Getting started

HOW MY CLASSROOM ECONOMY WORKS

The classroom economy program is a robust classroom management system that benefits both teacher and students, and has minimal impact on the curriculum. Implementing the program is an easy three-step process:

• First, you spend a few hours before the school year starts—gathering materials and planning how to customize the program for your school and your own classroom.

• Second, you spend a few classroom hours in the first month of school introducing the program and training the students on how to complete their tasks.

• Third, you monitor the students’ progress throughout the year and provide support and guidance when necessary.

As they perform their tasks, the students are rewarded for helping you manage the classroom efficiently. At the same time, they will learn valuable skills—such as responsibility, the value of saving, and delayed gratification—that they will carry with them throughout their lifetimes.

The beauty of the program is that you don’t need to teach these lessons; rather, your students will experience them and learn for themselves. As one teacher told us, there’s a thrill in seeing “the lightbulb go on” when a student realizes he or she should have saved money for the next month’s rent instead of overpaying for an item at the auction.

Core objectives for students in Grades 2–3

Through My Classroom Economy, students learn valuable life skills in an experiential way. Specifically, they are able to:

• Participate in a classroom economy designed to mimic real-world economic activity.

• Perform specific classroom jobs to earn salaries.

• Budget money and balance checking accounts.

• Discover that every decision has an opportunity cost.

At these grade levels, students earn and spend single- and double-digit dollar amounts to match their math skills. Maintaining a balanced bank log is a critical component of the program.

CONNECTIONS TO CORE STANDARDS

The classroom economy is designed in an experiential way to ensure that it supplements rather than interferes with a classroom’s core curriculum. It allows students to learn valuable life skills and make progress on topics that are integral to the curriculum. This page is designed to help you make connections between common lessons and the experience of the classroom economy. Our connections are based on the Common Core State Standards.
<table>
<thead>
<tr>
<th>STANDARD</th>
<th>MY CLASSROOM ECONOMY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mathematics:</strong>&lt;br&gt;Represent and solve problems involving addition and subtraction.</td>
<td>Students will maintain a bank log requiring them to add and subtract numbers throughout the program.</td>
</tr>
<tr>
<td>Add up to four-digit numbers using strategies based on place value and properties of operations.</td>
<td>As the year progresses, students will have the opportunity to save their money and compile four-digit bank accounts. To do so, they will need to be able to add properly.</td>
</tr>
<tr>
<td>Solve problems involving the four operations, and identify and explain patterns in arithmetic.</td>
<td>Because of the repetitive nature of balancing the bank logs, students are likely to identify patterns and explain them to each other during transactions.</td>
</tr>
<tr>
<td><strong>Reading:</strong>&lt;br&gt;Engage effectively in a range of collaborative discussions (one-on-one, in groups, and teacher-led) with diverse partners on Grade 3 topics and texts, building on others’ ideas and clearly expressing their own.</td>
<td>Students routinely meet and collaborate with their Banker and Police Officer. Because all ledgers must be balanced, the students are forced to clearly express their own views.</td>
</tr>
<tr>
<td>Ask and answer questions about information from a speaker, offering appropriate elaboration and detail.</td>
<td>The students are expected to understand the rules of the classroom economy, including their individual roles. If they are unable to understand the information presented by the teacher, they are required to ask appropriate questions.</td>
</tr>
<tr>
<td><strong>Writing:</strong>&lt;br&gt;Demonstrate command of the conventions of standard English grammar and usage when writing and speaking.</td>
<td>Students must demonstrate proper grammar when filling out job applications and when speaking to others.</td>
</tr>
</tbody>
</table>
Planning

PROGRAM OUTLINE

Planning and preparation
Begin planning your classroom economy before the school year starts.

• Choose the jobs and responsibilities you will assign to your students, and create lists of bonuses and fines that will be used in your classroom.

• Prepare the materials you will need for the classroom economy activities. You can download and print the materials or order a free kit.

• Begin to gather rewards for students to purchase at auctions.

Allow 2 to 3 hours to choose jobs, bonuses, and fines, and an additional 2 to 3 hours to prepare all of the materials.

Introductory activities
On the first day of school, introduce your students to the classroom economy. Approximately a week after the introduction, assign jobs to students and provide short training sessions.

Allow 2 to 3 hours of class time to complete these activities. Keep in mind, this time does not need to be taken from your curriculum time because it can replace time that you would otherwise spend explaining your class rules.

