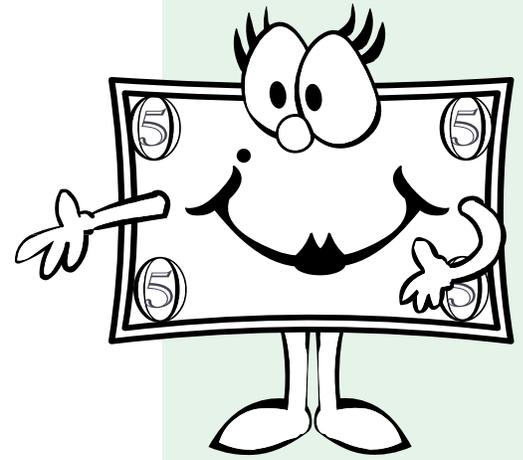


Grade Three

Wealth



Overview

Students share the book *The Day I Was Rich (Little Bill Books for Beginning Readers)*, by Bill Cosby, to learn about the role of money, the concept of wealth, and taxes. They complete activities on understanding and working with large sums of money.

Prerequisite Skills

Understand place value of numbers up to thousands. Recognize and know the value of currency up to 10-dollar bills.

Lesson Objectives

Students will be able to:

- Define *income* and *tax*
- Understand the role of money
- List the types of taxes collected by governments
- Develop a sense of large numbers in relation to money and explain the concept of wealth as it pertains to income
- Count large sums of money by grouping in sets of 10- and 100-dollar bills.

Materials List

1. Book: *The Day I Was Rich (Little Bill Books for Beginning Readers)*, by Bill Cosby (Scholastic Books, 1999)
2. Chart paper or chalkboard
3. Drawing Paper
4. Crayons
5. Play money: 10-dollar bills (at least 40), and 100-dollar bills (at least 10)
6. Large paper clip, plus a paper fastener or sharpened pencil
7. Optional: notebook paper for scorekeeping
8. Handout:
 - **How Much Do I Have?** spinner

Content Standards

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

Vocabulary

government
income
income tax
million
rich
sales tax
tax
thousand (dollars)
treasury
wealth
wealthy

Large-Group Activity

Materials

- Book: *The Day I Was Rich*
- Chart paper or chalkboard
- Drawing paper
- Crayons

1. Gather students in the reading corner to share the book *The Day I Was Rich*.

○ Say:

Have you ever found something that was worth a lot of money? What did you find, and where? Did you get to keep it? Allow several students to share their experiences.

Today we're going to be talking about large amounts of money. I'm going to read a book about a boy who found what he thought was the biggest diamond in the world. He and his friends had a lot of fun thinking about what they would do if they were rich. It's called *The Day I Was Rich*, and it's from a series of books about a character named Little Bill. All of the Little Bill books were written by Bill Cosby. Have any of you ever heard of Bill Cosby? Show students the photograph of Mr. Cosby (probably located near the back of the book). These students may not have seen any of his television shows, but they may recognize him from commercials.

The pictures in the story were made by Varnette P. Honeywood. Ms. Honeywood's pictures are very interesting—they almost look like she cut shapes from colored paper and glued them on the page.

Let's see what happens to Little Bill in this story.

○ Read the book aloud to the class. Be sure to allow the entire class time to see each picture.

2. Briefly discuss the book with the class.

○ **What were Little Bill and his friends doing when he found his "treasure"?**

They were playing a game with sticks and cans at the park.

○ **What did Little Bill think he found? What was it really?**

He thought he'd found the biggest diamond in the world, but it turned out to be a glass paperweight.

○ **How did his father know it wasn't a diamond?**

The glass paperweight had "Made in Taiwan" written on the bottom.

○ **What were some of the things Little Bill and his friends said they'd do if they had a million dollars?**

Students may suggest any of the following (it isn't necessary for them to list all of them at this time):

- José would marry his tutor.

- Kiku would buy a guitar, some drums, a piano, and a trumpet.
- Fuschia would buy sneakers and put a swimming pool, central heating, and air conditioning in her house.
- Little Bill would buy a house for his mother, clothes for his father, hire a maid to clean his room, put an amusement park in his yard, and move to California.
- We don't learn what Andrew or Michael would buy.

