



The Moolah Report: Cents-ible News

**Teachers Guide
Grades 6-8**



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 6-8) curriculum of the program.

The Moolah Report introduces more advanced personal financial management skills through a TV News program format. The teenage newscasters demonstrate through news stories and interviews with people from the community how important education and good financial management skills are to a successful life.

The Moolah Report (6-8) contains

- 23 teaching units
 - 49 interactive exercises
 - 41 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;
- 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.

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 on Economic Education
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Codes: S = Standard; B = Benchmark; K = Knowledge Indicator

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Learning Standards

[Kansas Economics Standards](#)

[National Personal Finance Standards](#)

[Kansas Math Standards: Grade 6, Grade 7, Grade 8](#)

[Kansas Communication Arts Standards](#)

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

[GLOSSARY](#)



Grade 6: Program 1 – The Budget Balancing Act

Episode 1 – Budgeting, Trade-offs, and Opportunity Costs

06 01 01

Synopsis: The kids are delivering a news report on trade-offs and opportunity cost. Sloane is interviewing Jeremy regarding his decision to save part of his income for a mountain bike, even though he would really like to spend it on an electric guitar. They determine that the guitar is Jeremy’s opportunity cost.

Interactive Exercises: Students define trade-offs and identify the opportunity cost of a decision.

Standards/Concepts:

Economics:	4th Grade B1 K1, B5 K1, B5 K2	opportunity cost, trade-offs
Personal Finance:	S2 B7 8th Grade K4	saving, financial decision making, budgeting
Mathematics:	6th Grade S2 B2 K3a	equations, problem solving

Learning Objective: Students will explain that budgeting requires trade-offs in managing income and spending, and identify the opportunity costs that result from these trade-offs

Time Required: 70 minutes (25 minutes for the computer program and 45 minutes for the activity)

Activity: Use “The Mint” lesson, Scarcity, Choice and Decisions, found online at: <http://www.themint.org/teachers/scarcity.php>. In this lesson, students are faced with scarcity in planning a prom and, then, in planning a budget. They must face trade-offs as they make their choices.

Glossary:

Budget	Income	Interest
Trade-off	Spending	Profit
Opportunity cost	Wages	Saving
Choice	Rent	Money
Want		

Teacher Notes:



Grade 6: Program 1 – The Budget Balancing Act

Episode 2 – Spending Less, Saving the Rest

06 01 02

Synopsis: Sloane interviews Polly regarding Polly’s spending and saving decisions. Polly wants to go on a ski trip, but must pay for part of the expenses. She has no money for the trip, but continues to buy things she wants with her babysitting income and allowance. Sloane tries to explain the concept of saving to Polly.

Interactive Exercises: Students state that financial well-being can be gained by spending less than you earn and saving the difference. They identify ways they could buy some things they want and save the rest.

Standards/Concepts:

Economics:	6th Grade B5 K1, B5 K2	Spending, saving, income
Personal Finance:	S2 B4 8th Grade K2	saving, financial decision making
Mathematics:	6th Grade S1 B1 K1	number sense

Learning Objective: Students will state that a key to financial well-being is to *spend* less than you earn and *save* the difference.

Time Required: 65 minutes (25 for the computer program and 40 minutes for the activity)

Activity: A Penny Saved is a Penny at 4.7% Earned There are lots of ways to receive income, and lots of ways to spend it. In this lesson you will develop two budgets, or plans, to help you decide how to allocate your income. Assuming you do not love making dollar bill rings.

<http://www.econedlink.org/lessons/index.cfm?lesson=EM157&page=teacher>

Glossary:

Spending	Income	
Saving	Price	
Interest	Trade-off	
	Opportunity cost	

Teacher Notes:



Grade 6: Program 1 – The Budget Balancing Act

Episode 3 – Income Management and Payment Methods

06 01 03

Synopsis: Sloane interviews a banker about different methods of payment. Then, Seymour goes on to instruct on the maintenance of a checking account.

Interactive Exercises: Students identify the function of a debit card and describe checking account transactions.

Standards/Concepts:

Economics:	6th Grade S1 B5 K1	costs, benefits
Personal Finance:	S3 B3 8th Grade K3	payment methods, consumer credit
Mathematics:	6th Grade S1 B4 K1	number sense, computation

Learning Objective: Students will explain the basic financial tasks people use to manage income. Students will explain why some payment methods cost more than others.

Time Required: 25 minutes for the computer program

Activity: Ask the students to discuss the differences between using a checking account and a debit card. Use the [Checking Account Instructions and Forms](#) to practice writing checks and balancing the check register.

Glossary:

Income	Borrow	
Money	Goods	
Bank	Services	
Credit		

Teacher Notes:



Grade 6: Program 1 – The Budget Balancing Act

Episode 4 – To Spend, Save, or Borrow? That is the Question!

06 01 04

Synopsis: Seymour and Sloane debate the costs and benefits of spending, saving or borrowing decisions.

Interactive Exercises: Students define cost, benefit, spending, and saving and identify the costs and benefits of spending, saving and borrowing.

Standards/Concepts:

Economics: [6th Grade B5 K1](#) spending, saving, costs and benefits
Personal Finance: [S3 B1 8th Grade K3](#), [S3 B4 8th Grade K5](#) spending, consumer credit, borrowing, financial decision making
Mathematics: [6th Grade S1 B1](#) number sense, problem solving

Learning Objective: Students will determine the costs and benefits of a spending, saving, or borrowing decision.

Time Required: 65 minutes (25 minutes for the computer program and 40 minutes for the activity)

Activity: Use *Climbing the Savings Mountain*, an online lesson from the NCEE found at <http://www.econedlink.org/lessons/index.cfm?lesson=EM515&page=teacher>. In this lesson, students learn about different saving methods.

