

Excellence through Ethics™

Session 1

Have Money When You Need It



Elementary School



Junior Achievement®



Excellence through Ethics
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Session 1

Have Money When You Need It

Content: Ethics and Money Management

Methods: Scenarios and Discussion

JA Foundational Pillars: Ethics and Financial Literacy

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Acknowledgements

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JA Worldwide® (Junior Achievement) gratefully acknowledges Deloitte & Touche USA LLP for its commitment to the development and implementation of the supplementary program *Excellence through Ethics*. JA Worldwide appreciates its relationship with Deloitte & Touche USA LLP to develop and implement vital and innovative programs designed to foster ethical decision-making skills.

Have Money When You Need It

Overview

Students learn that most people do not have an endless supply of money, so they have to be smart about the decisions they make as to how they spend it. Students will examine the ethical responsibility to spend money on need-based goods and services before want-based goods and services.

Objectives

Students will be able to:

- Recognize the difference between a need-based expense and a want-based expense and learn the significance of fulfilling needs before satisfying wants.
- Describe how money mismanagement can lead to irresponsible behavior that may impact friends, family, and the community at large.
- Express that satisfying wants before needs can lead to money mismanagement.

Preparation

Review the activity. Prepare the necessary copies and session materials.

Group work is incorporated into this session. You may consult with the teacher to determine how best to form the groups.

Post Key Terms and definitions in a visible place.

- **Ethics:** The standards that help determine what is good, right, and proper.
- **Money Management:** A person's ability to make decisions about money and other financial matters.
- **Ethical money manager:** One who, not only makes wise decisions about how they spend their money, but also considers the impact of each decision on their own life and the lives of those around them.
- **Financially independent:** One who is responsible for spending money on both their needs and wants.
- **Need:** An item or service that you must have in order to live.
- **Want:** An item or service that you would like, but that you can live without.

Recommended Time

This session typically takes 45 minutes to complete. Ask the teacher to help you keep track of time.

Materials

- Money Management Scenario (1 per student)
- Pens or pencils (1 per student)

Presentation

Introduction (5 minutes)

Greet the students. Tell the students that today's lesson will focus on learning how to make ethical decisions about how they spend their money. Explain that most people do not have an endless supply of money, so they have to be smart about the decisions they make about how they spend it on goods and

services. This process is called money management. **Define ethical as a person who acts upon a belief that is considered to be responsible, appropriate, and sensible.** Thus, an **ethical money manager is not only smart about how they spend their money, they also consider the impact of each decision on their own life and the lives of those around them.**

Write the word “need” on one side of the board and the word “want” on the other. Encourage input from the students on the difference between a need and a want: A **need is an item or service that you must have in order to live**; a **want is an item or service that you would like, but that you can live without.** Elicit examples of both types of purchases.

Activity

Understanding Needs and Wants (15 minutes)

Define the following Key Terms for students:

- **Money Management:** A person’s ability to make decisions about money and other financial matters.
- **Ethics:** The standards that help determine what is good, right, and proper.

Connect this information to the student’s lives. Discuss the fact that right now, their parents or guardians fulfill all their needs. In most cases, they can spend money on the things they want. However, as they grow older and become **financially independent**, meaning that their parents will not be taking care of them anymore, **they will be responsible for spending money on both their needs and wants.**

Tell students that ethical money managers often ask themselves several questions when deciding what to purchase. Some examples of these questions are listed below:

- Do I really need this?
- Can I afford this?
- What purchase is most important at this time?
- Can I buy something similar for less money?
- Do I need to save money for something in particular?
- Will I be sorry later that I made this purchase?

Pose and thoroughly discuss the following open-ended question:

- How might it be unethical to spend money on wants before needs? Discuss consequences that may occur as a result.

Guide students toward the understanding that needs should be met first, and if money is available, wants can be fulfilled after the needs are met. Ethical money managers may even choose to save money, sometimes called a “nest egg”, when no immediate need must be fulfilled. The money saved can be used for future needs, wants, or unforeseen circumstances or emergencies.

Continue the discussion using the following questions to focus on the consequences of money mismanagement:

- What would happen if someone didn’t have enough money to fulfill their needs?

Review with students that the needs discussed are vital to survival. If needs aren’t being met, they may jeopardize their health and well-being (e.g., no electricity, food, shelter, transportation, or clothing).

They would then be forced to seek out help, find an alternative solution, or do without until they can earn more money.

- How could this person meet his/her needs without their own money?

