

Grades 5 – 6

Money Matters

Students will

- understand how low wages affect a family's ability to meet basic needs thus contributing to poverty in Canada
- apply number operations to calculate a simple monthly budget
- use critical thinking skills to analyze cause and effect relationships

Preparations

- Photocopy a class set of *Money Matters Handout #1*; photocopy *Family Profiles* and *Money Matters Handouts #2, 2a and 3* for each pair of students.
- Provide pencils for all students and calculators for each pair of students.

Instructions

1. Ask students to brainstorm what they like to do for fun after school and on weekends.
2. Explain that some of the activities they enjoy doing with friends and family cost money. Ask: How do families pay for these recreational activities? Introduce the concept of a budget.
3. Distribute *Money Matters Handout #1 – Fun on a Budget*. Review the directions with students. Direct students to complete the task individually.
4. Organize students into pairs. Tell students to imagine they are two children in the same family. Ask them to calculate the combined cost of their monthly recreational activities.
5. Assign each pair of students one of the three family profiles: Give *Family Profile 1* to 50% of the pairs, *Family Profile 2* to 25% of the pairs and *Family Profile 3* to the remaining 25% of the pairs.
6. Distribute a copy of *Money Matters Handouts #2 and 2a – Basics on a Budget* to each pair. Have students complete the tasks based on their family profile and their province of residence (or allow students to select the province of their choice).
7. Now that students have calculated their expenses for the month, distribute *Money Matters Handout #3* to each pair. Ask them to calculate their monthly earnings based on the number of adults in

their family who have a job. You may need to define *minimum wage*.

8. Ask students to compare their monthly income to their monthly expenses and share their observations with the class.
9. For those who were not able to make ends meet, ask them to balance their budget by giving up some items. For those with a surplus of money, ask them to brainstorm other expenses (e.g. transportation, house repairs, bills, etc.) families might have to pay each month. Ask them to determine how many of those other expenses their budget would cover.

Discussion

- What was difficult about doing this activity? What was easy?
- Think about the things you had to give up in order to balance your budget. What effects will *not* having these things have on your family?
- How would you feel if your family had to make these decisions about money every day?
- What would you do if your monthly income was suddenly cut in half? What would you do if your income was doubled for one month?
- What did you learn about the money we spend on doing fun things?
- What solutions could we offer to help working families get out of poverty?

Post It (optional)

Connect with a class from another province (e.g. through the World Class website). Ask students to research actual costs of food, rent, childcare and recreational activities in their own community using e-flyers or local newspapers. Invite students to share this information through an online discussion and discuss reasons for the similarities and differences in the cost of living in their respective communities. Share the information about the costs of living with Bristol board displays posted in your school.

Note: The assumption that the way to get out of poverty is by getting a job is not necessarily true in Canada. Although 40% of Canadian children living in poverty have at least one parent who works full time all year, many of these families struggle to meet their basic needs because they have low-paying jobs.* This is a simplified budgeting exercise meant to give students a general idea of the difficulties of making ends meet on minimum wage. It does not include all of the expenses (or benefits) families accumulate each month.

*Source: The UNICEF Innocenti Report 9: The Children Left Behind (2010). Retrieved from

<http://www.unicef.ca/portal/SmartDefault.aspx?at=2676#AcloserlookatCanadaschildren>.

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Handout 1: Fun on a Budget

Instructions

1. From the list below, choose the activities you like to do for fun after school or on the weekends.
2. Determine how many times you would do these activities in one month. To simplify this exercise, one month is equal to four weeks.
3. Calculate how much money you would need in your monthly budget to pay for these activities. If you participate in an activity once per week (e.g. piano lessons), be sure to multiply the cost of your choice of activity by four. Calculate the total cost for the whole month. NOTE: costs may not reflect actual prices in your community.

Activity	Cost	My choice of activity	Cost of each activity for one month
Go to a movie	\$9		
Buy popcorn and a drink at the movie	\$6		
Go ice skating	\$5		
Go swimming	\$4		
Participate in a sport such as swimming, soccer or basketball	\$10		
Register for activities such as dance, art or music lessons	\$10		
Buy a new toy, video game or DVD	\$20		
Buy new clothes	\$20		
Buy junk food	\$5		
Go out for ice-cream	\$4		
Other:			
Other:			
Total Cost for One Month			

