

MONEY MINDED ILLINOIS CURRICULUM

TEACHING FINANCIAL LITERACY & INQUIRY



Fifth Grade



Our goal is simple: To make implementation of the Financial Literacy and Inquiry Standards easy for all Illinois teachers. Using the C3 Framework as a guide, our curriculum provides teachers all the resources they need for each unit while ensuring the standards are taught. Below is a brief explanation of the structure our units take.

Inquiry

To break down the inquiry process, each lesson follows this format:

Ask → Investigate → Create/Discuss → Reflect

Ask

Each lesson starts with a compelling question. Next, there are three supporting questions that directly ties in to the compelling question. Each supporting question gets a little tougher as you progress through the lesson, thus providing the opportunity for differentiating and compacting the curriculum.

Investigate

The featured resources are listed here. Depending on the lesson, these can range from reading for information pieces to videos to activities. These resources were designed to allow the students to do their own research and learn about the compelling question. Each resource has been created for you. If a lesson lists a video as a resource, you can find it at www.moneymindedillinois.com.

Create/Discuss

Here you will find the formative assessment performance activities for each supporting question. As in Investigate, the activities have all been created and are in the unit.

Reflect

This section is the lesson's summative assessment performance activity.

Additional Resources

Our curriculum will continuously have additions and adaptations. Please feel free to visit us at www.moneymindedillinois.com for more materials as the program grows. There are also statewide competitions that students can partake in listed there as well.

Professional Development

Money Minded provides free professional development opportunities that address both the financial literacy and inquiry standards. If interested, please contact us at www.moneymindedillinois.com or (866) 458-7327.





OFFICE OF THE ILLINOIS STATE TREASURER
MICHAEL W. FRERICHS

Dear Money Minded participants,

Every child needs financial education to prepare them for the future. Students who participate in financial education lessons become more fiscally responsible adults, including having better credit scores, stronger saving and investing habits, and personal budgeting strategies. Part of my responsibility as the State Treasurer is to provide teachers and students with the financial tools they need to succeed.

To achieve this, we are providing teachers with Money Minded Illinois. Working in cooperation with Econ Illinois, this free program provides teachers with a curriculum, professional development, and programs to teach financial literacy standards. We provide these free resources to ensure every teacher and student has access to financial education.

We will consistently update our resources, so please visit www.moneymindedillinois.com for lessons and to register for professional development opportunities. We also can host a presentation at your district.

Together, we can ensure that Illinois' future generations are equipped with the financial skills they need to become fiscally responsible adults. As always, thank you for the work that you do for the children of Illinois.

At the State Treasurer's office, we are invested in you.

Sincerely,

A handwritten signature in blue ink that reads "Michael Frerichs".

Michael Frerichs
Illinois State Treasurer

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MONEY MINDED ILLINOIS CURRICULUM

TEACHING FINANCIAL LITERACY & INQUIRY

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Grade 5 Lesson 1

Compelling Question: Does money ever change?

IL Financial Literacy Standard		
IL Econ Standard (when applicable-this row can be deleted)	SS.EC.2.5: Discover how positive incentives (e.g. sales prices and earning money) and negative incentives influence behavior in our nation's economy and around the world.	
Inquiry Standard	SS.IS.2.3-5: Create supporting questions to help answer essential questions in an inquiry.	SS.IS.3.3-5: Determine sources representing multiple points of view that will assist in answering essential questions.
	SS.IS.4.3-5: Gather relevant information and distinguish among fact and opinion to determine credibility of multiple sources.	SS.IS.6.3-5: Construct and critique arguments and explanations using reasoning examples, and details from multiple sources.
Student Outcomes	- Students analyze data, draw conclusions, make inferences, and predict outcomes. - Students create essential and supporting questions to guide their investigations.	

Ask

Compelling Question: Does money ever change?

Supporting Question #1: Is technology having an impact on money?

Key Understandings:
Students learn that technology is impacting how money is used along with digital currencies that are emerging.

Featured Resources (Investigate): 1 Reading for Information piece and 2 investigation activities.

Formative Assessment Task (Create/Discuss): A discussion and 3 activities.

Supporting Question #2: How does our currency compare to other countries?

Key Understandings:
Students learn more about currencies in different countries and foreign exchange markets.

Featured Resources (Investigate): 1 reading for information piece and 2 investigations

Formative Assessment Task (Create/Discuss): A puzzle, travel brochure, and discussion

Supporting Question #3: How do governments play a role in our money's value?

Key Understandings:
Students learn that governments try to stabilize their country's money.

Featured Resources (Investigate): 2 reading for information pieces and an investigation.

Formative Assessment Task (Create/Discuss): A discussion, storyboard, and 2 puzzles.



Introduction to Lesson

The compelling question for this lesson is *Does money ever change?* The first supporting question explores technology's impact on money and new emerging forms of currency. The second supporting question explores how the U.S. dollar compares to currencies in other parts of the world. The third supporting question looks at the way governments play a key role in the value of our money.

The lesson is structured as follows: Each lesson consists of three supporting questions that directly ties in to the compelling question. Each supporting question gets a little tougher as you progress through the lesson. Each supporting question includes an Investigate and Create/Discuss section. The Reflect section is located towards the end of the lesson which provides students a chance to demonstrate their knowledge of money and allows you to have a summative evaluation.

Supporting Question #1: Is technology having an impact on money?

Investigate

Reading for Information - Advancing Technologies: Students read an article on how advancing technology is creating new forms of currencies.

Civic Currency Investigation: Students read about a growing phenomenon called 'civic cryptocurrencies' which cities are adopting throughout the world. Civic currencies are used to help strengthen local economic development efforts and have been in place for years. The difference is that the expansion of cryptocurrencies is allowing civic currencies to take on new identities. Students investigate which cities, if any, in Illinois or the United States are using civic currencies. They then look internationally to see which cities have civic currencies in place.

Investigation about Money: Students investigate "Is technology having an impact on money?" Three key terms (money, trust, value) are defined to aide development of questions which guide their inquiry.

Create/Discuss

Featured Resources

Discussion – Investigation about Money: Students discuss their findings from the investigation and share the supporting questions they created.

Imagine If Activity: Students imagine if companies, such as Amazon, created their own cryptocurrency. This should be completed after the Investigation about Money activity.

Digital Currency Activity: Students solve cipher puzzles to decode messages regarding digital currency.

The Future of Money: Students imagine what money will look like in 25 years. The class discusses everyone's thoughts.

Supporting Question #2: How does our currency compare to other countries?

Investigate

Featured Resources

Reading for Information – Global Currencies: Students read about the Top 8 most tradable currencies.

World's Most Tradable Currencies Investigation: Students research information on various currencies. They complete a table consisting of the top currencies. Based on information gathered in the table, they are asked to list three additional items they would like to learn about these currencies and research them.



Create/Discuss
Featured Resources
Discussion – World’s Most Tradable Currencies: Students discuss findings from their investigation with the class.
Travel Brochure: Students use the knowledge they learned from their investigation to create a travel brochure that teaches tourists about the country’s currency.
Letter Tiles Puzzle: Students unscramble the tiles to reveal a message about currencies around the world. Each letter is used once in the phrase.

Supporting Question #3: How do governments play a role in our money’s value?

Investigate
Featured Resources
Reading Activity - The Federal Reserve System: Students read an article about the Federal Reserve Bank and its important role in stabilizing the value of the U.S. dollar. The students analyze a chart by FRED showing comparisons in purchasing a basket of baked goods with the U.S. dollar, gold, and Bitcoin.
Reading Activity – Security Measures: Students read an article about security. The government’s backing of the U.S. dollar ensures that our money is safe when it is kept in bank accounts. The students read about the FDIC and the protections in place.
World’s Most Secure Banks Investigation: Students research what are considered the world’s most secure banks and why.

Create/Discuss
Featured Resources
Discussion – World’s Most Secure Banks: Students discuss their findings about where the world’s most secure banks are located.
Storyboard: Students create a story board depicting governments role in our money’s value. This can be a cartoon, images, etc. but it should tell a story. Students should have a minimum of eight frames for their storyboard.
Alphabet Challenge: Students complete an Alphabet Challenge involving words related to money.
Boggler Puzzle: Students make words from the scrambled letters in the puzzle.

Ask: Does money ever change?

Reflect	
Summative Assessment Performance Activities	
Task	Construct an argument, supported by evidence, that addresses <i>Does money ever change?</i> This can be a paper, presentation, poster, etc.
Extensions/Actions	Host a financial fair at your school. For more information, visit www.econillinois.org .
	Saving for College: Students can investigate Illinois' 529 savings plan to help families save for college.



ADVANCING TECHNOLOGIES



Technology consistently makes things more efficient. Within a few decades, the world has been transformed by digital devices. They provide numerous conveniences and connectivity throughout the world. However, when it comes to money, the speed of adoption slows down a bit. That's because money has value. We all trust the U.S. dollar and its value. A primary reason money has value is because governments back currencies used in their countries.

The new forms of digital currency, called cryptocurrencies, are very different from the traditional bank notes and coins. They rely on encryption or coding techniques. One of the main differences is that digital currencies are not backed the U.S. federal government. The digital currencies do not use financial institutions but, instead, are based on person-to-person exchanges. The most recognized digital currency, Bitcoin, is based on a new type of technology called blockchain. This technology allows records to be kept and when a new transaction (an exchange for a good or service) takes place a new chain is added to the block. Blockchain technology has the potential to transform many things and help streamline business operations. A positive side of blockchain technology is that it keeps details of every single transaction making it easier for tracking purposes.

Advancing technologies have helped countries connect with one another in meaningful ways. Some of the new monetary advancements may make foreign exchange markets (where people can buy, sell, and exchange currencies) more efficient. Even though these advancements appear to be helpful, there are still many hurdles they must clear before they become part of our everyday lives. For instance, government regulations will likely be necessary to help keep everyone safe.

Other forms of advancing technologies include the mobile wallet. A mobile wallet allows people to carry information on plastic cards, such as debit and credit cards, on smartphones or other mobile devices. Individuals do not need to physically carry their cards but can tap to pay at businesses accepting this form of payment.

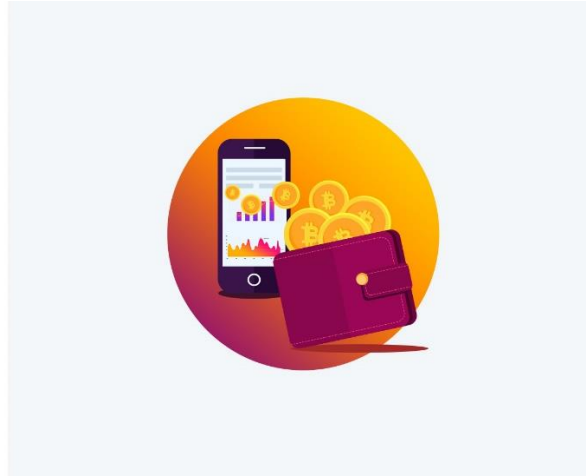
There is still an enormous amount of work that needs to be done in many of these areas, but it is exciting to think societies are on the brink of massive innovations within the financial industry.

Bitcoin: A Primer - Federal Reserve Bank of Chicago, www.chicagofed.org/publications/chicago-fed-letter/2013/december-317.
Noveck, Beth Simone. "More Than A Coin: The Rise Of Civic Cryptocurrency." *Forbes*, Forbes Magazine, 2 Apr. 2018, www.forbes.com/sites/bethsimonenoveck/2018/03/27/more-than-a-coin-the-rise-of-civic-cryptocurrency/#70bf6d7f6b68.



Civic Currencies

Cryptocurrencies are digital currencies used to exchange items of value. There is no oversight by governments or agencies within governments. The technology used with cryptocurrencies provides the recordkeeping of each transaction, or exchange, that takes place. The information is stored electronically in a public database, so anyone can see the transactions. Another major difference is that cryptocurrencies are built upon person-to-person transactions.



There are over one thousand cryptocurrencies being used throughout the world today and new entrants continue expanding the market. Cities are among new types of entrants. According to Forbes, cities across the globe are “leading a revolution in the creation of complementary ‘civic currencies’ – some digital, some physical ...”. These currencies are designed to help with local economic development efforts.

However, the idea of civic currencies is not new. Besides supporting local efforts, some of these civic currencies are used to incentivize, or encourage, citizens to act in a certain way. Here are a few examples:

- Local businesses in Gerard Square and St. Lawrence Market, both located in Toronto, Canada, accept ‘Toronto Dollars’. The exchange is relatively easy as one Canadian dollar equals one Toronto dollar. However, when residents use Toronto Dollars in Gerard Square or St. Lawrence Market, ten cents is allocated to support local community efforts such as assisting the homeless or individuals who did not have a job.
- Rotterdam, located in the Netherlands, launched Spaarpas in 2000 to create local incentives for eco-friendly and sustainable behavior and purchases among their citizens.
- Barcelona, Spain is trying to encourage citizen engagement by rewarding people when they are involved in various activities in their local areas.
- Berkeley, California is using a civic cryptocurrency allowing investors to purchase the city’s municipal bonds.
- Now it’s your turn to investigate which cities, if any, are using civic or cryptocurrencies. Research if there are any in Illinois, the United States, and other parts of the world. Use the table below to help with your inquiry.

Noveck, Beth Simone. “More Than A Coin: The Rise of Civic Cryptocurrency.” *Forbes*, Forbes Magazine, 2 Apr. 2018, www.forbes.com/sites/bethsimonenoveck/2018/03/27/more-than-a-coin-the-rise-of-civic-cryptocurrency/#70bf6d7f6b68.

“Civic Currencies Being Used To Encourage Citizen Participation And Engagement.” *Dippli*, 20 Apr. 2018, dippli.com/2018/04/20/civic-currencies-being-used-to-encourage-citizen-participation-and-engagement/.



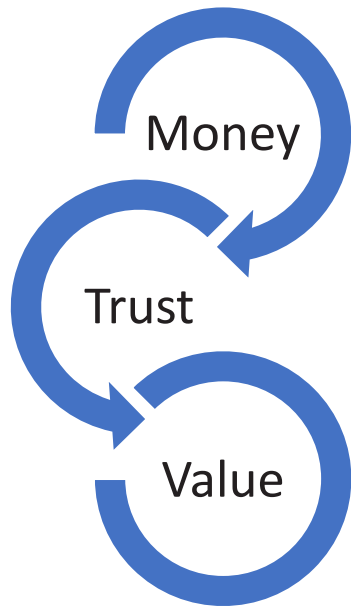
Civic Currencies			
Location	What form of currency is used? (paper, coin, cryptocurrency)	When was the civic currency established?	What is the currency used for?

Noveck, Beth Simone. "More Than A Coin: The Rise of Civic Cryptocurrency." *Forbes*, Forbes Magazine, 2 Apr. 2018, www.forbes.com/sites/bethsimonenoveck/2018/03/27/more-than-a-coin-the-rise-of-civic-cryptocurrency/#70bf6d7f6b68.

"Civic Currencies Being Used To Encourage Citizen Participation And Engagement." *Dippli*, 20 Apr. 2018, dippli.com/2018/04/20/civic-currencies-being-used-to-encourage-citizen-participation-and-engagement/.



Investigation about Money



Below is the essential question driving this investigation:

Is technology having an impact on money?

Historically, money has been based on both trust and value. Let's look at definitions of each word:

Value: A fair return or equivalent in goods, services, or money for something exchanged

Trust: One in which confidence is placed

Money: Something generally accepted as a medium of exchange, a measure of value, or a means of payment

Based on the essential question above, think of three supporting questions that you would like to learn more about.

1. _____
2. _____
3. _____

After completing your investigation, write 2-3 paragraphs on whether or not you feel technology is having an impact on money.

Source: Merriam-Webster Dictionary <https://www.merriam-webster.com/dictionary/value>, <https://www.merriam-webster.com/dictionary/trust>, <https://www.merriam-webster.com/dictionary/money>



Imagine If ...



Now that you have completed your investigation about whether technology is having an impact on money, imagine if large companies created their own cryptocurrency.

Let's look at three well-known innovative companies, then it's your turn to pick three companies that you feel fit this comparison. Indicate if you would trust a cryptocurrency from each company, whether you would value it, and if there are other requirements that you feel would make their cryptocurrency accepted by people.

As a reminder, money has historically been based on both trust and value.

Company	Trust	Value	Other Requirements
Amazon			
Apple			
Netflix			

After completing the grid, what are your thoughts? Would you be happy or feel comfortable if any of these companies offered their own cryptocurrency for you to purchase goods and/or services?



Digital Currency Activity

Cryptocurrency transactions are logged or recorded. The space that these transactions are housed is called blockchain. Each transaction that is made using digital money will be housed in its own "block". Codes have been created to read these transactions and store the information. Let's practice cracking these ciphers and then make a cryptic message of your own. The first line of boxes contains the code. The second line is for you to write the letters. Can you figure out what these say?

Key:

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z

Code #1

Code #2



Key:

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z

Code #3

Code #4

Now it's your turn! Create a cryptic code using the key above.



Digital Currency Activity

Cryptocurrency transactions are logged or recorded. The space that these transactions are housed is called blockchain. Each transaction that is made using digital money will be housed in its own “block”. Codes have been created to read these transactions and store the information. Let’s practice cracking these ciphers and then make a cryptic message of your own. The first line of boxes contains the code. The second line is for you to write the letters. Can you figure out what these say?

Key:

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z

Code #1

B	I	T	C	O	I	N		S	I	D		G	I		A	T		C	U	R	R	E	N	C	Y

Code #2

																													
C	R	Y	P	A	R	G	O	T	O	G			I		H	E			T		O								C



Key:

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z

Code #3

D	O	Y	O	U	O	W	N	A		D	I	G	I	T	A	L	W	A	L	L	E	T		

Code #4

I	S		T	H	I	S		T	H	E		F	U	T	R	E		O	F	M	O	N	E	Y

Now it's your turn! Create a cryptic code using the key above.





The Future of Money



What do you think money will look like in 25 years? Do you think we will still have bank notes and coins? Do you think everyone will use mobile wallets? Do you think there will be one currency used throughout the world?

Write 2-3 paragraphs about what you envision money will look like. Be sure and include pictures or drawings for this assignment.

Source: National Center for Economic Education, Money Is What Money Does

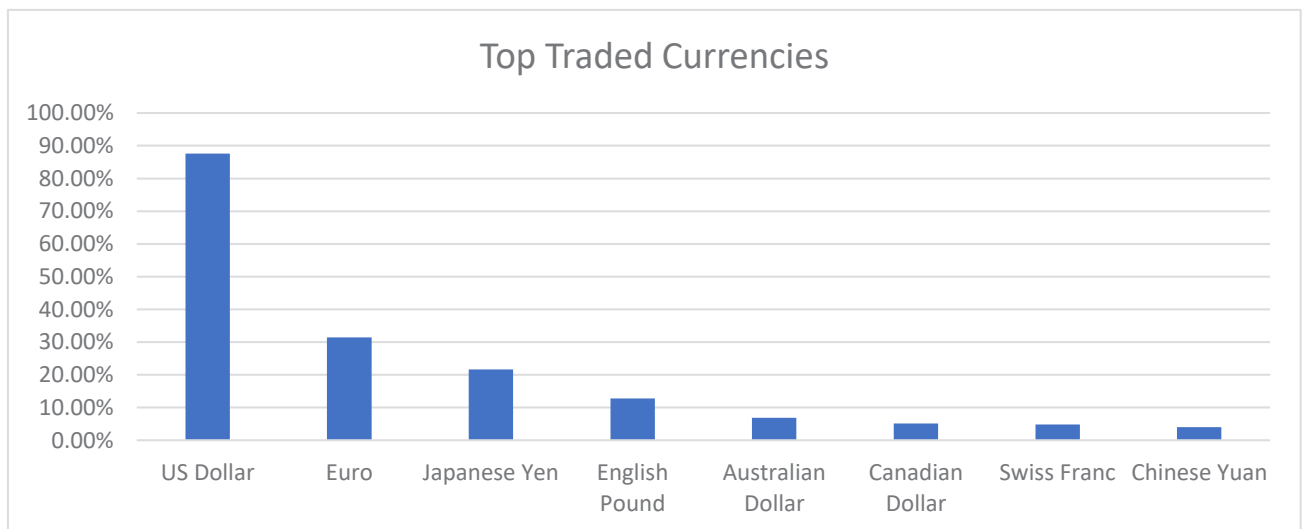


Global Currencies

Even though the internet and other forms of technology allow the world to be more connected, many countries have their own currencies. The United Nations recognizes 180 currencies that are used in 195 countries.

Plastic cards have made it easier to purchase items or pay for services in other countries without needing to convert U.S. dollars to the local currency. However, it is still good to know information about these currencies since they do not have an equal value.

