



makingcents

Upper Primary: *Calculating the cost*



www.makingcents.com.au

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Introduction

Making Cents is a curriculum based financial education resource for primary school teachers, matched to all state and territory curricula. It provides primary school teachers with a range of educational activities packed with fun individual, group and class activities for students.

The units have been prepared by the Curriculum K–12 Directorate of the New South Wales Department of Education and Training, in consultation with teachers. *MakingCents* supports current curricula such as the Social Sciences or Humanities and Mathematics and includes teaching strategies and resources that have been trialled and evaluated in a variety of school situations. It also incorporates a strong emphasis on literacy and numeracy skills.

The four components of financial literacy that underpin the *MakingCents* curriculum are:

Financial understanding – knowledge about the nature of money, financial decisions and the implications of these decisions.

Financial competence – the application of knowledge and skills in a range of changing contexts.

Financial enterprise – involves initiative and informed risk-taking in the nature and use of money.

Financial responsibility – making financial decisions that display care for self, others and the community.

YWCA NSW and Citi Australia would like to thank the New South Wales Department of Education and Training for its continued support and input into the development of these innovative units.

We also thank the dedicated and creative teachers who will deliver *MakingCents* to improve students' knowledge and understanding to enable them to develop these important life skills.

YWCA NSW supports vulnerable people at those critical transition periods in life when they are more prone to fall through the gaps. They develop skilled and contributing individuals and support their families to create secure and resilient relationships, to build healthy, inclusive communities that are able to thrive.

Citi Australia is part of one of the world's largest financial services companies with a presence in more than 100 countries. Citi is committed to supporting financial education programs with the belief that it will raise the quality of life for individuals and families and strengthen communities.



Rationale

Financial literacy is all about being good with money. Every day we make decisions about money, whether it's shopping for food and clothes, paying household bills or simply deciding when to pay by cash or credit card. The choices are endless. As the world of personal finance becomes increasingly complex and abstract, it's important that people have the skills to make wise decisions about spending, personal debt, choosing financial products, planning for the future and avoiding financial scams.

There is a clear need for financial education at all levels in Australia, and with household costs and debt levels rising significantly, addressing financial education has never been more important.

MakingCents teaching resources were developed with the belief that starting financial education from an early age is key to setting good foundations for the future.

In 2008, an action learning project *Financial literacy in low socio-economic status school communities* was conducted in Priority Schools in New South Wales to determine the impact of the *MakingCents* program on student learning. Between 86 per cent and 88 per cent of students showed improved learning outcomes in both Human Society and Its Environment (HSIE) and Mathematics as a result of engaging in the *MakingCents* program. For full details of this project go to: <http://www.psp.nsw.edu.au/section/4,81-literacy/financial-literacy.aspx>

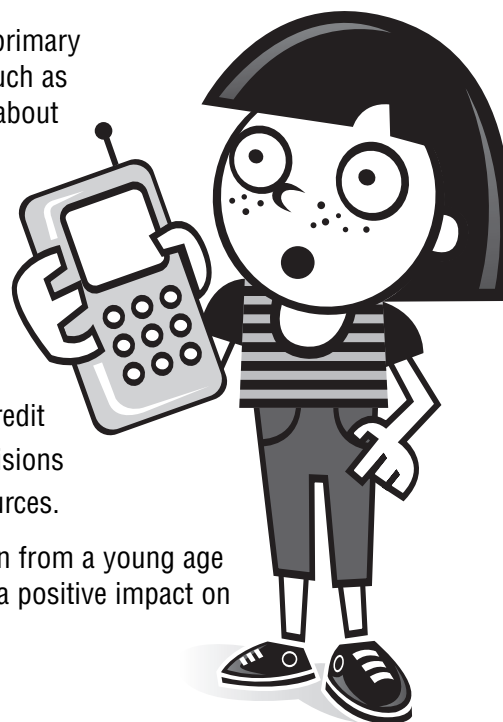
According to the Citi Fin-Q survey conducted in 2007, 48% of adults do not believe their parents taught them to be financially responsible. Further results indicate that those adults who are worried about their financial future, who rarely save or who have a poor understanding of personal finance are more likely to disagree with the notion that their parents taught them to be financially responsible.

Financial education in schools has become increasingly topical as research indicates children are not learning these important life skills at home.

Further research by the Finance First partnership shows primary school-aged children are engaged in financial activities such as saving money, making informed purchases and learning about the financial implications of using mobile phones. As active consumers, children need guidance and help to become confident, responsible and informed. Research also shows that financial education is most effective when it is started early and can help children to:

- Develop the knowledge, skills and understanding to use money wisely
- Identify and evaluate the value of money and using credit
- Take greater responsibility for their own financial decisions
- Develop a sense of responsible management of resources.

The case for financial education is clear. Teaching children from a young age principles of sound financial management can only have a positive impact on both the individual and society as a whole.



Definition of personal financial literacy

Personal financial literacy is being able to manage personal finances in a variety of changing contexts in life and society. It includes acquiring understandings, developing skills and exploring values in varying contexts about the impact of one's financial decisions on self, others and the environment.

The four components of financial literacy in this project are: understanding, competence, enterprise and responsibility. These components are supported by knowledge, skills and values related to the concepts of competition, exchange, income, liability, power and value as they relate to financial literacy. This information is the basis of the teaching units.

Financial understanding is knowledge about the nature of money, financial decisions and their implications.

Financial competence is application of knowledge and skills in a range of changing contexts.

Financial enterprise is initiative and informed risk taking in the nature and use of money.

Financial responsibility is appropriate financial decisions that display care for self, others and the community.

These components are interrelated and include value judgements based on social, moral, aesthetic, cultural, environmental and economic considerations.

These four components are developed further in the National Consumer and Financial Framework endorsed by the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) for Years 3, 5, 7 and 9 in 2005. Download the National Consumer and Financial Literacy Framework from the MCEETYA website at:

http://www.mceecdya.edu.au/mceecdya/school_education,27018.html

Calculating the cost

Using the upper primary materials

These materials provide a program of classroom learning for use in the last two years of primary school, typically when students are aged 11 to 12 in grades 5 or 6. This program is designed as a term of learning that may include or precede a school fund raising event. Teachers are encouraged to read through the teaching and learning so that they are familiar with the requirements of the activities, lesson preparation and the prior learning in Mathematics.

The components of the program are:

A. Money as a resource

Uses a scenario about the character Alex. Students develop a budget for Alex to determine if she can afford a mobile phone, they research the cost of different mobile phone options.

B. Financial responsibilities

Develops students understanding of the responsibilities of owning a mobile phone as an example of financial responsibility. Analyses the features and structure of a mobile phone account and the financial, personal and social consequences of a sample account.

C. Using a transaction account

Develops student's knowledge of the metalanguage of money management in the context of reviewing and analysing information about financial products and services. Interact with a representative from a financial institution.

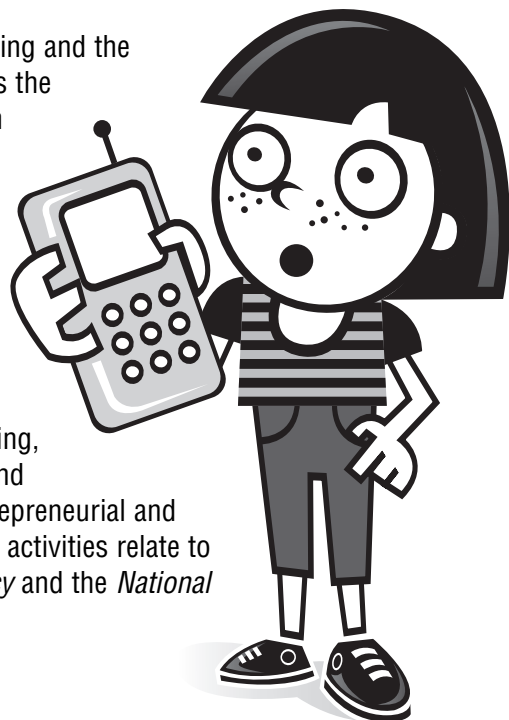
D. Financial sources and resources

Explores the impact of advertising on spending and saving and the some budgeting strategies to improve savings. Explores the concepts of being entrepreneurial and risk and return in simple terms.

E. The main EVENT

Students plan, organise and participate in a school fundraising event as a context for applying learning from sections A – D.

The whole program of learning provides students with knowledge, skills and understandings related to budgeting, saving, making financial decisions, financial products and services, technical terms related to finances, being entrepreneurial and being financially responsible. The teaching and learning activities relate to the *MakingCents* definition of *Personal Financial Literacy* and the *National Consumer and Financial Literacy Framework*.



Teachers are encouraged to undertake the online *Financial Skills Assessment* with their students as a pre and post test of learning. This assessment can be found on the *MakingCents* website www.makingcents.com.au. The assessment is designed to provide teachers with information about what students know, understand and can do when managing money. The online assessment can be used as both a pre and post assessment of student learning as equivalent versions are randomly selected. Teachers will need to register their school online, and enter or upload student names and log ins. Refer to the MakingCents web site for additional information.

Financial literacy in the primary curriculum is related to learning about resource systems in the local and wider community. Money and the systems in place in our communities to access and manage money to purchase the products and services we need are the concepts that underpin the curriculum links. For most states and territories in Australia this is in the Studies of Society and Environment (SOSE) or Humanities area of the curriculum, known by various names, including Human Society and Its Environment (HSIE) in New South Wales. The learning also requires significant learning in Mathematics, applied in real life contexts and integrates with the SOSE or Humanities area of curriculum.

Teachers will need to undertake planned teaching and learning of specific mathematics skills prior to the financial literacy lessons where the maths skills are being applied in a financial context. The mathematics requirements of each section of the learning are detailed on the following pages. This information allows teachers to include these maths requirements into their maths program for the term.

Care should be taken with the mobile phone scenario to ensure that the teaching and learning does not become learning about mobile phones, a topic that is very current and that students are keen to engage with. The purpose of using a mobile phone scenario is because it provides a model for unpacking financial processes and decision making.

The main EVENT is designed as an enriching task for students to apply knowledge, skills and understanding gained during teaching and learning of financial situations to a practical real life situation. The main EVENT is designed to be applied at a time that aligns with events in the school calendar where students undertake some sort of fund raising activity e.g. fair, fete or gala day or end of year functions. The practical application of learning is of significant value to students, and teachers are encouraged to undertake this hands-on learning.

Planned assessment:

Several planned assessment tasks have been identified and teachers can choose to utilise these or develop their own based upon the teaching and learning activities. Assessment criteria have been included to support teacher judgement of student achievement.

Mathematics teaching and learning

Financial literacy is underpinned by significant mathematical understandings that need to be incorporated into planned Mathematics teaching and learning activities. Below is an outline of mathematics concepts that need to be incorporated into Mathematics programming for the class to support learning in financial literacy. Some specific teaching and learning activities are outlined however it is anticipated that teachers will need to provide additional learning to ensure students are competent with the mathematics concepts.

Teachers of upper primary may find it useful to refer to *Mathematics teaching and learning* in the middle primary materials. Some students in upper primary could find the Mathematics teaching and learning from the middle primary materials relevant and engaging. Many of these activities can also be adjusted to suit upper primary by increasing the size and complexity of numbers used.

MATHEMATICAL BIG IDEAS

TEACHING AND LEARNING ACTIVITIES

Section A: Money as a resource

Mathematics

WMS3.2 Applying strategies
Selects and applies appropriate problem-solving strategies, including technological applications, in undertaking investigations.

WMS3.4 Reasoning
Gives valid reasons for supporting one possible solution over another.

NS3.2 Addition and subtraction
Selects and applies appropriate strategies for addition and subtraction with counting numbers of any size.

- use mental computation strategies to estimate 4 digit addition and subtraction
- add and subtract decimals to 2 decimal places

Earn 50 000 or lose 50 000

Students are given a pack of playing cards with tens and picture cards removed. Ace represents one and Joker represents zero. Student A flips over four cards and assigns place values to make a four digit number. Student A adds this number to zero (**earn 50 000**) or subtracts from 50 000 (**lose 50 000**) and continues from the new number on each subsequent turn, estimating the new total, and then completing a written algorithm. Student B checks calculation on a calculator.