Ongoing activities
Every month students earn paychecks and bonus money, pay fines, pay rent for their desks, and purchase prizes at auctions, all with classroom economy currency. Teachers typically have used two strategies to schedule these activities: You can conduct all of them on the same day, or spread them out over the course of the month.

Allow 2 to 4 hours per month to complete these activities. Because students will become more efficient at banking as the year progresses, we encourage you to have students bank during transition periods, such as at the beginning and end of the day. You may also allow students to complete classroom economy activities when they finish curriculum materials early.

Year-end wrap-up
Bring the classroom economy program to an end with a discussion and a chance to reflect. Distribute certificates to highlight student successes.

Allow approximately 1 hour for the year-end wrap-up.
ESTABLISHING YOUR ECONOMIC SYSTEM

To start the classroom economy program, you’ll need to select:

• A set of student jobs.
• A level of monthly rent.
• A list of opportunities for bonus money.
• A list of fines for violating class rules.

Your selections can be from the lists we provide or based on the classroom rules you’ve already developed. You may choose to involve your students in creating the bonus and fine lists, but this is entirely optional. Once the lists are ready, post them in your classroom and refer to them throughout the year. If you wish, you can use materials from this site for the posters and handouts.

JOBS

Every student in the class needs a job. You can select jobs from the list below, and you can create additional jobs to meet the specific needs of your classroom. We do recommend that you include four core jobs: Banker, Police Officer, Messenger, and Clerk.

Each job needs an appropriate salary. The highest pay should go to the most responsible positions.

This list shows suggested duties and monthly pay for some of the more common jobs.

<table>
<thead>
<tr>
<th>JOBS</th>
<th>JOB DESCRIPTION</th>
<th>MONTHLY SALARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banker 1 for every 5 students</td>
<td>Keep banking records for 4 to 6 students. Accept money for deposits. Pay out money for withdrawals. Keep some cash ready to meet requests. Deposit remaining cash in the Central Classroom Bank. Requires a recommendation.</td>
<td>$70</td>
</tr>
<tr>
<td>Police Officer 1 for every 5 students</td>
<td>Leads the line as students walk through the hallway. Requires a recommendation.</td>
<td>$65</td>
</tr>
<tr>
<td>Clerk 2–3 per class</td>
<td>Hand out papers to students. Hand out materials such as art supplies. Collect papers or homework from students when asked. Organize the class supply shelves and keep them neat.</td>
<td>$60</td>
</tr>
<tr>
<td>Messenger 1–2 per class</td>
<td>Deliver written or spoken messages to people throughout the building. Answer the class phone.</td>
<td>$55</td>
</tr>
<tr>
<td>Custodian 3–5 per class</td>
<td>Keep the writing boards and countertops clean. Tidy up classroom areas when they need it. Make sure recycling items are placed where they should be.</td>
<td>$60</td>
</tr>
</tbody>
</table>
### Librarian
1 per class
- Keep a record of books checked out of the class library. Remind students to return the books if they are late. Keep the class library organized. Take books to the school library as scheduled.
- $55

### Attendance Monitor
1 per class
- Take daily attendance and record absences. Report absences to the teacher. Provide students with make-up materials when they return to class.
- $60

### Homework Monitor
1–2 per class
- Keep a daily record of students’ completed homework assignments. Inform Police Officers about incomplete or missing homework so they can write fine tickets.
- $55

### Substitute
1–2 per class
- Perform the job of any absent student.
- $40

### Technology Supervisor
1–2 per class
- Turn the lights and computers on or off at appropriate times. Assist with technology tasks such as setting up projectors, preparing cameras, or using audio equipment.
- $55

### Equipment Supervisor
1 per class
- Keep a detailed record of all classroom equipment. Borrow and return gym equipment when necessary.
- $50

### Horticulture Specialist
1 per class
- Water plants at regular times. Clean up fallen leaves or petals from plant pots. Dispose of dead plants when necessary.
- $45

### Store Clerk
1–2 per class
- Manage the school store. Keep a record of inventory.
- $50

### News Director
1 per class
- Keep the class updated on current events. Research topics of interest to the class. Write articles for the class newsletter.
- $55

### Meteorologist
1 per class
- Check daily weather forecasts and report them to the class. Keep a record of weather that occurs throughout the year.
- $55

