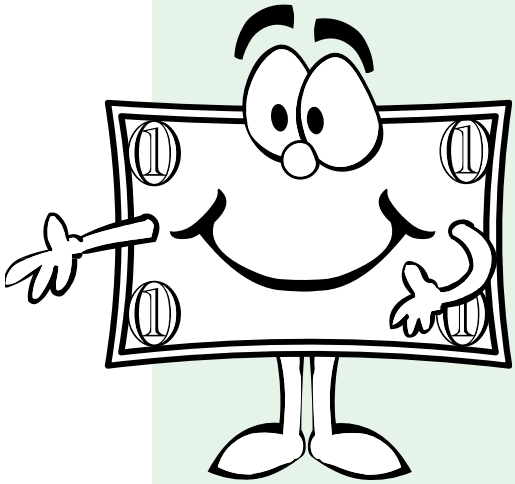
Grade Two

Keeping Track of Our Money



Overview

Students share the book *How the Second Grade Got $8,205.50 to Visit the Statue of Liberty,* by Nathan Zimelman, to learn about managing money and using record-keeping tools such as ledgers to track income, expenses, and balances.

Prerequisite Skills

Add and subtract two-digit integers with and without renaming. Count one-dollar bills and count coins (quarters and dimes) up to one dollar.

Lesson Objectives

Students will be able to:

- Recognize and write money amounts using dollar signs and decimal points
- Define the terms *income, expense,* and *balance*
- Understand that people must keep track of their personal finances
- Fill out a simple ledger sheet by adding and subtracting whole-dollar amounts

Materials List

1. Book: *How the Second Grade Got $8,205.50 to Visit the Statue of Liberty*, by Nathan Zimelman (Albert Whitman & Company, 1992)
2. Notebook (or writing) paper
3. Blank paper (one for each student in small groups)
4. One die or number cube
5. Handouts:
   - **The Money Machine** worksheet
   - **Record Keeping** worksheet
6. Optional: Crayons

Content Standards

The activities in this lesson correlate to national standards in economics, math, and language arts. See the end of this lesson for content standards information.

Vocabulary

balance

decimal point

dollar sign

expense

income

ledger

record-keeping

treasurer

Large-Group Activity

Materials

- Book: *How the Second Grade Got $8,205.50 to Visit the Statue of Liberty*
- Chart paper or chalkboard
- Notebook (or writing) paper
- Optional: Crayons

1. Gather students to share the book *How the Second Grade Got $8,205.50 to Visit the Statue of Liberty.*

   ❍ Say:

   Have you ever sold something to help raise money for your school or a scout troop or a church? What did you sell? Allow students to share their experiences.

   Today I'm going to read you a book about a group of second graders that tried very hard to raise enough money for a visit to New York City. It's called *How the Second Grade Got $8,205.50 to Visit the Statue of Liberty.* How many of you know what the Statue of Liberty is, and where it is? Explain that the statue is located on an island in New York Harbor, and people come from all over the world to see it. Show them the sketch of the statue on the title page of the book.

   NOTE: You may or may not want to share some other facts about the statue, depending on your time. You might explain that it was given to the people of the United States by the people of France, and that it was placed in New York Harbor to welcome people who moved here from other countries. You can find more information about the statue at the National Park Service Web site, found at: www.nps.gov/stli/prod02.htm.

   This book was written by Nathan Zimelman, and illustrated by Bill Slavin. It's a very funny story about the strange things that happened to the second-grade students when they tried to raise money for their trip. Mr. Zimelman wrote it as if he was Susan Olsen, one of the second graders trying to make money.

   Let's find out what happens to the kids in this story.

   ❍ Read the book aloud to the class. Be sure to allow the entire class time to see each picture.

2. Briefly discuss the book with the class.

   ❍ **Did the second grade get enough money to visit the Statue of Liberty?**

   Yes, Susan reports that $8,205.50 is "way more" than they need for the trip.

   ❍ **Name some of the moneymaking jobs the kids tried.**

   Students may list any or all of the following (there is no need to list all of them at this time):

   - Paper Drive
   - Lemonade Stand

- Baby Sitting and Dog Walking
- Candy Sales
- Car Wash

❍ **Did they make most of their money from any of these jobs? Why or why not?**

No, they had some accidents and other disasters that usually made them lose their money.

❍ **How did they get most of the money they needed?**

They helped stop a bank robbery and received a reward of $8,200.00.

