

2018 Virginia Council on Economic Education
Economic Educator Lesson Plan Winner

Submitted by: Gary Greenwood, Fluvanna County High School, Fluvanna County
Targeted Grades: 9 – 12

Turning Your Class into a Business

(A full course management plan that can be adapted to any grade level)

Overview:

- Not their teacher but their boss/classroom cash
- Class contract (twist: they may agree to you failing them)
- Making their own check
- Payments for bathroom passes, make-up work, fines for disruptions, etc.
- Grade Health Insurance
- Filling out forms...W-4, direct deposit, register
- Full description, list of terms, lesson plans, objectives

Tell your students you are not going to be their teacher but their boss. You are going to pay them \$100 in classroom cash each week to work for you. They have to sign a contract.

EMPLOYMENT CONTRACT

THIS AGREEMENT, made as of the ____ day of ____, 20__.

Between: The Teacher Company, Address
(hereinafter referred to as "the Employer")

-- and --
Name _____ Period _____
(hereinafter referred to as "the Employee")

WHEREAS the Employee and the Employer wish to enter into an employment agreement governing the terms and conditions of employment;

THIS AGREEMENT WITNESSETH that in consideration of the premises and mutual covenants and agreements hereinafter contained, and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the parties hereto), it is agreed by and between the parties hereto as follows:

1. Term of Employment

The employment of the Employee shall commence the date hereof and continue for a period of time designated by the Guidance Department as to the length to fulfill the necessary required credits.

2. Compensation and Benefits

In consideration of the services to be provided by the Employee during the term of his/her employment, shall be paid a base salary of \$100.00 per week in classroom cash with a \$100.00 classroom cash signing bonus, in arrears, less applicable statutory deductions. In addition, the Employee is entitled to receive benefits in accordance with the Employer's standard benefit package stated in the handbook, as amended from time to time.

3. Duties and Responsibilities

The Employee shall be employed in the capacity of a student, the current duties and responsibilities of which are set out in Schedule "A" found on www.oldmanmoney.com and the Fluvanna County High School Student Handbook forming part of this agreement. These duties and responsibilities may be amended from time to time at the sole discretion of the Employer, subject to formal notification of same being provided to the Employee. The parent/guardian of the Employee is responsible for checking the student's grades on their parent portal and should contact the Employer if there are any questions or problems (email: ggreenwood@apps.fluco.org)

4. Interpretation of Agreement

The validity, interpretation, construction and performance of this agreement shall be governed by the Laws of the Fluvanna County High School as per the Handbook. This agreement shall be interpreted with all necessary changes in gender and in number as the context may require and shall ensure to the benefit of and be binding upon the respective successors and assigns of the parties hereto. Superseding any above mentioned responsibilities, the Employer may at their discretion give any grade for any reason without providing evidence for such decision.

IN WITNESS WHEREOF the parties hereto have caused this agreement to be executed as of the day stated above (Auto signature: The Greenwood Company).

Parent/Guardian Signature Date _____
Student Signature Date

Schedule A: The Teacher Company

Email:

Class Rules and Expectations

- 1) Objective: The students will be able to describe our economic system, and be able to demonstrate how to use the different financial tools such as banking, stocks, bonds, mutual funds, insurance, taxes, savings, other investments, credit, that they will use in their everyday life.
- 2) Daily Grading:
 - a) Test/Projects...25%
 - b) Quizzes...25%
 - c) Classwork/Homework...25%
 - d) Participation...25%
- 3) Final Grading:
 - a) First 9 Weeks...40%
 - b) Second 9 Weeks...40%
 - c) Exam...20%
- 4) Absences: absent means missing more than 1/3 of a class; missing more than 10 days could result in failure
- 5) Supplies:
 - a) Notebook to keep your register
 - b) Notebook for notes and stock record keeping

Important Websites

- 1) www.marketwatch.com
set-up your own account
- 2) <http://www.whathuinvesting.com/>
- 3) <http://www.moneypower.org:8080/wise/withframes.jsp>
LOGIN ID: Fchs1918
PASSWORD: hs3666
- 4) <http://www.moneyskill.org/>
- 5) <http://www.quizlet.com>
- 6) <http://www.testmoz.com>

