



# Buddy Bargain and the Gang

Teachers Guide  
Grades K-2





**Financial Foundations for Kansas Kids** is an interactive economics and personal financial literacy curriculum for students grades K-8. This teacher's guide is designed for the FF4Kids (Grades K-2) curriculum of the program.

Buddy Bargain introduces students to basic economic terms and concepts through his interactions with family, friends, and neighbors. Students learn how money is used, how families generate incomes, about producers and consumers, and many other economic and personal finance concepts in a fun, kid-friendly environment.

Buddy Bargain and the Gang (K-2) contains

- 23 teaching units
  - 77 interactive exercises
  - 45 interactive math exercises

The lessons contained in this program correlate to:

- Kansas State Standards for Economics and Personal Finance contained within the Kansas Standards for History and Government; Economics and Geography;
- Kansas State Standards for Mathematics;
- Kansas State Standards for Language Arts;
- National Standards for Economics developed by the National Council on Economic Education; and
- National Standards for Personal Financial Literacy developed by the Jump\$tart Coalition for Personal Financial Literacy.

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

Financial Foundations for Kansas Kids is available free-of-charge to all elementary and middle schools in Kansas. Many Kansas organizations joined to make this project possible. These organizations understand the importance of preparing our children to be productive members of the community. They also understand that it is not a job for educators alone – we all have a responsibility when it comes to the education of our youth.

**The Kansas Council for Economic Education  
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## **Learning Standards**

[Kansas Economics Standards](#)

[National Personal Finance Standards](#)

[Kansas Math Standards: Kindergarten, 1<sup>st</sup> Grade, 2d Grade](#)

[Kansas Communication Arts Standards](#)

[CORRELATIONS: Economics/Personal Finance/Math/Language Arts\\*](#)

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\*The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

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## Kindergarten: Program 1 – How Money Works

### Episode 1 – Making Choices About Money

00 01 01

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**Synopsis:** Through a series of problems, young Buddy discovers that he can't have everything he wants and must make choices

**Interactive Exercises:** Students work through making choices and experiencing opportunity cost (although the term "opportunity cost" is not yet introduced.)

**Standards/Concepts:** S = Standard; B = Benchmark; K = Knowledge Indicator

Economics:	Kindergarten <a href="#">B1, K1, K2</a>	financial decision making, economic wants
Mathematics:	Kindergarten <a href="#">S1 B1 K5</a>	coin identification, coin value
Commun. Arts:	Kindergarten <a href="#">S1 B1</a>	links sound and printed material

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

**Learning Objective:** Students will learn that we can't have everything we want, so we have to make choices

**Time Required:** 45 minutes (15 minutes for the computer program and 30 minutes for the activity)

**Activity:** Copy a coloring-book style picture on one side of a paper. Copy a similar style picture on the reverse side. Instruct students to color each side. Ask each child to choose which side of the paper he/she would like to display on the bulletin board. Then ask what had to be given up in order to display the picture he/she chose. The picture that is not exposed is what was given up when a choice was made.

**\*Additional Lessons/Activities:** Go to [www.econedlink.org/educator](http://www.econedlink.org/educator) and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

**Glossary:**

[Wants, Choice](#)

**Teacher Notes:**

## Kindergarten: Program 1 – How Money Works

### Episode 2 – Goods and Services

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**Synopsis:** Buddy explains that the customers who visit his friend's pet store are consumers of goods and services, and then he provides an example where he was a consumer of a service. Finally, Buddy explains that songs help him learn and sings a simple song about being a consumer.

**Interactive Exercises:** Students identify consumers and differentiate between goods and services.

**Standards/Concepts:** S = Standard; B = Benchmark; K = Knowledge Indicator

Economics: Kindergarten [S1 B2 K1](#), [2<sup>nd</sup> Grade B1 K1](#) goods, services, consumer

Mathematics: Kindergarten [S1 B2 K3](#) counting

Commun. Arts: Kindergarten [S1 B1](#) rhyming, songs

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

**Learning Objective:** Students will explain that consumers use goods and services

**Time Required:** 45 minutes (15 minutes for the computer program and 30 minutes for the activity)

**Activity:** *Woof! Woof! At Your Service* helps demonstrate that economic desires can be satisfied by providing goods and services. Identifies goods and services provided by one small business  
Differentiates between goods and services.

Access activity here: <http://econedlink.org/e194>

**\*Additional Lessons/Activities:** Go to [www.econedlink.org/educator](http://www.econedlink.org/educator) and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

**Glossary:**

[Consumer](#), [Goods](#), [Seller](#), [Services](#)

**Teacher Notes:**

## Kindergarten: Program 1 – How Money Works

### Episode 3 – How Consumers Use Money

00 01 03

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**Synopsis:** Through his experiences and the experiences of others, Buddy discovers that people often use money to purchase goods and services.

**Interactive Exercises:** Students identify examples of people using money to buy goods or services.

**Standards/Concepts:** S = Standard; B = Benchmark; K = Knowledge Indicator

Economics: Kindergarten [B2](#), [K1](#) goods, services, monetary exchange

Personal Finance: [S3 B1 4<sup>th</sup> Grade K4](#) financial resources

Mathematics: Kindergarten [S1 B4 K1](#) problem solving, computation, number sense

Commun. Arts: Kindergarten [S1 B1](#) reading comprehension, songs

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

**Learning Objective:** Students will learn that money is used to buy goods and services.

**Time Required:** 50 minutes (25 minutes for the computer program and 30 minutes for the activity)

**Activity:** In Norman Rockwell's *Curiosity Shop* students will look at a picture that Norman Rockwell painted about a Curiosity Shop. A little girl looks like she is about to purchase a doll. Her purse on her arm indicates that she might "exchange" money for the doll. This lesson teaches that trading goods and services with people for other goods and services or for money is called exchange.

Access activity here: <http://www.econedlink.org/teacher-lesson/269/undefined>

**\*Additional Lessons/Activities:** Go to [www.econedlink.org/educator](http://www.econedlink.org/educator) and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

**Glossary:**

[Buyer](#), [Goods](#), [Money](#), [Seller](#), [Services](#), [Wants](#)

**Teacher Notes:**

## Kindergarten: Program 2 – How Families Make Money

### Episode 1 – Which Coins are Which?

00 02 01

**Synopsis:** Buddy identifies the coins in his piggy bank as quarters, dimes, nickels, and pennies, using the characteristics, size and color. Buddy sings a song about fitting all of his coins into a homemade piggy bank. The concepts of jobs (chores) and income are introduced but not yet defined.

**Interactive Exercises:** Students identify coins and sort them appropriately, while using them to simulate the purchase of goods and services.

**Standards/Concepts:** S = Standard; B = Benchmark; K = Knowledge Indicator

Economics:	Kindergarten <a href="#">B2, K1</a>	income
Personal Finance:	<a href="#">S1 B1 4th Grade K2</a>	income, coins, money
Mathematics:	Kindergarten <a href="#">S1 B3 K1</a>	coin recognition
Commun. Arts:	Kindergarten <a href="#">S1 B1</a>	reading comprehension

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

**Learning Objective:** Students will learn which coins are pennies, nickels, dimes, and quarters.

**Time Required:** 45 minutes (15 minutes for the computer program and 30 minutes for the activity)

**Activity:** On the Money. In this lesson, students explore what money is and how it differs around the world. They will compare U.S. currency with play money and with foreign currency. They will then use their knowledge to design their own money.

