

Making spending choices

Students listen to a Money Monster story about getting a pet and then discuss spending choices.

Learning goals

Big idea

It's a good idea to understand your options before you decide how to spend your time and money.

Essential questions

- How do we make choices about what to spend time and money on?
- What should I think about when I want something?

Objectives

- Understand that we have choices about what to spend time and money on
- Consider things to think about before spending our time and money

What students will do

- Listen to a story about a character getting a pet.
- Discuss things to think about before making a big purchase.
- Pretend to choose pets based on how much time and money each option requires.

KEY INFORMATION

Building block:

-  Executive function
-  Financial habits and norms
-  Financial knowledge and decision-making skills

Grade level: Elementary school (K-1, 2-3)

Age range: 5-7, 7-9

Topic: Spend (Buying things)

School subject: Math

Teaching strategy: Direct instruction

Bloom's Taxonomy level: Understand, Analyze

Activity duration: 45-60 minutes

National Standards for Personal Financial Education, 2021

Spending: 4-1, 4-2, 4-4, 4-5, 8-1, 8-2

These standards are cumulative, and topics are not repeated in each grade level. This activity may include information students need to understand before exploring this topic in more detail.

Preparing for this activity

- While it's not necessary, completing the "Understanding the value of money" activity first may make this one more meaningful.
- Print copies of all student materials for each student, or prepare for students to access them electronically.
- Obtain a copy of the "Money Monsters Learn What Things Really Cost" story to read to the students.
 - If your students are advanced enough, you can give them copies of the story or project it so they can read along with you.
 - You can download the story as a PDF or an animated ePub.
 - To view the ePub file, you'll need a book reader app. Then you can enlarge some of the pictures in the ePub.
 - You also can order free copies of this story or the entire Money Monster storybook series from <https://go.usa.gov/xAfnS>. Shipping takes three to four weeks.

NOTE

Please remember to consider your students' accommodations and special needs to ensure that all students are able to participate in a meaningful way.

What you'll need

THIS TEACHER GUIDE

- **Making spending choices** (guide)
[cfpb_building_block_activities_making-spending-choices_guide.pdf](#)
- **Money Monsters Learn What Things Really Cost** (story)
[cfpb_building_block_activities_money-monsters-learn-what-things-really-cost_story.pdf](#)
[cfpb_building_block_money-monsters-learn-what-things-really-cost_story.epub](#)

STUDENT MATERIALS

- **Making spending choices** (worksheet)
[cfpb_building_block_activities_making-spending-choices_worksheet.pdf](#)

Exploring key financial concepts

Every time we spend money, we make choices. We think about how much money we have to spend. We also think about what we're buying. For example, is what we're buying something we need, like food or shoes, or something we want, like a toy or a game? When we buy something, it's helpful to know what choices we have. Once we know our choices, we can compare them. For example, when we get a pet, it's a good idea to

compare the price of the pet as well as how much time and attention the animal requires. Then we can make the choice that's right for us. It's important to make choices that are best for you when you buy something that will take a lot of time or money.

Teaching this activity

Whole-class introduction

- Ask students to share times they've had to make a choice about something they wanted. For example, they could share a time when they had to choose a toy or a book.
 - Ask them to share some of the things they thought about when they made their choice. For example, maybe they thought a toy looked fun to play with or a book was about something they like.
- Explain to students that when we spend money, we make choices, too.
- Read the "Exploring key financial concepts" section to the class.
- Be sure students understand key vocabulary:
 - **Money:** You can use money to buy goods and services. Money looks different in different places around the world.
 - **Spend:** The act of using money to buy goods or services.

Individual and group work

- Introduce the story about a special group of characters called the Money Monsters.
- Tell students that the story is about how one of the Money Monsters decides to get a pet.
- Read the story to the class.
- As you read, pause at natural stopping points to ask clarifying questions that help ensure students understand the important ideas and words in the story.
 - For example, when Gibbins says he needs a tiger, his friends explain the difference between needs and wants.
 - Ask students to share why they think Gibbins doesn't need a tiger.
- After finishing the story, encourage discussion to reinforce the story's key concepts and themes.

TIP

Visit CFPB's financial education glossary at consumerfinance.gov/financial-education-glossary/.

NOTE

Reading from the ePub? You can enlarge the pictures by clicking the plus sign icon next to an illustration. The larger image will open in a new browser window.

- Ask students to compare the choices Gibbins thought about for his pet.
- Ask them what they can learn from the choice Gibbins made.
- Distribute the “Making spending choices” worksheet to each student.
- Students will complete the worksheet individually.
- Tell students to look at the pictures of pets on the worksheet.
 - Explain that the clocks next to each pet represent how much time it takes to care for each pet. More clocks mean more time.
 - Explain that the dollar signs next to each pet represent how much money it takes to get and care for the pet. More dollar signs mean more money.
- Encourage students to think about how much time and money each pet needs.
- Ask students to think about how much time and money they and their family would want to spend on pets.
 - Explain that these are their spending choices and that there are no right or wrong spending choices.
- Students should then check the box next to the pet(s) that could be right for them.

Wrap-up

- Ask for volunteers to share their thoughts about how much time and money they think their families would want to spend on pets.
- Then ask them to share which pet(s) they chose.
- Ask students to share an example of something else they might want to buy and what they might think about before they decide to buy it.

Suggested next steps

Consider searching for other CFPB activities that address the topic of spending, including buying things. Suggested activities include “Exploring needs and wants” and “Knowing what costs us money.”

Measuring student learning

Students’ answers during the discussion can give you a sense of their understanding.

Keep in mind that students’ answers may vary, as there may not be only one right answer. The important thing is for students to have reasonable justification for their answers.