### TIPS:
- Consider creating jobs to match tasks you normally assign to students. For example, if you typically have a class pet, you might want to hire a Zookeeper to oversee its care.
- Avoid choosing jobs that will be difficult for you to teach or manage. In the classroom economy, the students should be able to perform their jobs without constant supervision. That way, they’ll know that they have earned their pay—and they will have lessened the burden on the teacher, which is an additional goal of the program.
- Changing jobs quarterly or in the middle of the year is an option, but it could require a lot of retraining. If you decide to have the students change jobs, consider asking them to train each other.
- If some of your jobs require a recommendation, consider giving advance notice to your students’ previous teachers. Let them know that they can recommend a student by contacting you in person or by e-mail, phone, or letter. The primary purpose of the recommendation is to help you learn which students are capable of performing jobs with increased responsibilities. We believe that the prior-year teacher is the best person to provide that assessment.
RENT

The obligation to pay rent is central to the classroom economy. These are key concepts:

• A student’s salary should not quite cover the monthly rent. To make up the difference, students need to earn bonus money.

• Students who do not meet their rent payments should face some loss of privilege within the system.

• Those who make their payments and manage to save additional money should reap benefits.

<table>
<thead>
<tr>
<th>RECOMMENDED</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly rent</td>
<td>$100</td>
</tr>
<tr>
<td>One-time desk purchase price</td>
<td>$300</td>
</tr>
</tbody>
</table>

Failure to pay rent

We recommend that students who miss a rent payment be excluded from that month’s auction. Although you may instead choose other privileges to be forfeited, remember that the program is designed to help students learn financial responsibility—it is not to punish them.

When students miss rent payments, it’s important to get them back on track as soon as possible. You can take the missed payment as an opportunity for a discussion about choices, then encourage the child to earn bonuses so that he or she can catch up on rent and get in on the Auction Day fun.

Successful saving

Students who make their rent payments and manage to save additional money can reap rewards:

• They get to be bidders on Auction Day.

• They can be recognized in front of everyone during the year-end wrap-up.

• Most temptingly, they have the chance to buy their desks outright and be forever free of rent.
BONUSES

In addition to the salaries that students earn from their jobs, they can earn bonus money by performing well academically and participating in extracurricular activities. The bonuses give students more opportunities to succeed in the classroom economy. In addition, they can be useful incentives for your own class goals.

The following bonuses should be included if at all possible. The bonus amounts are a suggestion.

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>BONUS AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earn 100% on a small test or quiz</td>
<td>$10</td>
</tr>
<tr>
<td>Earn 100% on a major test</td>
<td>$20</td>
</tr>
<tr>
<td>Earn 90% to 99% on any assignment</td>
<td>$10</td>
</tr>
<tr>
<td>Complete an outside reading assignment</td>
<td>$10</td>
</tr>
<tr>
<td>Get a compliment from another teacher</td>
<td>$20</td>
</tr>
<tr>
<td>Join in an extracurricular activity</td>
<td>$10</td>
</tr>
</tbody>
</table>

TIPS:

• You can offer bonuses for specific behavior you want to encourage, as well as for activities important to your school. For example, you might offer bonuses for coming to school early to get academic help, completing all homework assignments for the week, participating in a math competition or science fair, playing a sport, or joining the school orchestra. You can also offer bonuses to teams of students working together.

• With bonus money, it’s far better to give away too much rather than too little. The more bonus opportunities you provide, the more often students will see their extra efforts rewarded. That means they’ll be able to participate more fully in the classroom economy, and they’ll enjoy it more.
FINES

In the classroom economy, the role of fines is to help students understand costs and consequences—it is not to punish them. The list of fines should be short and direct, matching your classroom priorities. Our list is an example.

<table>
<thead>
<tr>
<th>RULE</th>
<th>TICKET AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dishonesty</td>
<td>$50</td>
</tr>
<tr>
<td>Rudeness</td>
<td>$10</td>
</tr>
<tr>
<td>Messy desk or cubby</td>
<td>$10</td>
</tr>
<tr>
<td>Missing work</td>
<td>$5</td>
</tr>
<tr>
<td>Off-task behavior</td>
<td>$5</td>
</tr>
<tr>
<td>Tardiness</td>
<td>$5</td>
</tr>
</tbody>
</table>

Although the Police Officers write tickets for fines, you control the process through an offense log. As you correct a student, you can mention that you’re adding the violation to the log. Then, when Ticket Day comes, the Police Officers write tickets based on the entries in your log. In this way you retain explicit authority over dealing with misbehavior.

