choices. Have students complete the “This or That” activity.

7. As a class, discuss what choice each student made and the opportunity cost of each choice.

Key Vocabulary:

- **Cash:** Money, like dollar bills and coins.
- **Check:** A paper form of payment that is used to transfer money from your checking account to a person or company.
- **Credit card:** A form of payment that is like a personal loan; you have to pay a balance on it at the end of every month.
- **Debt:** The amount of money that you owe.
- **Debit card:** A form of payment that subtracts money from your checking account.
- **Mobile payment apps:** Forms of payment on your phone that are linked to a checking or credit card account.
- **Needs:** Things that are necessary to survive.
- **Opportunity cost:** What you give up in order to choose something else.
- **Prepaid card:** A form of payment that is loaded with a specific amount of money.
- **Wants:** Things that are nice to have, but aren’t necessary to survive.

Attachments:

- *Spending Vocabulary Worksheet*
- *Spending Vocabulary Worksheet: Answer Key*

Resources:

- FederalReserveEducation.org
- [*Saving and Spending Game*](#)—Lesson Plan
 - [*Common Cents: 'Tis the Season for Smart Shopping*](#)—Lesson Plan
 - [*Why Budget*](#)—Infographic
 - [*Piggy Bank Primer*](#)—EBook

Extension:

- Pair students with a partner and have them discuss and identify needs and wants from their own life.
- Use classroom downtime to conduct a “Friday Fun Day Activity” day, which allow students to choose between two activities on how to spend their free time. Have a discussion with students about the opportunity cost of their choice.
 - **Example:** Students choose between two Friday Fun activities: extra recess or extra computer time. Help students understand that they are giving up their opportunity to earn extra computer time when choosing to participate in extra recess and vice versa.

Differentiation:

- Read the “Ways to Pay” (pg. 9) section of the spending activity aloud to the class.
- Pair students with a partner to work through the **Spending Vocabulary Worksheet**. Or complete the **Spending Vocabulary Worksheet** together as a class
- Pair students with a partner and have them complete the “I Want It! I Need It!” activity.
- The teacher can read out the two items in the “I Want It! I Need It” activity and the class can choose together.
- Split the class into two teams and have them vote on which item to pick in the “This or That” activity.

Ohio’s Learning Standards for Social Studies:

- 3.19: Making decisions involves weighing costs and benefits.
- 6.16: When selecting items to buy, individuals can weigh costs and benefits and compare the price and quality of available goods and services.

Ohio’s Learning Standards for Financial Literacy:

- K-3: Choices can be made with your money.
- 4-6: People have limited resources and must prioritize their needs and wants.

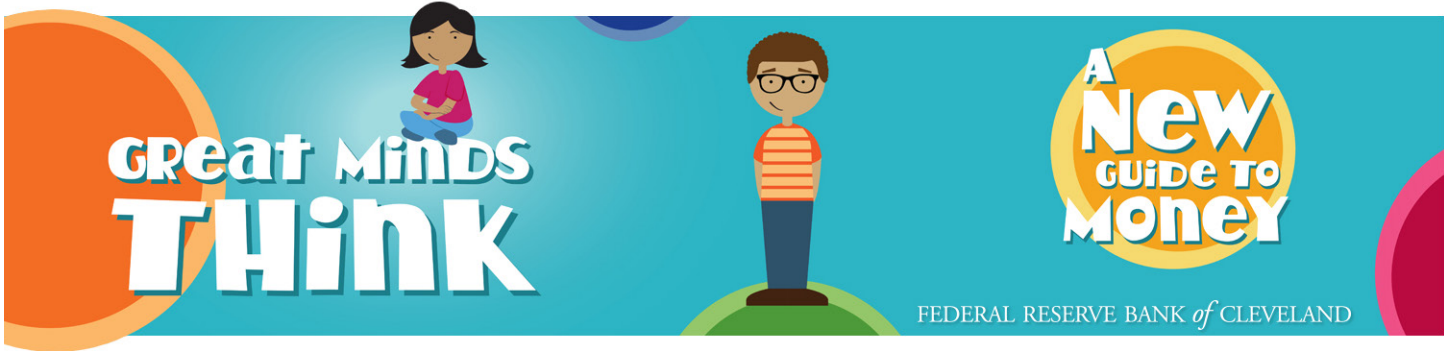
Kentucky’s Learning Standards for Social Studies:

- 1.E.IC.1: Predict a person’s change in behavior in response to incentives and opportunity costs.
- 3.E.IC.1: Explain how people use incentives and opportunity costs to inform economic decisions.

Kentucky’s Learning Standards for Financial Literacy:

- K-3 F.P.3: Identify the difference between wants (e.g., skateboard, video games) and needs (e.g., food, clothing and shelter) and the relationship to consumer decisions.
- K-3 F.P.4: Identify why people make financial choices.