○ **Did losing all that money make Little Bill and his friends sad?**

No, they went back to their game at the park. They thought it was funny.

3. Discuss this lesson's economic concepts: the role of money, the concept of wealth, and taxes.

○ ***The Role of Money***

Little Bill and his friends didn't really want the "biggest diamond in the world." None of them talked about how pretty it was, or that they would like to keep it. What did they think of when they looked at the diamond?

They immediately thought of the money it would bring.

Why do people want money? What is money used for? Money is used to buy the things we want.

So the kids wanted to trade the diamond for money, and then they were going to trade the money for other things. If you were stranded on a deserted island with no other people on it, would you rather have a big box of money or a big box of food? Why? Allow students to discuss this concept. They should realize that money has no value if there is nothing to trade it for.

Money itself is just paper and metal. You can't eat money, can you? Can you wear money? Can you build a house out of money? What are some other things you want or need that money can't do?

Encourage lively discussion of this topic.

Money would be useless on a deserted island. The only reason people want money is because it can be traded for other things we want or need.

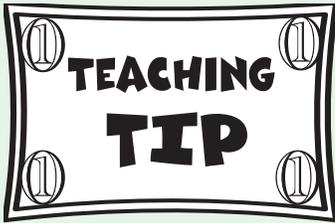
○ ***The Concept of Wealth***

What was the first thing Little Bill said to his friends when he found the "diamond"? (You may want to return to the first page of Chapter Two to reread the passage.)

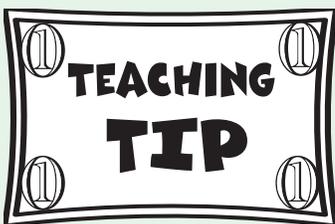
He yelled, "I'm rich! I'm rich!"

What does the word **rich mean to you?** Allow students to share their ideas with the class. Write the word "rich" on the chalkboard or chart paper.

When you are rich you have a lot of money, right? But who decides how much is "a lot"? Do you think it's written down somewhere that you have to have a specific amount of money to be called "rich"?



This lesson doesn't attempt to teach a moral lesson; it only examines the role of money and the concept of wealth.



If time permits, you might create a list of the government-controlled activities listed here, separating them into goods and services.

Encourage open discussion. Students should conclude that the word “rich” means different things to different people.

To some people, a million dollars makes them rich. To others, a thousand dollars makes them rich. Everybody in the world has his or her own idea of the meaning of the word “rich.”

There's another word that means the same as “rich.” Write the words “wealthy” and “wealth” on the board.

When you are *wealthy*, you have more money than you can spend. You can pay for everything you *need*—like food and clothing and shelter—and you can buy everything you *want*—like toys and cars and swimming pools—and you would still have more *wealth*—more money left over.

Little Bill and his friends thought it would be very cool to be rich, but they were still happy when they discovered the diamond was really a glass paperweight. Why? Allow students to express their opinions, accepting any answers.

○ *Taxes*

Return to Chapter Three and reread the first page of the chapter to the class. Write the word “taxes” on the board.

Have any of you heard of *taxes*? Who can tell me what taxes are? Allow volunteers to guess the definition of the word. Third graders may have some knowledge of sales tax, but they probably don't know about income tax.

A tax is a fee, or an amount of money, people pay to the *government*. The government is the group that takes care of things for cities, states, and countries—like building roads and highways, paying police officers and fire fighters, and even running schools.

All of these things cost a lot of money. The government gets that money from all of us through taxes.

People like to complain about paying taxes, but the government can't operate without them. Without taxes, we might not have good roads, free library books, or people like police officers and fire fighters to protect us.

There are different kinds of taxes. Have you ever bought something at a store, like candy or a toy or a comic book? Have you noticed that when you pay for the item it costs more than it said on the price tag?

For example, you might buy a pack of gum that costs 50 cents, but you actually have to pay 53 cents for it. That extra three cents is called *sales tax*. The storeowner doesn't get to keep those three extra pennies. All sales taxes are sent on to the government, which collects taxes from businesses all over the country.