**TIPS:**

- The list of behaviors that elicit fines should reflect your own standards. As an example, our list allots the steepest fine to dishonesty, reflecting a belief that truthfulness is an essential value for children to absorb.
- Make sure the fines you choose fit the culture of your school. For example, promptness may be difficult to enforce in your classroom if it is not a priority in your school.
PREPARING MATERIALS

Throughout the year, you will need classroom economy materials, such as money and banking paperwork, for the students. You can download the materials or order printed copies at no charge. Gathering and preparing materials will take approximately 2 to 3 hours.

In addition to the materials we provide, you may wish to purchase or gather the following items:

SUPPLIES

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. 10 business envelopes in which students can conveniently store their cash.</td>
<td>1 per student plus a few extra for Bankers</td>
</tr>
<tr>
<td>Portfolio folders with clasps where students can store their bank logs and other materials.</td>
<td>1 per student</td>
</tr>
<tr>
<td>Cash drawer or box to store excess cash. You might create one from a shoe box or use an item from an old board game, such as Monopoly.</td>
<td>1 per class</td>
</tr>
<tr>
<td>Popsicle sticks or paint stirrers for auction paddles.</td>
<td>1 per student</td>
</tr>
<tr>
<td>Sticky notes for convenience during auctions.</td>
<td>1 slip per student per auction</td>
</tr>
<tr>
<td>A clipboard to hold the offense log in which you keep track of fines.</td>
<td>1 per class</td>
</tr>
<tr>
<td>Items for students to purchase at auctions, such as toys, baked goods, or gift certificates.</td>
<td>3–7 per auction</td>
</tr>
</tbody>
</table>

Student folders

Put the following items in each student’s folder:

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job application</td>
<td>1</td>
</tr>
<tr>
<td>Bank log</td>
<td>1</td>
</tr>
<tr>
<td>Envelope</td>
<td>1</td>
</tr>
</tbody>
</table>

Offense log

We suggest keeping an offense log in which you can record instances when students disobey the class rules. The Police Officers can write tickets based on what you put into the offense log. Using this system keeps the Police Officers involved, but you maintain the ultimate authority.

Cash box

Create a cash box with four slots, one for each denomination. This is where the class will keep excess cash throughout the year. We recommend that each Banker hold only about $200 in cash and store the rest in the cash box.
Visual displays
We recommend that, when explaining the classroom economy, you use visual displays to help the students understand. In particular, it is a good idea to display lists of the jobs, bonus-money opportunities, and fines you will use in your classroom.

You may print and display our versions or create your own. Some suggestions include:

<table>
<thead>
<tr>
<th>ITEM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulletin board</td>
</tr>
<tr>
<td>Posters (jobs, bonuses, fines)</td>
</tr>
<tr>
<td>Presentation</td>
</tr>
</tbody>
</table>

**TIP:**
Print individual copies of display items and place them into each student’s folder.

Print classroom economy cash
To start, print about $800 in cash:

<table>
<thead>
<tr>
<th>DENOMINATION</th>
<th>QUANTITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5 bills</td>
<td>42 (seven sheets)</td>
</tr>
<tr>
<td>$10 bills</td>
<td>18 (three sheets)</td>
</tr>
<tr>
<td>$20 bills</td>
<td>6 (one sheet)</td>
</tr>
<tr>
<td>$50 bills</td>
<td>6 (one sheet)</td>
</tr>
</tbody>
</table>

**TIP:**
Print the bills on colored paper.

Other materials
For the activities throughout the year, you will need the following materials:

<table>
<thead>
<tr>
<th>ITEM</th>
<th>NEEDED FOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paychecks</td>
<td>Payday</td>
</tr>
<tr>
<td>Fine tickets</td>
<td>Ticket day</td>
</tr>
<tr>
<td>Unpaid rent notice</td>
<td>Rent day</td>
</tr>
<tr>
<td>Deed to desk</td>
<td>Rent day</td>
</tr>
<tr>
<td>Auction paddles</td>
<td>Auction</td>
</tr>
<tr>
<td>Auction record form</td>
<td>Auction</td>
</tr>
<tr>
<td>Certificates</td>
<td>Year-end wrap-up</td>
</tr>
</tbody>
</table>

In addition, keep extra cash and banking materials on hand:

<table>
<thead>
<tr>
<th>ITEM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank logs</td>
</tr>
<tr>
<td>Cash</td>
</tr>
</tbody>
</table>
**REWARDS**

**Auction prizes**

Think ahead about items your students might like to purchase at the classroom auctions. Gather both tangible and intangible rewards.