Register/Class Dollars/Fees and Fines

- 1) Pay \$100.00 a week
- 2) Insurance Contracts \$50.00 to \$300.00
- 3) Purchase money order \$10.00
- 4) Rent (Class Participation Grade) cost \$50.00, a check is written every Friday: late fee... one day late grade drops to an 80%, two or more days late is a 70%.
- 5) Bathroom \$10.00
- 6) Classroom disruption \$50.00 (ie: not turning off their screens when instructed to do so)
- 7) Late \$20.00

Marketwatch Set-up

- 1) Buy at least one stock
- 2) Be prepared to talk about your stock purchases

WISE Test

- 1) Certification Test
- 2) Exam grade, **no exemptions**
- 3) Practice Test will be counted as class work, quiz, or test grades

Moneyskill

- 1) Pre-Test does not count for a grade the first time you take it.
- 2) Each lesson test counts as a quiz grade.
- 3) Post Test counts as a test grade.
- 4) Lesson average counts as a test grade

***See section 4...if they do not read their contract and cross out that one line beginning with "superseding," then you can tell them that they just agreed to allowing you to fail them without any recourse because their parents agreed to it too. Now they have to hire a lawyer to renegotiate their contract. They have to write a check to the "Law Firm." Discussion: how many agree to apps online and never read those terms?

Rent space...\$50 per week...do a lesson on check writing and have them create their own checks.

Lesson on the importance of insurance...not only having it but making sure they are not under insured. Student has the opportunity to buy Grade Health Insurance. *Insurance is used for making up work or doing work over for a better grade (they have to pay their co-pay).*

Grade Health Insurance Contract

THIS AGREEMENT, made as of the ____ day of ____, 20__.

Between: The Insurance Company, School Address
(hereinafter referred to as "the Insurer")

-- and --

_____ Name ____ Period
(hereinafter referred to as "the Insured")

This agreement is for the sole purpose of providing grade protection for the Economics and Personal Finance class during a nine week period (grading period). This policy is for the opportunity to make up test, quizzes, missed assignments, or any other evaluation that adversely effects the policy holder's grade. A claim to retake a test may be rejected if the policy holder doesn't make an effort to do well on any assessment. Claims must be filed 3 days after the due date. Any make-up work completed after the three day claim period **MUST** have a score of 70% or better to be accepted.

Check which policy you would like to purchase

___ Gold Policy: Unlimited make-up ability with a \$20.00 copay....cost \$150.00
(Introductory Price)

___ Silver Policy: Unlimited make-up ability with a \$50.00 copay....cost \$80.00
(Introductory Price)

___ Bronze Policy: 2 Opportunities for make-up work with a \$50.00 copay...cost \$50.00
(Introductory Price)

Each policy may be purchased at a later time at an additional \$50.00 cost. Make-up work cost \$100.00 per assignment without insurance.

Auto signed by "The Insurance Company"

_____ Date _____ Policy Holder's Signature

Please clip and save for your records

Insurance Claim Form

I, _____, have purchased Test Insurance, the Gold, Silver, Bronze Policy (circle one). I would like to submit a claim to:

___ Re-take the following test/quiz: _____

___ Make-up the following work _____

Signature

Date

Setting Up Your Classroom as a Business

For this course, I will not be your teacher but your boss. I will be paying you \$100.00 per week in classroom cash to work for me. You have a contract to sign agreeing to the terms and conditions of your employment (see Employment Contract). Read it carefully. You will receive a signing bonus of \$100.00 when you return it signed by you and your parent/guardian.

Certain tasks and assignments will be given out. The purpose of these are to prepare you for becoming a productive individual in society, and representing my company. You will have enough time to complete these each day. There will not be any work to take home unless you miss an assignment. The WISE Assessments Test will be used for determining your understanding in the field of economics and finance. Your classroom grade will determine your ability to use this knowledge in practical situations. All this, along with your attendance, participation, attitude, bookkeeping skills, and your ability to negotiate will give you the opportunity to receive a promotion. Any classroom money you earn can be used to buy retest, make-up work, and “No Work, Free Passes” that can be used for the end of the year projects.

Just as in life you have financial obligations:

1. In order to do your work, you must rent space in this classroom. Each week you must write a check to the “Work Space Rental Company” for \$50.00.
2. You may purchase classroom grade insurance that allows you the ability to insure against receiving any low grades (see attached Grade Health Insurance).
3. Fees and fines are explained in “Schedule A” of your contract.

Welcome to the real world.