3. Discuss today's economic concepts: money management and writing money with a dollar sign and decimal point; and income, expenses, and balances.

❍ ***Managing Money***

This was a pretty funny book about the weird things that happened to the second graders as they tried to make money, but there is also an important lesson about money in this book. Susan Olsen did more than report what happened to the kids in all their jobs. She was also the treasurer of the group. Write the word "treasurer" on the board or chart paper.

Do you hear a word you recognize in the word "treasurer?" You know what a treasure is, don't you? Underline "treasure_" and allow students to explain what a treasure is.

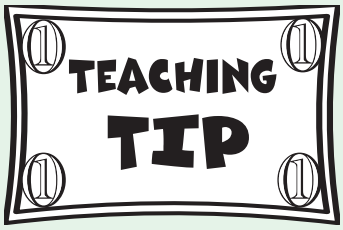
A treasure is anything that is worth something to people, like gold or jewelry or money. A treasurer's job is to keep a close watch on the treasure (in this case, money). The treasurer has to know how much money the group has, and also has to add up any new money and subtract the money that is taken out, or spent.

Groups like scout troops or churches or schools hire someone to be a treasurer for them. But people like you and me and our parents need to watch our money, too. We need to add any new money to the total and subtract money we spend so that we always know how much money we have. We don't hire treasurers to watch our money, though–we have to do the work ourselves.

Who can think of a way we can watch our money? Encourage creative discussion. Guide students to the idea of writing down money earned and money spent.

To help keep track of money we need a record-keeping tool. Write the word "record-keeping" on the board. **This word means just what it says: when you write down how much money you make, save, and spend, you are keeping a record.**

There are lots of ways to keep records of money. Some people even use a computer to help them. Today we're going to talk about a special tool used by treasurers, business owners, and regular people like us to keep records of their money–a ledger. Write the word "ledger" on the board, and draw a simple chart like the one on the next page.



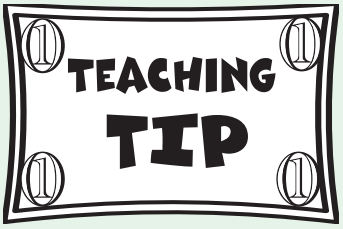
You may or may not wish to introduce the vocabulary word "accountant" to the students at this time, too.

NOTE: Don't insert the column headings "Income," "Expenses," or "Balance" until you discuss each of them in the next sections.

Ledger				
Date	**Notes**	**Income**	**Expenses**	**Balance**

This is a very simple example of a ledger. Some ledgers have more places to write more information, but we're just going to take a look at how a ledger works, so we're going to keep it simple. The first two columns are places to write the dates when you watch your money, and a place for writing a note to yourself to help you remember what happened.

❍ *Writing Money and Understanding Income*



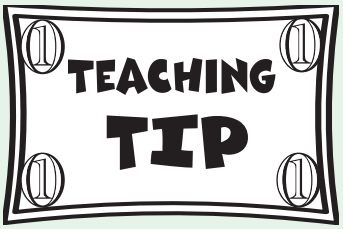
Second graders are just learning cursive writing, so be sure to print all words you use in the ledger.

Let's say it's your birthday today, and some of your relatives sent you money. Write today's date in the first "Date" box, and "Birthday Money" under "Notes."

When you get new money, it's called income. Write the "Income" heading in the proper box. **This word is easy to remember if you think of the money "coming in": come–in, in–come, income. Let's say you got a total of ten dollars on your birthday. That's new money, so it goes in the "Income" box.** Write "$10.00" in the "income" box on the first row.

Look at the way I wrote ten dollars. Does anyone know what this symbol that looks like an upper case "S" with two lines through it is called?

The symbol is the dollar sign.



Emphasize the difference by using both the cent and dollar signs to write other amounts—for example, 42¢ or $0.42.

When you write money in a ledger, you don't use the cent sign. Write a cent sign outside of the chart, with a dollar sign next to it. **Instead, we use this symbol for dollars. The dollar sign is always written on the left side of the numbers.**

Look at all the zeroes I wrote in ten dollars. How many zeroes are there?

There are three zeroes in $10.00.

The numbers right after the dollar sign mean ten, because we're talking about ten dollars. Next to the number ten there's a dot. Do you know what the dot is called? Students may suggest it's a period.

This dot is called a period if you use it to write sentences, but when you use it to write numbers, it has a different name. We call this dot a decimal point. The job of a decimal point when you write money

is to separate dollars and cents. The numbers on the right side of the decimal point are cents. How many cents are there in this amount?

