

Money Flow Letter

Teacher Set Up:

While a student reads the Money Flow letter, the instructor will pour water into or out of a glass to represent examples in the story of when money is received or paid out.

Preparation:

- Prepare to pour water from a large glass or pitcher into a smaller clear glass. (The volume of liquid should be visible to all).
- Arrange the smaller mug or glass on a towel or a saucer to collect any spilled water during the task.
- Have a towel on hand to wipe up any spilled water.

Directions:

1. Arrange for a student to read the letter. As the story is being read to the class, pour water from the pitcher into the glass whenever the story involves income (adding to the balance). When the story involves James spending money, pour water out of the mug. It's possible that the mug or glass will be empty at some point in the story which represents zero cash balance. Remember to add water throughout the story to represent the biweekly paychecks.
2. Debrief with the students to explain how the water represents "cash flow." Ask the students to think about times when their own glasses were empty (or overflowing). Point out that even with careful planning, students will encounter unexpected events that will impact the cash flow at very inconvenient times, just like James did. There may be times when students have a windfall or extra money.
3. Transition into the lesson by telling the students that they will learn about tips for what they might do when cash flow is abundant as well as how they can reduce the risk of low or no cash flow.

Dear Blabby,

Wow, do I need your help! In May I landed my dream summer job working as a caddy at the Rolling Hills Golf Course. Each week I worked about 30 hours at \$6 an hour. Earning an average of \$180 a week was nice. Plus, I earned at least \$50 each week in tips! It's now the end of August and I don't know where my money went.

Right after I got the job, I repaid the \$40 I owed my sister, and bought a few used video games. I was paid twice a month. Each month I used part of my first paycheck to pay my share of the family cellphone bill and my share of the car insurance. I also had to put gas in the car every other week so I could get to and from work. Although I used my employee discount, I guess it wasn't a good idea to buy lunch each work day at the golf clubhouse. In June I bought concert tickets. In July I spent the day at Six Flags amusement park with friends, and then I got a speeding ticket on the way home from the park. Last month, I had to take off a full week of work to recover from getting my wisdom teeth pulled. Now I just found out that I need to pay \$500 for the senior class trip. It seems that my money has just disappeared. Can you give me advice to control my cash flow?