Money Matters Family Profiles

<p>Money Matters Family Profile 1</p> <p>You live in a family with 2 children and 2 adults. One adult works full time, 40 hours per week, at minimum wage. The other adult stays at home with the children.</p>	<p>Money Matters Family Profile 1</p> <p>You live in a family with 2 children and 2 adults. One adult works full time, 40 hours per week, at minimum wage. The other adult stays at home with the children.</p>
<p>Money Matters Family Profile 2</p> <p>You live in a family with 2 children and 2 adults. Both adults work full time, 40 hours per week, at minimum wage. Both children require childcare after school.</p>	<p>Money Matters Family Profile 3</p> <p>You live in a family with 2 children and 1 adult. The adult works full time, 40 hours per week, at minimum wage. Both children require childcare after school.</p>

Family profiles are based on information from Statistics Canada: Roughly 25% of families with children are headed by a single parent (<http://www.statcan.gc.ca/daily-quotidien/070912/dq070912a-eng.htm>); about one third of two-parent families have single earners (<http://www.statcan.gc.ca/daily-quotidien/070912/dq070912a-eng.htm>).

ONE NATION RUN

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www.ourworldclass.ca


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Handout 2 – Basics on a Budget: Grocery Shopping

Instructions

1. You have the task of grocery shopping for your family for an entire month (four weeks).
2. Examine the list of common food items below. Make a list of the items you would buy to feed your family for a month. NOTE: since this is an exercise, prices may not be accurate and the foods may not be items you would normally buy.
3. Examine your grocery list. Do you have enough food to feed your family (according to your *Family Profile*) for the month? Don't forget, ideally we need to eat three meals per day.

Item	Cost	How many will you buy for one month?	Total cost for each item
Loaf of bread	\$3		
Bag of rice	\$4		
Package of pasta	\$3		
Bag of potatoes	\$3		
Bag of carrots	\$3		
Broccoli	\$2		
Bag of frozen vegetables	\$3		
Bananas (bunch of 5)	\$2		
Bag of apples	\$4		
Melon or berries	\$3		
Box of cereal	\$4		
Box of crackers	\$3		
Package of cookies	\$4		
Potato chips	\$2		
Juice	\$3		
Soda Pop	\$2		
Frozen fish sticks	\$5		
Chicken	\$8		
Beef	\$8		
Can of tuna fish	\$2		
Other:			
Other:			
Other:			
Total Monthly Cost			

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Handout 2a – Basics on a Budget: Housing and Childcare

Instructions

1. Use Table 1 below to determine how much rent you would pay for a two-bedroom apartment or house in your province. These rents are based on provincial averages. Housing in high-density urban areas will be more expensive than the average.
2. If you live in a family with one or two working adults use Table 2 to calculate how much you would pay in childcare every month (only for school days). During summer holidays parents would pay more in childcare.
3. Calculate how much money you would need every month for rent, food, recreation and childcare (if you require childcare). Total expenses: _____

Table 1 – Average monthly rent for a 2 bedroom unit

Newfoundland	\$668
Nova Scotia	\$807
New Brunswick	\$641
Prince Edward Island	\$719
Ontario	\$980
Quebec	\$648
Manitoba	\$815
Saskatchewan	\$800
Alberta	\$943
British Columbia	\$1019
North West Territories (Yellowknife)	\$1486

Source: Canadian Mortgage and Housing Corporation (Fall 2010)
<https://www03.cmhc-schl.gc.ca/catalog/productList.cfm?cat=59&lang=en&fr=1299095544328>

Table 2 – Average childcare cost per school age child

	Cost per day
Newfoundland	\$19
Nova Scotia	\$20
New Brunswick	\$15
Prince Edward Island	\$15
Quebec	\$24
Ontario	\$33
Manitoba	\$15
Saskatchewan	\$15
Alberta	\$32
British Columbia	\$25

Source: Today's Parent
http://www.todayparent.com/lifeasparent/childcare/article.jsp?content=20100302_173310_5996&page=1

Handout 3 – Working for a Living

Instructions

1. Use the table of minimum wages (per hour) to calculate how much your family earns in one month (four weeks) based on your *Family Profile*.

Total Monthly Income: _____

Source:
http://en.wikipedia.org/wiki/List_of_minimum_wages_in_Canada

Table 1 – Minimum wages across Canada

Province	Minimum Wage
Newfoundland	\$10.00
Nova Scotia	\$9.65
New Brunswick	\$9.00
Prince Edward Island	\$9.00
Quebec	\$9.50
Ontario	\$10.25
Manitoba	\$9.50
Saskatchewan	\$9.25
Alberta	\$8.80
British Columbia	\$8.00
North West Territories	\$9.00
Nunavut	\$11.00
Yukon	\$8.93