



POWELL CENTER FOR
ECONOMIC LITERACY

Lesson Plan

WRITTEN BY Leigh Borge
Eagles' Wings Urban Academy
Chicago, IL
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Elfin Economics

Time Required

1 week; 15 minutes each day.

Grade Level and Subject

Pre-K3, Pre-K4, Kindergarten

Keystone Principles

Principle #1 – We All Make Choices

Principle #3 – All Choices Have Consequences

Economic Concepts

Choice - *A selection among alternatives. Scarcity requires individuals, businesses and nations to make choices.*

Consequences - *A result or effect of an action or decision; may be positive or negative.*

Consumer - *A person who uses goods and services to satisfy personal needs and not for resale or in the production of other goods and services.*

Cost - *The value of everything a consumer must give up to obtain a good or service. The effort, loss or sacrifice necessary to achieve or obtain something.*

Goods - *Items produced by businesses to be sold to other consumers, other businesses, or government.*

Overview

This lesson is developed to complement the book Alexander, Who Used to be Rich Last Sunday by Judith Voist. Alexander is a young boy who gets a dollar from his visiting grandparents. He decides he wants to save his money, but ends up spending it all on bubble gum and toys. The lesson focuses on the concepts of choice, consequences, consumer, and cost. Each concept will be taught over a one week period; the main focus being on choice. Each student receives a piggy bank and has the potential to earn, manipulate, save and spend play pennies, thereby making this an economics lesson they experience rather than hear.

Collegiate School ★ North Mooreland Road ★ Richmond, Virginia 23229

telephone (804) 741-2806 facsimile (804) 740-6701 www.powellcenter.org

Objectives

- Students will begin to learn choice and consequence.
- Students will improve understanding of decision making by weighing costs and benefits.

Materials and Handouts

- *Alexander, Who Used to be Rich Last Sunday*, by Judith Voist ; Simon & Schuster Children's Publishing Division Aladdin Paperbacks, 1978.
- Piggy Banks for each student and a classroom piggy bank. If you do not wish to purchase these for your classroom, instructions and links are provided for making them.
- Play pennies

Teaching Activity

Review or teach the economic concepts to your students.

1. Read *Alexander, Who Used to be Rich Last Sunday* to your students. Ask them to identify the consumer (*Alexander*). How do we know Alexander is the consumer? (*He buys things he wanted.*)
2. Review the definition of goods. (*Items produced by businesses to be sold to other consumers, other businesses, or government.*) Ask the following questions:
 - What goods does Alexander buy?
 - What choice is Alexander making?
 - What are the consequences of his choice? Positive? Negative?
3. Why do you think Alexander decided to spend his money? (*Because he wanted things that he thought would make him happy.*)
4. What changed for Alexander at the end of the story? (*He had no money; he had the toys he wanted*) Did he like his choice? (*Yes-he got what he wanted; No-he had no money left to save*) Do you think he will make the same choice next time he earns money? Why?
5. Explain that these results are called consequences. Do you think that the consequences could have been avoided or made different? How?
6. Ask the students if they would have made the same decisions as Alexander.
7. Explain that consequences are not always about money. In this story, the choices that Alexander led him to both negative and positive consequences. (*Negative: he lost money that he had. Positive: he gained the toys that he wanted*).
8. Ask your students what makes them happy. (*Answers will vary.*) Do they always need money to obtain what makes them happy? Ask students to name things that make them happy that don't cost money. If they can't buy them, how do they obtain them? For example, if having friends makes your students happy, they can get a friend by being a friend. If hearing people talk kindly makes them happy, they can talk to others in a kind way.
9. Explain that we all make choices and those choices lead to consequences. The choices we make affect what happens next. If we make good choices, we are more likely to have positive consequences, but if we make poor choices, we are more likely have negative consequences.

Ask your students if they would like to practice making some choices also. Give each student a piggy bank or let them paste the attached piggy pictures onto a zippered plastic bag. Although each student will have his or her own bank, keep them in a central place. You should also have a larger classroom bank where you can save for things the whole class will enjoy. The classroom bank can be purchased or made.

1. If you have a list of classroom rules, remind the students of the rules. For this activity, you can use all the rules or a select few. Tell the students that for one week, you will give them one play penny for each of the selected rules they follow. Remind them that they can earn the pennies only when they are in the classroom – if they are absent, they cannot earn any pennies. If they don't choose to follow the rules, they will not get paid.
2. Tell students that each day you will allow them to either spend their pennies, or save them in the class bank. Set an amount that you think is appropriate for the class bank and tell the students that if the class saves that much during the week, the class will earn an ice cream party!
3. Save 15 minutes at the end of each day and pay the students the pennies they have earned. Praise them for the good choices they made that enabled you to pay them.
4. Prepare a selection of things for the students to purchase with their pennies. Price them high enough that the students cannot have everything they might want but do not make them elaborate. By comparison, the ice cream party should sound very special and worth saving for. Here are some suggestions:
 - Pencils, paper, or other school supplies they normally bring from home
 - Sell the right to choose a favorite song for the class to sing
 - Sell the right to be a line leader
 - Sell the right to sit beside a special friend at lunch
 - Sell the right to choose a game at recess
 - Sell the right to choose a book for the teacher to read to the class
 - Sell the right to wear their shirt backwards during lunch
 - Bring some lollipops for small treats they can purchase.
 - When it looks like they have saved enough to have the ice cream party, you could sell them small amounts of sprinkles for their ice cream.
5. It is a good idea to maintain a consistency throughout the week for the things students can purchase. This will help them plan and make careful choices. (You do not want to encourage impulse buying inadvertently.) Each day when they purchase something, ask the students why they made that choice. What are they giving up in order to have that particular thing?
6. Each day have students decide how many pennies they want to keep in their personal bank and how many they want to put in the classroom bank. Remind them of how much must be saved in the classroom bank in order to earn the ice cream party. Talk about the benefits of not having something you want right now in order to have something even better later. Ask the students if this is what they are doing.
7. Enjoy your ice cream party. They will have fun and you will have given them the valuable economic experience of foregoing a purchase even when they have money in their pockets in order to have something better later.

Instructions for Making Piggy Banks

1. For information on how to make a large classroom piggy bank, the following website has very helpful information. I will walk you through the process of using common household items to create a usable piggy bank that you can make with your students: http://www.hgtv.com/hgtv/cr_kid_crafts/article/0,1789,HGTV_3256_1375709,00.html.
2. To make individual piggy banks for your students, cut out the bank pictures provided below and paste or tape them onto a sandwich-size zippered bag.



NAME: _____



NAME: _____



NAME: _____



NAME: _____



NAME: _____



NAME: _____