Effective approach to improving financial literacy: Real Life Situations

1. Reading and understanding contracts...There is a line in their contract that gives the teacher the right to give any grade to the student. If they don't see that, they have to hire a lawyer to renegotiate their contract. The “Law Firm” will do it for \$50.00. Discussion about contracts and agreements. Most have “clicked” agreements online without reading them. What power have you given the company...data sharing, advertising, sending email notifications, spam?
2. Understanding direct deposit...filling out a direct deposit form. Discussion about why is it important to fill it out accurately...send to the wrong bank, late receiving your money? Why employers like it...quick and easy, less paperwork? Why employees like it...immediate use, no opportunity to lose a check, don't have to take time to deposit it?
3. Keeping a register...The students will keep a record of their money earned and spent, maintaining a running total so they know exactly how much money they have at any particular time with a possible audit without noticed. Discussion about how important it is in knowing how much you have in the bank...bouncing a check and the cost?
4. Buying insurance: The students will have the opportunity to buy different policies for Grade Health Insurance during an open enrollment period. Discussion about what they can afford, how often they might use it, and what risks are involved if they are underinsured or not insured?
5. Budgeting: The students will have to figure out how much they make, and how much they can spend for rent, insurance, or other expenses that may come up during their time. Discussion about how everyone's needs and wants are different, and the cost of not paying bills on time. Late fees, running out of money, eviction?

This is a great way to have students use real life experiences throughout the whole course and not just for one lesson.

Key Concepts

Students will:

Know the importance of reading and understanding a contract.

Know the parts of a check.

Know how direct deposit works.

Know how to budget, and balance needs with wants.

Know the importance of insurance.

Know the importance of good record keeping.

Understand that sometimes financial changes happen in life, and a person has to be prepared and ready to adapt spending and savings.

Terms Used

1. Contract...a written or spoken agreement, especially one concerning employment, sales, or tenancy that is intended to be enforceable by law (classroom law).
2. Pay/Salary...money for work that will be directly deposited into one's account.
3. Direct Deposit...pay check sent to their bank
4. Signing Bonus...money paid for signing an agreement or contract
5. Schedule A...an attachment to a contract
6. Legal Problems...what could happen if someone doesn't read a contract
7. Rental Property...paying to use something for a period of time without ownership
8. Register...a written record of money and expenses
9. Check...a written document giving the bank a right to pay someone
10. ABA Number...the bank's tracking number or routing number
11. Account Number...a person's identification with a bank
12. Insurance...a means for protecting a person's finances
13. Insurance Policy...protection offered, different types for different people's needs
14. Underinsured...not having enough insurance that could cause financial problems
15. Co-Pay...a fee when using your insurance
16. Premium...the cost of the insurance
17. Insurance Claim Form...a form when using insurance
18. Open Enrollment
19. Needs and Wants
20. Due Date...time in which a payment needs to be made
21. Late Fee...charges for not paying on time
22. Fines...charges for breaking rules
23. Budgeting...financial planning
24. Audit...a review of a person's financial records
25. W-4...form to fill out for payroll deductions

Department of Education Economic and Personal Finance Standards of Learning

EPF2...students will see how incentives affect the amount of money they can make (signing bonus)

EPF4...students will understand how bonuses for good work can increase their pay (good grade bonus)

EPF10...students will be able to make decisions concerning spending and comparison shopping (buying the right Grade Health Insurance Policy)

EPF11...students will have an understanding of the process of renting (renting their work space)

EPF12...students will understand direct deposit, writing checks, and keeping a register (getting paid each week)

EPF14...students will know the importance of insurance and risk management (buying Grade Health Insurance)

EPF17...students will understand the importance of financial planning and the necessity of having money for unforeseen problems (keeping money for make-up days after being sick)

Lesson Plan (Outline)

Title: Turning Your Classroom into a Business (Full Course Experience)

Objectives: Students will remember to read a contract. Students will be able to set up a register. Students will know the parts of a check. Students will understand premium, co-pay, and open enrollment, and how they relate to insurance. Students will know how direct deposit works. Student will know how to make a simple budget.

Outline:

*Day 1...*Go over the contract including Schedule A. Set a date that their contracts are due for them to receive their signing bonus. Go over the parts of the check. Make their own checks project.

*Day 2...*Go over the insurance contract, and talk about premium, copay, underinsured, talk about open enrollment, set an open enrollment date for their Grade Health Insurance. The signing bonus will give them the money to buy any policy so talk about needs and wants, and what they can afford in deciding their insurance policy (budget). Fill out a direct deposit slip. Begin lessons on Economics (depending on time).

