

WEEKLY ELEMENTARY LESSON

#KEEPLARNING



Week Ten: Invisible Money

Overview: In this lesson students explore what “invisible money” is and how it can impact their money goals. They will explore ways invisible money can impact earning, saving, and spending goals and will weigh the pros and cons of the various ways to spend.

Preparation: Review the activity and session materials. Make sure your students have all the needed materials to complete the lesson.

Recommended Time: 45 minutes

Materials:

Computer/Tablet with Internet

Paper

Writing Utensil

Printer (optional)

1) Presentation: Begin today's lesson by engaging students in a warm-up conversation by asking the following questions to determine what they know about ways to purchase things:

- What is a credit card? How does it work? Where is the money?
- What about debit cards – how do they work? Where is the money?
- What happens if there isn't enough money “in the bank” to pay for all that is bought using the debit card or credit card?

Introduce the video Invisible Money. As students view the video, ask them to pay attention to the different ways the band members pay for items for the party. Ask your students to listen for the term “invisible money” and think about what that might mean.

2) Watch: Have your students watch the video [Episode 12: Cha-Ching : Invisible Money](#).

3) Discussion: After you watch the video, ask the following questions. You can ask them verbally or have students write out their answers.

- What is the difference between paying for something with cash and paying for something with credit?
- When you buy something online, where does the money come from to pay for the purchase?
- Why do you think the video is called “Invisible Money?”
- What is good about using invisible money?
- How can spending invisible money get you into trouble? Why?

Ask students if they have heard the term, "digital age." Discuss with your students how we are connected to just about everything, all the time, with our devices - phones, computers, tablets, game consoles, etc. Because of this, there can often be a major disconnect that is overlooked – the use of paper money and coins. Ask your students, "When is the last time they saw a family member use cash to purchase something?"

Even though many families are no longer using cash and coins, it is super important that your students realize that money does not "grow on trees." It needs to be earned by doing a job. Once it is earned, it is deposited (often times electronically) into a bank account. From there, students can spend the money, whether it is using a debit card or by withdrawing cash.

4) Play the Invisible Money Game: Explain to students that they're going to play a simulation game to learn more about invisible money and how it can affect our goals and our financial health. Before you explain the game, ask your students, "Let's say one student purchases an item for \$10 and another student purchases the exact same item for \$10. Is it possible that the purchase will cost one of the students more than it cost the other student? Why do you think so? Why not?" Allow time for students to discuss their thoughts and ideas. Let your students know that they will find out the answer with this game.

Directions:

- Divide your students into two groups: **Team Spend** and **Team Save**.
- If you do not have groups, an adult or older sibling could be one of the groups and your student would be the other, or your student could do both roles.
- Explain that each group will “purchase” the same item for the same price and will keep track of their money for a four-month time frame.
- **Team Save** wants to purchase an item for \$10. But instead of buying it when they have \$0 in their bank account, they will determine how many weeks it takes them to save enough cash to purchase an item that costs \$10. Once they purchase the item, they will continue to save until they reach the four-month (16-week) time period.
- **Team Spend** will immediately purchase the same \$10 item using a credit card. They will then receive a monthly “bill” for the credit card and will pay off the balance and keep track of savings until they reach the four-month (16-week) time period.
- Using the registers below, students should calculate their earnings, interest, and payments.
- Be sure **Team Save** and **Team Spend** see what happens with each other’s finances at the end of each four-week period.
- Allow students to use a calculator. Help them understand that the point of the simulation is not to be able to calculate exact interest, but to understand the real cost of spending more money than you have using “invisible money.”
- Read the weekly scenarios to your students by selecting the photo or clicking here.
- After each four-week period, students will need to calculate their new monthly totals.
- Continue until you reach the 16-week time period.

[Team Spend Register](#)

[Team Save Register](#)

[Team Spend Answer Key](#)

[Team Save Answer Key](#)

5.) Discussion: After the game, ask the following questions. You can ask them verbally or have students write out their answers.

- Ask **Team Save** how many weeks it took for them to save the \$10 to purchase the item (10 weeks).
- Then ask **Team Spend** how many weeks they took to save before they could purchase the item (0 weeks - they bought it on credit card)
- Now ask both groups:
 - How much money did they have in their savings accounts when the 16 weeks were over? (Team Save - \$7.08 and Team Spend - \$3.48)
 - How much did the item actually cost each group?(Team Save - \$10.00 and Team Spend - \$13.32)
 - Explain to your students that \$3.32 may not seem like a lot, but Team Spend paid 30% more for the same item.

Ask your students to imagine if they didn't have enough money in their bank account and they used a credit card to purchase something that cost \$25.00, \$100.00, or \$5,000! When trying to reach our financial goals ask your students which is more important – earn, save, spend, or donate? Facilitate discussion to help students understand that it is important that we balance these four concepts to achieve our money goals. Ask your students, "When you spend, will it help you think differently about what you use to pay? Do you think you will make different money decisions in the future? Why or why not?"

The Money JAR - More and more, we are living in a cashless society. In this episode, hosts Todd and Evan discuss trends in teaching money management to kids. [Click here](#) to listen to this week's episode, **Piggy Banks or Money Apps**.

Bonus Activity! What Have I Learned from these Weekly Lessons?

Extended Activity: 15-30 minutes

Materials:

Computer/Tablet with a camera

Blank Paper

Writing Utensil

Overview: Students will create a 30-60 second video or paragraph answering the questions, "What have you learned from the weekly lessons and how did they make an impact on you?".

Directions:

- Ask students to think about everything they learned in JA's weekly lessons and identify what these lessons have meant to them.
- Students should submit a 30-60 second video response to the questions: "What have you learned from the weekly lessons? How did they make an impact on you?" If a video is not an option, students can submit a paragraph in place of a video.
- If you post on social media, please tag Junior Achievement of Oregon and SW Washington (@jaorswwa) and use the hashtag #KeepLearning