Glossary:

Costs	Price	Opportunity cost
Benefits	Money	Bank
Spending	Goods	Want
Borrowing	Services	Interest
Saving	Choice	

Teacher Notes:



Grade 6: Program 2 – The Specs on Specialization

Episode 1 – The Importance of Specialization

06 02 01

Synopsis: Sloane interviews Wes Wiseman, the Theatre and Drama teacher at her school. Mr. Wiseman explains that by specializing in teaching theatre and drama, he is a better teacher than if he taught all subjects.

Interactive Exercises: Students define specialization and match professions with the good or service provided

Standards/Concepts:

Economics: [5th Grade B1 K3 & K4](#) specialization, human resources:
Mathematics: [6th Grade S3 B1 K1, K2](#) geometric concepts, problem solving

Learning Objective: Students will identify careers that require specialized skills and discuss why *specialization* is desirable.

Time Required: 70 minutes (25 minutes for the computer program and 45 minutes for the activity)

Activity: Use the NCEE lesson, *Frontier Specialists*, found online at <http://www.econedlink.org/lessons/index.cfm?lesson=EM57&page=teacher>. In this lesson, students discover that the level of output in an economy can be increased through specialization.

Glossary:

Specialization	Producer	
Choice	Consumer	
Goods	Wants	
Services		
Production		

Teacher Notes:



Grade 6: Program 2 – The Specs on Specialization

Episode 2 – The Effect of Productivity on Income

06 02 02

Synopsis: Sloane, who is investigating the link between worker productivity and income, interviews Marty McLoan. As chief foreman at Zoom, Inc., McLoan is aware of efforts the company makes to help its employees become more productive.

Interactive Exercises: Students identify which employee is likely to get a raise based on the employees’ productivity.

Standards/Concepts:

Economics:	5th Grade B5 K3	productivity, income, specialization
Personal Finance:	S1 B2 8th Grade K5	income, careers
Mathematics:	6th Grade S2 B1 K1	pattern recognition, problem solving

Learning Objective: Students will explain why increases in a worker’s productivity can result in higher income.

Time Required: 90 minutes (25 for the computer program and 65 minutes for the activity)

Activity: WIDGET PRODUCTION: Producing More, Using Less In the first part of the lesson students take a quiz to review the major concepts taught in Lesson 7, "Widget Production," from Master Curriculum Guide in Economics: Teaching Strategies 5-6. Students then search the web for examples of the many ways in which productivity has been increased over the years. Finally, they identify a situation where an increase in productivity could alleviate a problem and create a way to solve this problem. They also analyze the costs and benefits of implementing their solutions.

<http://www.econedlink.org/lessons/index.cfm?lesson=EM539&page=teacher>

Glossary:

Income	Producer	Revenue
Productivity	Consumer	Wages/salary
Wages	Capital resources	Specialization
Rent	Human resources	Positive incentive
Interest	Natural resources	Negative incentive
Profit	Resources	

Teacher Notes:



Grade 6: Program 2 – The Specs on Specialization

Episode 3 – Improving Productivity Through Specialization

06 02 03

Synopsis: Sloane interviews Kip Kipling, a high school student who has moved through several employment positions at the golf course. Sloane explains how Kip’s increase in human capital made him more productive and, therefore, more attractive to his employer.

Interactive Exercises: Students identify actions that someone can take to increase human capital, as well as identify how the supply and demand for people with certain skill levels can influence income.

Standards/Concepts:

Economics:	7th Grade B5 K2	human capital, productivity
Personal Finance:	S1 B2 4th Grade K3	income, human capital
Mathematics:	6th Grade S2 B2 K1 app. 1 & 2	algebraic equations

Learning Objective: Students will give examples of how workers can improve their productivity by gaining new knowledge, skills, and experiences through specialization. Students will analyze how supply of and demand for workers in various careers affect income.

Time Required: 70 minutes (25 minutes for the computer program and 45 for the activity)

Activity: Use the NCEE online lesson, Human Capital for Money, found at <http://www.econedlink.org/lessons/index.cfm?lesson=EM231&page=teacher>. In this lesson, students look at various careers and the human capital required.

Glossary:

Specialization	Human capital	
Supply	Wages/salary	
Demand	Price	
Income	Money	
Productivity		

Teacher Notes:



Grade 7: Program 1 – Personal and Public Benefits

Episode 1 – Inflation and Deflation

07 01 01

Synopsis: Seymour explains how inflation is measured. Later, Sloane interviews an architect about how a concern about prospective inflation affects contract negotiations for long-term architect services, as well as how inflation concerns affects the method in which the architect saves.

Interactive Exercises: Given a circumstance where prices increased from one year to the next, students determine whether there has been an increase or decrease in purchasing power. They apply their knowledge of inflation to determine whether the return they would get from various financial instruments would be sufficient to maintain their purchasing power.

Standards/Concepts:

Economics:	7th Grade B2 K1	inflation, deflation
Personal Finance:	S4 B5 8th Grade K5	inflation, purchasing power, deflation, spending and investing decisions
Mathematics:	7th Grade S1 B4 K1	computation, problem solving

Learning Objective: Students will explain the impact of inflation or deflation on the value of money and people’s purchasing power.

Time Required: 75 minutes (25 minutes for the computer program and 45 minutes for the activity)

Activity: One is Silver and the Other's Gold Students learn about the money supply and that it can affect the value of money. Students investigate this in the 1896 presidential election (Bryan vs. McKinley, Free Silver vs. Gold Standard) and examine a political cartoon that depicts how some people felt about this issue. Students answer questions about what they would do with more money and what might happen if the money supply increases.