Name: _____



SPENDING

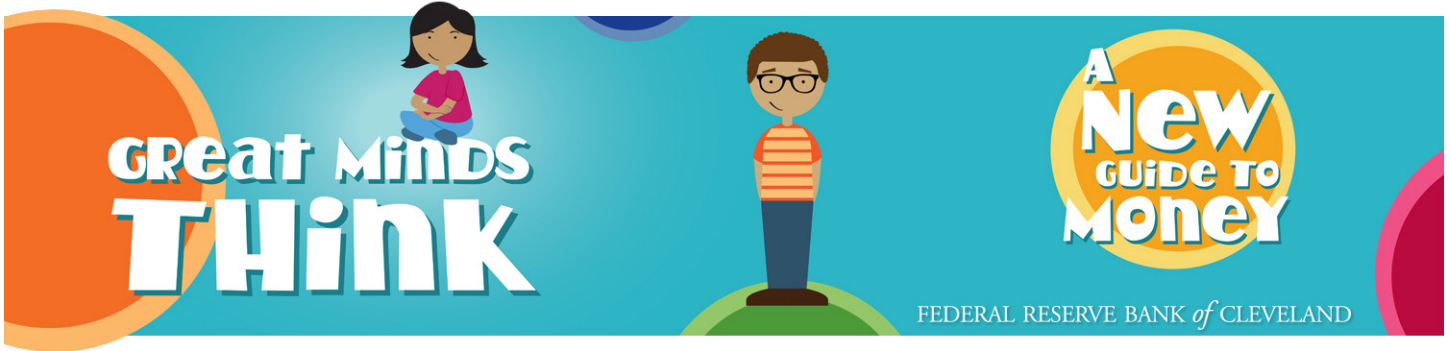
Directions: Read the list of vocabulary terms and then match each vocabulary word to its definition.

Word Bank

Wants	Debt	Cash	Debit Card	Opportunity Cost
Check	Needs	Prepaid Card	Mobile Payment Apps	Credit Card

1. _____ Things that are necessary to survive.
2. _____ A form of payment that subtracts money from your checking account.
3. _____ Forms of payment on your phone that are linked to a checking or credit card account.
4. _____ The amount of money that you owe.
5. _____ A form of payment that is like a personal loan; you have to pay a balance on it at the end of every month.
6. _____ A form of payment that is loaded with a specific amount of money.
7. _____ Things that are nice to have, but aren't necessary to survive.
8. _____ A paper form of payment that is used to transfer money from your checking account to a person or company.
9. _____ What you give up in order to choose something else.
10. _____ Money, like dollar bills and coins.

Name: _____



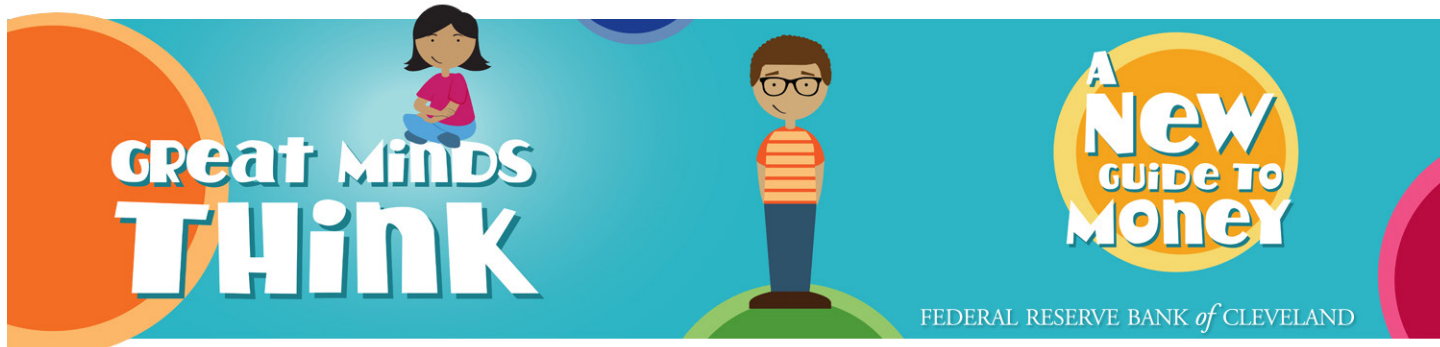
SPENDING

Directions: Read the list of vocabulary terms and then match each vocabulary word to its definition.