Students swap roles and the activity is repeated. First to reach 50000 (**earn 50 000**) or zero (**lose 50 000**) is the winner.

😊 **Assessment activity:** What might the missing numbers be?

$$\begin{array}{r}
 \square \square \square \square \\
 + \square \square \square \square \\
 \hline
 5000
 \end{array}
 \qquad
 \begin{array}{r}
 \square \square \square \\
 - \square \square \square \\
 \hline
 57
 \end{array}$$

Money: addition and subtraction

In pairs, students are provided with a pack of playing cards with tens and picture cards removed. The aces represent one and the Jokers represent zero. Two cards, each with

MATHEMATICAL BIG IDEAS
WMES3.5 Reflecting

Links mathematical ideas and makes connections with, and generalisations about, existing knowledge and understanding in relation to Stage 3 content.

NS3.3 Multiplication and division

Selects and applies appropriate strategies for multiplication and division.

- select and apply appropriate mental, written or calculator strategies for \times and \div

TEACHING AND LEARNING ACTIVITIES

a (\$) sign, and two cards each with a decimal point are also available. Student A turns over up to five cards and makes an amount of money in dollars and cents. Student B turns over up to five cards and also makes an amount of money in dollars and cents. Student A reads, records and adds the two amounts. Student B observes and checks Student A's answer. Students swap roles and the activity is repeated.

This activity can be extended to involve subtraction of money.

😊 **Assessment activity:** In this calculation some numbers are missing. What might they be?

$$\begin{array}{r} 7. \square \square \\ - \square. 7 \square \\ \hline 3. \square 4 \end{array}$$

Comparing mental and written strategies

Students estimate then multiply four-digit numbers by one-digit numbers, to compare mental and written strategies when solving problems, for example: There are 1334 students at the weekend soccer carnival. If each student eats 3 chocolate bars, how many chocolate bars will the canteen need to order?

Students share their strategies and determine which is the most efficient.

Possible questions include:

- How did your estimation help?
- Which operation did you use?
- Can you describe your strategy?
- Is your strategy efficient? Why?
- Did your answer make sense in the original situation?
- How can you check whether your answer is correct?

Students write their own problems using large numbers. They check answers on a calculator.

Multiples of 10

Students are asked to multiply and then divide some two-digit numbers by 10 and discuss their findings. They are asked to determine mental strategies for doing this. Students then try multiplying and dividing the same two-digit numbers by 20, 30,100. They are asked to determine mental strategies for doing this.

MATHEMATICAL BIG IDEAS
TEACHING AND LEARNING ACTIVITIES
Extended form of multiplication

Students multiply two-digit numbers by breaking the calculation into two parts, for example

$$32 \times 14 = 32 \times 10 + 32 \times 4$$

Students are shown how these can be combined using an extended algorithm.

$$\begin{array}{r} 32 \\ \times 14 \\ \hline 128 \\ + 320 \\ \hline 448 \end{array}$$

Students progress to problems that require multiplying three and four-digit numbers by two-digit using the extended form.

Spin, estimate and check

Students make two octagonal spinners, one with three-digit numbers within a given range e.g. 850 to 950 and the other with the numbers 2 to 9. Student A spins the two spinners and estimates the answer when the three-digit number is divided by the single-digit number e.g. $920 \div 7$ is about 130.

Student B checks the answer on a calculator.

Student A scores 1 point if their estimate is 21 or more away from the answer, 2 points if their estimate is 11 to 20 away from the answer and 3 points if their estimate is 10 or less away from the answer. Students swap roles. Students take turns and keep a tally of their scores. The game continues until one student scores 20 or more points.

Variation: students repeat the activity using multiplication.

Product estimations

Students pose questions and estimate the answers.

Possible questions include:

- What are 2 two-digit numbers that would have a product between 2000 and 2400?
- Will 85×95 be between 7600 and 8000?
- Estimate the answer for 29×61 .

Students then use a calculator to check their estimations. Students are encouraged to practise estimating and checking using other examples.

MATHEMATICAL BIG IDEAS
TEACHING AND LEARNING ACTIVITIES
 **Assessment activity:**

Use the numerals 9, 8, 7 and 0 set out like $\square \square \times \square \square = .$
How many different answers can you get?

Multiplying and dividing decimals
Part A

Students enter a decimal number, between 0 and 1, with up to three decimal places into a calculator. Students predict what will happen when the number is multiplied by 10. Students record their prediction and then test it. Students repeat the activity using other decimal numbers between 0 and 1.

Students are asked to write a strategy for multiplying a decimal number by 10. The activity could be repeated for multiplying by 100 and 1000. Students are encouraged to multiply decimals by multiples of ten without a calculator.

Part B

Students repeat the above activity using division. Possible questions include:

- What happens to the decimal point when you multiply or divide a number by 10, 100 or 1000.
- Can you devise a strategy for multiplying or dividing a decimal number by 10, 100 or 1000. A multiple of ten?

Students use mental or written strategies to multiply and then divide a decimal number by 10, 100 or 1000.

Variation: students can experiment with money amounts to be multiplied and divided by multiples of 10.

Money: multiplication and division

In pairs, students are provided with a pack of playing cards with tens and picture cards removed. The aces represent one and Jokers represent zero. Two cards, one with a (\$) sign and the other with a decimal point, are also available. Student A flips up to five cards, makes an amount of money in dollars and cents, and reads the amount aloud. Student B flips one card. Student A writes the numbers, estimates and then uses an algorithm to multiply the numbers. Student B observes and checks Student A's answer on a calculator. Students swap roles and repeat. This activity can be extended to involve division of money.

WMES3.5 Reflecting

Links mathematical ideas and makes connections with, and generalisations about, existing knowledge and understanding in relation to Stage 3 content.

NS3.4 Fractions and decimals

Compares, orders and calculates with decimals, simple fractions and simple percentages.

MATHEMATICAL BIG IDEAS

- *multiply and divide decimal numbers (money) by whole numbers*

WMES3.5 Reflecting

Links mathematical ideas and makes connections with, and generalisations about, existing knowledge and understanding in relation to Stage 3 content.

DS3.1 Data

Displays and interprets data in graphs with scales and many-to-one correspondence.

- *calculate mean (average) for small set of data in an everyday context*

- *interpret data presented in tables*
- *organise data using tables*
- *identify misleading representations of data in the media*
- *pose suitable questions using information in a graph or table.*

TEACHING AND LEARNING ACTIVITIES

😊 Assessment activity:

Tim divided 9.12 by 3 and wrote the answer: 3.4. What did Tim do wrong and what other similar questions might he also get wrong?

Mean

Students are provided with information presented in the media that uses the term *average* e.g. travel brochures, weather forecasts. They find the meaning of the terms *mean* and *average* and discuss their usage. The students discuss both words and their meanings. The students collect mean temperatures of a city and represent the data in a graph.

Averages

Students calculate averages related to a range of everyday situations, e.g. temperature, and height of students. Students investigate open-ended questions e.g. if the average weekly pocket money of three students is \$10.40, what are possible weekly amounts for each of the students?

Variation: students collect data on rainfall, the exchange rate of the Australian dollar (AUD), petrol prices or the distribution of newspapers over a week, and determine averages. Students experiment with other ways of representing the information.

😊 **Assessment activity:** There are five people in a family and their average age is 20. What might their ages be?

The average highest temperature over five consecutive days was 26°. The highest temperature on one day was 34°. What might the average highest temperature have been on the other days?

Tables used in the media

Students collect a variety of tables used in the media and in other texts. They consider each one. Possible questions include:

- What information can you interpret from the table?
- Who might be likely to use the information?
- Who produced the table and why?
- How could the table be misleading?

MATHEMATICAL BIG IDEAS
TEACHING AND LEARNING ACTIVITIES
Construct a table

Students collect data, and represent the information in a spreadsheet or table.

Possible questions include:

- What type of graph could you draw to represent this data?
- Will you need a scale? A title?
- Where will the scale go on your graph?
- How will the graph be labelled?
- How else could the data be represented?
- Where else have you seen this type of graph used?

Students make a generalisation about the best way to represent the data. This activity could be completed using a spreadsheet program to graph the data. Students could represent the data using different types of graphs and discuss the advantages and disadvantages of each type.


Assessment activity

Students collect data from classmates eg. age, height, number of siblings and record in a table. The average of each set of data is calculated. Using the table, each student has to identify the student who is closest to average.

Section B: Financial responsibilities
Mathematics

WMS3.2 Applying strategies
Selects and applies appropriate problem-solving strategies, including technological applications, in undertaking investigations.

WMS3.4 Reasoning
Gives valid reasons for supporting one possible solution over another.

MS3.5 Time
Uses twenty-four hour time and am and pm notation in real life situations and constructs timelines.

- *estimate and calculate duration, using start and finish times*

Timing experiments

Students estimate the amount of time given events will take and then check by timing the events with a stopwatch e.g.

- the time for a ball to be bounced 50 times
- the time for a child to skip to a given point in the playground
- the time for a child to write their full name and address 10 times
- the time to write and send a given email.

Students record the times in a table and order the events.

A day in my life

Students list at least eight things they do on a particular day of the week with the time they take to do each activity. They then record these times on a sheet of clock faces. Students convert the times to 24 hour time. They use the 24 hour times and activities to draw a timeline using an appropriate scale.


Assessment activity

Sue left school and arrived home exactly 63 minutes later. What time might Sue have left school and what time would she have arrived home?

MATHEMATICAL BIG IDEAS

- *convert between am and pm notation and 24 hour time*
- *use timetables involving 24 hour time.*

NS3.3 *Multiplication and division*

Selects and applies appropriate strategies for multiplication and division.

NS3.4 *Fractions and decimals*

Compares, orders and calculates with decimals, simple fractions and simple percentages.

- *multiply and divide decimal numbers (money) by whole numbers.*

TEACHING AND LEARNING ACTIVITIES

How many ways can you make your calculator show a number with a particular decimal such as 27.34 without pressing the decimal point button? Possible answers: $2734 \div 100$, $2734 \div 10 \div 10$, $5468 \div 200$ etc.

Assessment activity

I multiplied two decimal numbers on a calculator and got a whole number answer. What might the two numbers have been? N.B. the answer will have at least two zeros at the end, which have been dropped off the calculator.

Section C: Using a transaction account

Mathematics

WMS3.2 *Applying strategies*

Selects and applies appropriate problem-solving strategies, including technological applications, in undertaking investigations.

WMS3.4 *Reasoning*

Gives valid reasons for supporting one possible solution over another.

NS3.4 *Fractions and decimals*

Compares, orders and calculates with decimals, simple fractions and simple percentages.

- *calculate and interpret simple percentages in everyday situations.*

How much is the GST?

Students collect shopping brochures, newspapers and magazine advertisements to look for examples of GST. Students pose a strategy for calculation of 10% GST and then compare strategies.

How much will the interest be?

Students collect advertisements of various bank interest rates and based on their 10% calculation, estimate individual interest on \$100, e.g. ABC Bank pays 4% interest, how much will I earn from \$100?

Students then estimate and calculate varying interest rates on \$50, \$20 etc.

Assessment activity

Ben was given 20% discount off the price of a soccer ball. How much did the ball cost and how much did Ben pay? N.B. Students must use realistic prices.

Section D: Financial sources and resources

The Mathematics requirements in this section have been covered in previous sections. Revise as required.

Section E: The main EVENT

The Mathematics requirements in this section have been covered in previous sections. Revise as required.

Section A: Money as a resource

Overview:

Undertaking the *Financial Skills Assessment* as a pre test by students provides information for teachers to tailor teaching and learning to the strengths and weaknesses of students' understandings and skills about managing money.

Developing the aspects of the character Alex is a way of engaging students in learning about money and its management that reflects the typical attributes of the local community, without the need for students to provide private financial information. Encouraging students to share school learning related to money management with their family supports discussion and the sharing of own family values.

You will need:

- To register your school and students for the *Financial Skills Assessment*.
- Computers with internet access and printer for students to undertake the assessment.
- Student Handout 1: *Alex's finances*.
- Student Handout 2: *What is a personal budget?*
- A collection of information / brochures on mobile phone options.



TEACHING AND LEARNING ACTIVITIES

Pre test students financial literacy

Review the information on the *MakingCents Financial Skills Assessment* with particular reference to the section on Professional development for teachers.