Discuss the appropriateness or inappropriateness of asking friends, family members, or other people to borrow or give money to purchase necessary goods or services when it involves making up for money irresponsibly spent on want-based goods and services.

- Who should cover the cost of needs-based goods and services?

Many students may say the parents should cover the costs of these needs. Guide them into a discussion about parents' responsibilities, and that although parents are accountable for their children, it is inappropriate for children to expect parents, or others, to suffer the consequences of their child's money mismanagement.

Activity

Evaluating Money Decisions (20 minutes)

Organize the students into groups of two or three.

Distribute the Money Management Scenario to each student.

Explain to the students that you will be reading a scenario that poses an ethical dilemma. Ask the students to analyze the money management of the two fictional characters, Lorena and Gail, using the observations provided in the following scenario.

Read the scenario aloud, asking the students to silently read along.

State the following directions:

- Discuss your reactions and responses to the questions on the handout with the members of your group.
- When your group comes to a shared decision, ask one member to record the answers and rationale.
- In your conversation and written response, make sure you always keep ethical money management in mind.

Allow students 7-10 minutes to discuss and record their ideas.

Once the groups have completed the questions, debrief the activity as a class, asking the following questions and asking for volunteers to share your answers.

- Describe Lorena's money management skills.
- Describe Gail's money management skills.
- Why is Lorena \$0.50 short?
- Why is Gail \$0.50 short?
- Would you give your money to Lorena? Explain your answer.
- Would you give your money to Gail? Explain your answer.
- Discuss how your understanding of ethics guided your decision about Lorena.
- Discuss how your understanding of ethics guided your decision about Gail.

Close the activity by asking students about the lesson learned from the financial decisions that Lorena and Gail made in the scenario.

Connect the scenario to society. Pose the following questions, which serve as a synthesis of this lesson:

- What might happen when someone cannot financially meet their needs?
- Explain the difference between money management and money mismanagement.
- Who is responsible for covering the cost of these needs?
- Is it ethical to seek out help to meet your needs when you have spent your money on want-based expenses? Explain your answer.

Summary and Review (5 minutes)

Review the Key Terms: ethics, ethical money management, needs, and wants.

Review the difference between wants and needs and the importance of meeting your needs before spending money on things you simply want.

Discuss the problems that can occur when a person is an irresponsible money manager.

Encourage students to continue thinking about the ideas presented in this lesson and to begin making ethical decisions about what they do with their own money.

Thank the students for their participation.

Session Outline

Introduction

- Greet the students.
- Introduce them to the idea of being an ethical money manager.
- Discuss the difference between wants and needs including, the ethical decision of meeting needs before wants. Focus on responsibility: who covers the costs when needs aren't met?

Activity

- Move students into small groups. Distribute the Money Management Scenario.
- Read the scenario aloud and allow the groups to discuss and respond to the questions. Debrief the scenario using the discussion questions and answers from student volunteers.

Summary and Review

- Briefly review the vocabulary introduced in the session.
- Encourage students to continue thinking about the ideas presented in this lesson and to begin making ethical decisions about what they do with their own money.
- Thank the students for their participation.

Money Management Scenario

This has been an exciting week at your school. A student store opened in the auditorium. You visit the store every day, buying items for which you have saved. You have seen your classmates, Lorena and Gail, in the school store at the same time. Gail loves to browse and look at the books, pens, and pencils, but you have never seen her buy anything. Lorena also loves looking at everything in the store, and she usually ends up buying a few things. One day, she bought seven pencils. Another day, she bought two books about sea animals. You also saw her buy a keychain to hang on her backpack, as well as an armful of sparkly bracelets. She never leaves without buying one or two brownies.

Today is the last day of a book fair, and the students rush into the store at lunchtime. You grab the book you have been eyeing all week and get in line to purchase it. You notice that Gail and Lorena are in line in front of you. Lorena is holding two pens and a brownie. Gail has a pencil with pink stars all over it. She explains to Lorena that the pencil she was using in class had just broken, and it was too short to sharpen. She had to throw it away right before lunch started. Lorena admires the pencil, and even though she bought seven pencils the other day, she asks Gail to save her spot in line while she runs to grab a star pencil too.

The three of you pay for your items and walk to the lunch line. Because it is Friday, students may choose between the free school lunches, or buy pizza for \$1.50. All three of you choose to buy pizza. When you reach the lunch cashier, Lorena and Gail realize they are \$0.50 short. You have \$0.50 after buying your pizza and don't really need it, and don't mind lending it to Lorena or Gail. But, which girl should have your extra \$0.50?

