

understanding money



As the world of personal finance becomes increasingly complex, research indicates that the levels of financial literacy among young people are insufficient to cope with many of these complexities. The Commonwealth Government thinks that financial knowledge is such a priority that they've established a national Financial Literacy Foundation to spearhead Australia's financial and consumer education initiatives. The first priority of the Foundation was to establish a national financial literacy framework for teachers.

While the Government is finally waking up to the idea that young people need to learn about personal finances, teachers have been consistently incorporating money lessons into the classroom for years. Now, an innovative financial education program called **MakingCents** provides teachers with the tools to promote greater financial understanding. MakingCents offers a series of financial education units for primary school children that can be downloaded by teachers or parents from the MakingCents website.

This sample unit explores financial concepts such as earning an income, budgeting and strategies for managing financial decisions. The unit is suitable for students aged 8 and 9 years old.

Website resources

www.makingcents.com.au

(*MakingCents* materials are mapped against all State and Territory curricula and can be downloaded from the site for free.)

THE BIRTHDAY PARTY

Jo and Sam are twins. Next month they will be turning 10. Turning 10 is a very special birthday and their family wants to celebrate.

Jo and Sam like going to the movies, but they haven't been able to do that much lately since their father has been sick, and it costs too much. Their father is getting better now and is talking about being able to go back to work soon. So instead of going to the movies the twins' mother thought it would be good to have a birthday party. Their parents set a budget of \$50 and ask the twins to invite 10 friends.

Curriculum focus

HSIE/SOSE: Using technology

Mathematics: Mental and written strategies for addition, subtraction, multiplication and division.

Learning outcomes

Students will be able to:

- recognise monetary amounts
- interpret numbers used in everyday contexts
- choose the most appropriate strategy to add and subtract different amounts
- understand the inverse relationship between multiplication and division
- assess value for money
- compare costs of goods
- use problem-solving strategies to solve addition, subtraction, multiplication and division problems using money.





Activities

Preparing for the party

Prior to commencing work, set a homework task for students to collect food packaging and supermarket brochures of food and drink that could be purchased for a birthday party.

Display these items in the classroom, labelled with a purchase price that reflects the real cost but consistent with the numeracy skills of students in the class (usually multiples of 10).

Using the birthday party scenario, ask students to work in small groups to develop a budget for the birthday party, by selecting items from the classroom display. Ask students to decide on the party menu and record the items and their costs on the birthday party budget sheet, which is available for download from the MakingCents website. Ask students to consider these issues while working:

1. Where will the birthday party be held?
2. What will everyone eat and drink?
3. How much will everyone eat and drink?
4. How much will the food and drink cost?
5. What are the possible costs of the different alternatives?

Presenting the budget

Ask each group to present their budget to the class. Discuss the concept of 'value for money' and discuss ways that the birthday party budget could be increased.

Conclude the lesson by asking students to conduct an 'audit' of another group's budget. Ask students to check that:

- the items selected provide sufficient food and drink for ten guests
- the items represent value for money
- the calculation in the balance column is correct.

OTHER UNITS AVAILABLE FROM THE MAKINGCENTS WEBSITE

Unit 1: Using money (lower primary)

Unit 2: Budgeting and spending (middle primary)

Unit 3: Calculating the cost (upper primary)