Access activity here: <http://www.econedlink.org/teacher-lesson/169/Money>

**\*Additional Lessons/Activities:** Go to [www.econedlink.org/educator](http://www.econedlink.org/educator) and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

**Glossary:**

[Money](#)

**Teacher Notes:**



## Kindergarten: Program 2 – How Families Make Money

### Episode 2 – Jobs in the Family

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**Synopsis:** Buddy talks about his father's work as a carpenter and then expands his discussion of jobs to include the chores that he and his brothers do. Buddy sings a song about the jobs he performs around the house.

**Interactive Exercises:** Students identify jobs and the tools used to complete work successfully.

**Standards/Concepts:** S = Standard; B = Benchmark; K = Knowledge Indicator

Economics:	Kindergarten <a href="#">B5, K1</a>	income, employee benefits, specialization
Personal Finance:	<a href="#">S1 B1 4<sup>th</sup> Grade K1</a>	jobs, income, work skills or job skills
Mathematics:	Kindergarten <a href="#">S1 B2 K3</a>	number sense, problem solving
Commun. Arts:	Kindergarten <a href="#">S1 B1</a>	reading comprehension

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

**Learning Objective:** Students will learn about jobs people do in a family

**Time Required:** 30 minutes (15 minutes for the computer program and 15 minutes for the activity)

**Activity:** Show students pictures of tools or bring in tools as props. Ask students to name the job a person who used those tools would have. Answers can vary but might include:

tools: stapler, grade book, globe – job: teacher

tools: hammer, saw – job: carpenter

tools: stethoscope, thermometer – job: doctor, nurse

**\*Additional Lessons/Activities:** Go to [www.econedlink.org/educator](http://www.econedlink.org/educator) and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

**Glossary:**

[Income](#)

**Teacher Notes:**

## Kindergarten: Program 2 – How Families Make Money

### Episode 3 – Families and Income

00 02 03

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**Synopsis:** Buddy explains that people earn income from the jobs they do. He describes his father's work, as well as the work his brothers and friends do for others and around their homes. Buddy says a rhyme about working.

**Interactive Exercise:** Students engage in six interactive exercises that focus on children doing work, the types of coins that make up the payment for their work, and the sum of the coins.

**Standards/Concepts:** S = Standard; B = Benchmark; K = Knowledge Indicator

Economics:	Kindergarten <a href="#">B5, K1</a>	income, producer
Personal Finance:	<a href="#">S1 B1 4<sup>th</sup> Grade K1</a>	jobs, income, work skills or job skills
Mathematics:	Kindergarten <a href="#">S1 B4 K2</a>	problem solving, computation
Commun. Arts:	Kindergarten <a href="#">S1 B1</a>	reading comprehension

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

**Learning Objective:** Students will learn that people in a family do jobs to earn money called income. Students will also learn about the money people earn when they do their jobs.

**Time Required:** 45 minutes (15 minutes for the computer program and 30 minutes for the activity)

**Activity:** *Working Hard For a Living*. There are many ways for people to get money. One way most people get money is by earning it. This lesson introduces students to work activities that grown-ups do to earn money. Students also explore tasks they might do at home to earn money.

Access activity here: <http://www.econedlink.org/lesson/465/undefined>

**\*Additional Lessons/Activities:** Go to [www.econedlink.org/educator](http://www.econedlink.org/educator) and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

**Glossary:**

[Income, Money](#)

**Teacher Notes:**

## First Grade: Program 1 – Producing Producers

### Episode 1 – Examples of Goods and Services

01 01 01

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**Synopsis:** Buddy and Caty are cleaning the pet store when Ms. Maddy comes in with her dog, Flash. The three begin discussing the difference between goods and services offered at the pet store.

**Interactive Exercises:** Students differentiate between goods and services.

**Standards/Concepts:** S = Standard; B = Benchmark; K = Knowledge Indicator

Economics:	2 <sup>nd</sup> Grade <a href="#">B1 K1</a>	goods, services
Mathematics:	1 <sup>st</sup> Grade <a href="#">S1 B1 K1, S1 B4 K3</a>	problem solving, computation
Commun. Arts:	1 <sup>st</sup> Grade <a href="#">S1 B3</a>	reading comprehension

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

**Learning Objective:** Students will give examples of goods and services.

**Time Required:** 50 minutes (20 minutes for the computer program and 30 minutes for the activity)

**Activity:** [Delivering the Goods](#). In this lesson, students have the opportunity to complete an interactive activity that teaches them about providers of goods and services.

Access activity here: <http://www.econedlink.org/teacher-lesson/197/Delivering-Goods>

**\*Additional Lessons/Activities:** Go to [www.econedlink.org/educator](http://www.econedlink.org/educator) and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

**Glossary:**

[Consumer](#), [Goods](#), [Services](#), [Wants](#)

**Teacher Notes:**

## First Grade: Program 1 – Producing Producers

### Episode 2 – What Do Producers Provide?

01 01 02

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**Synopsis:** Buddy and Caty are together when approached by Jenny, carrying her book of photos. Buddy and Caty are looking through the book when Caty asks Jenny if she has put together a book about producers. Each picture shows someone producing a good or service, i.e. Buddy's dad producing a chair, Ms. Maddy making candy.

**Interactive Exercises:** Students identify producers of goods and services.

**Standards/Concepts:** S = Standard; B = Benchmark; K = Knowledge Indicator

Economics:	2d Grade <a href="#">B1 K2</a>	producer, goods, services
Personal Finance:	<a href="#">S1 B1 4<sup>th</sup> Grade K3</a>	jobs, work skills or job skills
Mathematics:	1 <sup>st</sup> Grade <a href="#">S1 B4 K2, S1 B4 K4</a>	problem solving, number sense
Commun. Arts:	1 <sup>st</sup> Grade <a href="#">S1 B2</a>	reading comprehension

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

**Learning Objective:** Students will learn that producers make goods and provide services.

**Time Required:** 50 minutes (20 minutes for the computer program and 30 minutes for the activity)

**Activity:** In *Little Bill, the Producer*, students will be producing a book based on a computer program about Little Bill and the book him and Alice the Great make honoring Dr. King.

Access activity here: <http://www.econedlink.org/E564>

**\*Additional Lessons/Activities:** Go to [www.econedlink.org/educator](http://www.econedlink.org/educator) and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

**Glossary:**

[Goods](#), [Producer](#), [Services](#)

**Teacher Notes:**

## First Grade: Program 1 – Producing Producers

### Episode 3 – Different Kinds of Jobs

01 01 03

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**Synopsis:** Ben interrupts another of Buddy’s flights of fancy to begin their painting job. Ben and Buddy paint chairs and tables for their father, the carpenter. They discuss the income they will earn painting the furniture and then discuss the various jobs people do to earn income.

**Interactive Exercises:** Students focus on people doing work at school and for the family.

**Standards/Concepts:** S = Standard; B = Benchmark; K = Knowledge Indicator

Economics:	1 <sup>st</sup> Grade <a href="#">B5 K1</a>	specialization, producer
Personal Finance:	<a href="#">S1 B1 4<sup>th</sup> Grade K1</a>	jobs, income
Mathematics:	1st Grade <a href="#">S1 B4 K5</a>	problem solving, computation
Commun. Arts:	1st Grade <a href="#">S1 B1</a>	reading comprehension

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

**Learning Objective:** Students will give examples of different kinds of jobs that people do within a family and at school.