Check to see if your school is already registered, undertake registration if not. Enter or upload student names and log ins. Organise students to undertake an initial assessment as a financial literacy pre test.

Utilise the information in the *Financial Skills Assessment Professional Learning Materials for Teachers* to analyse students' results. Use your analysis of students' results to guide the implementation of the teaching and learning activities undertaken with the class.

EVIDENCE OF ACHIEVEMENT

HSIE

SSS3.7 Resource systems

Describes how Australian people, systems and communities are globally interconnected and recognises global responsibilities.

- *identifies and describes social characteristics typical of the community*
- *develops an understanding of personal budgeting strategies*

TEACHING AND LEARNING ACTIVITIES**Introductory scenario**

Read Student Handout 1: *Alex's finances*. As a class, develop Alex's character to reflect the typical characteristics of the local community. (Suggestion: rename the character if there is a student called Alex.)

Consider specific attributes such as:

- Alex's age
- what year he/she is in at school
- what Alex does in a part time job
- when and how often Alex works
- how much Alex earns
- how Alex is paid.

Developing a budget for Alex

1. Review and unpack the information in Student Handout 2: *What is a personal budget?*

Refer to the *Example of a weekly budget* part of the handout. Explain to students the components of the budget e.g. \$35 for food each week is an average of \$5 a day. This may mean that on some days no money is spent on food and on other days more than \$5 is spent.

Budget discussion points can include:

- What other items are missing from this weekly budget e.g. personal interests such as hobbies, sport, clothes and gifts?
 - Will the personal budget be the same every week?
 - Which components of the budget will be the same each week, how do you budget for variable components?
 - Where could spending be reduced to save?
 - Has the budget allowed too little for some items or too much for others?
 - If you earned \$80 a week what would you spend money on and how much would you save?
 - What would you save for?
2. Develop a budget for Alex, based upon the class criteria for the character that shows the distribution of necessary expenses and where to save money for a mobile phone.

EVIDENCE OF ACHIEVEMENT

- *describes ways of reducing spending to save*
- *develops a budget to meet specific requirements*
- *reflects on the impact of different spending and saving priorities*
- *learns about the benefits and practical applications to individuals and the impact of family lifestyle on a financial budget*

TEACHING AND LEARNING ACTIVITIES

Discussion points can include:

- What does Alex need to spend her income on?
- How much money she will need to support the use of a mobile phone.
- Does Alex have enough income to justify the long term, regular expense of a mobile phone?

Research task

Note: the purpose of the research activity is to determine typical pressures on the financial resources of an individual. The task develops an understanding of the choices and trade-offs that individuals make when deciding to make a major purchase or long term financial commitment. A mobile phone is the first major financial commitment many young people make and this task examines the implications of decisions on the limited resource of their money. Care should be taken to ensure that this learning cannot be interpreted as validating the need to have a mobile phone.

As a class decide if Alex actually needs a mobile phone. (65% of 12 and 13 year olds had a mobile phone in 2007 increasing to 75% in 2009). Discuss the advantages and disadvantages for having a mobile phone including ways of keeping in touch which do not need a mobile phone.

Identify the weekly amount Alex would need to be able to fund a mobile phone and pay the ongoing bills. Identify what is a suitable proportion of her income to spend on a mobile phone and then calculate this amount. What is the impact of spending smaller or larger amounts of her weekly income on a mobile phone? Is a mobile phone value for money? What else could Alex use or save money for?

Identify and select some key information about purchasing and using a mobile phone responsibly. Refer to the Australian government website *Understanding money* at www.understandingmoney.gov.au/ and follow link to information on buying a mobile phone. Facts on mobile phones are available at: www.acma.gov.au/WEB/HOMEPAGE/pc=HOME Enter search term 'fact sheets': (a wide range of fact sheets are listed in alphabetical order, including aspects of mobile phones).

EVIDENCE OF ACHIEVEMENT

- *recognises the social and financial responsibilities of a mobile phone contract*
- *identifies the rights and responsibilities of individuals and organisations of users and providers on mobile phone services*
- *evaluates different budget priorities*
- *locates additional sources of information that assist in making an informed financial decision*
- *researches the financial features and commitments of different mobile phone plans*
- *identifies some communication strategies that can be used instead of a mobile phone*
- *identifies different financial contracts and the responsibilities of the parties involved.*

Mathematics

WMS3.2 Applying strategies
Selects and applies appropriate problem-solving strategies, including technological applications, in undertaking investigations.

TEACHING AND LEARNING ACTIVITIES

Review selected information with students to identify responsible management strategies. Encourage students to share this information with their family.

Student's research task:

Students decide, giving reasons, if Alex should actually buy a phone (which may mean that some students do not make a phone plan recommendation).

Students research a mobile phone plan and make a recommendation that suits Alex's budget. Allocate students, individually or in groups, one of the three mobile phone plan categories to research. Students use the amounts from Alex's financial budget to determine the advantages and disadvantages of:

1. Prepaid: no contract
2. Post paid: a mobile phone contract or
3. Post paid: a monthly account also known as pay as you go, and capped plans.

Students can refer to commercial information brochures and use internet searches using the search 'buying a mobile phone'. Identify comparison websites by using the search term 'compare mobile phones'.

Set a limited time frame for research and encourage students to talk further about this task with their family.

Share student responses for each category and develop class discussion. During the discussion, broader social aspects of mobile phone use and misuse are likely to occur. Include ideas and strategies that people use when they choose not to have a mobile phone.

Relate discussion back to financial management strategies and responsibilities.

Encourage students to continue the discussion about mobile phones and financial commitments at home.

EVIDENCE OF ACHIEVEMENT

WMS3.4 Reasoning

Gives valid reasons for supporting one possible solution over another.

NS3.2 Addition and subtraction

Selects and applies appropriate strategies for addition and subtraction with counting numbers of any size.

- *uses mental computations to estimate addition and subtraction*
- *adds and subtracts decimals.*

NS3.3 Multiplication and division

Selects and applies appropriate strategies for multiplication and division.

- *selects and applies appropriate mental, written or calculator strategies for multiplication and division*
- *multiplies and divides decimal numbers (money) by whole numbers.*

DS3.1 Data

Displays and interprets data in graphs with scales and many-to-one correspondence.

- *calculates mean (average) for small set of data in an everyday context*
- *interprets data presented in tables*
- *organises data using tables*
- *identifies misleading representations of data in the media*
- *poses suitable questions using information in a graph or table.*

Background Information for Teachers

Owning and using a mobile phone has significant social and long term financial implications.

Some interesting facts on mobile phone use include:

- It is estimated that about half of all mobile phones are prepaid.
- 65% of 12 and 13 year olds had a mobile phone in 2007 rising to 75% in 2009, with the highest proportion of ownership in families with an income under \$30 000 a year.
- 14-17 year olds are the second highest users of mobile phones, the highest is 18-29 year olds.
- Mobile phones are used mostly to keep in contact with family members (48%), friends (26%) work / business related (17%).
- Text messages are mostly sent to family (45%) and friends (43%).
- Average number of texts for a 13-17 year olds in a US study is 1740 a month, with one 13 year old sending 470 messages a day.
- A phone can only be used for legal purposes. Harassment or bullying is not a legal use of a phone. Victims can complain to their service provider who can trace the source, warn the person, and, if the problem continues their service can be cancelled.
- Private numbers can be traced, each call or message is billed so it is being tracked by the service provider.
- Mobile phones can now be traced to the building, address or location in which the mobile phone is located, even if it is not in use.
- Mobile phone premium services such as internet access, downloading music and wallpapers, entering 'competitions' can cause significant financial difficulties for some people, particularly the young and vulnerable who do not understand the significance of using these services. Go to: <http://www.accc.gov.au/content/index.phtml/itemId/840389> for information about mobile phone premium services.



Alex's finances

Alex had been working at her part time job for just over two months. During this time she put some money aside each week towards a mobile phone. Alex and her mum talked about getting a mobile phone many times. Alex was aware of the peer pressure to get a phone and also many of the problems. She knew people with unexpectedly expensive phone bills they didn't have the money to pay for. She knew also that using premium phone services was one of the main sources of problems because it was almost impossible to know how much you were spending.

She had saved money by putting away each week the amount she would have to pay for a mobile phone. This gave her confidence that she would be able meet the financial responsibilities of paying for her own mobile phone. She knew her mum would not be able to afford to pay for her phone. Alex knew how hard her mum worked and how carefully she had to budget to meet all their living expenses. Undertake the task *Developing a budget for Alex*.

Alex had been very patiently waiting until she felt that she had enough money saved. She was very excited to finally be able to look at choosing a mobile phone. She went to some mobile phone stores and they gave her brochures and made suggestions about which phone and plan she should get. She soon became confused when comparing phone plans and types of phones which had different features. She felt overwhelmed by how challenging it actually was. Maybe she didn't really need a mobile phone after all as she realised how big a financial decision it was owning a mobile phone.

Alex took the brochures to work with her to show the older people she worked with. One of them showed her some government web sites that had unbiased information on choosing and using a mobile phone. Later Alex and mum looked at the websites together. They began by finding out what Alex should do as a new owner and user of a mobile phone. They looked at the mobile phone information on the Australian Government web site *Understanding money* and the information on the consumer affairs web site for the state they lived in. These government web sites provide unbiased information, hints and tips on using a mobile phone so that young people don't get into financial hardship. One web site explained that mobile phone service providers generally had three categories of mobile phone options, and then gave the different plans fancy names. The three are:

- prepaid
- a fixed term contract
- pay as you go, also known as a monthly account, which has no contract and you pay the account at the end of the month.

Each of the three main options has both advantages and disadvantages. Alex sat down with her mum to work out the advantages and disadvantages of each category, to help decide which would suit her best.

Alex also needed to work out what her likely phone usage would be so that she did not sign up for a mobile phone service that did not suit her needs and cost more than she had budgeted for. Alex and her mum decided she should begin with a used phone on prepaid and use the call log on the phone to keep track of her phone calls and messages she sent, for two to three months.



What is a personal budget?

A personal budget is a financial plan that lists the money you have and the expenses you must pay for. A budget helps you to organise your income to meet your needs and then shows you how much is left to either save or to spend on wants, or some for both. A budget is usually calculated in a time frame that matches expenses with when you are paid, such as weekly or fortnightly. You also need to include expenses that do not occur weekly, such as money for gifts or special events. Some money may need to be put aside each pay for these irregular expenses. A budget can also help to identify impulse buys where money is spent without much thought.

Developing a budget involves adding all your income and earnings and subtracting all the amounts that you spend on essentials, that is the things that you really need and must pay for first. Then calculate what is left over and decide what this money is going to be used for.

Begin by identifying and listing all the essential financial commitments for which you are responsible. This lets you know how much money you need to earn to pay for these and how much money you have left over (if any). This calculation may show you are spending more than you earn. Each budget will vary as there are different essentials of varying amounts that you need to be paid for, such as transport costs, food, school expenses, work related items, and necessary clothing. You may be able to average some of these costs and put aside the same amount each week. The amount of money that is left once the essentials have been paid for can be used to buy things that you want, or you can save for a long term goal. Regular contributions to charities or other organisations that provide community support would also be included in your budget, if you choose to do this.

It is common to find that you will need to reduce what you spend so you can save. Some ways of reducing spending include making lunch each day instead of buying it, watching a DVD with friends instead of going to the movies, walking or riding a bike instead of paying for transport. These are just some examples of less expensive options on a range of lifestyle choices.

There are many influences on lifestyle that affect spending and saving habits such as beliefs, interests, family, health, environment and community issues, many things impact on the different financial decisions you make.



Developing a budget for Alex



Example of a weekly budget:

This budget is for a young person who works one afternoon for 3 hours after school and 8 hours on Saturday at the local fruit market, usually 11 hours a week. This person gets paid \$7.35 an hour and do not earn enough to pay tax.

Description of transaction	Credit (Money in)	Debit (Money out)	Balance
Weekly pay	\$80.85		\$80.85
Fares		\$12.00	\$68.85
Food		\$35.00	\$33.85
Mobile phone plan		\$12.00	\$21.85
Hair products		\$5.00	\$16.85
Entertainment		\$15.00	\$1.85
Balance at end of this week is:			\$1.85



Alex's weekly budget:

Description of transaction	Credit (Money in)	Debit (Money out)	Balance
Weekly pay			
Balance at end of this week is:			



Section B: Financial responsibilities

Overview:

The scenario about mobile phones provides a context for learning that is both engaging and meaningful for students. Mobile phones have been identified as a major source of youth debt. Using a mobile phone scenario provides a realistic case study on the principles of financial management.