<http://www.econedlink.org/lessons/index.cfm?lesson=EM395&page=teacher>

Glossary:

Inflation	CPI	
Deflation	Saving	
Money	Financial investment	
Prices	Risk	
Wages/salary	Benefit	
Goods		
Services		

Teacher Notes:



Grade 7: Program 1 – Personal and Public Benefits

Episode 2 – Positive and Negative Incentives

07 01 02

Synopsis: Sloane interviews Polly’s sister Patience about the great deal on popular T-shirts going on at Trendy World. Sloane refers to the “Buy 2, Get 1 Free” offer as a positive incentive that customers respond to in pursuing their self-interest. Seymour continues the report by discussing how people respond to negative incentives.

Interactive Exercises: Students identify the positive incentive in an offer, as well as identify positive incentives that are monetary and non-monetary.

Standards/Concepts:

Economics: [8th Grade B1 K4](#)

Personal Finance: [S3 B1 8th Grade K2](#)

Mathematics: [7th Grade S1 B1 K1, S1 B4 K1](#)

self-interest, positive and negative incentives
spending decisions

number sense, computation, equations

Learning Objective: Students will explain how positive and negative incentives affect the way people behave. Students will recognize that responses to incentives are predictable because people usually pursue their self-interest.

Time Required: 65 minutes (25 minutes for the computer program and 40 minutes for the activity)

Activity: Use the NCEE online lesson, *The Best Deal*, found at <http://www.econedlink.org/lessons/index.cfm?lesson=EM530&page=teacher>. In this lesson, students learn how to determine the “price per unit” when comparing products.

Glossary:

Positive incentive	Supply	
Negative incentive	Demand	
Market	Self-interest	
Price		

Teacher Notes:



Grade 7: Program 1 – Personal and Public Benefits

Episode 3 – Types of Employee Benefits

07 01 03

Synopsis: Seymour reports on the various types of employee benefits. In a later interview, Sloane interviews Buck Bargain, owner of Bargain Building, to see how offering benefits to employees actually benefits the employer too.

Interactive Exercises: Students identify different types of employee benefits and state that employee benefits can help to increase employee productivity.

Standards/Concepts:

Economics: [8th Grade B2 K4](#) employee benefits, wages and salaries
Personal Finance: [S1 B3 4th Grade K4](#) employee benefits, disposable income
Mathematics: [7th Grade S2 B2 K1](#) algebraic equations, problem solving

Learning Objective: Students will give examples of employee benefits that workers may receive in addition to their pay.

Time Required: 45 minutes (25 minutes for the computer program and 20 minutes for the activity, add 30-45 minutes for the report from students)

Activity: Have students brainstorm questions they could ask adults about the employee benefits they receive from their employer and how the offering of these benefits affects the employees' productivity. Later, have each student conduct an interview of an adult with which he or she is familiar and report the results to the class.

Glossary:

Wages/salary Employee benefits Money Income	Positive incentive Negative incentive Productivity	
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Teacher Notes:



Grade 7: Program 1 – Personal and Public Benefits

Episode 4 – Government Goods and Services

07 01 04

Synopsis: Seymour explains the difference between public goods and private goods, and why it is necessary for governments to provide certain goods to their citizens.

Interactive Exercises: Students identify the characteristics of a public good, and then choose the public goods from a list of various goods, both public and private.

Standards/Concepts:

Economics:	7th Grade B4 K1	public goods and services, free rider
Personal Finance:	S1 B3 8th Grade K4	government transfer payments, income
Mathematics:	7th Grade S4 B2 K1	statistics, problem solving
Comm. Arts:	7th Grade S1 B3 K1	vocabulary

Learning Objective: Students will give examples of identify goods and services provided by local, state, and national governments.

Time Required: 75 minutes (25 minutes for the computer program and 50 for the activity)

Activity: Use the NCEE EconomicsInternational® lesson, *Public Goods and Services*, found online at <http://ncee.net/ei/lessons/OldMac/lesson6/>. In this lesson, students compare and define private and public goods. They receive money and must make a decision about paying for the heating in the classroom. This activity reinforces the concept of public goods and helps students identify and explain the free-rider problem.

Glossary:

Public (government) goods & services		
Non-exclusion		
Profit		
Taxes		

Teacher Notes:



Grade 7: Program 2 – Investing in Your Future

Episode 1 – Human Capital Supply and Demand

07 02 01

Synopsis: Seymour discusses how human capital development can help people gain skills that will make them valuable in the labor market.

Interactive Exercises: Students define human capital, and identify factors that affect an individual’s income.

Standards/Concepts:

Economics:	7th Grade B5 K2	human capital, income, demand and supply of labor
Personal Finance:	S1 B2 8th Grade K1	careers, income
Mathematics:	7th Grade S1 B1, S2 B3 K1, K2	computation, graphing

Learning Objective: Students will explain how an individual’s income will differ in the labor market depending on supply of and demand for his/her human capital.

Time Required: 60 minutes (25 minutes for the computer program and 35 minutes for the activity)

Activity: Use the NCEE lesson, *It Pays to Stay in School*, found online at <http://www.econedlink.org/lessons/index.cfm?lesson=EM349&page=teacher>. In this lesson, students look at the private and public benefits of a well-educated society as well as the earning potential associated with levels of education.

Glossary:

Income	Human capital	
Market	Choice	
Supply	Wage	
Demand		

Teacher Notes:



Grade 7: Program 2 – Investing in Your Future

Episode 2 – What is Compound Interest?

07 02 02

Synopsis: Seymour demonstrates calculating compound interest, and then Sydney Goodcents (from the 3-5 programs) is interviewed by Sloane as they examine Polly’s bank statement.

Interactive Exercises: Students define compound interest, and identify the factors that determine the interest earned on savings – time, amount and interest rate.

