

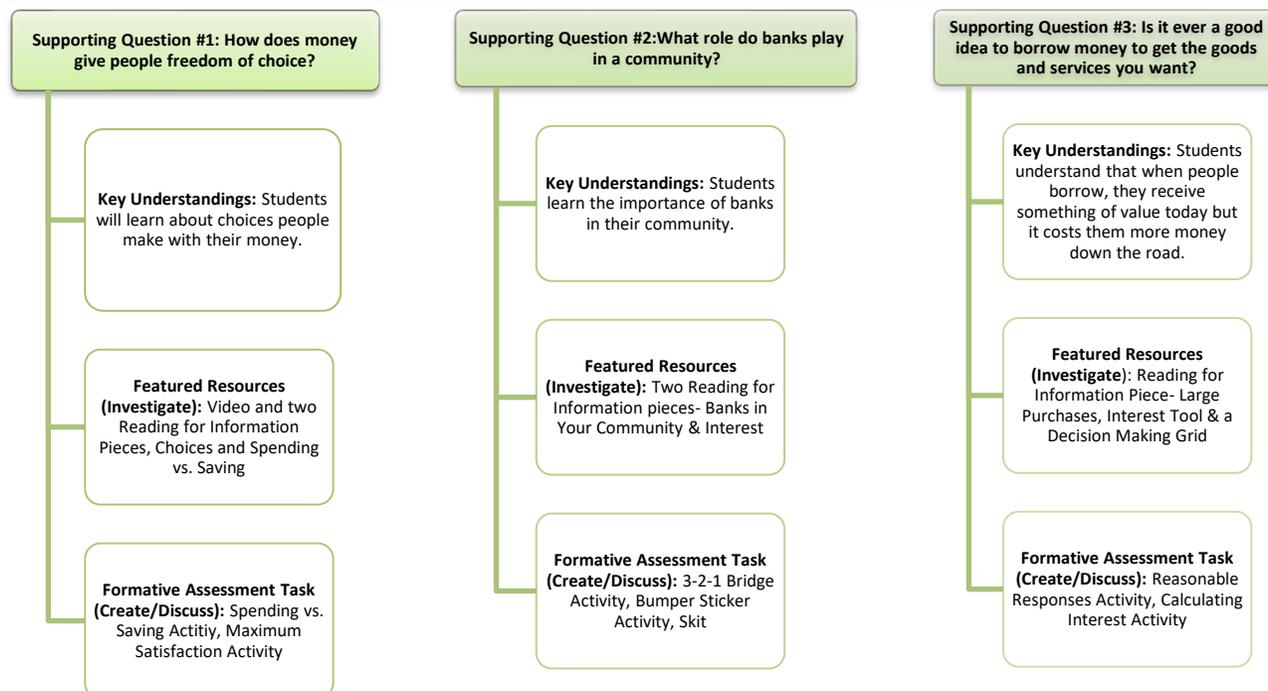
Grade 3 Lesson 3

Compelling Question: How do people in a community use money?

IL Financial Literacy Standard	SS.EC.FL.3.3: Describe the role of banks and other financial institutions in an economy.	SS.EC.FL.3.4: Explain that when people borrow, they receive something of value now and agree to repay the lender over time.
IL Econ Standard (when applicable- this row can be deleted)	SS.EC.1.3 Compare the goods and services that people in the local community produce and those that are produced in other communities.	
Inquiry Standard	SS.IS.1.3-5: <i>Developing Questions and Planning Inquiries</i> . Develop essential questions and explain the importance of the questions to self and others.	SS.IS.4.3-5: <i>Evaluating Sources and Using Evidence</i> . Gather relevant information and distinguish among fact and opinion to determine credibility of multiple sources.
	SS.IS.5.K-2: <i>Communicating Conclusions and Taking Informed Action</i> . Construct and critique arguments and explanations using reasoning, examples and details from multiple sources.	
Student Outcomes	<p>Students will be able to explain:</p> <ul style="list-style-type: none"> • The role of banks and other financial institutions in a community economy. • When people <i>borrow</i>, they receive a good or service of value today and agree to pay the lender over time, with <i>interest</i>. • People make choices in an effort to maximize satisfaction. When people carefully consider their choices and alternatives, they are more likely to make choices that maximize their satisfaction. 	