Reviewing the information presented in a mobile phone account provides a context and a real example for students to analyse a financial account. The learning gained can be generalised to a number of other financial contexts.

You will need:

- Student Handout 3: Owning and using a mobile phone
- Student Handout 4: Ollie's mobile phone account
- Student Handout 5: Mobile phone bill analysis



TEACHING AND LEARNING ACTIVITIES

Owning and using a mobile phone

Refer to Student Handout 3: *Owning and using a mobile phone*. Read and explain each paragraph in the text with students.

Students collect and display newspaper articles on a notice board that illustrate aspects of the information in Handout 3. Students attach speech bubble comments to the newspaper articles.

Exploring the phone bill

1. Use Student Handout 4: *Ollie's mobile phone account* to explain the features of a financial account. Refer to the Teacher's notes on Student Handout 4 to guide discussion and activities on specific features of the account.
 - Identify and explain the components of the bill.
 - Note that the bill is addressed to Ms K C Smith, who is Ollie's mother. Ollie's name is underneath. Explain why this has been done.
 - Discuss the information represented in the table and review the information presented in the rest of the phone bill.

EVIDENCE OF ACHIEVEMENT

Mathematics

WMS3.2 Applying strategies
Selects and applies appropriate problem-solving strategies, including technological applications, in undertaking investigations.

WMS3.4 Reasoning
Gives valid reasons for supporting one possible solution over another.

MS3.5 Time
Uses twenty-four hour time and am and pm notation in real life situations and constructs timelines.

- *estimates and calculates duration, using start and finish time*
- *convert between am and pm notation and 24 hour time.*

TEACHING AND LEARNING ACTIVITIES

- Discuss the cost of the call charges on the bill with students.
 - Develop students' understanding of the mathematical calculations and strategies used to examine the financial features of the account.
2. Use Student Handout 5: *Ollie's mobile phone bill analysis*. Use with the whole class or organise students into pairs or small groups, to respond to the questions on the student worksheet *Ollie's mobile phone bill analysis*. Particular aspects can be allocated to different students, and then shared with class.
 3. Share and discuss responses to questions with a focus on explaining and developing students knowledge of the technical language related to money and its management.

Home task:

Ask students to analyse a mobile phone bill at home with a family member. Students discuss what they have learned at school with the family member.

Students could also look at some other household accounts such as an electricity or water bill. Using the knowledge gained from analysing a mobile phone account will help to understand the information in other accounts. Use this information to determine if the account(s) are increasing or decreasing in cost.

EVIDENCE OF ACHIEVEMENT

DS3.1 Data

Displays and interprets data in graphs with scales and many-to-one correspondence.

- *calculates mean (average) for a small set of data in an everyday context*
- *interprets data presented in tables*
- *organises data using tables*
- *identifies misleading representations of data in the media*
- *poses suitable questions using information in a graph or table.*

NS3.3 Multiplication and division

Selects and applies appropriate strategies for multiplication and division.

NS3.4 Fractions and decimals

Compares, orders and calculates with decimals, simple fractions and simple percentages.

- *multiplies and divides decimal numbers (money) by whole numbers.*

HSIE

SSS3.7 Resource systems

Describes how Australian people, systems and communities are globally interconnected and recognises global responsibilities.

- *identifies financial responsibilities of different decisions*
- *identifies the responsibilities of each party in undertaking a financial contract for a mobile phone*

TEACHING AND LEARNING ACTIVITIES**EVIDENCE OF ACHIEVEMENT**

- *relates understanding of financial obligations to different situations*
- *develops understanding and use of financial terminology.*

Planned assessment task

Students write an email to both Alex and Ollie describing how to own and use a mobile phone that explains the financial and social responsibility of having access to this technology.

Assessment criteria:**HSIE****SSS3.7 Resource systems**

Describes how Australian people, systems and communities are globally interconnected and recognises global responsibilities.

- Identifies financial responsibilities of owning and using a mobile phone.
- Explains strategies to reduce the financial impact of owning and using a mobile phone.
- Describes the impact of new technology on the roles, rights and responsibilities of individuals in our society.



Owning and using a mobile phone

Alex realised that owning a mobile phone was a very large financial commitment over a long period of time. She found out that mobile phones were the main source of youth debt and that many young people were very distressed when they didn't have enough money to pay phone bills of hundreds (sometimes even thousands) of dollars.

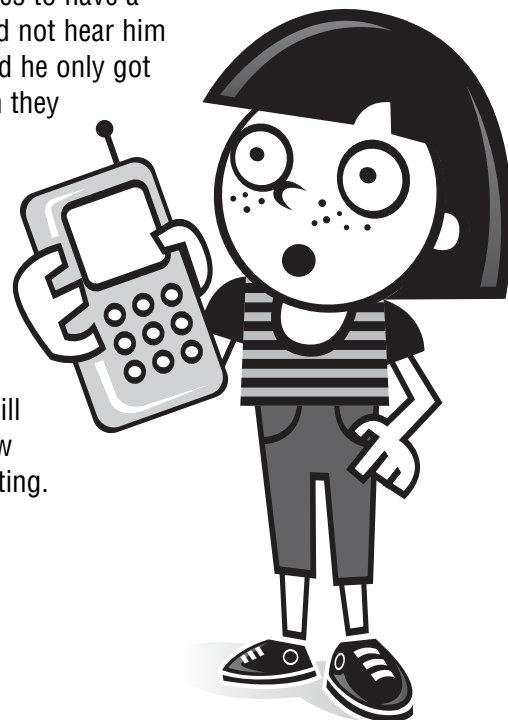
To better understand what this would mean to the way she manages her money, she thought it would be a good idea to look at some mobile phone bills. Alex asked her family and friends if she could look at a monthly account. Again, this proved to be more difficult than she thought, as about half the people she asked used prepaid and they did not get an account. When she asked how much they spent, they said that they usually set aside some money each pay to top up their phone credit. She wanted to know how much the calls were and most people didn't really know. They used their phone until the credit ran out and if they didn't have money to top it up then they couldn't make any calls until they did. They also said that this meant that they knew how much they were spending and could only spend what they could afford.

The first mobile phone account Alex looked at was from her friend, Ollie. Alex was talking to Ollie's mum about mobile phones and it turned out that Ollie was still in trouble over the way he had been using his mobile phone and the size of the account. Ollie's mum pulled the phone account out and went through the features of the account with them, so Alex and Ollie would understand the information in the account.

Ollie explained that he now had extra jobs to do at home to pay off his account to his parents. His parents had also decided that he was not allowed to have his mobile phone in his room at night, because they realised that he was sending and receiving most of his messages during the night. He was using messages to have a conversation with his friends so that his parents could not hear him talking. So his parents now looked after his phone and he only got his phone when he had to go somewhere. The reason they had bought the phone for Ollie in the first place was for his safety and to use in an emergency. Ollie's parents reasoned that he was not going to have an emergency in his own bedroom for which he needed a mobile phone.

Ollie's mum said that not letting Ollie have his mobile phone in his room at night had made a big difference to Ollie. She said that they thought he was ill because he was always tired and grumpy. He was now back to his old self, as he was sleeping instead of texting.

Look at Ollie's account.



Your Mobile Phone Account

Tax invoice


 Customer Account Number 7777777 777777 7777

Ms K Smith
 Oliver Smith
 3/20 Powers Road
 Schoolsville 2009

Bill Number	Issue Date	Due Date	Last Balance	Amount Paid	GST on this account	New Bill	Amount Due
12345678	1 July	14 July	\$82.36	\$82.36	\$66.03	\$666.28	\$666.28

SUMMARY OF CHARGES

1 June to 30 June

Call charges (ex GST)	\$75.25
Text-message charges (ex GST)	\$525.00
GST total	\$66.03

New Charges	\$666.28
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Balance brought forward	\$0.00
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Total amount due (including GST)	\$666.22
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Charges from 1 June to 30 June

SMS charges

Description	Quantity @ Rate	Amount
Text-messages	1200 @ \$0.25	\$300.00 (ex GST)
Picture and audio messages	450 @ \$0.50	\$225.00 (ex GST)
GST on messages		\$57.75
		Total \$582.75

Calls are charged for each 30 sec or part thereof at the standard rate of \$0.25.
 The off peak rate is \$0.25 per 30 sec or part thereof.
 There is a \$0.25 flag fall / connection fee on each call.

Standard rate between 07:00 and 21:00
 Off peak rate between 21:00 and 07:00

CALL CHARGES

Date	Time	Rate	Phone Number	Min: Sec	Amount (ex GST)
1 Jun	15:30	Standard	0212345678	2:48	1.75
2 Jun	16:10	Standard	0287654321	3:52	1.25
2 Jun	16:30	Standard	0418123456	1:48	1.25
4 Jun	8:40	Standard	0417654321	0:58	0.75
5 Jun	8:45	Standard	0212345678	0:55	0.75
5 Jun	15:50	Standard	0411654321	2:00	1.25
7 Jun	16:30	Standard	0418654321	1:55	1.25
8 Jun	16:10	Standard	0415654321	0:51	0.75
10 Jun	11:10	Standard	0212345678	2:44	1.50
11 Jun	13:35	Standard	0212345678	0:56	0.75
13 Jun	8:45	Standard	0287654321	2.48	1.75
13 Jun	15:50	Standard	0412123456	1:56	1.25
14 Jun	17:30	Standard	0418654321	1.52	1.25
15 Jun	18:30	Standard	0212345678	0:44	0.75
16 Jun	8:10	Standard	0414654321	3:45	2.25
16 Jun	8:45	Standard	0419654321	3:48	2.25
16 Jun	9:45	Standard	0418654321	5:56	3.25
16 Jun	10:00	Standard	0417654321	1:48	1.25
16 Jun	11:15	Standard	0416654321	6:52	3.75
16 Jun	12:10	Standard	0410654321	6:57	3.75
16 Jun	13:50	Standard	0411654321	8:19	4.25
16 Jun	15:46	Standard	0413654321	5:58	3.25
16 Jun	18:26	Standard	0419654321	10:34	5.75
16 Jun	19:14	Standard	0418654321	3:57	2.25
17 Jun	15:25	Standard	0417654321	0:52	0.75
18 Jun	8:45	Standard	0415654321	3:58	2.25
18 Jun	16:30	Standard	0414654321	2:42	1.75
19 Jun	8:45	Standard	0212345678	0:54	0.75
20 Jun	8:50	Standard	0212345678	4:51	2.75
20 Jun	16:35	Standard	0287654321	3:58	2.75
21 Jun	17:15	Standard	0418123456	1:49	1.25
23 Jun	18:45	Standard	0412654321	3:52	2.25
24 Jun	9:20	Standard	0212345678	0:44	0.75
24 Jun	18:30	Standard	0411654321	5:55	3.25
25 Jun	15:20	Standard	0416654321	2:34	1.75
26 Jun	16:30	Standard	0418654321	1:56	1.25
28 Jun	9:30	Standard	0212345678	1:51	1.25
28 Jun	15:30	Standard	0212345678	3:49	2.25
29 Jun	18:30	Standard	0287654321	2:46	1.75
30 Jun	16:40	Standard	0414123456	0:39	0.75

40 Calls Total duration: 125:33 minutes
GST on phone calls

\$75.25
\$8.28

Total \$83.53

Your Mobile Phone Account
Tax invoice

To be as inclusive as possible the message and call charges are based upon typical prepaid mobile phone service. This means that the account represents what a prepaid account might look like if a print out was available, as well as being typical of the information provided for a mobile phone on contract.

However there is considerable variation in costs and special offers available in the market.



Addressed to the adult who legally owns the phone and is responsible for all payments.

Ms K Smith
Oliver Smith
3/20 Powers Road
Schoolsville 2009

Customer Account Number 7777777 777777 7777

A typical phone account – mobile or landline will allow 14 days to pay. Late fees will usually be charged after the due date.

Some providers include GST as part of the running total, while others list it separately. For ease of calculation in upper primary, GST is listed separately in this sample account.