Standards/Concepts:

Economics:	8th Grade B5 K1	interest, principal, compound interest
Personal Finance:	S4 B5 8th Grade K4	saving, financial decision making
Mathematics:	7th Grade S2 B2 K1, S1 B3 K1	equations, estimation

Learning Objective: Students will explain that compound interest is interest earned on both principal and previously earned interest. The interest earned depends on time, interest rate, and the amount saved.

Time Required: 65 minutes (25 minutes for the computer program and 35 minutes for the activity)

Activity: Use a lesson based on the children’s book, *The Hundred Penny Box*, found on the Wisepockets site at <http://www.umsl.edu/~wpockets/schoolhouse/lessons/100penny/100penny.html>. In this lesson, students work through an exercise on compound interest.

Glossary:

Savings & Loan association	Money	
Interest	Savings	
Principal	Bank	

Teacher Notes:



Grade 7: Program 2 – Investing in Your Future

Episode 3 – Return, Liquidity, and Risk

07 02 03

Synopsis: Sloane holds a panel discussion on the risk associated with various types of financial investments. She investigates instruments such as Certificates of Deposit, government bonds, corporate bonds, and stocks, assessing the type of risk associated with each.

Interactive Exercises: Students define return, liquidity and risk. Then, they assess various financial instruments for their level of risk and possible return.

Standards/Concepts:

Economics:	8th Grade B5 K1	risk, return, financial instruments
Personal Finance:	S4 B3 8th Grade K3	financial investment products, saving, investing
Mathematics:	7th Grade S2 B2, S1 B1 K4b	equations, measurement, estimation

Learning Objective: Students will explain that financial investment products differ in their potential rate of return, liquidity, and level of risk.

Time Required: 70 minutes (25 minutes for the computer program and 45 minutes for the activity)

Activity: Collecting for Fun . . . and Profit? Art, baseball cards, coins, comic books, dolls, jewelry and stamps are just a few examples of the many things people collect. While some people collect for fun – others hope to profit. In this lesson, students explore how supply and demand influence the price of collectibles. They also evaluate speculation in collectibles as an investment option.

They learn that collectibles are one of the riskiest ways people can invest their money.

<http://www.econedlink.org/lessons/index.cfm?lesson=EM553&page=teacher>

Glossary:

Financial investment	Return	
Money	Liquidity	
Interest	Savings	
Risk		

Teacher Notes:



Grade 7: Program 2 – Investing in Your Future

Episode 4 – Costs and Benefits of Spending, Saving, or Borrowing

07 02 04

Synopsis: Seymour explains the costs and benefits of saving, spending and borrowing decisions. Later, Sloane interviews Libby Lewellen, a college-bound student who has taken out a student loan. Libby explains the costs and benefits of this borrowing decision.

Interactive Exercises: Students identify the costs and benefits of saving, spending and borrowing decisions. Later, students identify sensible reasons to borrow, considering costs and benefits.

Standards/Concepts:

Economics: [7th Grade B5 K1](#)

Personal Finance: [S3 B4 8th Grade K5](#)

Mathematics: [7th Grade S4 B2 K4, S1 B1 K1](#)

saving, spending, costs and benefits
 saving, spending, payment methods,
 interest, consumer credit
 statistics, algebraic equations

Learning Objective: Students will compare the costs and benefits of spending, saving, or borrowing decisions based on information about products and services.

Time Required: 75 minutes (25 minutes for the computer program and 50 minutes for the activity)

Activity: Ask students to identify a 2 year or 4 year college or university. Have students go to the Internet site for the school of their choice. Look up the costs of attending each school (ignore scholarship/financial aid). Ask the students to compare the costs and benefits (i.e., number of majors, location) of each school. Ask each student to report their findings back to the class. Ask each student to pick a school based on the information presented. Have students include a list of factors (benefits & costs) that influenced their decision.

Glossary:

Costs	Choice	Interest
Benefits	Spending	Income
Saving	Goods	Money
Borrowing	Services	Loan***

Teacher Notes:



Grade 8: Program 1 – Income, Incentives, and Institutions

Episode 1 – Types of Earned Income 08 01 01

Synopsis: Seymour explains the different types of earned income. Later, Sloane interviews Sam Sheepman, owner of a sheep ranch, who explains how he earns profit, rent and interest from his various activities, and how his employees earn wages.

Interactive Exercises: Students identify the basic types of income and then match the income to the resource for which the income is payment. Students match activities and the income generated by the activities.

Standards/Concepts:

Economics:	8th Grade B2 K2	salary and wages, interest income, rental income, profit
Personal Finance:	S1 B2 8th Grade K1	income sources, careers,
Mathematics:	8th Grade S1 B1K1, S1 B4 K2d	problem solving, computation

Learning Objective: Students will describe the four basic types of earned income.

Time Required: 75 minutes (25 minutes for the computer program and 50 minutes for the activity.)

Activity: The Economics of Income If You're So Smart, Why Aren't You Rich? The purpose of this lesson is to help you explore the relationship between education and income. Income is earned from one's resources. Those resources might be natural resources (oil field, farm land), capital resources (man-made resources that are used in the production of goods and services: computers, factories, sewing machines), entrepreneurship (the ability to organize the other factors to produce goods or services or labor.) Most people earn their income by selling their labor. The lesson will focus on the following question: "Why do some people earn more income from their labor than others?" <http://www.econedlink.org/lessons/index.cfm?lesson=NN130&page=teacher>

Glossary:

Income	Credit	Lending
Rent	Money	Entrepreneur
Interest	Savings	Natural resources
Profit	Bank	Capital resources
Wages/salary	Borrowing	Human resources

Teacher Notes:



Grade 8: Program 1 – Income, Incentives, and Institutions

Episode 2 – Employee Responses to Positive and Negative Incentives 08 01 02

Synopsis:

Seymour explains the positive and negative incentives to which employees respond. Sloane interviews Ben Bargain who is picketing in front of his house, specifically, in front of Brett Bargain’s room, demanding that Brett offer benefits to the employee of his grass-cutting business, Ben.

