

2ND GRADE

TEACHER RESOURCE

DOWN TO BASICS



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Interest – money you are paid when you keep money in a savings account

Saving – setting money aside so you can use it later

Account – a file at a credit union or bank that has your name and records how much money you have

Deposit – any amount of money you put into an account

Withdrawal – any amount of money you take out of an account

Responsible borrowing – accepting an amount of money you can pay back, and paying the money back to the lender

Irresponsible borrowing – accepting more money than you can pay back, and not paying back money you owe a lender

Lending – giving someone an item or money, and expecting them to return it to you by a certain time

Producer – a person or company who makes something

Consumer – a person who buys goods and services

Cost – the amount of money needed to make or do something

Profit – the amount of money a producer has after paying the cost of making goods or providing a service



Lesson 1: How Does Your Money Grow?

Upon completion of this lesson, students will be able to:

1. Understand the difference between spending and saving
2. Explain the advantages of saving money
3. Define account, deposit, withdrawal, and interest
4. Explain what a savings account is
5. Describe the benefits of keeping savings in an account

Materials Needed:

- How Does Your Money Grow? Slides
- How Does Your Money Grow? worksheet (Print 1 per student)
- How Does Your Money Grow? answer key

Estimated Duration: 30 minutes

Display and discuss the How Does Your Money Grow? Slides. While the slides are self-explanatory, please note:

SLIDE 1 – The link to Sesame Street’s For Me, For You, For Later video is about spending, saving and sharing: <https://www.youtube.com/watch?v=ZrsWh7Bo97A>

SLIDE 5 – No one can steal your money, and it cannot be destroyed. The children may have questions about that. Even if something happens to the money that is physically in the financial institution, federal insurance covers all depositors’ funds so consumers do not suffer from these types of events.

Students complete the How Does Your Money Grow? worksheet



Lesson 2: Borrowers Pay Back Lenders

Upon completion of this lesson, students will be able to:

1. Define borrower and lender
2. Describe characteristics of a responsible borrower
3. Describe characteristics of an irresponsible borrower
4. Provide examples of lending
5. Explain the costs and benefits of being a lender

Materials Needed:

- Being a Responsible Borrower Video

Estimated Duration: 30 - 45 minutes

Introduce the lesson by explaining that if you do not have enough money to pay for something you want now, you might be able to borrow money from someone so you can go ahead and buy the good or service you want. You might borrow money if you want to see a movie or buy a toy. Grown-ups often borrow money when they have to buy very expensive things like a house or a car. What does EVERYONE have to do when they borrow money? Pay the money back!

Show Being a Responsible Borrower video. After your students have viewed the video, ask them for examples of responsible and irresponsible borrowers from their own personal experience.

[Being a Responsible Borrower](#)

(Boost: For an extended activity after the video, you can read the story below and discuss with the class the concepts of borrowing and lending.)

Beg, Borrow or Deal! tells the story of how Poppy's grandmother teaches the young pup to be a responsible shopper and borrower.

Beg, Borrow, or Deal!

Poppy the puppy loves to go to the store with her Grandma. Poppy has saved up all the money she earned for making A's and B's on her report card. Now she has five dollars she can spend at the store.



It doesn't take long for Poppy the puppy to find EXACTLY what she wants. It's a ham bone the size of her head! Best of all, it's wrapped in BACON! The problem is, Poppy has five dollars and the ham bone costs \$20.

"Please, oh PLEASE!" Poppy begs her Grandma. "I can borrow the money and pay you back by doing chores! I'll clean up the yard. I'll wash all the dishes for a month. I'll take out the trash, and scrub the bathroom, too!"

Poppy's Grandma shakes her head. "No, Poppy. You don't need a ham bone. Bones can make us sick, and bacon is good for a small treat, but that is too much bacon."

"Besides, it will take you much too long to pay me back. You will have eaten your treat, but you will still be doing chores for weeks to pay me back. I will help you buy something, but it needs to be something that costs an amount you can pay back."

Poppy wants to throw a fit, but she is a good girl who knows better. She keeps shopping. She finds something even better than a bacon-wrapped ham bone. "Grandma look!"

Poppy exclaims. "It's the prettiest collar I've ever seen!"

The collar is bright green with a shiny silver tag that has enough room for Poppy's name.