Bill Number	Issue Date	Due Date	Last Balance	Amount Paid	GST on this account	New Bill	Amount Due
12345678	1 July	14 July	\$82.36	\$82.36	\$66.03	\$666.28	\$666.28

SUMMARY OF CHARGES
1 June to 30 June

For ease of calculations – working in multiples of 3 and 10, a 30 day month has been used.

Call charges (ex GST)	\$75.25
Text-message charges (ex GST)	\$525.00
GST total	\$66.03
New Charges	\$666.28
Balance brought forward	\$0.00
Total amount due (including GST)	\$666.22

Call and message use reflects typical patterns of use by 14 – 18 year olds, the second highest uses of mobile phones with 19 – 29 year olds being the highest.

Ask students: How do you think Ollie's parents feel about this amount? What do you think will happen to Ollie? How do you think they will find the money? Etc.

No balance brought forward as last month's account was paid in full by the due date. If the account had been paid late then the late fee would appear here.

How much did Ollie spend each day using his mobile phone

Charges from 1 June to 30 June

Description	Quantity @ Rate	Amount
Text-messages	1200 @ \$0.25	\$300.00 (ex GST)
Picture and audio messages	450 @ \$0.50	\$225.00 (ex GST)
GST on messages		\$57.75
		Total \$582.75

This aspect of using a mobile phone – to record events, is increasing. Recording sound (music) or taking photos and then transmitting these are sometimes a breach of copyright.

On average how much did Ollie spend on messages a day. $\$583 \div 30 = \19.43 a day. Plus another \$2.80 a day for phone calls.

Calls are charged for each 30 sec or part thereof at the standard rate of \$0.25. The off peak rate is \$0.25 per 30 sec or part thereof. There is a \$0.25 flag fall / connection fee on each call.

These call rates are not very expensive so they are not reduced for an off peak rate. Flag fall / connection fee is a common additional charge at times up to 40c a call.

Standard rate between 07:00 and 21:00
Off peak rate between 21:00 and 07:00

Calculate how many text messages sent on average in a day. $1200 \div 30 = 40$.

Calculate the average number of these messages sent a day. $450 \div 30 = 15$.

Mobile phone bill analysis

Use the questions, activities and calculations to develop understanding of the information in Ollie's mobile phone account.

Timeframe

1. Refer to the Summary of charges. How many days is this bill for?

24 Hour time

2. How many calls were made in the morning?
3. How many calls were made in the afternoon?
4. Using the time of day that calls were made, you should be able to work out the dates of school days and weekends. Which days are school days and which are weekend? How do you know?

Phone calls

5. Explain the effect of flag fall / connection fee on call costs.
6. Use graph paper or a spreadsheet program to develop a table to show how much a phone call would cost in 30 second increments. Include a column to show the effect of the flag fall / connection fee on the cost of phone calls.
7. Use graph paper or a spreadsheet program to develop a line graph showing the total time per day spent on phone calls. What does the graph show?
8. Calculate the average daily cost of phone calls.
9. Calculate the average daily time spent on phone calls.

Messages

10. There are two different message rates listed, what are they for? Why do you think these rates are different?
11. Calculate how many text and picture / audio messages were sent by Ollie on average each day. Calculate the average daily cost of messages.
12. Is there a connection fee for messaging? How do you know?
13. What was the main use of Ollie's phone?
14. Discuss how Ollie can reduce the number of messages (and the cost of sending them).

Value for money

15. How much did Ollie spend on mobile phone charges, both calls and messages, on average, each day?
16. Is Ollie getting value for money for his mobile phone? Why or why not?
17. Consider if it is better value for money to send messages or make a phone call.
18. Do you think Ollie was aware of how much he was spending on his mobile phone each day? Explain.
19. What is the impact of Ollie's phone use on himself, both personally and financially? On his parents / family – personally and financially?
20. Extension: Some phone plans reduce the cost of calls (or even have free time) between certain times. Explain how special offers can be used to reduce spending.
21. Class activity: List some changes that Ollie could make so that his mobile phone does not cost so much.
22. Personal Assessment task: Write an email to Alex and Ollie about how to use a mobile phone responsibly.

GST

1. What is GST (goods and services tax)?
2. Why do you pay GST on a mobile phone account?
3. What does the government use tax money for?

Section C: Using a transaction account

Overview:

Overview: Investigates and analyses some financial products and services to meet particular requirements. Students interact with a representative from a financial institution to further knowledge of financial products and services.

You will need:

- Student Handout 6: *Keeping money safe*.
- Student Handout 7: *Sample features of transaction accounts*.
- Information brochures or online information on transaction accounts (collected from bank, building societies, credit unions or downloaded from their websites).
- Internet access for students to undertake the interactive activities on internet banking.
- Arrange a guest speaker from a financial institution to view or review student presentations and participate in a Q&A forum. If face to face access is difficult, consider using speaker phone, video conference or an interactive internet discussion forum.



TEACHING AND LEARNING ACTIVITIES

Introduce the need for Alex to have a transaction account with a financial institution to help manage her money and keep it safe. Briefly review the importance of having a budget with students to meet financial commitments and to plan for savings, (Section A: *Money as a resource*)

- Read and explain Student Handout 6: *Keeping money safe*. Discuss with students the financial language used in the handout and the meaning of this terminology. Reference the *Glossary of financial terms* at the end of this document.

Just like having a mobile phone the number and type of transactions used determines the account features. Make sure students are aware of the nature of these transactions. Encourage discussion with the guest speaker to explain the function of different features.

EVIDENCE OF ACHIEVEMENT

HSIE

SSS3.7 Resource systems

Describes how Australian people, systems and communities are globally interconnected and recognises global responsibilities.

- *understands the importance of being able to budget for individual and family needs and wants*
- *identifies different types of banking transactions and their purpose*

TEACHING AND LEARNING ACTIVITIES

Types of transactions suitable for Alex could include:

- ATM via own institution
- ATM via another institution
- EFTPOS
- phone banking
- internet banking
- direct debit
- BPay
- branch access (over the counter transactions).

List and determine approximately how many of these transactions Alex will make each month.

Alex would also like no (or very low) fees and charges, some interest and no minimum balance. Add additional 'services' or criteria that students consider important for the account to have. Ask for reasons.

Selecting a transaction account:

Use Student Handout 7: *Sample features of transaction accounts* to model a process for comparing different accounts. Explain the different features and functions of each account and review the technical language used.

Undertake an investigation of some of the transaction accounts offered by a variety of financial institutions. Adapt the level of detail to suit students.

1. Collect or download information brochures from different financial institutions, e.g. banks, building societies and credit unions, on the accounts they offer. This could be a student homework task. Make copies of the information for students, enlarging font if needed to facilitate comprehension.
2. Record and compare information as modelled in Handout 7.
3. Select and use one brochure with the whole class to model the procedure of analysing the information and comparing features to the criteria established for Alex, using the steps listed below.
4. Organise students into small groups. Each group reads an information brochure and assesses how well this product meets the criteria developed by the class and modelled in the previous step.
5. Identify the fees and charges for taking more money than you have out of an account (overdrawing).

EVIDENCE OF ACHIEVEMENT

- *expands knowledge and understanding of financial terminology*
- *reads about and discusses the language and features of financial products*
- *identifies criteria and reasons for selecting particular products*
- *works collaboratively in a group to read and assess different financial products*
- *researches a transaction account, its features and use, and how to open an account*
- *develops an individual or group presentation on a financial service*
- *develops questions on financial services to ask a representative from a financial institution*
- *understands the implications of some short term and long term financial decisions.*

Mathematics

WMS3.2 Applying strategies
Selects and applies appropriate problem-solving strategies, including technological applications, in undertaking investigations.

WMS3.4 Reasoning
Gives valid reasons for supporting one possible solution over another.

NS3.4 Fractions and decimals
Compares, orders and calculates with decimals, simple fractions and simple percentages.

TEACHING AND LEARNING ACTIVITIES

- Each group reports its findings back to the class.
- As a class discuss the benefits and costs of different products and decide on the one that best meets the needs of the character Alex.
- Develop specific questions on the account they have chosen for Alex that are not answered in the information brochures. This could include questions on how to open the account and how this account operates using EFTPOS, direct debit, phone banking, internet banking, suitability for paying bills etc. List these questions for future discussion with a representative from a financial institution.

Students write questions to ask a representative from a financial institution on points they would like to clarify as they develop their presentations on a transaction account.

Organise for a representative from a financial institution to view students' presentations and to participate in a question and answer forum. Brief the guest on their role and the type of questions students will be asking.

EVIDENCE OF ACHIEVEMENT

- calculates and interprets simple percentages in everyday situations*

DS3.1 Data

Displays and interprets data in graphs with scales and many-to-one correspondence.

- interprets data presented in tables*
- organises data using tables*
- identifies misleading representations of data in the media*
- poses suitable questions using information in a graph or table.*

Planned assessment task

Organise students to undertake the assessment task. Students may require specific writing strategies to be addressed as part of English. Provide support to students to reference, record and organise information. Determine or brainstorm ways of presenting this information. Give a timeframe for completion.

Students develop information on some financial products and services into a presentation. Include information on the particular account you have decided on and why, precise instructions on how to open the account and describe how to use this account. This can be presented as a role-play, *PowerPoint*, poster or written report.

Assessment criteria:

HSIE

SSS3.7 Resource systems

Describes how Australian people, systems and communities are globally interconnected and recognises global responsibilities.

- identifies and selects some specific transaction account functions and explains their purpose (related to products and services)
- describes the purpose and the benefits of some specific features of a transaction account
- explains how to open a bank account
- shows an understanding of the effect of fees and charges on the function of a transaction account.

TEACHING AND LEARNING ACTIVITIES**EVIDENCE OF ACHIEVEMENT****Internet banking:**

Organise computer time for students to investigate the Australian Government website www.onlinebanking.org.au/ for information about safe internet banking strategies. This site has a number of interactive activities suitable for students, including an internet banking simulation.

Students discuss and share what they have discovered about internet banking.

Develop some generalisations about safe internet banking.

Use scenarios that explore the application and use of safe internet banking strategies e.g. you are at a friend's house and you decide to buy (insert item) from them. They ask you to transfer the money into their account using the internet at their home. Explain what you need to do to keep your banking details safe – *Do not allow anyone to know your PIN and close the browser once the transaction is completed.*

Provide additional 'what if' or hypothetical situations that reflect the characteristics of the community and challenge students to think about the real life application of internet banking. Include examples related to email requests for personal internet banking and log in information.

Students work in groups to list safe internet banking strategies. Display.



Keeping money safe

Now that Alex is working part time she needs to manage her money and keep it safe. She realises that she needs to upgrade the bank account that her mother opened for her when she was in primary school to one that has ATM, EFTPOS, phone and internet banking facilities.

Here is some information about how to select an account with a financial institution.

Selecting a transaction account

Banks and credit unions all offer transaction accounts. These will have a specific product name, such as *Everyday Account*, just like different mobile phone plans do. Each institution has transaction accounts with different features for different purposes, and it is up to you to decide which account meets your needs. When choosing an account, you will need to work out what sort of money habits you have and what you need your account to do for you. You may also consider factors such as ease of access, the friendliness of staff, convenience of the branch or other factors that are based on your own personal choices.

You will need to do some research and collect information to find an account and financial institution for your needs.

Begin by collecting information brochures from financial institutions about the accounts they offer. Refer also to the *terms and conditions* of these accounts. You will need to read the information to compare the different features. Brochures may not include all the information you need to make a choice. You may need to also ask: What do I still need to find out? How can I find this out?

Some features to consider:

- Does the account pay interest on your savings? How much? How often?
- Do you have to pay a service or access fee on the account? How often is this fee charged? This fee may be referred to as *account keeping, maintenance, service or non-transaction based fee*.
- Is there a maximum number of *fee free* transactions on the account? How many? Does this fit in with the way you will use your account?
- What fees are charged on the account for different sorts of transactions?
- Do you need to keep a minimum balance in the account? Some financial institutions do not charge account keeping fees if there is a minimum balance kept in the account. How much is this? Can you afford to do this?



