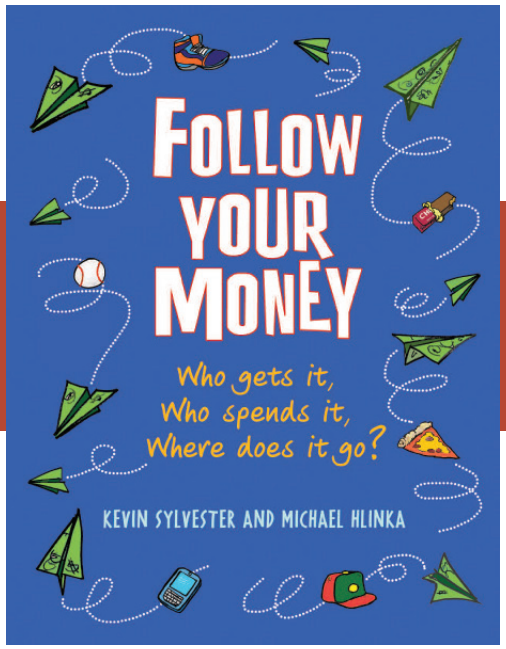


EDUCATOR GUIDE

FOLLOW YOUR MONEY

Who Gets It, Who Spends It, Where Does It Go?

by Kevin Sylvester and Michael Hlinka

Educator Guide by Laura Edlund

GENRE: Middle grade non-fiction

THEMES: choices, math, decision making, money

SUITABLE FOR: Grades 4–7, Ages 9–12

GUIDED READING LEVEL: Fountas and Pinnell T

LEXILE: 900L

COMMON CORE STANDARDS: RI.4-5.1,2,3,4,5,6,7

SUMMARY:

What happens to your money after you hand it to the cashier?

You pay for that cool pair of shoes or a new CD. But what happens to that money once it leaves your hands? Who actually pockets it or puts it into the bank? This lively, kid-friendly book answers these questions and more:

• Why are designer jeans so much more expensive than no-name ones?
• Why does a burger cost $4.50 when the ingredients only cost $1.38?
• How do credit cards work?

Discover the trail your money takes as it goes to pay for everything including the raw materials used to make a product, the workers who produce it, and the advertisers who promote it.

Humorous illustrations demystify the process by providing a visual breakdown of all the elements involved in monetary transactions. Accessible and fun, *Follow Your Money* is a vital introduction to the way money flows.

Please remember that the suggested questions and activities within this educator guide are meant to serve as a starting point. Educators are encouraged to select items from each part of the guided inquiry process that work best for their style of teaching and will help them meet their goals when covering the topics in this book. Activities and prompts should be tweaked and/or reformatted to best fit your students, context, and community to ensure equity and inclusion.

In the following pages, you will find:

- definitions and an overview of financial literacy, including big ideas and specific topics
- an overview of *Follow Your Money* and the subjects it covers
- activity ideas for using *Follow Your Money* in the classroom

FINANCIAL LITERACY

Financial literacy can be defined in various ways, for example:

- "the ability to use knowledge and skills to manage one's financial resources effectively for lifetime financial security." (National Standards in K-12 Personal Finance Education, Jump$tart Coalition for Personal Financial Literacy, 2007, p. 1)
- "having the knowledge and skills needed to make responsible economic and financial decisions with competence and confidence." (A Sound Investment: Financial Literacy Education in Ontario Schools, Report of the Working Group on Financial Literacy, 2010, p. 7)

In terms of core competencies, financial literacy might be expressed as competencies in "earning, spending, saving, borrowing, and 'protecting yourself.'" (A Sound Investment, p. 13)

Financial literacy in the classroom extends over many grades and is focused on helping students learn about saving, spending, managing, and investing money before they complete high school. Promoting financial literacy in the earlier grades provides a foundation for further developing financial literacy in high school and for later life. For the student in Grades 4 to 6, *Follow Your Money* looks primarily at spending, which necessarily relates to thinking critically about money, managing money, what an economy includes, and how it functions—all of which can establish a foundation for later studies and experiences. For example, *Follow Your Money* and the activities in this Educator Guide address a wide range of subjects, including the following:

