

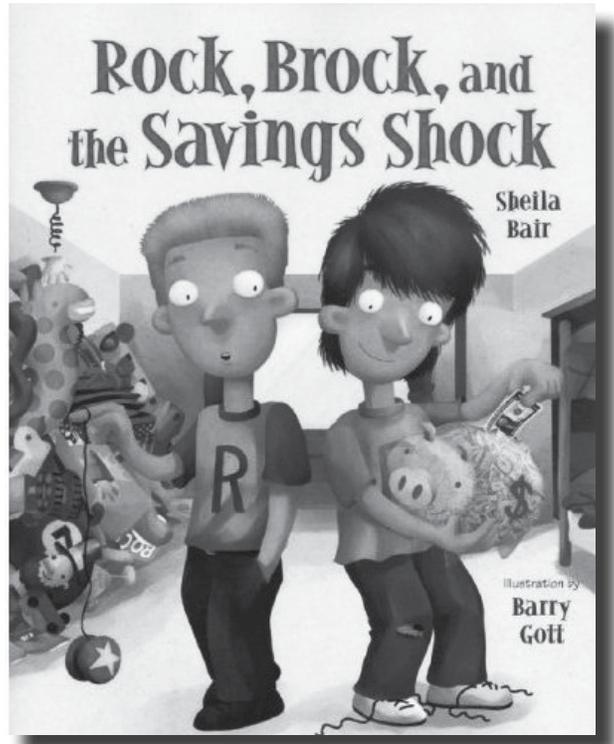


“Rock, Brock & the Savings Shock” by Sheila Bair

Rock, Brock and the Savings Shock is written by Sheila Bair and illustrated by Barry Gott. Copyright 2006. Published by Albert Whitman & Company.

Book Description:

Twin brothers Rock and Brock had adopted very different lifestyle habits, with Rock favoring a healthy and disciplined approach, while Brock preferred junk food and less structure. However, when it came to money, Rock could not resist spending every dime that came his way on new toys and gizmos, while Brock had an uncanny ability to save. Both brothers learned an important lesson when their grandpa gave them a dollar and said that for the next ten weeks, he would double the total that each brother was able to save. While Rock squandered his money, Brock’s money grew to a crateful of cash. With its bright, humorous illustrations, this important book adds some fun to the business of saving money. The straightforward story line teaches younger children how money can grow through a savings plan, while the notes in the back offer more sophisticated explanations of banking and compound interest.



About Author Sheila Bair

Biographical information taken from author description included in the book and from the web site FreshFiction.com – an online database of popular fiction authors and their books.

Sheila Bair has spent most of her career in jobs relating to money, working at places like the New York Stock Exchange, the U.S. Treasury Department, and the Federal Deposit Insurance Corporation, where she served a five-year term as Chairman from July 2006-July 2011. Though she knows a lot about money, she relates that it took her a long time to figure out that it can be as much fun to save as to spend. She wants all kids to be savers.

Bair has received several honors for her published work on financial issues, including her educational writings on money and finance for children, and for professional achievement. Among the honors she has received are: Distinguished Achievement Award, Association of Education Publishers (2005); Personal Service Feature of the Year, and Author of the Month Awards, “Highlights Magazine for Children” (2002, 2003 and 2004); and The Treasury Medal (2002). Her first children’s book, *Rock, Brock and the Savings Shock*, was published in 2006. Her second children’s book, *Isabel’s Car Wash*, was published in 2008.

Bair received a bachelor’s degree from Kansas University and a J.D. from Kansas University School of Law. She is married to Scott P. Cooper and has two children.



LESSON PLAN - 3rd & 4th Grades

“Rock, Brock and the Savings Shock” by Sheila Bair

Lesson Plan: Opportunity Costs & Saving

Grade Level: 3rd – 4th grades

Content Area: Personal Finance

Recommended Length/Duration: 1 hour

Essential Understanding: Saving money requires making the choice to defer spending all of your financial resources and instead setting some of the resources aside for future purchases. Productive saving requires consistency and a focus on a savings goal. You may receive interest payments, depending on where you place your savings. Savings interest is money that is paid to you by a financial institution for the use of your deposited money.

Learning Goals: Students will learn the impact of spending versus saving choices. Students will learn what compound interest is and how it can help grow an amount of saved funds. Students will consider setting personal savings goals.