Lorena	Gail
Describe Lorena's money management skills.	Describe Gail's money management skills.
Why is Lorena \$0.50 short?	Why is Gail \$0.50 short?
Would you give your money to Lorena? Explain your answer.	Would you give your money to Gail? Explain your answer.
Discuss how your understanding of ethics guided your decision about Lorena.	Discuss how your understanding of ethics guided your decision about Gail.

Appendix

Welcome to Junior Achievement's

Excellence through Ethics

As a Junior Achievement (JA) volunteer or teacher, you are joining other teachers and volunteers from across the United States in providing students with a unique educational experience. Junior Achievement's *Excellence through Ethics* offers students learning opportunities to share knowledge and information regarding ethics in business. JA strives to show students how business works, and to better evaluate organizations that conduct their operations in the right way.

Excellence through Ethics is designed to equip volunteers and teachers with supplemental, ethics-based activities for use with JA in-class programs for grades four through twelve. All these activities provide students with current and essential information about business ethics.

These activities are designed to reinforce students' knowledge and skills, teach them how to make ethical decisions, assist them in learning to think critically, and help them to be better problem-solvers. All the activities are hands-on, interactive, and group-focused to present the material to students with the best instructional methods.

Within these supplements, you will find sections to help you effectively implement the activities in your volunteer experience. Materials include: (a) an introductory discussion of business ethics, marketplace integrity, and the growing capacity of students for ethical decision-making; (b) activities and student materials that connect to and expand current classroom-based Junior Achievement programs; and (c) a functional glossary of terms relating to a wide spectrum of ethics, quality, service, and social responsibility considerations in business.

JA greatly appreciates your support of these important and exciting activities. If you have comments about the *Excellence through Ethics* program content, curriculum, and/or instruction, please access <http://studentcenter.ja.org.aspx/LearnEthics/> and choose the “*Excellence through Ethics* Survey” link located in the middle of the page.

Appendix

Introduction and Overview

- *How do I do the right thing in this situation?*
- *Should I be completely honest, even if it puts others in jeopardy?*
- *What kind of community do we want to be?*
- *How do we do what's best for the long term?*
- *Who should cover the cost of "doing the right thing"?*

These are all questions having to do with business ethics. They are valid and necessary questions, and good business people have asked them for generations. They form the backdrop of vital discussions as business, community, and political leaders grapple with significant issues. Many students would ask these questions, even if Junior Achievement hadn't developed this ethics curriculum.

Business Ethics Discussions Are Here To Stay

Business ethics has been in the spotlight for much of the past decade, especially as examples of wrongdoing come to light in the media. New technologies and international competitive pressures cause a steady focus on the question, "Is it possible to be competitively successful in business today and still operate in an honest and ethical manner?" The past decade has seen individuals search for deeper personal meaning in the workplace, which has contributed to lively ethics discussions in the business realm. For these reasons, the discussion of business ethics is not a passing fad; it's here to stay.

Many graduate schools of business have either required ethics coursework or integrated ethics principles throughout all areas of study. That is commendable. We believe this vital area of exposure and instruction also should happen at earlier ages and continue throughout the students' educational journey. Many of today's students haven't had access to a well-rounded education in economics and free enterprise or have come to see these in a very negative light. They have limited awareness of the extent to which good business leaders engage in the challenging exercises of ethical decision-making amid heavy competitive pressures. As students learn the general principles of economics and business, it's critical that these be underpinned with a strong foundation in ethics. This will accentuate the best in American business traditions, while laying the groundwork for students' continued evolution into future generations of leaders.

Integrity in the Marketplace?

Many adults and young people choose to believe that the marketplace is driven only by greed. They view it as bringing out only the worst in human behavior, demoralizing the human spirit, and driving out any sense of idealism. While elements of greed and extreme self-interest among some individuals cannot be denied, solid research has shown time and again that companies with a long-term focus on ethics and a broad consideration of stakeholders' interests are much more profitable than those lacking such a focus.

James A. Autry, in his book *Love and Profit: The Art of Caring Leadership*, said it well: "I do not doubt the presence of greed in the marketplace because I do not doubt the presence of greed in people. But, I also do not doubt the ennobling aspects of work, of the workplace, of the community, of endeavor, of

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the marketplace. So I choose to believe that most of the marketplace is driven by people who want to do good work for others and for themselves.”

Excellence through Ethics accepts the challenge of educating youth in the basics of economics and business while establishing a positive balance on the side of well-informed, ethical business practice. This may appear to place a heavy burden on Junior Achievement volunteers, who are not trained ethics experts. The following informational pages will not turn you into an ethics expert. That’s not what we’re striving for here. What students need most is meaningful interaction with people who are willing to engage in a discussion of these vital issues.