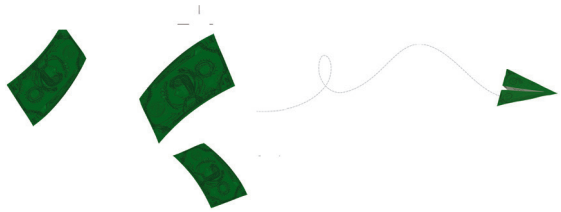
- The history of money
- Needs versus wants
- Spending decisions, alternatives, and their consequences
- Allowances, earnings, and what a "salary" is
- Profit and costs

- Bank accounts, loans, and interest
- Credit and debit cards
- Making informed, responsible choices and their consequences within families, communities, and around the world
- Literacy, numeracy, inquiry, critical thinking, and creative skills in a variety of curriculum areas

BIG IDEAS AND SPECIFIC TOPICS

Financial literacy can be examined in terms of the big ideas and specific topics that are to be covered in a financial education program. Of the topics noted in *A Sound Investment* (p. 13), here are some that most closely correlate to possible activities using *Follow Your Money* and to the real-world experiences of students in Grades 4 to 6:

- the concepts of income, money, earning, saving, spending, budgeting, credit and borrowing, rewards, interest, taxes, and planning ahead
- how the financial system works
- the difference between needs and wants
- consumer awareness and advertising



Follow Your Money helps identify what the costs are for products and services that are familiar to students and what the unit price represents ("where it goes"), while weaving many other financial concepts and terms into the text. This focus will help students understand why some things cost what they do, how they and their families are part of a web of activity called the economy, and, by implication, how their actions have repercussions not only for themselves but for others. Understanding, for example, the differences between what they pay for a product (unit price), income from sales, gross profit from sales, and net profit—and that the advertised unit price is not at all arbitrary, but results from considerations of materials, processing, labor, transportation, market, and so on—will help students develop critical thinking about their financial decisions.

Before you choose among the suggested activities later in this resource, the following will provide an overview of the contents of *Follow Your Money*. All page references in the following activity suggestions are to *Follow Your Money*.

A GIANT SPIDERWEB OF CASH (p. 1) Introducing concepts of spending, the economy, global connections, resources, costs, transportation, labor, consumers, and so on

WHAT IS MONEY? (pp. 2–3) What money represents, the history of money presented in a timeline, barter, salary, currency, gold standard, bank accounts, credit cards

PROFIT: HURRAY FOR LEFTOVERS! (pp. 4–5) What "profit" means, selling price, cost of materials, labor, manufacturing, cost of doing business, gross profit, net profit, volume, bottom line

BREAKFAST (pp. 6–7) Farmers, food industry, processing, bacon, eggs, bread, orange juice

SCHOOL (pp. 8–9) Pencil, notebook, textbook, publishing, backpack

LOOKING GOOD (pp. 10–11) Jeans (regular vs. designer), t-shirt, workers' wages, fuel for ships to transport the jeans

HOLD ON TO YOUR HAT! (pp. 12–13) Baseball cap, logo rights, taxes, and what taxes pay for

PIERCED PURCHASES (pp. 14–15) Jewelry, cheap earrings vs. diamond, gold, diamonds, gold and silver as investments

SALES (pp. 16–17) Why things go on sale, suppliers, customer, stock, loss leader, taking a loss

SHOES (pp. 18–19) Running shoes, costs, manufacturing process—from materials and processing to advertising and retail store sales

GAS: IT'S THE HIDDEN STORY IN EVERYTHING YOU BUY (pp. 20–21) Transportation, fossil fuel, crude oil vs. refined oil, exploration costs, oil rig costs, oil spills, environment, cost at the pump, impact on transportation

GETTING AROUND (pp. 22–23) Factors in choosing transportation, walking, car, bike, insurance, public transit, government investment, taxi cab

BREAK TIME (pp. 24–25) Cup of hot chocolate, costs for storefront, chocolate bar, food and drinks in history of exploration and trade routes, slaves and indentured workers, global connections, fair trade

MUSICAL MOOLAH (pp. 26–27) Music industry, MP3 player, compact disc (CD), downloading a digital file, musical artist, music company, illegal downloading

COMPUTE THE CASH (pp. 28–29) Computer, laptop computer, global connections, printer, selling at cost, printer cartridge, paper and paper industry, toilet rolls

LET'S EAT! (pp. 30–31) Lunchtime fast-food options, burger, stir-fry, salad, minimum wage