**Time Required:** 50 minutes (20 minutes for the computer program and 30 minutes for the activity)

**Activity:** *We Are Producers and Consumers*, students learn how they and family members fulfill the roles of producer and consumer at home and in their community. They begin by exploring the goods and services that people use and they identify those that require the payment of money. To help show they can be producers, students sequence the steps in washing dishes. They discuss the fact that family members are often not paid for the work they do at home and as volunteers, taking account of the possibility that the benefits may outweigh the lack of pay. Part of this lesson is computer interactive, and part of it requires downloading very cute worksheets.

Access activity here: <http://www.econedlink.org/teacher-lesson/457/We-are-Consumers-Producers>

**\*Additional Lessons/Activities:** Go to [www.econedlink.org/educator](http://www.econedlink.org/educator) and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

**Glossary:**

[Income](#), [Money](#), [Producer](#), [Seller](#)

**Teacher Notes:**

## First Grade: Program 2 – Getting Goods and Services

### Episode 1 – Coins and Currency

#### 01 02 01

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**Synopsis:** Buddy is counting coins for Ms. Maddy but becomes confused and loses count as Ms. Maddy begins to talk with him and inadvertently keeps mentioning numbers. Buddy learns that coins have different values, as do the denominations of paper money.

**Interactive Exercises:** Students sort coins and paper money into the correct denominations.

**Standards/Concepts:** S = Standard; B = Benchmark; K = Knowledge Indicator

Economics:	No K-8 Standard	monetary exchange
Mathematics:	1 <sup>st</sup> Grade <a href="#">S1 B1 K5</a>	coin recognition, number sense
Commun. Arts:	1 <sup>st</sup> Grade <a href="#">S1 B2, S1 B3</a>	reading comprehension

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

**Learning Objective:** Students will learn the different denominations of coins and currency.

**Time Required:** 55 minutes (20 minutes for the computer program and 35 minutes for the activity)

**Activity:** In *The Bernstein Bears' Trouble with Money*, students read about the cubs' spendthrift ways and how Mama and Papa Bear teach them to earn and save. Students learn about figures of speech, and they create "critter banks" in which they can begin to save.

Access activity here: <http://www.umsl.edu/~wpockets/schoolhouse/lessons/bears/bears.html>

**\*Additional Lessons/Activities:** Go to [www.econedlink.org/educator](http://www.econedlink.org/educator) and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

**Glossary:**

[Currency](#), [Denomination](#), [Money](#)

**Teacher Notes:**

## First Grade: Program 2 – Getting Goods and Services

### Episode 2 – Money and Exchange

01 02 02

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**Synopsis:** Once again, Buddy is daydreaming when Ben abruptly interrupts him. Ben is looking for his hat and whistle and finds that Buddy is using them. Ben offers to sell the items to Buddy, and they discuss using money to buy goods and services, as well as using a barter type of trade.

**Interactive Exercises:** Students affirm that people use money to buy goods and services, or will sometimes engage in barter.

**Standards/Concepts:** S = Standard; B = Benchmark; K = Knowledge Indicator

Economics:	1 <sup>st</sup> Grade <a href="#">B2 K1</a>	monetary exchange, goods, services, barter
Personal Finance:	<a href="#">S3 B3 4<sup>th</sup> Grade K4</a>	financial decision
Mathematics:	1st Grade <a href="#">S4 B2 K1</a>	graphing
Commun. Arts:	1st Grade <a href="#">S1 B2, S1 B3</a>	reading comprehension

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

**Learning Objective:** The student will define exchange and explain how money is used to buy goods and services.

**Time Required:** 45 minutes (20 minutes for the computer program and 25 minutes for the activity)

**Activity:** Provide each student with an item to trade (pencil, eraser, sticker, candy, etc.) Instruct each student to place his/her item on a table. Allow students to view all of the items available for trade. Instruct each student to retrieve his/her item and try to trade for an item he/she wants. Allow a few minutes for trades to occur. Instruct students to sit down. Explain that they just participated in bartering. Barter is trading good for good. Ask the following questions:

Was everyone able to make a trade? (Some students will not have been able to trade.)

Why were some of you not able to trade? (Some students had items that no one wanted. Some students had items so good that they didn't want to trade them.)

Would you have been able to get what you want if you had money? (Yes, money is always acceptable.)

Why does money work for trading where barter sometimes doesn't work? (With barter, you have to want what someone else has and he/she has to want what you have. Everyone wants money.)

**\*Additional Lessons/Activities:** Go to [www.econedlink.org/educator](http://www.econedlink.org/educator) and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

**Glossary:**

[Barter](#), [Goods](#), [Exchange](#), [Money](#), [Services](#), [Wants](#)



## First Grade: Program 2 – Getting Goods and Services

### Episode 3 – How is Income Used?

01 02 03

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**Synopsis:** Buddy and his brothers, Brett and Ben, must decide what to get their father for his birthday. At first, they choose something quite expensive and realized that they must use all of the income they've received from jobs to pay for it. Brett is saving his money for a bike and Ben is saving for a computer program game system, so each of them would rather not spend their entire income. Eventually, the boys come up with a less expensive idea, and Brett and Ben continue to save.

**Interactive Exercises:** Students identify people earning income and spending income to receive goods and services.

**Standards/Concepts:** S = Standard; B = Benchmark; K = Knowledge Indicator

Economics:	1 <sup>st</sup> Grade <a href="#">B1 K1</a> , <a href="#">B2 K1</a> , <a href="#">B5 K1</a>	income, goods, services, saving
Personal Finance:	<a href="#">S1 B4 4<sup>th</sup> Grade K1</a>	decision making, spending, saving
Mathematics:	1st Grade <a href="#">S1 B4 K1</a>	computation, problem solving
Commun. Arts:	1st Grade <a href="#">S1 B2</a> , <a href="#">S1 B3</a>	reading comprehension, sequencing

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

**Learning Objective:** Students will give examples of how family members and friends use income to buy goods and services.

**Time Required:** 70 minutes (20 minutes for the computer program and 50 minutes for the activity)

**Activity:** In *A Gift for Mama*, students read a story about a young girl named Sara. Sara has always made gifts for her family for special occasions. For Mother's Day, Sara decides she wants to buy a gift for her mother. After reading and discussing the story, students create booklets to illustrate Sara's short-term savings goal and their own short-term savings goal.

Access activity here: <http://www.umsl.edu/~wpockets/schoolhouse/lessons/Mama/mama.html>

**\*Additional Lessons/Activities:** Go to [www.econedlink.org/educator](http://www.econedlink.org/educator) and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

**Glossary:**

[Consumer](#), [Goods](#), [Income](#), [Services](#), [Saving](#)

**Teacher Notes:**



## First Grade: Program 3 – Making Money Choices

### Episode 1 – People Must Make Choices

01 03 01

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**Synopsis:** Wanting to please everyone's tastes, Buddy mixes cookies using every conceivable ingredient (chocolate chips, raisins, peanut butter...). However, he finds that he cannot stir the cookie dough with all ingredient options added, and he must choose.

**Interactive Exercises:** Students practice making choices.

**Standards/Concepts:** S = Standard; B = Benchmark; K = Knowledge Indicator

Economics: 1<sup>st</sup> Grade [B1 K1](#) decision making, trade-off  
Commun. Arts: 1st Grade [S1 B2, S1 B3](#) Sequencing, reading comprehension

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

**Learning Objective:** Students will learn that people and groups of people can't have everything they want, so people have to make choices in groups and as individuals.