The U.S. dollar is often considered the backbone of the world economy and approximately 66 countries either tie their currency to the US dollar or use it as their currency. A dollar always equals 100 cents or pennies. Many countries around the world recognize and accept the U.S. dollar as a form of payment. It's important to know that other countries also call their currency 'dollars' which is why the country is noted to avoid any confusion.



Currencies are traded on **Foreign Exchange Markets**. There are approximately \$5.1 trillion worth of trades each day that take place in the foreign exchange markets. The ten most traded currencies account for almost 90% of all trades.

Large financial hubs located in the United States, United Kingdom, Singapore, Japan, Hong Kong, and Switzerland handle the majority of trading activity.

Hall-Smith, Will. "The Top 10 Most Traded Currencies in the World." *IG*, IG, 4 Sept. 2018, www.ig.com/au/trading-strategies/the-top-ten-most-traded-currencies-in-the-world-180904.

Ganti, Akhilesh. "Foreign Exchange Market Definition." *Investopedia*, Investopedia, 4 Apr. 2019, www.investopedia.com/terms/f/foreign-exchange-markets.asp.

Lee, Richard. "The Top 8 Most Tradable Currencies." *Investopedia*, Investopedia, 5 May 2019, www.investopedia.com/trading/most-tradable-currencies/.

"The Top 8 Most Tradable Currencies." *PRFinancial News*, prfinancialnews.com/bloggers/the-top-8-most-tradable-currencies.

Sawe, Benjamin Elisha. "How Many Currencies Exist in the World?" *WorldAtlas*, 28 June 2018, www.worldatlas.com/articles/how-many-currencies-are-in-the-world.html.



World's Most Tradable Currencies

For this investigation, you will be researching information on the world's most tradeable currencies.

Step 1: The table is missing information. Research and fill in the missing data.

Currency	Three Digit Code	Issued By	Year Created
U.S. Dollar	USD	Federal Reserve	1913
European Euro			
Japanese Yen			
British Pound			
Swiss Franc			
Canadian Dollar			
Australian/New Zealand Dollar			
South African Rand			

Step 2: Pick one currency from above. What else would you like to know about it? List your questions below, then research them to find the answers for your travel brochure.

1. _____
2. _____
3. _____

Lee, Richard. "The Top 8 Most Tradable Currencies." *Investopedia*, Investopedia, 5 May 2019, www.investopedia.com/trading/most-tradable-currencies/.



Travel Brochure

Now that you know more about one of the world's most tradable currencies, create a travel brochure that gives facts and explains the currency to a future tourist. You can draw or use a computer program to complete.

Currency Selected: _____

Countries That Use Currency: _____

Answers to your Investigation Activity questions: _____

Other Facts: _____



Currencies Around the World

Directions: Unscramble the tiles to reveal a message. Each letter is used once in the phrase. You can use the blank tiles below to write the letters while you solve the puzzle.

R E C H G E F O A R N T A N M K E
E X I G



Currencies Around the World

Directions: Unscramble the tiles to reveal a message. Each letter is used once in the phrase. You can use the blank tiles below to write the letters while you solve the puzzle.

R E C H G E F O A R N T A N M K E
E X I G

Answer: Foreign Exchange Markets

Source: Discovery Education Puzzlemaker

<http://puzzlemaker.discoveryeducation.com/code/BuildLetterTiles.asp>

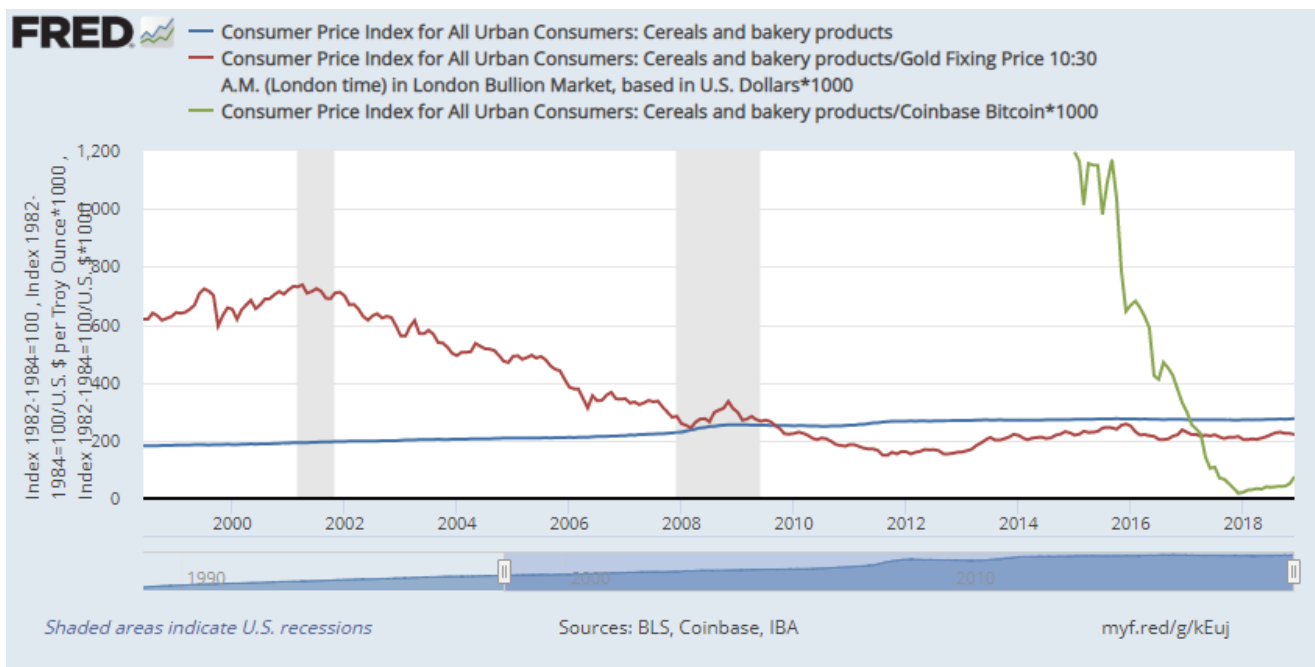


The Federal Reserve System of the United States

It would be disastrous if there were large changes in money's value from one day to the next. Imagine thinking you had enough money to purchase something only to find out that the price increased dramatically overnight. Thankfully, the Federal Reserve System is in place to try and make sure that does not happen. Since 1913, their goal is to provide the U.S. with a stable monetary and financial system. That means they try to stabilize the price of the U.S. dollar and adapt to changes in its demand so there aren't large fluctuations.



Other forms of currency, such as gold or digital money, are not backed by the U.S. government so it cannot help protect consumers. Gold, for example, is mined across the world so the U.S. government cannot control its availability or production. The same principle applies to digital money, such as Bitcoin, because the U.S. government has no control of its availability. The chart below provides an example of purchasing a basket of baked goods. The blue line is the U.S. dollar, the red line represents purchasing the basket in gold, and the green line shows the price in Bitcoin. By analyzing the graph, you can see that the blue line (U.S. dollar) is much more stable over the years. The red line (gold) has considerable fluctuations compared to the blue line. The green line (Bitcoin) shows extreme fluctuations.



What are your thoughts? Do you think it is important for governments to play a role in the value of money?

The Structure and Functions of the Federal Reserve System, www.federalreserveeducation.org/about-the-fed/structure-and-functions.

"The FRED® Blog." *FRED Blog*, fredblog.stlouisfed.org/2018/08/alternative-money-for-transactions/.



Security Measures

The U.S. government has various protections in place to keep our money safe and secure. One of these safety measures is the Federal Deposit Insurance Corporation, or the FDIC. The FDIC examines and supervises approximately 4,000 banks and savings banks to make sure they are following the established rules and regulations.



The FDIC is an independent agency of the federal government and was created back in 1933. During the 1920s, there were a lot of banks that failed, and the government wanted to take action to ensure that no one in the United States who made a deposit in a bank would lose their money. Deposits are insured up to \$250,000 per depositor, per bank. A deposit that is “insured” means that it’s guaranteed to be there, no matter what may happen to the economy or the bank. For example, if a bank is robbed, your money is still guaranteed. It’s important to understand that the FDIC insures deposits only. It does not insure any type of investment or mutual funds that individuals purchase.

In addition, the FDIC ensures banks comply with consumer protection laws and meets the needs of their communities. These efforts include:

- **Fair Credit Billing Act** – federal law to protect consumers from unfair billing practices or errors.
- **Fair Credit Reporting Act** – it regulates the collection of credit information and access to credit reports.
- **Truth-in-Lending Act** – requires that consumers are made aware of a company’s terms and conditions when it comes to loans, credit cards, and billing practices.
- **Fair Debt Collection Practices Act** – the law limits the behavior and action of third-party debt collectors who attempt to collect debts for another company.
- **Community Reinvestment Act (CRA)** – financial institutions are encouraged to help meet the credit needs of communities in which they do business, especially low- and moderate-income neighborhoods.

The FDIC, along with other security measures, helps keep the U.S. banking system strong.



World's Most Secure Banks Investigation

Do all banks provide the same type of protection or security? This investigation allows you to explore the most secure banks in the world and identify what the commonalities or differences are.



Name of Bank	Country	Year Established	What characteristics sets it apart from other banks?
KfW			
Zurich Cantonal Bank			
Landwirtschaftliche Rentenbank			
L-Bank			
Bank Nederlandse Gemeeten			
NRW.BANK			
Banque et Caisse d'Epargne de l'Etat			
Casse des Depots et Consignations			
DZ Bank			

What is one of the first things you notice about this list or the countries represented? Why do you think that is?

Lang, Vic, and Junior. "What Are The Most Secure Banks in the World?" *WorldAtlas*, 19 Dec. 2018, www.worldatlas.com/articles/the-most-secure-banks-in-the-world.html.



STORYBOARD

A storyboard is a fun way to visually tell a story. Your job is to create a storyboard that has to do with the role governments play in the value of money. Each 'frame' below should have a different title, picture, and brief description of what the picture is about or the message you want to convey. The first frame has an example. The pictures can be drawn, magazine cut-outs, or printed from the internet. Another option is to create a comic strip. Your storyboard will need at least 8 frames.

Example:

Title Protecting our Money		
Description The Federal Reserve System is in place to help protect and stabilize our money.		







Alphabet Challenge

Can you come up with a money-related word for each letter of the alphabet?



A _____ N _____

B _____ O _____

C _____ P _____

D _____ Q _____

E _____ R _____

F _____ S _____

G _____ T _____

H _____ U _____

I _____ V _____

J _____ W _____

K _____ X _____

L _____ Y _____

M _____ Z _____

“Alphabet Challenge Puzzles.” *Activity Village*, www.activityvillage.co.uk/alphabet-challenge-puzzles.



Boggler Puzzle

How many words can you make out of this Boggler Puzzle? List below.

Hint: the essential question is "How do governments play a role in our money's value?"

C	I	F	R
V	G	E	H
O	D	A	N
U	S	L	L

"Boggler Puzzles." Activity Village, www.activityvillage.co.uk/boggler-puzzles.



Boggler Puzzle

How many words can you make out of this Boggler Puzzle?

Hint: the essential question is "How do governments play a role in our money's value?"

C	I	F	R
V	G	E	H
O	D	A	N
U	S	L	L

Key

Cash

Value

Savings

Dollar

Gold

Safe

Source: Activity Village <https://www.activityvillage.co.uk/boggler-puzzles>



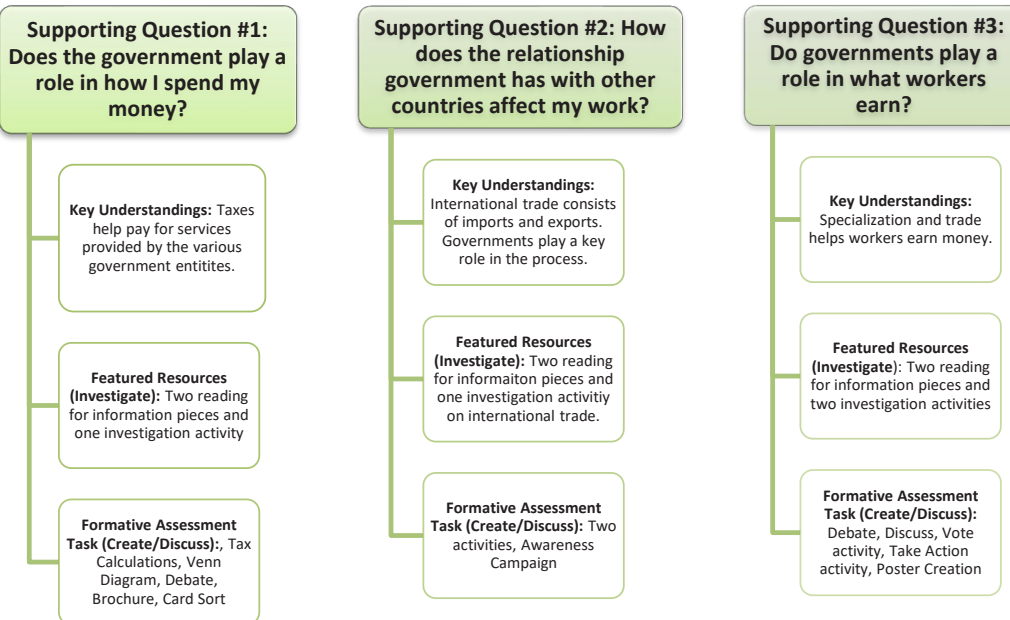
Grade 5 Lesson 2

Compelling Question: Does the government impact the income I earn?

IL Financial Literacy Standard	SS.FL.4.5: Explain that interest is the price the borrower pays for using someone else's money	
IL Econ Standard (when applicable- this row can be deleted)	SS.EC.1.5: Analyze why and how individuals, businesses, and nations around the world specialize and trade.	SS.EC.3.5: Determine the ways in which the government pays for the goods and services
Inquiry Standard	SS.IS.2.3-5: Create supporting questions to help answer essential questions in an inquiry.	SS.IS.3.3-5: Determine sources representing multiple points of view that will assist in answering essential questions.
	SS.IS.4.3-5: Gather relevant information and distinguish among fact and opinion to determine credibility of multiple sources.	SS.IS.5.3-5: Develop claims using evidence from multiple sources to answer essential questions.
	SS.IS.6.3-5: Construct and critique arguments and explanations using reasoning examples, and details from multiple sources.	SS.IS.7.3-5: Identify a range of local problems and some ways in which people are trying to address these problems.
	SS.IS.8.3-5: Use listening, consensus building, and voting procedures to decide on and take action in their classroom and their school.	
Student Outcomes	- Students create essential and supporting questions to guide their investigations. - Students understand government plays a role in how much income they earn and how much it affects their take home pay	

Ask

Compelling Question: Does the government impact the income I earn?



Introduction to Lesson

The compelling question for this lesson is *Does the government impact the income I earn?* This lesson explores how the government pays for goods and services it provides. Students investigate taxes at the federal, state, and local levels as well as compare taxes in the United States to other countries. Students also investigate relationships governments have with other countries, along with free trade agreements, tariffs, and quotas. To begin this lesson, start a class discussion by asking the students, “Do you think anything outside of your boss and job influences how much money you have?”

The lesson is structured as follows: Each lesson consists of three supporting questions that directly ties in to the compelling question. Each supporting question gets a little tougher as you progress through the lesson. Each supporting question includes an Investigate and Create/Discuss section. The Reflect section is located towards the end of the lesson which provides students a chance to demonstrate their knowledge of money and allows you to have a summative evaluation.

Supporting Question #1: Does the government play a role in how I spend my money?

Investigate

Featured Resources

Reading for Information– What are Taxes? The article briefly explains the circular flow between the three main sectors in the United States (households, business, and government) along with taxes collected at the federal, state, and local levels.

Reading for Information – How are taxes used? The article discusses how the federal, state, and local governments use money collected from taxes to pay for services provided for the common good.

Investigation Activity – Lottery Tickets: Students investigate lottery tickets, what state services it helps provide funding for, and the amount of tax charged for winnings. Students create three supporting questions to support the essential question provided. Students research the information from credible sources and complete a T-chart. Students will take a stand on whether lottery tickets are beneficial to the State of Illinois and provide evidence to support their claim.

Create/Discuss

Featured Resources

Tax Calculations: Students work through four different scenarios involving taxes and calculate how much taxes will add to the cost of the original item.

Discussion/Debate – Lottery Tickets: After completing the investigation activity on lottery tickets, students will decide whether lottery tickets are beneficial to the State of Illinois. Students can be split into two teams for the debate. They will need to provide evidence gathered during their investigation to support their claims.

Government Shutdown Brochure: Students will pick 1 of the 21 government shutdowns in history to research and create a brochure about the cause, effects, and state their opinion of the situation.

Venn Diagram: Students compare federal, state, and local taxes.

Card Sort: Students work in groups to determine what services provided by government are paid for with local, state, or federal taxes.



Supporting Question #2: How does the relationship our government has with other countries affect workers?

Investigate
Featured Resources
Reading for Information – International Trade: Students read an article on international trade, tariffs, quotas, and the Free Trade Agreements (FTAs) the United States has with other countries throughout the world.
Reading for Information– Intellectual Property: Students learn about intellectual property, its negative impact on the economy, and how it involves international trade.
Illinois Exports and Jobs Investigation Activity: Several graphs, charts, and tables are provided for students to compare and analyze information. Students pick a metropolitan area closest to their school and investigate what types of products or services are being exported.

Create/Discuss
Featured Resources
Connect/Extend/Challenge: Students connect existing information they had with new information they learned about FTAs, Quotas, and Tariffs. They explore new ideas surrounding the essential question of “ <i>How does the relationship our government has with other countries affect workers?</i> ”. Students note any areas of international trade that still confuses them. At the end of the activity, students create new questions that they have never thought of before.
Counterfeit Products Awareness Campaign: Students create a campaign to bring awareness to community members about counterfeit products, illegal downloads, and pirating. Students should highlight the dangers and safety concerns of using/consuming counterfeit products, how it impacts jobs, and how the government is trying to stop this problem.
3YS Activity: Students explore three ‘whys’ regarding international trade. This activity engages them in deep learning while they think through how Free Trade Agreements (FTAs) might affect the people around them, along with their state, nation, and the world.

Supporting Question #3: Do governments play a role in what workers earn?

Investigate
Featured Resources
Reading for Information – Specialization and Trade: Students read an article on how countries specialize in different trades or providing a skilled workforce along country specializations and natural resources.
Reading for Information – Earning A Day’s Wage: Students read an article about the apparel industry and about vast differences across the world in the amount of money people receive for the work they perform.
Investigation Activity Part I – Where is My Clothing Made? For Part I of this assignment, students check labels on 15 various pieces of clothing and 5 pairs of shoes in their household. They complete two charts listing what the item is (shirts, pants, jeans, shorts, etc.) and what country each piece was made in. Students then analyze their data and identify emerging patterns.
Investigation Activity Part II – Apparel Wages in Other Countries: Students work in pairs or small groups for Part II of the assignment. They select a country from the list they compiled in Part I. Students will create a compelling/essential question and 3 supporting questions to guide their investigation about wages workers in the garment industry receive in other countries. After completing their investigation, students create a poster or presentation to communicate their findings to the class. The final step is a personal reflection about Parts I (Where is My Clothing Made) and II (Wages in Other Countries) of the assignment. Students write 2-3 paragraphs summarizing their thoughts.



Create/Discuss

Featured Resources

Discuss, Debate, Vote – The Apparel Industry: After completing the Part I and II on the apparel industry, students discuss their findings about workers' wages in different parts of the world and consumers' preference to purchase low-cost apparel. As a class, decide what is an important issue to debate that has pros and cons to it. Use that idea as a platform to debate the issues.

Create a Poster - Specialization and Trade: Students can demonstrate what life would be like without specialization. The posters can be submitted to a statewide contest called the *Economics Concepts Poster Contest*. For this year's contest, the essential question for this category is: *How would your life differ if you had to produce everything you consume and could obtain nothing from anyone else?* For rules and regulations, please visit www.econillinois.org.

Ask: Does the government impact the income I earn?

Reflect

Summative Assessment Performance Activities

Task	Construct an argument, supported by evidence that addresses how the government impacts the income a person earns.
Extensions/Actions	Submit posters to Econ Illinois' Economic Concepts Poster Contest. For more information, visit www.econillinois.org .
	Explore Harmonized System (HS) codes and classify products with the U.S. Census Schedule B Search Engine https://uscensus.prod.3ceonline.com/ .
	Debate the various categories on an expenditure budget for your local town, school district, etc.
	Write a letter to a public official from your town to persuade them towards an alternative spending.
	Compare/contrast sales tax on receipts from various counties and towns.



What are Taxes?

The United States is a market economy consisting of three main sectors: households, businesses, and the government. The graphic below demonstrates the circular flow that occurs between these sectors.