When you add up all those pennies, the government has a lot of money to spend on things like bridges, ships, and paychecks for schoolteachers.

But in the page from the story I just read, Andrew wasn't talking about sales tax. He was talking about another type of tax: **income tax**. Write the word "income" on the board.

Your income is the amount of money you make. Some people get income from jobs. I just told you about some jobs that the government pays for. What are some other jobs you can name? Accept any answers, providing help if students have trouble naming jobs.

People who work at any of those jobs receive an income. An income tax is a special fee people have to take out of their income and send to the government every year. Income tax is different for everybody—can you guess why? The government takes more taxes from people who make more money.

Andrew was afraid that if Little Bill gave him one million dollars, he would have to pay taxes on it, and there wouldn't be any money left. He was afraid the government would take all of the money. Andrew wasn't quite right about that, though. The government doesn't ever take *all* of your income!

4. Introduce the large-group independent activity: If I Were Rich.

- Pass out drawing paper to the class and make sure everyone has crayons.

What would you do with a million dollars? Draw a picture of the things you would spend your money on if you found the biggest diamond in the world.

Have students work on their drawings while you work with individual groups in the following small-group activities.

Small-Group Activity One: That's a Lot of Money!

Concepts Taught

Using a Table to Understand Large Money Amounts

Materials

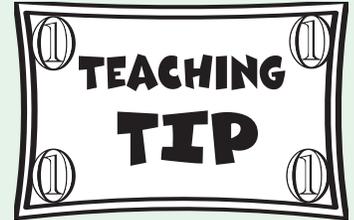
- Chart paper or chalkboard
- Play money: 10-dollar bills (at least 40), and 100-dollar bills (at least 10)

1. Briefly examine a 100-dollar bill.

- Lay a play-money 100-dollar bill face-up on the tables so everyone can see it. Say:

This is a 100-dollar bill. It's the largest amount used in money in the United States. Many years ago there were 500-dollar bills, 1,000-dollar bills, and even larger bills, but nowadays you can only find those really large bills in museums. Can you guess why the government stopped making bills larger than 100 dollars? Allow students to speculate. They may suggest that money is easy to steal; so limiting the size of the currency might discourage people from carrying around large sums of money.

Take a look at the portrait on the 100-dollar bill. Do you know who that is?



Don't attempt to explain tax brackets, exemptions, or variable income tax rates to students at this level.

The portrait is of Benjamin Franklin.

We usually put pictures of U.S. Presidents on our money. Was Benjamin Franklin ever a President?

No, he was never President. (Many younger children mistakenly believe Franklin was a President because he is such a famous American.)

Why do you think we'd put the portrait of Ben Franklin on our money, if he wasn't a President? Discuss with the group some of the things we remember Mr. Franklin for, such as signing the Declaration of Independence, playing a large role in the Revolutionary War, and helping to create the Constitution. You might also mention some of his inventions and discoveries, such as bifocals and electricity.

The picture on the back of the 100-dollar bill is of a famous building in Philadelphia, Pennsylvania: Independence Hall. The reason this building is matched with Benjamin Franklin is because this was where the Declaration of Independence was signed, and the U.S. Constitution was written. Benjamin Franklin was one of the people who worked very hard writing both of those documents, so he spent a lot of time in this building. Do you know what the U.S. Constitution is? Third graders may not know the answer. Explain that this is the document that created our government and laws.

2. Understand the value of hundreds by reading a table.

- **Let's do some skip counting to see how large an amount 100 dollars is.** Gather a pile of 10-dollar bills. Show students the front of one of them.

These are 10-dollar bills. They contain a portrait of another famous American who was never President, Alexander Hamilton. You probably haven't studied about Mr. Hamilton in school yet—he isn't as well known as Benjamin Franklin.

His portrait is on the 10-dollar bill because he was the first Secretary of the Treasury. Do you hear the word “treasure” when I say “treasury?” For a government, a treasure is all the money moving around the country that people like you and me use to buy and sell things.