Fees may be charged for transactions such as:

- making EFTPOS transactions
- requesting extra copies of statements
- stopping payments on cheques
- requesting bank cheques
- requesting special clearance or answers on cheques deposited or withdrawn
- having withdrawals from your account dishonoured when you do not have enough funds in your account to cover electronic transactions including periodic payments.

Handy banking hints:

Think about your banking habits; changing them can save you money.

- How many transactions do you make each month? You can save money if you reduce the number of transactions you make.
- Know the minimum balance requirements of your account. Make sure your account stays above this at all times. Have some additional funds in the account to cover fees and charges that could take you below the minimum balance.
- The ATM you use can add significantly to fees and charges on your account. Find out which ATM 'brand(s)' your financial institution lets you use without additional charges i.e. if you use an ATM that does not belong to the financial institution you bank with then you will be charged an access fee.
- Keep the receipts and docketts of all your transactions, including EFTPOS and ATM transactions. Check these regularly against the account features such as number of fee free transactions per month or charges for using a particular financial service. Also use receipts and docketts to check your account statement.
- Always read the information about your account, keeping up-to-date on any changes that are made to the way your account works. If you do not understand something about your account, ask your financial institution to explain, either in person or over the phone.

Remember, accounts for people under the age of 18 are usually free of many of the usual fees and charges. These special accounts for young people will automatically convert to a full account once you turn 18.



Sample features of transaction accounts

Features	Everyday account	Access account	Student account	Basic account
ATM via own institution	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ATM via another institution	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
EFTPOS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Phone banking	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Internet banking	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Direct debit	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
BPay	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Branch access (over the counter)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Account statements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Passbook available	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Cheque book	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Monthly account keeping fee	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other fees	<input checked="" type="checkbox"/> <i>See Product information</i>	<input checked="" type="checkbox"/> <i>See Product information</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Minimum balance	<input checked="" type="checkbox"/> \$1,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Interest rate paid	0.05%	Nil	Nil	Nil
Interest calculated	Daily	–	–	–
Interest credited to account	Every 6 months	–	–	–

Section D: Financial sources and resources

Overview:

Explores financial roles and responsibilities and the effects that personal lifestyle choices can have on financial decisions. Develop students understanding on the impact that marketing and advertising strategies have on spending and saving.

The effect of marketing on the purchases young people make is significant. This is explored in this section along with aspects of being entrepreneurial, making financial decisions that enhance quality of life and aspects of risk and return.

You will need:

- Student Handout 8: *Concept map; where do we get messages about spending and saving money?*
- Teachers Handout for Section D
- Organise students to redo the *Financial Skills Assessment* as an evaluation of learning.



TEACHING AND LEARNING ACTIVITIES

Influences in spending and saving

Concept: Advertising creates positive expectations about spending money.

Provide students with a copy of Student Handout 8: *Concept map; where do we get messages about spending and saving money?*

Students complete concept map.

Collate and categorise student concept map responses into a class chart, use Interactive Whiteboard technology if available. Begin with two categories, spending and saving and then break these down according to responses. Anticipate that the categories and messages about spending will significantly outnumber the messages about saving.

Some questions to include in the discussion:

- Are you being encouraged to spend or save?
- Who is encouraging you to save, and spend?

EVIDENCE OF ACHIEVEMENT

HSIE

SSS3.7 Resource systems
Describes how Australian people, systems and communities are globally interconnected and recognises global responsibilities.

- *identifies financial consequences of different decisions*
- *relates understanding of financial obligations to different situations*
- *develops understanding and use of financial terminology*
- *contributes ideas about the advertising messages given about spending and saving money*

TEACHING AND LEARNING ACTIVITIES

- What are you being encouraged to save for?
- What are you being encouraged to buy?

Develop students' understanding of advertising strategies that influence their spending and saving decisions.

Ask students to collect some advertisements, printed and televised that they would like to use to analyse the marketing messages included. Select advertisements to analyse; six is a good number. Organise a work station for each advertisement with recording sheets for the advertisement that remain at the work station.

Allocate students into groups to match the number of advertisements. Each group of students begins at a work station. Allow sufficient but limited time to view, discuss and briefly respond to question 1. All groups rotate to next advertisement, and repeat process for question 2. Continue to rotate until all questions have been answered. This process allows all students to investigate and analyse a broad range of advertising strategies.

Students use the following questions to deconstruct each advertisement.

1. Who created the message?
2. What strategies are used to grab your attention?
3. What different understandings are in the message?
What information has been left out?
4. What values, attitudes, lifestyle and points of view are represented in, or left out of, the message?
5. What information does the advertiser want you to see as important? Has the information that you think is important been included?
6. Who is the target audience? Who will use this product / service? How do you know?

To conclude each group of students reviews all responses for just one advertisement. This can include additional points about the impact of any music, actors / celebrities, colours, designs, logos and other creative devices or gimmicks, such as prizes or giveaways used in the advertisement.

Students develop a response to share with the class. Include what they think the promise is in the advertisement and how that promise has been conveyed e.g. you will be happy, cool, successful, if you buy or use this product.

EVIDENCE OF ACHIEVEMENT

- *identifies and organises the content of advertising into categories*
- *determines if advertising is encouraging spending or saving*
- *identifies and selects an advertisement to analyse*
- *examines the marketing messages used in advertising*
- *identifies the marketing strategies used in selected advertisements*
- *identifies the marketing promise used to sell a product or service in some advertisements*
- *collates and presents the ideas and information on the marketing strategies used in one advertisement*
- *evaluates own response to advertising with knowledge of the marketing strategies being used*
- *engages with the narrative to further develop financial understandings*
- *develops an understanding of some specific budgeting strategies and their purpose*
- *examines the effect of some lifestyle options on a personal budget*
- *examines some lifestyle options that cost very little and that can enhance the quality of life for self and others*
- *clarifies what it means to be entrepreneurial in simple terms*

TEACHING AND LEARNING ACTIVITIES

Have students describe the strategies used to convey this promise. Students give an opinion of how they now feel about the product. Would they purchase this product now they are aware of the advertising strategies used to promote this product?

Encourage students to share these understandings with their family.

Financial sources and resources

Concept: Marketing practices place considerable pressures on the financial resources of young people.

Refer to Teacher's Handout for Section D to develop the narrative about the financial sources and resources of Alex and her mum. Build further upon the scenario of Alex and her mum as a foundation for exploring additional aspects of financial management, such as considering how financial decisions should enhance quality of life, being entrepreneurial, and developing an initial understanding of risk and return, and supply and demand principles.

Budgeting strategies:

Budgeting creates many challenges: List some of these for Alex and her mum. Ask students how do you think they overcome these?

Being creative can help solve financial situations. How else have Alex and her mum shown that they are good at managing their money e.g. borrowing DVD's from the local library for free instead of hiring from the store. Examine why this is a budgeting strategy as well as enhancing quality of life.

Identify some other simple examples of how quality of life decisions can also be good budgeting strategies e.g. eating meals made from fresh seasonal produce.

Identify other lifestyle options that cost very little or nothing that also enhance

- the quality of life of self and others in the community
- benefits to self and others of charity or volunteer work
- lifestyle actions and decisions that have a positive impact on the environment.

EVIDENCE OF ACHIEVEMENT

- *examines and evaluates some of the financial risks described in the scenario*
- *evaluates the risk of some other common financial activities*
- *contributes some ideas to a class discussion on risk and return situation in the narrative*
- *examines the impact of supply and demand on prices of known items*
- *explores some simple examples of the effect of supply and demand*
- *identifies some simple strategies to identify the risk involved in making a financial decision or transaction they are familiar with.*

Mathematics

WMS3.2 Applying strategies
Selects and applies appropriate problem-solving strategies, including technological applications, in undertaking investigations.

WMS3.4 Reasoning
Gives valid reasons for supporting one possible solution over another.

NS3.4 Fractions and decimals
Compares, orders and calculates with decimals, simple fractions and simple percentages.

- *calculates and interprets simple percentages in everyday situations.*

TEACHING AND LEARNING ACTIVITIES

Consider if the amount of fun you have is related to how much money you spend.

Being entrepreneurial:

Refer to Teachers Handout for Section D.

Spending and saving and making money. What is an entrepreneur? Explain what it means to be entrepreneurial. How is Alex's mum being entrepreneurial? What does she hope to gain? Do you think this is a good idea? Why or why not?

Risk and return:

All financial decisions have an element of risk. How risky is the business venture being undertaken by Alex's mum? Draw a chalk line on the floor and mark a continuum from very low risk to very high risk. Select students to show how much financial risk is associated with the business venture by selecting where to stand on the continuum. Ask each student to explain why they are standing where they are on the continuum.

Use this strategy to evaluate the financial risk and return on some other financial decisions:

- opening a transaction account
- saving money in an account with interest
- buying a mobile phone
- buying the latest trendy gadgets / clothes / must have items
- using a credit card for purchases
- borrowing money they can't afford to pay back
- borrowing money with interest they can afford to pay back
- using savings to buy items to sell online.

Discuss other strategies that can be used to develop income and contribute to savings.

How do you find out about risks associated with different financial decisions?

Organise students to complete the *Financial Skills Assessment* as a post test of learning. Students can compare results with the pre test they undertook. You may wish to print off the individual Financial Skills Assessment

EVIDENCE OF ACHIEVEMENT**DS3.1 Data**

Displays and interprets data in graphs with scales and many-to-one correspondence.

- *identifies misleading representations of data in the media*
- *poses suitable questions using information in a graph or table*
- *interprets data presented in tables*
- *poses suitable questions using information in a graph or table.*

TEACHING AND LEARNING ACTIVITIES

as this report for each, provides an individual analysis of the students results.

The information from the self evaluation and the *Financial Skills Assessment* can be shared by students with their parents or caregivers. Together, these two evaluations provide significant information about what students know and understand about personal financial management. This will allow detailed family conversations about financial management to continue.

EVIDENCE OF ACHIEVEMENT

Conclusion:

Planned assessment task

Students develop a self evaluation to rate what they know about:

- budgeting
- saving
- making financial decisions
- financial products and services
- technical terms related to finances
- being entrepreneurial
- being financially responsible.

This could be a question and answer format, using ranking scales, statements or comments.

Assessment criteria

HSIE

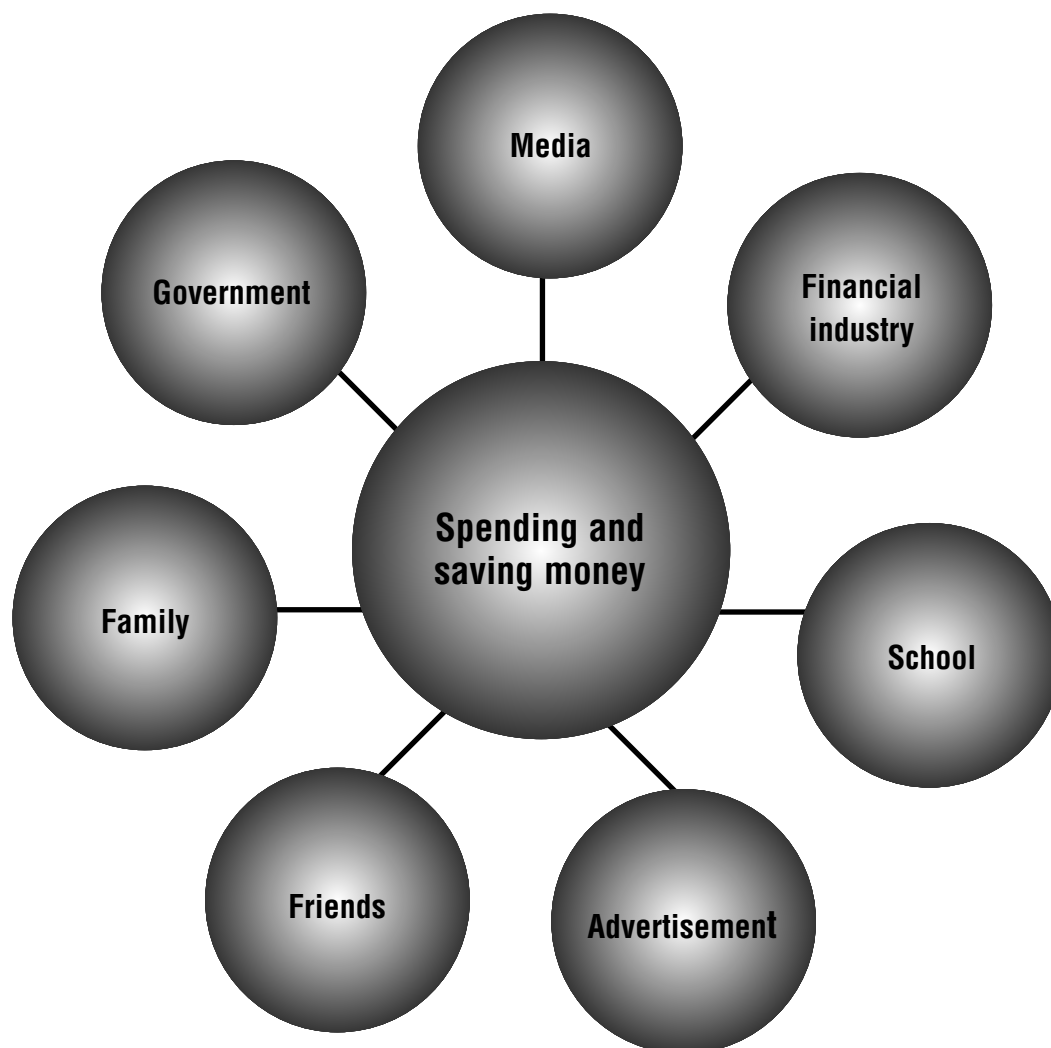
SSS3.7 *Resource systems*

Describes how Australian people, systems and communities are globally interconnected and recognises global responsibilities.