The chart shows that households (consisting of individuals) provide labor to businesses. In return, the individuals receive goods and services from businesses. Businesses are taxed on the goods and services they produce and receive services from the federal, state, and local governments. Individuals are taxed by the government on their income, which is usually from the labor they provide to businesses. In return, they receive services that the federal, state, and local governments provide.



The government receives a variety of taxes from individuals and businesses. The tax money collected is used to pay for items the government provides at the federal, state, and local level. These items are usually considered public goods, or things that benefit most individuals. Some examples include transportation, education, and health care. For individuals, there are three main types of taxes: transaction (when you purchase something), income, and property taxes.

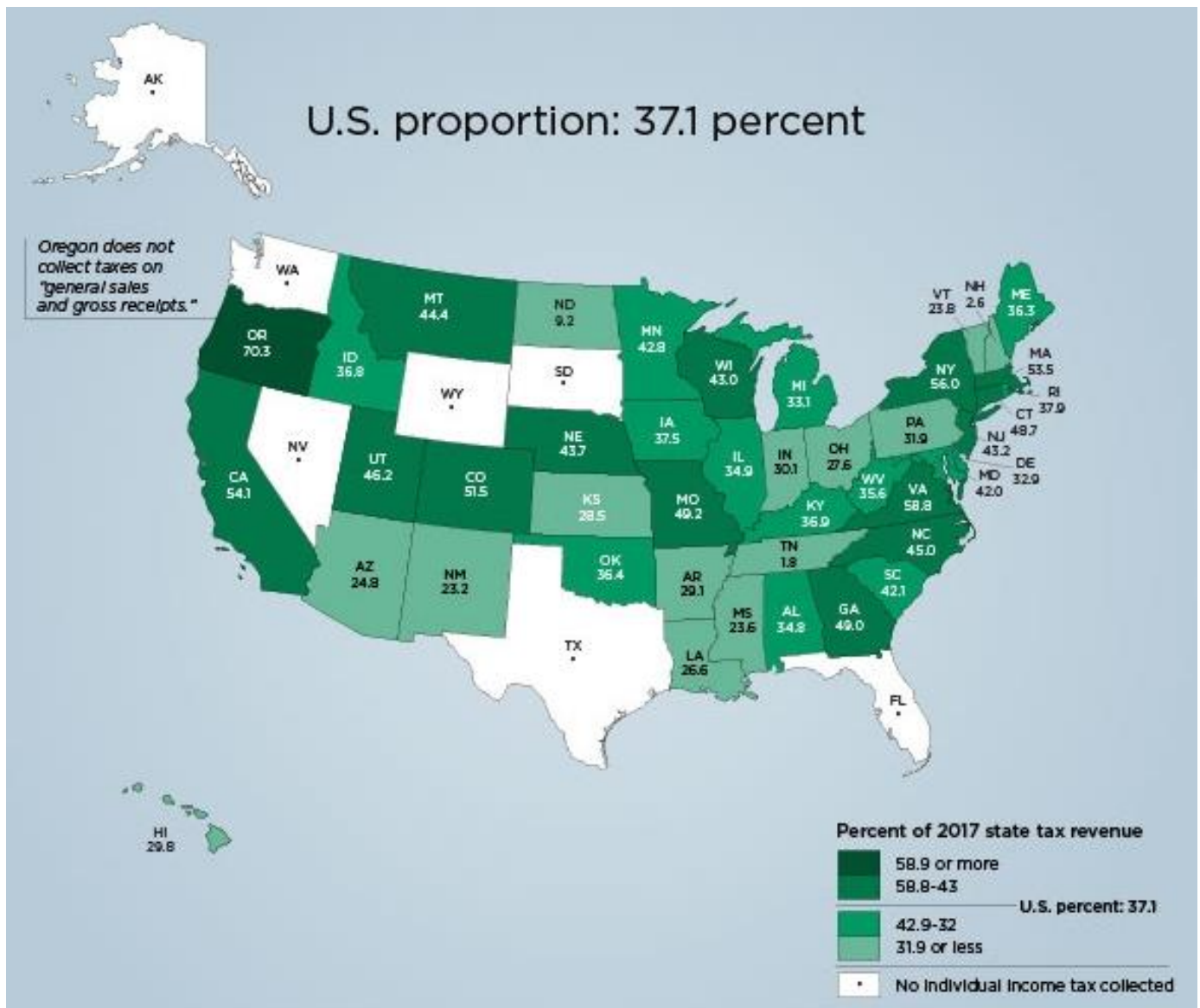
For instance, at the federal and state levels, taxes are collected from income individuals earn. The Internal Revenue Service, also known as the IRS, collects taxes from individuals earning income at the federal level, taxes are collected by Internal Revenue Service from everyone under the age of 65 who earns at least \$10,000. Each state has its own rules for how it taxes individuals within their state. The Illinois Department of Revenue is responsible for collecting taxes for residents. Counties are responsible for collecting taxes on houses and other properties individuals own. Let's look closer at each type of tax:

- **Income Taxes:** Taxes are based on income, both earned (salaries, wages, tips, commissions) and unearned (interest, dividends). Individuals and businesses pay income taxes. For individuals, they are referred to as personal income taxes and businesses pay corporate sales taxes. The federal and state governments usually collect income taxes.
- **Transaction Taxes:** These are taxes on purchased goods, such as what you buy at retail or grocery stores, gas for your cars, or other items. Transaction taxes are also called consumption taxes, meaning items that you consume. A transaction tax is usually based on a set percentage (retail) or by a unit (gasoline). These taxes are usually at the state or local levels and help provide services such as education, healthcare, along with emergency services such as police and fire protection.
- **Property Taxes:** This tax is based on property or real estate that individuals or businesses own. Each county and local municipality has a different tax rate. The county commonly collects property taxes which helps pay for schools, emergency services, libraries, parks, water, and sanitation.

Source: Internal Revenue Service & U.S. Census



Not all states have income taxes. Below is a chart from the U.S. Census indicating which states have income taxes. For those states that do have a state income tax, the chart indicates what proportion of revenue is received from individual income tax.



Next time you use a public good, think about how it was paid for- through citizens' taxes.

Source: Internal Revenue Service & U.S. Census



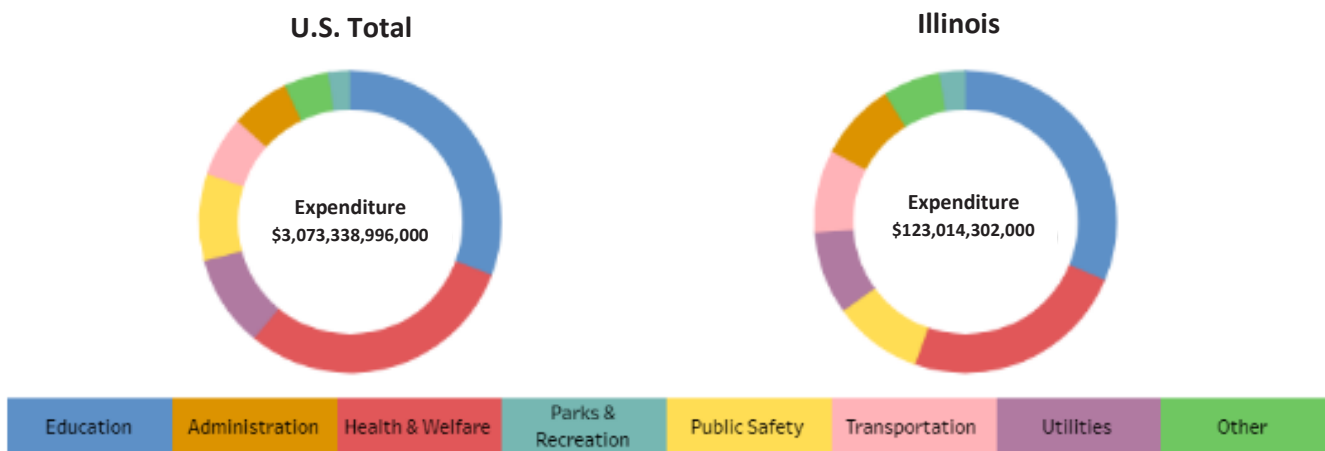
How are Taxes Used?

The government receives a variety of taxes from individuals. The taxes are used to pay for items the government provides at the federal, state, and local level. These items are usually considered public goods that benefit most individuals. The top categories for expenditures, meaning how tax money is used, at both the federal and state levels are:



- **Education** – to pay for public schools from kindergarten through 12th grade, state colleges and universities, and other educational expenses.
- **Administration** – people who oversee finances, public buildings, insurance, and other expenses.
- **Health & Welfare** – expenses for healthcare, hospitals, housing and community development, public welfare, and veterans’ services.
- **Parks & Recreation** – expenses involving natural resources, parks, and recreation.
- **Public Safety** – police and fire protection, judicial and legal, protective inspections and regulations, and jails.
- **Transportation** – highways, mass transit, parking facilities, air, sea, and inland port facilities.
- **Utilities** – Services such as electric power, gas supply, sewerage, garbage, and water.
- **Other** – items that are needed but don’t fit into other categories.

The graphic below is a comparison between how much money the United States and Illinois spends in each of the categories. The federal government collects more in taxes than individual states, so it has a much bigger budget. However, the chart reflects the percent spent in each category.



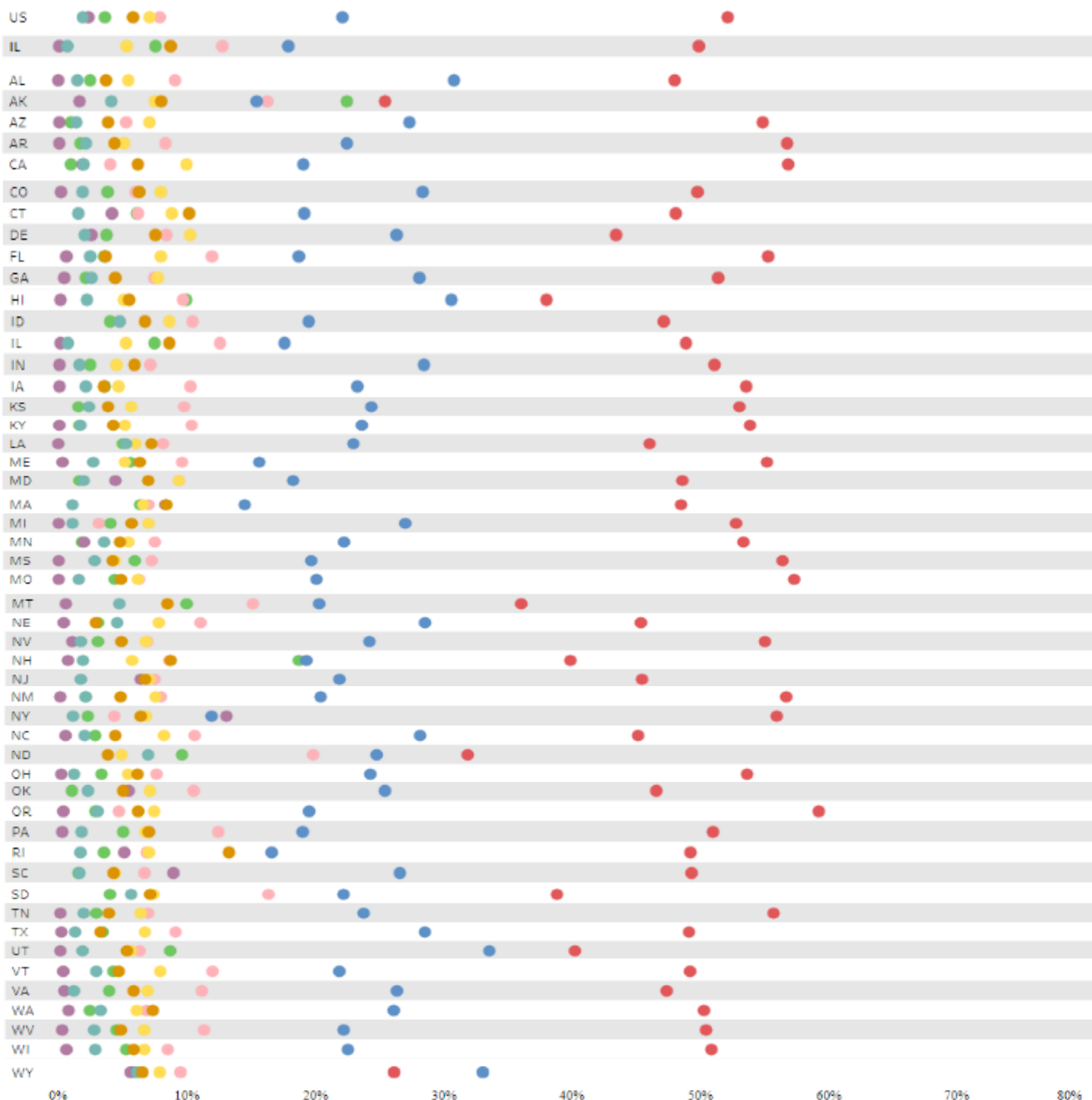
“Who Has to File a Federal Income Tax Return?” *IRS.com*, 18 Jan. 2019, www.irs.com/articles/who-has-file-federal-income-tax-return.

US Census Bureau. “State & Local Government Snapshot.” *State & Local Government Snapshot*, 11 Oct. 2018, www.census.gov/library/visualizations/interactive/state-local-snapshot.html.



Each state has various needs. Some states may spend more on Education or Public Safety and other states spend more money on Parks & Recreation. In the following chart you will notice some fluctuations. The spending is based per capita, which means per person.

Percentage of Expenditures by State



Analyze the states' expenditures to determine any similarities and/or differences.

"Who Has to File a Federal Income Tax Return?" *IRS.com*, 18 Jan. 2019, www.irs.com/articles/who-has-file-federal-income-tax-return.

US Census Bureau. "State & Local Government Snapshot." *State & Local Government Snapshot*, 11 Oct. 2018, www.census.gov/library/visualizations/interactive/state-local-snapshot.html.



Lottery Tickets

The sale of lottery tickets helps generate revenue for many states. In Illinois, winnings over \$1,000 are taxed at both the federal and state level. The essential question for this investigation activity is:



What happens to revenue generated from the sale of lottery tickets?

Think of three questions that you would like to know about the sale of lottery tickets which supports the essential question above. List your questions in the space below.

1.

2.

3.

Research information on lottery ticket sales in the state of Illinois. Find at least three credible sources to help answer your questions. List the sources below.

1.

2.

3.



Fill in the T-Chart below discussing the pros and cons of selling lottery tickets.

Pros	Cons

What are your Top 3 Takeaways from your investigations:

- 1.
- 2.
- 3.



Based on your research, what are the answers to your questions?

1.

2.

3.



Tax Calculations

It's important to know various tax rates before making purchases. Sometimes the tax can dramatically change the cost of an item. Below are a few scenarios for you to calculate what the tax will be.

1. You have been saving your money for months to purchase a drone which costs \$100.00. The county tax is 4% and your city has an additional 2% tax.

Cost of drone	\$ 100.00
Tax	_____
Total cost	\$ _____



2. The local property tax was increased by 1.5%. Last year the homeowner paid 3.5% property tax. His home was valued at \$175,000 which amounted to \$6,125 in property taxes. What will the homeowner pay in property taxes each year? _____
3. Esmerelda just purchased a new vehicle and the tax rate is 9.5%. If the vehicle cost \$22,895, how much will Esmerelda pay in taxes?

Cost of vehicle	\$ 22,895.00
Tax (9.5%)	_____
Transfer of title and new license plates	\$ 221.00
Total cost of vehicle	\$ _____

4. Jerome just won the state lottery and his ticket is worth \$1,000,000! Tax rate on lottery winnings is 25% at the federal level and 5% at the state level. How much will Jerome pay in taxes?

Lottery winnings	\$ 1,000,000.00
Federal Tax (25%)	_____
State Tax (5%)	_____

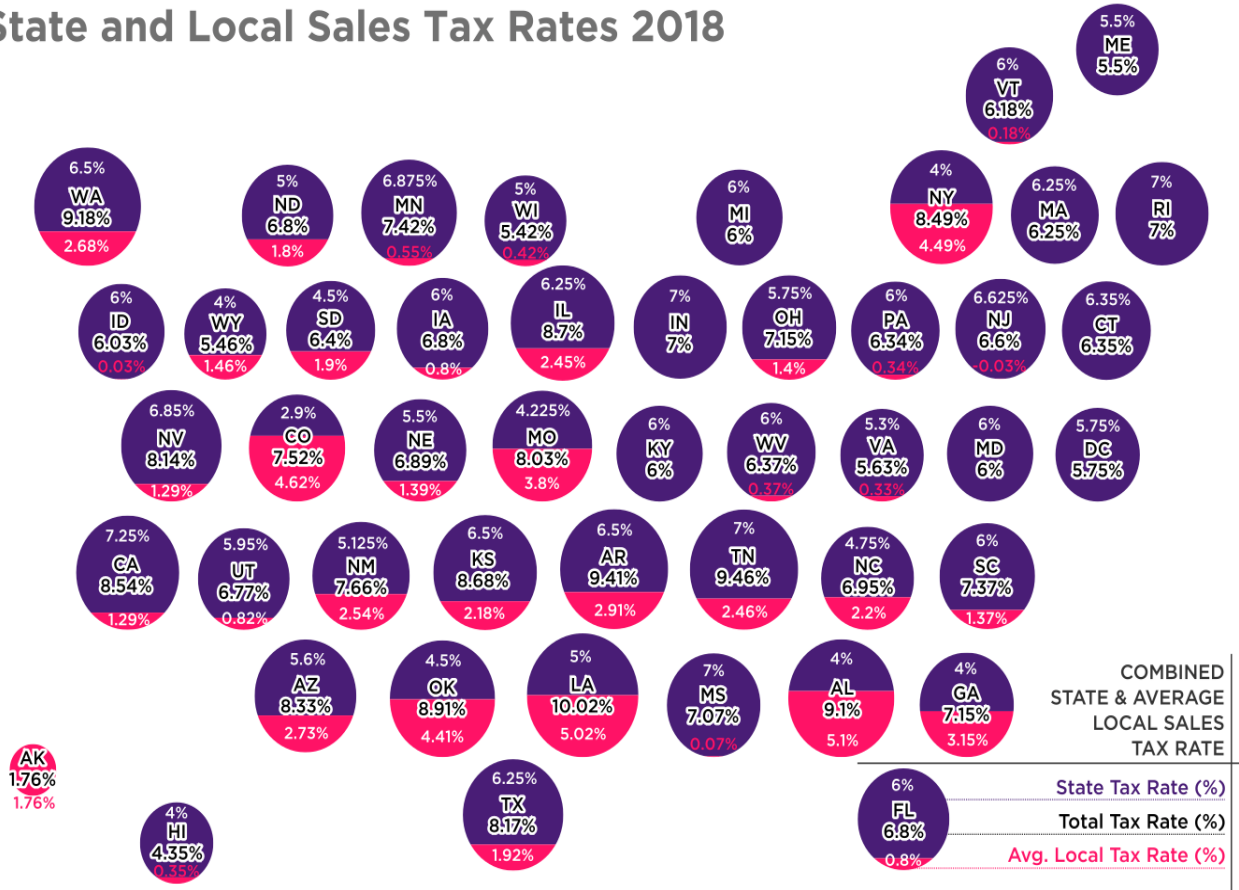
Source: How Much <https://howmuch.net>, Internal Revenue Service



This chart shows how each state has a different sales tax rate. Pick three states (other than Illinois) and calculate what the sales tax will be on the items below.

How Much Americans Pay in Sales Tax Rates in Each State

State and Local Sales Tax Rates 2018



Note: DE, MT, NH and OR are not shown in this map because the combined sales tax rate is 0%.

Article & Sources:

<https://howmuch.net/articles/state-local-sales-tax-rates-2018>
<https://taxfoundation.org/state-and-local-sales-tax-rates-2018>

howmuch.net

States selected (other than Illinois):

1. State _____ Sales tax rate _____
2. State _____ Sales tax rate _____
3. State _____ Sales tax rate _____

Source: How Much <https://howmuch.net>, Internal Revenue Service



Cost of a Video Game			
Item	State #1	State #2	State #3
Video Game	\$49.00	\$49.00	\$49.00
Tax Rate			
Final Cost			

Cost of a LEGO Set			
Item	State #1	State #2	State #3
LEGO Set	\$65.00	\$65.00	\$65.00
Tax Rate			
Final Cost			

Cost of a Cell Phone			
Item	State #1	State #2	State #3
Cell Phone	\$699.00	\$699.00	\$699.00
Tax Rate			
Final Cost			

Source: How Much <https://howmuch.net>, Internal Revenue Service



Government Shutdown Poster

Since American became a country in 1776, there have been a total of 21 government shutdowns, which have lasted anywhere from one day to thirty-five days. During these periods, citizens are still required to spend money on taxes, while many others do not receive a paycheck.

