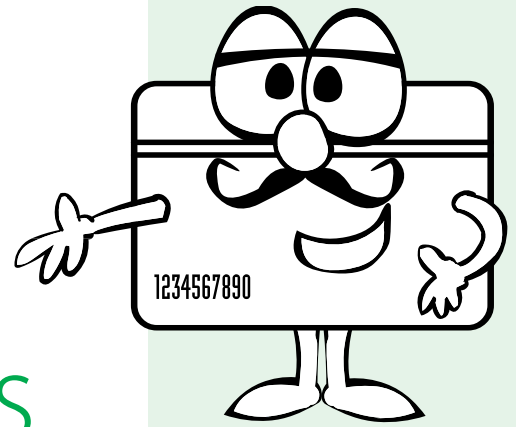


Grade Five

Short-Term and Long-Term Savings Goals



Overview

Students share several chapters from the book *The Leaves in October*, by Karen Ackerman, to learn about earning an income, saving, and setting short-term and long-term savings goals. Students complete a worksheet on earning money, complete an activity in which students establish short-term and long-term savings goals, and practice entering items in a savings passbook.

Lesson Objectives

Students will be able to:

- Describe the various ways people save money
- Explain how people can earn money
- Establish short-term and long-term savings goals

Prerequisite Skills

Students should be able to add and subtract decimal numbers up to the hundredths place. If students still have difficulty with this concept, allow them to use calculators to complete the **How Much Money Can I Earn?** worksheet and during Small Group Activity Two.

Advance Preparation

Prior to completing Small-Group Activity Two, you will need to make an overhead transparency. Copy the **Savings Account Passbook** transparency onto an overhead transparency.

Content Standards

The activities in this lesson correlate to national standards in economics, social studies, and language arts. See the end of this lesson for content standards information.

Vocabulary

earn
income
long-term goal
save
short-term goal
spend

Materials List

1. Book: *The Leaves in October*, by Karen Ackerman (Bantam Doubleday Dell Publishing Group, 1993)
2. Overhead projector
3. Marker
4. Handouts:
 - **How Much Can I Earn?** worksheet
 - **Short-Term and Long-Term Savings Goals** worksheet
 - **Savings Account Passbook** transparency
 - **Saving and Spending** cards, cut apart

NOTE: You may want to laminate these cards for durability.

Large-Group Activity

Materials

- Book: *The Leaves in October*
 - Handout: **How Much Can I Earn?** worksheet
1. Gather students in the reading corner to share the book *The Leaves in October*, by Karen Ackerman.

- Say:

Imagine that you didn't have a home to live in, and you had to live in a homeless shelter. How would you feel? What would you do to try to earn enough money so you could rent a home or an apartment to live in? Have students respond.

I'm going to read you several chapters from a book called *The Leaves in October*. It was written by Karen Ackerman. In this story, Livvy's family must go to a homeless shelter when her dad loses his job. Livvy is determined to help raise money so her family can have a home of their own.

Let's see what Livvy does to raise money.

- Read chapters one through four aloud to students.
2. Discuss this part of the book with the class.
 - **Why did Livvy's family have to live in a shelter?**

The factory where Livvy's father worked closed down. When his unemployment benefits ran out, they couldn't afford to pay rent.
 - **Why was it hard for Poppy to find a job?**

Most of the jobs in the newspaper were for engineers, accountants, or doctors. The jobs he was qualified for didn't pay enough to support three people.

- **Why didn't Livvy and Belinda get paid to watch the other people's kids?**

No one in the shelter had money to pay them.

- **Name some things Livvy and Belinda wanted to do to earn money.**

Livvy and Belinda thought about making pot holders or plastic plant trays. They also thought about starting a wake-up service.

- **Why did Livvy want to make money?**

Livvy wanted to give the money to Poppy so they would have a place to live by the time the leaves in October were red and gold.

- **What did Livvy and Belinda do to make money?**

They made and sold flowers made out of tissue paper.

- **What did Livvy and Belinda paint on their signs?**

The signs said: "Please Buy a Handmade Rose to Help the Homeless."

- **How much money did Livvy and Belinda make on the first day?**

Livvy and Belinda made nearly 25 dollars.

- **What did Belinda do with her money?**

Belinda bought a birthday present for her mom and a new tie for her dad to wear to his interviews.

