



## Video 5 - Lesson Plan

### “Thank You, Mr. Magic” (Methods of Payment)

#### Lesson Description

Students will learn about different methods of payment, and the permanence of money. Just because you can't see money in a given form doesn't mean it's non-existent.

#### Materials

- [“Thank You, Mr. Magic \(Methods of Payment\)” video](#) (displayed on classroom projector screen)
- Visual Page 1 - Dollar Bills and Currency
- Visual Page 2 - Bank and Cash Register
- Visual Page 3 - Debit Card, Money App, Check
- Three cereal/tissue boxes, plastic bins, or other rectangular, stackable objects. They should all be the same size and shape.
- Adhesive tape
- Handout 1 - Different Ways to Spend Money

#### Suggested Grade Levels

Grades 1-2

#### Economic Concepts

- Currency
- Methods of payment

#### Classroom Procedures

1. Teacher Preparation:
  - a. Print and cut out each of the images from Visual Pages 1-3 on the dotted lines.

- b. Tape the three dollar signs (Visual Page 1 - Dollar Signs) to the three boxes or bins. Place these in a stack under the picture of the bank (Visual Page 2 - Bank) to create the “bank” for the lesson.
2. Begin the lesson by showing students [“Thank You, Mr. Magic.”](#)
3. After the video, briefly discuss the methods of payment shown in the video:
  - a. Ask, “Why did Megan need to pay Mr. Magic?” (**He had performed a magic show at Flea’s birthday party.**)
  - b. If students have learned about goods and services, ask, “Was Megan paying Mr. Magic for a good or a service?” (**A service.**) Follow up by asking, “How do you know this?” (**He had worked as a magician, and that performance is a service he provided for Megan and Flea.**)
  - c. Remind students, “There are many ways to pay for goods and services. What are some of the ways (methods) Mr. Magic mentioned in the video?” (**Cash, debit card, credit card, CashApp, Venmo, PayPal.**) Continue by asking, “What do all of these methods of payment have in common?” (**They can be used to pay for goods or services; they can be used to buy things we want; they are all ways we can use the money we have earned.**)
  - d. Finish the discussion by asking, “Why do we use so many different methods of payment?” (**Answers will vary, but students may say cards are easier to carry than large amounts of cash; we use our phones for many things, including payments; we can track how much we spend when we use debit cards; etc.**)
4. Tell the class they will participate in a quick activity to show how we, as consumers, use different methods of payment to buy goods and services.
  - a. Begin the simulation by stacking the boxes with dollar signs under the bank visual (Visual Page 2 - Bank). Explain that this represents a consumer’s bank account.
  - b. Ask, “How did the consumer get money to deposit (put in) a bank account?” (**S/he worked and earned it; s/he received it as a gift.**)
  - c. Ask students to remember how Megan earned the money she spent in the video. (**She sold lemonade.**) The key here is for students to understand that money didn’t “magically” appear in the bank account.
5. Show the class the cash register visual (Visual Page 2 - Cash Register). Explain that it will represent a producer who is selling something that the class, as a consumer, would like to buy. If time permits, you could discuss and decide what that producer might be.
6. Ask a student to come forward to represent the consumer. Hand the student the currency/cash visual (Visual Page 1 - Currency). Explain that this is money that the consumer already has in their possession.
  - a. Have the student carry the cash to the cash register visual/producer.
  - b. The student should “pay” the producer by leaving the cash there.
  - c. Ask the student to show the class their empty hands - they no longer have the cash once it has been used to buy a good or service.
7. Thank the student for acting as the consumer, and have another student come to take their place. This time, instead of using cash to show the transfer of funds, the consumer will use a debit card, so the simulation will change a bit.
  - a. Hand the student the debit card visual (Visual Page 3 - Debit Card), and tell them to hold it while picking up one box with a dollar sign from the bank.