Your job is to research one of the 21 shutdowns and describe the cause of the shutdown, how it directly impacted citizens and services, and why it ended. Make sure to think critically about the cause and effects.

After your research, create an informational poster on the shutdown you picked. Include your opinion on if you felt the shutdown was necessary and if it helped the taxpayers in any way.



International Trade

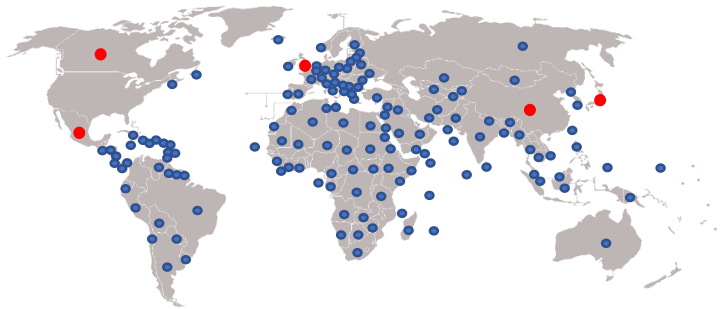
International trade is the flow of goods and services between countries. When a business purchases product from another country, it is called an **import**. When a business makes a product and sells it to another country, it is called an **export**. International trade increases the number of goods consumers can choose to purchase, typically reduces costs, and increases competition among businesses worldwide.



Every product or commodity traded globally is categorized by **Harmonized System (HS) Codes** which helps determine what the **tariff**, or duty, is on a product. Basically, a tariff is the tax on a product. Both imports and exports can have tariffs assigned to their category. HS Codes are six-digit numbers which remain the same for each country and are recognized for the category of product or commodity. Governments can add an additional four numbers (for a maximum of ten digits) to allow for more in-depth classifications. However, the first six digits must remain the same. The chart below lists various items, their HS code, and the tariff. Note that the tariff rate can dramatically increase the purchaser's cost.

Item	HS Code – U.S.	HS Code - Japan	Cost	Tariff	Final Cost
Men's coat with fur hood	6201.11.0010	6201.11.100	\$40.00	12.8%	\$45.12
Men's coat without fur hood	6201.11.0020	6201.11.200	\$40.00	9.1%	\$43.64
Steering wheel (for vehicle)	8708.94.5000	8708.94.000	\$730.00	25.0%	\$912.50
Garden or similar umbrellas	6601.10.0000	6601.10.000	\$10.00	4.3%	\$10.43

Businesses in the United States export their products and services throughout the world. In the map below, red circles represent the U.S.'s top trading partners. The blue circles indicate all the countries that U.S. businesses sell to.



HS Codes Commerce Harmonized System Codes." 2. HS Codes, www.export.gov/article?id=eCommerce-Harmonized-System-Codes.

Free Trade Agreements, www.trade.gov/fta/.

"Japan's Tariff Schedule as of January 1 2018." *Japan Customs*, www.customs.go.jp/english/tariff/2018_1/index.htm.

Investopedia, www.investopedia.com

U.S. Census



One way tariffs can be reduced or eliminated is through **Free Trade Agreements** (FTAs). These are agreements between governments can dramatically decrease tariffs. FTAs reduce the cost of trade, open up new markets, and provide protection for businesses. The U.S. currently has FTAs with the following countries:

- Australia
- Bahrain
- Canada
- Chile
- Colombia
- Costa Rica
- Dominican Republic
- El Salvador
- Guatemala
- Honduras
- Nicaragua
- Israel
- Jordan
- Korea
- Mexico
- Morocco
- Oman
- Panama
- Peru
- Singapore

Illinois exports over \$64 billion worth of merchandise to 233 countries throughout the world, including Canada, Mexico, China, Germany, Japan, and Australia. Roughly half of all Illinois exports are to countries the United States has an FTA with. Illinois ranks first in the Midwest and fifth in the nation for the amount of exports.

International trade is important to the United States as exports support an estimated 10.7 million jobs. On the other hand, imports help lower prices and increase choices for companies and families. However, sometimes the lower costs of importing products from overseas markets can hurt American companies which may result in businesses closing and workers losing their jobs. In Illinois, close to \$136 million worth of products were imported from other countries. When companies can import raw materials from other countries, it helps them remain competitive in global markets. In Illinois, an estimated 1 in 5 jobs is dependent upon international trade.

Another term used in international trade is a **quota**. Governments can impose rules or regulations to limit trade. **Quotas** are restrictions which limit the amount or monetary value of goods that a country imports or exports during a time period. Generally, quotas are in place to protect a country's industries, national security, or natural resources.

Overall, international trade is important to countries. The relations governments have with each other can affect its rules, regulations, along with the trade of goods and services.



HS Codes Commerce Harmonized System Codes." 2. HS Codes, www.export.gov/article?id=eCommerce-Harmonized-System-Codes.

Free Trade Agreements, www.trade.gov/fta/.

"Japan's Tariff Schedule as of January 1 2018." *Japan Customs*, www.customs.go.jp/english/tariff/2018_1/index.htm.

Investopedia, www.investopedia.com

U.S. Census

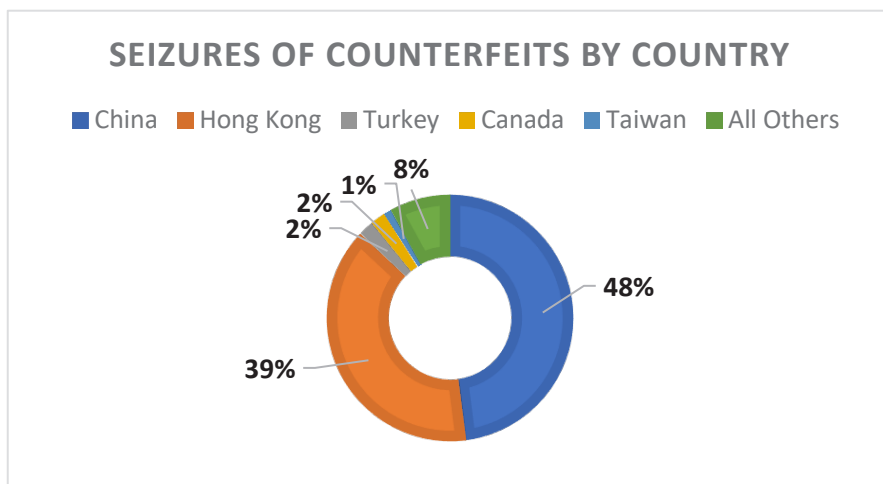
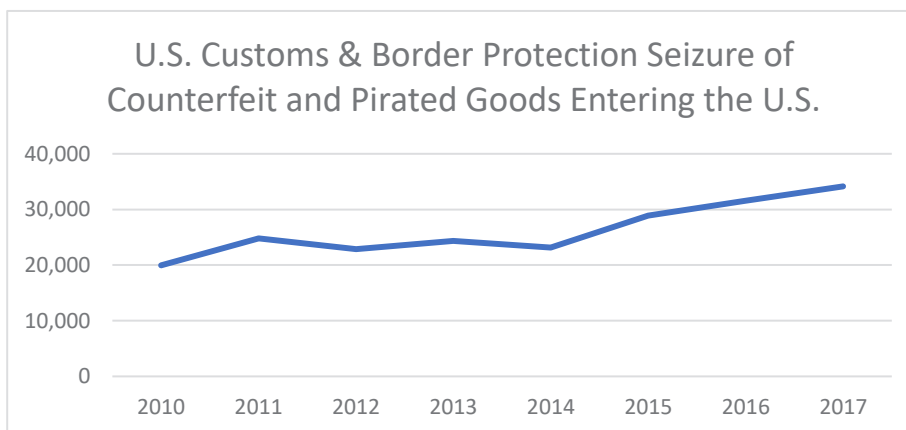


Intellectual Property

Intellectual property consists of inventions, ideas, designs, creations, and trade secrets which laws protect through copyrights, patents, and trademarks. Protecting intellectual property has become a priority international trade issue for the United States. American businesses lose billions of dollars each year from the theft of intellectual property through counterfeited goods and pirating. Unfortunately, not everyone around the world respects or abides by intellectual property laws which protecting intellectual property is becoming a major concern internationally because not everyone respects or abides by the law.

Each year, around 11 million containers arrive at U.S. ports by sea, another 10 million arrive at our borders by trucks, 3 million arrive by trains, and 250 million arrive by air. The U.S. Customs and Border Protection (CBP) protects intellectual property rights by

stopping counterfeit and pirated goods as it enters our country. The chart below shows the seizures of counterfeit or fake merchandise taken out of the market by the U.S. Customs and Border Protection.



Most of the counterfeit goods seized by the U.S. government fall into key categories. Some products, such as pharmaceuticals and personal care, can be harmful to your health. The next chart shows the key categories and the estimated value that was lost to U.S. businesses in 2017.

"Landslide." *Landslide*, www.americanbar.org/publications/landslide/2013-14/may_june/protecting_intellectual_property_and_nations_economic_security/.

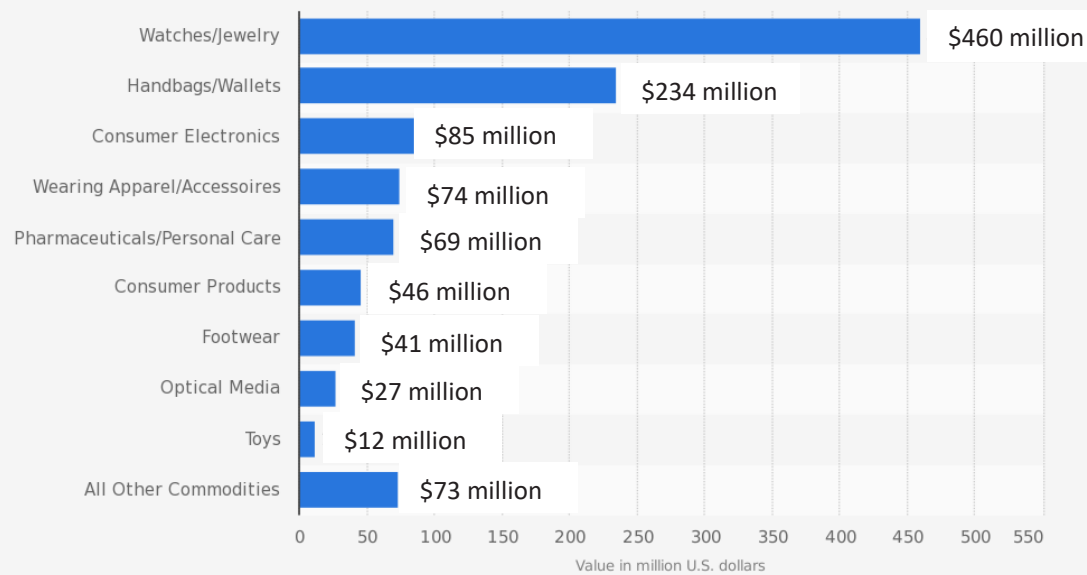
"IPR Annual Seizure Statistics." *IPR Annual Seizure Statistics | U.S. Customs and Border Protection*, www.cbp.gov/trade/priority-issues/ipr/statistics.

"Types of Intellectual Property." *WIPO*, www.wipo.int/about-ip/en/.

Statista www.statista.com.



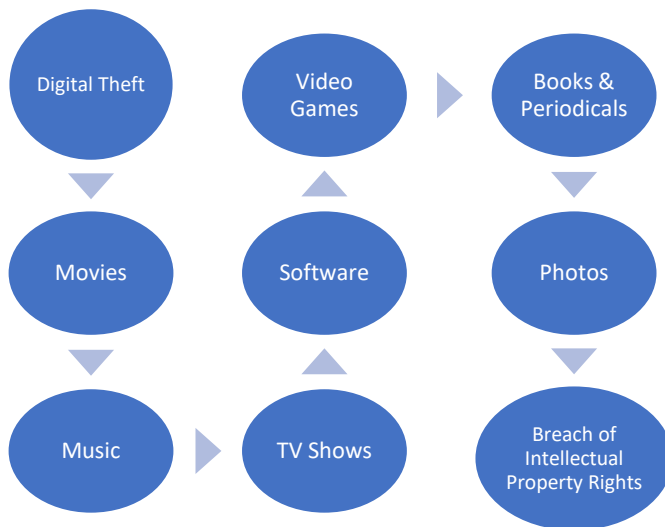
Estimated value of products seized due to intellectual property rights infringement in the United States in FY 2017, by commodity type (in million U.S. dollars)



Source
US Customs and Border Protection
© Statista 2018

Additional Information:
United States; US Customs and Border Protection

Digital theft is another area of concern for intellectual property. Digital theft over the internet continues to grow with the speed of technology, networks, and file sharing capabilities. Over 16% of Americans admit they use illegal file sharing services to stream a pirated movie or download music on a weekly basis. The majority say they do it merely because it's cheap or free and that it gives them access to more content. Below are the main categories of digital theft.



Always be certain that what you purchase is from a legitimate source. Remember, if the price sounds too good to be true, it may be a counterfeit product or illegal download of an item.

Losses due to intellectual property theft hurts the U.S. economy, businesses, and workers in every part of the country, including Illinois.

"Landslide." *Landslide*, www.americanbar.org/publications/landslide/2013-14/may_june/protecting_intellectual_property_and_nations_economic_security/.

"IPR Annual Seizure Statistics." *IPR Annual Seizure Statistics | U.S. Customs and Border Protection*, www.cbp.gov/trade/priority-issues/ipr/statistics.

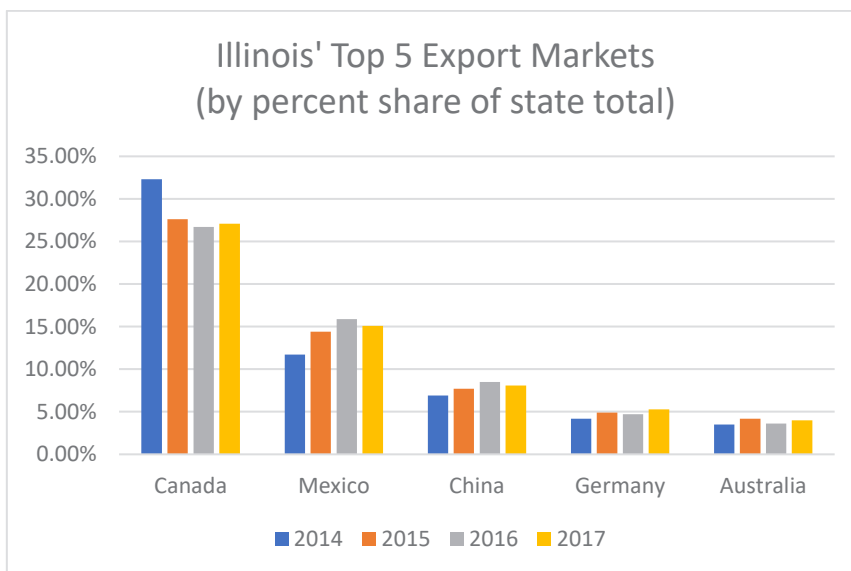
"Types of Intellectual Property." *WIPO*, www.wipo.int/about-ip/en/.

Statista www.statista.com,



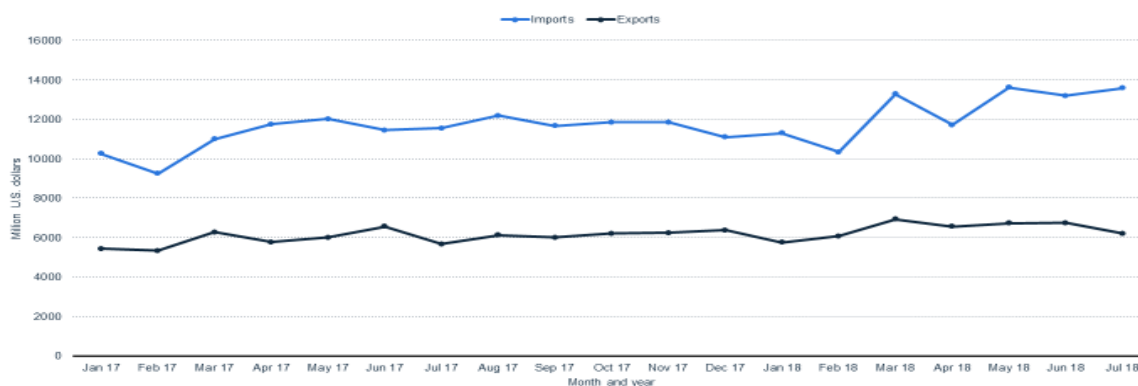
Illinois Exports and Jobs

Exports are important to Illinois and there has been a steady increase in the number of exports since 2009. Specifically, in 2016, exports shipped to countries throughout the world were valued at just under \$60 billion. Roughly 54% of all exports are shipped to countries the United States has Free Trade Agreements (FTAs). The chart below shows Illinois' top export markets:



But Illinois imports more than it exports as is indicated in the chart below:

Illinois' imports and exports of goods from January 2017 to July 2018 (in million U.S. dollars)
Illinois' imports and exports of goods 2017-2018



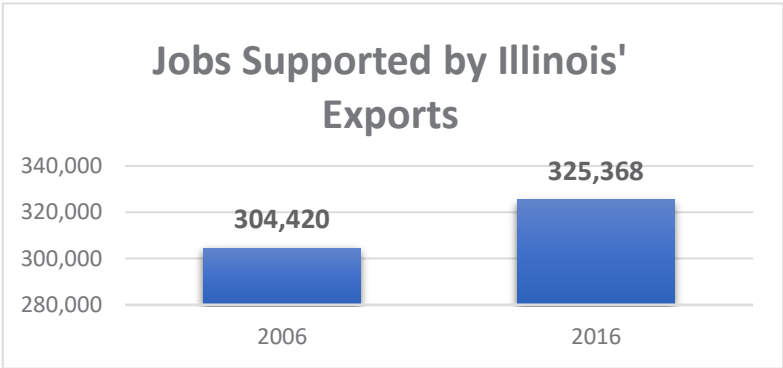
Note: United States; January 2017 to July 2018
Further information regarding this statistic can be found on [page 70](#).
Source(s): U.S. Census Bureau; [17-234242](#)

[U.S. Goods Trade by Selected State](#)

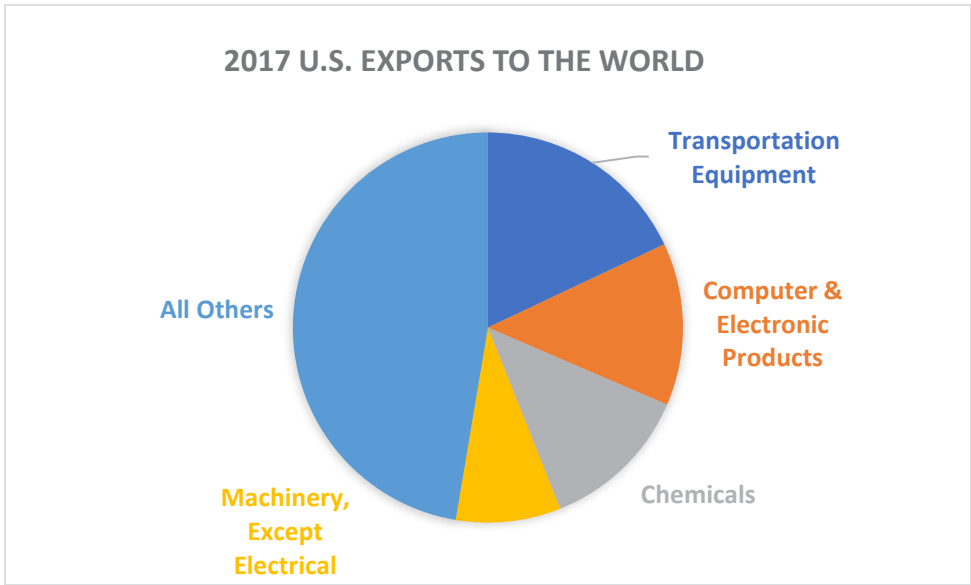
"Illinois: Trade Statistics." >> *GlobleEDGE: Your Source for Global Business Knowledge*, globaleedge.msu.edu/states/illinois/tradestats/.
Illinois Department of Commerce, <https://exports.illinois.gov>
Metropolitan Exports to Select World Regions,
tse.export.gov/metro/MetroChartDisplay.aspx?ReportID=10&Referrer=SelectReports.aspx&DataSource=Metro&ReportOption=Chart.
U.S. Census
U.S. Department of Commerce



Nationally, U.S. jobs supported by exports reached an estimated 10.7 million in 2016, up 1.2 million from 2006. In Illinois, there has been an increase in 21,000 job over the past decade which are supported by exports. Specifically, 82% of these jobs were in the manufacturing industry.