Interactive Exercises: Students differentiate between positive and negative incentives. Students state that employees who receive positive incentives are likely to be more productive.

Standards/Concepts:

Economics:	8th Grade B2 K4	positive and negative incentives, employee benefits
Personal Finance:	S1 B2 4th Grade K4	employee benefits
Mathematics:	8th Grade S4 B2 K3	statistics, central tendency

Learning Objective: Students will give examples of positive and negative incentives to which employees respond.

Time Required: 70 minutes (25 minutes for the computer program and 45 minutes for the activity.)

Activity: [It Pays to Stay in School](#). This lesson examines some of the incentive programs being offered to keep students in school.

<http://www.econedlink.org/lessons/index.cfm?lesson=EM349&page=teacher>

Glossary:

Positive incentive	Costs	
Negative incentive	Benefits	
Employee benefits	Money	

Teacher Notes:



Grade 8: Program 1 – Income, Incentives, and Institutions

Episode 3 – Specialized Economic Institutions

08 01 03

Synopsis: Seymour explains the various types of financial institutions. Later, Sloane interviews Preston Quarantino, the president of the AV Club. Preston describes his new movie featuring the FDIC ninjas, and then explains the AV Club’s decision to save their fundraising proceeds in a bank savings account.

Interactive Exercises: Students define the following financial institutions: banks, credit unions, savings and loan associations, stock market and bond market. Then, students decide on the correct institution in which to save their money, given their risk and time preferences.

Standards/Concepts:

Economics: [8th Grade B3 K1](#)

Personal Finance: [S4 B1 8th Grade K1](#)

Mathematics: [8th Grade S3 B4 K2, S1 B3 K1](#)

financial institutions, savings, interest
financial institutions, saving, investment
information, money management
algebraic equations, graphing

Learning Objective: Students will give examples of specialized economic institutions found in market economies.

Time Required: 70 minutes (25 minutes for the computer program and 45 minutes for the activity)

Activity: Use “The Mint” lesson, *The Stock Market: Risks and Rewards*, found at <http://www.themint.org/teachers/thestockmarket.php>. In this lesson, students study one of the institutions discussed in the program, the stock market. They engage in several methods for choosing stocks, including a dart board.

Glossary:

Specialization	Principal	Sellers
Market economy	Buyers	Savings
Bank	Money	Spending
FDIC	Interest	

Teacher Notes:



Grade 8: Program 2 – Starting the Savings Snowball

Episode 1 – Saving Accumulation: Amount Saved, Rate of Return, and Time

08 02 01

Synopsis: Seymour explains how saving accumulation is influenced by the amount saved, the rate of return and time. Sloane interviews Jim of Jim Jam’s Used Cars who explains how a student could save \$1,500 in five years for a car.

Interactive Exercises: Students identify the factors that influence savings accumulation. Students define principal, interest, return and time.

Standards/Concepts:

Economics:

[8th Grade B5 K1](#)

savings, interest

Personal Finance:

[S4 B3 8th Grade K2](#)

savings, risk, return

Mathematics:

[8th Grade S2 B2 K3, S2 B4 K1](#)

equations, modeling

Learning Objective: Students will explain how saving accumulation is influenced by the amount saved, the rate of return and time.

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

Activity: *Timing Is Everything* In the first part of the lesson students examine the incentives and opportunity costs of spending and saving in a teacher directed lesson. The remainder of the lesson is an interactive web site. Students work through problems that demonstrate the power of compound interest. <http://www.econedlink.org/lessons/index.cfm?lesson=EM570&page=teacher>

Glossary:

Savings	Loan***	Borrow
Return	Money	Lending
Interest	Principal	Bank

Teacher Notes:



Grade 8: Program 2 – Starting the Savings Snowball

Episode 2 – Products and Services: Spending, Saving, and Borrowing Decisions

08 02 02

Synopsis: Seymour explains that it's important to weigh the costs and benefits of spending, saving, and borrowing decisions based on information about goods and services. Sloane interviews Nick Nicketless who is trying to decide if he should wait to buy a skateboard he wants or borrow the money from his brother to get the skateboard now.

Interactive Exercises: Students state the importance of weighing the costs and benefits of spending, saving, and borrowing decisions. Students compare the costs and benefits of choosing between two book bags.

Standards/Concepts:

Economics: [7th Grade B5 K1](#) costs and benefits, saving, economic wants, opportunity cost
Personal Finance: [S3 B2 8th Grade K1](#) consumer credit, financial decision making, spending, saving
Mathematics: [8th Grade S1 B4 K1](#) computation

Learning Objective: Students will compare the benefits and costs of spending, saving, or borrowing decisions based on information about products and services.

Time Required: 65 minutes (25 minutes for the computer program and 35 minutes for the activity)

Activity: Use the online lesson, A Penny Saved is a Penny at 4.7% Earned, found at <http://www.econedlink.org/lessons/index.cfm?lesson=EM157&page=teacher>. In this NCEE lesson, students compare two budgets – one with a savings account and one without.

Glossary:

Costs	Bank	Choice
Benefits	Price	Exchange
Spending	Consumer	Positive incentive
Saving	Credit	Negative incentive
Borrowing	Goods	Wants
Interest	Services	

Teacher Notes:



Grade 8: Program 2 – Starting the Savings Snowball

Episode 3 – Calculating Interest and Account Balances

08 02 03

Synopsis: Polly and Seymour present a skit based on Charlotte’s Web, where Wilbur comes to Charlotte for help in understanding his credit card statement and his bank statement. Later, two students from the math club face off to see who can calculate the interest gained and the final account balances on partially complete credit card statement and savings statement.