VTDOE Standards: Mathematics M3:4, M3:23, M3:26, M4:1, M4:28 and History & Social Studies, H&SS3-4:20

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Description/Sequence:

Opportunity Costs & Saving

(1) *Display the cover of the book **Rock, Brock, and the Savings Shock**. Mention that the author, Sheila Bair, spent all of her career working with jobs related to money and tries to help students to learn to save enough money to become millionaires!*

Read aloud the first three pages of the story. Discuss the twins' differences, including their handling of money. Ask students, “Which twin are you most like in your handling of money?” Explain that people who earn an income make decisions about how to spend or save the money based on their lifestyles.

(2) *Continue reading aloud the next three pages. Discuss Gramps' saving plan that will match the twins' money at the end of each week. Display a transparency of Resource Sheet 1: Gramps' Savings Plan. Tell students they will be tracking the savings of each of the twins. As your continue*



reading, stop every time Gramps matches the twins' money at the end of a week. Have the students help you record the savings for each twin on the transparency. Total up the amount Brock saved, including Gramps' match and how much Rock saved. Discuss the story events using some of the following questions:

- What was Gramps trying to teach the twins about saving money? (Saving money is very important. Earning extra money for your savings can really make your money grow.)
- Name some of the things the twins bought with their money that summer.
- What was different about the way the two boys handled their income? (Rock spent all of his money right away, sometimes on items with no lasting value. Brock delayed his spending and saved his money in order to earn extra money (interest) and to buy things that would hold their value longer.)

(3) *Take a moment and explain to the class what interest and compound interest is. (See glossary of terms at front of curriculum guide.) Show how Gramps' matching payment worked like compound interest. (Brock earned interest on all of Gramps' matching payments just like he would with compound interest.)* You can earn interest through financial products like savings accounts. Interest paid on savings accounts right now is very small. However, over time, as that money is left in the account it will slowly grow larger. *Ask students if any of them have a savings account. For third and fourth graders, you might simply use an example of the bank giving an extra 50 cents of interest for every \$10 saved in their bank.*

(4) A key step in saving is to save on a regular basis. Also, DO NOT remove money from your savings until you've reached your savings goal. *Distribute Brock's Alternative Savings Plan worksheet.* In our story, we saw how Brock almost spent his savings to buy a rocket. Let's see what would have happened to the total amount Brock would have had at the end of 10 weeks if he had done that.

Demonstrate how to fill out the chart and point out the questions on the back side of the worksheet. Give students time to complete their worksheets on their own. Answer questions as needed.

(5) *Conclude your lesson with a discussion of their worksheet answers. Make an overhead of the Brock's Alternative Savings Plan chart and have the students help complete it. Check for understanding of the final results.*

Gramps' Savings Plan = \$512

Brock's Alternative Savings Plan = One Rocket + \$64

We know from our story that Brock did not buy the rocket, but instead kept steadily saving money. When we weigh a decision regarding how best to use our money -- save it or spend it -- we are also considering the opportunity cost of our action. Opportunity cost is a benefit, profit, or the value of something that must be given up to acquire or achieve something else. For example, if you spend all of your allowance now you gain the item you purchased, but you lose the opportunity to earn interest payments on the same money if you had saved it.



What was the opportunity cost Brock had to consider in making his savings decision? (Answer: short-term pleasure of owning the rocket versus continuing to save and gaining more matching money from Gramps and, ultimately, more money.)

As you consider your own money decisions related to spending and saving, considering more than one choice for spending or saving your money can help you make better long-term decisions.

Materials Needed:

1. *Rock, Brock and the Savings Shock* by Sheila Bair
2. Gramps' Saving Plan overhead chart from enclosed master
3. Brock's Alternative Savings Plan worksheet from enclosed master

Supplemental Information:

The Maryland Council on Economic Education is dedicated to advocating for economic and financial education for Maryland's students. They have a page of free lesson plans on their web site that you may find useful. The web page is located at www.econed.org/teacherresources.php.

The Vermont Council on Economic Education offers teacher workshops and other programs for educators. You can find their resources by going to <http://lenny.uvm.edu/Research/Partnerships/VCEE/default.htm>.

Just an IDEA!

Divide your class into small groups. Give each group a grocery store sales flyer. Tell each group that they have \$10 to spend. Have them make two shopping lists: (1) items they most want and (2) second choice items. Each list must separately total no more than \$10. Discuss opportunity costs and the choices they made. Ask them how they would have changed their shopping list if they knew they could save a portion of the \$10.