

Something Special for Me

By Vera B. Williams / ISBN-13: 978-0-688-06526-3

Lesson Author

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Standards and Benchmarks (see pages 9-10)

Lesson Description

In this lesson, students learn about the act of saving and how the accumulation of money saved is termed savings. Students are read a story about a family that saves and how the family's savings are used to make a large purchase they would not ordinarily be able to make. Students recognize that there is an opportunity cost to saving and an opportunity cost to spending.

Grade Level

1-3

Concepts

Saving

Savings

Opportunity cost

Objectives

Students will

- define opportunity cost and give examples,
- define savings and saving, and
- explain why people save.

Time Required

40 minutes

Materials

- *Something Special for Me* by Vera B. Williams (ISBN-13: 978-0-688-06526-3)
- A small box labeled “Savings”
- 8 quarters
- Handout 1, one copy for each student
- Handout 2, one copy for each student

Procedure

1. Show students the front cover of the book and ask what the title of the book is. Point out “Vera B. Williams” and ask students why this name would be on the front cover of this book. (*She is the author.*) Point out the statement at the bottom of the page “A Rosa and Her Family Story.” Ask students what this means. (*This is a book about Rosa and her family; there is more than one book about Rosa and her family.*)
2. Tell students you will read this story about a little girl named Rosa whose birthday is only three days away. Her family has agreed to use their **savings** to buy her a birthday present. Savings is all of the money someone has saved. Ask students the following questions:
 - Do you have savings? (*Answers will vary.*)
 - Where did your savings come from? (*Answers will vary but students should state that they contribute to their savings when they get money for allowance or special occasions.*)
 - Is it difficult to save? Why or why not? (*Most students likely find it difficult to save because it means that they have to forgo spending on things they want.*)
3. Explain that Rosa’s family has savings because they have been placing money in a jar. **Saving** is not spending money now and keeping that money to use in the future. People save money so that they can buy big things in the future, like a house, a car, or furniture. They also save so that they have money in case they need money for an emergency, such as a sudden car repair.
4. Help students understand the distinction between savings and saving by displaying the box you have labeled “Savings.” Place quarters in the box one after another, each time stating that you are saving \$.25. Explain that saving is an action word—a verb—and every time you place money in the box you are saving. Show the students all of the quarters accumulated in the box and explain that savings is a thing—a noun. It is all of the money you save.

5. Empty the coins from the box and invite a student to come forward and “save” the quarters. If the student is unsure, prompt him to place the quarters in the box and reinforce the action. When he is finished, ask him to display the savings to the class. If he is unsure, prompt him to hold the box up to show his savings.

6. Read *Something Special for Me* and discuss:
 - How did the family save money? (*The whole family saved their change.*)
 - Where did the family place their savings? (*Their savings were in a jar on a shelf.*)
 - Why would a jar on a shelf be an unsafe place to save money? (*It could break and get broken glass in the money, it could be stolen, and the family could take money from it and spend the money on little things like candy bars and pop.*)
 - Can you think of a safer place to put your savings? (*Students may not have experience with banks. Guide them to recognize that the safest place to keep their money is in a bank. It won't get stolen in a bank. They won't be tempted to take money from their savings if it's in a bank.*)
 - When Rosa's mom put money into the savings jar, say \$2.00, what was she giving up? (*She was giving up something she could have purchased with the \$2.00.*)
 - Why was Rosa's mom willing to save money rather than spend it on something she wanted now? (*She wanted to be able to buy something big in the future.*)
 - In the story, what was Rosa's problem? (*She wanted several things.*)
 - Why didn't Rosa buy all of the things she wanted? (*She had enough money for only one of those things.*)
 - What were Rosa's choices? (*roller skates, dress and shoes, red tent and sleeping bag, accordion*)
 - What was special about the skates? (*Her friends already had new skates, so Rosa would have new skates too.*)
 - What was special about the clothes? (*It was a pretty outfit Rosa could have worn on her birthday.*)
 - What was special about the tent and sleeping bag? (*Rosa could have used them when she went camping with her friends and her aunt and uncle.*)
 - What was special about the accordion? (*Rosa could play music for her friends and perhaps on stage in the park like her grandmother had.*)
 - The story never states that Rosa's family did not have much money. What clues in the story help you know this? (*Rosa's mom, grandmother, Rosa, and even her aunt and uncle put money in a jar to save for special items.*)
 - Why did Rosa find it so difficult to make a choice? (*Since Rosa's family did not have a lot of money, it was important that she choose carefully.*)