Interactive Exercises: Students define interest rate. Students calculate their ending balance when given a beginning balance, and interest rate, and the duration of the saving period.

Standards/Concepts:

Economics: [8th Grade B5 K1](#)

Personal Finance: [S2 B3 8th Grade K3 App 3](#)

Mathematics: [8th Grade S1 B1 K2d](#)

interest expense, credit

consumer credit, savings, interest, money
management tools

computation, problem solving

Learning Objective: Students will calculate interest and account balances for credit purchases and checking and saving accounts.

Time Required: 70 minutes (25 minutes for the computer program and 45 minutes for the activity)

Activity: [Q T Pi Fashions - Learning About Credit Card Use](#) Using credit cards is convenient, user friendly, and at times dangerous. In this lesson students learn the joys and dangers of using credit as they help Credita, the main character in this activity, solve her credit problems.

<http://www.econedlink.org/lessons/index.cfm?lesson=EM346&page=teacher>

Glossary:

[Interest](#)

[Credit](#)

[Savings](#)

[Money](#)

Teacher Notes:



Grade 8: Program 3 – Mastering Your Money

Episode 1 – Opportunity Cost: Decisions for Your Budget

08 03 01

Synopsis: Seymour explains how changes and adjustments within a financial plan results in an opportunity cost. Later, Sloane interviews the sleep deprived, Howard Snooze. Howard was trying to save his income for a computer, but felt deprived of his friends and their activities. So, he asked for more hours at work so that he could earn more income, but now he has time only for work and school.

Interactive Exercises: Students define opportunity cost. Students determine the opportunity cost of a saving decision.

Standards/Concepts:

Economics:	8th Grade B5 K2	opportunity cost, income, financial Decision making
Personal Finance:	S2 B1,2,3 8th Grade K4	money management tools
Mathematics:	8th Grade S1 B1K1	equations

Learning Objective: Students will determine the opportunity cost of decisions related to a personal finance plan or budget.

Time Required: 70 minutes (25 for the computer program and 45 for the activity)

Activity: Use the interactive lesson, *The Opportunity Cost of a Lifetime*, found at the NCEE site, <http://www.econedlink.org/lessons/index.cfm?lesson=EM51&page=teacher>. In this lesson, students make decisions about a small budget and cite the opportunity cost of their decisions.

Glossary:

Opportunity cost	Saving	
Choice	Consumer	
Budget	Cost	
Spending	Benefit	

Teacher Notes:



Grade 8: Program 3 – Mastering Your Money

Episode 2 – Being an Informed Consumer

08 03 02

Synopsis: Seymour cites examples of ways to be an informed consumer, such as checking your credit report or reading sales contracts carefully. Sloane interviews a rock musician who has taken up the cause of informing people about credit issues.

Interactive Exercises: Students identify ways to protect themselves as consumers.

Standards/Concepts:

Personal Finance: [S3 B8 8th Grade K8](#) creditworthiness, consumer protection, credit

Learning Objective: Students will explain the importance of being an informed consumer.

Time Required: 70 minutes (30 minutes for the computer program and 40 minutes for the activity.)

Activity: [Q T Pi Fashions - Learning About Credit Card Use](#) Using credit cards is convenient, user friendly, and at times dangerous. In this lesson students learn the joys and dangers of using credit as they help Credita, the main character in this activity, solve her credit problems.
<http://www.econedlink.org/lessons/index.cfm?lesson=EM346&page=teacher>

Glossary:

Consumer	Borrowing	
Choice	Bank	
Credit	Money	
Lending	Interest	

Teacher Notes:



Kansas Standards for Economics – Grades 6-8

5th Grade
6th Grade
7th Grade
8th Grade

Fifth 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 and/or Application Indicators

The student:

1. (K) explains how *scarcity of resources* requires individuals, communities, states, and nations to make choices about *goods* and *services* (e.g., what food to eat, type of housing to live in, how to use land).
2. (A) determines how unlimited *wants* and limited resources lead to choices that involve *opportunity costs*.
3. (K) describes how *specialization* results in increased *productivity* (e.g., when each person in a city specializes in producing one product and then sells or *trades* with each other, there is more produced than if everyone tried to make everything they need for themselves).
4. (A) gives examples of *economic interdependence* at either the local, state, regional, or national level. (e.g., Western settlers depended on Easterners for textiles; Easterners depended on Westerners for furs and hides).

Teacher Notes:

Economic interdependence - mutually dependent on each other financially.

Goods - something that you can touch or hold.

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

Productivity - a measure of goods and services produced over a period of time with a given set of resources.

Region - an area with one or more common characteristics or features which make it different from surrounding areas.

Resource - an aspect of the physical environment that people value and use.

Scarcity - not being able to have everything wanted making choices necessary; when supply is less than demand.

Services - something that one person does for someone else.

Specialization - people who work in jobs where they produce a few special goods and services.

Supply - the quantity of resources, goods, or services that sellers offer at various prices at a particular time.

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

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 and/or Application Indicators

The student:

1. (A) defines *supply* as the quantity of *resources*, *goods*, or *services* that sellers offer at various prices at a particular time and *demand* as the number of *consumers* willing and able to purchase a good or service at a given *price*.



2. ▲(K) identifies factors that change supply or *demand* for a product (e.g., supply: *technology* changes; demand: invention of new and *substitute goods*; supply or demand: climate and weather).
3. (K) describes how changes in supply and demand affect prices of specific products.

Teacher Notes:

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

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

Demand - the number of consumers willing and able to purchase a good or service at a given price.

Goods - something that you can touch or hold.

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.

Production - the creation of value or wealth by producing goods or services.

Resource - an aspect of the physical environment that people value and use.

Services - something that one person does for someone else.

Supply - the quantity of resources, goods, or services that sellers offer at various prices at a particular time.

