



Buddy Bargain and the Gang

Teachers Guide
Grades K-2



Buddy Bargain and the Gang K-2

Financial Foundations for Kansas Kids

www.ff4kids.com

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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.

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.

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Kindergarten: Program 1 – How Money Works

Episode 1 – Making Choices About Money

00 01 01

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:

| | | |
|---------------|---|---|
| Economics: | Kindergarten B1, K1, K2 | financial decision making, economic wants |
| Mathematics: | Kindergarten S1 B1 K5 | coin identification, coin value |
| Commun. Arts: | Kindergarten S1 B1 | links sound and printed material |

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.

Glossary:

| | | |
|------------------------|--|--|
| Wants | | |
| Choice | | |

Teacher Notes:



Kindergarten: Program 1 – How Money Works

Episode 2 – Goods and Services

00 01 02

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:

Economics: Kindergarten [S1 B2 K1](#), [2nd Grade B1 K1](#) goods, services, consumer
Mathematics: Kindergarten [S1 B2 K3](#) counting
Commun. Arts: Kindergarten [S1 B1](#) rhyming, songs

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.

<http://www.econedlink.org/lessons/index.cfm?lesson=EM194&page=teacher>

Glossary:

| | | |
|--------------------------|--|--|
| Consumer | | |
| Goods | | |
| Services | | |
| Seller | | |

Teacher Notes:



Kindergarten: Program 1 – How Money Works

Episode 3 – How Consumers Use Money

00 01 03

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:

| | | |
|-------------------|---|--|
| Economics: | Kindergarten B2, K1 | goods, services, monetary exchange |
| Personal Finance: | S3 B1 4th Grade K4 | financial resources |
| Mathematics: | Kindergarten S1 B4 K1 | problem solving, computation, number sense |
| Commun. Arts: | Kindergarten S1 B1 | reading comprehension, songs |

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.

<http://www.econedlink.org/lessons/index.cfm?lesson=EM269&page=teacher>

Glossary:

| | | |
|--------------------------|--|--|
| Seller | | |
| Money | | |
| Goods | | |
| Services | | |
| Wants | | |
| Buyer | | |

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:

| | | |
|-------------------|---------------------------------------|-----------------------|
| Economics: | Kindergarten B2, K1 | income |
| Personal Finance: | S1 B1 4th Grade K2 | income, coins, money |
| Mathematics: | Kindergarten S1 B3 K1 | coin recognition |
| Commun. Arts: | Kindergarten S1 B1 | reading comprehension |

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.

<http://www.econedlink.org/lessons/index.cfm?lesson=EM169&page=teacher>

Glossary:

| | | |
|-----------------------|--|--|
| Money | | |
|-----------------------|--|--|

Teacher Notes:



Kindergarten: Program 2 – How Families Make Money

Episode 2 – Jobs in the Family

00 02 02

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:

| | | |
|-------------------|---|---|
| Economics: | Kindergarten B5, K1 | income, employee benefits, specialization |
| Personal Finance: | S1 B1 4th Grade K1 | jobs, income, work skills or job skills |
| Mathematics: | Kindergarten S1 B2 K3 | number sense, problem solving |
| Commun. Arts: | Kindergarten S1 B1 | reading comprehension |

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

Glossary:

| | | |
|------------------------|--|--|
| Income | | |
|------------------------|--|--|

Teacher Notes:



Kindergarten: Program 2 – How Families Make Money

Episode 3 – Families and Income

00 02 03

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:

| | | |
|-------------------|---|---|
| Economics: | Kindergarten B5, K1 | income, producer |
| Personal Finance: | S1 B1 4th Grade K1 | jobs, income, work skills or job skills |
| Mathematics: | Kindergarten S1 B4 K2 | problem solving, computation |
| Commun. Arts: | Kindergarten S1 B1 | reading comprehension |

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.