MOVIE MADNESS! (pp. 32–33) Movie industry, blockbuster movie production, movie theater ticket, popcorn, online movie streaming, Internet service charges, penalties

GAME VALUE (pp. 34–35) Electronic game industry, electronic games, game console, online games

GO PLAY OUTSIDE! (pp. 36–37) Other games, exercise, baseball, bike, hockey vs. soccer team costs, volunteer vs. paid coaches

KA-CHINGTONE: CELL PHONES AND SUCH (pp. 38–39) Cell phones, where elements of cell phones are made, global connections, cell phone prices, smart phone plans, data plans, penalties

PIZZA (pp. 40–41) Comparing costs (for delivered, frozen, and homemade), ingredients, labor, transportation, franchise fee, minimum wage, tips, pie charts

SUPERMARKET (pp. 42–43) Food industry, milk, ground beef, spaghetti sauce, fresh tomatoes, store costs, waste food, shopping bags (paper, plastic, or fabric), environment

KEEP WARM, KEEP COOL! (pp. 44–45) Costs for home heating, water, lighting, insurance, taxes, etc.; plus terms for having a home—rent, buy, apartment, condominium, down payment, mortgage, interest

FURRY FRIENDS (pp. 46–47) Pet choices and costs, food, vet fees, pet insurance, dog license, kitty litter, lost pet poster, fixing furniture

BANK ON IT (pp. 48–49) Central role of banks, deposits, bank accounts, automatic teller machine (ATM) costs, bank fees, interest, loans

PLASTIC (pp. 50–51) Credit and debit cards, statements, balance, payment deadline, interest, fees, penalties, buying more than one can afford

HOW DOES IT ALL ADD UP? (p. 52) Conclusion, snack

KEEP READING! (pp. 53–54) More information and sources

INDEX (pp. 55–56)

USING *FOLLOW YOUR MONEY* IN THE CLASSROOM

Follow Your Money helps connect classroom subjects, financial literacy, students' experiences, and their communities.

- Some connections can take the form of short activities and explorations for Grades 4, 5, and 6.
- Some connections can take the form of extended activities that link financial literacy and core classroom subjects for Grades 4, 5, and 6.

Many connections relate Math and Social Studies to hands-on, real-world experiences for students in communities of all types—for example, mining communities, farming communities, logging communities, manufacturing towns, big cities, and communities connected by well-used transportation routes. As well, there are many opportunities for connections to Health and Physical Education, English/Language Arts, and Media Literacy.

There are many opportunities to involve the broader community in considerations of financial literacy and to adapt activities and examples to your local experiences. You might consider incorporating local products, services, news, and perspectives into financial literacy for your students, for example:

- If your community includes many farmers and food processing workers, you might want to skim the overview table to make connections between food and agricultural examples in *Follow Your Money*, curriculum, and your community's key economic activities.
- If a tax increase is in the news, you can connect the story with FYM page 13 and with civics, specifically studying government responsibilities.
- If energy costs and environmental impacts are in the news in your community, you can connect with *FYM* pages 20–21, 22–23, and 45.
- If a new coffee shop has just opened in your neighborhood, your class could interview the owner or manager about prices, wages, and other factors in the decision to open. In addition to the speaking, listening, and research skills this involves, Math activities will be necessary to record the results.

CONNECTING ACTIVITES WITH *FOLLOW YOUR MONEY*

The following are only some of the connections teachers might make in their classrooms and some prompts (in italics) that could be used.

• MATHEMATICS

For students who are using pie charts and fractions, you could use any example in *FYM* that shows a pie chart (pp. 7, 21, 41) and develop new pie charts for other examples of price, spending, saving, etc. For example, you could ask students who have allowances to represent on a pie chart their allowance and how they use it. If you saved ¼ of your allowance every week, how much would you have after 4 weeks? 10 weeks? one year? If you used your allowance to buy shoes or a bike, how many allowances would it take to save up enough money for that purchase (pp. 18–19, 36)?

• MATHEMATICS ~ HEALTHY FOOD CHOICES

Using examples of food and beverages, students could make choices among a cup of hot chocolate and fancy chocolate bar (pp. 24–25), burger, stir-fry, and salad (pp. 30–31), and delivered or frozen pizza (pp. 40–41) to determine comparative costs. Students could work independently or in groups. If you chose from this list everything you wanted to eat in one day, what would you spend? How could you represent your spending in an equation? Are these good choices for healthy eating? Create a graph or pie chart to compare two meals, one made up primarily of junk food and the other consisting mainly of homemade, unprocessed foods.