Technology - science applied to achieve practical purposes.

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

Knowledge and/or Application Indicators

The student:

1. (K) - (\$) understands that banks are institutions where people (individuals, families, and businesses) save money and earn *interest* and where people *borrow* money and pay interest.
2. (A) - (\$) gives examples of how positive and negative *incentives* affect people's behavior (e.g., laws: Stamp Act, Sugar Act; *profit*; product *price*; indentured servant).
3. (K) recognizes barriers to *trade* among people across nations (e.g., *quotas*, *tariffs*, boycotts, geography).

Teacher Notes:

Borrowing - promising to repay a given amount of money, often with added interest.

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

Interest - a charge for a loan, usually a percentage of the amount loaned.

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.

Profit - after producing and selling a good or service, profit is the difference between revenue and cost of production. If costs are greater than revenue, profit is negative (there is a loss).

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

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

Knowledge and/or Application Indicators

The student:

1. (K) - (\$) describes *revenue* sources for different levels of *government* (e.g., personal *income* taxes, property taxes, sales tax, *interest*, bonds).

Teacher Notes:

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

Government - institutions and procedures through which a territory and its people are ruled.

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

Interest - a charge for a loan, usually a percentage of the amount loaned.

Revenue - receipts from sales of goods and services.



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

Knowledge and/or Application Indicators

The student:

1. ▲ (A) - (\$) determines the *costs* and *benefits* of a *spending*, saving, or *borrowing* decision.
2. (K) - (\$) recognizes that *supply* of and *demand* for workers in various careers affect *income*.

Teacher Notes:

Benefit - something that satisfies one's wants.

Borrowing - promising to repay a given amount of money, often with added interest.

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

Demand - the number of consumers willing and able to purchase a good or service at a given price.

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

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.

Technology - science applied to achieve practical purposes.

Sixth 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 and/or Application Indicators

The student:

1. ▲ (K) explains how *scarcity* of *resources* requires communities and nations to make *choices* about *goods* and *services* (e.g., what foods to eat, where to settle, how to use land).
2. (A) gives examples of international *economic interdependence*. (e.g., Europe depended on the Far East for spices & tea; Far East received silver and gem stones in exchange).

Teacher Notes:

Economic interdependence - mutually dependent on each other financially.

Goods - something that you can touch or hold.

Profit - after producing and selling a good or service, profit is the difference between revenue and cost of production. If costs are greater than revenue, profit is negative (there is a loss).

Resource - an aspect of the physical environment that people value and use.

Scarcity - not being able to have everything wanted making choices necessary; when supply is less than demand.

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

This benchmark will be taught at another grade level.

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



Knowledge and/or Application Indicators

The student:

1. (K) recognizes the economic conditions under which *trade* takes place among nations (e.g., students recognize that trade takes place when nations have *wants* or *needs* they cannot fulfill on their own).
2. ▲(K) identifies barriers to trade among nations (e.g., treaties, war, transportation, geography).

Teacher Notes:

Goods - something that you can touch or hold.

Needs- necessities (food, clothing, shelter)

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

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

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 and/or Application Indicators

The student:

1. (A) - (\$) determines the *costs* and *benefits* of a *spending*, *saving*, or *borrowing* decision.
2. (K) - (\$) explains that *budgeting* requires *trade-offs* in managing *income* and spending.
3. (K) identifies the *opportunity cost* that resulted from a spending decision.
4. (A) - (\$) analyzes how *supply* of and *demand* for workers in various careers affect income.

Teacher Notes:

Benefit - something that satisfies one's wants.

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.

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

Demand - the number of consumers willing and able to purchase a good or service at a given price.

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

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

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

Seventh 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 and/or Application Indicators

The student:



1. (K) identifies substitutes and *complements* for selected *goods* and *services* (e.g., substitutes: sod houses vs. wood houses, wagons vs. railroads; complements: trains and rails, wagons and wheels).
2. (K) explains that how people choose to use *resources* has both present and future consequences.

Teacher Notes:

Goods - something that you can touch or hold.

Human resource - people who work in jobs to produce goods and services.

Production - the creation of value or wealth by producing goods or services.

Resource - an aspect of the physical environment that people value and use.

Services - something that one person does for someone else.

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

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

Knowledge and/or Application Indicators

The student:

1. (A) - (\$) analyzes the impact of inflation or deflation on the value of money and people's purchasing power (e.g., cattle towns, mining towns, time of "boom", time of depression).

Teacher Notes:

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

Deflation - the sustained decrease in the general price level of the entire economy, resulting in an increase in the purchasing power of money.

Depression - a period of drastic decline in a national or international economy, characterized by decreasing business activity, falling prices, and unemployment.

Inflation - sustained increase in the general price level of the entire economy, resulting in a reduction in the purchasing power of money.

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.

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

Knowledge and/or Application Indicators

The student:

1. ▲ (A) describes examples of factors that might influence *international trade* (e.g., United States *economic sanctions*, weather, *exchange rates*, war, boycotts, *embargos*).
2. (K) explains the *costs* and *benefits* of *trade* between people across nations (e.g., job loss vs. cheaper prices, environmental costs vs. wider selection of *goods* and *services*).
3. (A) gives examples of factors that might influence international trade (e.g., United States economic sanctions, weather, exchange rate, war, boycotts, embargos).
4. (A) gives examples of how *tariffs*, *quotas*, and other *trade barriers* affect *consumers* and the prices of goods (e.g., a country fearful of purchasing Kansas beef for fear of disease, tariffs on Kansas wheat).

Teacher Notes:

Benefit - something that satisfies one's wants.



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

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

Economic sanction - the withholding, usually by several nations, of loans or trade relations with a nation violating international law, to force it to comply.

Embargo - government restriction placed on trade.