- b. Have the student stand near the bank sign, to show that the money remains in a consumer's bank account until it is spent. Then, have the class close their eyes and put their heads down.
  - c. Once students' heads are down, quietly guide the student portraying the consumer to move silently and stand under the cash register sign. Then, tell the class to open their eyes.
  - d. Ask the class, "What happened while your eyes were closed?" (**The consumer moved from the bank to the cash register.**) Follow up by asking, "What do you think this means?" (**Students may struggle with this, but guide them to understand that the consumer 'moved' the money from the bank to the producer by spending it with a debit card.**) Explain that even though the consumer never used any cash/currency, the money was spent in the same way.
  - e. Also, even though no one could "see" the money moving, the consumer did not pay magically! S/he paid through a withdrawal of funds from the bank account.
  - f. Have the student set the box under the cash register sign. Make sure the class understands that once the money is gone from the bank account (as symbolized by the box), it does not "magically" reappear. Instead, it belongs to the producer whom the consumer paid for a good or service. Make sure the class understands that the producer can deposit the consumer's cash into their own bank account, as represented by the box.
8. Thank the student for acting as the consumer, and have another student come to take their place. Once again, the student will use a box with a dollar sign from the bank to symbolize a withdrawal. This time, however, instead of using a debit card to transfer funds, the consumer will use a check. Repeat step 7 using the check visual (Visual Page 3 - Check).
9. Again, thank the student who acted as a consumer, and invite one final student to take their place. This time, the student will use a money app to pay the producer, and the simulation can continue using the procedures in step 7 and the money app visual (Visual Page 3 - Money App). Ask the class, at the end of the money app simulation, "What happened to the money in the consumer's bank account?" (**The consumer spent it; the pile got smaller; etc.**) Ask, "What happened to the money in the producer's cash register?" (**It got bigger; they earned a lot of money; they had more money than they did at the beginning.**) Help students understand the money never disappeared; it went from the consumer to the producer, and the producer can then spend that money as a consumer.
10. Conclude the simulation by discussing the methods of payment that students saw, and how money is transferred:
  - a. Review why people might use different methods of payment by asking, "Why would people use things other than cash to pay for goods and services?" (**Students may be able to answer this more easily than they did at the beginning of the lesson, or may reiterate the same answers.**)
  - b. Ask, "How does money move from one person to another?" (**Sometimes people spend cash, and other times people use payment methods like checks or money apps. Even when you can't see the money move, it is still being transferred from a consumer to a producer.**)

- c. Answer any lingering questions students may have and clarify any misconceptions. This can be a hard concept for some students, so be ready to revisit it over a period of time, if needed.

### Assessment

Give each student a copy of Handout 1 - Different Ways to Pay, or project it for the whole class to see. Review each line, and have students do the subtraction to make sure they grasp how bank accounts will diminish due to consumer spending. At the end of the handout, ask the class to share what they think the consumer will need to do now that only \$1 is left in their bank account. Will they need to open a lemonade stand like Megan? Earn money in a different way? Regardless of the method, they will need to replenish their funds in order to spend again.

Presented by



Money



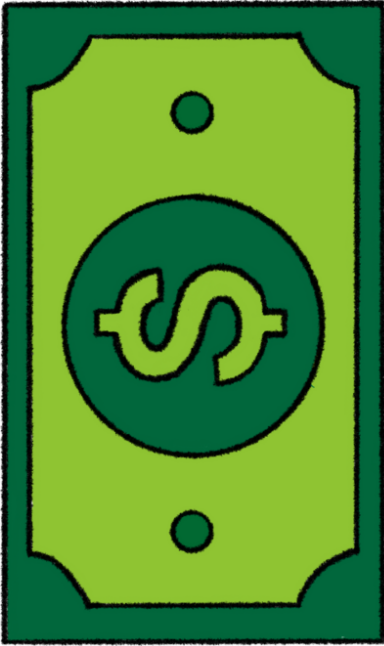
Money



Money



Currency



Visual Page 2 - Bank and Cash Register

Bank



Cash Register

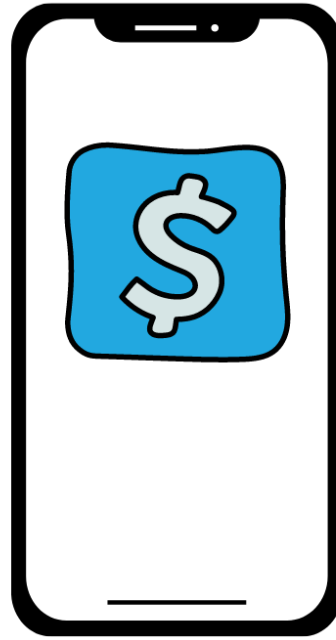


Visual Page 3 - Debit Card, Money App, Check

Debit Card



Money App



Check





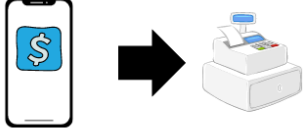






Handout 1 - Different Ways to Pay

Name \_\_\_\_\_

# Different Ways to Pay

Subtract the money you spend from the money you start with to find out how much you now have. Write that amount in the last box.

You start with	You spend	Now you have
 <b>\$10</b>	 <b>\$3</b>	 <b>\$ _____</b>
 <b>\$7</b>	 <b>\$2</b>	 <b>\$ _____</b>
 <b>\$5</b>	 <b>\$4</b>	 <b>\$ _____</b>





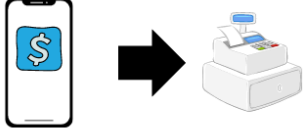






Handout 1 - Different Ways to Pay (Answer Key)

Name \_\_\_\_\_

## Different Ways to Pay

Subtract the money you spend from the money you start with to find out how much you now have. Write that amount in the last box.

You start with	You spend	Now you have
 <b>\$10</b>	 <b>\$3</b>	 <b>\$ <u>7</u></b>
 <b>\$7</b>	 <b>\$2</b>	 <b>\$ <u>5</u></b>
 <b>\$5</b>	 <b>\$4</b>	 <b>\$ <u>1</u></b>