**Time Required:** 60 minutes (20 minutes for the computer program and 40 minutes for the activity)

**Activity:** Bring ingredients to make enough no-bake cookies for the class. Include 3 or 4 additional add-ins such as nuts, raisins, sunflower seeds or coconut. Ask students what they would like in their cookies. Tell them they can only choose one additional ingredient. Ask what they should do to solve this problem. Ask students to identify the benefit to the class for each choice and the cost of the choice. Explain that choosing requires that something must be given up. Ask the class to identify the opportunity cost (next most popular ingredient not chosen). Ask the students to give examples of other decisions that involved opportunity cost.

**\*Additional Lessons/Activities:** Go to [www.econedlink.org/educator](http://www.econedlink.org/educator) and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

**Glossary:**

[Wants](#), [Choice](#)

**Teacher Notes:**

## First Grade: Program 3 – Getting Goods and Services

### Episode 2 – Trade-Offs of Choices

01 03 02

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**Synopsis:** Caty startles Buddy out of a daydream to ask if he would buy a toy from her fund-raising catalog. When Buddy shows interest, Caty explains that when he chooses to use his money to buy a toy, he will be giving up something else that the money could be used to purchase. In this case, Buddy will give up his bicycle savings.

**Interactive Exercises:** Students practice making choices and noting what is given up.

**Standards/Concepts:** S = Standard; B = Benchmark; K = Knowledge Indicator

Economics: 1<sup>st</sup> Grade [B1 K1](#) decision making, trade-off, exchange

Personal Finance: [S3 B1 4<sup>th</sup> Grade K1](#), [S4 B1 4<sup>th</sup> Grade K1](#) spending, saving, savings

Commun. Arts: 1<sup>st</sup> Grade [S1 B2](#), [S1 B3](#) reading comprehension, making inferences

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

**Learning Objective:** Students will learn that whenever a choice is made, something is given up.

**Time Required:** 50 minutes (20 minutes for the computer program and 30 minutes for the activity)

**Activity:** Ask students for their personal experiences with choosing one item and giving up another. Offer the students the opportunity to choose between two snack items. As students choose, ask them to identify what they are giving up.

**\*Additional Lessons/Activities:** Go to [www.econedlink.org/educator](http://www.econedlink.org/educator) and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

**Glossary:**

[Buyer](#), [Choice](#), [Money](#), [Saving](#), [Seller](#), [Spending](#)

**Teacher Notes:**

## Second Grade: Program 1 – Buying and Selling

### Episode 1 – Satisfying Wants with Goods and Services

02 01 01

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**Synopsis:** Caty enlists her friends to make fliers for the pet store. The kids are asked to design creative fliers that will inform people of the goods and services offered at the pet shop.

**Interactive Exercises:** Students differentiate between goods and services and indicate how goods and services satisfy people's wants.

**Standards/Concepts:**

Economics:	2 <sup>nd</sup> Grade <a href="#">B1 K1</a>	goods, services, market, producer
Mathematics:	2 <sup>nd</sup> Grade <a href="#">S4 B2 K4, S3 B4 K1</a>	data analysis, number line
Commun. Arts:	2 <sup>nd</sup> Grade <a href="#">S1 B2</a>	reading comprehension, noting details

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

**Learning Objective:** Students will learn the difference between goods and services and give examples of how goods and services satisfy people's wants.

**Time Required:** 45 minutes (20 minutes for the computer program and 25 minutes for the activity)

**Activity:** Display pet store ads that inform the public of goods and services for sale. (Other flier ideas – hair salon, supermarket) Ask students to identify the goods and services in the flier. Have pairs of students design a flier for a local store. Instruct students to include at least one example of a service and two examples of goods in their fliers.

**\*Additional Lessons/Activities:** Go to [www.econedlink.org/educator](http://www.econedlink.org/educator) and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

**Glossary:**

[Consumer](#), [Goods](#), [Services](#), [Wants](#)

**Teacher Notes:**

## Second Grade: Program 1 – Buying and Selling

### Episode 2 – Consumers and Producers

02 01 02

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**Synopsis:** Buddy and Jenny visit Ms. Maddy’s candy store and learn that they are consumers of goods and services, while Ms. Maddy is a producer of a good, the candy

**Interactive Exercises:** Students identify consumers and producers.

**Standards/Concepts:**

Economics:	2 <sup>nd</sup> Grade <a href="#">B1 K1</a>	consumers, producer, goods, services,
Mathematics:	2 <sup>nd</sup> Grade <a href="#">S3 B3 K3, S2 B2 K3</a>	estimation, pattern recognition, measurement
Commun. Arts:	2 <sup>nd</sup> Grade <a href="#">S1 B3</a>	reading comprehension

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

**Learning Objective:** Students will learn that consumers buy goods and services to satisfy their wants.

**Time Required:** 45 minutes (20 minutes for the computer program and 25 minutes for the activity)

**Activity:** Ask each student to identify a producer in his/her neighborhood or at school. Ask for a student volunteer to write the producers on the board. Then ask the class what good or service is produced by the producer. Make separate columns on the board for goods and services. Match the producer with the good or service. Ask the class to write a short story about the producer and the good or service produced. Check short stories for correct use of concepts. Have students read their short story to the class.

**\*Additional Lessons/Activities:** Go to [www.econedlink.org/educator](http://www.econedlink.org/educator) and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

**Glossary:**

[Buyer](#), [Consumer](#), [Goods](#), [Producer](#), [Seller](#), [Services](#), [Wants](#)

**Teacher Notes:**

## Second Grade: Program 1 – Buying and Selling

### Episode 3 – Examples of Consumers and Producers

02 01 03

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**Synopsis:** Buddy breaks a bureau drawer while pretending he is the captain of a ship sailing rough seas. While Ben threatens to snitch, Buddy's father, Buck, enters the room and offers to fix the drawer. Buddy and Buck discuss how producers use resources to provide goods and services that satisfy consumers' wants.

**Interactive Exercises:** Students differentiate between producers and consumers.

**Standards/Concepts:**

Economics:	2 <sup>nd</sup> Grade <a href="#">B1 K1</a>	producer, consumer, capital resources, human resources, goods, services
Mathematics:	2 <sup>nd</sup> Grade <a href="#">S1 B4 K6, S4 B2 K1</a>	computation, problem solving, graphing
Commun. Arts:	2 <sup>nd</sup> Grade <a href="#">S1 B3</a>	reading comprehension, vocabulary

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

**Learning Objective:** Students will identify examples of producers and consumers

**Time Required:** 50 minutes (20 minutes for the computer program and 30 minutes for the activity)

**Activity:** Separate students into small groups or pairs. Give each group a list of resources and instruct the group members to list all of the goods and services that could be produced with those resources. Ask each group to put their list of goods and services on the board. Have the class discuss how many different resources are needed to produce a good or service. Have students identify which resources are human resources (people), capital resources (tools, computers) and natural resources (trees, land).

**\*Additional Lessons/Activities:** Go to [www.econedlink.org/educator](http://www.econedlink.org/educator) and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

**Glossary:**

[Buyer](#), [Capital Resources](#), [Consumer](#), [Human Resources](#), [Natural Resources](#),  
[Producer](#), [Seller](#), [Wants](#)

**Teacher Notes:**

## Second Grade: Program 2 – Spending or Stashing Your Cash Episode 1 – Exchanging Money for Purchases 02 02 01

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**Synopsis:** While pretending to be a cowboy, Buddy swings a lasso and breaks his lamp. Brother Brett offers to walk Buddy to the store to buy a new lamp for his room. Brett reminds Buddy that he must bring his piggy bank and the two discuss the use of money to exchange goods and services. Later, the conversation turns to barter as a method of exchange.