Word Bank

Wants	Debt	Cash	Debit Card	Opportunity Cost
Check	Needs	Prepaid Card	Mobile Payment Apps	Credit Card

1. Needs Things that are necessary to survive.
2. Debit Card A form of payment that subtracts money from your checking account.
3. Mobile Payment Apps Forms of payment on your phone that are linked to a checking or credit card account.
4. Debt The amount of money that you owe.
5. Credit Card A form of payment that is like a personal loan; you have to pay a balance on it at the end of every month.
6. Prepaid Card A form of payment that is loaded with a specific amount of money.
7. Wants Things that are nice to have, but aren't necessary to survive.
8. Check A paper form of payment that is used to transfer money from your checking account to a person or company.
9. Opportunity Cost What you give up in order to choose something else.
10. Cash Money, like dollar bills and coins.



Title: Great Minds Think 4. Budgeting	Grade Level: 2–6	Time Allotment: 30 minutes
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Description:

In this activity, students will learn about budgeting by creating a practice budget for a character from *Great Minds Think*. Students will then have the opportunity to demonstrate their understanding of budgeting by creating their own budget.

Learning Objectives:

- I can explain the purpose of a budget.
- I can define the terms expense and income
- I can create a budget.

Teacher Materials: <ul style="list-style-type: none"> • <i>Great Minds Think</i> (interactive online game) • <i>Budgeting Vocabulary Worksheet</i> (in person) • <i>Budgeting Vocabulary Worksheet: Answer Key</i> (in person) 	Student Materials: <ul style="list-style-type: none"> • <i>Great Minds Think</i> • <i>Budgeting Vocabulary Worksheet</i> (in person) • Calculator • Pencil • Tablet or Computer (virtual)
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Teacher Preparation:

In person: Order or print enough copies of *Great Minds Think* publication for each student prior to conducting the activity, or have each student download the online game. Print a copy of the *Budgeting Vocabulary Worksheet* for each student if using the paper or PDF version of *Great Minds Think*. If using the interactive online game, the worksheet is not necessary—a vocabulary assessment is included.

Virtual: Order or print enough copies of *Great Minds Think* for each student prior to conducting the activity, or have each student download the online game. Print a copy of the *Budgeting Vocabulary Worksheet* for each student if using the paper or PDF version of *Great Minds Think*. The *Budgeting Vocabulary Worksheet* can be accessed in the Learning Center’s Google Drive. If using the online game, the worksheet is not necessary—a vocabulary assessment is included.

The resources needed for this activity are linked in the Teacher Materials section.

Instructional Procedure:

1. Explain to students that they are going to be learning about **budgets**. A budget is a plan that helps us keep track of **income**, the money we earn or receive, and **expenses**, the money that we spend or use to buy things.
2. **In person:** Distribute the *Great Minds Think* publication to each student. Have them turn to page 12 and read “Budget Basics.”

Virtual: Have students access the *interactive online game* and then click on the “home” icon to access the different sections of *Great Minds Think*. From there, students will select the “Budgeting” bubble and start the activity by reading “Budgeting Basics.” Have students complete the vocabulary assessment that follows.

3. Ask students, “What should be included in a budget?” (Answers will vary; e.g., shopping, chores, gifts, bills, etc.) Have students practice building a budget by.
In person: Turning to page 13 to complete “Lin’s Budget Worksheet.” The items for Lin’s budget can be found on page 12 underneath the “Budgeting Basics” reading.
Virtual: Clicking the next button after the vocabulary assessment and completing “Alex’s Budget” activity.
4. Ask students again what items should be included in a budget following the practice budget activity they completed.
5. **In person:** Have students create their own budget by turning to page 14 and completing the “Make Your Own Budget” activity.
Virtual: Have students create their own budget by clicking the “next” button and completing the “Make Your Own Budget” activity.
6. **In person:** Have students demonstrate their knowledge of the terms introduced in this lesson by completing the *Budget Vocabulary Worksheet*.

Key Vocabulary:

- **Budget:** A plan that balances income with expenses.
- **Expense:** Money that is spent on a good or service.
- **Income:** Money that is earned or received.

Attachments:

- *Budgeting Vocabulary Worksheet*
- *Budgeting Vocabulary Worksheet: Answer Key*

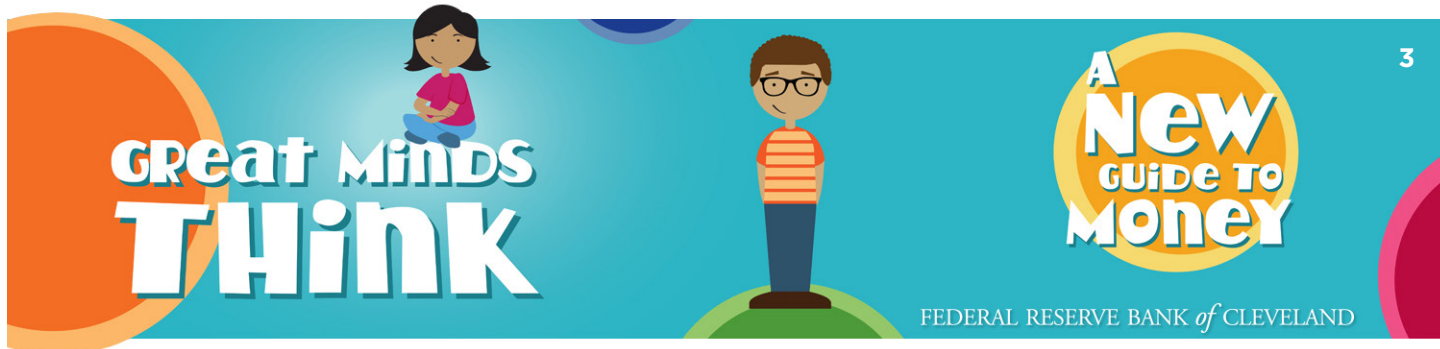
Resources:

