



Lesson: The Lonely Bill – In person

Developed by: The Center for Economic Education & Entrepreneurship

Materials:

Teacher will supply:

- Whiteboard and markers and/or Smartboard or document camera
- Copies of Handout 1, one per student
- Students will need pencils

Banker packet contains:

- Book – The Lonely Bill by Greg Koseluk
- Package of activity books
- Copy of Handout 1 with Answer Key
- Visual 1, Word wall card: “Spend, Save, Share”
- Visual 2, Pictures of \$50 bill, \$20 bill, \$10 bill, \$5 bill, and \$1 bill
- Visual 3, Word wall card, “interest”
- Visual 4, Word wall card, “compound interest”
- Visuals 5 and 6

Preparation:

Review the lesson ahead of time and watch the training video <https://youtu.be/ZQ-c4iYIC88>.

Before beginning the lesson, place Handout 1 on (under) the document camera or ask teacher to display it on the Smartboard.

Tips for Bankers:

1. Write the story questions on post-it notes, then place the sticky notes on pages where the reading stops.
2. As you read, show the pictures to the students. You can show them using the document camera if one is available.
3. As you are having students record answers on Handout 1, you should do the same on your projected copy.
4. If you are giving gifts from your bank distribute them at the **end** of the session.

Procedure:

1. **Introduce** yourself and your bank. Ask students to have pencils on their desks.
2. Begin the lesson by **asking** the following questions.
 - a. What does it mean to save money? (*Not spending your money right now, keeping it for later*)
 - b. Why is saving money important? (*Saving helps with making expensive purchases and with life's emergencies.*)
 - c. How many of you save your money? (*Answers will vary.*)
 - d. What are some things you are saving for? (*Answers will vary.*)
3. **Show** the cover of the book. **Read** the title and author. **Ask:** By looking at the cover, what do you think this story might be about?
4. Begin to **read** the story, stopping on page 6 after the words *Mickey folded the Bill, and shoved it into the slot.* **Ask:** How would you choose to spend your money? (*Call upon several students.*) **Ask:** I know we all like to spend money, but what else can we do with it? (*save, share*)
5. **Hold up Visual 1** the word wall card that has the **S** with word **pend, ave, hare** in front of it.

Explain: Keep the three Ss in mind when you are making decisions about money you have earned or received.

6. Continue reading, stopping after page 13. **Display Visual 2** pictures of \$50 bill, \$20 bill, \$10 bill, \$5 bill, and \$1 bill. Discuss whose picture is on each bill. (*\$50 - Ulysses S. Grant, \$20 - Andrew Jackson, \$10 - Alexander Hamilton, \$5 - Abraham Lincoln, \$1 - George Washington*) **Ask:** What do all of these men have in common? (*They were all important in United States history; all played important roles in politics; Washington, Jackson, Lincoln and Grant were U.S. presidents*)
7. Continue reading, stopping after page 17. **Ask:** Where can money grow strong? (*In a bank*) There's a saying that "Money doesn't grow on trees." If that's true, how can it grow? (*Seek suggestions from students, but don't expand the discussion.*) Let's read to find out what Bill learns.
8. Continue reading, stopping on page 19 after the words *that's where they invest.* **Ask:** What is a loan? (*Money that is borrowed from a bank or another person.*) **Ask:** What does *invest* mean? (*You are willing to give money to a person or business that you think is going to be a success, expecting that you will get back at least as much as you put in.*)
9. Continue reading, stopping again on page 19 after the words *and that interest compounds.* **Hold up Visual 3** the **interest** word wall card. **Ask:** What is **interest**? (Extra money paid to customers for keeping their money at the bank. Interest is also money customers pay to banks for loans received from the bank)
10. Continue reading, stopping on page 33. **Ask:** What are some things that you would save for? (*either short-term or long-term goals -- answers will vary*)
11. Finish reading the book. Distribute Handout 1, one per student. Ask students to read the explanation together.
12. **Explain:** When the bank pays interest to you, the amount changes based on how much money you have in your account. The bank pays a percentage of the amount, so the more money you have in the

account, the more interest you will earn. The interest is added to your account, so that interest that was deposited will also earn interest. This is called **compound interest**. Hold up *Visual 4* the *compound interest* word wall card.