**Interactive Exercises:** Students use money to purchase goods and services.

**Standards/Concepts:**

Economics:	2 <sup>nd</sup> Grade <a href="#">B1 K1</a> , <a href="#">B2 K1</a>	exchange, goods, services, barter
Personal Finance:	<a href="#">S3 B1 4<sup>th</sup> Grade K4</a>	financial decision making
Mathematics:	2 <sup>nd</sup> Grade <a href="#">S1 B1 K4</a> , <a href="#">S1 B1 K2</a>	computation, coin identification
Commun. Arts:	2 <sup>nd</sup> Grade <a href="#">S1 B2</a>	reading comprehension

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

**Learning Objective:** Students will learn about exchange and that money is used to purchase goods and services.

**Time Required:** 40 minutes (20 minutes for the computer program and 20 minutes for the activity)

**Activity:** Ask students for examples of times they have traded with money and times they have traded without using money. Have students make a list of the benefits of trading with money and trading without money. Ask the students to vote on their preferred payment. Have students discuss why their favorite store will only take money.

**\*Additional Lessons/Activities:** Go to [www.econedlink.org/educator](http://www.econedlink.org/educator) and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

**Glossary:**

[Bank](#), [Barter](#), [Goods](#), [Exchange](#), [Money](#), [Services](#), [Saving](#), [Wants](#)

**Teacher Notes:**

## Second Grade: Program 2 – Spending or Stashing Your Cash Episode 2 – Jobs, Income, and Employee Benefits 02 02 02

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**Synopsis:** Buddy’s imaginary NASCAR win is disrupted by his brother, Ben, who has come to remind Buddy that they have leaf-raking jobs to do. The boys discuss jobs people do and the income they receive for doing those jobs. They point out that income can consist of wages, interest, rent, and profit, but that people receive wages for the work they perform. The discussion turns to other forms of compensation – employee benefits.

**Interactive Exercises:** Students identify the people who hold jobs in the community and the benefits that some employees might receive.

**Standards/Concepts:**

Economics:	2 <sup>nd</sup> Grade <a href="#">B5 K1</a>	income, employee benefits, specialization
Personal Finance:	<a href="#">S1 B1 4th Grade K1, K4</a>	income sources, jobs
Mathematics:	2 <sup>nd</sup> Grade <a href="#">S3 B2 K1, S1 B4 K4</a>	computation, problem solving, geometric shape recognition
Commun. Arts:	2 <sup>nd</sup> Grade <a href="#">B1 S1</a>	reading comprehension

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

**Learning Objective:** Students will give examples of different types of jobs people do within a community and learn that people earn an income and sometimes employee benefits for the work they do.

**Time Required:** 35 minutes (20 for the computer program, 10 minutes for the activity)

**Activity:** Ask what benefits your students would say they could receive at school that would make them more productive doing their school work.

**\*Additional Lessons/Activities:** Go to [www.econedlink.org/educator](http://www.econedlink.org/educator) and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

**Glossary:**

[Benefits](#), [Community](#), [Income](#), [Interest](#), [Profit](#), [Rent](#), [Wages](#)

**Teacher Notes:**



## Second Grade: Program 2 – Spending or Stashing Your Cash Episode 3 – What Does it Mean to Save? 02 02 03

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**Synopsis:** Buddy visits Ms. Maddy at the candy store. He receives \$20 for work he did for Ms. Maddy, and they discuss whether he should spend the money or save it. Ms. Maddy explains that saving is the part of income not spent on goods and services and not paid in taxes.

**Interactive Exercises:** Students identify examples of people saving and then define spending and saving.

**Standards/Concepts:**

Economics:	2 <sup>nd</sup> Grade <a href="#">B3 K1</a>	saving, income, taxes
Personal Finance:	<a href="#">S1 B1 4<sup>th</sup> Grade K1</a> , <a href="#">S3 B1 4<sup>th</sup> Grade K1</a>	spending, saving, income
Mathematics:	2 <sup>nd</sup> Grade <a href="#">S2 B2 K4</a> , <a href="#">S3 B2 K2</a>	solve equations, geometry
Commun. Arts:	2 <sup>nd</sup> Grade <a href="#">S1 B3</a>	vocabulary

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

**Learning Objective:** The student will explain that savings is the part of income not spent on goods and services and not paid in taxes.

**Time Required:** 40 minutes (20 minutes for the computer program and 20 for the activity)

**Activity:** In *The ABCs of Saving* students read about The Ant and the Grasshopper, drawing conclusions about the benefits of saving. The lesson also contains several interactive exercises.

Access activity here: <http://www.econedlink.org/teacher-lesson/414/>

**\*Additional Lessons/Activities:** Go to [www.econedlink.org/educator](http://www.econedlink.org/educator) and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

**Glossary:**

[Bank](#), [Buyer](#), [Choice](#), [Goods](#), [Government \(public\) goods](#), [Government \(public\) services](#), [Income](#), [Money](#), [Saving](#), [Seller](#), [Services](#), [Spending](#), [Taxes](#), [Wants](#)

**Teacher Notes:**



## Second Grade: Program 3 – Picking Between Price Tags Episode 1 – The Decision-Making Process 02 03 01

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**Synopsis:** Buddy stops by Ms. Maddy’s store for a snack, but he can’t decide what to get. Ms. Maddy introduces Buddy to a decision-making process by showing him a photo album containing pictures of Decision Dog, a comic book character. Buddy learns how to construct a decision map to better sort out the benefits and costs associated with each possible solution.

**Interactive Exercises:** Students identify the opportunity cost of a decision.

**Standards/Concepts:**

Economics:	2 <sup>nd</sup> Grade <a href="#">B5 K2</a>	decision making, costs and benefits
Mathematics:	2 <sup>nd</sup> Grade <a href="#">S4 B2 K1, S1 B1 K5</a>	problem solving, probability
Commun. Arts:	2 <sup>nd</sup> Grade <a href="#">S1 B3</a>	vocabulary

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

**Learning Objective:** Students will learn how a decision-making process helps people making spending decisions.

**Time Required:** 45 minutes (20 for the computer program and 25 for the activity)

**Activity:** Allow students to work through a problem using the decision map. Use the National Council on Economic Education lesson, *The Costs and Benefits of the Three Little Pigs*. The story can be viewed and heard on-line through a link in the lesson; however, it is the traditional story, so any source of the story will suffice.

Access activity here: <http://www.econedlink.org/teacher-lesson/282/Costs-Benefits-Three-Little-Pigs>.

**\*Additional Lessons/Activities:** Go to [www.econedlink.org/educator](http://www.econedlink.org/educator) and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

**Glossary:**

[Benefits](#), [Buyer](#), [Choice](#), [Costs](#), [Goods](#), [Income](#), [Money](#), [Saving](#), [Seller](#), [Services](#),  
[Spending](#), [Wants](#)

**Teacher Notes:**

## Second Grade: Program 3 – Picking Between Price Tags Episode 2 – The Opportunity Cost of a Choice 02 03 02

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**Synopsis:** Buck offers his sons three options for desert, but explains that they may only choose one. When they have made their choice, Ben and Buck instruct Buddy on opportunity cost.

