

Grade 4 Lesson 3

Compelling Question: How do people make the best decisions with their money?

IL Financial Literacy Standard	SS.EC.FL.3.4: Analyze how spending choices are influenced by price as well as many other factors (e.g. advertising, peer pressure, options)	S.EC.FL.4.4: Explain that income can be saved, spent on goods and services, or used to pay taxes.
Inquiry Standard	SS.IS.1.3-5: Develop essential questions and explain the importance of the questions to self and others.	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.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.8.3-5: Use listening, consensus building, and voting procedures to decide on and take action in their classroom and school.
Student Outcomes	<p>Students will be able to explain:</p> <ul style="list-style-type: none"> • People use their income by: saving, spending, giving, and paying taxes. • Advertisers use a variety of techniques to influence consumers' spending. • With good planning and execution, money can offer people freedom and security. • A budget is a saving and spending plan that helps people make choices about their money. 	

Ask

Compelling Question: How do people make the best decisions with their money?

Supporting Question #1: What choices do people make with their money?

Key Understandings:
Students will understand people use their income to save, spend, give, and pay taxes.

Featured Resources (Investigate): Three reading for information pieces and Two Investigation Activities

Formative Assessment Task (Create/Discuss):
Students complete five activities and an exit ticket.

Supporting Question #2: What influences consumer spending choices?

Key Understandings:
Students will understand that advertisers use a variety of techniques to influence consumers' spending.

Featured Resources (Investigate): Three reading for information pieces.

Formative Assessment Task (Create/Discuss):
Students complete four activities and an exit ticket.

Supporting Question #3: How can money improve freedom and security?

Key Understandings: With good planning and execution, money can offer people freedom and security.

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

Formative Assessment Task (Create/Discuss): A thought piece and a puzzle.

Introduction to Lesson

The compelling question for this lesson is *How do people make the best decisions with their money?* Throughout this lesson, students learn about the various ways people use money: spending, saving, giving, and paying taxes. In Supporting Question #1, two types of incentives involving taxes will be explored. The first one involves the Soda Tax which was enacted for a short time in Chicago to try and encourage individuals to help make healthier beverage choices while raising extra money for the county. The second investigation activity looks at Sales Tax Holidays and how individuals do not have to pay taxes during a set timeframe for certain purchases. This type of incentive also tries to encourage behavior. In Supporting Question #2, students work through various activities on how spending decisions are influenced, especially by advertising companies. Supporting Question #3 focuses on how money can help provide some sense of financial security.

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: What choices do people make with their money?

Investigate

Reading for Information – Money Choices: Students read a brief piece about money and choices.

Reading for Information – Save – Spend - Give: The information piece discusses different ways people use money.

Reading for Information – Taxes: The information piece discusses the different types of taxes people pay and what they are used for, along with how different areas require different taxes.

Investigation Activity – Taxes: After reading the information piece, students investigate to determine the sales tax they would pay in their area and compare it to sales tax rates in other states.

Investigation Activity – Sales Tax Holiday: Sales tax holidays are an incentive towards increasing spending on certain items during a specific time period. Students work in groups to investigate a 'Sales Tax Holiday'.

Create/Discuss

Featured Resources

What Type of Tax? Students identify what type of tax is being paid in various scenarios.

Writing Prompt – Spending: Students think about a time when they spent their money on something and ended up regretting it later. After reflecting, they write a paragraph about what they learned from that experience.

Thoughts on a Soda Tax: Students are provided with basic information about a Soda Tax that was enacted in the City of Chicago to help fight obesity. They are asked to write their thoughts about whether or not taxes like this would encourage people to behave a certain way. Discuss in class.

Sales Tax Holiday – The Discussion: After students complete their investigation, have them fill out the Sales Tax Holiday T-Chart listing their thoughts on the pros and cons. As a class, have the students discuss their thoughts about using Sales Tax Holidays as an incentive. Various types of Sales Tax Holidays should also be discussed. After the discussion, the students will cast their vote on whether it's a good idea or not.

Sales Tax Holiday – The Vote: After completing the investigation and discussion on Sales Tax Holidays, students determine whether it is a good incentive or a bad one. Each student casts a vote. If the decision is 'yes' that it is a good idea, have the students write a letter to the director of their local Chamber of Commerce encouraging them to start and/or maintain one in their town. If the vote is no, then have students write a letter to the Mayor and City Council stating their reasons for reaching their decision.

Choices Exit Ticket: Students are asked to list questions they might ask themselves before deciding to spend money on a good or service.

Supporting Question #2: What influences consumer spending choices?

Investigate	
Featured Resources	
Reading for Information – Spending Decisions: Students read an information piece. They then reflect on the reading and complete the activity with a partner.	
Reading for Information – Advertising: Students read an information piece on advertising. They then find three different advertisements and identify the technique(s) used to get people to want to buy the good or service.	

Create/Discuss	
Featured Resources	
Consumer Spending Choices: Students read a comic from Family Circus and write about an experience when they, or someone in their family, were influenced by advertising. They purchased a product because they thought it would improve something or help their performance.	
Fact-Opinion Activity: Students read claims about goods or services and identify whether the claim is a fact or opinion. They then respond to a question asking if facts or opinions are used more in advertising.	
Advertising Activity: Students analyze a commercial about one of their favorite products. They then rewrite the advertisement using a different technique.	
Advertising Exit Ticket: Students respond to this question: How will you look at and/or respond to advertising differently?	

Supporting Question #3: How can money improve freedom and security?

Investigate	
Featured Resources	
Reading for Information – Financial Well Being. The information piece introduces the term financial well-being, along with financial freedom and security.	
Reading for Information – Tiny Houses: Students read about tiny houses and decisions people are making about financial commitments.	
Investigation Activity – Conclusion Tree. Students will investigate <i>How can money improve freedom and security?</i> The students will gather evidence from a variety of sources to make a claim that helps answer the question. After making their claim and reaching a conclusion, the students are asked to reflect on the information they have gathered to determine if there is an alternative claim that could also be made.	

Create/Discuss	
Featured Resources	
Thought Piece: Students will analyze a famous quote regarding money and happiness.	
Financial Well-Being Crossword Puzzle: Students complete a crossword puzzle with terms about financial well-being.	

Ask: How do people make the best decisions with their money?

Reflect	
Summative Assessment Performance Activities	
Task	Construct an argument, supported by evidence that addresses: <i>How do people make the best decisions with their money?</i>
Extensions/Actions	Participate in Econ Illinois' Economic Concepts Poster Contest, visit www.econillinois.org for information. Poster entries should illustrate human resources at work as their work relates to the production of a good or service.