What Choices Do We Make with Our Money?

Supporting Questions

1. How do families gain money?
2. What do families choose to spend money on?
3. Why do families choose to save money?
# 1st Grade Economic Choices Inquiry

## What Choices Do We Make with Our Money?

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<th>New York State Social Studies Framework Key Idea &amp; Practices</th>
<th>1.10: People make economic choices as producers and consumers of goods and services.</th>
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<td><strong>Staging the Question</strong></td>
<td>Discuss the construct of “choice” and how it is influenced by the money we have.</td>
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<th><strong>Supporting Question 1</strong></th>
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<td>List an example and a non-example of a method for obtaining money.</td>
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<td><strong>Formative Performance Task</strong></td>
<td>Draw and label a two-sided picture showing the pros and cons of saving money.</td>
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| **Featured Sources** | **Source A**: “Cha-Ching: Earn, Save, Spend and Donate”  
**Source B**: “What Is a Budget?” |

| **Summative Performance Task** | **ARGUMENT** What choices do we make with our money? Construct an argument supported with evidence that addresses the question of how families make economic choices.  
**EXTENSION** Participate in a class discussion about the pros and cons of spending for a short-term goal versus saving for a long-term goal. |

| **Taking Informed Action** | **UNDERSTAND** Survey family members about how they spend their money.  
**ASSESS** Brainstorm a list of ways students can help their family save money.  
**ACT** Create a poster to promote a money-saving strategy to be displayed outside the classroom. |
Overview

Inquiry Description

This inquiry features an investigation of economic decision making through the context of how families manage their money. In examining the costs and benefits associated with making decisions about spending and saving money, students should be able to develop an argument with evidence to answer the compelling question “What choices do we make with our money?”

In addition to the Key Idea listed earlier, this inquiry highlights the following Conceptual Understandings:

- (1.10c) People and families work to earn money to purchase goods and services that they need or want.
- (1.10d) People make decisions about how to spend and save the money that they earn.

NOTE: This inquiry is expected to take three to five 30-minute class periods. The inquiry time frame could expand if teachers think their students need additional instructional experiences (i.e., supporting questions, formative performance tasks, and featured sources). Teachers are encouraged to adapt the inquiries to meet the needs and interests of their particular students. Resources can also be modified as necessary to meet individualized education programs (IEPs) or Section 504 Plans for students with disabilities.

Structure of the Inquiry

In addressing the compelling question “What choices do we make with our money?” students work through a series of supporting questions, performance tasks, and sources in order to construct an argument with evidence while acknowledging competing views.

Staging the Compelling Question

In staging the compelling question “What choices do we make with our money?” teachers can begin by unpacking the word “choice” with students and brainstorming what it means to have or not have a choice. Teachers might then provide students with examples of choices they make in their everyday lives and elicit additional examples from students. Teachers should listen for examples of economic choices and how money influences the choices the students describe.

Supporting Question 1

The first supporting question—“How do families gain money?”—helps students explore the many ways in which people acquire money. The formative performance task calls on students to work with a partner to list examples of the methods people use to earn or receive money and other kinds of activities that do not generate money. The lists may consist of drawings, writings, or pictures cut from magazines. Featured Source A is an image bank that might
be used to help students explore examples of what are or are not ways to obtain money. Featured Source B is a short reading that describes the difference between spending and saving money.

**Supporting Question 2**

The second supporting question—“What do families choose to spend their money on?”—prompts students to build on their understandings of how people obtain money in order to begin thinking about the economic choices families make. The formative performance task asks students to brainstorm the different ways families use money based on their needs and wants; teachers may want to write these ideas on the board. Featured Source A offers students examples of the uses of money, including saving, spending, and/or donating. Featured Source B describes the notion of creating and managing a budget.

**Supporting Question 3**

The third supporting question—“Why do families choose to save money?”—invites students to further their explorations of economic decision making by examining the pros and cons of saving money. The obvious benefits of saving money are several (e.g., building for the future, being able to buy a better product, or preparing for an emergency), but there are also costs to saving money (e.g., desired purchases may need to be deferred). The formative performance task asks students to draw a two-sided picture that shows the pros and cons of saving money. On one side, students draw and label an advantage of saving money; on the other, they draw and label a disadvantage. Supporting the task are sources that feature a website presentation and an article (which is intended to be read aloud) outlining some of the approaches families can take to save their money.