Examples:

<table>
<thead>
<tr>
<th>TANGIBLE</th>
<th>INTANGIBLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Small toys.</td>
<td>• Free homework coupon.</td>
</tr>
<tr>
<td>• Sports balls.</td>
<td>• Lunch with teacher and two friends.</td>
</tr>
<tr>
<td>• Pencils.</td>
<td>• Lunch with the principal or another teacher.</td>
</tr>
<tr>
<td>• Erasers.</td>
<td>• Extra recess or computer time.</td>
</tr>
<tr>
<td>• Fruit.</td>
<td>• Book-reading time.</td>
</tr>
<tr>
<td>• Trophies.</td>
<td>• Swap desks with the teacher for a day/week.</td>
</tr>
<tr>
<td>• CDs/DVDs.</td>
<td>• Sit with a friend for a week/month.</td>
</tr>
<tr>
<td>• Electronic video games.</td>
<td></td>
</tr>
<tr>
<td>• iTunes gift certificate.</td>
<td></td>
</tr>
<tr>
<td>• Coupons or gift certificates to local business.</td>
<td></td>
</tr>
<tr>
<td>• Movie tickets.</td>
<td></td>
</tr>
<tr>
<td>• Autographs.</td>
<td></td>
</tr>
</tbody>
</table>

**TIPS:**

- Get the community involved by asking local businesses or vendors to donate products.
- Request autographs from local celebrities, such as the principal, a coach, the mayor, or business leaders. You can have your students write letters to ask for them.
- Actively involve parents in finding or contributing auction items.
- Involve your colleagues (e.g., offer a lunch with the principal or another teacher).

**End-of-year rewards**

In the year-end wrap-up, you could allow your students to pool their money and purchase a class reward, such as:

- A class party.
- A movie day.
- A crazy hat day.
ADVANCED MODULES

Teachers who are comfortable with the classroom economy may want to include some of these additional modules to enhance the learning experience for their students. These are not recommended for teachers implementing the program for the first time. Be certain your students understand the underlying curriculum components before adding these modules.

Increased recordkeeping
You may wish to increase the amount of paperwork students handle. For example, students can sign a rental agreement on Opening Day and a job offer letter on Job Assignment and Training Day. Or they can fill in a rent log on each Rent Day and bank slips for every withdrawal and deposit. With such activities, the students take on more responsibilities and learn to pay closer attention to details. The records can also be used as teaching points during the year-end wrap-up and throughout the program. Such features can be adapted from our 4th– and 5th–grade program.

Real estate investments
Taking property ownership a step further, allow students to purchase the deeds to other students’ desks. In this situation, a student whose desk is purchased now pays the rent to a landlord instead of the bank. We recommend you insist the rent remain at the bank’s original price so that students can’t force students out of their desks by driving up the rent too high!

Taxes
Students are required to pay a flat rate for income taxes around April 15. You can also give students tax deductions for charitable contributions—either by donating classroom dollars or by donating time to actual community service events.

Inflation
Following a break in the school year (examples: winter or spring break), raise the prices of students’ desks based on inflation. You can also raise their salaries, but we suggest you raise the price of the desks more than any salary increase to stress the importance of saving and outpacing inflation. For example, you can raise desk rental fees by $10 and all salaries by $5.

Student auctions
Allow students to bring their own items to be sold at the auctions. Require the students to pay a small fee, such as $5 or $10, for the privilege of selling one of their items. This helps students to understand vendor fees, which are common for internet commerce sites such as PayPal, eBay, and StubHub.