- How did Rosa feel when she couldn't decide what to buy for her birthday? (*She was sad; she began to cry.*)
 - What did her Mama say to Rosa when she began to cry? (*"Don't worry. You have a few days yet till your birthday."*)
 - What did Rosa choose? (*the accordion*)
7. Explain that when Rosa chose the accordion, she had to give something up. Rosa had an opportunity cost. **Opportunity cost** is what is given up when a choice is made. Ask the following questions:
- If Rosa had not chosen the accordion, would she have been able to have the sleeping bag and tent? (*yes*)
 - If Rosa had not chosen the accordion, would she have been able to have the skates? (*yes*)
 - If Rosa had not chosen the accordion, would she have been able to have the skates and the sleeping bag and the tent? Why not? (*There was not enough money to buy all of those things.*)
8. Distribute a copy of *Handout 1: Priorities* to each student and instruct them to number the four items as they think Rosa might have wanted them. The accordion is already numbered with a 1 because this is the item Rosa chose. Explain that the item they marked with a 2 is the next-best item. It is the item Rosa would have chosen had she not chosen the accordion. The number 2 item is Rosa's opportunity cost.
9. Instruct students to turn the page over and make a list of four items they would like to have. Have them number the items with 1 being the item they want the most and 4 being the item they want the least. Ask students to report their choice (1) and their opportunity cost (2).
10. Explain that saving has an opportunity cost too. Repeat the question asked earlier: When Rosa's mom put, say \$2.00 into the savings jar, what was she giving up? (*She was giving up something she could have purchased with the \$2.00 now.*) Discuss this using the following questions:
- What could Rosa's mom have purchased with \$2.00? (*Answers will vary but may include a cup of coffee, candy, or a newspaper.*)
 - What do we call the item that Rosa's mom gave up? (*her opportunity cost*)
 - Do you think Rosa's mom was happy with her decision to save instead of spend? (*Answers will vary but students will probably recognize that she was happy to have the savings.*)

11. Distribute a copy of *Handout 2: Rosa's Story* to each student and have them place the sentences in the correct order to tell the story. Review the correct order:
 1. *Rosa's family saved money.*
 2. *Rosa's family put their savings in a jar.*
 3. *Rosa's mom asked Grandma if it would be okay to spend the savings in the jar for Rosa's birthday present.*
 4. *Rosa saw white skates with orange wheels.*
 5. *Rosa saw a polka dot dress with its own jacket and blue shoes with crisscross straps.*
 6. *Rosa saw a red tent and a blue sleeping bag.*
 7. *Rosa bought an accordion.*
 8. *Rosa had an opportunity cost.*
 9. *The family began saving again with one dime in the jar.*

Closure

11. Ask the following questions for review:
 - What is opportunity cost? (*Opportunity cost is what is given up when a choice is made.*)
 - What was Rosa's family's opportunity cost when they saved money? (*The family's opportunity cost was something they could have purchased with that money now.*)
 - What is savings? (*Savings is all of the money someone has saved; it is a thing—a noun.*)
 - What is saving? (*Saving is not spending money now but keeping that money to use in the future; it is an action word—a verb.*)
 - Why do people save money? (*People save money to buy big items or to have money available in an emergency.*)
 - Is there a better place to save money than in a jar? (*Yes, in a bank.*)
 - Why is a bank a safe place to save money? (*The money can't be lost or stolen. The saver isn't tempted to take money out of savings.*)
 - What was Rosa's problem? (*Rosa had to choose a birthday gift, and she could choose only one gift.*)
 - What was Rosa's opportunity cost when she chose the accordion? (*Rosa's opportunity cost was one of the other things she could have purchased.*)

Assessment

12. Instruct students to draw a picture of themselves saving. Instruct them to label their savings. On the flip side of the paper, instruct them to draw two things they would like to purchase. They should choose the item they want more and circle it and then draw an X over the other item to show the opportunity cost.