There are two zeroes, telling us there are no cents.

If one of your relatives had given you some cents, you would change the zeroes to show the number of cents you have. Erase the two zeroes and change the amount to $10.75.

How much money do I have as income now?

The income is ten dollars and 75 cents.

For our example right now, though, we're going to stick to whole dollars, so let's go back to ten dollars for our income. Change the income amount back to $10.00.

❍ ***Expenses and Balances***

Okay, we know we received ten dollars for birthday money. Let's pretend we didn't have any more money–ten dollars is the total of all our money. Another word for "total" that is used in money record keeping is the word balance. Write the heading "Balance" in the final box of the chart. The box for "expenses" is left blank for now.

What is our balance so far? The balance, or total, of our money is ten dollars. Write "$10.00" under the heading "Balance."

Our ledger is now done for that line. Notice that one of the boxes is blank. We don't write anything on that blank for this row, because all we want to keep a record of right now is the new money, or the income, we just made.

Do people keep all their money forever and ever, or do they sometimes spend it?

Everybody spends money.

The money you spend is called an expense. Write the heading "Expenses" in the remaining box on the chart, and stress the similarities in the sounds of the two words: **You "spend" an "expense."**

In the story, the second graders had expenses–things they had to pay for as they did their jobs. Can you remember any expenses Susan Olsen reported? You may want to return to the book and reread some of the expenses listed by the second-grade treasurer. For example, on the second page of text, Susan reported that they paid two dollars to rent wagons to carry the paper to the recycling center.

Let's fill out another line of our ledger to show how we keep a record of an expense. Name something you might like to buy with some of your birthday money. Allow students to suggest ideas, and select any to use as an example.

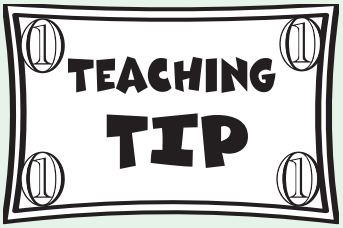
On the date line, we'll put today's date again, because today is when we're spending the money. Write today's date on the second line.

Under "Notes" we write the name of the thing we've bought. Write in the selected item in the "Notes" box on the second line.

We haven't received any new money, so we will leave the "Income" box blank. In the "Expense" box we write the cost of the item. Let's pretend it cost six dollars. Write "$6.00" under "Expenses" on the second line.

The last box is the "Balance" box. Do you remember what that word means? The word balance means "total."

That's right, when we keep records of our money, we always want to know what the total amount is–we want to keep track of the balance. An expense is money you've spent, so you have to subtract it. Who can tell me what the balance should be for this line of our ledger? Ten minus six equals four, so the current balance is $4.00. Write "$4.00" in the "Balance" box on the second line.



Second graders haven't learned to add and subtract decimals; so all examples should be in whole-dollar amounts.

- Review

Let's take another look at our ledger to remember what we did. On the first line we kept a record of some new money. What is new money called?

New money is called "income."

Income is something you add to your total. What is the total called?

The total money is called the "balance."

On the second line we kept a record of money we spent. What is spent money called?

Spent money is called "expenses."

You always subtract expenses from the balance. So on line one, we added ten dollars to the balance–zero plus ten equals ten dollars. On line two we subtracted six dollars from the balance–ten minus (or take away) six equals four. You have four dollars in your balance.

4. Introduce the large-group independent activity–Money Management story.

Now we're going to pretend you're the reporter for your own second-grade moneymaking job. Think of a way you and your classmates might earn money. Write sentences explaining what you will do, how much you want to collect (your income), what your expenses might be, and then tell the balance–the total money you made. If you have time, draw a picture to go with your story.

Have students work on their stories and pictures while you work with individual groups in the following small-group activities.

Small-Group Activity One: The Money Machine

Concepts Taught

Writing Money Using Dollar Signs and Decimal Points

Materials

- Chart paper or chalkboard
- Blank paper for each student in the group

■ Handout: The **Money Machine** worksheet

1. Review dollar signs and decimal points.

   ❍ Ask each student in the group to write a dollar sign on the chart paper or chalkboard, and provide assistance to make sure they are written correctly.

   Write the following amounts on the board:

   - 3.50$
   - $3.50
   - 3.50¢
   - $35.0

   Which of these is written correctly?