The Treasury is the part of the government that looks after our money. Just like Benjamin Franklin, Alexander Hamilton also signed the U.S. Constitution and worked hard to set up our government.

If you had several 10-dollar bills, how would you count your money?

You would skip count by tens.

Let's start counting these bills. Create a pile of 10-dollar bills as you and the group skip count aloud (stop when you reach 100): **10, 20, 30, 40, etc., to 100.**

How many tens equal a hundred? Allow students to count the bills if necessary.

There are ten 10-dollar bills in 100 dollars. How many tens do you think would equal 200 dollars?

There are twenty 10-dollar bills in \$200.

Begin a table like the following as you repeat the activity for larger numbers.

Number of 10-dollar Bills	Total Amount
10	\$100
20	\$200

Continue asking and counting by tens up to \$300, \$400, and so on, filling in the table until students realize the pattern and provide the answers before you have to count.

This table shows that there is a pattern to the numbers. Look at the first line. Both numbers begin with . . . The students should complete your sentence: Both numbers begin with “one.”

How many zeroes are in all the numbers in the first column? How many zeroes are in the numbers in the second column? There is one zero in every number in the first column, and two zeroes in the numbers in the second.

Looking at the numbers we’ve put into the table already, you should be able to guess how many 10-dollar bills are equal to \$700. There are 70 tens. If some students still appear to struggle with this concept, continue completing the chart (without counting bills) up to \$700.

3. Understand the value of money amounts in thousands using a table.
 - Create another table next to the first one, using the following headings (you will fill in the entries as you lead the discussion following):

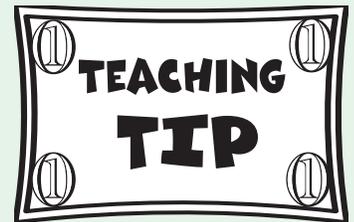
Number of 100-dollar Bills	Total Amount
10	\$1,000
20	\$2,000

NOTE: These tables should be preserved for use in Small-Group Activity Two.

Let’s see if we can use what we learned about patterns to count even larger amounts of money. We’re going to look at 100-dollar bills to help us count to thousands of dollars.

If you had several 100-dollar bills, how would you count your money?

You can skip count by hundreds.



If students don’t recognize the pattern after three or four rounds, move on to the explanation.

Let's start counting these bills. Create a pile of 100-dollar bills as you and the group skip count aloud (stop when you reach one thousand):

100, 200, 300, 400, etc., to 1,000.

How many hundreds equal a thousand? Allow students to count the bills if necessary.

There are ten 100-dollar bills in 1,000 dollars. You remember the pattern from the first table. Look at this table and guess how many hundreds you think would equal 2,000 dollars. There are twenty 100-dollar bills in \$2,000. Continue asking and filling out the table for a few more lines. Don't go over \$9,000.

Make sure students notice the number of zeroes in each column of numbers.

Small-Group Activity Two: How Much Do I Have?

Concepts Taught

Working with 10- and 100-Dollar Amounts

Materials

- Handout: **How Much Do I Have?** spinner, assembled according to instructions
- Large paper clip, plus a paper fastener or pencil (see spinner instructions)
- Tables showing groups of tens and groups of hundreds (from Small-Group Activity One)
- Optional: chart paper, chalkboard, or notebook paper for keeping score

1. Prepare the game materials ahead of time.

NOTE: This activity should follow **Small-Group Activity One**.

- Assemble the spinner by following the directions on the page. Use either a paper fastener to hold the paper clip spinner, or hold the paper clip in the center of the spinner with the point of a pencil as students spin.

Leave the two tables created in the preceding activities visible for students to check as they play.

2. Introduce the **How Much Do I Have?** game.

- **Let's play a game to see who can make 1,000 dollars first. Each of you will begin with 100 dollars. You will take turns spinning the spinner to see if you can add more money to your amount. Be careful, though. Some of the spins will make you lose money or miss a turn.**

Select a student to go first and have him or her spin the spinner and perform the task written there. You may need to help students as they calculate their ongoing amounts, pointing to the patterns on the tables to help them determine the new balance.