- explains financial responsibilities related to paying personal financial commitments
- identifies budgeting strategies to enhance savings
- describes the impact of a financial decision, such as developing a budget, buying a mobile phone on own finances
- uses some financial terms correctly
- explains some creative financial solutions to money problems
- shows an understanding of the purpose of some financial products and services
- expresses a responsible attitude on the use of different money management strategies.

Concept Map

Where do we get messages about saving and spending money?



Use the text below to tell a story that further develops the financial awareness of Alex and her mum. The text can be read or used to support an oral narrative that is more informal. This scenario should be adapted to include features that are representative of the local community.

Budgeting strategies

In Student Handout 1 it said ‘*Alex knew how hard her mum worked and how carefully she had to budget to meet all their living expenses*’. Alex and her mum, Jesse, have found that having a family budget works really well for them. Jesse likes knowing that there is money put aside to meet all their bills, especially the big ones. This means that they have not had to worry about how to pay these bills when they arrive. It can be hard sticking to their budget as there are always lots of good reasons to spend, especially when it is something they really want.

Alex has also realised that it is easy to spend money on lots of little things like clothes, take-away food and things that look really good in advertisements. These can be an expense they need for more important things. They have both had to show lots of self discipline. For Alex, this has meant that she often has to compromise on the things that she wants. She often is not able to have the latest and greatest, ‘must have’ items that everyone else seems to have. She used to feel bad about not having things that other people seemed to have, but her mum explained that is exactly what advertising is designed to do. It can make us feel bad if we don’t have something, when life and being happy is really about what sort of person you are and not the possessions that you have that really matters. Alex knows that their budget provides peace of mind and is worth having.

They have developed lots of budgeting strategies that have enhanced their quality of life and been good for the community and the environment. Alex remembers when her mum first bought the bread making machine and how good the fresh bread tasted. People have always commented on how nicely Jesse is dressed and she always replies, these are my designer clothes, which is a bit of fun, because she designs and makes them herself.

Alex also takes the elderly neighbour’s dog for a walk and puts their garbage bins out. She knows that she can always drop in for afternoon tea and get some homework help when her mum is still at work. (Include other positive examples of how it is easy to save money because of lifestyle choices that reflect the nature of the local community e.g. growing fruit, vegetables and herbs, babysitting, keeping chooks, bartering, selling things you no longer need, having a garage sale.)

Being entrepreneurial

Alex’s mum has a small pay rise at work and would like to save this additional income. Jesse thinks that she can add to these savings by turning her hobby of designing and making clothes into extra income. Jesse likes to design clothes and has always made things for herself, Alex, other people in the family and for friends. She searches opportunity shops for clothes that use nice materials. Jesse then restyles them in her one off designs that mix different colours and patterns. Jesse thinks that now she can sell some of these clothes by having a stall at the local markets.

This hobby is a way of providing additional income that can enhance their savings.

Jesse plans what needs to be done to sell her designs at the market stall. She thought this would be a good small business venture.

These are some of the things that need to be considered:

- Purchasing and time spent making the stock for the stall.
- Ensuring that the clothing designs are something that others will buy.
- A range of clothing sizes.
- The cost of the stall.
- The logistics of getting the clothes to the market and setting up the stall.
- Having a cash 'float,' would EFTPOS / credit card facilities be necessary?
- Organising to keep money safe and being able to bank it promptly.
- Keeping track of money in and money out to ensure that the market stall is actually making a profit.

There is a lot to consider, plan for and work to do before Jesse can begin to make any profit from the stall.

Risk and return:

Starting up a small business, even something small like a market stall, involves some financial risk that has to be weighed up against possible returns. Jesse evaluated the financial value of the risk she was taking. As Jesse really didn't know how much money she was going to make she had to consider the worse case possible, such as the impact of losing some or all the money she had invested in setting up the business. This could happen if people did not buy the clothes she made. In response to this evaluation, Jesse decided to start by only using her pay rise to support the initial set up costs to make the products to be sold and not use any of the money set aside for other expenses. Then, if Jesse didn't make any money out of the venture, it was only the pay rise that was spent. Even though losing this money would be very annoying, it would not impact on other aspects of their lives, such as where they were able to live, being able to pay bills, and other daily expenses.

Alex's mum knew that she needed to keep good financial records of all the money spent on purchases of materials and other items needed to make up the clothes for the market stall. She had also been told that she should keep track of the hours she spent making up the clothes and sourcing the materials. This would allow her to work out an hourly rate to pay herself back, once some income started coming in.

Making all the extra clothes used up Jesse's pay rise for several weeks and she often spent 3 hours a night sewing and then extra time on the weekends sourcing materials. The costs were mounting and so were the hours of work. She realised that it would take quite a few weeks of market stalls to recover these expenses before she would begin to make a profit. With all these considerations it was difficult working out what price to put on the items to cover the cost of materials, time spent on the business and all the other incidental expenses that had to be included and still make sure that they were priced competitively for people to buy. She also needed to add in the hire of the stall at the markets. She knew that what she was doing had some risk attached, but because making clothes was a hobby that she did not get paid for anyway, she reasoned that she would not lose much if the venture didn't work out. The risk was balanced by the potential for profit, even though that profit was now further away than she had originally thought.

Everything was ready and packed for an early start for the regular Saturday markets. The clothes were all made, labelled carefully and priced. A stand to hang them on, a table to display some accessories, a receipt book, order forms and shopping bags were all ready to go. Alex was going with her mum to help set up and then she would have to go onto her own part time job. She would have liked to have stayed and helped out.

Initially there were not very many people around. But as the day wore on more people came and she made some sales, mostly small items and only a couple of the more expensive items. People were complimentary about the clothes and many said that they would come back next week. Alex's mum enjoyed the day – it was fun meeting and talking to people, but she had really not made very much money, barely enough to cover the hire of the stall. The market the following week was much more profitable. Some people who had just been looking the first week came back and made some larger purchases and she also took some special orders. It looked like her hard work was going to pay off.

Jesse now opened a special transaction account to use specifically for her business. She deposited all the money she made and withdrew all the expenses associated with making the items she sold and other incidental costs. As this account started to grow, she began paying back the money she had used from her pay rise to set up the business. Once this was all paid back she began to pay herself a small wage from her business, which she also saved. Her dream now was to grow this little market stall into a full time business and she was saving so that she had the capital to do this with. Even if her dream of opening her own business did not eventuate she had no regrets as she knew that the money she was saving would help provide a more secure future. She would be able to get some return on her money, even if it was only small, and this would all add up and help build a deposit for their own home and would be able to support Alex to get a better education than she had. Jesse was proud to be able to build a more secure financial future.



Section E: The main EVENT

Activities

1. Explanation of the nature of the task
2. Curriculum references
3. Selecting the event
4. Running an event
5. Fundraising

1. Explanation of the nature of the task

Many primary schools have traditions around end of primary school farewells, end of year concerts and functions that involve the senior primary students in the fundraising for these events. This learning experience enables existing school practices to be enriched through explicit teaching about financial knowledge, competence, enterprise and responsibility. Specifically, students will be given the opportunity to explore:

- value for money
- risk and return
- management of money
- responsibility associated with fundraising
- methods of payment
- relationships around buying and selling goods and services.

Financial experts from non-profit and charity organisations could be approached as a source of expertise as students explore fundraising ideas, the collection, management and storage of money. Representative of organisations involved in fundraising and finance could be invited to address the class.

It is anticipated that an existing school event or tradition be used as a basis for this learning, with teacher discretion as to what to include, exclude and add. Considerable learning occurs from the associated fundraising. For this reason, the following teaching and learning is presented as a guide only. All experiences should emphasise the concepts of value for money, affordability, awareness of the cost of managing events and financial responsibility. As the learning progresses, there may be more salient opportunities to explore financial issues as they arise e.g. risk and return, recouping expenses before profit can be calculated, GST, making environmentally and socially responsible decisions.

In this unit, the EVENT and the fundraising have been separated. The EVENT could be the fundraising, in which case the EVENT material is not relevant. However, in many cases the EVENT will involve fundraising, making both sections relevant.

The fundraising planning and implementation will provide opportunities for the teacher to gather valuable information about students' personal financial literacy, how they interact, talk and make decisions about purchases.

The set-up and implementation of the fundraiser also provide valuable opportunities for fostering home and school partnerships including:

- a letter home explaining the purpose of the experience
- the home and community as a source of data and support
- drawing on parents and community members as experts in the field
- an invitation for families to view and participate in lessons
- homework related to the unit of work.

There are also excellent opportunities for students to work with members of the P&C (or equivalent) as the core fundraising body of the school. Students may need to make a presentation to the P&C requesting funds to underwrite the costs of setting up the EVENT. Further liaison with the P&C may be necessary to repay these initial costs after the EVENT.

2. Curriculum references

HSIE

SSS3.7 Resource systems

Describes how Australian people, systems and communities are globally interconnected and recognises global responsibilities.

- *clarifies what it means to be entrepreneurial in simple terms*
- *understands the importance of being able to budget*
- *expands knowledge and understanding of financial terminology*
- *works collaboratively in a group to undertake an entrepreneurial task*
- *identifies questions for a business representative to clarify understanding of the task and process of running a small enterprise*
- *describes ways of reducing expenses to increase profit*
- *plans a budget to explore the needs of small enterprise*
- *reflects on the impact on the small enterprise of different spending and saving priorities*
- *identifies the rights and responsibilities of undertaking a small enterprise*
- *locates additional sources of information that assist in making an informed financial decision*
- *identifies the financial responsibilities of different decisions*
- *relates understanding of financial obligations to different situations*
- *contributes ideas on the advertising strategies to support the small enterprise*
- *identifies appropriate marketing messages and strategies for the small enterprise*
- *examines and evaluates some of the financial risks described in the scenario*
- *evaluates the risk of some other common financial activities*
- *contributes some ideas to the enterprise planning on risk and return*
- *examines the impact of supply and demand on the prices of goods and services being sold in the small enterprise*
- *uses some simple strategies to identify the risk involved in making a financial decision or transaction they are familiar with*
- *compares relative costs of a range of goods and services and justifies selections*
- *determines value for money and makes recommendations*
- *learns about more complex financial records and their purpose*
- *uses a range of information to choose how to keep money safe, and justifies choices*

- *applies a range of organisational skills to record and manage finances*
- *determines the effect financial choices have on self, others and the community*
- *balances more complex needs and wants and establishes priorities*
- *learns about basic risk and returns*
- *develops and includes cost of advertising into small enterprise*
- *develops an understanding of some of the problems associated with following a budget*
- *explores the reciprocal nature of transactions*
- *expresses need to keep financial records for planning, budgeting and taxation purposes*
- *understands that being able to plan for present and future financial needs is an important life skill.*

Mathematics

WMS3.2 *Applying strategies*

Selects and applies appropriate problem-solving strategies, including technological applications, in undertaking investigations.