13. We are going to figure out how much interest Mickey's \$5.00 will earn in a year. We will pretend that Mickey's account will earn 10% interest, although that is much more than banks actually pay. We are using that amount because it is easier to do the math.
14. **Explain how to do the math.** To multiply by 10%, move the decimal point one space to the left and drop off the remaining digits. **Demonstrate or Display Visuals 5 and 6:** 10% of \$5.00 = **.50** Write .50 in Column 3 on the Handout. Then add Column 2 + Column 3 and write the answer in Column 4. Students will fill in their Handouts to match yours.
15. **When you get to March**, explain that whenever the last digit is 5 or above you need to round up. (Students should already be familiar with rounding numbers.) For March, Column 3 rounds up to \$.61.
16. **Wrap-up** –Ask the following question:
 - What is interest? (Extra money paid to customers for keeping their money at the bank. Interest is also money customers pay to banks for loans received from the bank)
 - What is compound interest? (*When interest earns interest.*)
 - Who benefits from money saved in a bank? (*Everyone, because the saver earns interest and the bank loans can help businesses and individuals.*)

Name _____

Handout 1

Everyone must make choices about what to do with money. Mickey Girard received a gift of \$20.00 from his grandma. He is going to make a choice of keeping \$15.00 in his piggy bank so he can spend it if he would choose to, and deposit the other \$5.00 in a bank savings account, where it will earn **interest** of 10% each month.

	Piggy bank	Column 2 Bank deposit		Column 3 Interest = 10% of Column 2		Column 4 Monthly total = Column 2 + Column 3
January	\$15.00	\$5.00	+		=	
February			+		=	
March			+		=	
April			+		=	
May			+		=	
June			+		=	
July			+		=	
August			+		=	
September			+		=	
October			+		=	
November			+		=	
December			+		=	

How much interest did the \$15.00 in the piggy bank earn in a year? _____

How much interest did the \$5.00 savings account deposit earn in a year? _____

Everyone must make choices about what to do with money. Mickey Girard received a gift of \$20.00 from his grandma. He is going to make a choice of keeping \$15.00 in his piggy bank so he can spend it if he would choose to, and deposit the other \$5.00 in a bank savings account, where it will earn **interest** of 10% each month.

	Piggy bank	Column 2 Bank deposit		Column 3 Interest = 10% of Column 2		Column 4 Monthly total = Column 2 + Column 3
January	\$15.00	\$5.00	+	.50	=	\$5.50
February	\$15.00	\$5.50	+	.55	=	\$6.05
March	\$15.00	\$6.05	+	.61	=	\$6.66
April	\$15.00	\$6.66	+	.67	=	\$7.33
May	\$15.00	\$7.33	+	.73	=	\$8.06
June	\$15.00	\$8.06	+	.81	=	\$8.87
July	\$15.00	\$8.87	+	.89	=	\$9.76
August	\$15.00	\$9.76	+	.98	=	\$10.74
September	\$15.00	\$10.74	+	1.07	=	\$11.81
October	\$15.00	\$11.81	+	1.18	=	\$12.99
November	\$15.00	\$12.99	+	1.30	=	\$14.29
December	\$15.00	\$14.29	+	1.43	=	\$15.72

How much interest did the \$15.00 in the piggy bank earn in a year? **\$0.00 (none)**

How much interest did the \$5.00 savings account deposit earn in a year? **\$10.72** (\$15.72 minus the original \$5.00)

Spend
save
hare

Visual 2



50

FEDERAL

RESERVE

NOTE

50

G₂

IA 14228125 A

A1



THE UNITED STATES OF AMERICA

FR G₁₂



IA 14228125 A

THIS NOTE IS LEGAL TENDER FOR ALL DEBTS, PUBLIC AND PRIVATE

SERIES 2006

Anne Escobedo Cabral
Treasurer of the United States

Henry M. Paulson Jr.
Secretary of the Treasury

50

50

FIFTY

GRANT

DOLLARS

FIFTY

Visual 2



Interest

Compound Interest

10% of \$5.00

=.50

$$\text{\$}5.\overset{\curvearrowright}{00} \text{ / } = .50$$