   This version is correct: $3.50.

   Circle the correct amount (if you're using a chalkboard, erase the incorrect ones).

   How do you read this amount?

   It is: "three dollars and fifty cents."

   How can I tell which numbers are dollars and which are cents?

   Dollars are written on the left side of the decimal point and cents are written on the right.

   There are always two digits written on the right side of the decimal point. Let's say I had three dollars and five cents. Can you guess how I would write that amount?

   Write it like this: $3.05.

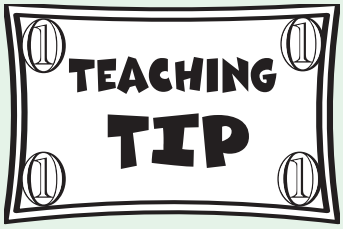
   The zero means I have no coins in the tens place.

3. Practice reading and writing money.

   ❍ Give each student a piece of blank paper and a pencil and have all of them write the following money amounts, one at a time. Check to make sure they place the dollar signs and decimal points correctly. NOTE: If the students in the group struggled with decimal place values, skip the last two examples.

   1. 2 dollars
   2. 10 dollars
   3. 25 dollars
   4. 1 dollar and 50 cents
   5. 4 dollars and 25 cents
   6. 5 dollars and 5 cents
   7. 3 dollars and 7 cents

4. Introduce **The Money Machine** worksheet.



If students seem confused by decimal place values, just go on to Number Three. Decimals are taught in third grade.

❍ Pass out the worksheet and read the directions aloud. Allow students to work independently, or with partners if they had difficulty in the previous activity.

Small-Group Activity Two: Record Keeping

Concepts Taught

- Using a Simple Ledger to Manage Money
- Materials
- Book: *How the Second Grade Got $8,205.50 to Visit the Statue of Liberty*
- Chart paper or chalkboard
- One die
- Handout: **Record Keeping** worksheet (one for each student plus one for the instructor)

1. Review record-keeping in *How the Second Grade Got $8,205.50 to Visit the Statue of Liberty.*

   ❍ **Now we're going to pretend we're the treasurers for the second graders in the book. We're going to use this record-keeping worksheet to help us keep track of the income, expenses, and balance as we look at their first job.** Reread the first page of the story. **What was the first job the second graders did, and how much money did they make?**

   They collected 30 dollars in a paper drive.

   Explain what you're doing as you write today's date, "Paper Drive," and "$30.00" in the appropriate boxes on the first line.

   What do I write as the balance so far? Write "$30.00" in the balance box of the first line, and then read the next few pages that list the expenses from the paper drive. Stop each time an amount is given and list it on the chalkboard or chart paper. You should have the following (line up the decimal points as you write them in a column):

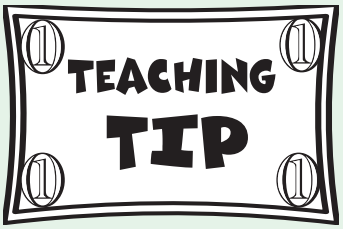
   - $ 2.00 (wagon rental)
   - $10.00 (buy back the comic book collection)
   - $ 5.00 (parking ticket)

   Who can add 2 + 10 + 5 for us? Allow a student to add the whole-dollar amounts.

   The total expenses for the paper drive added up to 17 dollars. On the second line of the worksheet, fill in the boxes as you read them aloud to the students: today's date, "Paper Drive" in notes, and "$17.00" in expenses.

   It's time to figure the balance again. Do I add or subtract the expenses? Expenses are subtracted from the balance. On the chalkboard write the problem "30 – 17 =."

   What is 30 minus (or take away) 17? Help students work the 2-digit subtraction problem, then write "$13.00" in the balance box of line two.



Second graders haven't learned to compute decimals. Use only whole-dollar amounts as you ask students to add or subtract.

If time permits, go through another money-raising activity from the book using the next two lines of the record-keeping worksheet. NOTE: The book refers to the balance as "profit." Don't use that term with students in this lesson.

2. Begin the record-keeping group activity.

- **Now you're each going to get a chance to fill in a record-keeping worksheet. In this activity, you will all start with ten dollars in your balance. Write "$10.00" in the balance box for the first line. We'll leave the rest of the boxes blank, and begin keeping records on line two.**

  Give students a copy of the **Record Keeping** worksheet and have them write "$10.00" in the balance box for line one. Then lead the activity in the following way:

- ***Round One***

  Write today's date in the correct box for the second line. Let's pretend you've all helped a neighbor rake leaves. Write the words "Rake leaves" in the "Notes" box for the second line. You may want to print "Rake leaves" on the board so students can copy your spelling.