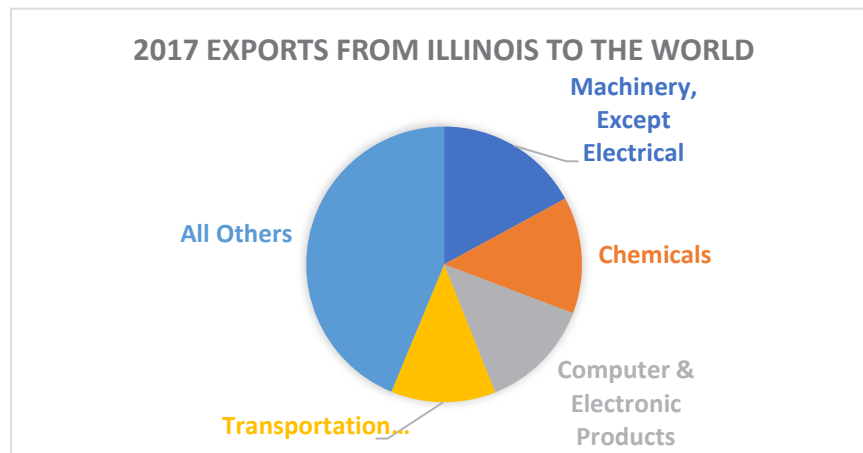


Below are two charts. One shows United States' top export categories. The second one shows Illinois' top categories.



"Illinois: Trade Statistics." >> *GlobalEDGE: Your Source for Global Business Knowledge*, globaleedge.msu.edu/states/illinois/tradestats/.
Illinois Department of Commerce, <https://exports.illinois.gov>
Metropolitan Exports to Select World Regions, tse.export.gov/metro/MetroChartDisplay.aspx?ReportID=10&Referrer=SelectReports.aspx&DataSource=Metro&ReportOption=Chart.
U.S. Census





Analyze and compare U.S. exports to Illinois' exports. Identify at least two similarities and/or differences between the two pie charts.

1.

2.

Below are metropolitan areas throughout the state which actively export products or services to international markets. Pick an area closest to your school and investigate the types of products being exported from that metropolitan area.

Illinois' Top Metropolitan Areas for Exports		
Metropolitan Area	2016 Goods Export Value	Share of State Exports
Chicago-Naperville-Elgin	\$43.9 billion	*
St. Louis	\$8.3 billion	*
Peoria	\$7.3 billion	11.0%
Davenport-Moline-Rock Island	\$4.5 billion	*
Rockford	\$2.2 billion	3.4%
Decatur	\$1.8 billion	2.8%
Kankakee	\$1.0 billion	1.6%
Champaign-Urbana	\$899 million	1.4%
Danville	\$265 million	0.4%
*Share of state exports unavailable for metropolitan areas that cross state lines		

"Illinois: Trade Statistics." >> *GlobalEDGE: Your Source for Global Business Knowledge*,
globaleedge.msu.edu/states/illinois/tradestats/.

Illinois Department of Commerce, <https://exports.illinois.gov>

Metropolitan Exports to Select World Regions,

tse.export.gov/metro/MetroChartDisplay.aspx?ReportID=10&Referrer=SelectReports.aspx&DataSource=Metro&ReportOption=Chart.

U.S. Census

U.S. Department of Commerce



1. What metropolitan area is closest to your school?
2. What types of products and/or services are being exported from the metropolitan area you selected?
3. Is it a single company exporting that product or service or is there a local area of specialization?
4. Are there any programs at the state or local level that help support the export of the identified products?

"Illinois: Trade Statistics." >> *GlobalEDGE: Your Source for Global Business Knowledge*,
globaledge.msu.edu/states/illinois/tradestats/.

Illinois Department of Commerce, <https://exports.illinois.gov>

Metropolitan Exports to Select World Regions,

tse.export.gov/metro/MetroChartDisplay.aspx?ReportID=10&Referrer=SelectReports.aspx&DataSource=Metro&ReportOption=Chart.

U.S. Census

U.S. Department of Commerce



Name: _____

Connect / Extend / Challenge



Connect: How are the ideas and concepts you have learned connected with information you already knew?

Extend: What new ideas did you learn that extend or push your thinking in new directions?

Challenge: What challenges or confuses you about this topic? What new questions do you have that you never thought of before?

Think about the above question 'How does the relationship our government has with other countries affect workers?'. After reflecting, fill out the table on the other side of the paper to Connect, Extend, and Challenge your knowledge.

Source: Harvard Graduate School of Education's Project Zero Visible Thinking Initiative



	Reflection
Connect	Provide two examples of how the new information has connected with knowledge you already had?
	1.
	2.
Extend	Think of three new ideas you learned about that extend or push your thinking in new directions?
	1.
	2.
	3.
Challenge	Think about two new questions that you never thought of before.
	1.
	2.
Challenge	What challenges you or confuses you about this topic?

Source: Harvard Graduate School of Education's Project Zero Visible Thinking Initiative



Counterfeit Products Awareness Campaign

Create a campaign to bring awareness to community members about counterfeit products, illegal downloads, and pirating. Your campaign should be persuasive, so others are aware of the dangers and stay away from participating in these behaviors. You can present your campaign any way you'd like (poster, script for radio, TV commercial, etc). Make sure you highlight the dangers and safety concerns of using/consuming counterfeit products, how it impacts jobs, and how government is trying to stop this problem.



Name: _____

3YS

1. Why might Free Trade Agreements (FTAs) matter to me?
2. Why might it matter to people around me (family/friends and the local community)?
3. Why might it matter to my state, my nation, and the world?



Specialization and Trade

Imagine how different your life would be if you had to produce *everything* you needed and could not obtain or buy anything from others. That would be very difficult for most people. Trade exists at local, national, and international levels. For instance, countries specialize in various products for several reasons, such as abundant natural resources, warmer climates or good conditions for growing fruits or vegetables, along with skilled workers. Countries should try to produce goods in which they have a **comparative advantage** (focusing on using a country's resources) to other nations. Countries specializing in producing certain products can leverage international trade markets, gain efficiencies through higher production, and remain competitive in the global market. Some countries specialize in products that are native to their part of the world, such as coffee. The top countries for coffee are Brazil, Vietnam, Colombia, Indonesia, Honduras, and Ethiopia. Love cocoa? 30% of the world's cocoa beans comes from the Ivory Coast in Africa. The graphic below provides some insight into each country's top exports.



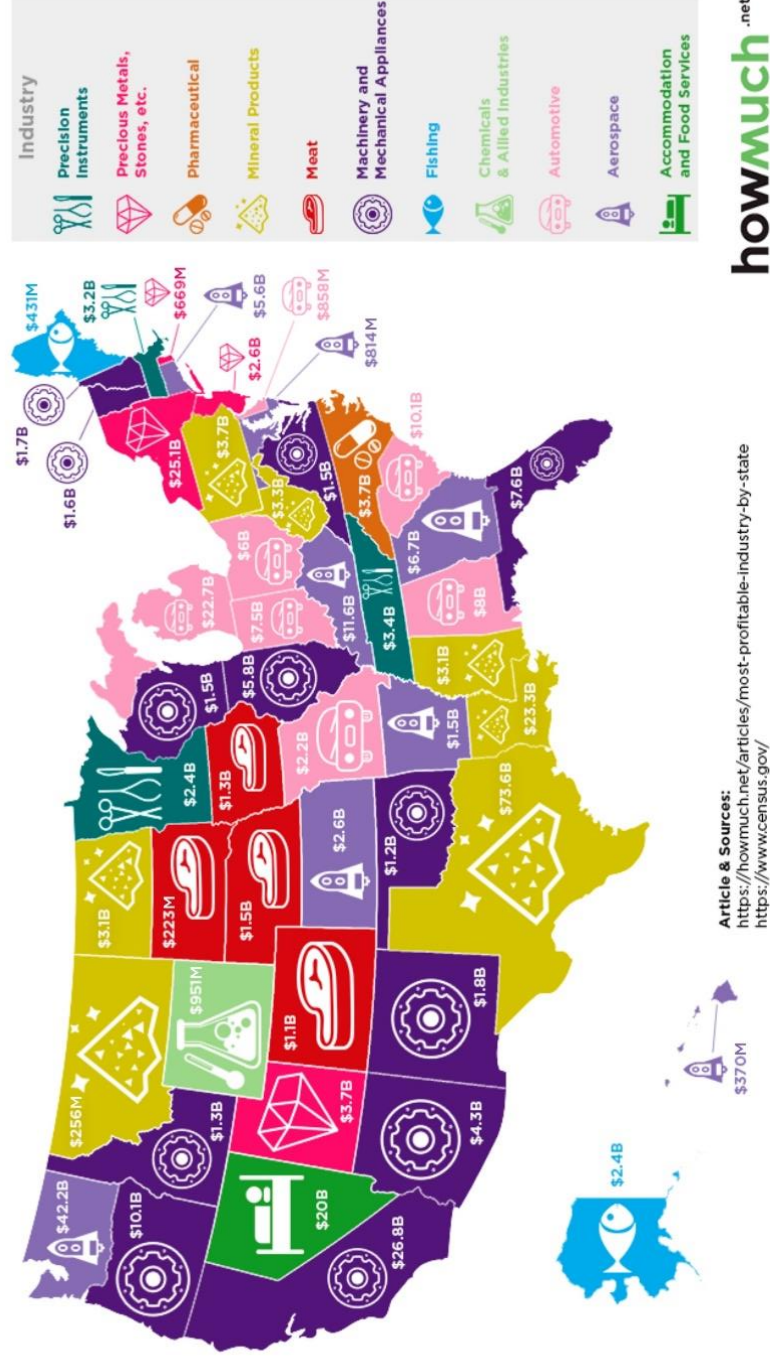
How Much <https://howmuch.net>
 Kenton, Will. "Specialization." *Investopedia*, Investopedia, 8 May 2019, www.investopedia.com/terms/s/specialization.asp.
Visual Capitalist, www.visualcapitalist.com/wp-content/uploads/2018/02/top-export-every-country-map.html.



Specialization happens in the United States too. The image below shows the most profitable industries in each state. Both federal and state governments help support specialization, trade, and jobs.

The Most Profitable Industry In All 50 U.S. States

Value of the industry's top-selling products (\$ billion)



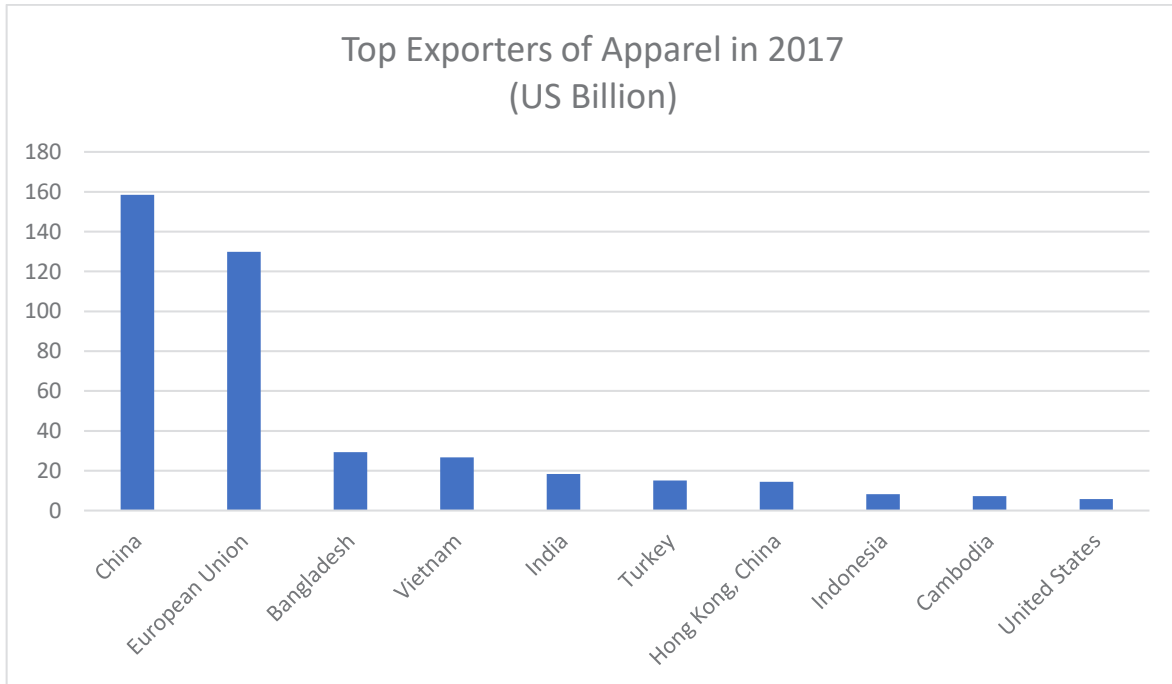
Specialization is very important to countries around the world. It helps develop a skilled workforce, creates jobs, and advance innovation within a region, state, or nation.

How Much <https://howmuch.net>
Kenton, Will. "Specialization." *Investopedia*, Investopedia, 8 May 2019, www.investopedia.com/terms/s/specialization.asp.
Visual Capitalist, www.visualcapitalist.com/wp-content/uploads/2018/02/top-export-every-country-map.html.



Earning a Day's Wage in the Apparel Industry

The global apparel manufacturing industry is worth over \$785 billion and is expected to grow in the coming years. Globally, there are roughly 60 million people employed in the industry, but not everyone receives the same type of wages. There are limited job opportunities for workers in developing countries (those who are trying to advance economically and socially) so the cost of labor is much cheaper compared to the United States and other advanced countries. In some of the countries, individuals may have a difficult time finding another job if it weren't for the apparel industry. Below are the top exporters of apparel worldwide.



The United States imports most apparel products from China, followed by Vietnam, Bangladesh, and India. Many of these countries significantly increased their apparel production capabilities during the early part of the 21st century. India, Russia, and Mexico are increasing their skilled workforce in the footwear and leather industries.

Business, CNN. "Robots Are Taking over China's Factory Floors." *YouTube*, YouTube, 26 Oct. 2015, www.youtube.com/watch?v=uSAso-VTqmc%2C.

International Labour Organization

International Trade Administration Office of Textiles and Apparel

Lu, Sheng. "Category: International Trade." *FASH455 Global Apparel & Textile Trade and Sourcing*, shenglufashion.com/category/international-trade.

Journal, Wall Street. "The Robot Revolution: Automation Comes into Fashion | Moving Upstream." *YouTube*, YouTube, 16 Feb. 2018, www.youtube.com/watch?v=OsSDI8wWAYQ.

Myers, Joe. "Where Are the World's Highest Minimum Wages?" *World Economic Forum*, www.weforum.org/agenda/2016/04/where-are-the-world-s-highest-minimum-wages/.

World Trade Organization



Name: _____

Where is My Clothing Made?

Check the labels on at least 15 various pieces of clothing and 5 pairs of shoes in your household. Be sure to look at a variety of clothing items – shirts, pants, jeans, shorts, etc.

Step 1: Data Collection

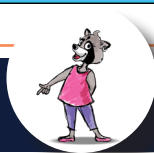
List the countries of origin, or where they were made, in the charts below.



Clothing Items	
Item	Country
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	



Step 3: Data Analysis. Using a colored marker, place dots in each country representing all items identified during the data collection process. Some countries may have more than one dot.



Step 4: Emerging Patterns.

Count the dots for each country. What are the Top 3 countries where your garments were made?

1. _____

2. _____

3. _____



Name: _____

Wages in Other Countries

Step 1: Selection of a Country

Compare the Top 3 countries where your garments were made to others in your group. Then, as a group, select one country to focus on for the rest of the investigation.

Country selected:



Step 2: Investigate Wages in Other Countries

This investigation involves wages workers in the garment industry receive in other countries. Discuss among your group what you would like to know. Some suggestions are as follows:

- Does an individual have to be over a certain age to work in a garment factory?
- Does the country have minimum wage laws in place?
- Are there any protections or laws that keep workers safe in the factories?
- How many hours do employees work each week?
- How much money does an average worker earn per day?

After the group discussion, create an essential or compelling question along with three supporting questions to guide your investigation.

Our compelling question is: _____

The supporting questions are:

1. _____
2. _____
3. _____

Begin your investigation to help answer your compelling and supporting questions. Gather your information from a minimum of 3-5 credible sources. Keep a list of the sources and facts you find.



Step 3: Your Findings

Compile your information. Create a poster or presentation to communicate your findings to the class. Your poster or presentation should include your compelling question and the supporting questions which helped guide your research.

Step 4: Personal Reflection

After each group has presented their findings to the class, take some time to reflect upon what you have learned in Parts I (Where is My Clothing Made?) and II (Wages in Other Countries) of your investigation. Write 2-3 paragraphs about your thoughts about your findings.



Name: _____

Discuss, Debate, Vote

After completing Parts I and II of the investigation on the apparel industry, students will discuss their findings as a class, split into two groups for a debate, and vote



Class discussion: What are your thoughts on the apparel industry after completing Parts I and II of the investigation?



Class debate: As a class, decide on an important topic you found during your investigation into the garment industry that has pros and cons to it. Use that idea as a platform to debate the issues. Each side should try to persuade others to consider/accept their viewpoint.

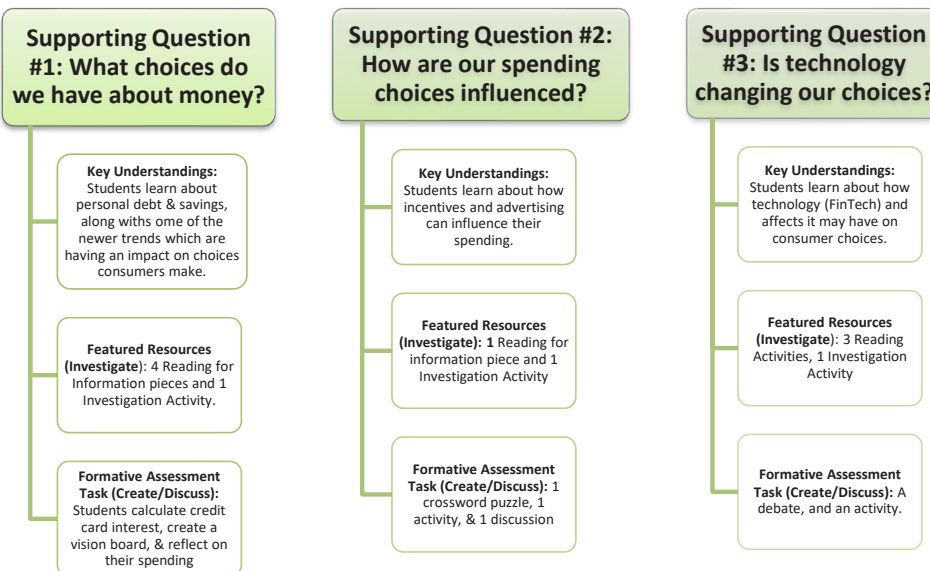


Vote. After the debate, take a vote (ballot or by raising hands) of everyone in the class to determine how everyone personally feels about the issue raised.



Grade 5 Lesson 3		
Compelling Question: How does making choices affect personal finance?		
IL Financial Literacy Standard	SS.FL.4.5: Explain that interest is the price the borrower pays for using someone else's money.	
IL Econ Standard (when applicable- this row can be deleted)	SS.EC.2.5: Discover how positive incentives (e.g. sales prices and earning money) and negative incentives influence behavior in our nation's economy and around the world.	SS.IS.8.3-5: Use listening, consensus building, and voting procedures to decide on and take action in their classroom and their school.
Inquiry Standard	SS.IS.2.3-5: Create supporting questions to help answer essential questions in an inquiry.	SS.IS.3.3-5: Determine sources representing multiple points of view that will assist in answering essential questions.
	SS.IS.4.3-5: Gather relevant information and distinguish among fact and opinion to determine credibility of multiple sources.	SS.IS.5.3-5: Develop claims using evidence from multiple sources to answer essential questions.
	SS.IS.6.3-5: Construct and critique arguments and explanations using reasoning examples, and details from multiple sources.	SS.IS.7.3-5: Identify a range of local problems and some ways in which people are trying to address these problems.
Student Outcomes	- Students evaluate their savings potential and come up with a savings plan. - Students compare and contrast interest rates and payoffs to determine real value. - Students can calculate interest and connect it to their world. - Students can explain cryptocurrency and how digital money may become the currency of the future.	

Ask
Compelling Question: How does making choices affect personal finance?



Introduction to Lesson

The compelling question for this lesson is *How does making choices affect personal finance?* Students learn that most people make choices every day regarding money and their personal finances. Activities in the first supporting question focus on personal debt, savings, and newer trends having an impact on choices consumers make. The second supporting question looks at ways incentives and advertising influence their spending choices. The third supporting question focuses on technology impacting the financial industry (known as FinTech), how consumers are used to 'instant gratification', and the impact those items may have on money-related choices.