"This is a lovely collar," Grandma says. "It's only seven dollars; and, if you ever get lost, your collar will tell a nice helper where you live so you can get home safely."

"I have five dollars, but this costs seven. May I borrow two dollars so I can buy it?" Poppy asks her Grandma.

"Yes, you can," Grandma replies. "But how will you pay me back?"

"I do chores for Mom. I get a dollar every week for barking at the man who brings the mail. Instead of putting my next two dollars in my piggy bank, I will give them to you," Poppy explains.

"That sounds like the perfect plan. I am very proud of you," says Grandma. Poppy is so excited! She cannot stop wagging her tail, no matter how hard she tries!

Lesson 3: Borrowers, Producers, and Consumers

Upon completion of this lesson, students will be able to:

1. Define producers and consumers
2. Judge if someone is a producer or consumer
3. Create a list of items they consume
4. Illustrate the producer of a certain good or service

Materials Needed:

- Producers and Consumers Slides
- I Am a Consumer worksheet (Print 1 per student)

Estimated Duration: 45 minutes

Begin today's lesson by teaching your students about the roles of producers and consumers, using the Producers and Consumers Slides. Use slides 2 – 6 to explain and discuss the role of producers. Use slides 7 & 8 to explain and discuss the role of consumers. For the remaining slides, call upon class participation in identifying, "Who is the producer? Who is the consumer?" In some instances, brief videos are linked from YouTube to illustrate the production process.

Explain to your students that everyone is a consumer. Even producers are consumers! Some workers may produce the food we eat, but they likely wear the clothes and drive the car that other people produced.

Give each student a copy of the I Am a Consumer worksheet. Ask them to list five things (goods or services) they consume. Once their list is complete, they should choose one thing on the list and illustrate the producer who makes the good or provides the service .

Lesson 4: Costs and Profit

Upon completion of this lesson, students will be able to:

1. Play the role of a producer
2. Define cost and profit
3. Understand that producers make money from the goods they sell
4. Understand that producers have business costs
5. Explain how a producer's profit is the producer's income

Materials Needed:

- Producers and Consumers Game Cards (Print 1 set of cards)
- Drawing Paper (1 per student)
- Dice

Estimated Duration: 45 minutes

Before class, print and cut out the Cookie Company cards. Stack the cards so that the top card states a consumer is buying cookies.

Introduction

Today, your class will get to be a producer of goods. They have their very own Cookie Company. Brainstorm with your students to choose the best name for their cookie company that is famous for making the world's best chocolate chip cookies!

Once you have chosen a name, talk about the pressures of owning this company. The good news is that every time you sell some cookies, you make money to deposit in your account! But, you also have costs. You have to purchase all of the ingredients to make your cookies. You also have to pay for equipment like bowls, spoons, and ovens. If anything happens to your equipment, you have to withdraw money from your account to pay to get it repaired.

You really hope that you get to deposit more money than you have to withdraw! If you make more money selling cookies than you have to spend on ingredients and equipment, you will have money left over. The money you have left over after you have paid all of your costs is profit. Profit is a producer's income. When producers make a profit, they use their money to buy needs and wants for their families.





Game Instructions

1. As students progress through the game, use a white board to keep a running total of how much money they have in their cookie company account. Display this number so all students can see it.
2. On the first day of business, they will begin with \$25 in the account. (Display 25.) Explain that this is their opening balance in their business account. Each time they sell cookies, this number will increase because they get to deposit money in their account. Each time they have to pay for an expense like ingredients or equipment, they have to withdraw that money from their account, so this number will decrease. If they have money left in their account at the end of the game, this will be their profit. Profit is the income that they can spend on needs and wants for their family.
3. Show students the stack of Cookie Company cards you have. (Have a sale of cookies card on the top of the deck.) Draw the top card from the deck. Read the card aloud. How exciting! Your first cookie sale! “Deposit” the amount of money earned from this sale into the bank account by increasing the balance amount that is displayed.
4. One at a time, your students will come up to draw and read a card aloud. Many of the cards will show cookie sales. All sales mean there is a deposit made to the business account—the running total increases.
5. However, some of the cards show costs the students must pay. When a student draws a cost card, explain that they will have to roll the dice and withdraw 2x that number because it is a cost. For example, if they have to pay for flour, they will roll the dice. If they roll a four, they will have to withdraw eight dollars from their account—the running total decreases.
6. Play through the stack of cards. Manipulate the cards as needed if expenses look like they will exceed sales.
7. Celebrate with your students for the profit they made when the game is over. Explain that this is how businesses work. They rely on their profits to have money to buy needs and wants for their families.
8. For closure (and if time allows), have students draw a business that they would like to have some day. Tell them to include a sign for the name of their business in their illustration!

