

Teaching Financial Literacy and Managing Behavior in the Primary Grades

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What do a first grade classroom in the inner-city, a fourth grade classroom in a rural town, and a school serving the seventy percent of students of poverty have in common? The Money Management System (MMS). This management system was first introduced to preservice teachers in an Effective Classroom Management course. When Marcus Harris began his first year of teaching, he decided to use the system he learned about in his teacher preparation program. He believed the MMS would increase appropriate behavior and motivation to learn. Following his successful implementation of the system, other first year teachers from the course began implementing the MMS.

As a new teacher, Harris was unaware of his students' needs and behaviors. He did believe he would need a motivating management plan. This plan would not only motivate them to behave appropriately, it would also help academic performance. The MMS had worked for his professor with autistic children, behavior disorders, and challenging students. It also made an impact with students of poverty. By utilizing the Money Management System, classroom operations would resemble the work force. Students would be paid to do their work each day and would be fined for inappropriate behavior. Proactive management is the best way to prevent and reduce discipline problems (Scott, Anderson, & Alter, 2012). Prevention is less time-consuming in the long run and also leads to more opportunities for learning and social engagement because discipline problems are not interfering with teaching (Scott, Anderson, & Alter, 2012). Students would also be paid for "overtime" by choosing to do extra work. They could spend money for their wants and needs.

Harris also wanted to teach his students about financial responsibility. One of the main issues with consumer debt in America is that people spend more than they make, which puts

them living outside of their means. This contributes to overwhelming debt and serious financial problems. The Progressive Relief website states that forty percent of Americans spend more money than they earn as of 2010 (Progressive Debt Relief). By using MMS, Harris would emphasize delayed gratification. All student involved in MMS would have the same opportunities. Slocumb and Payne (2000) state the difference between students of poverty and those from more advantaged backgrounds is opportunities. Harris wished to be proactive by teaching less exposed children skills they would need in developing financial independence through “making money.” Instead of giving children pencils and paper when they had exhausted their supplies, they would have to pay for it. Students would be responsible for bringing supplies to class if they wanted to save money.

How the Money Management System Works

How do students get paid?

Students are given laminated envelopes the first day of school. These are their wallets. The money is in the form of printed dollar bills, but teachers may choose to use coins. Bills are preferred because they are easier for students to handle. Teachers may choose to place their face on the bills to personalize the money. (see fig. 1 on p.10)

The teacher assesses students the first week of school in order to identify each students' zone of proximal development (Vygotsky, 1978) to ensure pay is aligned to abilities in all subject areas. This allows the teacher to adjust levels of quality work based on the individual student.

Students are paid for their work. They have a pay day, the same as an adult. Kindergarten, first and second grade students need a daily pay day, while intermediate grades can get paid weekly. The amount of pay is decided by the teacher. For example: a math assignment could be worth \$5, while the math test at the end of the week or unit is worth \$20. The more difficult the task, the higher the students pay will be. Homework should be worth a higher amount because it represents responsibility and work at the same time. Students have

opportunities to complete “overtime work” in stations or centers in the classroom. When students have their work completed, they may choose from a list of activities for extra pay. This is beneficial because the students are getting independent practice time on necessary skills and using strategies. For example, after teaching a Question Answer Relationship (QAR) lesson, the teacher may have different leveled passages in a center for students to read and create QAR questions for \$25. This activity would not be required, but it is an opportunity for students to make extra pay.

How do student get fines?

Classroom rules are created the first day of school by the students. The expectation is clear that breaking a rule results in a fine. Breaking the same rule repeatedly results in a higher priced fine. For example, hallway misconduct was a \$10 fine for first offense, \$20 for the second violation. Specials teachers are involved. The art teacher may decide to take \$5 for each violation in his or her classroom. Students pay fines upon return from other classes. There is an automatic fine for not returning homework each day. Harris created a document to portray opportunities for rewards or situations for fines (see fig. 2 on p. 11).

What will student buy with the earned income?