<http://www.econedlink.org/lessons/index.cfm?lesson=EM465&page=teacher>

Glossary:

| | | |
|------------------------|--|--|
| Money | | |
| Income | | |

Teacher Notes:



First Grade: Program 1 – Producing Producers

Episode 1 – Examples of Goods and Services

01 01 01

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:

| | | |
|---------------|--|------------------------------|
| Economics: | 2 nd Grade B1 K1 | goods, services |
| Mathematics: | 1 st Grade S1 B1 K1, S1 B4 K3 | problem solving, computation |
| Commun. Arts: | 1 st Grade S1 B3 | reading comprehension |

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.

<http://www.econedlink.org/lessons/index.cfm?lesson=EM197&page=teacher>

Glossary:

| | | |
|--------------------------|--|--|
| Goods | | |
| Services | | |
| Wants | | |
| Consumer | | |

Teacher Notes:



First Grade: Program 1 – Producing Producers

Episode 2 – What Do Producers Provide?

01 01 02

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:

| | | |
|-------------------|--|---------------------------------|
| Economics: | 2d Grade B1 K2 | producer, goods, services |
| Personal Finance: | S1 B1 4th Grade K3 | jobs, work skills or job skills |
| Mathematics: | 1 st Grade S1 B4 K2, S1 B4 K4 | problem solving, number sense |
| Commun. Arts: | 1 st Grade S1 B2 | reading comprehension |

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 he and Alice the Great make honoring Dr. King.

<http://www.econedlink.org/lessons/index.cfm?lesson=EM564&page=teacher>

Glossary:

| | | |
|--------------------------|--|--|
| Producer | | |
| Goods | | |
| Services | | |

Teacher Notes:



First Grade: Program 1 – Producing Producers

Episode 3 – Different Kinds of Jobs

01 01 03

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:

| | | |
|-------------------|--|------------------------------|
| Economics: | 1 st Grade B5 K1 | specialization, producer |
| Personal Finance: | S1 B1 4th Grade K1 | jobs, income |
| Mathematics: | 1 st Grade S1 B4 K5 | problem solving, computation |
| Commun. Arts: | 1 st Grade S1 B1 | reading comprehension |

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.

<http://www.econedlink.org/lessons/index.cfm?lesson=EM457&page=teacher>.

Glossary:

| | | |
|--------------------------|--|--|
| Money | | |
| Income | | |
| Seller | | |
| Producer | | |

Teacher Notes:



First Grade: Program 2 – Getting Goods and Services

Episode 1 – Coins and Currency

01 02 01

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:

| | | |
|---------------|--|--------------------------------|
| Economics: | No K-8 Standard | monetary exchange |
| Mathematics: | 1 st Grade S1 B1 K5 | coin recognition, number sense |
| Commun. Arts: | 1 st Grade S1 B2, S1 B3 | reading comprehension |

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.

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

Glossary:

[Money](#)

[Currency](#)

[Denomination](#)

Teacher Notes:



First Grade: Program 2 – Getting Goods and Services

Episode 2 – Money and Exchange

01 02 02

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:

| | | |
|-------------------|---|--|
| Economics: | 1 st Grade B2 K1 | monetary exchange, goods, services, barter |
| Personal Finance: | S3 B3 4th Grade K4 | financial decision |
| Mathematics: | 1st Grade S4 B2 K1 | graphing |
| Commun. Arts: | 1st Grade S1 B2, S1 B3 | reading comprehension |

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.)

Glossary:

| | | |
|--------------------------|--------------------------|--|
| Goods | Exchange | |
| Services | Wants | |
| Money | Barter | |

Teacher Notes:



First Grade: Program 2 – Getting Goods and Services

Episode 3 – How is Income Used?

01 02 03

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:

| | | |
|-------------------|---|-----------------------------------|
| Economics: | 1 st Grade B1 K1 , B2 K1 , B5 K1 | income, goods, services, saving |
| Personal Finance: | S1 B4 4th Grade K1 | decision making, spending, saving |
| Mathematics: | 1st Grade S1 B4 K1 | computation, problem solving |
| Commun. Arts: | 1st Grade S1 B2 , S1 B3 | reading comprehension, sequencing |

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.