Name _____

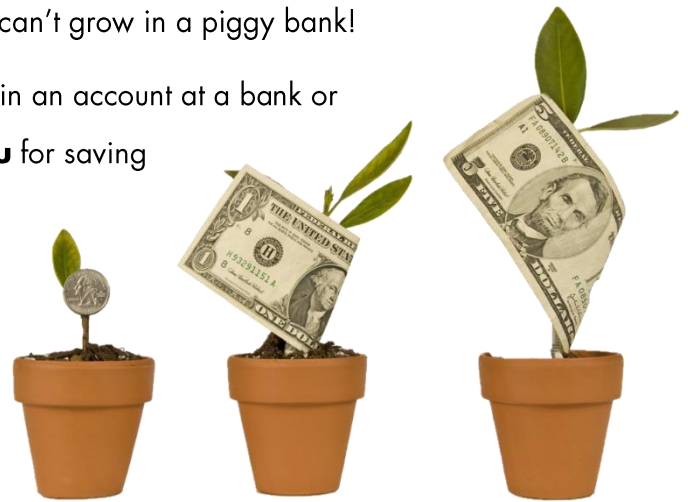
Lesson 1: How Does Your Money Grow?

You save \$5 dollars in a piggy bank for ten years. When you are ready to take it out of piggy, how much money do you have? You will still have \$5 because money can't grow in a piggy bank!

Do you know that your money does grow when you save it in an account at a bank or credit union? That's right! Banks and credit unions **pay you** for saving your money!

This free money you get for saving is called interest. The more money you save and the longer you keep it in the account, the more **interest** (free money) you earn!

Complete the table below to discover how saving money in a savings account can increase your original savings amount.



Savings Account	Money in Account	Interest Earned on Money in 1 Year	Total amount of money at end of Year
1 Year	\$100	+ \$2	\$102
2 Years	\$102	+ \$3	\$105
3 Years	\$105	+ \$4	
4 Years		+ \$5	
5 Years		+ \$6	
6 Years		+ \$7	
7 Years		+ \$8	
8 Years		+ \$9	
9 Years		+ \$10	
10 Years		+ \$11	

Circle the amount of money you began with in the account.

Box the total amount of money you have in the account at the end of 10 years.

Subtract the original amount of money from the total amount of money at the end of 10 years. **How much interest** (free money) **did you make?** _____

Name _____

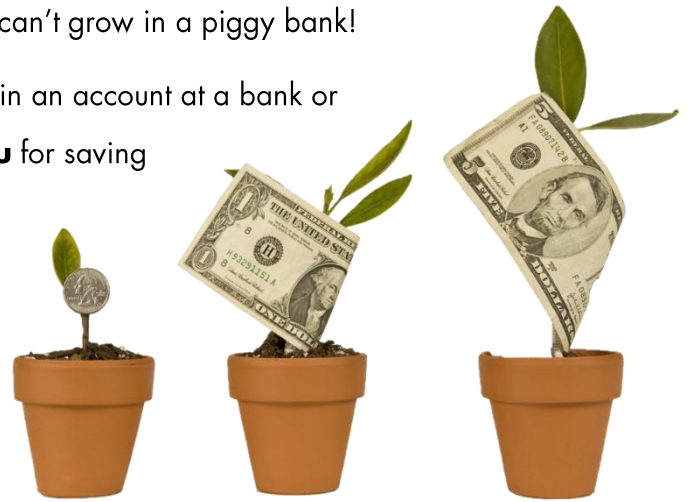
Lesson 1: How Does Your Money Grow? Key

You save \$5 dollars in a piggy bank for ten years. When you are ready to take it out of piggy, how much money do you have? You will still have \$5 because money can't grow in a piggy bank!

Do you know that your money does grow when you save it in an account at a bank or credit union? That's right! Banks and credit unions **pay you** for saving your money!

