*Rock, Brock, and the Savings Shock*

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**Book Synopsis**: Rock and Brock may be twins but they are not alike when it comes to physical appearance, personalities, and spending habits. Neat and organized Rock cannot resist spending his money, while messy and free-spirited Brock has amazing constraint when it comes to saving his. The brothers learn a valuable lesson when their grandfather pays them each a dollar for doing chores and promises that for each dollar they save, he will double it for the next ten weeks. Rock quickly spends his money on silly toys, gum, and used yard-sale items. Brock resists the temptation to spend and amasses $512 by the end of the summer. All ends well when Brock shows his brother that it’s never too late to start a savings plan.

**Lesson**

**Brock & Rock and the**

**PACED Decision-Making Model**

**Introduction**: Brock and Rock have lots of choices to make. First, should they do chores for their grandfather? What should they do with the money they make? And just where should this earned money be kept? Learning how to use a PACED Decision-Making grid is a good way to help make these, and other decisions.

**Time:** 30-35 minutes

**Grade Level**: 4-5

**Materials**:

* Visual 1 –*Rock, Brock and Savings Shock* Economic & Personal Finance Concepts
* Visual 2 – PACED Decision-Making Process “Brock and Rock’s Saturday Activity Choice”
* Visual 3 – PACED Decision-Making Model “Brock and Rock’s Saturday Activity Choice”
* Visual 4 – PACED Decision-Making Model “Brock’s Safe Saving Place”
* Visual 5 – Possible Responses – PACED Decision-Making Model “Brock’s Safe Saving Place”
* Extension Activity -PACED Decision-Making Model (Blank Grid)
* Writing Tools

**Students Will:**

* Review the definitions for economic concepts: bank, bank account, benefit, cost, compound interest, choice, income, interest, opportunity cost, savings, and savings account.
* Learn the impact of saving versus spending.
* Use a PACED decision-making model in order to improve students’ ability to make reasoned decisions.
* Identify the opportunity cost of a decision given two or more alternatives.

**Virginia Standards of Learning – History and Social Science**

|  |  |
| --- | --- |
| **K-3.1h** | The student will demonstrate skills for historical thinking, geographical analysis,economic decision making, and responsible citizenship by using a decision-making model to make informed decisions. |
| **1.9** | The student will recognize that people save money for the future to purchase goods and services.  |
| **2.10** | The student will explain that scarcity (limited resources) requires people to make choices about producing and consuming goods and services. |
| **3.10** | The student will identify examples of making an economic choice and will explain the idea of opportunity cost (what is given up when making a choice). |
| **VS.h1** | The student will demonstrate skills for historical thinking, geographical analysis, economic decision making, and responsible citizenship by using a decision-making model to identify costs and benefits of a specific choice made. |
| **USI.h1** | The student will demonstrate skills for historical thinking, geographical analysis, economic decision making, and responsible citizenship by using a decision-making model to identify the costs and benefits of a specific choice made. |

**Procedure:**

1. Prepare and collect materials prior to class.
2. Introduce the lesson telling the students that the story in today’s lesson is based on a book about twin boys and the choices they make about saving and spending money. Explain that while the story is told in whimsical rhyme and portrays cartoon-like illustrations, the lessons learned by the main characters are worth noting and applying.
3. Read the book *Rock, Brock and the Savings Shock* to the students. Ask students to listen for two things: (1) Rock and Brock treat money differently. What’s the difference? And (2) What choices do Brock and Rock make? After reading the book, quickly assess students’ listening and comprehension by asking for answers.
4. Display Visual 1 and review the listed concepts by relating each term to its connection to the story.
5. Display Visual 2 and review its content with the students. Tell the students that while this situation did not appear in the book, deciding what to do on a Saturday afternoon is a decision that the twins could encounter. Display Visual 3. Explain that this is an example of a PACED decision-making model which is a tool that helps us make an informed decision. People can use this decision-making model to help them decide which of several choices (i.e. alternatives) give them the most of what they want based on their criteria.
6. Read the content on the visual to the students and using a scale of 1 to 3, solicit responses concerning how each alternative measures up to the criteria that was important to them and record the answers. 3 means it fully meets the criteria; 1 means it does not. Fill in the visual with suggestions from the students.