**Summative Performance Task**

At this point in the inquiry, students have examined the ways people earn and receive money, as well as the pros and cons associated with making economic decisions. Students should be expected to demonstrate the breadth of their understandings and their abilities to use evidence from multiple sources to support their ideas. In this task, students construct an evidence-based argument responding to the prompt “What choices do we make with our money?” It is important to note that students’ arguments could take a variety of forms, including a class discussion or combination of drawing and writing.

Student arguments will likely vary, but could include any of the following:

- Families can choose to spend their money on things they need or want.
- Families make budgets to help them make choices about their money.
- Families can choose to save their money for the future.
- Families can decide not to buy some things so they can save for more expensive things.
- Families can choose to donate some of their money.
- Families can choose to save some of their money for an emergency.
An extension to this inquiry might involve students participating in a class discussion about the pros and cons of spending for a short-term goal versus saving for a long-term goal.

Students have the opportunity to Take Informed Action by building their knowledge of the benefits and costs associated with making economic decisions. Students demonstrate that they understand by surveying family members about how they choose to spend their money. They show their ability to assess by brainstorming ways in which they can make minor changes or adjustments in their everyday lives to help their families save money. And they act by working together to create posters promoting their money-saving strategies and displaying them for other students and family members in their school communities.
Supporting Question 1

<table>
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<tr>
<th>Featured Source</th>
<th>Source A: Image bank: Earning money? You decide!</th>
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Image 1
© istock / © littleny.

Image 2
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Image 3
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Image 4
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Image 7
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Image 8
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### Supporting Question 2

| Featured Source | Source A: PrudentialCorpAsia, video describing what people can do with their money. “Cha-Ching: Earn, Save, Spend and Donate,” 2015 |

**NOTE:** This screen shot shows the first image in the video about what people can do with their money.

Reproduced with permission from Prudential. [https://www.youtube.com/watch?v=yD6iVjViT4Y](https://www.youtube.com/watch?v=yD6iVjViT4Y).
Supporting Question 2

**Featured Source**

**Source B:** ReadWorks, article on budgeting, “What Is a Budget?” 2015

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**What Is a Budget?**

How much does your favorite snack cost? How many dollars do you spend each week? Can you spend less money to save some?

Making a budget is a good way to answer those questions.

A budget is a plan for how to spend and save money.

Companies and countries have budgets to manage their spending.

Putting together a budget can help you, too. Do you get a weekly allowance? That is a regular amount of money you might receive to pay for things such as snacks, games, and toys. What would happen to a boy who got his allowance on Monday and spent it all by Wednesday? He would not have any money to spend for the rest of the week!

You can avoid that problem by following a budget. First, figure out how much you have to spend. Include money you earn, gifts you receive, and money you have already saved. Next, write down what you spend money on each week.

Maybe you will find you are spending a lot on snacks. Cutting down would help you save some money every week. You could then use your savings for something special. That is the benefit of a budget!

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### Supporting Question 3


*NOTE: This link connects to the slides on the EconEdLink website that explore the idea of saving money.*

Supporting Question 3

**Featured Source**

**Source B**: Themint.org, article about what to do with savings, “How to Use Savings,” 2015

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**How to Use Savings**

Earned money or gotten it as a gift? What do you do with it? Run right out and spend it?

Wait a minute. You have lots of choices. You can

1. spend all of it
2. save all of it
3. save some of it and spend the rest.

But you can do even more with your money. Anyone can SPEND money. That’s easy. But then you don’t really have any money in your bank when you need it.

The idea is not to SPEND money but to be money smart and learn how to HANDLE IT. Here’s how smart people use the money they have.

**Little things.** Want to buy a snack at school? Want to rent a video game? Go to the movies? If you have enough money saved up, you can. In fact, the more you save, the more you can do.

**Bigger items.** Do you dream of getting a new bike or a new, fun game? Then you’ll need even more time to save because these items cost more money. Keep saving! Even small amounts add up. How about presents for others? You need to save for birthday and holiday gifts, too.

**Giving.** Do you feel that helping others is important? Then, save some money for giving, too. You can help those who work with whales, run animal shelters, protect forests, or look for medical cures. Your money can help pay for this work. Or maybe you want to give money to help people who need money.
Emergencies. You forget your jacket at soccer practice, and someone steals it. Or you forget to lock up your bike, and it disappears. If you have a history of being careless, your parents will expect you to help purchase the new coat or bike. If you don’t have some money set aside for such emergencies, you have a problem.