Students pay for field trips. Although every child is able to attend the field trip, the concept is like paying for a vacation. By connecting field trips to vacations, students learn it is important to save for the field trip. Students will not purchase unnecessary items as it grows closer to time to attend a field trip. Some students may have to complete overtime work in order to afford the field trip.

Students can purchase extra free time and computer time. If students can afford to purchase “time off”, this reflects on their academic performance. These students are usually working above grade level. Other items to purchase are a teacher’s aide for a day, lunch with

the teacher or pizza with the teacher and friends. There can also be surprise purchases.

Students can easily become accustomed to being paid and fined and can “outsmart” The Money Management System by adding work pay and deciding to violate a rule because they would still have the income for the upcoming event. Adjusting and modifying the money becomes fun for the teacher. For example, Bradley decides, he doesn’t have to do his homework and he can yell in the hallway. This would still leave him his \$100 for his vacation/field trip. The last recess of the day, the teacher surprises students with popsicles and an extra fifteen minutes of recess for \$20. This really hurts Bradley because he can’t afford the vacation and the fun time due to his inappropriate behavior and negligent duties. This helps Bradley to make better choices and financial decisions as well.

Students can buy replacement supplies such as pencils, papers, and markers. This is when inflation is taught because prices are raised. In the first quarter of school, replacement supplies are much cheaper compared to the fourth quarter of school. Students are less likely to need supplies at the end of the year.

Payouts are given during instruction. In order to create active engagement and a positive learning environment, students are paid for participation during instruction. While the teacher instructs, students are given opportunities to answer questions, model examples, and participate in the lesson. The teacher creates opportunities in each lesson for all students to participate and earn money.

Auctions

Each quarter the teacher can schedule an auction. An auction is better than a store because students have to bid based on the amount of money they have and their desire for the item. This is the time when students can buy a coupon for “lunch with the teacher” or even better, “pizza for lunch with the teacher”. The principal may have a coupon to take students to a

restaurant for lunch. Items are donated by parents, local stores and businesses, and the teacher. A student survey will identify the most popular items of the year for purchasing.

Advantages of the Money Management System

After implementing MMS for a quarter, the other fourth grade teachers observed Harris' classroom management. They noticed the appropriate behaviors as well as the academic performance. Below are other noted components.

Increased time on task. Students were working on the task because they wanted to get paid. They were more willing to ask questions when confusion occurred in order to be paid for their individual level of high quality work. Students listened while the teacher instructed so that they were able to answer questions for pay.

Eagerness and willingness to learn. When it was time for students to transition to work, teachers could hear students cheer. Students had an opportunity to earn money during instruction. This created eagerness for the lesson to begin and willingness to work throughout independent practice. Work had to be high quality in order to get paid. This increased work quality and quantity.

Financial literacy. Students used higher level vocabulary. The teacher discussed interest rates, debt, inflation and income. Students wanted to buy the neatly decorated pencils each day when school began, even though they were equipped with several pencils from home. Once the teacher gave the students opportunities to buy items, these students realized they were frivolously spending on pencils.

Increased returned homework. It is easy for them to do the math. Students got paid for returning your homework, and fined for not returning homework.

Self motivation. Students were motivated to do "overtime" work to be prepared if the teacher had a surprise purchase or an exciting item in the auction. Students had a choice to do overtime work. It was not a requirement.

Self discipline. Students began to monitor their own behaviors. Instead of the teacher being the only manager, students could manage themselves.

Autistic students were motivated and had personal goals with money. Students with special needs were motivated by money. The teacher talked to students about the item most desired and this gave all students a goal.

Students had recess! Many teachers take students recess as a form of punishment. Students need to run and play each day. It is very difficult for teachers to sit through a day of inservice, so imagine the pain of learning without a break.

Non Negotiable Components

It is suggested that The Money Management System be implemented in a design which works best for the teacher and students. Along with Harris, seven first year teachers from the Effective Classroom Management course are implementing The Money Management System. It was agreed the following four items are non-negotiable components in order to be successful.

