

Lesson Plan: Responsible Money Choices  
50-65 minutes

<b>Learning Objectives</b>	Students will be able to: <ul style="list-style-type: none"> <li>• Create a savings plan to meet short and long term goals</li> <li>• Define and categorize items as needs or wants</li> <li>• Define opportunity cost; explain how it applies to time lost, other activities that could be completed, or additional wants</li> </ul>
<b>Materials needed</b>	<ul style="list-style-type: none"> <li>• Whiteboard</li> <li>• Notebook paper</li> <li>• Writing utensil</li> </ul>

**Overview:** This lesson will teach students the difference between “wants” and “needs” using information from the *Vault – Understanding Money™* program. Students will learn to independently identify needs and wants in their current life, as well as those for adults. The lesson also includes strategies for prioritizing needs and wants, identifying opportunity costs, and long-term/short-term savings goals.

**Background Knowledge Required:** This lesson refers to the “Making Your Own Money Decisions” activity in the *Responsible Money Choices* concept group of the *Vault™* program. Before beginning this lesson, students should have completed “Making Your Own Money Decisions”.

**Provided Student & Teacher Materials:**

- No Student or Teacher Materials required for the lesson

**Lesson Plan:**

Opening	<p><i>Duration: 10 minutes</i></p> <ul style="list-style-type: none"> <li>• Make sure all students have completed the “Making Your Own Money Decisions” in the <i>Responsible Money Choices concept</i> group.</li> <li>• In a group discussion, ask students to share “wants” and “needs” they observe in the classroom. List the wants and needs on the board using a t-chart.</li> </ul> <p><u>Background Information</u></p>
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	<ul style="list-style-type: none"> <li>• Want- something you'd like to have but will be okay without</li> <li>• Need- something you truly can't live without</li> <li>• Opportunity Cost- the cost we pay when we give up something to get something else</li> <li>• Short- Term Goal- a goal that can be achieved in a short amount of time. It can be a few days, weeks, or months.</li> <li>• Long-Term Goal- a goal that can be achieved in a longer amount of time. It can be months, years, or even an entire lifetime.</li> </ul>
Introduction to New Material	<p><i>Duration: 10 minutes</i></p> <ul style="list-style-type: none"> <li>• Based on the t-chart of wants and needs in the class, begin a discussion to define "wants" and "needs". Some questions you can pose to the class: <ul style="list-style-type: none"> <li>◦ What is the difference between a want and a need?</li> <li>◦ What is a good way to determine if you need something, or just want it?</li> <li>◦ What are some reasons to NOT purchase something you don't need?</li> <li>◦ Will every items always fall perfectly into the need and want categories?</li> </ul> </li> <li>• After discussing financial decisions and needs and wants, tell students to think about their own decision-making process for spending money. The goal is for the students to understand their own needs and wants and how to prioritize their spending accordingly.</li> </ul>
Activity/Practice	<p><i>Duration: 30 minutes</i></p> <ul style="list-style-type: none"> <li>• Ask students to take out a piece of paper and a writing utensil. Students should create their own t-chart with "needs" as the left header and "wants" as the right header</li> <li>• Next, ask students to make a list in each column of needs and wants they have spent money on recently, or that their parents have spent money on their behalf.</li> <li>• Create a T-Chart on the board that mirrors students' T-chart.</li> <li>• Pull student volunteers to come to the board to write one need and one want in each column. After each volunteer writes the needs and want, ask the class if they are classified correctly, and why.</li> <li>• Once the list is complete and all wants and needs are classified correctly, introduce savings goals. Using examples from the class T-chart, differentiate between items that may require short-term savings and items that may require long-term savings</li> </ul>

	<p>based on the cost of these items.</p> <ul style="list-style-type: none"> <li>• Ask students to independently look at their own list and identify items that may require short-term (S) or long-term (L) savings to reach due to the cost. Ask students to share their example with an estimated cost of the items.</li> <li>• Explain the term opportunity cost. Explain to students that to reach one of their long-term savings goals i.e. new gaming system or computer, they may have opportunity costs. Explain that reaching their long-term savings goals to buy the new gaming system may mean sacrificing another want, missing out on time with friends to do extra chores, or saving their money instead of spending it at the arcade.</li> <li>• Independently, have students circle one item they are saving up for on their T-chart. Referring to the circled item, ask students to list “opportunity costs” they may have when trying to save up for their goal on the backside of their paper. Reiterate this may be other wants, their time, or other activities.</li> <li>• Ask students to stand up-hand up- pair up to share their opportunity costs with a partner. Conclude by listing potential opportunity costs students have shared on the board.</li> </ul>
Closing	<p><i>Duration: 8 minutes</i></p> <ul style="list-style-type: none"> <li>• As an exit ticket, share <b>college</b> as a savings goal. Each student should individually, on a piece of paper to turn in, share if this is a short-term or long-term savings goal. Next, students should list an opportunity cost(s) they may have when trying to reach this goal.</li> </ul>