This free money you get for saving is called interest. The more money you save, and the longer you keep it in the account, the more **interest** (free money) you earn!

Complete the table below to discover how saving money in a savings account can increase your original savings amount.



Savings Account	Money in Account	Interest Earned on Money in 1 Year	Total amount of money at end of Year
1 Year	\$100	+ \$2	\$102
2 Years	\$102	+ \$3	\$105
3 Years	\$105	+ \$4	\$109
4 Years	\$109	+ \$5	\$114
5 Years	\$114	+ \$6	\$120
6 Years	\$120	+ \$7	\$127
7 Years	\$127	+ \$8	\$135
8 Years	\$135	+ \$9	\$144
9 Years	\$144	+ \$10	\$154
10 Years	\$154	+ \$11	\$165

Circle the amount of money you began with in the account.

Box the total amount of money you have in the account at the end of 10 years.

Subtract the original amount of money from the total amount of money at the end of 10 years. **How much interest (free money) did you make?** \$65

Name _____

Lesson 3: I Am a Consumer

List five things you consume. Next, choose one item from your list and draw a picture of the person who is producing the item.

1. _____

2. _____

3. _____

4. _____

5. _____

I consume _____. It is produced by _____.

Lesson 4: Producers and Consumer Game Cards

<p>Sally is really hungry! She wants to buy three cookies.</p> <p>Deposit \$3.00</p>	<p>John wants to buy two cookies: one for him and one for his girlfriend.</p> <p>Deposit \$2.00</p>	<p>Andy wants to buy two cookies: one for him and one for his sister, Emma.</p> <p>Deposit \$2.00</p>
<p>Grandma wants to buy a dozen cookies for her cookie jar.</p> <p>Deposit \$12.00</p>	<p>A clown wants to buy three cookies!</p> <p>Deposit \$3.00</p>	<p>Your neighbor, Mr. Green, will buy three cookies!</p> <p>Deposit \$3.00</p>
<p>The mailman wants to buy two cookies</p> <p>Deposit \$2.00</p>	<p>Aunt Polly would like to buy four cookies!</p> <p>Deposit \$4.00</p>	<p>Dr. Jones would like to buy two cookies!</p> <p>Deposit \$2.00</p>

<p>Uncle Jim could smell your cookies from a mile away! He wants 3 cookies!</p> <p>Deposit \$3.00</p>	<p>Your best friend would like two cookies. . .</p> <p>Deposit \$2.00</p>	<p>Mrs. Patel wants to buy cookies for everyone in her tutoring session!</p> <p>Deposit \$4.00</p>
<p>Your friends need cookies for soccer energy!</p> <p>Deposit \$2.00</p>	<p>You sold some cookies to friends after school.</p> <p>Deposit \$14.00</p>	<p>Uh-oh! Your oven broke and you need to buy a new one.</p> <p>Roll the dice</p>
<p>Someone drank all the milk. <i>Bummer!</i> You will need to buy more.</p> <p>Roll the dice</p>	<p>It looks like you ran out of cookie mix. Run to the store and buy some more.</p> <p>Roll the dice</p>	<p><i>Oh no!</i> You spilled the sugar. You must replace it by buying more sugar.</p> <p>Roll the dice</p>

<p>Little sister is having a tea party with her friend. Mom buys two cookies for the party.</p> <p>Deposit \$2.00</p>	<p>Your brother buys cookies for all his teachers for Teacher Appreciation Week.</p> <p>Deposit \$6.00</p>	<p>Mom takes four cookies to work for her lunch buddies.</p> <p>Deposit \$4.00</p>
<p>Big sister buys cookies to pack for her picnic with her boyfriend.</p> <p>Deposit \$2.00</p>	<p>The lawn mower man buys four cookies.</p> <p>Deposit \$4.00</p>	<p>Dad buys two cookies to take to the office for a snack.</p> <p>Deposit \$2.00</p>
<p>Grandpa ate Grandma's cookies. He wants to buy another dozen!</p> <p>Deposit \$12.00</p>	<p>Boss Dog knocked some cookies to the ground. You must throw them away and bake more.</p> <p>Roll the dice</p>	<p>You ate too many chips for a snack. Buy more chocolate chips.</p> <p>Roll the dice</p>