As each student calculates a new total, record it on the board or a piece of notebook paper until the play returns to him or her.

The game ends when the first student reaches 1,000 dollars.

Assessment

Check students' understanding by listening carefully to the responses they give during group discussions and during the **How Much Do I Have?** game. Have students share their pictures from the large-group activity.

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.

Interactive Notes

Explore the security and design features of the new 50- and 20-dollar bills. Visit the U.S. Department of the Treasury Bureau of Engraving and Printing's Money Factory Site and select the currency you would like to examine. Requires Macromedia Flash Player™. Found at: www.moneyfactory.com/newmoney/main.cfm/learning/interactivebill.

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 11: The Role of Money

Students will understand that: Money makes it easier to trade, borrow, save, invest, and compare the value of goods and services.

K–4 Benchmarks:

- Money is anything widely accepted as final payment for goods and services.
- Money makes trading easier by replacing barter with transactions involving currency, coins, or checks.
- People consume goods and services, not money; money is useful primarily because it can be used to buy goods and services.

Standard 13: Role of Resources in Determining Income

Income for most people is determined by the market value of the productive resources they sell. What workers earn depends, primarily, on the market value of what they produce and how productive they are.

K–4 Benchmarks:

- People can earn income by exchanging their human resources (physical or mental work) for wages or salaries.

Standard 16: Role of Government

There is an economic role for government in a market economy whenever the benefits of a government policy outweigh its costs. Governments often provide for national defense, address environmental concerns, define and protect prop-

erty rights, and attempt to make markets more competitive. Most government policies also redistribute income.

K–4 Benchmarks:

- Governments provide certain kinds of goods and services in a market economy.
- Governments pay for the goods and services they use or provide by taxing or borrowing from people.

Mathematics

In addition to economics, the activities in this lesson also correlate to the following *Principles and Standards for School Mathematics*, from the National Council of Teachers of Mathematics, found at: standards.nctm.org/document/index.htm.

Numbers and Operations Standards

Understand numbers, ways of representing numbers, relationships among numbers, and number systems

3-5 Benchmarks:

- Understand the place-value structure of the base-ten number system and be able to represent and compare whole numbers and decimals
- Recognize equivalent representations for the same number and generate them by decomposing and composing numbers
- Connect number words and numerals to the quantities they represent, using various physical models and representations

Compute fluently and make reasonable estimates

- Select appropriate methods and tools for computing with whole numbers from among mental computation, estimation, calculators, and paper and pencil according to the context and nature of the computation and use the selected method or tools.

Algebra Standards

Understand patterns, relations, and functions

- Describe, extend, and make generalizations about geometric and numeric patterns
- Represent and analyze patterns and functions, using words, tables, and graphs.

Use mathematical models to represent and understand quantitative relationships

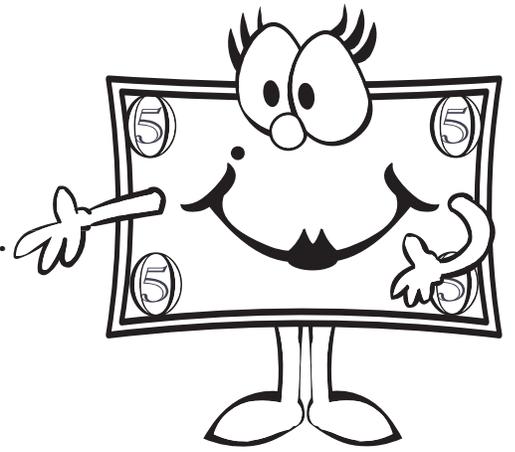
- Model problem situations with objects and use representations such as graphs, tables, and equations to draw conclusions.

Language Arts

This lesson, based on the children's book *The Day I Was Rich (Little Bill Books for Beginning Readers)*, by Bill Cosby, 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 Do I Have?



Instructions for Teachers: Cut out the spinner. Use a large paper clip as a spinner—a pencil point or paper fastener will hold it in place when students spin. You may want to attach to stiff paper or cardboard and laminate the spinner for durability.