**Interactive Exercises:** Students identify the opportunity cost of a decision.

**Standards/Concepts:**

Economics:	2 <sup>nd</sup> Grade <a href="#">B1 K3</a>	opportunity cost, decision making
Mathematics:	2 <sup>nd</sup> Grade <a href="#">S4 B2 K1</a>	mathematical modeling, graphing
Commun. Arts:	2 <sup>nd</sup> Grade <a href="#">S1 B3</a>	vocabulary

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

**Learning Objective:** Students will identify the opportunity cost of a choice.

**Time Required:** 45 minutes (20 for the computer program and 25 for the activity)

**Activity:** *Vincent van Gogh's Flower Beds in Holland*. Students study a painting by van Gogh called, "Flower Beds in Holland." The students recognize that this farmer made a choice to grow flowers instead of another crop. Students are introduced to the concepts of choice and opportunity cost.

Access activity here: <http://www.econedlink.org/lessons/index.php?lid=267&type=educator>.

**\*Additional Lessons/Activities:** Go to [www.econedlink.org/educator](http://www.econedlink.org/educator) and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

**Glossary:**

[Choice](#), [Opportunity cost](#), [Wants](#)

**Teacher Notes:**

## Second Grade: Program 3 – Picking Between Price Tags Episode 3 – What is a Budget? 02 03 03

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**Synopsis:** After destroying Ben’s pajamas during one of Buddy’s typical flights of fancy, Buddy suggests that Ben can simply go buy new pajamas. Ben explains that he can’t do that because new pajamas are not in his budget. Ben and Buddy discuss the components of a budget and the reason to develop one.

**Interactive Exercises:** Students differentiate income items and expense items.

**Standards/Concepts:**

Economics:	2 <sup>nd</sup> Grade <a href="#">B3 K2</a>	decision making, spending, saving, income
Personal Finance:	<a href="#">S3 B1 4<sup>th</sup> Grade K1</a>	personal financial resources, budget
Mathematics:	2 <sup>nd</sup> Grade <a href="#">S1 B4 K1</a> , <a href="#">S3 B1 K1</a>	problem solving with money, computation
Commun. Arts:	2 <sup>nd</sup> Grade <a href="#">S1 B3</a>	reading comprehension, vocabulary

The correlations are for the previous standards. We are currently working on correlating to the New Kansas Standards for History, Government, and Social Studies.

**Learning Objective:** The student will explain that a budget is a plan for spending and saving income.

**Time Required:** 20 minutes for the computer program and 10 to 15 class periods for the activity

**Activity:** In this lesson based on *From the Mixed-up Files of Mrs. Basil E. Frankweiler*, students use the experiences of Claudia and Jamie to learn about income, expenses, and the budget process. The book follows the adventures of two runaway children hiding out in the Metropolitan Museum of Art in New York City. Students complete an activity emphasizing the need for income and the importance of planning and budgets. Students also have an opportunity to update some of the 1967 prices used in the book. The assessment activity has students sort through expenses and income sources to construct their own weekly budget.

Access activity here: <http://www.umsl.edu/~wpockets/schoolhouse/lessons/mixup/mixup.html>

**\*Additional Lessons/Activities:** Go to [www.econedlink.org/educator](http://www.econedlink.org/educator) and click on the tab for EDUCATOR for a dropdown box to view LESSONS. Filter lessons by concept & grade level. INTERACTIVE TOOLS is another section that will provide additional technology based resources.

**Glossary:**

[Bank](#), [Budget](#), [Choice](#), [Income](#), [Interest](#), [Money](#), [Profit](#), [Rent](#), [Saving](#), [Spending](#), [Wages](#), [Wants](#)

## Previous Kansas Standards for Economics – Grades K-2

(We are currently in the process of correlating the new standards.)

### Kindergarten

#### 1<sup>st</sup> Grade

#### 2<sup>nd</sup> Grade

### Kindergarten

**Economics Standard:** The student uses a working knowledge and understanding of major economic concepts, issues, and systems of the United States and other nations; and applies decision-making skills as a consumer, producer, saver, investor, and citizen of Kansas and the United States living in an interdependent world.

**Benchmark 1:** The student understands how limited resources require choices.

Knowledge Indicator

The student:

1. ★(K) - (\$) understands that a person cannot have everything he/she wants so a *choice* has to be made (e.g., play computer program games or watch television; play on swings or play soccer).
2. (K) - (\$) explains what he/she gives up when a *choice* is made.

Teacher Notes:

1. ★ E6B111

*Wants* - desires that can be satisfied by consuming a good, service, or leisure activity.

**Benchmark 2:** The student understands how the market economy works in the United States.

Knowledge Indicator

The student:

1. (K) - (\$) understands the use of *money* to purchase *goods* and *services*.

Teacher Notes:

*Goods* - something that you can touch or hold.

*Services* - something that one person does for someone else

**Benchmark 3:** The student analyzes how different incentives, economic systems and their institutions, and local, national, and international interdependence affect people.

Knowledge Indicator

The student:

1. ★(K) - (\$) discusses the *benefits* of *saving* money.

Teacher Notes:

1. ★ E5B511

*Benefit* - something that satisfies one's wants.

**Benchmark 4:** The student analyzes the role of the government in the economy.

This benchmark will be taught at another grade level

**Benchmark 5:** The student makes effective decisions as a *consumer*, producer, saver, investor, and citizen.

Knowledge Indicator

The student:

1. (A) - (\$) gives examples of types of *jobs* that he/she does within the family.

## First Grade

**Economics Standard: The student uses a working knowledge and understanding of major economic concepts, issues, and systems, applying decision-making skills as a consumer, producer, saver, investor, and citizen of Kansas and the United States living in an interdependent world.**

**Benchmark 1:** The student understands how limited resources require choices.

Knowledge Indicator

The student:

1. ★(K) - (\$) understands individuals and families cannot have everything they want, so they have to make *choices* (e.g., having to decide whether to buy a new computer program game or a pair of shoes).

Teacher Notes:

1. ★ E6B111

**Benchmark 2:** The student understands how the market economy works in the United States.

Knowledge Indicator

The student:

1. (K) - (\$) understands the concept of *exchange* and the use of *money* to purchase *goods* and *services*

Teacher Notes:

*Goods* - something that you can touch or hold.

*Services* - something that one person does for someone else.

**Benchmark 3:** The student analyzes how different incentives, economic systems and their institutions, and local, national, and international interdependence affect people.

Knowledge Indicators

The student:

1. ★(K) - (\$) discusses why people *save* money in a bank.

Teacher Notes:

1. ★ E5B511

*Cost* - something that is given up to satisfy your wants.

*Savings* - income that is not spent, setting aside income or money for future use.

**Benchmark 4:** The student analyzes the role of the government in the economy.

*This benchmark will be taught at another grade level.*

**Benchmark 5:** The student makes effective decisions as a consumer, producer, saver, investor, and citizen.

Knowledge Indicators

The student:

1. (K) - (\$) understands that people have *jobs* to earn a *wage*.

Teacher Notes:

*Wages* - payment for labor or services to a worker, usually on an hourly, daily, or weekly basis, or by the piece.

## Second Grade

**Economics Standard: The student uses a working knowledge and understanding of major economic concepts, issues, and systems, applying decision-making skills as a consumer, producer, saver, investor, and citizen of Kansas and the United States living in an interdependent world.**

**Benchmark 1:** The student understands how limited resources require *choices*.

Knowledge Indicators

The student:

1. ★(A) knows the difference between *goods* and *services*, and provides examples how each satisfies people's *wants* and *needs*.
2. (K) identifies examples of *producers* and *consumers*.
3. ★(A) - (\$) identifies the *opportunity cost* of a *choice* (e.g., next best alternative not chosen).