*Day 3...*Remind them about the open enrollment date and that they must have their checks printed out and ready to use. Fill out a W-4 form. Continue/begin with lessons on economics.

Day 4... Remind them about the open enrollment date and that they must have their checks printed out and ready to use. Continue with lessons on economics.

*Day 5...The Day Open Enrollment Ends...*contracts are due, first pay check, signing bonuses given, rent checks need to be turned in...most will not pick up on the contract problem, tell them they just failed this course, but to have the opportunity to pass, they will have to hire a lawyer to renegotiate their contracts...this is where you will discuss the importance of reading and understanding a contract. Set up their registers and make the first entries. While they work on this, mark in your gradebook the students that didn't catch the trick in the contract. Hand back the contracts and tell them to cross out that line and initial it. They have to take it home and have their parents initial it too.

Detailed Lesson Plan:

Day 1: While handing out the classroom packet that has the Employment Contract, Schedule A, Grade Health Insurance Contract, say to the class:

For this course, I will not be your teacher but your boss. I will be paying you \$100.00 per week in classroom cash to work for me. You have a contract to sign agreeing to the terms and conditions of your employment (see Employment Contract). Read it carefully. You will receive a signing bonus of \$100.00 when you return it signed by you and your parent/guardian.

Certain tasks and assignments will be given out. The purpose of these are to prepare you for becoming a productive individual in society, and representing my company. You will have enough time to complete these each day. There will not be any work to take home unless you miss an assignment. The WISE Assessments Test will be used for determining your understanding in the field of economics and finance. Your classroom grade will determine your ability to use this knowledge in practical situations. All this, along with your attendance, participation, attitude, bookkeeping skills, and your ability to negotiate will allow you to get a promotion, and the opportunity to buy “No Work, Free Passes” that can be used for the end of the year projects.

Just as in life you have financial obligations:

1. In order to do your work, you must rent space in this classroom. Each week you must write a check to the “Work Space Rental Company” for \$50.00.
2. You may purchase classroom grade insurance that allows you the ability to insure against receiving any low grades (see attached Grade Health Insurance). This will be discussed in more details tomorrow.

Fees and fines are explained in “Schedule A” of your contract. Go over Schedule A (change according to your individual classroom rules).

Talk about the parts of the check...personal information, date, check #, Pay to the order of, numerical amount and written amount, the Bank’s information, routing number (ABA number), account number, and the check number again. Explain what is needed for direct deposit.

Show an example of a check and go over the parts...personal information, date, check #, Pay to the order of, numerical amount and written amount, the Bank’s information, routing number (ABA number), account number, and the check number again. Then have the students make their own checks.

Activity 1...Making Your Own Check

1. One page, 3 checks per page.
2. Name and address at the top (fake address in Virginia).
3. Blank lines for the check number, date, pay to the order of, dollar amount, written amount, memo, and signature.
4. Choose a bank in Virginia and find their name and address.
5. Find the routing number (ABA Number) for the Virginia bank you chose.
6. Make up an account number.

7. Leave a space after the account number to write your check number each time.
8. Make sure everything is in the correct place.
9. Discussion about routing number and how it works (each bank has a routing number specific to each state...the other party's bank routes your check from their bank to your bank, then your bank takes the money from your account and places it in the other party's account).
10. Remind them to make copies of their checks and to be sure to write the check number each time they use one, and record it in their register.
11. If they don't have a check on the day it is due, they can buy a "Money Order" for \$5.00. Talk about where they can get money order and how expensive they are. Why do people use them...no checking account, easier than using a bank?

Day 2: Go over the insurance contract. By having insurance, if they receive a bad grade or have a missing grade they can make it up if they pay their copay (discuss copay). If they are absent, they would need to pay their copay to do the missing assignment. If they fail a test, they can pay their copay to redo it. Talk about open enrollment, premium, copay...set an open enrollment date. They can't afford insurance right now, but after receiving their signing bonus and their first pay check, they will be able to buy any policy. Discuss needs and wants. Some people may miss more school than others. They may need to have the best policy. Discuss being under insured or the risks of not having any insurance. Fill out a direct deposit slip. Depending on how much time you have, you can begin lessons on economics.