- **What did Livvy do with her money?**

Livvy saved her money. She put it in her Doll Pajama Bag. Livvy wanted to buy a birthday present for Younger and give the rest to her dad.

- **What did Madeira do with the money Livvy gave her for helping them make tissue roses?**

Madeira bought new clothes and paid someone to fix her hair.

- **What did Livvy buy at the thrift store? How much did it cost?**

Livvy bought three books for Younger's birthday and a pink scarf. It cost four dollars.

- **Why did Livvy buy the pink scarf?**

The pink scarf was like the scarf her mom gave her for her birthday.

- **How much did the cake cost?**

The cake cost five dollars.

3. Discuss this lesson's economic concepts: earning an income, saving, spending, and setting short-term and long-term savings goals.

- ***Earning an Income***

Why do you think people work?

Allow students to share their ideas.

People work to earn money. People need money to pay for the items they need—food, shelter, and clothing. Name some things people do to earn money.

Allow students to respond.

In *The Leaves in October*, Poppy complained that he couldn't find a job that paid enough. Why not?

Have students share their ideas. Students may say that Poppy did not have the skills needed for higher paying jobs.

Poppy needed to find a job that would enable him to purchase the things his family needs. When Poppy and Mr. Johansen looked through the newspaper, they saw lots of advertisements for accountants, engineers, or doctors. These jobs paid enough money, but they were not qualified for these jobs. Every job pays a different amount of money. Jobs that require a lot of skill usually pay more money. Doctors get paid more than gas-station attendants.

What kind of a job would you like to have in the future? What skills are required? How much education do you think you will need to do that job? Allow students to respond.

○ *Saving and Spending*

Where did Livvy save her money?

Students should say that Livvy saved her money in a bag underneath her pillow.

Do you think it was a safe place to keep her money?

Most students will answer no, this was not a safe place. Since there were so many people in the shelter, someone could have stolen her money.

If you want to keep your savings in a safe place, where can you keep it?

Have students share their ideas.

Many people keep their money in a bank because it is safer than a piggy bank. If you want to keep your money in a bank, you can save your money in a **savings account, a **money market account**, or a **certificate of deposit (CD)**. If you put your money in a savings account, most banks will give you a certain amount of money for every dollar you have in the bank. This extra money is called **interest**. When you want your money back, the bank will give you the amount of money you originally deposited plus interest.**

People who are trained to make investments invest the money you put in a money market account. You get more interest in a money market account than in a savings account. You can also write checks against money market accounts, but it has to be a large amount. You also have to pay the bank that holds your account a small portion of the money it makes for you. A certificate of deposit is a type of savings for people who won't need their money for a long time. The longer you leave your money in a certificate of deposit, the more interest you earn.

Write the name of each type of account and a description on the chalkboard or chart paper so students can look at this during Small-Group Activity One.

○ **Short-Term and Long-Term Goals**

People often save their money because they have a specific goal. They want to purchase something in the future. Things that don't cost much money and take only a few weeks or months to save for are called **short-term goals**. In *The Leaves in October*, Belinda wanted to save for a birthday present for her mom and a new tie for her dad. These were short-term goals. Name some examples of short-term savings goals someone may have.

Allow students to respond. Students may say that some examples of short-term goals are toys, CDs, DVDs, or new clothes.

Things that cost a lot of money and take long to save for are **long-term goals**. Livvy saved her money for a new home. This was a long-term goal. Name some examples of long-term savings goals someone may have.

Allow students to share their ideas. Students may say that some examples of long-term goals are a college education or a new car.

4. Have students complete the **How Much Can I Earn?** worksheet.

○ Hold up a copy of the **How Much Can I Earn?** worksheet.

Most people would like to earn as much money as possible for doing a job. Read each problem on the worksheet and determine which job will pay you more money.

Allow students to work on this worksheet while you work with individual groups in the following small-group activities. After small-group work you might want to discuss the answers to this worksheet.

Small-Group Activity One: Setting Short-Term and Long-Term Savings Goals

Concepts Taught

Savings, Short-Term Goals, Long-Term Goals

Materials

■ Book: *The Leaves in October*

■ Handout: **Short-Term and Long-Term Savings Goals** worksheet

1. Begin Activity One: Setting Short-Term and Long-Term Savings Goals.

○ Give each student a copy of the **Short-Term and Long-Term Savings Goals** worksheet.