Teacher Notes:

1. ★ E6B111

3. ★ E5B511

*Consumer* - a person who buys goods or services to satisfy wants.

*Goods* - something that you can touch or hold.

*Needs*- necessities (food, clothing, shelter)

*Opportunity cost* - in making a decision, the most valuable alternative not chosen.

*Producer* - one that produces especially a person or organization that produces goods or services for sale.

*Services* - something that one person does for someone else.

*Wants* - desires that can be satisfied by consuming a good, service, or leisure activity.

**Benchmark 2:** The student understands how the market economy works in the United States.

Knowledge Indicators

The student:

1. ★(K) - (\$) understands the concept of *exchange* and the use of *money* to purchase *goods* and *services* (e.g., *trade* with *barter* or *money*).

Teacher Notes:

1. ★ E6B312

*Barter* - trading goods or services without the use of money.

*Goods* - something that you can touch or hold.

*Services* - something that one person does for someone else.

*Trade* - the exchange of goods or services for other goods and services or money.



**Benchmark 3:** The student analyzes how different incentives, economic systems and their institutions, and local, national, and international interdependence affect people.

Knowledge Indicators

The student:

1. ★(K) - (\$) explains the advantage of choosing to *save* or *spend money* that is earned or received.
2. ★(K) - (\$) defines a *budget* as a plan for *spending* and *saving income*.

**Teacher Notes:**

1. ★ E5B511
2. ★ E5B511

*Budget* - a sum of money allocated for a particular use; a plan for saving and spending money.

*Income* - financial gain received as wages/salaries, rent, interest, and/or profit.

*Price* - amount of money that people pay when they buy a good or service. It is largely determined by the buying and selling decisions of consumers and producers.

*Spending* - the use of money to buy goods and services.

**Benchmark 4:** The student analyzes the role of the government in the economy.

*This benchmark will be taught at another grade level.*

**Benchmark 5:** The student makes effective decisions as a consumer, producer, saver, investor, and citizen.

Knowledge Indicators

The student:

1. (K) - (\$) understands that people earn an *income* and sometimes *benefits* for the work they do and gives examples of different types of work within a *community* both today and in the past.
2. ★(K) - (\$) knows that a *decision making* process can help people make *spending* and *saving* decisions.



## **PERSONAL FINANCIAL STANDARDS (National)**

### **Standard 1 - INCOME STANDARDS**

#### **K-8 BENCHMARKS**

Students will be able to:

1. Identify sources of income.
2. Analyze how career choice, education, skills, and economic conditions affect income.
3. Explain how taxes, government transfer payments, and employee benefits relate to disposable income.

#### **4<sup>th</sup> Grade Knowledge indicators**

*Students will know that:*

1. People can get income by earning wages and salaries or by receiving money gifts.
2. Income can be earned or unearned.
3. Workers can improve their ability to earn income by gaining new knowledge, skills, and experiences.
4. Many workers receive employee benefits in addition to their pay.
5. Entrepreneurs, who work for themselves by starting new businesses, hope to earn a profit, but accept the risk of a loss.
6. People are required to pay taxes, for which they receive government services.

#### **8<sup>th</sup> Grade Knowledge indicators**

*(Students will know the grade 4 benchmarks and also that):*

1. People can earn income from rent and interest.
2. Wages/salaries minus payroll deductions equal take-home pay.
3. Inflation reduces the purchasing power of income.
4. Government transfer payments provide unearned income to some households.
5. Generally, people earn higher incomes with higher levels of education.

## Standard 2 - MONEY MANAGEMENT STANDARDS

### K-8 BENCHMARKS

Students will be able to:

1. Explain how limited personal financial resources affect the choices people make.
2. Identify the opportunity cost of financial decisions.
3. Discuss the importance of taking responsibility for personal financial decisions.
4. Apply a decision-making process to personal financial choices.
5. Explain how inflation affects spending and investing decisions.
6. Describe how insurance and other risk-management strategies protect against financial loss.
7. Design a plan for earning, spending, saving, and investing.
8. Explain how to use money-management tools available from financial institutions.

### 4<sup>th</sup> Grade Knowledge indicators

*Students will know that:*

1. People make choices because they have limited financial resources and cannot have everything they want.
2. A first step toward reaching financial goals is to identify needs and wants and rank them in order of importance.
3. A decision-making process can help people make money decisions.
4. A budget is a plan for spending and saving income.

### 8<sup>th</sup> Grade Knowledge indicators

*(Students will know the grade 4 benchmarks and also that):*

1. Financial choices that people make have benefits, costs, and future consequences.
2. A key to financial well-being is to spend less than you earn and save the difference.
3. People perform basic financial tasks to manage money.
4. A budget identifies expected income and expenses, including saving, and serves as a guide to help people live within their income.
5. Risk management strategies include risk avoidance, risk control, and risk transfer through insurance.

## Standard 3 - SPENDING AND CREDIT STANDARDS

### K-8 BENCHMARKS

Students will be able to:

1. Compare the benefits and costs of spending decisions.
2. Evaluate information about products and services.
3. Compare the advantages and disadvantages of different payment methods.
4. Analyze the benefits and costs of consumer credit.
5. Compare sources of consumer credit.
6. Explain factors that affect creditworthiness and the purpose of credit records.
7. Identify ways to avoid or correct credit problems.
8. Describe the rights and responsibilities of buyers and sellers under consumer protection laws.

### 4<sup>th</sup> Grade Knowledge indicators

*Students will know that:*

1. To make a decision, careful consumers compare the benefits and costs of spending alternatives.
2. Information about goods and services comes from many sources.
3. Every spending decision has an opportunity cost.
4. People pay for goods and services in different ways.
5. Credit is a basic financial tool.
6. Borrowing money to buy something usually costs more than paying cash because there is a fee for credit.
7. Responsible borrowers repay as promised, showing that they are worthy of getting credit in the future.

### 8<sup>th</sup> Grade Knowledge indicators

*(Students will know the grade 4 benchmarks and also that):*

1. A consumer should not rely on advertising claims as the sole source of information about goods and services.
2. Comparison shopping helps consumers get the best value for their money.
3. Some payment methods are more expensive than others.
4. Online transactions can make consumers vulnerable to privacy infringement and identity theft.
5. Comparing the costs and benefits of buying on credit is key to making a good purchase decision.
6. For any given loan amount and interest rate, the longer the loan period, the smaller the monthly payment and the larger the total cost of credit.
7. Consumers can choose from a variety of credit sources.
8. Credit bureaus maintain credit reports, which record borrowers' histories of repaying loans.
9. Sometimes people borrow more money than they can repay.
10. Laws and regulations exist to protect consumers from a variety of seller and lender abuses.

## Standard 4 - SAVING AND INVESTING STANDARDS

### K-8 BENCHMARKS

Students will be able to:

1. Explain the relationship between saving and investing.
2. Describe reasons for saving and reasons for investing.
3. Compare the risk, return, and liquidity of investment alternatives.
4. Describe how to buy and sell investments.
5. Explain how different factors affect the rate of return of investments.
6. Evaluate sources of investment information.
7. Explain how agencies that regulate financial markets protect investors.

### 4<sup>th</sup> Grade Knowledge indicators

*Students will know that:*

1. People save for future financial goals.
2. Every saving decision has an opportunity cost.
3. Banks, savings and loan associations, and credit unions are places people can save money and earn interest.
4. Piggy banks, savings accounts, and savings bonds are alternatives for savings.

