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A. Cover Page

I am a ninth grade STEM teacher at Bay High School. The title of my entry is How Can I Make My Money Work for ME? I had 90 students in my classes this year. 20% of the students in my classes were in special education. In STEM students are exposed to different careers in science, technology, engineering and mathematics. Students taking a skills inventory at the beginning of the school year and then another skills inventory at the end of the school year. STEM is a hands on class where students are given a problem and they must come up with a solution individually or within a group.

Bay High School consists of grades 9 - 12. During the 2008-2009 school year we have a total of 450 students. Only 70% of the students have returned after Hurricane Katrina. The student population is made up of 74% white, 25% black and 1% Asian. All students are presently on free lunch. Approximately 25% of our students are still living in Katrina Cottages or with other family members while trying to rebuild their houses. The housing shortage remains a big problem for our area as well as unemployment.

This year our school district was still trying to recover from Hurricane Katrina three years later. As a district we have 75% of pre-storm numbers of students to return to classes. Before the storm the district had 2,380 students enrolled, however, only 1785 have returned to complete this school year. We presently have two cafeterias in operation for the four schools in the district. Food is transported to the elementary school and the high school from the upper elementary and the middle school. Estimates for recovery have exceeded \$40 million. This includes rebuilding two elementary schools and renovating others. Our tax base is expected to be 50 to 65% less than previous years. Until families rebuild and businesses reopen, local contributions will be insufficient. Unemployment in Hancock County has increased from 4.9% to 23.9%.

## B. Abstract

This lesson is a section from my STEM unit on financial, economic and business technology. This unit is six weeks long. I have chosen one of the lessons from this unit. I believe teaching the students economics in high school is very important and so I try to give them many experiences that they will hopefully remember the rest of their lives. My primary goal for this unit is for the students to learn that saving and investing are the two ways to make money grow. Students also learn important differences between saving and investing. Although many people use the words saving and investing interchangeably, they have different meanings. To save money is to put money aside for use in the future. Investing is using one's money to try to make more money. Through budgeting, saving and investing, and by limiting the amount of debt they incur, students are taught that all goals are within their reach. They also learned that saving involves trade offs – giving up some present consumption for future consumption. This is often difficult for adults, and it is certainly difficult for children. Knowing about saving plans, saving goals, and methods or places to save will help students develop a saving routine. Without the knowledge of saving and investing, children may perceive saving as a negative experience – focusing more on what they do not get today instead of what they get in the future. When children make the decision to save for reasons they choose and in a way that they choose, they will experience a key benefit of the decision to save. They will attain a goal that was not achievable without saving. Setting a goal provides an incentive to save. Saving is a vehicle to achieve short-term and long-term consumer goals. Students are taught as they begin to reach their financial goals it is important to keep setting new goals to strive for. It is important for students to remember the financial planning process is a life long activity that should be taken seriously. When students learn to make informed decisions about what to do with their money, their decisions will help them build a more stable financial future. At the end of this lesson students should be able to compare and contrast the advantages and disadvantages of various savings instruments, as well as, be able to explain that all savings plans and investments carry risk.

Prior to this lesson, the students learned how to create a budget, set goals, and steps to making good decisions. The students learned that financial planning helps you use your money to get the most out of life. They learned that making the right decisions can help them reach the financial goals they have set. Experience with evaluation of economic choices such as saving options, will build decision-making skills and result in better consumer choices. By giving the students the information they need to become financially fit at an early age, will help them when they become adults to attain the wealth needed for their retirement years to live comfortably.

This unit was successful in applying economic standards. The students were able to compare and contrast that all savings plans and investments carry risk. On the pre-test the overall score was at 40%, however this score increased to 80% overall. By incorporating the economic lessons into the classroom and especially allowing the students to play the Stock Market Game has given my students the information they need on becoming financially secure in their adult life.

**C. Chronology, Instructional Process and Lessons**

**Lesson Description**

Students learn that saving and investing are the two ways to make money grow. Students must understand the role that finances play in their personal and business life. They will understand the importance of analyzing information to make wise decisions regarding personal savings. Students will learn the benefits of buying stock, as well as the risks of investing in the stock market. This unit will last approximately six weeks during which time the students will also play the Stock Market Game. The first 15 minutes of each class the students will use to check their stock portfolios and make trades. At the end of this unit the students are informed consumers and have the rich-quick scheme. Making informed decisions about what to do with your money will help build a more stable financial future.

**National Economic Content Standards**

**Content Standard 10** – Institutions evolve in market economies to help individuals and groups accomplish their goals.  
**Content Standard 11** – Money makes it easier to trade, borrow, save, invest, and compare the value of goods and services.  
**Content Standard 12** – Interest rates, adjusted for inflation, rise and fall to balance the amount saved with the amount borrowed, which affects the allocation of scarcer sources between present and future uses.  
**Content Standard 15** – Investment in factories, machinery, new technology, and in the health, education, and training of people can raise future standards of living.

**MIS Economic Competencies and Suggested Objectives**

2. Explain how people organize for the production, distribution, and consumption of goods and services. (C,H,G,E)  
**Objective C** : Evaluate how an individual may prosper in a market economy (e.g. saving, investing, credit management, income, etc.)
3. Discuss relationships among the various economic systems (e.g. households, business firms banks, government agencies, labor union, and corporations, etc.)  
**Objective E** : Explain the operation of the stock market.

Grade Level: 9<sup>th</sup>

Time Required: Three 55 minute classes

## Day 1

### **Materials:**

### **P&G Profit and Growth handout**

**What are the odds you will become a millionaire video clip from How Stuff Works website**

### **Student Objectives:**

- a. Determine the importance of various saving and investment concepts.
- b. Identify terms associated with saving and investment.

### **Procedure:**

Begin the class by asking students who wants to become a millionaire? Ask what do they think their chances are of becoming a millionaire? Show students the short video clip of "What are the odds you will become a millionaire?" from How Stuff Works website.

Put the following words on the board and ask students to define each word. Write the definition given by students.

1. sole proprietorship

2. partnership

3. corporation

4. stockholder

5. common stock

6. preferred stock

7. dividends

Give each student a copy of the story of Ivory Soap found in the lesson resources page of the Stock Market Game. Read the story with the students.

Discuss the events that led to James Gamble's company making soap. If you have a map available you could show the students the route taken.

Discuss the events that led to William Procter's candle making business.

Explain to students that each man started his own business and this is a sole proprietorship. Have students write the definition of sole proprietorship in their notebook.

Ask students who is responsible for all debts incurred in a sole proprietorship? Who receives the profits?

Later the two men became brothers in law and eventually formed a business partnership. When two people operate a business it is known as a partnership. Have students put this definition in their notebooks.

Ask students who is responsible for all debts incurred in a partnership? (split between both parties) Who receives the profits? (split between both parties)

Discuss as the families grew several generations of the men worked in the business.

Eventually the company wanted to expand and one of the younger men suggested forming a corporation. This entitled the company to sell stock to the public. Explain to students the two kinds of stock: common and preferred

