

Guided Reading Level: S**Genre:** Informational**Text Features:** glossary, illustrations, photographs, captions, index, table of contents, charts, graphs, sidebars**Lesson Objective: Social Studies**

Students will understand good money habits and analyze factors that influence spending choices, such as price, advertising, and peer pressure.

Essential Question

How can a person best achieve his or her financial goals?

Lesson Objective: ELA

Students will learn about subject-verb agreement with singular nouns ending in s.

Background Knowledge

Briefly discuss the importance of setting financial goals and knowing how to save and spend money wisely. Tier Two and Three vocabulary from the book is listed below. Consider previewing selected vocabulary based on the needs of your students before they read the text.

Vocabulary

allowance (p. 4)	inflation (p. 28)
budget (p. 29)	interest (p. 26)
calculate (p. 17)	need (p. 6)
consumer (p. 7)	purchase (p. 7)
credit union (p. 24)	services (p. 6)
deposit (p. 24)	tax (p. 16)
economics (p. 6)	want (p. 6)
financial (p. 12)	



Budgeting, Spending, and Saving

by: Bitsy Kemper

Why This Text?

A popular song says, "Money makes the world go 'round." Money is something that everyone uses. This book helps students understand the importance of learning good money habits and explains how to spend and save money wisely by being an informed consumer, setting financial goals, and making a budget.

Preparing to Read

Explain that this is an informational text written to teach readers how to develop smart money habits. Ask a volunteer to read the title of the book. Ask how many students save money in a piggy bank or a savings account. Also, ask how many students have read online reviews or done comparison shopping before buying something. Then have students turn to page 3 and refer to the table of contents. Remind students that the table of contents lists the chapters in a book. Explain that a reader can often learn a great deal about a book by reading the chapter titles. Read the chapter titles together to provide students with an overview of what they will read about.

Reading Informational Text

Have the students read the text independently. Once students have finished reading, have them refer to the graph on page 27. Remind students that it is important to study photos, charts, graphs, and other graphics in informational text because these features may explain or extend the information provided in the text. Explain that this is a line graph that shows how money in a savings account earns compound interest every year.

Use the line graph to discuss the concepts of saving money and earning compound interest. Display savings account interest rates from several banks or credit unions in your community. Point out that different banks and credit unions offer different interest rates. Help students calculate how much money they would earn in one year if they saved \$100 in a savings account at one of these local banks or credit unions.

Connect and Respond

1. *What is the difference between wants and needs?* (A need is something people must have to survive, such as food, shelter, and clothing. A want is something people would like to have but can survive without.)
2. *Why is it important to be an informed consumer?* (It is important to be an informed consumer in order to make good purchasing decisions, to save money, and to get the best value.)
3. *Why is it a good idea to save money in a bank or a credit union? Find textual evidence to support your answer.* (pp. 24–25; "One good thing about using a bank or a credit union is that your money is safe. The Federal Deposit Insurance Corporation (FDIC) insures bank accounts. The FDIC is part of the U.S. government. Even if the bank or the credit union burns down, the government will give you the money you lost.")

Subject-Verb Agreement

Call students' attention to the word *news* on page 5. Explain that *news* is a singular noun that ends in *s*. Write this sentence where all can see: *The news is good*. Establish that the singular noun *news* takes the singular verb *is*. Follow the same process with the text word *economics* on page 6, using the example sentence *Economics is the study of the use of money*.

Language Arts Activity

Have students use the following sentence frames to write a short story about a character who struggles but eventually finds a way to meet a specific short- or long-term financial goal. Provide time for sharing.

The character's financial goal is _____.

One problem the character faces in meeting this goal is _____.

The character reaches his or her goal by _____.

Social Studies Activities

Activity 1

Have students refer to the sample budgeting sheet on page 35. Help them create their own real or made-up budgets. In the first column, have them list "money in" (income) they might earn or receive. Then have them list "money out" (savings and spending) in the second column. Ask volunteers to share their budgets with the class.

Activity 2

Have students work with a partner to practice comparison-shopping. First, list several age-appropriate products, such as a backpack, sneakers, or a video game. Then ask students to choose one product and research two similar brands or models online. Instruct them to compare the products' features, including price. Finally, have students create a chart similar to the one on page 9 to present their findings. Display the students' completed charts on a classroom bulletin board.

Materials/Resources Needed

paper
pencils or pens
computers with internet access
classroom bulletin board

Support English Learning

Offer realia, gestures, or photos to support the introduction of the new vocabulary.

- Explain that it is important to learn how to use money.
- Have students discuss short- and long-term financial goals they may have and how they plan to reach these goals.
- Then have pairs or small groups of students role-play different text-related scenarios, such as making a deposit in a savings account at a bank or credit union or using emergency funds to pay for an unexpected expense.
- Help students use the text vocabulary in their role-play.