### 8<sup>th</sup> Grade Knowledge indicators

*(Students will know the grade 4 benchmarks and also that):*

1. Saving is for emergencies and short-term goals, and investing is for long-term goals. Funds for investing often come from savings.
2. Savings and investing products differ in their potential rate of return, liquidity, and level of risk.
3. There is usually a positive relationship between the average annual return on an investment and its risk.
4. Compound interest is earned on both principal and previously earned interest.
5. Inflation reduces the return on an investment.
6. The Rule of 72 is a tool for estimating the time or rate of return required to double a sum of money.
7. Investors can get information from many sources.
8. People can buy and sell investments in different ways.

# Glossary

(not all terms are relevant to K-2 standards)

## **Banks**

Corporations chartered by state or federal government to offer financial services such as checking and savings accounts, loans, and safe deposit boxes

## **Barter**

Trading goods or services without the use of money

## **Benefit**

Something that satisfies one's wants; something that is favorable to the decision maker

## **Borrow**

To obtain or receive something on loan with the promise to return it or something that's equal to it

## **Borrowing**

Promising to repay a given amount of money, often with added interest

## **Budget**

A sum of money allocated for a particular use; a plan for saving and spending money

## **Buyers**

People who purchase goods and services

## **Capital Resources**

Resources made and used to produce and distribute goods and services; examples include tools, machinery and buildings.

## **Choice**

Decision

## **Community**

Any group living in the same area or having interests, work, etc. in common

## **Consequences**

The logical or natural result of an action or condition. Consequences can affect the decision maker or someone who is uninvolved.

## **Consumer**

A person who buys goods or services to satisfy wants

### **Consumer Price Index (CPI)**

A price index that measures the cost of a fixed basket of consumer goods and services and compares the cost of this basket in one time period with its cost in some base period. Changes in the CPI are used to measure inflation.

### **Cost**

What is given up to satisfy your wants; an amount that must be paid or spent to buy or obtain something; the effort, loss or sacrifice necessary to achieve or obtain something; something unfavorable to the decision maker

### **Credit**

An arrangement for deferred payment of a loan or purchase

### **Credit Unions**

Not-for-profit cooperatives of members with some type of common bond like the same employer. Credit unions provide many financial services, often at a lower cost than banks.

### **Currency**

Paper money

### **Decision Making**

Reaching a conclusion after considering alternatives and their results.

### **Deflation**

A sustained decrease in the average price level of all the goods and services produced in the economy.

### **Demand**

The quantity of goods and services that buyers are willing and able to purchase at various prices at a particular time.

### **Denomination**

Value of coins and currency

### **Distribution**

The arrangement of items over a specified area

### **Economic System**

Establishes how a country produces and distributes goods and services

### **Employee Benefits**

Something of value that an employee receives in addition to a wage or salary.



### **Exchange**

Trading a good or service for another good or service, or for money.

### **Federal Deposit Insurance Corporation (FDIC)**

Insures accounts in some, but not all, federally chartered banks and savings associations

### **Financial Investment**

Money set aside to increase wealth over time and accumulate funds for long-term financial goals such as retirement

### **Goods**

Something that you can touch or hold that satisfy people's wants

### **Government**

Institutions and procedures through which a territory and its people are ruled.

### **Human Capital**

The knowledge, skills and experience that make a worker more productive.

### **Human Resources**

The health, education, experience, training, skills and values of people. Also known as human capital.

### **Incentives**

Something, such as the fear of punishment or the expectation of reward, which induces action or motivates effort.

### **Income**

Financial gain received as wages/salaries, rent interest, and/or profit

### **Inflation**

A rise in the general or average price level of all the goods and services produced in an economy. Can be caused by pressure from the demand side of the market (demand-pull inflation) or pressure from the supply side of the market (cost-push inflation).

### **Interest**

A charge for a loan, usually a percentage of the amount loaned

### **Interest Rate**

The price of using credit that relates to the amount owed

### **Job**

A piece of work usually done on order at an agreed-upon rate. Also a paid position of regular employment.

**Loan**

A sum of money borrowed for temporary use on condition that the same or its equivalent will be returned.

**Lending**

To give for temporary use on condition that the same or its equivalent will be returned

**Liquidity**

The quality of an asset that makes it possible to sell it quickly in exchange for cash without the asset losing value

**Market Economy**

A system in which buyers and sellers make major decisions about production and distribution, based on supply and demand

**Market**

A group of buyers and sellers of a particular good or service

**Money**

Anything that is generally accepted as final payment for goods and services; serves as a medium of exchange, a store of value and a standard of value. Characteristics of money are portability, stability in value, uniformity, durability and acceptance.

**Natural Resources**

"Gifts of nature" that can be used to produce goods and services; for example, oceans, air, mineral deposits, virgin forests and actual fields of land. When investments are made to improve fields of land or other natural resources, those resources become, in part, capital resources. Also known as land.

**Needs**

Necessities (food, clothing, shelter)

**Negative Incentives**

Costs that discourage certain behaviors

**Non-Exclusion**

The ability to use a good or service without paying for it.

**Opportunity Cost**

In making a decision, the most valuable alternative not chosen

**Positive Incentives**

Benefits that encourage certain behaviors

**Price**

The amount of money that people pay when they buy a good or service; the amount they receive when they sell a good or service.

**Principal**

The original amount of money invested, does not include interest and dividends

**Producer**

One that produces, especially a person or organization that produces goods or services for sale

**Production**

The creation of value or wealth by producing goods or services

**Productivity**

The amount a worker produces in a certain amount of time.

**Profit**

Total revenue from the sale of goods or services minus the total cost.

**Public Goods & Services**

Goods and services that cannot be sold effectively in the marketplace; these goods are characterized by shared consumption and non-exclusion.

**Resources**

The basic kinds of resources used to produce goods and services. The kinds of resources are: human resources (people), capital resources (tools, computers) and natural resources (trees, land).

**Rent**

A payment for the temporary use of a resource.

**Return**

A payment for making a financial investment expressed as a percentage of the total invested amount of money you invest.

**Revenue**

Receipts from sales of goods and services

**Risk**

The chance of losing money

**Save/Saving**

To keep money for future use; to divert money from current spending to a savings account or another form of investment; the act of saving

### **Savings**

Income not spent on goods and services and not paid in taxes

### **Savings**

Money set aside for a future use that is held in easily-accessed accounts, such as savings accounts and certificates of deposit (CDs).

### **Savings and Loan Associations**

Financial institutions that provide loans and interest-bearing accounts

### **Scarcity**

Not being able to have everything wanted making choices necessary; when supply is less than demand

### **Self-Interest**

Acting to achieve a desired outcome to the acting individual

### **Sellers**

People who provide or sell goods and services

### **Services**

Something that one person does for someone else that satisfy people's wants

### **Skills (Work or Job Skills)**

Ability to do things demanded in particular jobs.

### **Specialization**

A situation in which people produce a narrower range of goods and services than they consume. Specialization increases productivity; it also requires trade and increases interdependence.

### **Spending**

The use of money to buy goods and services

### **Supply**

The quantity of resources, goods, or services that sellers offer at various prices at a particular time

### **Taxes**

Required government fees on business and individual income and on goods and services, or products

### **Trade**

The exchange of goods or services for other goods and services or money

**Trade-Off**

The giving up of one benefit or advantage in order to gain another regarded as more favorable.

**Wage**

Payments for labor services that are directly tied to time worked, or to the number of units of output produced.

**Wants**

Desires that can be satisfied by consuming or using a good or service. Economists do not differentiate between wants and needs.