Plan the first auction in the first two weeks of school to illustrate the need to save, follow rules and be responsible. Once students see the items that are available for purchase, they are most likely not to be repeat violators. Although the first auction is in the first two weeks, daily opportunities for purchases should be in place. This makes the desired behaviors a habit for students immediately.

Consistency is a must! A teacher is consistent or inconsistent (Jones, 2007). No one can be both! Teachers have to enforce their rules. Students need payday and fines consistently. Like any management plan, once it is broken, it will not work effectively.

The Money Management System requires organization. In order to be consistent, the teacher has to be organized. Clear instruction is key so that students have opportunities to earn money while learning. Keeping “overtime” areas filled with instructional level materials and activities is necessary.

The teacher is the only banker. It must be clear that the teacher is the only one to give and take money. Anyone caught stealing, borrowing, or begging will have their wallets emptied and not allowed to participate in the next auction.

The Money Management System is an Effective Classroom Management plan used by first year teachers in the Midwest. It teaches “real life” experiences. It can be manipulated in any way to suit classroom or school needs. The main objectives need to be in place in order for it to be successfully implemented.

- Students meet higher expectations for pay
- Inappropriate behavior results in a fine
- Students have opportunities to make money

All students are eager for any opportunity to make money, or as teachers say, “learn”.

References

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Figure 1. Example of Money

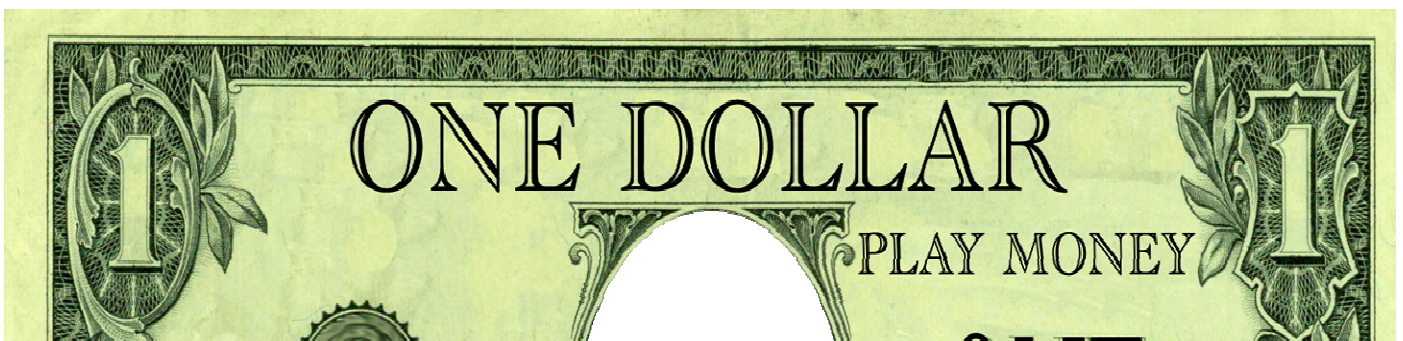


Figure 2. Mr. Harris' Example of Fines and Rewards

Examples of Fines and Rewards			
Fines (Debits-)		Earnings (Credits+)	
Minor Classroom Violation(teacher's discretion)	\$1.00	Weekly School Participation	\$25.00
Major Classroom Violation(teacher's discretion)	\$5.00	Classroom Job	\$25.00
Not Turning in Homework	\$5.00	Completed, neat reading workshop	\$25.00
Blurting	\$5.00	Extra Items on reading workshop	\$1.00 - \$5.00 / item
Missing or Lost Papers or Supplies	\$5.00	Completed, neat math workshop	\$25.00
Talking in the hallway or not walking in a straight line	\$5.00	Extra items on math workshop	\$1.00 – \$5.00 / item
Ordering more checks (10 checks)	\$5.00		
Not participating in class activities	\$5.00		
Failure to do classroom job	\$10.00		

This is not a complete list of fines and earnings. Mr. Harris reserves the right to fine or reward for any positive or negative behaviors while at school. I, _____ have read and understand how our classroom economy works and agree to give my best effort and follow EAGLE at all times!

Signature _____