



“Three Cups” by Mark St. Germain

Don't miss the author's information on page 30 of this guide!

This book outlines a basic budgeting approach that allows children to learn how to organize their money choices by spending, saving, and giving. The book shows the progression from a child making decisions on how he will use his money to what results from those choices. This exercise provides the opportunity to:

1. Link the action in the book *Three Cups* to today's students;
2. Teach the concept of making money choices; and
3. Model the spend, save, and give budget process.

Time Limit: 40 minutes

Supplies Needed:

- *Three Cups* by Mark St. Germain
- Three cups
- Play money, including dollars and quarters (see money masters on pages 15-16)
- Budget handout copied for each student



A Basic Budget: Spend, Save, Give

Before you start, go to www.spendster.org and scroll down through the posted videos in the viewing window. Select the video of a 4-year-old who is concerned about the spending habits of her parents. The video is 47 seconds long.

(1) Begin the lesson by telling the students you would like to introduce them to a girl named Anna. Anna has some concerns about her parents.

Play video.

What was Anna concerned about? (Guide the discussion to - how her parents spend money by buying more things than they need.)

What might help her parents change their spending habits? (Guide to - learning how to keep track or organize their money choices.)

What is a budget? (It is a written plan for how to use your money.)

In our story today, I'm going to introduce you to a boy who learns how to budget his money using a surprising approach.

(2) *Place three cups on a table in front of the students. With the students' help, label a card for each cup, "Spend," "Save," and "Give." Tape the card to the front of each cup.*

Read the book.



Stop on page 6. We are going to pretend that the boy receives a weekly allowance of \$4. How do you think we should divide our \$4 between the three cups? (Guide the discussion, but don't let the students place all of their money in any one cup. Emphasize that their choices represent their plan.) Say, "It will be interesting to see if having this plan for his money will help the boy stick with the decisions he has made about what he wants to do with his money."

Continue reading. Stop before you read page 10. We are going to pretend that five weeks have gone by. Let's count how much money we might have in allowance if we received \$4 per week. **As you count out the \$20, lay it on the table in front of the cups.** What was our plan or budget for using our money? (If your students haven't already specifically decided on a way to divide their money, help them do so now. For example, they might always save half of their money and equally divide the rest between spending and giving.) **Review. Have the students help you divide the \$20 into the cups in front of you according to their plan. It will be easier for the students to follow what you are doing if you take the \$20 and divide it into five \$4 groups. They'll be able to see you repeatedly follow the plan and place the money in the cups. If you have older students, have them put the money in.**

Continue reading. Stop after you finish reading page 12. Count the money in your class savings cup then remove it from the table and leave the cup empty. If we were going to put our money in the bank in a savings account, we would be depositing (amount). They mentioned something called interest in this story. What is that? **Receive input.** Interest is a small payment made by a bank or credit union that they pay you for placing your money in their bank and letting them use it when you are not using it. Banks use your money by loaning it to other people to buy things like houses or cars. But banks always keep enough money so that if someone needs to take it out of an account to use it for themselves, they can get it.

Continue reading. Stop after reading page 14. Three more weeks have passed. How much more allowance did we receive? (\$12) Let's divide up our money according to our plan. **Place money in cups.** Now, let's see how much money we have in our spending cup? **Count the money.** Looking online, I saw that a new baseball glove could cost as little as \$13.46. We are going to use our money to buy a baseball glove. (If the class has more than \$13, point out that you are buying a nicer quality glove.) **Remove the money from the cup and away from the table.**

Continue reading through to the end of the story. Even though the boy didn't have a lot of money in his giving cup, he was still able to use that money to give something that was needed to another person. Let's see how much money is in our giving cup. **Count the money.** (Discuss briefly a few things you could do with the money.)

(3) Give each student a Three Cups budget worksheet. We don't have to use an actual three cups to keep track of our money. We can use anything that helps remind us of what decisions we made about how to spend our money. Remember Anna and her parents in the video at the start of our time together? Her parents might make a decision to keep money in one "cup" for buying things around the house like cameras, toys, and rugs. They could have a saving "cup" to put money away for when Anna goes to college. That is a plan, a way of budgeting your money. This handout can help you write down your decisions about money. You can share it with your parents or another adult and see if they can help you make a plan, or a budget, for your money.

After you have finished sharing the book with your students. Place the three cups on display in the library with a sign that reads: Have you made a plan for your money?