Disaster relief
Require students to pay a fixed amount ($10, for example) for disaster relief. This can be especially effective if you are studying disasters in science or social studies. For example, if you are studying hurricanes in science class, you can pretend there is a hurricane in your classroom and everyone must pay to fix the damage.
**Emergency funds**

Help students prepare for their future by establishing an emergency fund. Assist the students in determining their monthly expenses, and then encourage them to build a nest egg that is greater than or equal to that amount. The overall purpose of this module is to teach students the importance of saving in a liquid investment such as a bank savings account, so they are prepared for unexpected situations that can occur in life. By building an emergency fund, students will be prepared to pay their bills, even if they do not receive bonus money or if they lose their job. Keep in mind, anytime students use their emergency fund, they will have to devise a plan to replenish it.

**Insurance**

Require your students, or offer them the option, to buy renter’s insurance on their desks. With the insurance, the students are given special benefits. Some of these may include:

- Being able to participate in the auction if they cannot pay the entire rent amount.
- Avoiding messy desk fines.

**Interest**

Allow students to accrue interest by purchasing certificates of deposit (CDs). We suggest paying $10 in interest for every $100 the student holds in a CD.
Activities

**FIRST DAY**

On the first day of the program, you can explain the rules and expectations of the classroom economy as you would with any classroom management system.

**Preparation 30–60 minutes**

- Create student folders to be handed out at the start of class.
- Customize the visual displays of your jobs, bonuses, and fines lists (posters, bulletin-board items, handouts, etc.).

**In class 30–60 minutes**

Welcome the students and inform them that they’ll be earning and spending money throughout the year. Pass out the student folders you created.

Use your visual displays as you explain these key concepts.

- **Money is earned in two ways:**
  - As a salary for completing a classroom job.
  - In bonus rewards for good achievements.
- **Money is spent in three ways:**
  - To pay the monthly rent for the student’s desk. The rent is $100 per month (but desks can be purchased for a one-time payment of $300).
  - To buy items or privileges at auctions, which are held approximately once per month. (Give examples of what students may purchase.)
  - To pay fines for not following classroom rules.
- Display the class job list and tell the students they need to apply for a job. Explain that they might not receive their first choice, so they need to list their top three selections on the job application.
  - Describe the individual jobs. Then give the students time to fill out the application form. Remind them that some jobs require a letter of recommendation. Explain how they can ask for such a letter from a previous year’s teacher.
  - Collect job applications from all students.

**TIP:**

If you like to include your students in creating class rules and policies, feel free to let them suggest additional bonus opportunities, fines, and auction items.
JOB ASSIGNMENT

Preparation 30 minutes
Once you collect all the students’ applications and any needed recommendations, take a few days to plan the job assignments. It’s best to make the assignments in class about a week after the students apply.

• To simplify the assignment process, start with the least-requested jobs. For example, if only two students put “Messenger” on their applications, then you know immediately who your Messengers will be.

• Use the recommendations to help you decide on the Bankers. Because Bankers have such a critical role in the classroom economy, you’ll want to be sure that each of them is qualified to handle the job.

For the Bankers and Police Officers, you need to decide which students will be their “clients.” They should be assigned four to six students each. (It’s a good idea to use the same groups for each purpose so that the same set of students would share a Police Officer and a Banker.)

For each Police Officer, prepare a folder listing the names of his or her clients. Put some blank fine slips in the folder.

For each Banker, prepare a folder listing the clients’ names and containing the following items:
• 1 envelope to hold cash.
• 1 envelope to hold clients’ paychecks.
• 1 bank log per client.
• 3 unpaid rent notices.

Finally, plan an assignment that students can work on quietly at their seats. While the class works, you’ll be able to train small groups of students on their job responsibilities.

In class 30 minutes
Inform the students that they’ll receive their job assignments today and will start earning their salaries.

Next, train students for their jobs:
• Help the class to begin the assignment you prepared.

• Pull students aside for training according to their job titles (i.e., train the Bankers together, then the Police Officers, then the Messengers, and so on). Take the students through each of their job responsibilities, giving them examples of what they would do.

Here are tips for teaching two of the more complicated jobs:

Police Officers:
• Show them where you will keep the offense log. Explain how they will check it on ticket day to see whether any of their clients have committed infractions.
• Show them how to fill out a fine slip.
• Explain that students will be bringing their fine money to the Police Officers, and show the Officers where to put the returned fine slips and cash.
• Show them how to update the offense log once a fine is paid.
Bankers:

• Explain to the Bankers that they will have a bank log and an envelope for each client, and that they should label these clearly with the students’ names.
• Explain that the bank log they hold for each student should always match the student’s own bank log. If the balances do not match, then the Banker and the client must work together to figure out why.
• Offer an example of a bank ledger showing entries for deposits, withdrawals, and balances. Explain how the Bankers will manage their ledgers by adding deposits and subtracting withdrawals.
• Explain that each Banker should keep about $200 in cash on hand in case clients want to make withdrawals. Any extra cash should go into the classroom cash box, which you can show them.