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

Glossary:

| | | |
|--------------------------|--------------------------|--|
| Income | Consumer | |
| Goods | Saving | |
| Services | | |

Teacher Notes:



First Grade: Program 3 – Making Money Choices

Episode 1 – People Must Make Choices

01 03 01

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:

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

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.

Glossary:

| | | |
|------------------------|--|--|
| Wants | | |
| Choice | | |

Teacher Notes:



First Grade: Program 3 – Getting Goods and Services

Episode 2 – Trade-Offs of Choices

01 03 02

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:

| | | |
|-------------------|---|--|
| Economics: | 1 st Grade B1 K1 | decision making, trade-off, exchange |
| Personal Finance: | S3 B1 4th Grade K1 , S4 B1 4th Grade K1 | spending, saving, savings |
| Commun. Arts: | 1 st Grade S1 B2 , S1 B3 | reading comprehension, making inferences |

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.

Glossary:

| | | |
|--------------------------|--|--|
| Choice | | |
| Money | | |
| Seller | | |
| Buyer | | |
| Saving | | |
| Spending | | |

Teacher Notes:



Second Grade: Program 1 – Buying and Selling

Episode 1 – Satisfying Wants with Goods and Services

02 01 01

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 nd Grade B1 K1 | goods, services, market, producer |
| Mathematics: | 2 nd Grade S4 B2 K4, S3 B4 K1 | data analysis, number line |
| Commun. Arts: | 2 nd Grade S1 B2 | reading comprehension, noting details |

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.

Glossary:

| | | |
|--------------------------|--|--|
| Goods | | |
| Services | | |
| Consumer | | |
| Wants | | |

Teacher Notes:



Second Grade: Program 1 – Buying and Selling

Episode 2 – Consumers and Producers

02 01 02

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 nd Grade B1 K1 | consumers, producer, goods, services, |
| Mathematics: | 2 nd Grade S3 B3 K3, S2 B2 K3 | estimation, pattern recognition, measurement |
| Commun. Arts: | 2 nd Grade S1 B3 | reading comprehension |

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.

Glossary:

| | | |
|--------------------------|--------------------------|--|
| Goods | Consumer | |
| Services | Buyer | |
| Wants | Seller | |
| Producer | | |

Teacher Notes:



Second Grade: Program 1 – Buying and Selling

Episode 3 – Examples of Consumers and Producers

02 01 03

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: 2nd Grade [B1 K1](#)

producer, consumer, capital resources, human resources, goods, services

Mathematics: 2nd Grade [S1 B4 K6, S4 B2 K1](#)

computation, problem solving, graphing

Commun. Arts: 2nd Grade [S1 B3](#)

reading comprehension, vocabulary

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).

Glossary:

| | | |
|--------------------------|-----------------------------------|--|
| Producer | Wants | |
| Consumer | Natural resources | |
| Buyer | Capital resources | |
| Seller | Human resources | |

Teacher Notes:



Second Grade: Program 2 – Spending or Stashing Your Cash

Episode 1 – Exchanging Money for Purchases
 02 02 01

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 nd Grade B1 K1 , B2 K1 | exchange, goods, services, barter |
| Personal Finance: | S3 B1 4 th Grade K4 | financial decision making |
| Mathematics: | 2 nd Grade S1 B1 K4 , S1 B1 K2 | computation, coin identification |
| Commun. Arts: | 2 nd Grade S1 B2 | reading comprehension |

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.

Glossary:

| | | |
|--------------------------|------------------------|--|
| Exchange | Bank | |
| Money | Saving | |
| Goods | Wants | |
| Services | Barter | |

Teacher Notes:



Second Grade: Program 2 – Spending or Stashing Your Cash

Episode 2 – Jobs, Income, and Employee Benefits
 02 02 02

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 nd Grade B5 K1 | income, employee benefits, specialization |
| Personal Finance: | S1 B1 4th Grade K1, K4 | income sources, jobs |
| Mathematics: | 2 nd Grade S3 B2 K1, S1 B4 K4 | computation, problem solving, geometric shape recognition |
| Commun. Arts: | 2 nd Grade B1 S1 | reading comprehension |

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.