 Visual 3-Possible Student Responses:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Criteria (What’s important) | **Low Cost**(Is it inexpensive?)  | **Time** (Must be under three hours.) | **One-Time Event**(Is this the only time this activity can be done?)  | **Total** |
| Alternatives(Choices) |  |  |  |  |
| **Movies at the Mall** | **1** | **2** | **1** | 4 |
| **Kite-Flying Contest in the Park** | **3** | **1** | **2** | 6 |
| **Visit Friend in the Hospital** | **2** | **3** | **3** | 8 |

1. Extend the lesson with Visual 4. This PACED Decision-Making Model may be used as a teacher-directed class activity or run off and distributed to the students to work on in small groups or pairs. Be prepared to discuss the definitions for bank, bank account, and savings account. Possible student responses may be found on page 9, Visual 5. Discuss what Brock’s second choice was. Remind the students that Brock could have made this choice. Explain that this would be his OPPORTUNITY COST. Define opportunity cost as the next best alternative chosen.
2. Conclude the lesson by asking the students if Brock could have made other choices in this situation. The “best” decision for one person isn’t necessarily the best decision for another, but each of us will usually make better decisions if we stop and think about our choices *before* we choose what to do. The PACED decision-making model can help us make a reasoned choice when we have some criteria which is important.

**Extension Activities:**

* Use the page in the back of the book, *So You Want to Be a Millionaire?* to explain “interest” and “compound interest” to students. Compound interest is a very valuable concept for students to learn and the book provides a good explanation. Compound interest can be your best friend (when you save money where it earns interest—and interest on your interest.) Compound interest can also be your worst enemy (when you borrow money and have to pay it back with interest and the interest compounds.)
* “Sheila’s Six Saving Tricks” can be found in the back of the book. Display this page and discuss its content with the students.
* Enrich the lesson using the PACED Decision-Making Model found on page 10. Distribute the blank form and instruct the students to use it to analyze a problem faced by a literary character or historical person. How would you fill in each blank?
* Remind the students that a fable is a short story, often containing talking animals, and always including a moral or lesson. Challenge them to write a fable with a lesson featuring saving as a positive attribute. Examples for morals: “A penny saved is a penny earned,” “Waste not- want not”, and “Save your money for a rainy day.”
* The story of *Rock, Brock, and the Savings Shock* is told using rhyming couplets. Allow students to use the terms on Visual 1 as inspiration for creating a meaningful poem.

For example:

Brock saved his money and it doubled each week.

Rock would go on a wild spending streak.

Brock benefited financially by the end of the summer.

Rock was broke, what a bummer!

Visual 1

*Rock, Brock, and the Savings Shock*

**Economic and Personal Finance Concepts**

**![C:\Users\JMU Econed\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.IE5\WNZJDG6C\piggy_bank[1].png]()**

**Bank (or Credit Union) -** A financial institution that provides various services and products to its customers, including checking and savings accounts. It also lends people money.

**Bank Account-** An arrangement by which a bank holds money for its customer (depositor.) It pays little or no interest, but the customer can withdraw the money whenever they want.

**Benefit**- A **benefit** is what satisfies your wants. A **benefit** is the positive effect of a decision.

**Cost**- A **cost** is what you give up when you decide to do something. A **cost** is the negative effect of a decision.

**Interest -** Money paid regularly, at a particular rate, for the use of borrowed money.

**Compound Interest** - Interest that is earned not only on the principal but also on the interest already earned.

**Income** - Payments earned; **income** includes salaries, wages, interest and dividends.

**Savings** - Money set aside now for a future use.

**Savings Account** – An interest-bearing account at a bank or credit union.

**Choice (or Economic Choice)** - You cannot have all the goods and services you want, so you must choose some things and give up others. A **choice** is the decision you make among alternatives or possibilities.

**Opportunity Cost** - The next best choice that is given up when you make a decision is your **opportunity cost.**

Visual 2

**The PACED Decision-Making Process**

**P** State the **P**roblem

**A** List the **A**lternatives

**C** Identify the **C**riteria

**E E**valuate the Alternatives

**D** Make a **D**ecision

Example:

Problem: Brock and Rock only have time to do one activity after doing Saturday chores for their grandpa. They only have three hours.