○ Say:

Think about some short-term and long-term savings goals you have. Write these goals on this worksheet. Next to each item, write down how much it costs. At the bottom of the page, write down how much

money you already have saved. If you don't have any money, write zero.

Allow students to write their short-term and long-term savings goals.

2. Have students help each other determine the best way to save for their goals.
 - **Now I want each of you to share your short-term and long-term savings goals with the group. After you have shared your goals, we will determine the best way for you to save for your goals.**

Have each student read his or her short-term and long-term savings goals. Then have the other students discuss the best way to save for these goals. Students will probably say that they can save their money in a piggy bank in order to achieve their short-term goals. But they should save their money in a bank in order to achieve long-term goals. Since a college education costs a lot of money and it is many years down the road, students may say that they should put their money in a money market account or CD. It may be helpful to refer students to the list of different types of bank accounts that you made during the large-group activity.

Small-Group Activity Two: Savings Account Passbook

Concept Taught

Saving

Materials

- Book: *The Leaves in October*
- Overhead projector
- Marker
- Handouts:
 - **Savings Account Passbook** transparency
 - **Saving and Spending** cards, cut apart

NOTE: You may want to laminate these cards for durability.

1. Begin Activity Two: Savings Account Passbook.
 - Say:

When you put your money in a savings account at a bank, you usually get a passbook. A passbook is a place where you can write down every time you put money into your account and every time you take money out of your account.
 - Display the **Savings Account Passbook** transparency.

Here is an example of a savings account passbook.
2. Have students practice entering items in a passbook.
 - Give each student two **Saving and Spending** cards.

Now let's practice entering items in a savings account passbook. Each of you has two cards with transactions listed on them. You will

each have a turn to enter your items in the savings account passbook.

Have students enter their transactions in the savings account passbook.

Assessment

Check students' understanding by listening carefully to the responses they give during group discussions and on the **How Much Can I Earn?** worksheet. Give students a blank piece of notebook paper. Have them list one short-term savings goal and one long-term savings goal and explain how they can save money to reach that goal.

Suggested Online Activity

NOTE: Teachers should preview all sites to ensure they are age-appropriate for their students. At the time of publication, all URLs listed here were valid. In addition, some Web sites provide lessons via pop-up screens, so you may have to disable your computer's pop-up blocker software to access them.

Financial Fitness for Life: Why? How? Where?

Have students visit the National Council on Economic Education's Financial Fitness for Life Web site at fffl.ncee.net/activities/3-5/3-5.htm and complete the Why? How? Where? activity. This activity allows students to make short-term and long-term savings goals and see how long it takes to save for these goals.

National Standards Correlations

Economics

The activities in this lesson correlate to the following Voluntary National Content Standards in Economics, as determined by the National Council on Economic Education, found at: www.ncee.net/ea/standards.

Standard 10: Role of Economic Institutions

Students will understand that: Institutions evolve in market economies to help individuals and groups accomplish their goals. Banks, labor unions, corporations, legal systems, and not-for-profit organizations are examples of important institutions. A different kind of institution, [and] clearly defined and enforced property rights, [are] essential to a market economy.

K–4 Grade Benchmarks:

- Banks are institutions where people save money and earn interest, and where other people borrow money and pay interest.
- Saving is the part of income not spent on taxes or consumption.

5–8 Grade Benchmarks:

- Banks and other financial institutions channel funds from savers to borrowers and investors.

Social Studies

In addition to economics, the activities in this lesson also correlate to the following *Curriculum Standards for the Social Studies*, from the National Council for the Social Studies, found at: www.socialstudies.org/standards.

VII. Production, Distribution, and Consumption

Social studies programs should include experiences that provide for the study of how people organize for the production, distribution, and consumption of goods and services, so that the learner can:

Middle Grades Benchmarks:

- d. Describe a range of examples of the various institutions that make up economic systems such as households, business firms, banks, government agencies, labor unions, and corporations.