FederalReserveEducation.org

- [*Common Cents: It’s Free, But at What Cost?*](#)—Article
- [*Why Budget*](#)—Infographic
- [*Piggy Bank Primer*](#)—EBook
- [*Budgeting 101*](#)—Online Course

Extension:

- Have students read the [*Why Budget*](#) infographic from the Federal Reserve Bank of Atlanta and then write one to two sentences on why it is important to have a budget. Students will find the answer to this question underneath the “A Budget Helps You To” section of the infographic.
- Have students track their saving and spending habits for a week. Then have students use their findings to create a budget.



Differentiation:

- Read the “Budget Basics” section (pg. 12) of the Spending activity aloud to the class.
- On “Lin’s Budget Worksheet” (pgs. 12– 13), adjust the numbers to make the math more manageable for the students.
- Complete step 4 together as a class.
- On the “Make Your Own Budget” activity, suggest different chores or jobs students can complete in order to earn a certain amount of income. Suggest some expenses that students may spend their money on and how much that may be.
- Pair students with a partner to work through the *Budgeting Vocabulary Worksheet* or complete it together as a class.

Ohio’s Learning Standards for Social Studies:

- 2.20: A budget is a plan to help people make personal economic decisions for the present and future and to become more financially responsible.
- 3.20: A budget is a plan to help people make personal economic decisions for the present and future and to become more financially responsible.
- 4.22: Tables and charts help people to understand information and issues. Tables organize information in columns and rows. Charts organize information in a variety of visual formats (picture, diagrams, graphs).

Ohio’s Learning Standards for Financial Literacy:

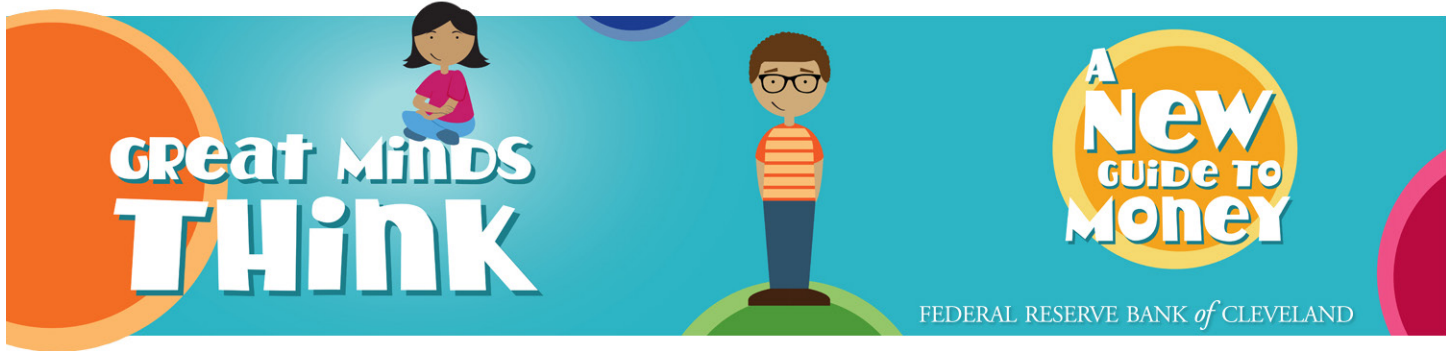
- K-6: Financial responsibility includes the development of a spending and savings plan (personal budget).

Kentucky’s Learning Standards for Financial Literacy:

- K-3 F.P.1: Recognize that people need to work to meet basic needs.
- K-3 F.P.5: Explain how planning helps people make choices about how to use their money.
- 4-5 FL.I.6: Develop a basic budget which includes income, expenses and savings for a specific purpose.

This activity is part four of the [Great Minds Think](#) activity series.

Name: _____



BUDGETing

Directions: Demonstrate your understanding of the following terms by using them in a sentence.

Terms:

- **Budget:** A plan that balances income with expenses.
- **Expense:** Money that is spent on a good or service.
- **Income:** Money that is earned or received.

1. **Budgeting:** _____

2. **Expense:** _____

3. **Income:** _____