• SOCIAL STUDIES: HISTORY AND THE USE OF MONEY

For students who are studying a historical period, you could make connections to the timeline on FYM pp. 2–3. For example, if students are studying medieval times in Europe, they could consider how the use of money had developed by that period, how it has developed since, and how money relates to the central question of meeting needs and wants. In that historical period, how would you get what you needed and wanted for daily life? What form of money would you use to pay for it? How would the money you paid be distributed? Students might also relate what they learned about trade in medieval times to what they know about trade and trade routes now.

• SOCIAL STUDIES: WORLD CONNECTIONS

Consider transportation and how various exchanges take place between different regions, plus how different regions use their resources. For example, think of breakfast (pp. 6–7). Where does your breakfast food come from? If your community is a farming community, do you get your food from a local farm or a supermarket? How far is your food transported? Compare what someone living in a remote region pays for food with someone who lives in a big city.

• MATHEMATICS

Students could count the number of computers in the school by counting by grade, by class, by classroom average, and an average dollar value to calculate the value of school computers (pp. 28–29). They could then calculate the costs of additional computers using multiplication. With an imagined budget of $1,000, they could decide what else they would buy for their class. This will give the students both practice in calculating and presenting their findings and insight into the significant decisions that are made about how money is used in their lives.

• SOCIAL STUDIES: GOVERNMENT AND TAXES ~ MATHEMATICS: FRACTIONS

Students could learn more about taxes (p. 13) and how they are used, plus look at a representative property tax bill to consider what community members pay in taxes. They could also consider tax in terms of fractions—for example, what proportion of the amount paid for a product is tax, how taxes are allocated and how students think they should be. How are taxes connected to the park playground, soccer field, or clean water in your neighborhood? What else does a tax bill pay for in your neighborhood? If a pie chart represents the price you pay for a certain product, what portion is paid as tax?

• HEALTHY FOOD CHOICES ~ MATHEMATICS

Students could add up the costs of some selected snacks and examine package labels for information about calories. Students who are using ratios could then represent the cost and calories as a ratio and compare with other ratios. What can you summarize about costs and calories?

• SOCIAL STUDIES: WORLD CONNECTIONS THROUGH TRADE

Students could learn about economic links to the world—trade, trade partners, what products their country or region sells around the world, and what products students purchase that come from international trade partners. Taking into account transportation costs and comparative labor costs (pp. 11, 30), or fair trade (p. 25), students could also consider some possible consequences of purchasing a local or domestic product versus a foreign product.

•HEALTH AND PHYSICAL EDUCATION ~ ENGLISH LANGUAGE ARTS

Ask students to use the index (pp. 55–56) to locate all information they can in Follow Your Money about food, beverage, and physical activity choices. These will include choices about chocolate, lunch and dinner, transportation and physical activity (baseball, hockey, soccer, bicycling). Ask them to work in groups to examine the choices from a variety of perspectives, for example: cost of food, calorie count, nutritional benefit, or cost of an activity versus what they think the health gains will be from exercise. Based on their group discussions, they could present (orally or in writing) persuasive financial and health arguments for what choices they might make in a day.

EXTENDED ACTIVITES WITH *FOLLOW YOUR MONEY*

IF I HAD A HUNDRED DOLLARS …

To connect financial literacy, Math, and English Language Arts, students could work in groups, pairs, or solo to imagine and plan what they each would do if they had $100 (or another figure that you determine) to spend in a day. According to your teaching goals, this amount could be spent on practical needs and/or fanciful wants, could be regular daily earnings (for example, made from chores or a future part-time job) or a windfall (for example, from winning a lottery), and could be allocated as not only spending but also saving and charitable giving. Students could then present their plans to the rest of the class.

First set out criteria or develop the criteria with the students: if they have not yet considered the differences between needs and wants, this would be an ideal time to do so. Next, determine what sources students can use for costs (such as examples from Follow Your Money, examples from local flyers, or from supervised Internet research). If you wish, you might have students complement their presentation by noting their plans (budgets or wish lists) in some written form as appropriate to their Math studies, for example: as an equation, a bar graph, a table, or a pie chart.