TIP:
If time allows, you may want to have all the students practice a bank transaction. For example, you could have each student deposit $20, and then withdraw that $20. (Afterward, you might let them keep the money as a bonus for good behavior.)

PAYDAY

Preparation 30-60 minutes

• Write a paycheck for each student, or ask the Clerks to write them.
• Make sure there is enough cash in the cash box for the bonuses you’re awarding.
• Have extra bank logs on hand in case students need new ones.
• For the first Payday, prepare to show the online Payday video to the class.

In class 30 minutes

On the first Payday, you’ll need to explain how the process works.

The video below will show students an example of the banking procedures, and explain how to enter a deposit in the bank log.

Then the class can begin the Payday process. After distributing bonuses, you can oversee the students and answer any questions.

Payday procedures

1. The Clerks hand out the paychecks.
2. You distribute bonus money to students who have earned it. Use the honor system when appropriate (for example, you might ask “Who participated in the school chorus this month?” and reward those who raise their hands).
3. Each student updates his or her bank log with the amount of the paycheck and any bonus money received.
4. The student takes the paycheck and the bonus cash (if any) to the Banker.
5. The Banker updates his or her copy of the student’s bank log.
6. The Banker places the paycheck in the paycheck envelope within the banking folder.

TIP:
Each Banker should keep about $200 in the bank folder at all times. The Banker should place any excess cash in the teacher’s cash box.
FINES

**Preparation 30 minutes**
- Have extra bank logs on hand in case students run out.
- Have extra blank fine slips in case Police Officers need them.
- Make sure the offense log is ready for the Police Officers to check.
- For the first Ticket Day, prepare to show the Fines video to the class.

**In class 30 minutes**

On the first Ticket Day, explain that students who were fined for violating class rules over the past month need to pay up now. They’ll have to withdraw the money from their bank accounts.

The video below will help explain the process. Then the students can begin the Ticket Day procedures while you oversee them and answer any questions.

**Fine procedures**

1. Police Officers examine the offense log, write tickets, and give them to the students being fined.
2. Each student updates his or her bank log to show a withdrawal of the fine money. The student takes the log to the Banker to request the cash.
3. The Banker updates a copy of the student’s bank log and hands over the cash.
4. The student brings the cash and ticket to the Police Officer. The Police Officer marks the ticket “Paid” and delivers it to the teacher along with the cash.
5. The Police Officer then notes in the offense log that the fine was paid.
**RENT**

**Preparation 30 minutes**
- Make sure each Banker has copies of the Unpaid rent notice.
- Have extra bank logs on hand in case they are needed.
- Have deeds available in case someone is ready to purchase a desk.
- For the first Rent Day, prepare to show the online Rent Day video to the class.

**In class 30 minutes**

On the first Rent Day, explain to the students that paying rent for their desks is one of their most important financial responsibilities. It’s so important that unless they pay their rent, they won’t be allowed to participate in Auction Day.

Emphasize the importance of planning and watching their spending so they’ll always have the rent money ready when it’s due.

Remind the students that they can escape rent payments altogether if they’re able to save up $300 to buy the deed to their desks. Strongly encourage them to do this.

**Rent procedures**

1. Each student updates his or her bank log to show the withdrawal of rent money.
2. The student takes the bank log to the Banker.
3. The Banker updates his or her copy of the student’s bank log.
4. If the student is unable to pay the month’s rent, the Banker fills out an Unpaid rent notice and puts it on the teacher’s desk. Once the student is able to pay rent, he or she takes the money to the Banker. Both update their copies of the student’s bank log.

On each following Rent Day, ask if anyone is able to purchase his or her desk this month. If a student can do so, celebrate the child and make a show of handing over the deed.

Then, on the next Rent Day, the student can bring the deed to the Banker to show that the account is paid in full and no rent is due.