Exchange rate - the price of one currency in relation to another currency.

Goods - something that you can touch or hold.

International trade - the exchange of goods and services between countries.

Quota - a proportional share, as of goods, assigned to a group or to each member of a group; an allotment or a production assignment.

Services - something that one person does for someone else.

Tariff - a tax imposed on imported goods.

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

Trade barriers - something that prohibits trade.

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

Knowledge and/or Application Indicators

The student:

1. (K) identifies *goods* and *services* provided by local, state, and national *governments* (e.g., transportation, education, defense).
2. (A) examines relationship between local and state *revenues* and *expenditures* (e.g., school bonds, sales tax, property tax, teacher salaries, curbs and gutters, police force).

Teacher Notes:

Expenditures - spending on goods and services.

Goods - something that you can touch or hold.

Government - institutions and procedures through which a territory and its people are ruled.

Revenue - receipts from sales of goods and services.

Services - something that one person does for someone else.

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

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

Knowledge and/or Application Indicators

The student:

1. ▲ (A) - (\$) compares the *benefits* and *costs* of *spending*, *saving*, or *borrowing* decisions based on information about products and *services*.
2. (K) explains how an individual's *income* will differ in the labor *market* depending on *supply* of and *demand* for his/her *human capital* (e.g., skills, abilities, and/or education level).

Teacher Notes:

Benefit - something that satisfies one's wants.

Borrowing - promising to repay a given amount of money, often with added interest.

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

Demand - the number of consumers willing and able to purchase a good or service at a given price.

Human capital, human resource - people who work in jobs to produce goods and services.

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



Location - the position of a point on the Earth's surface, expressed by means of a grid (absolute location) or in relation to the position of other places (relative location).

Market - exists whenever buyers and sellers exchange goods and services.

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.

Services - something that one person does for someone else.

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.

Eighth 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 and/or Application Indicators

The student:

1. ▲(A) analyzes the effect of *scarcity* on the *price*, *production*, *consumption* and *distribution* of *goods* and *services* (e.g., price goes up and production goes down, consumption goes down and distribution is limited).

Teacher Notes:

Consumption - the using up of goods and services by consumer purchasing or in the production of other goods.

Distribution - the arrangement of items over a specified area.

Goods - something that you can touch or hold.

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.

Production - the creation of value or wealth by producing goods or services.

Scarcity - not being able to have everything wanted making choices necessary; when supply is less than demand.

Services - something that one person does for someone else.

Supply - the quantity of resources, goods, or services that sellers offer at various prices at a particular time.

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

Knowledge and/or Application Indicators

The student:

1. ▲(K) explains how relative *price*, people's economic decisions, and innovations influence the *market* system (e.g., cotton gin led to increased *productivity*, more cotton produced, higher *profits*, and lower prices; steamboat led to increased *distribution* of *goods*, which brought down prices of goods and allowed goods to be more affordable to people across the United States; development of railroad led to transportation of cattle to eastern markets, price was decreased and profit was increased, timely access to beef).



2. (K) - (\$) describes the four basic types of earned *income* (e.g., *wages* and salaries, rent, *interests*, and profit).
3. (K) - (\$) explains the factors that cause unemployment (e.g., seasonal demand for jobs, changes in skills needed by employers, other economic influences, downsizing, *outsourcing*).
4. ▲(K) - (\$) describes the positive and negative *incentives* to which employees respond (e.g., wage levels, *benefits*, work hours, working conditions).

Teacher Notes:

Benefit - something that satisfies one's wants.

Distribution - the arrangement of items over a specified area.

Goods - something that you can touch or hold.

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.

Interest - a charge for a loan, usually a percentage of the amount loaned.

Market - exists whenever buyers and sellers exchange goods and services.

Outsourcing - paying another company to provide services which a company might otherwise have employed its own staff to perform.

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.

Productivity - a measure of goods and services produced over a period of time with a given set of resources.

Profit - after producing and selling a good or service, profit is the difference between revenue and cost of production. If costs are greater than revenue, profit is negative (there is a loss).

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

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

Knowledge and/or Application Indicators

The student:

1. (K) describes examples of specialized economic institutions found in *market economies* (e.g., corporations, partnerships, proprietorships, labor unions, banks, and non-profit organizations).

Teacher Notes:

Market economy - a system in which buyers and sellers make major decisions about production and distribution, based on supply and demand.

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

Knowledge and/or Application Indicators

The student::

1. (K) gives examples of how monopolies affect *consumers*, the *prices* of *goods*, laborers, and their *wages* (e.g., monopolistic employers and development of labor unions; oil, steel, and railroad monopolies; anti-trust laws).

Teacher Notes:

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



Goods - something that you can touch or hold.

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.

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

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

Knowledge and/or Application Indicators

The student:

1. (K) - (\$) explains how saving accumulation is influenced by the amount saved, the rate of return and time.
2. (A) - (\$) determines the *opportunity cost* of decisions related to a personal finance plan or *budget*.

Teacher Notes:

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

Credit - an arrangement for deferred payment for goods and services; money available for someone to borrow.

Interest - a charge for a loan, usually a percentage of the amount loaned.

Interest rate - the price of money that is borrowed or saved, determined by the forces of supply and demand.

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

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



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.

4th 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.

8th 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 equals 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.

4th Grade Knowledge indicators



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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.

8th 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.

4th 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.



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8th 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.

4th 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.

8th 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.

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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 6-8 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

Choice

Decision

Capital Resources

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

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

Disposable income

Income remaining after taxes have been paid

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.



Entrepreneur

A person who organizes productive resources to take the risk to start a business.

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

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.

Lending

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

Loan

A sum of money borrowed 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 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, buildings, computers, etc.) and natural resources (trees, land).

Rent

A payment for the temporary use of a resource.

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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.