As an added follow-up, you might lead students in learning about some actual examples of daily earnings for a range of jobs, a sample family budget, examples of prices for some basic foods 50 or 100 years ago or in a community far away from your own, a local government's budget, or recommendations by financial planners (for the ratios for spending, saving, etc.).

The following are some example prompts for discussion:

sample t-chart to think about needs vs. wants

Needs	Wants
clean water	smart phone
food	
warmth	new shin pads for soccer
basic clothing	
security	

- On a T-chart, note wants and needs.
- Is your plan a budget for meeting needs, a wish list for wants, or a combination?
- If you had $100, would you spend it all in one day, save some, or give some away?
- Did $100 buy as much as you thought it would?
- Looking back on how you "spent" your $100, is there anything that you would do differently?
- What ideas do you have about money you might earn? For example, if you earn money by walking dogs for neighbors, would you spend some, save some, and give some away? If you did this for 3 neighbors and 5 dog walks, what would you save? What would you plan to do with your earnings?
- If you were responsible all the time for planning the earning, spending, saving, and other financial decisions for your family, what do you think you would do differently than you did in this activity?
- What do you know about budgets from personal experience or the news?
- How do budgets compare with wish lists (for example, what you might do if you won a lottery)?

sample ratio table

Plan for Earnings from Walking Dogs

	Total	Spend	Save	Give Away
1 neighbor x 1 dog walk	$5	$3	$1	$1
3 neighbors x 1 dog walk each	$15	$9	$3	$3
3 neighbors x 5 dog walks each	$75	$45	$15	$15

WEBBED LEFTOVERS

To look at how financial decisions have far-reaching consequences and to connect financial literacy with Math and Social Studies, consider some financial decisions students have made in the last week and the implications. This activity will help students expand their understandings of financial decision-making and economies, consider their choices and roles, think about where the money goes and what it pays for, and explore such terms as income, profit, gross profit, net profit, and expenses. First, ask students to brainstorm as many recent financial decisions as they can and note them in a list on the board. Then choose a variety of these decisions (3 to 5) that show that purchases (big and small, common and rare, products and services, locally made and not, and of all different types) have consequences for people in the local community and globally, for physical health, and in terms of the environment. Next, for each of the example decisions, create a web diagram on the board to show its many possible implications in terms of the product (or service) and its purchase. Where costs can be noted from *FYM* note them on the web diagram, but also indicate unknown costs with a $ symbol.

For example:

- If someone bought a carton of milk (p. 42), you could note on the web diagram the price of the carton of milk, the store owner's expenses, the money paid to the farmer, the transportation costs, and other possible costs and impacts: cost of grain to feed the cows, cost of producing the carton, cost of advertising. Who profits most from the sale of the carton of milk?
- For a song purchased to download on an MP3 player (p. 26), you can note the cost for the single song, the artist's name, the recording costs, the original costs for the MP3 player, how the money was made to purchase the song, whether the artist gives concert tours and what transportation costs might be, what the cost for one ticket to see a concert might be, who might be employed if a concert were staged locally, and so on. What would it cost to go to that concert if you paid for a ticket, transportation, and a souvenir t-shirt? If you receive an allowance, how many weeks will be needed to pay for the concert ticket?
- If you purchased a chocolate bar (pp. 24–25), tropical fruit, or tickets for a winter vacation in the sun, what would the possible impact be on wages in foreign countries (p. 25)?

For each of the examples, consider not only the far-ranging implications but also that the price of a product covers so many factors: materials, labor, transportation, advertising, and so on.

SNACK SALE

To connect financial literacy, Math, Health and Physical Education, and English Language Arts/Media Literacy, students could plan, promote, and hold a snack sale during school hours. As an activity, a snack sale involves the students in a local economy as sellers, rather than being targeted as consumers. They might work as a class or in small groups—for example, one group for beverages, one for fruit, and one for other food sales. Follow Your Money can be used to suggest snack options (pp. 7, 24–25, 30–31, 33, 40–41), to consider prices, costs, and possible profits (pp. 4–5), and to model Math exercises.

Students can brainstorm options and then decide on food and beverage options based on costs, sale prices, appeal to fellow students, and health benefits. Then they can plan and advertise their sale, hold the sale, and report on their earnings and profits. You might consider arranging donations from students' families to supply the snacks or arranging a loan (to be repaid with or without interest). During the sale, students might consider holding a ½ price sale in the final minutes, keeping nonperishable snacks for another sale day, or donating snacks to a group they decide on (for example, a school sports team or club).