**Follow-up Discussion**

Paying rent is a strong indicator that students are successful in the classroom economy program. If a student can’t pay rent, it is important to get him or her back on track as soon as possible. The Unpaid rent slip is a mechanism to keep you informed about students who fall behind so you can reach out to them. You can encourage these children to participate in more activities so they’ll earn enough bonus money to catch up on rent and get in on the Auction Day fun.
THE AUCTION

The auction is an important component of the classroom economy. It lets the students reward themselves for working diligently to earn money. From a learning perspective, it links directly to the concept of supply and demand, and students quickly discover how impulse buying can shrink a bank account. In addition, children look forward to the auction because it is fun.

We recommend conducting auctions because they can be done quickly yet are extremely effective in teaching financial responsibility. However, you may prefer to use a school store as an alternative. You can open the store daily or weekly, allowing students to purchase as many items as they can afford.

Preparation 15-30 minutes
Throughout the year, gather items and rewards for students to bid for at auctions.

First Auction Day
Make sure each student will have an auction paddle or another way to bid. If you wish, you can use our Auction Paddle template to create your own paddles or to have the students make their own.

Every Auction Day
• Make sure you have an Auction Record form.
• Gather the items for sale and set a starting bid level for each one based on its appeal. A starting level around $50 should work for many items.
• Display the items the morning of the auction so students can get a preview of the goods.
• Identify the Auctioneer (either yourself or a volunteer student), who will announce the items and their starting bids. Also select an Assistant Auctioneer, who will document each sale; if you wish, this could be one of the Clerks. Review the auction procedures with the Auctioneer and Assistant.

In class 15-30 minutes
Introducing the Auction
Have the students watch the Auction video.

Explain that they can only spend the amount of money they have in their bank accounts, and that they’re not required to purchase anything. This is a good time to reinforce the importance of saving, and to remind the students that they have the ability to buy the deed to their desks and thus escape rent payments forever.

It’s also important to emphasize that an auction bid is a binding contract, and there’s no going back on it, even if they later wish that they hadn’t spent the money.

If necessary, explain the auction procedures before beginning the auction.
Auction procedures

1. The Auctioneer displays the first item, explains what it is, and opens the bidding at the assigned price. Example: “We have an Ultimate Frisbee disc. The starting price is $50. Do I have any takers?”

2. Students who want the item raise their paddles.

3. Once a paddle is up, the Auctioneer acknowledges the bid and asks if anyone will go for a higher price. Example: “[Student name] for $50. Do I hear $60?”

4. The Auctioneer repeats this process until bidding stops. The last bidder wins the item. Example: “[Student Name] for $150. Any more bidders? . . . Going once, going twice, sold!”

5. The Assistant Auctioneer enters the sale on the Auction Record form.

6. And the Auctioneer moves on to the next item.

To make the payment, each student should:

1. Update his or her bank log.
2. Take the bank log to his or her Banker to receive the cash.
3. Bring the cash to you and exchange it for the item.

Follow-Up Discussion 15 minutes

After an auction, some students will feel overwhelmed because they got caught up in the action and spent most or all of their money. This can be a tremendous learning opportunity.

You could use some of the following questions to guide a discussion:

- What made you keep bidding even when the price was getting so high?
- How do you feel now about the item you bought? Was it worth it?
- What concerns do you have about the amount of money you spent?
- How will you go about rebuilding your savings?
- Will you be able to make rent the next time it is due?
- Will you change the way you bid at the next auction?
YE A R - E N D W R A P - U P

Plan a time near the end of the year for students to reflect on what they have learned in the program and for you to tie everything together.

It is also a time to celebrate the students’ successes and reward them for their hard work.

Certificates

Students who were able to save a significant amount of money during the year should be rewarded. We recommend awarding certificates to children who reached these savings thresholds:

• Saver: $100
• Super Saver: $500
• Ultimate Saver: $1,000

Debriefing session

Hold a discussion with your students to reinforce what they have learned. Here are some questions to help guide the discussion:

• What did you learn from the classroom economy this year?
• What would you do differently in the classroom economy next year (e.g., how could you become an Ultimate Saver next time)?
• Why do you think it is important to learn the things you learned in the classroom economy?
• What was your favorite part of the classroom economy?

Class rewards

Consider allowing students to pool their money to purchase a class reward, such as:

• A class party.
• A movie day.
• A crazy hat day.

Please email support@myclassroomeconomy.org if you have any questions, and an MCE team member will be pleased to respond.