- *apply the four operations to money problems*

WMS3.4 *Reasoning*

Gives valid reasons for supporting one possible solution over another.

WMES3.5 *Reflecting*

Links mathematical ideas and makes connections with, and generalisations about, existing knowledge and understanding in relation to Stage 3 content.

NS3.1 *Whole numbers*

Orders, reads and writes numbers of any size.

- *uses large numbers in real-life situations, e.g. population and money applications*
- *recognises different abbreviations of numbers used in everyday contexts, e.g. \$350K represents \$350 000*

NS3.3 *Multiplication and division*

Selects and applies appropriate strategies for multiplication and division.

- *questions the meaning of packaging statements when determining the best buy, e.g. 4 toilet rolls for \$2.95 or 6 toilet rolls for \$3.95*
- *selects and applies appropriate mental, written or calculator strategies for multiplication and division.*

NS3.4 *Fractions and decimals*

Compares, orders and calculates with decimals, simple fractions and simple percentages.

- *multiplies and divides decimal numbers (money) by whole numbers*
- *calculates and interprets simple percentages in everyday situations*
- *adds and subtracts decimals*

NS3.2 *Addition and subtraction*

Selects and applies appropriate strategies for addition and subtraction with counting numbers of any size.

- *uses mental computations to estimate addition and subtraction*
- *adds and subtracts decimals.*

3. Selecting the event

- Outline to the class the purpose of this task, emphasising that it will be a real EVENT.
- Either select an existing event or have students brainstorm some possible events or fundraising activities.
- Discuss and define the possibilities.
- If the EVENT is fundraising only, go to Section 5 Fundraising.
- If the EVENT involves other organisational activities, follow Section 4 and if fundraising is also involved, use Section 5 when appropriate.

4. Running an EVENT

Phase 1: Setting the scene: market research

The objective of market research is to determine stakeholder (parent, teacher and student) interests. Briefly review aspects of learning undertaken in Section D: *Financial sources and resources*.

Developing a survey

1. Ask: How can we find out what our stakeholders want from the EVENT? Questions could include when and where, and could give a set of preferences for ranking. The survey might include suggestions for activities, speakers or entertainment. Direct student attention to the importance of having collated data.
2. Divide into groups to brainstorm questions that could be asked of stakeholders. Rejoin as whole class to pool group ideas. Teacher draws attention to different types of questions and possible answers e.g. open and closed questions, scales, faces.
3. Construct a class questionnaire using examples from pooled information.

Administering the survey

1. Divide the class into groups and ask students to:
 - plan who will be surveyed
 - nominate which members of the group will administer the survey
 - decide how the results will be collated.

The teacher may need to coordinate who will be surveyed to avoid overlap.

2. So that responses of each group can be collated, provide students with a template to collect the data.
3. Collate group responses.
4. Ask each group to write a brief report.

Phase 2: Set-up

Planning

Establish the parameters of the EVENT:

- date

- venue
- participants and number of participants
- program, including guests, special items and other events
- advertising and promotion.

Costing

1. For each component of the EVENT, identify and list the associated services and products needed, for example, transport, food, hire of equipment and payment of performers.
2. Discuss where the providers of these services and products can be located. Use Yellow pages, local telephone books, local newspapers, the internet, and ask students where they usually get information about services and products. Critically evaluate the effect of advertising on purchasing decisions.
3. Show examples of facsimiles and emails requesting quotations for specific services and products. Jointly construct a fax or email requesting a quote for a specific product or service. This mode of communication has been chosen in preference to phone calls as it lends itself to closer scrutiny by the teacher while still allowing the ultimate responsibility for the communication to rest with the students.
 - In small groups, students are allocated different products or services and they then obtain three quotes using fax or email.
 - As faxes or emails are returned, students will be responsible for:
 - a) Presenting each quote and what is included. The teacher may need to alert students to potential unquoted costs such as delivery, deposits and security bonds.
 - b) Calculating a cost per head.
 - c) Presenting a cost analysis, for and against each supplier. Here students will have the opportunity to explore value for money and to consider whether the cheapest quote will meet their requirements.
4. Reaching a class decision for each supplier can be made using one of the following methods:
 - class vote based on examination of the quotes
 - consensus within each group leading to a class consensus
 - individuals with strong preferences advocate a particular supplier followed by a class vote.

Phase 3: Running the event

1. Events involve a high level of coordination of people and activities. Good planning can minimise the problems that can occur and reduce stress. Good planning includes:
 - Ensuring that there is a detailed list of activities (jobs) for the event.
 - Assigning students to specific activities. Ensuring that each activity has the right number of students with appropriate capability assigned in order to complete it.
 - Assigning supervisory roles to ensure that each activity is completed.
 - Preparing a running sheet for the event with precise times, students and responsibilities.
 - Providing clean up and post-event activities in overall planning.
 - Preparing alternative arrangements for predictable problems, for example, rain or the loss of a key presenter.

2. Good supervision reduces stress. On the day of the event, ensure that the key student, parent or teacher organisers have no assigned duties so that they can trouble shoot as required. Their task is to supervise each activity and to monitor the running sheet to ensure that:
 - each activity has the students and resources needed
 - each activity is completed on time
 - each activity is coordinated with other dependent activities
 - someone is available to assist where problems arise
 - problems are predicted in advance.Where the event involves collection of money, for example, school fete, there should be separate supervisors of money collection, counting and banking. At least two people should work in this role.
3. Wrapping it up. The post-event activities need to be part of the plan and they include:
 - Clean up. Ensure the provision of garbage containers and storage. Include responsibilities and personnel in the planning and on the running sheet.
 - Dismantling. Many events can take almost as long to dismantle as to set up, for example, equipment, sets, stalls, advertising signs. These activities need to be in the plan with assigned responsibilities and personnel.
 - Banking. Ensure appropriate banking procedures for dealing with any funds collected.
 - Reporting. Assign follow-up and reporting activities with appropriate time frames.

5. Fundraising

The objective of the fundraising is to foster financial responsibility both in terms of money management and satisfaction to the consumer.

Teacher directed activities

1. If the reason for fundraising is not already determined, brainstorm all charity and fundraising events students can recall, e.g. Red Nose Day, Jeans 4 Genes, natural disaster, overseas aid etc.
2. Ask:
 - Why do organisations, including schools, conduct fundraising?
 - Why do people (consumers) participate? For example, a chance to win, for social reasons etc.
 - How do people participate? For example, to donate money or goods, buy products like pens, red noses, buy a chance – raffle tickets.
3. Examine the strategies used by the above charities and the consumers they targeted.

Student group work

In small groups:

- Brainstorm strategies they could use within the school and local community to support their fundraising venture (e.g. raffle, car wash, fun day, concert etc.).
- Approach the schools Parents and Friends (P&C) committee for further possibilities.
- Analyse listed strategies in terms of set-up and administrative costs

- Present to class their preferred option with cost analysis and justification for choices. There may be a number of fund raising activities.

Teacher leads class debate resulting in decision about fundraising preferences.

Setting up for fundraiser

- With teacher guidance, students will make or purchase materials needed to carry out the fundraising event e.g. buying raffle tickets, prizes. The series of experiences around getting quotes may need to be repeated here. See Running an EVENT, B. Phase 2: Set-up.
- If products and services need to be purchased the teacher can discuss payment options through the school, e.g. on account, petty cash, cheque. Involve students in the process of considering advantages of each.
- Ensure that any expenses are documented and reimbursed from fundraiser revenue.
- Planning the implementation will involve allocating roles and responsibilities, setting deadlines and timetables etc. These too need to be documented.

Running the fundraising

Depending on the achievements and experiences of the class, there will be differing levels of modelled, guided and independent learning opportunities. During this phase, the teacher ensures that students engage in the following experiences

- communication and promotion of the fundraising activity, factoring in expenses incurred
- implementation of fundraising strategy
- collection, management and storage of money
- documentation and record keeping; teachers will need to model and jointly construct forms for these record-keeping purposes
- ongoing communication and promotion.

Post fundraising

1. Spend time calculating expenses and forecast profits.
2. Evaluate the success of the fundraising activities. Did they provide the funds required? Was there value for effort?

Evaluate learning, asking students to consider what they did well and what they would do differently. Ask them to think about a way in which their learning can be documented and shared with their families or other learners.

Glossary of financial terms

ATM	Automatic Teller Machine mainly used to dispense cash from an account by using a card with PIN access.
Balance	<ol style="list-style-type: none"> Used to describe what is owed on a statement of account (commonly known as a bill). The difference between money received and paid. Can be positive or negative.
Bank	A financial institution providing a range of services for customers who deposit and withdraw money, including loans.
Bank account	A secure arrangement with a particular bank to deposit or withdraw money from that bank. A bank account can only be accessed by the owner of the account, using specific account information such as PIN or signature.
Bank fees	Charges for providing particular banking services.
Bank statement	A summary showing the debits and credits to your bank account.
BPAY	PAYment of Bills by transferring funds from your savings account to another bank account using the secure BPAY internet or telephone process.
Budget	<ol style="list-style-type: none"> A plan of expected income and expenses for a period of time. A plan for how a person will spend and save their income.
Cash	Money in the form of notes and coins.
Cash register	A machine that records the value of transactions and provides a receipt. Usually computerised to give additional sales information. It can also operate as a cash box.
Cashier	A person operating the receipt and payment of money.
Cheque	A written promise to pay funds from a nominated bank account. Must be signed by the owner of the bank account.
Cheque account	A transaction account with a cheque book facility.
Consumer	An individual who purchases goods and services.
Credit	<ol style="list-style-type: none"> Accessing money on loan to make purchases. A deposit into a bank account.
Credit card	A plastic card that allows the owner to get a loan when they use the card to pay for goods and services.
Credit union	A financial institution, run by members, that accepts deposits, allows withdrawals and lends money to members.

Contract	A legal agreement covering the payment of money in return for goods and services.
Debit	A payment out of a bank account.
Debit card	A plastic card that allows you to buy goods and services using money in your account. Can be used instead of a credit card.
Debt	Money that a person must repay.
Deposit	Money paid into an account.
Deposit slip	A form used to record payments into an account.
Direct debit	Funds transferred from one account to pay another used to pay a bill.
EFTPOS	Electronic Funds Transfer at Point Of Sale. Withdrawing a cash payment from your account when using a transaction card to pay for goods or services.
Enterprise	<ol style="list-style-type: none"> 1. A business involved in buying and selling goods or services. 2. Activity aimed at making a profit.
Expenses	Costs associated with an activity.
Goods	Items available for purchase.
GST	Goods and Services Tax – a 10% government tax included in the purchase price of many goods and services.
Income	Take home pay from earnings, profit or other revenue.
Interest	<ol style="list-style-type: none"> 1. Return on money saved. 2. Cost of borrowing money.
Internet banking	Being able to access and conduct transactions on your bank account through a secure internet link.
Lay-by	Items held by a retailer that are being paid off by the purchaser until the full price has been paid. Often used by those who do not use credit.
Loan	Money given to someone on condition that it is paid back later. Interest and fees are added to loans taken out with a financial institution.
Minimum balance	An amount of money in your account needed for that account to stay open or to avoid bank fees.
Money	Minted coins and bank notes from Treasury.
Passbook	A record for customers of transactions in a savings account.
Periodic payment	Payments made automatically at regular intervals.
Phone banking	Being able to access and conduct transactions on your account by telephone.
PIN	Personal Identification Number. A code used to protect access to personal information and funds.
Profit	The proceeds of a financial activity after all expenses have been paid.

Purchase	The exchange of money for goods or services of equivalent value.
Sales contract	An agreement between two or more parties for the sale of goods or services.
Savings	Money left over from income after expenses and debts have been paid. It is often necessary to reduce spending to save.
Savings account	A bank account that accepts deposits and allows withdrawals and sometimes provides interest on the balance in the account.
Scanner	An electronic machine that reads the barcode of a product at point of sale.
Services	Actions people provide for others for a fee.
Signature	The writing of your name by hand.
Tax	A proportion of income paid to the government to provide services for the community such as hospitals and schools.
Transaction	The transfer of money usually in return for goods and services of equivalent value.
Withdrawal	Taking money from an account.
Withdrawal slip	Record of money taken from an account.

