



Economic lessons in your student's classroom

Dear Parent/Guardian:

Our class will implement a classroom economy system during this school year. It's an excellent tool for teaching financial responsibility and many other things, and I think the students will enjoy it. I want to let you know how it works.

Using classroom "currency," students earn money for jobs and pay rent for their desks. They can earn bonus cash by participating in extracurricular activities, helping others, and earning excellent grades. On the other hand, students who don't meet classroom expectations will be fined some of their classroom dollars. That could happen, for example, if they don't complete assignments or don't listen when other students are speaking.

The classroom economy helps students learn valuable life skills such as organization, the value of saving, and delayed gratification. They also learn about fundamental concepts such as budgeting, insurance, and investing. Rather than being told about the importance of these skills and topics, they actually experience them. In addition, the system fits in well with our curriculum.

We'll also have a little fun with it. After paying rent, students can save money to spend at monthly auctions where they get to bid on popular items. The students will certainly enjoy themselves, and I know you will appreciate the skills and knowledge they learn along the way.

The concept of a classroom economy is a proven strategy for teaching children key life skills through experiential learning. The concept was tested in partnership with the University of Wisconsin-Madison. The studies there proved that students in the program increased financial knowledge, improved budgeting behaviors, and had more in-home conversations about money.

Volunteers from Vanguard, one of the world's largest global investment management companies, have expanded this concept into a K-12 program and made it available free to teachers of any subject.

So don't be surprised if your student comes home one day with questions about paying rent or regrets about overbidding for an auction item. You might find it a great opportunity to have a thoughtful discussion about financial responsibility.

If you have any questions about the classroom economy, please feel free to contact me.

Sincerely,

P.S. We would also welcome any small items you would like to contribute to our auctions.