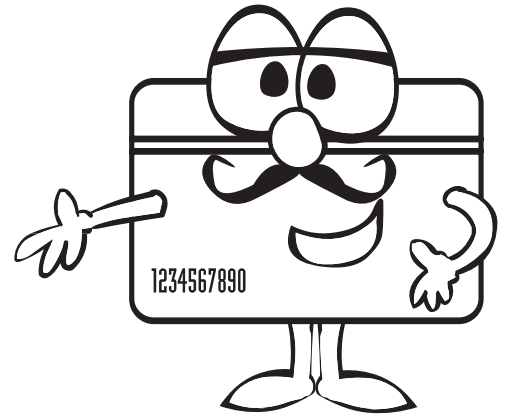
Language Arts

This lesson, based on the children's book *The Leaves in October*, by Karen Ackerman, also correlates to the following *Standards for the English Language Arts*, from the National Council of Teachers of English, found at: www.ncte.org/print.asp?id=110846&node=204.

1. Students read a wide range of print and non-print texts to build an understanding of texts, of themselves, and of the cultures of the United States and the world; to acquire new information; to respond to the needs and demands of society and the workplace; and for personal fulfillment. Among these texts are fiction and nonfiction, classic and contemporary works.
3. Students apply a wide range of strategies to comprehend, interpret, evaluate, and appreciate texts. They draw on their prior experience, their interactions with other readers and writers, their knowledge of word meaning and of other texts, their word identification strategies, and their understanding of textual features (e.g., sound-letter correspondence, sentence structure, context, graphics).

How Much Can I Earn?

Name _____



Directions: Most people would like to earn as much money as possible for doing a job. Read each problem below, and determine which job will pay you more money.

1. Your neighbor wants you to mow his lawn Saturday morning. He is willing to pay you \$5.00 an hour. It usually takes you one and one-half hours to mow his lawn. Your friend's mom also asked you to mow her lawn Saturday morning. She has offered to pay you \$8.00. Which lawn should you mow?

Answer: _____

2. Two people have asked you to baby-sit on Friday night. Mrs. Roberts has offered to pay you \$6.00. You will need to baby-sit for three hours. Mrs. Philips will pay you \$7.50 for the first hour and \$5.00 every hour after that. You will need to baby-sit for three hours. Who should you baby-sit for?

Answer: _____

3. Mr. Gardner and Mr. Arroyo both want you to clean out their garages on Saturday. Mr. Gardner will pay you \$6.00 an hour. It will take you two hours to clean his garage. Mr. Underwood will pay you \$4.00 an hour. He also said that you can have his son's old remote-controlled car. Your friend has offered to pay you \$5.00 for the remote-controlled car. It will take you two hours to clean Mr. Underwood's garage. Whose garage should you clean?

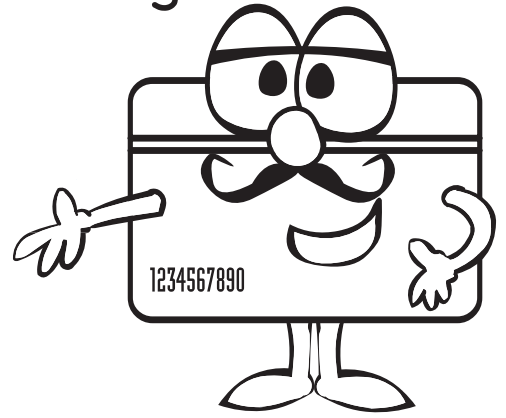
Answer: _____

4. Mr. Nyugen and Mr. Arthur both want you to rake leaves on Saturday. Mr. Nyugen will pay you \$6.00 an hour. It will take you about two and a half hours to do the job. Mr. Arthur will pay you \$12.00. Whose lawn should you rake?

Answer: _____

Short-Term and Long-Term Savings Goals

Name _____



Directions: In the space provided below, write down your short-term and long-term savings goals.

Short-Term Savings Goals

Long-Term Savings Goals

Saving and Spending Cards

You made \$12.00 baby-sitting. You spent \$4.00 and deposited \$8.00 into your savings account.

You needed money to buy a birthday present. You withdrew \$15.00 from your savings account.

You needed money for lunch. You withdrew \$5.00 from your savings account.

You received \$20.00 as a gift and deposited it into your savings account.

You needed money for a trip to the amusement park. You withdrew \$50.00 from your savings account.

You deposited your \$10.00 allowance into your savings account.

You made \$14.00 mowing your neighbor's lawn. You deposited the entire amount into your savings account.

You needed money to fix your bicycle. You withdrew \$25.00 from your savings account.