Glossary:

| | | |
|--------------------------|---------------------------|--|
| Income | Profit | |
| Benefits | Interest | |
| Wages | Community | |
| Rent | | |

Teacher Notes:



Second Grade: Program 2 – Spending or Stashing Your Cash

Episode 3 – What Does it Mean to Save?
 02 02 03

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 nd Grade B3 K1 | saving, income, taxes |
| Personal Finance: | S1 B1 4th Grade K1 , S3 B1 4th Grade K1 | spending, saving, income |
| Mathematics: | 2 nd Grade S2 B2 K4 , S3 B2 K2 | solve equations, geometry |
| Commun. Arts: | 2 nd Grade S1 B3 | vocabulary |

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.

<http://www.econedlink.org/lessons/index.cfm?lesson=EM414&page=teacher>

Glossary:

| | | |
|--------------------------|------------------------|--|
| Saving | Income | Government (public) goods |
| Spending | Money | Government (public) services |
| Goods | Buyer | Bank |
| Services | Seller | Choice |
| Wants | Taxes | |

Teacher Notes:



Second Grade: Program 3 – Picking Between Price Tags

Episode 1 – The Decision-Making Process

02 03 01

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 nd Grade B5 K2 | decision making, costs and benefits |
| Mathematics: | 2 nd Grade S4 B2 K1, S1 B1 K5 | problem solving, probability |
| Commun. Arts: | 2 nd Grade S1 B3 | vocabulary |

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*, found at <http://www.econedlink.org/lessons/index.cfm?lesson=EM282&page=teacher>. 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.

Glossary:

| | | |
|--------------------------|------------------------|--------------------------|
| Spending | Choice | Benefits |
| Income | Money | Saving |
| Goods | Wants | Buyer |
| Services | Costs | Seller |

Teacher Notes:



Second Grade: Program 3 – Picking Between Price Tags

Episode 2 – The Opportunity Cost of a Choice

02 03 02

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 nd Grade B1 K3 | opportunity cost, decision making |
| Mathematics: | 2 nd Grade S4 B2 K1 | mathematical modeling, graphing |
| Commun. Arts: | 2 nd Grade S1 B3 | vocabulary |

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.
<http://www.econedlink.org/lessons/index.cfm?lesson=EM267&page=teacher>

Glossary:

| | | |
|----------------------------------|--|--|
| Opportunity cost | | |
| Choice | | |
| Wants | | |

Teacher Notes:



Second Grade: Program 3 – Picking Between Price Tags

Episode 3 – What is a Budget?

02 03 03

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 nd Grade B3 K2 | decision making, spending, saving, income |
| Personal Finance: | S3 B1 4 th Grade K1 | personal financial resources, budget |
| Mathematics: | 2 nd Grade S1 B4 K1, S3 B1 K1 | problem solving with money, computation |
| Commun. Arts: | 2 nd Grade S1 B3 | reading comprehension, vocabulary |

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.

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

Glossary:

| | | |
|--------------------------|--------------------------|------------------------|
| Budget | Wages | Money |
| Spending | Rent | Bank |
| Saving | Interest | Wants |
| Income | Profit | Choice |

Teacher Notes:



Kansas Standards for Economics – Grades K-2

Kindergarten

1st Grade

2d 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. ★ E6B1I1

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. ★ E5B5I1

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. ★ E6B1I1

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.

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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. ★ E5B5I1

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. ★ E6B1I1

3. ★ E5B5I1

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.

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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. ★ E6B3I2

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. ★ E5B5I1

2. ★ E5B5I1

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.

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.



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4th 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.

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 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

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.

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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 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.