Activity 2...Filling out a direct deposit form

1. Real name and same fake address and phone number they used on their checks (talk about protecting their identity).
2. Use this fake social security number...123-45-6789.
3. They will use their real bank name and routing number that they chose for their checks.
4. Enter the account number they used for their checks.
5. Finish filling out the information, sign, and turn in.

*Day 3...*Remind them about the open enrollment date and that they must have their checks printed out and ready to be used. Fill out a W-4 form. Discuss what this is and how the employer uses it to determine payroll deductions. Continue with lessons on economics.

Activity 3: Filling out a W-4 Form

1. Use a real W-4 from the IRS (enclosed). Discuss why every employer needs this form.
2. Go over the instructions but tell them that basically for them they only have line 5 to think about.
3. Have them fill out using the information from the checks they made (same fake information they used on their direct deposit slip), stopping at line 5.
4. Ask them what is a tax refund? The government giving back your money. They took too much, so they are going to give it back. Who was using that money? The government. A big tax refund is not good. You want to use your money. Talk about the time value of money. Line 5 gives you the control of how much you want the government to take out of your

paycheck. "0" means they will take out the maximum. The higher the number the less they take out. So why not put a huge number in there so they don't take out anything. If you don't pay enough in taxes, you can get fined and also charged interest. So what is a good number...1 or 2. Have them choose a number and put it in there.

5. Sign and date.

Day 4... Remind them about the open enrollment date and that they must have their checks printed out and ready to use. Continue with lessons on economics.

Day 5...End of Open Enrollment: If they signed their contracts without crossing out the statement in section 4, "Interpretation of Agreement" that gives the teacher the right to give any grade they want, then tell them that they just failed this class. Their parents agreed to allow you to assign whatever grade you want. "I choose to give you all a failing grade." Now, if they want to have the opportunity to pass, they will need to cross out that section, and initial it. They must also have their parents initial too. They will have to hire a lawyer, The Law Firm, for \$50.00 to renegotiate their contract. Have the students make their register and enter their transactions. As mentioned in the outline, while they are working on their registers, mark in your gradebook those students that didn't catch the line in the contract. Hand back those contracts. The students must turn in their Grade Insurance Contract, and their first rent check (I have folders for them to turn in all their written work). If they forgot to get their parents to sign their contract, no signing bonus...ouch! Talk about deadlines and responsibilities.

Activity 3...Making a Register/Filling out their checks for rent and insurance

Jonny Register

<u>Date</u>	<u>Transaction</u>	<u>Amount</u>	<u>Running Total</u>
08/01/18	Pay Check	+\$100.00	\$100.00
08/01/18	Signing Bonus	+\$100.00	\$200.00
08/01/18	Gold Grade Insurance	-\$150.00	\$50.00
08/01/18	The Law Firm	-\$50.00	\$0.00

Discuss living from pay check to pay check. Most will not have enough to pay the lawyer. They will have to wait until the next pay check. Their balance again will be \$0.00. What happens if they incur a classroom fine? They will have to ask for an extension to pay or borrow money...fee for a loan plus interest?

Now your class is set up. I find that students are very protective of their money. They respond well to fines for being late, talking, disruptions, or any other classroom issues. Other activities can be generated from the use of their classroom cash...after they have accumulated some cash, auction off a candy bar...\$5, \$10, \$15...lots of money out there...inflation. At the end of a grading period, have them negotiate a pay raise.

Classroom management/Bookkeeping tips for the instructor

- Be sure to mark down what insurance they bought.
- Put a check mark when they turn in their contract and a slash across it if they had to pay the lawyer's fee. You return their contracts and circle the check mark when they return the contract and paid the fee.
- If they use their insurance, I circle that day in pencil.
- If they receive a \$50 fine for a class disruption, I circle that day with a red pen, and put a "P" for phone or "T" for continual talking.
- If they forget and don't have a check on the day it is due, they have to buy a Money Order for \$5.00...I mark it in my book as a black dot.
- If they are late to class without a note, I place an "L" in that box (they have to deduct \$20.00 in their register).

Evaluation of Students

1. Renegotiating their contract by having them and their parents initial and change their contract
2. Making their own checks
3. Weekly check writing
4. Periodic audit of their register
5. Insurance renewal at the end of the grading period
6. Filling out their insurance claim form for make-up work or to redo an assignment or test
7. Correctly filling out a direct deposit slip
8. Correctly filling out a W-4 form
9. Buying insurance