Lively Practitioners Rather Than Dry Theorists

This program is more about day-to-day ethics practice than the nuances of ethics theory. Some believe that working in business requires a disconnect from one’s personal ethics. We do not believe this is the case. Students need to know that what they learn about fairness and honesty in general also applies to business. While business ethics may address some specific areas of business practice, it’s not a separate and distinct specialty to be set apart from the general ethical principles that apply in other areas of life. Young people need to encounter the wisdom of age and experience that volunteers bring to the classroom.

Students’ Growing Capacity for Ethical Decision-Making

Excellence through Ethics is designed to foster discussions at the appropriate level for each age group. The curriculum developers have designed the ethics activities with sensitivity to student’s mental maturity. At the late elementary and middle-grades levels, students’ capacities for ethical reasoning tend toward good personal behavior as determined by adult rules and authority. In relationships, personal trust, loyalty, and respect are of paramount importance. For these students, corporate ethical behavior is viewed in much the same light as their own personal behavior: it’s governed by rules.

As students advance into high school, their ethical decision-making moves into the larger arena of social contracts and systems that guide and govern societal and group behavior. Here the rationality and utility of laws are scrutinized, as students become more capable of higher-ordered, principled thinking. Students are increasingly aware of the diversity of values among different cultures and communities. At this level, students’ capacities for processing the complex, ethical dilemmas that may be encountered in business are greatly enhanced.

You will gain confidence as you come to realize that conducting a robust, provocative discussion with students is more important than “having the right answer.” The activities have been designed to leave room for lively discussion and multiple points of view. Having the courage to share your own experiences is very valuable to students.

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You don't have to apologize for the excesses students may see in business. Don't assume responsibility for actions that are not your own, and do not try to defend the indefensible. While accentuating the fact that most businesses operate ethically, it's okay to scrutinize the unethical players in the marketplace who give business in general a bad name.

Continuing Education

Teaching this material to students will no doubt strengthen and enhance your own ethics awareness and continuing education. Some students will challenge your best reasoning capacities. Having your own support network of professional colleagues with whom you can share and discuss some of these issues is very valuable. It's also helpful to seek out colleagues with philosophical views that differ from your own. This serves as a valuable "cross-pollination" function because you will be able to understand and discuss a variety of views with students, as well as share students' perspectives with your colleagues. In this way, everyone learns.

Finally, please be assured that your contributions here have tremendous value to students and will serve to upgrade business ethics in the future. We're dealing with the future generation of leaders in their formative years. We can take pride in the fact that we've had a hand in shaping the very people who will be responsible for business ethics and social responsibility in the future.

Appendix

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Appendix

Excellence through Ethics Evaluation

Junior Achievement has discontinued all paper versions of program surveys. However, we greatly appreciate your comments and feedback about *Excellence through Ethics*. Please help us improve the quality of *Excellence through Ethics* by sharing your comments through our new online survey process. The online survey should take less than 10 minutes to complete.

If you have comments about the *Excellence through Ethics* program content, curriculum, and/or instruction, please access <http://studentcenter.ja.org/aspx/LearnEthics/> and choose the *Excellence through Ethics* Survey link located in the middle of the page.

Thank you for participating in JA!



Excellence through Ethics Student Survey

1. What grade are you in? _____

2. Please fill in the circle that best describes how you feel about the following statements.
There is no right or wrong answer.

	Strongly Disagree	Disagree	Neither agree or disagree	Agree	Strongly Agree
This topic is very important.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am able to apply what I learned in this session to the real world.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The activities were interesting.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I learned something about ethics from this session.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. Do you feel more prepared to make ethical decisions after participating in this session?

- A. Significantly more prepared
- B. Somewhat more prepared
- C. Somewhat less prepared
- D. Significantly less prepared
- E. Unsure

4. I saw someone at my job taking money from the cash register, I would:

- A. Ask someone I trust what I should
- B. Tell a supervisor
- C. Talk to the person taking the money
- D. Do nothing
- E. Not sure

5. To help us better understand who you are, please answer the following questions: How do you describe your ethnicity (family background)? (Fill in all that apply)

- A. African American
- B. Asian American
- C. Latino (a) or Chicano (a)
- D. European American (white)
- E. Native American
- F. Other – how do you identify yourself? _____

6. Do you have any additional comments regarding this session?

Optional: City _____ State _____ Country _____