The lesson is structured as follows: Each lesson consists of three supporting questions that directly ties in to the compelling question. Each supporting question gets a little tougher as you progress through the lesson. Each supporting question includes an Investigate and Create/Discuss section. The Reflect section is located towards the end of the lesson which provides students a chance to demonstrate their knowledge of money and allows you to have a summative evaluation.

Supporting Question #1: How does advertising influence our spending choices?

Investigate

Reading for Information – Personal Debt: Students read an article about personal debt.

Reading for Information– Credit Cards: Students read an article on credit cards, costs associated with them, and paying off balances.

Reading for Information - Personal Savings: Students read an article on personal savings trends in the United States.

Reading for Information– Choices about Money: Students read an article about some of the newer trends including streaming services and eating out.

Investigation Activity – Card Options: Students investigate a variety of card options including prepaid, credit, debit, and store to determine pros and cons with each of type of card.

Create/Discuss

Featured Resources

Credit Card Activity: Students work through an activity calculating interest for various credit card purchases.

How Do You Compare Activity: Students will look at recent teen spending and compare their personal expenses to the graph.

My Financial Vision Board: Students create a poster board with visual representations depicting their short- and long-term goals.

Writing Prompt: Students will write their thoughts on a quote about savings and wants.

Supporting Question #2: How does advertising influence our spending choices?

Investigate

Featured Resources

Reading for Information – Incentives: Students learn about positive and negative incentives influence behavior.

Teenagers and Advertising Activity: Students track the type of ads during a TV show for one week and reflect on their connections.

Investigation Activity – Incentives: Students select whether to investigate positive or negative incentives. They identify an example within their community, within their state, within the United States, and within the world.



Create/Discuss
Featured Resources
Incentives Puzzle: Student complete a crossword puzzle about incentives.
Incentives Discussion: Students discuss findings from their investigation activity. What are examples of incentives they found within their community, within their state, within the United States, and within the world.
Pop-Up Ads Activity: Students will track pop up ads that are targeted towards them and evaluate if they have any impact on them.

Supporting Question #3: Is technology influencing our choices?

Investigate
Featured Resources
Reading for Information - Personal Finance and Technology: Students read an article about personal finance apps
Reading for Information- Blockchains: Students read about the basics of blockchain.
Reading for Information – Instant Gratification: Students read a story about a group of teenagers and being able to receive almost anything they want in an instant.
Cryptocurrency Investigation: Students investigate another form of digital currency.
Digital Money Investigation: Students work in groups to research and explore digital money. They will create a presentation that provides general information about its purpose including the pros and cons of this form of digital cash. Students should explore ideas about cybersecurity and other factors that impact the success of this new and trendy phenomenon.

Create/Discuss
Featured Resources
Digital Money Debate: After completing the investigation on cryptocurrency and blockchain, students will debate this question: <i>Will using digital money be the way of the future?</i>
Consumer Awareness Alert: Students write a blog post to bring awareness about any dangers involving impulse purchases.

Ask: How does making choices affect personal finance?

Reflect	
Summative Assessment Performance Activities	
Task	Construct an argument, supported by evidence that addresses how choices can affect personal finance.
	Fallen Phrase Puzzle: The fallen phrase is the essential question for this lesson. After students solve the puzzle, they are asked to list five ways making choices affects personal finance.
Extensions/Actions	Submit posters to Econ Illinois’ Economic Concepts Poster Contest. For more information, visit www.econillinois.org .
	Host a Money Fair at your school. For more information, visit www.econillinois.org .
	Design your own cipher. Develop a key and then create cryptic messages for your classmates to investigate.



Personal Debt

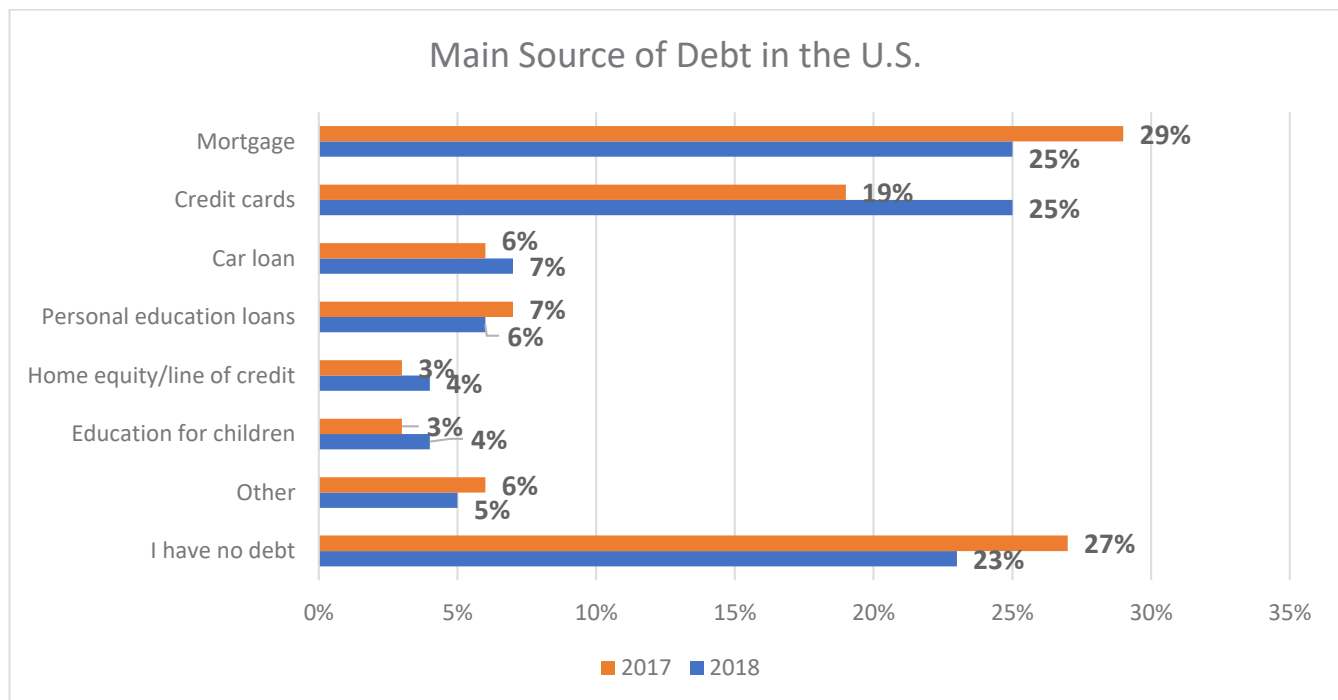


Personal debt is considered the amount of borrowed money an individual owes others. Debt is based on credit given to an individual from a financial institution or store. By law, the individual is required to repay the lender for the money borrowed plus any interest which is added to the debt.

Sometimes people also borrow money from a friend or relative. That form of debt may or may not include any interest.

As the cart below indicates, personal debt can come in many forms. Over two-thirds

of families in the United States have personal debt. The biggest debt for most individuals includes where they live. This type of debt usually involves a **mortgage**, which is a loan that is paid over the course of several years. The most common mortgage loans are for 15 or 30 years. Interest is added on to the original purchase price of the home. The second largest source of debt includes credit cards, followed by car loans.



Look at the changes between 2017 and 2018. What do you notice? Are those changes good or bad?



Credit Cards

Many individuals use credit cards on a regular basis. They are both easy and convenient to carry so people regularly use them for expenses throughout the day. However, one of the downsides is that individuals quickly accumulate debt on a credit card. Individuals can purchase items almost effortlessly and without out giving much thought to the transaction.

Here's how a credit card works. You apply to a credit card company. Based on your credit score, you are approved for a certain limit. This means that you can make regular purchases on your credit card, but you need to stay below the amount you are approved for. If you go past the pre-approved amount, the transaction may be declined, or you might be charged a transaction fee.



Payment Activity	New Activity	Balance
Provider/Balance		\$6,077.06
	-1,530.43	
	+837.49	
		\$6,770.00

Late Payment Warning: If we do not receive your Minimum Amount Due by the Payment Due Date listed above, you will have to pay a late fee of up to \$39.

Minimum Payment Warning: If you make only your minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance.

If you make no additional charges and each month you pay...	You will pay off the balance shown on this statement in about...	And you will pay an estimated total of...
Only the minimum Amount Due	7 years 3 years	\$12,248 \$8,820 (Savings = \$3,428)

Individuals who have a balance on their credit card receive monthly statements indicating how much they owe along with payment information. The statement will always include the minimum amount due for that

month. If the minimum is paid and the company receives the payment on time, the individual will not receive any additional charges, other than the interest rate on the balance. It's important to know that there are costs affiliated with credit cards, such as:

- **Annual Fee** – credit card companies can charge you an annual fee just to use their card. This usually falls in the range of \$0-\$50 per year.
- **Annual Percentage Rate (APR)** – this is the percentage rate charged for any monthly balances.
- **Finance Charge** – a dollar amount paid to use credit, including any additional costs of the transactions and interest.
- **Grace Period** – the number of days an individual must pay off new purchases before interest is charged.

Kathleen Elk. "Here's What Happens When You Only Pay the Minimum on Your Credit Card Balance ." *CNBC*, CNBC, 24 July 2018, www.cnbc.com/2018/07/23/what-happens-when-you-only-pay-the-minimum-on-your-credit-card-balance.html.

Nance-Nash, Sheryl. "5 Credit Card Traps." *Forbes*, Forbes Magazine, 19 June 2012, www.forbes.com/sites/sherylnancenash/2012/06/19/5-credit-card-traps/.

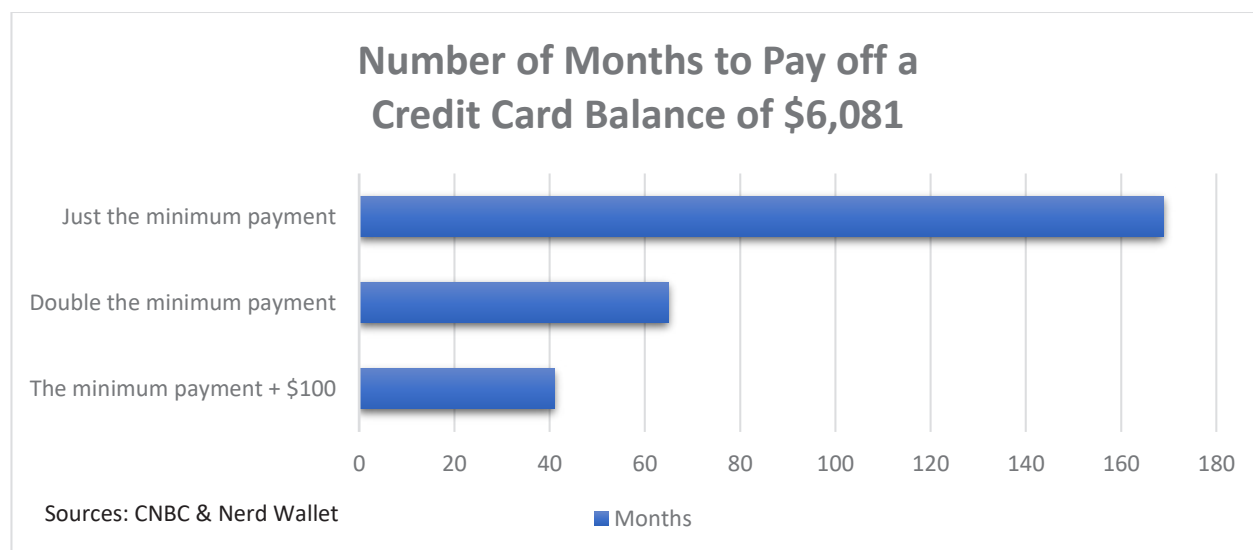
Caldwell, Miriam. "5 Steps You Can Take to Avoid the Credit Card Trap." *The Balance*, The Balance, 9 Dec. 2018, www.thebalance.com/how-to-avoid-the-credit-card-trap-2386313.

"Compareairlinebad Creditbalance Transferbusinesscash Backbonus Offersgaslow Interestyour Recommendedrewardssecuredstudenttravelzero Percentrewardscredit Cardsforexcellent Credit (720-850)Good Credit (690-719)Average Credit (630-689)Poor Credit (350-629)Good CreditGet Your Free Credit Score." *Rewards Credit Cards - Compare 78 Card Offers*, www.nerdwallet.com/rewards-credit-cards?trk=nw_gn2_4.0.



- **Periodic Rate** – the interest rate a credit card company charges your account for any outstanding monthly balances.
- **Transaction Fees** – some credit card companies charge fees for a cash advance, late payments, or if you go past your credit limit.

On average, United States households with credit card debt carries a balance of \$6,081. The chart below shows that if an individual only paid the minimum balance, it would take the individual 169 months to pay off the credit card. However, if the payment was doubled each month, it would take the individual less time to pay off the credit card. If the minimum payment was made, along with an additional \$100, the credit card would be paid off in approximately 40 months.



That's a big difference! Think of the interest the individual would be paying back over the course of 169 months.

Credit cards are a nice convenience to have, but it is important to be thoughtful when using it. When using a credit card, remember: The cost of the item you are buying is more expensive if you do not pay it off right away. Very quickly, a fun purchase of just \$10 can triple with interest. Try to not carry balances on your credit card, but if you do, make sure you know when your payments are due and how long you have to pay off your purchase.

Kathleen Elk. "Here's What Happens When You Only Pay the Minimum on Your Credit Card Balance ." *CNBC*, CNBC, 24 July 2018, www.cnbc.com/2018/07/23/what-happens-when-you-only-pay-the-minimum-on-your-credit-card-balance.html.

Nance-Nash, Sheryl. "5 Credit Card Traps." *Forbes*, Forbes Magazine, 19 June 2012, www.forbes.com/sites/sherylNancenash/2012/06/19/5-credit-card-traps/.

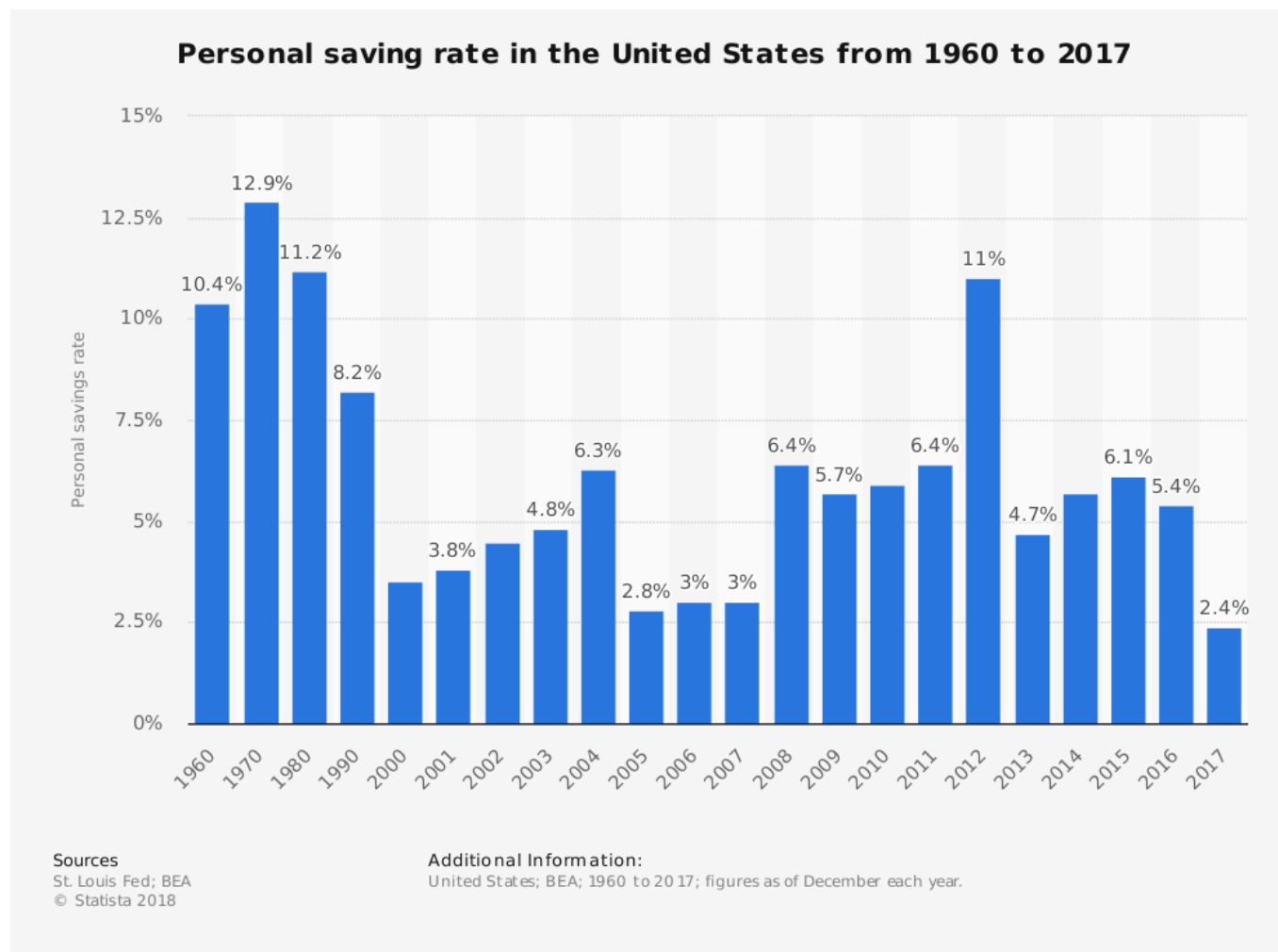
Caldwell, Miriam. "5 Steps You Can Take to Avoid the Credit Card Trap." *The Balance*, The Balance, 9 Dec. 2018, www.thebalance.com/how-to-avoid-the-credit-card-trap-2386313.

"Compareairlinebad Creditbalance Transferbusinesscash Backbonus Offersgaslow Interestyour Recommendedrewardssecuredstudenttravelzero Percentrewardscredit Cardsforexcellent Credit (720-850)Good Credit (690-719)Average Credit (630-689)Poor Credit (350-629)Good CreditGet Your Free Credit Score." *Rewards Credit Cards - Compare 78 Card Offers*, www.nerdwallet.com/rewards-credit-cards?trk=nw_gn2_4.0.



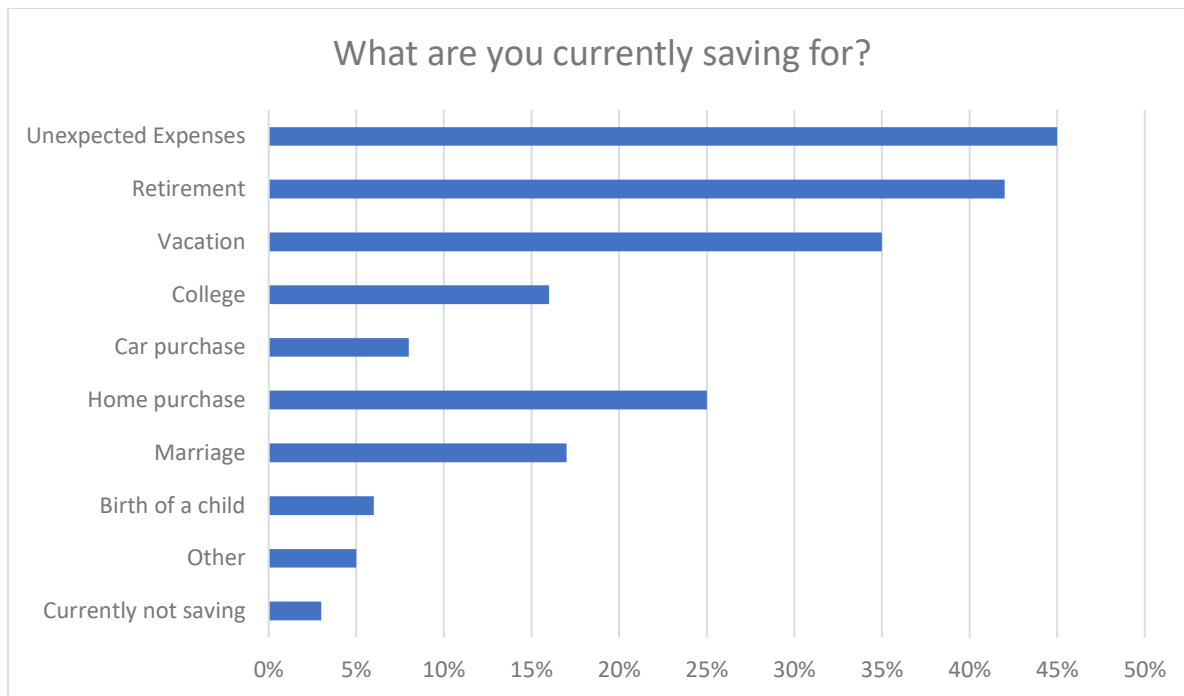
Personal Savings

Personal savings is the amount of money individuals put aside from their earnings. The money is kept in a safe place, such as an account at the bank. The chart below shows personal savings rates from 1960 to 2017. Notice how much savings rates have fluctuated each year. Look at the chart and determine what year(s) people saved the most? What year(s) did people save the least?