Ask

Compelling Question: How do people in a community use money?



Introduction to Lesson

The compelling question for this lesson is: *How do people in a community use money?*

The lesson is structured as follows: Each lesson consists of three supporting questions that directly tie in to the compelling question. Each supporting question gets a little tougher as you progress through the lesson. Each supporting question includes an Investigate and Create/Discuss section. The Closed-Reading Activity can be used for each of the supporting questions or one that you select. The Reflect section is located towards the end of the lesson which provides students a chance to demonstrate their knowledge of money and allows you to have a summative evaluation.

Supporting Question #1: How does money give people freedom of choice?

Investigate

Featured Resources

Marshmallow Test: If your class does not have internet access, you can act it out in class. A marshmallow is put on a table in front of a child. Before leaving the room, the adult tells the child if s/he doesn't eat the marshmallow, when the adult returns the child will receive an additional marshmallow. It helps students identify with choices and consequences. https://www.youtube.com/watch?v=QX_oy9614HQ

Reading for Information - Choices: Most people have choices on how they want to use their money. Those choices help them achieve satisfaction. People can choose to spend on goods, services, giving, or they can save (short or long term); saving means forgoing spending today to have more freedom of choice in the future.

Reading for Information – Spending vs. Saving: Students read a piece on people who are only spenders versus those who are only savers. Is it good to only save? Is it good to only spend?

Create/Discuss

Formative Assessment Performance Activities

Spending vs. Savings Activity: After completing the reading for information piece on spending vs. savings, students will answer the questions about spending versus savings.

Maximum Satisfaction Activity: Students complete work through a variety of scenarios and determine the best spending and savings choices.

Supporting Question #2: What role do banks play in a community?

Investigate

Featured Resources

Reading for Information – Banks in Your Community: Students watch a video explaining how banks help people in communities by loaning money and providing a safe place to save (define interest – savers earn and borrowers pay). Give examples (i.e., family needs a new car; parents go to a bank to get a loan so they can buy the car they want; they get the car today and pay the bank over time for the car; the bank can loan your parents the money for the car because someone else saved their money in the bank. Add It's a Wonderful Life's bank run clip

Reading for Information Piece – Interest: This Reading for Information Piece discusses two types of interest – savers earn and borrowers pay.

Create/Discuss

Formative Assessment Performance Activities

3-2-1 Bridge Activity: Three things students know about banks; two questions students have about banks; 1 connection.

Bumper Sticker Activity: Students pretend they work for a local bank and create a bumper sticker encouraging people in the community to save money.

Skit Activity: In small groups of 3-4 students per group, students work together to create a skit demonstrating how some members of a community save and others borrow and how banks provide the service that brings the savers and borrowers together.

Supporting Question #3: Is it ever a good idea to borrow money to get the goods and services you want?

Investigate

Featured Resources

Reading for Information Piece – Large Purchases: Students will learn that large purchases sometimes require individuals to borrow money. However, the decision whether to borrow should always be made with careful consideration and the understanding that when you borrow, ultimately you pay more for the good or service than if you were able to pay without borrowing.

Interest Tool: Computer programming tool that demonstrates interest earned on savings and paid on borrowing over time.

Decision Making Grid: Decision making grid for evaluating alternatives.

Create/Discuss

Formative Assessment Performance Activities

Reasonable Responses Activity: Students read various personal finance (saving and spending) scenarios with responses (solutions). They work in small groups to determine if each response is reasonable and why or why not. Then, using the decision-making grid, they determine the best alternative (the one that would likely offer maximum satisfaction). Groups share their scenario and decision grid with the whole class.

Calculating Interest Activity: Excel activity where students create a program/file to calculate the interest they would pay or earn on various savings and borrowing scenarios.

Reflect

Summative Assessment Performance Activities

Argument	Construct an argument, supported by evidence that addresses the question how do people in a community use money?
Extension/Action	<p>Bank Activity: Tour a local bank or invite a local banker to come in and speak to your class about the various services banks provide to people in their community. Have students prepare up to 3 questions to ask a banker.</p> <p>What other financial organizations exist in a community besides banks? How are they similar to banks? How are they different? Why might one type of financial organization be better than another?</p>