  Now you will each roll the die to see how much your neighbor paid you. If you roll a one, you've made one dollar. If you roll a six, you've made six dollars. Where will you write this amount? This amount is written under "Income" on line two. Give the first student the die to roll, checking to make sure he or she writes the amount correctly, using a dollar sign and a decimal point.

  Continue around the table until all students have an amount written under "Income." Guide students to compute the new balance by adding the new income to the existing balance ($10.00), and writing the new balance in the correct box on line two.

- ***Round Two***

  Now write today's date in the correct box for the third line. Let's pretend you had to rent the rake you used to help your neighbor. Help students write "Rent rake" in the "Notes" box. **Since renting something means you have to spend money, would this amount be income or an expense?** You may need to remind students that you "spend" an expense–stressing the similarities in the sounds of the words again.

  Just like before, you each will roll the die to see how much it cost to rent the rake. Allow students to roll the die and check to make sure they write the dollar amount correctly and in the correct box. Once again help them compute the balance by subtracting the whole-dollar expense from the whole-dollar balance.

- ***Continuing Rounds***

  Make up more activities where students might earn or spend money, and continue the activity for as many rounds as you wish.

Assessment

Check students' understanding by listening carefully to the responses they give during group discussions and on **The Money Machine** and **Record Keeping** worksheets. Have students share their money management stories from the large-group activity, and check their addition and subtraction.

Suggested Online Activity

NOTE: Teachers should preview all sites to ensure they are age-appropriate for their students. At the time of publication, all URLs listed here were valid. In addition, some Web sites provide lessons via pop-up screens, so you may have to disable your computer's pop-up blocker software to access them.

Bucky's Build-a-Buck Game

The Money Factory Web site for kids hosted by The Bureau of Engraving and Printing provides many games to help children learn about paper money. At Bucky's Build a Buck game children solve a jigsaw puzzle of the ten-dollar bill. Found at: www.moneyfactory.com/kids/bport.html.

National Standards Correlations

Economics

The activities in this lesson correlate to the following Voluntary National Content Standards in Economics, as determined by the National Council on Economic Education, found at: www.ncee.net/ea/standards.

Standard 11: Role of Money

Students will understand that: Money makes it easier to trade, borrow, save, invest, and compare the value of goods and services.

K–4 Benchmarks:

- Money is anything widely accepted as final payment for goods and services.

Standard 13: Role of Resources in Determining Income

Income for most people is determined by the market value of the productive resources they sell. What workers earn depends, primarily, on the market value of what they produce and how productive they are.

K–4 Benchmarks:

- People can earn income by exchanging their human resources (physical or mental work) for wages or salaries.

Mathematics

In addition to economics, the activities in this lesson also correlate to the following *Principles and Standards for School Mathematics,* from the National Council of Teachers of Mathematics, found at: standards.nctm.org/document/index.htm.

Numbers and Operations Standards

Understand numbers, ways of representing numbers, relationships among numbers, and number systems

PreK-2 Benchmarks:

- Count with understanding and recognize "how many" in sets of objects

Understand meanings of operations and how they relate to one another

- Understand various meanings of addition and subtraction of whole numbers and the relationship between the two operations;
- Understand the effects of adding and subtracting whole numbers;

Compute fluently and make reasonable estimates

- Develop and use strategies for whole-number computations, with a focus on addition and subtraction;
- Develop fluency with basic number combinations for addition and subtraction;
- Use a variety of methods and tools to compute, including objects, mental computation, estimation, paper and pencil, and calculators.

Algebra Standards

Represent and analyze mathematical situations and structures using algebraic symbols

- Use concrete, pictorial, and verbal representations to develop an understanding of invented and conventional symbolic notations
- Use mathematical models to represent and understand quantitative relationships