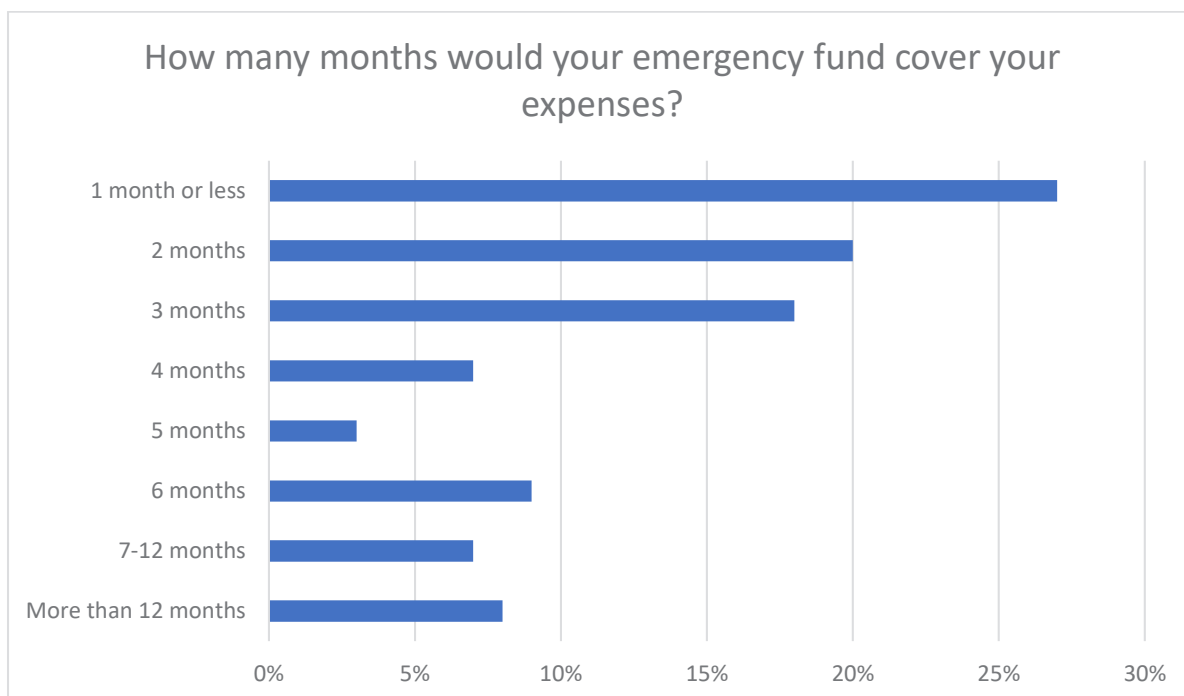


When people save their money, what do you think they save their money for? The chart below shows that most people in the United States are saving for unexpected expenses, also called a 'rainy day' or emergency fund. This is money people set aside for an expense that they normally do not have. This could include car repairs, a doctor's bill, or if their pet must visit a veterinarian. These funds are also used if someone stops working for a period of time. When individuals save money, they can pay for their unexpected expenses without having to borrow money or put it on a credit card. This strategy is helpful because the individual does not have to pay the cost of the item plus interest to anyone else. Take a closer look at the chart. Is there anything that surprises you? If so, what is it and why are you surprised?





The next chart looks at how long savings in an emergency fund would cover a family's expenses. Most individuals only have enough saved to cover their expenses for one month or less. What are your thoughts about this chart? Do you think this is good or bad?



After spending time analyzing the charts and reflecting, discuss your thoughts on personal savings in the United States with your class.

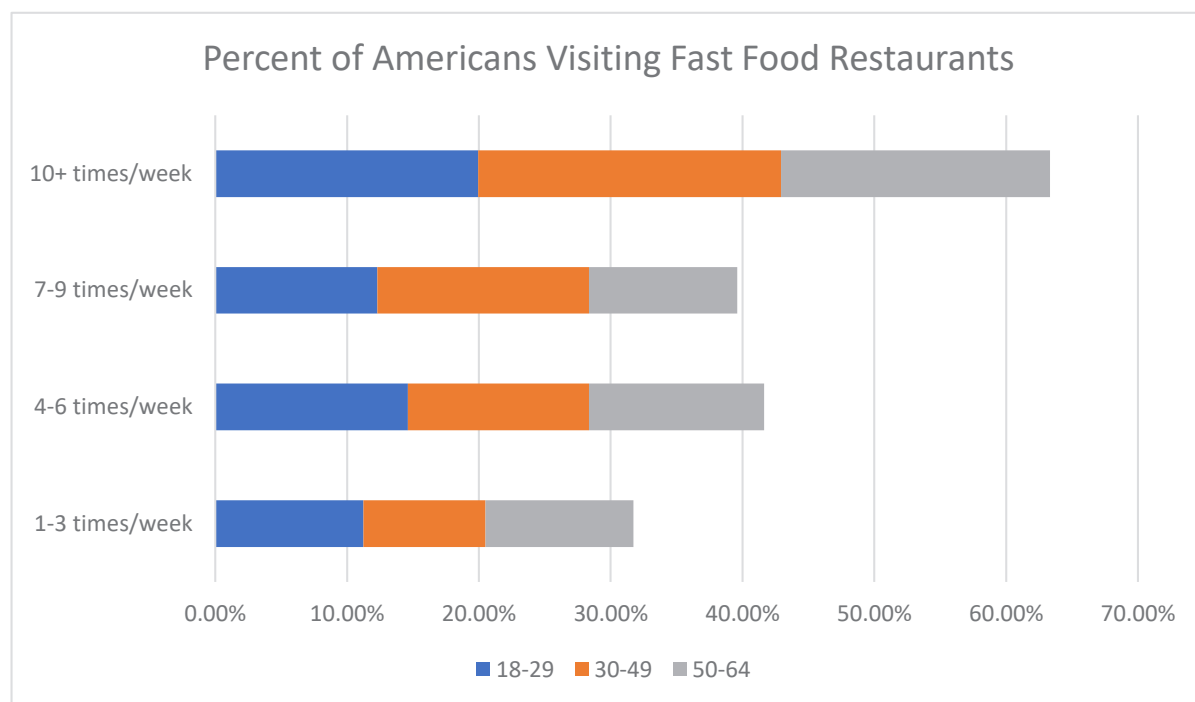


Choices and Money

Technology has helped make it easy for us to purchase items we need and want. Numerous times throughout the day individuals swipe their plastic cards or use mobile devices to pay for items. However, it's easy to lose track of how much money you actually have in an account.

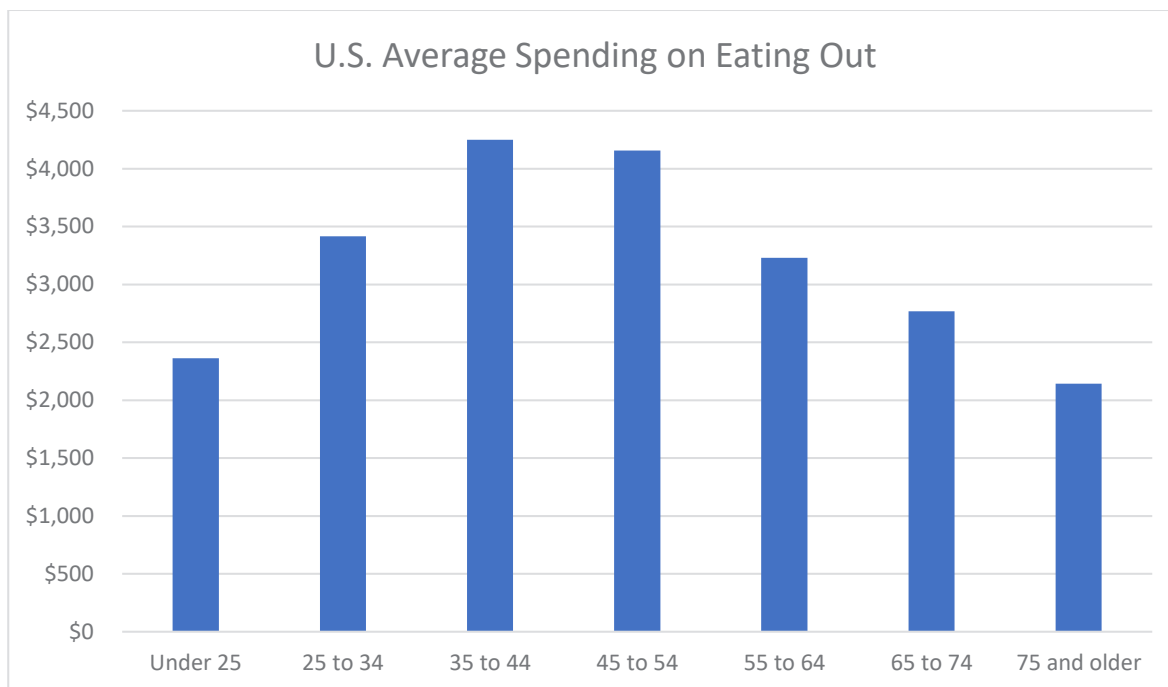
We all have choices to make about our money and how we spend it. For instance, many items are purchased because of their convenience.

The chart below shows how many times people in the United States eat out per week by age group. According to this chart, almost two-thirds of Americans eat out ten times or more per week.

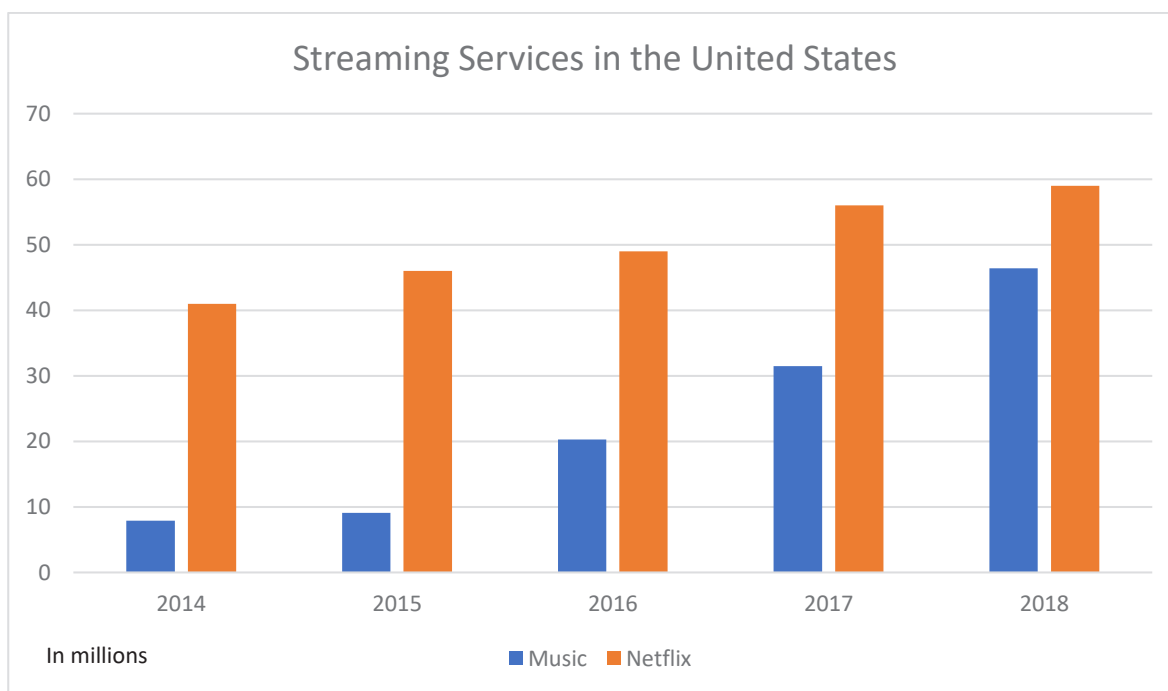


That cost begins to add up very quickly! The next chart shows the average amount of each age group spends annually eating out.





Now let's look at streaming services. There has been a steady increase in the number of Americans paying for streaming services subscriptions. This market is expected to grow over the next several years.



Individuals make decisions everyday about how to spend their money. Sometimes an item doesn't seem very expensive but can quickly add up over the course of the year. Even though technology has made purchasing easier, it is still important to think about if the items is necessary. Perhaps there is a better alternative.

Source: Statista www.statista.com



Name: _____

Card Options

Step 1: Below is a list of the type of cards individuals use regularly. Investigate each type of card, along with what pros and cons are for each type. In the last column, indicate whether interest is paid to a company (an additional cost to the purchaser) or is interest earned by the individual. Be sure and use multiple sources when conducting your research to gain various perspectives.

Type of Card	Pros	Cons	Interest Earned or Paid
Debit			
Credit			



Prepaid				
Store-Issued (such as Best Buy or Walmart)				

Sources Used:

1. _____
2. _____
3. _____
4. _____
5. _____



Step 2: Based on the pros and cons you have identified for each type of card, what questions do you have?

Essential question: _____

Supporting questions:

1. _____
2. _____
3. _____



Name: _____

Credit Cards



Jose wants to buy a cell phone. He has three credit card options and wants to calculate how much each option will cost.

The first option has a lower monthly payment, but it will take him longer to pay off the credit card. The second option starts off with a 0% interest rate but increases to 14.99% after six months. His payments are slightly higher, but it will take him fewer months to pay for the cell phone. In the third option, he has a higher interest rate, higher monthly payments, but he will pay the cell phone off sooner.

Purchase Amount	Credit Card Annual Percentage Rate (APR)	Minimum Monthly Payment	Number of Months to pay off the balance	How much will the total interest be?	Final cost of Cell Phone
\$500.00	18.9%	\$25.00	43 months		
\$500.00	0% for first 6 months, then 14.99%	\$32.00	30 months		
\$500.00	24%	\$40.00	27 months		

1. What conclusions can you draw from this information?
2. What life lesson have you learned that you will want to remember when you are old enough to have your own credit card?

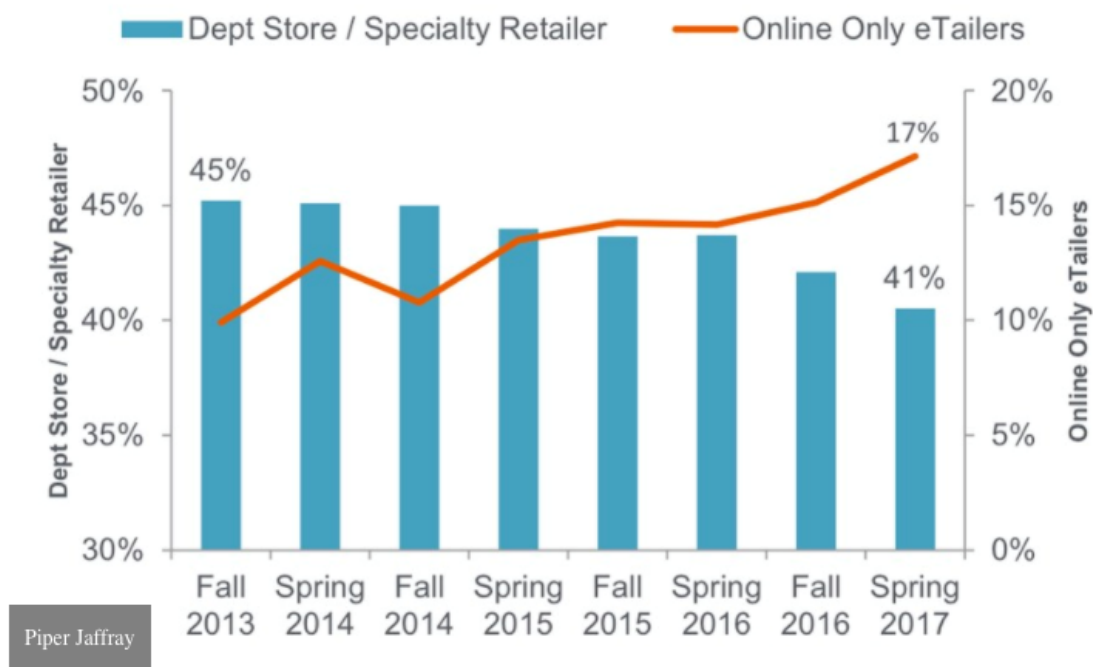


Name: _____

How Do You Compare?

The graph below shows that teen spending online (red line) is increasing, and retail store spending (blue bars) is falling. Department Store and Specialty Retail shopping made up 45% of teen shopping in 2013 (left vertical axis), while on-line shopping made up about 10% (right vertical axis). In 2017, that changed. Department Store and Specialty Retail shopping dropped to 41% and on-line shopping increased to 17%.

10. An increasing number of teens prefer to shop online over department stores.



How do your personal spending habits compare to these?

Source: Piper Jaffray



My Financial Vision Board

There are numerous possibilities for you in the future. One way to start moving towards a bright future is by thinking about and defining goals. Then you can develop strategies to help you reach those goals.

People don't always think about their financial goals. Short-term goals are those items in which you can save money for within the next year. This could be for clothing, shoes, a new game, movie tickets, etc.



Short-term goals: Think about three things you would like to save money for in the next year and list them on the lines below.

1. _____
2. _____
3. _____

Long-term goals: Think about three things you would like to spend money on when you are 16 years old? How about 25 years old? How about 35 years old? It doesn't have to be a type of good (like a car or house). Maybe you want to see Australia by the time you're 50. List them below:

Age	Goal
Goal #1, Age 16	
Goal #2, Age 16	
Goal #3, Age 16	
Goal #1, Age 25	
Goal #2, Age 25	
Goal #3, Age 25	

Source: Kansas City Federal Reserve Bank, Common Cents by Michelle Wulff



Goal #1, Age 35	
Goal #2, Age 35	
Goal #3, Age 35	

Poster Board with Visual Representations: Find and collect pictures that identify both your short- and long-term goals. If you can't find a picture, draw an illustration. Make sure to identify visual representations for each of your goals.

Rank your goals according to which you feel is the highest priority or the most important for you? Those items that are the highest priority should be placed in the top positions on your board. Be sure to label each visual image as "Goal #1, Age 16" or "Goal #2, Age 25".



Source: Kansas City Federal Reserve Bank, Common Cents by Michelle Wulff



Name: _____

Writing Prompt: Henry David Thoreau Quote

What do you think this quote means?

“I make myself rich by making my wants few.” – Henry David Thoreau

[illegible]

"20 Money Quotes That Will Inspire You." U.S. News & World Report, U.S. News & World Report, money.usnews.com/money/blogs/my-money/2015/10/20/20-money-quotes-that-will-inspire-you.



Name: _____

Incentives

Incentives are offered to individual with the intention, or hope, that you will react in a certain way. They can have positive or negative effects on an individual's behavior. Both types of incentives are all around us. Here are a few examples:

Positive Incentives

- Do you receive an allowance at home for doing chores, such as shoveling snow or cleaning your room?
- Does a neighbor give you extra money for raking their leaves or taking their dog for a walk?
- Do you receive good grades when you have studied really hard for a test?



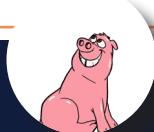
Negative Incentives

- If you lose a library book, you probably can't check out new ones.
- A note is sent home if you misbehaved during school.
- You are not able to use your digital devices or watch TV if you're room isn't clean

In the examples above, think about which type of incentive may work better, positive or negative. Why do you think that is so?

What is the best reward you have ever received for doing something? _____

What is the worst consequence or negative incentive you have received? _____



Do rewards or penalties work best with you? What are your thoughts?

Economic incentives are used to try and get you to react in a certain way. Here's a list of common ones:

- Encourage you
- Persuade you
- Convince you
- Bribe you
- Punish you
- Reward you
- Penalize you
- Influence you

Companies use incentives all the time in marketing and advertising efforts to try and get individuals to purchase their product. They can even make you feel like you are missing out on a really good offer if you don't immediately purchase a product. When you go shopping at the grocery store, you may only need one can of soup but there is a 'special' that if you buy 5 you get 5 free. That's using an incentive to try and influence your purchase. Another example is when celebrities are featured in advertisements endorsing a product. Look at all of the advertisements involving athletes and gym shoes.

Be a wise consumer and think about the incentives. Thinking about the real benefits of an incentive can help you maximize your money.