Handout 1: Priorities

 1 Accordion

 Sleeping bag and tent

 Skates with orange wheels

 Polka dot dress with its own jacket and
blue shoes with crisscross straps

Handout 2: Rosa's Story

Rosa's story is below, but it is out of order. Number the sentences to tell the story in the correct order.

- _____ Rosa's family saved money.
- _____ Rosa saw a red tent and a blue sleeping bag.
- _____ The family began saving again with one dime in a jar.
- _____ Rosa saw white skates with orange wheels.
- _____ Rosa's mom asked Grandma if it would be okay to spend the savings in the jar for Rosa's birthday present.
- _____ Rosa's family put their savings in a jar.
- _____ Rosa bought an accordion.
- _____ Rosa had an opportunity cost.
- _____ Rosa saw a polka dot dress with its own jacket and blue shoes with crisscross straps.

Standards and Benchmarks

National Standards in Economics

Standard 1: Students will understand that productive resources are limited. Therefore, people cannot have all the goods and services they want; as a result, they must choose some things and give up others.

- **Benchmark 4, Grade 4:** Whenever a choice is made, something is given up because resources are limited.
- **Benchmark 5, Grade 4:** The opportunity cost of an activity is the value of the best alternative that would have been chosen instead. It includes what would have been done with the money spent and the time and other resources used in undertaking the activity.

Standard 10: Students will understand that institutions evolve and are created to help individuals and groups accomplish their goals. Banks, labor unions, markets, corporations, legal systems, and not-for-profit organizations are examples of important institutions. A different kind of institution, clearly defined and enforced property rights, is essential to a market economy.

- **Benchmark 1, Grade 4:** Banks are institutions where people save money and earn interest, and where other people borrow money and pay interest.
- **Benchmark 2, Grade 4:** Saving is the part of income not spent on taxes or consumption.

National Standards in Personal Finance

Financial Responsibility and Decision Making Overall Competency: Apply reliable information and systematic decision making to personal financial decisions.

- **Standard 4:** Make financial decisions by systematically considering alternatives and consequences.
 - **Benchmark 1, Grade 4:** People make choices because they have limited financial resources and cannot have everything they want.
 - **Benchmark 6, Grade 4:** Every spending decision has an opportunity cost.

Saving and Investing Overall Competency: Implement a diversified strategy that is compatible with personal goals.

- **Standard 1:** Discuss how saving contributes to financial well-being.
 - **Benchmark 1, Grade 4:** People save for future financial goals.
 - **Benchmark 2, Grade 4:** Every saving decision has an opportunity cost.

Common Core State Standards: English Language Arts, Grades 1-3**Reading: Literature**

- **Key Ideas and Details**

RL.1.1, RL.2.1, RL.3.1: Ask and answer questions to demonstrate understanding of a text, referring explicitly to the text as the basis for the answers.

RL.1.3, RL.2.3, RL.3.3: Describe characters in a story (e.g., their traits, motivations, or feelings) and explain how their actions contribute to the sequence of events.

- **Craft and Structure**

RL.1.4: Identify words and phrases in stories or poems that suggest feelings or appeal to the senses.

RL.2.5: Describe the overall structure of a story, including describing how the beginning introduces the story and the ending concludes the action.

- **Integration of Knowledge and Ideas**

RL.1.7: Use illustrations and details in a story to describe its characters, setting, or events.