Language Arts

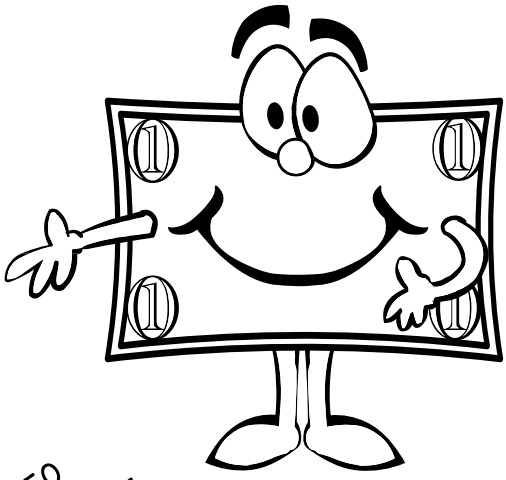
This lesson, based on the children's book *How the Second Grade Got $8,205.50 to Visit the Statue of Liberty,* by Nathan Zimelman, also correlates to the following *Standards for the English Language Arts,* from the National Council of Teachers of English, found at: www.ncte.org/print.asp?id=110846&node=204.

1. Students read a wide range of print and non-print texts to build an understanding of texts, of themselves, and of the cultures of the United States and the world; to acquire new information; to respond to the needs and demands of society and the workplace; and for personal fulfillment. Among these texts are fiction and nonfiction, classic and contemporary works.

3. Students apply a wide range of strategies to comprehend, interpret, evaluate, and appreciate texts. They draw on their prior experience, their interactions with other readers and writers, their knowledge of word meaning and of other texts, their word identification strategies, and their understanding of textual features (e.g., sound-letter correspondence, sentence structure, context, graphics).

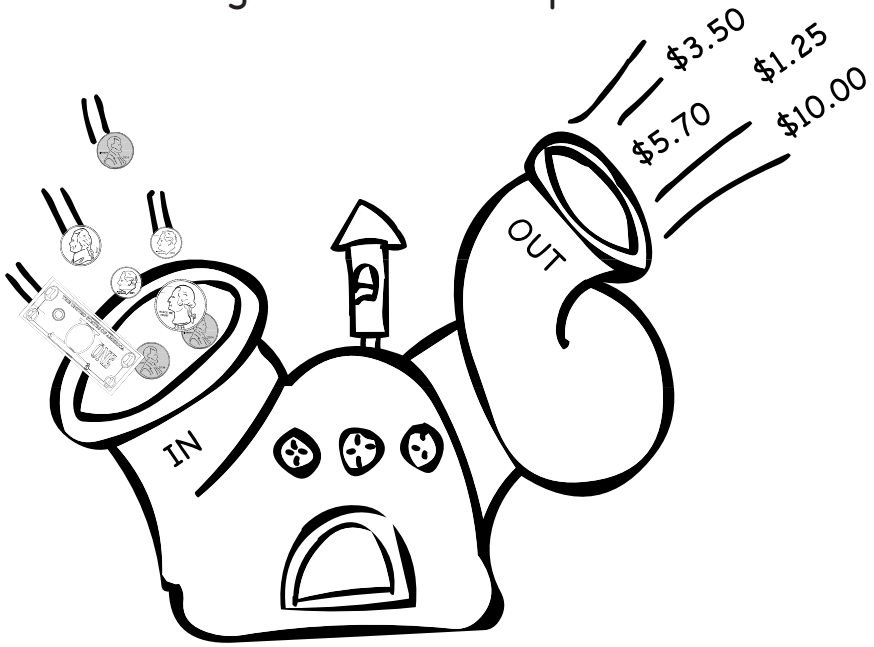
5. Students employ a wide range of strategies as they write and use different writing process elements appropriately to communicate with different audiences for a variety of purposes.

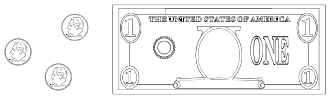
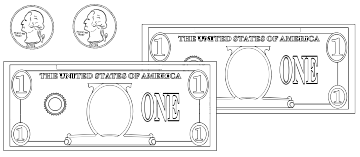
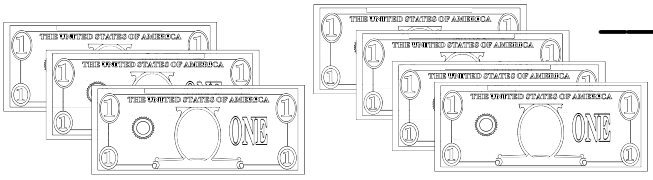
The Money Machine



Name _____

The Money Machine takes bills and coins and turns them into written amounts. Help the machine by writing the amount on the line. Be sure to use dollar signs and decimal points correctly!



IN	OUT
1. 	_____
2. 	_____
3. 	_____

Record Keeping

Name _____

Date	Notes	Income	Expenses	Balance