The following are some example prompts for discussion:

- What were your goals and how were your profits used?
- As sellers, how did you set your price for each item? What would you have spent on this item? What calculations did you make to decide on each price and why?

Setting the price for: apple juice

Price for 12 single-serving packages: $2.40

Cost for 1:	*$0.20*
Suggested sale price:	*$0.50*
What's left?	*$0.30*

- What kind of advertising did you do to persuade people to come to your snack sale?
- What marketing techniques did you use to advertise the sale?
- What was the impact of the ½ price sale? Did you still make any profit?
- Overall, what were your total sales? costs? profit?
- Which products sold best? Which sold more: healthier snacks or less-healthy snacks? Why?
- For another sale, would you want more healthy options or not-so-healthy options? Why?

Total sales:	*$47.00*
Cost for food and drinks for snack sale (apple juice, bottled water, apples, bananas, cookies, snack bars)	*-$20.00*
Gross profit:	*$27.00*
Expenses:	
poster board for signs	*$5.00*
napkins for food	*$1.00*
Net profit	*$21.00*

MAPPING TRADE

To look at how consumer choices, economies, Math, and Social Studies connect, have students consider what products they own, where in the world they were made, and how they were transported. They can then locate where the products come from, calculate distances, and consider possible routes and transportation methods. You might also ask students to consider trade relationships among nations, fair trade, and various perspectives on where products are made and under what conditions. Finally, they can come to a conclusion based on their findings. You might wish to focus on one category of consumer product (for example, jeans), examples in Follow Your Money, and/or examples of special interest to the local community.

1. Decide on an item and where it is made. For example, for jeans (pp. 10–11), you might find that students have jeans made in Bangladesh, China, and the United States. Note: The price paid for jeans by individual students' families should not be a factor in this discussion.

2. Locate on a map where the products come from and calculate distances. For their example, the students might locate each country and its capital on the world map. Then, with the skills they use in Social Studies, they could calculate the distances from the capitals of each country directly to their community (that is, as the crow flies) and note these on a table. Students could then propose actual transportation routes and methods (by road, train, sea, etc., and combinations) to calculate revised distances.

3. Calculate class costs for the products and think about implications. For their example, students could calculate costs for one pair of jeans for every single student in the classroom (e.g., 25 students x $40 = $1,000) and calculate total distances traveled. For more Math applications, they could calculate:
    a. costs per family if each student had 2 or 3 pairs of jeans
    b. costs if all students had regular jeans vs. designer jeans
    c. costs for jeans for the total number of students in the school
    d. what money could be saved by class or by school numbers by choosing regular over designer jeans
    e. the distance from their community to Bangladesh's capital calculated in terms of the lengthof a football field or the number of students measured head to toe (using an average student height as a unit of measurement—to visualize the distance differently and to practice converting units of measurement)
    f. the number of hours it would take a worker at $10/hour versus $0.03/hour to buy a $40 pair of jeans. (If students are considering trade, fair trade, and labor practices, they could also hold a discussion at this point.)

4. Take a stand. Ask students to present their findings in a poster, table, or oral presentation.

to use as examples only:

Jeans	Distance to your city or town
from Dhaka, Bangladesh	12,220 km (7,593 miles) to Ottawa, Ontario
from Beijing, China	10,450 km (6,493 miles) to Ottawa, Ontario
from Washington, DC, United States	735 km (457 miles) to Ottawa, Ontario

to use as examples only:

25 students in class
x 2 jeans per student
50 jeans per class

50 jeans
x $40 (per pair regular jeans)
$2,000 cost of class jeans if regular

50 jeans
x $80 (per pair designer jeans)
$4,000 cost of class jeans if designer

$4,000 cost of class jeans if designer
- $2,000 cost of class jeans if regular
$2,000 cost savings per class by buying regular jeans

to use as examples only:

direct distance Dhaka, Bangladesh, to Ottawa = 12,220 km (7,593 miles) = 12,220,000 m (40,091,864 feet).

approximate height for 1 student (as a unit of measurement) = 150 cm (59 inches)
12,220,000 m (40,091,864 feet) ÷1.5 m (150 cm or 59 inches) = 8,146,666.6 students, so about 8,146,667 students head to toe