Teenagers and Advertising

It's the job of advertisers and marketers to encourage you to purchase an item they are trying to sell. The teen audience is particularly attractive because teens have an incredible amount of influence on purchasing – not only for what they buy, but what they also encourage their parents to buy. This includes cell phones, electronics, and sometimes even vehicles.



Research indicates that children and teens view more than 400,000 ads on television every year. Congress passed The Children's Act of 1990 to limit the number of television commercials airing during children's programming. During the weekend, television channels cannot air more than 10.5 minutes of advertising per hour and the limits are at 12 minutes per hour during the week. One of the ways advertisers get around this regulation is by broadcasting kids' ads during prime time, when 16 minutes of ads are permitted per hour.

Product placement is another tactic used to try and influence purchases. When you see a character in your favorite sitcom wearing a famous brand of jeans, drinking a particular soft drink, or using the latest cell phone, it's typically not just by accident. Companies pay to have their products used in television shows. Some marketing companies use movie-themed toys in kids' meals at fast food restaurants to help promote a product.

One of the big problems with marketing to teens is the number of ads for unhealthy food products. More than \$2.5 billion is spent to promote restaurants and another \$2 billion to promote food products. Sadly, about half of the TV ads kids see each year are for food, especially sweetened cereals and high-calorie snacks (kids rarely see an ad for healthy vegetables).

Your Turn: Keep a journal of a variety of TV viewing for a week. Pick the same time each day on the same channel. Note the time and the program you were watching and list the ads you see. Is there a link between the ad and the program? Between the ad and the time of day? Do you see lots of toys during a kids program? Do you see lots of ads for medication during programs that older people like to watch?

Communications, Committee on. "Children, Adolescents, and Advertising." *Pediatrics*, American Academy of Pediatrics, 1 Dec. 2006, pediatrics.aappublications.org/content/118/6/2563.



My Advertising Journal

Time & Day of the Week	Television Show	Ads	Links

Communications, Committee on. "Children, Adolescents, and Advertising." *Pediatrics*, American Academy of Pediatrics, 1 Dec. 2006, pediatrics.aappublications.org/content/118/6/2563.



Incentives Investigation

Below are types of economic incentives involving money. Decide if you want to focus on either positive or negative incentives for this investigation. After deciding, find an example of each type (either positive or negative) within your community, within your state, within the United States, and within the world.

Positive Incentives	Negative Incentives
Encourage you	Bribe you
Persuade you	Punish you
Convince you	Penalize you
Influence you	

Type of incentive for the investigation: _____

Community	
State	
United States	
World	

"Incentives Influence Us!" *EconEdLink*, 22 July 2011, econedlink.org/resources/incentives-influence-us/.



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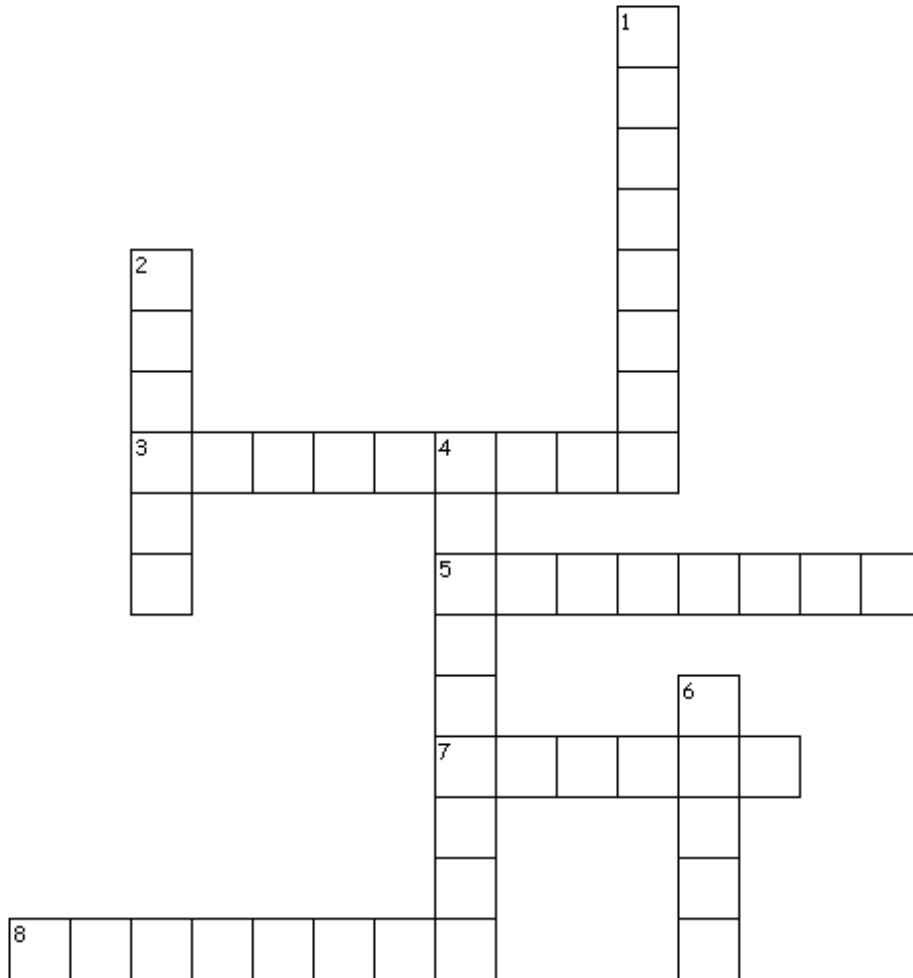
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Community	
State	
United States	
World	

"Incentives Influence Us!" *EconEdLink*, 22 July 2011, econedlink.org/resources/incentives-influence-us/.



Incentives Crossword Puzzle



Across

- 3. Have an effect
- 5. Cause someone to firmly believe in something
- 7. Recognition
- 8. Form of punishment

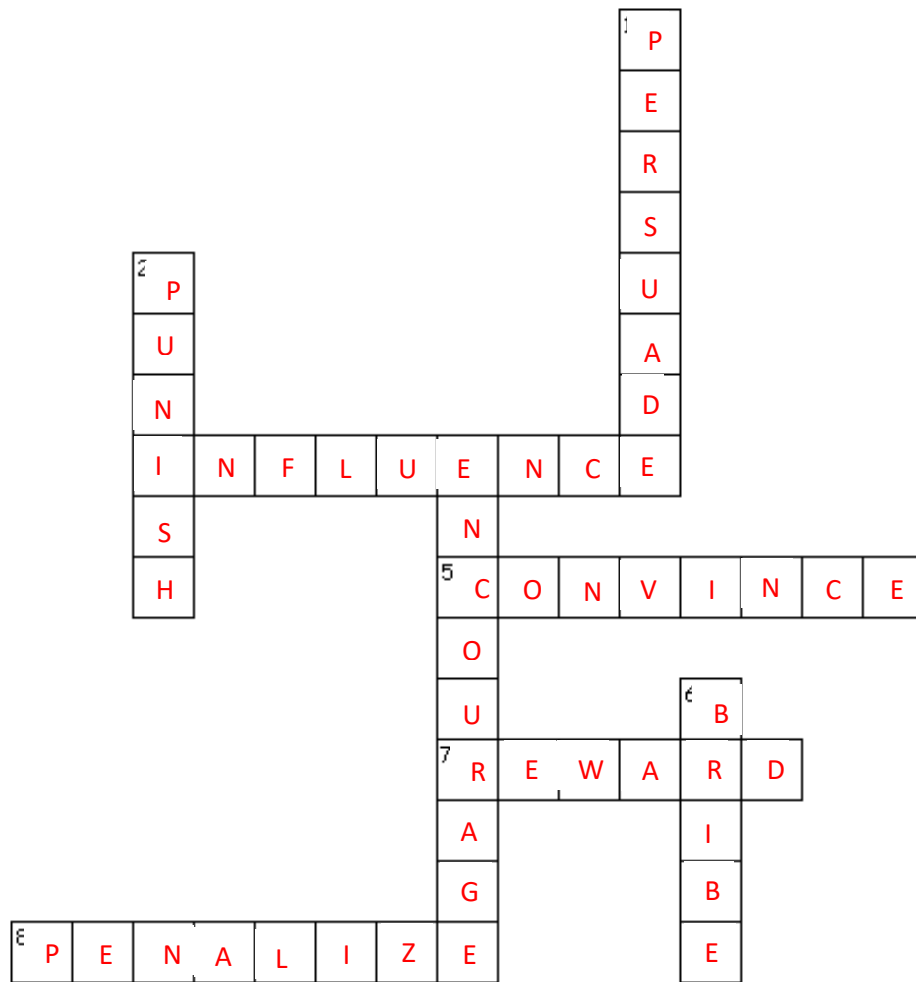
Down

- 1. Cause someone to do something
- 2. Penalty
- 4. Give support
- 6. Persuade someone to do something dishonest

Source: Puzzlemaker at DiscoveryEducation.com



Incentives Crossword Puzzle



Across

- 3. Have an effect
- 5. Cause someone to firmly believe in something
- 7. Recognition
- 8. Form of punishment

Down

- 1. Cause someone to do something
- 2. Penalty
- 4. Give support (Encourage)
- 6. Persuade someone to do something dishonest

Source: Puzzlemaker at DiscoveryEducation.com



Name: _____

Pop-Up Ads

Your online habits help marketers and advertisers “target” their message towards items that you search for or like. They then market other products they think you might be interested in and will try to persuade you to purchase that item.

For one week, keep a listing of websites you visit. While you are visiting that site, are there pop-up adds that “magically” appear? Note, if you have a pop-up blocker, you will need to turn it off or use another computer to do this exercise.



Day	Website	Pop-Up Ads
Sunday		
Monday		
Tuesday		
Wednesday		
Thursday		
Friday		
Saturday		



Now follow the same guidelines but with a social media platform, such as Facebook.

Day	Website	Pop-Up Ads
Sunday		
Monday		
Tuesday		
Wednesday		
Thursday		
Friday		
Saturday		

What do you notice about your search habits and pop-ads?



Personal Finance and Technology

Personal finance is a term used to describe how individuals manage their money. Technology has had a tremendous influence on how people monitor and track their money. 'Fintech' is the name referencing the combined forces of finance and technology. Some estimates suggest that roughly \$31 billion dollars is being invested into advancing technology in the finance space even further.



For instance, there are apps and other tools making it easier to manage checking and saving accounts and paying bills. Apps can be very helpful for learning about budgets and tracking their income. They are also useful for adults. Common ones include:

- Mortgage calculators – helps individuals estimate what monthly payments and interest will be before purchasing a house. Others will help you determine how quickly you can pay off your mortgage.
- Taxes – apps can help individuals prepare for filing their income taxes.
- Retirement – savings and planning for when individuals stop working later in life.
- Debt – apps to help individuals reduce how much they owe others.
- Budgets – helps individuals see how much money is coming into their accounts and how much they are spending.
- Investments – apps help people create accounts with minimal investments

Not everyone is familiar with these helpful tools. Below is a chart indicating how familiar various age groups in the United States are with personal finance apps.

	18-29 Years Old	30-39 Years Old	40-49 Years Old	50-59 Years Old	60+ Years Old
I am not familiar with it	16%	10%	29%	41%	53%
I am familiar with it, but will not use it	18%	20%	31%	23%	29%
I am familiar with it and will probably use it	41%	40%	30%	26%	14%
I already use such services	24%	29%	10%	11%	5%

The chart indicates that individuals ranging from 18-39 years old are the most familiar with personal finance apps and will likely use them. Roughly one-quarter of the respondents are already using them on their smartphone, tablet, or home computer.

Cyber threats and identity theft continue to increase, so credit monitoring has become a necessity for adults. Thankfully technological advancements make it easier for consumers to monitor their credit to ensure they have not become a victim of theft or fraud.

The crossroads of technology and personal finance can help individuals manage their money and be better users. You can expect to see increased usage in apps along with continued advancements in items, such as mobile wallets, which may further limit consumer's use of cash.

Inc.com <https://www.inc.com>

Statista www.statista.com,

"How to Take Advantage of Financial Technology." *U.S. News & World Report*, U.S. News & World Report, money.usnews.com/money/personal-finance/saving-and-budgeting/articles/2018-05-15/how-to-take-advantage-of-financial-technology.



What is Blockchain?

Basically, a blockchain consists of multiple digital blocks which are strung together. Blockchain's purpose is to record and distribute information digitally without anyone having an ability to copy or edit it.

These digital pieces of information are about transactions (the act of paying for a good or service) and are stored in a public database. The 'blocks' specifically contain information about the transaction. For example, the date, time, and value of the transaction are recorded. These transactions don't use an individual's actual name, but their digital signature which is similar to a user name. Information in each block is uniquely coded and stored so it won't get confused with other blocks. Once new blocks are added to the chain, it is very difficult to go back and edit a prior block.



When new data arrives about another transaction, it is added to the blockchain. There are four key items that must occur before a block can be added to the chain, the transaction must:

1. Have occurred.
2. Can be verified.
3. Be stored in a block.
4. Receives a unique code to identify it.

Once all those steps have occurred and the block is added to the blockchain, the transaction is available for the public to see.

People often think that blockchain and Bitcoins are the same, which they are not. Bitcoin is a digital currency which was built on the blockchain technology. Instead of using banks or financial institutions, Bitcoin is based on person-to-person transactions.



Sources: Blockgeeks <https://blockgeeks.com/guides/what-is-blockchain-technology/>, Investopedia <https://www.investopedia.com/terms/b/blockchain.asp>



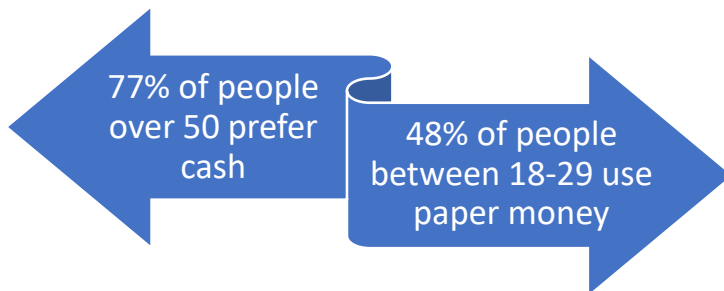
I WANT IT NOW!!!

Technology has brought a lot of advancements and positive items to society including computers, smartphones, Google, and online shopping. One of the downsides is a term called ‘instant gratification’. This term means that a lot of consumers around the world have access to almost anything with just a touch of a finger. Additionally, there are numerous customizable options to make our selections almost limitless.

Years ago, you used to get paid with either cash or a check. It was a payment that you could touch and feel. The same is true with cash. It’s funny how cash is an instant reminder of how much money you really have! As you pay for something, you see the cash leave your wallet and you physically hand it to someone else. It gives you a quick reminder as to whether you *really need* that item you are about to purchase!

One downside of using plastic cards for a method of payment is that purchasing becomes almost effortless. It is convenient to swipe or insert your card into a machine. It also means you can easily lose track of how much money you actually have.

Even though technology provides us with tools to help us manage money, in many cases it does just the opposite. Studies show teenagers and young adults have the highest overdraft fees.



One of the biggest problems is that the overdraft fees – which sometimes are as high as \$35 – are because of a \$5 purchase. In other words, individuals are not keeping track of their payments and are spending more than they are earning. For banks, overdraft fees amount to a lot of revenue. In recent years, banks have made millions of dollars in both overdraft and insufficient fund fees.

Managing your money is incredibly important. Sometimes it requires discipline and recognizing that instant gratification can cause some problems.

Bloomberg.com, Bloomberg, www.bloomberg.com/news/articles/2017-08-04/bank-overdraft-fees-are-here-to-stay.
Sanicola, Laura. “Millennials, Minorities Crushed by Overdraft Fees.” *CNBC*, CNBC, 5 May 2016, www.cnbc.com/2016/05/03/millennials-minorities-crushed-by-overdraft-fees.html.
Renzulli, Kerri Anne. “Millennials Use Credit and Debit More than Their Parents | Money.” *Time*, Time, 27 Aug. 2014, time.com/money/3182089/millennials-spending-mistakes/.



Fact or Opinion - Cryptocurrency

The word cryptocurrency refers to 'digital cash'. There are numerous conversations about the pros and cons of cryptocurrency. Sometimes it is difficult to determine whether the information is truthful and factual or whether it is someone's opinion.



For this investigation, you will be exploring cryptocurrency. Remember to look for multiple viewpoints on the topic and determine if the information is based on fact or opinion. You will need to identify a minimum of 5 sources.

Step 1: Think of an essential question to guide your investigation. What would you like to know about cryptocurrency? Here are some thoughts:

- ✓ Security threats. Is it safe?
- ✓ Protection. It is not backed by any authority.
- ✓ Person to person transactions.
- ✓ It's a trend or fad and won't be around for long.

Step 2: After developing your essential question, think of three supporting questions:

1. _____
2. _____
3. _____

Be sure to keep track of your references so you can cite them in your work.

Step 3: Research. Investigate your questions and search for answers. Since this is still a newer technology, use a variety of sources such as newspapers, magazines, industry information, blog posts, etc. Keep track of whether you think these findings are facts or opinions. This will help you clarify your thoughts on cryptocurrency.

Use the chart on the next page to keep track of your findings.



Essential question: _____

Supporting Question #1:		
Source	Finding	Fact or Opinion

Supporting Question #2:		
Source	Finding	Fact or Opinion



Supporting Question #3:		
Source	Finding	Fact or Opinion

Step 4: Analyze and reflect. Look over your research and answer your essential question. What are your thoughts about cryptocurrency?

Did most of the sources offer facts or opinions? Why do you think that is?

What do you think the overall credibility was of the sources you found?



Name: _____

Debate Activity



Will using digital money be the way of the future?

You will be split into two groups, one that feels it is the way of the future and the other group feels that it is not.

Step 1: As a group, decide how you will defend your stance. What points can you bring up to support your views? List the top points below:

1. _____
2. _____
3. _____
4. _____
5. _____

Step 2: Use at least 3 credible sources for your evidence. List the sources below:

1. _____
2. _____
3. _____



Consumer Awareness Alert

Blog posts provide individuals with information to help them understand a topic better. A blog is similar to an article in a newspaper. The big difference is that some of the best blogs are written by everyday people who share tips, hints, or their perspectives.



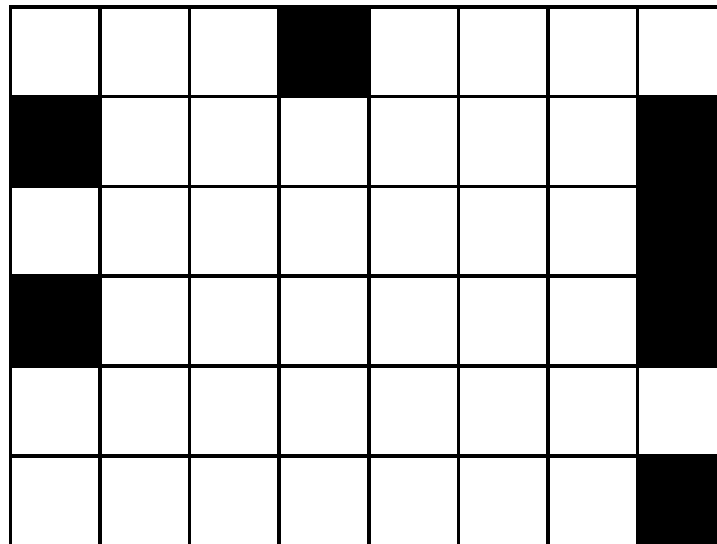
Now it's your turn to share your knowledge about impulse purchases with people in your community. Write a one-page blog post that helps bring awareness about any dangers involving impulse purchases. You will need to think of a title for your blog and can also include an image with it.



Name: _____

Fallen Phrase Puzzle

Below is a fallen phrase. All of the letters needed to solve the puzzle are located just beneath it. After solving the puzzle, answer the questions below.



O A D E G

I F I O N A

P M O F I C E

F E N A E N T

H A R K C O S S



Take a moment to reflect on what you have learned about money and the question from the fallen puzzle. List five ways answers to the question.

1.

2.

3.

4.

5.



Name: _____

Fallen Phrase Puzzle

Below is a fallen phrase. All of the letters needed to solve the puzzle are located just beneath it. After solving the puzzle, answer the questions below.

H	O	W		D	O	E	S
	M	A	K	I	N	G	
C	H	O	I	C	E	S	
	A	F	F	E	C	T	
P	E	R	S	O	N	A	L
F	I	N	A	N	C	E	

OA DEG

IFIONA

PMOFICE

FENAENT

HARKCOSS

Take a moment to reflect on what you have learned about money. List five ways this happens or five things people can modify in their lives.

1.



2.

3.

4.

5.





MONEY MINDED *illinois*



Teaching Dollars and Sense.



Michael W. Frerichs
ILLINOIS STATE TREASURER