Alternatives: They can go to the movies at the mall. (Their grandpa will drop them off and their mom will pick them up.) Walk to the park and watch a kite flying contest that is held every Saturday, or take the bus to visit a friend who is in the hospital.

Criteria: They need to consider how much the activity will cost, how much time it will take, and if it’s something that can be done at another time.

Evaluate: Brock and Rock decided that going to the movies was too expensive and that they could do this another time. The kite flying contest only happened once a week, but it would take too long to walk to the park. The bus ride to see their friend in the hospital would cost a little money, but they knew he would really appreciate the visit.

Decision: They decided to visit their friend in the hospital. Their opportunity cost, their next best alternative, was going to the weekly kite-flying contest.

Visual 3-

PACED Decision-Making Model

Brock and Rock’s Saturday Activity Choice

1. State the **P**roblem
2. List the **A**lternatives
3. Identify the **C**riteria
4. **E**valuate the Alternatives
5. Make a **D**ecision

**Scoring the Criteria**

1= Lowest (no or worst)

2 = Middle

3 = Highest (yes or best)

|  |  |
| --- | --- |
| What is the problem? | Brock and Rock only have time to do one activity after doing Saturday chores for their grandpa. They only have three hours.  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Criteria (What’s important) | **Cost**(Is it inexpensive?) | **Time** (must be doable within three hours) | **One-Time Event**(Can this activity be done another time?)  | **Total** |
| Alternatives(Choices) |  |  |  |  |
| **Movies at the Mall**  |  |  |  |  |
| **Kite-Flying Contest in the Park** |  |  |  |  |
| **Visit Friend in the Hospital** |  |  |  |  |

|  |  |
| --- | --- |
| Decision? |  |
| Opportunity Cost? |  |

Visual 4-

PACED Decision-Making Model

*Brock’s Safe Saving Place*

State the **P**roblem

List the **A**lternatives

Identify the **C**riteria

**E**valuate the Alternatives

Make a **D**ecision

**Scoring the Criteria**

1= Lowest (no or worst)

2 = Middle

3 = Highest (yes or best)

|  |  |
| --- | --- |
| What is the problem? | Brock has been keeping his money in a glass piggy bank and realizes that he should find a safer place to save it.  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Criteria (What’s important) |  **Safe** |  **Earn Interest** | **Easy to get to** | **Total** |
| Alternatives(Choices) |  |  |  |  |
| **Bank** **Checking Account** |  |  |  |  |
| **Bank****Savings Account** |  |  |  |  |
| **Freezer****Plastic Container**  |  |  |  |  |

|  |  |
| --- | --- |
| Decision? |  |
| Opportunity Cost? |  |

Visual 5- Possible Responses

PACED Decision-Making Model

*Brock’s Safe Saving Place*

1. State the **P**roblem
2. List the **A**lternatives
3. Identify the **C**riteria
4. **E**valuate the Alternatives
5. Make a **D**ecision

**Scoring the Criteria**

1= Lowest (no or worst)

2 = Middle

3 = Highest (yes or best)

|  |  |
| --- | --- |
| What is the problem? | Brock has been keeping his money in a glass piggy bank and realizes that he should find a safer place to save it. |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Criteria (What’s important) | **Safe** | **Earn Interest** | **Easy to get to** | **Total** |
| Alternatives(Choices) |  |  |  |  |
| **Bank** **Checking Account** | **3** | **0** | **2** | **5** |
| **Bank****Savings Account** | **3** | **3** | **2** | **8** |
| **Freezer****Plastic Container**  | **1** | **0** | **3** | **4** |

|  |  |
| --- | --- |
| Decision? | Brock decides to keep his money in a savings account. It will be safe there and also earn some interest.  |
| Opportunity Cost? | Putting it in a bank checking account. |

Extension Sheet-

PACED Decision-Making Model

1. State the **P**roblem
2. List the **A**lternatives
3. Identify the **C**riteria
4. **E**valuate the Alternatives
5. Make a **D**ecision

**Scoring the Criteria**

1= Lowest (no or worst)

2 = Middle

3 = Highest (yes or best)

|  |  |
| --- | --- |
| What is the problem? |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Criteria (What’s important) |   |   |  | **Total** |
| Alternatives(Choices) |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

|  |  |
| --- | --- |
| Decision? |  |
| Opportunity Cost? |  |