

# MONEY

# 101:

earn,  
give,  
save,  
spend.

BOOK ONE IN THE SERIES:

REAL, BASIC, RELEVANT LIFE SKILLS *for Our Children*

BY MIKE CHENEY

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*Money 101: Earn, Give, Save, Spend*

Book One in the Series:  
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Other books written by Mike Cheney:

***One with Everything: Anatomy of a Hot Dog Stand  
and Other Great Family Businesses You Can Start***  
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# LESSON OVERVIEW

## LESSON 1 — WISDOM AND CHARACTER

A brief study on wisdom and character using *The Book of Proverbs*. Students are tasked to read *The Book of Proverbs* and answer specific questions taken from the text.

## LESSON 2 — PURPOSE AND WORK

Continues with Solomon's teachings as to work and God's purpose for it from *The Book of Ecclesiastes*. Solomon frequently used the phrase *chasing after the wind* when describing a man's efforts at accomplishing anything in life except that a man does so in the fear of God. Students will search the text to answer several questions and develop a proper understanding of work and its purpose.

## LESSON 3 — MONEY: WHAT IS IT?

The definition of money, the concept and brief history of currency, and why it matters to one's daily life now and in the future.

## LESSON 4 — EARNING MONEY

Beginning by answering the question "What does it mean to earn money?", the lesson continues with what the Bible says about the concepts of earning wages, provision and honor, and finishes up with some practical, flexible, and creative ways the student can earn money as opposed to working an hourly job for a company.

## LESSON 5 — GIVING MONEY

Other than some vague ideas about kindness and generosity to others and "because the Bible says we should", there seems to be too little teaching to our children about the ownership and true stewardship of resources, including money. So, we ask and offer some answers to a couple of real basic, real relevant questions: "Whose money is it anyway?" and "Why do I need to give?"

## **LESSON 6 – SAVING AND SPENDING MONEY**

It has been my experience that most people are not clear about the purposes and long term benefits of saving money. It's difficult to do something for the long term, especially things that are not pleasant in the short term, when you cannot see or relate to the benefits. It's even harder for young people to grasp because, well, they are young and often have little or no understanding of the passage of time and the influence that current decisions have on their future.

In this chapter, we split the concept of saving into small, easily digestible parts that allow the student to enjoy short-term success while giving him an appetite for the benefits of steady, consistent action over the long-term. Then we explain how saving is a part of spending and show the student how to create a spending plan (budget) for their earnings according to their goals and desires.



## LESSON 3: Money - What is it?

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**“ For the love of money is a root of all kinds of evils. It is through this craving that some have wandered away from the faith and pierced themselves with many pangs.”**

I Timothy 6:10 (ESV)

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### INTRODUCTION

I like the following definition of money from Investopedia:

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**“ Money is often defined in terms of the three functions or services that it provides. Money serves as a medium of exchange, as a store of value, and as a unit of account. Medium of exchange. Money’s most important function is as a medium of exchange to facilitate transactions.”**

Retrieved from <https://www.investopedia.com/insights/what-is-money/>

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Most of us refer to the bills and coins in our wallets and pockets as “money”. Although we know what we mean, that is not correct, strictly speaking. The bills and coins are actually just a convenient means to transfer some of our wealth to someone else in exchange for something else.

Let's say you head over to your neighborhood fancy coffee shop to order a fancy coffee drink. The person behind the counter says "Ok, that will be \$5." You hand them a five dollar bill and they make and hand you the drink. Easy and convenient. (The same concept of convenience applies if you use a credit or debit card but with some VERY notable exceptions which I'll address later in Lesson 6 - Saving and Spending Money.)

Here's what really happened: You have a job which pays you \$10 per hour. You work 20 hours in a week. You get paid every week. Your employer pays you for your labor in the form of a check made payable to you. The check is for \$200. (I know we have not taken out the taxes, so the check to you would actually be less than \$200. We'll skip the tax part to keep things simple for our example.)

A check is just money in another form. You take the check to the bank and exchange it for cash: \$5, \$10, and \$20 bills. The bank teller gives you the cash because the check you got from your employer is written against his account at the bank which contains at least \$200 worth of wealth. If you took the \$200 check to the fancy coffee shop and handed it to them to pay for your fancy coffee drink, they would have told you to get lost. Here's why: you and your employer have agreed that you will accept his check in payment for your labor every week. However, the fancy coffee shop does not know your employer so they do not trust that his check will be honored by someone else when they try to use it to pay for supplies or other stuff they need to buy.

You see the problem: if everyone had their own form of money, it would be very difficult to buy and sell things because you would need to find buyers and sellers who would accept your particular form of money. Day-to-day living would be made much more difficult.

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**“ For what does it profit a man to gain the whole world and forfeit his soul? ”**

Mark 8:36 (ESV)

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You may have heard the saying "necessity is the mother of invention." That just means that when something needs doing, and the current means of doing it becomes more trouble than it's worth, then someone must figure out a way to get it done with less trouble, or else the need for the thing will just go away or, in the case of money, the entire economic system will not be able to grow and prosper. This is because of the economic principle of convenience. Read about it and how it relates to a lot of stuff in life in the book and study guide I wrote, *One with Everything: Anatomy of a Hot Dog Stand and Other Great Businesses You Can Start*.

Fortunately for all of us, some smart guys developed a form of money which is easy to carry around and recognized by nearly everyone as the preferred method to transact business. It is called the U.S. Dollar and is accepted by everyone in this country and most places around the world. There are practically no restrictions on its' use, everyone recognizes it immediately, AND they have their own supply on-hand so you can get change back when you buy something. Pretty handy when you want a fancy coffee drink that costs \$5 and you only have a \$20 bill!

Most other countries have also developed their own forms of money. None of these other forms of money are as widely recognized or accepted as the U.S. Dollar, at least for now. All of these forms of money are called



“currency.” This is a convenient way of expressing that the money is used as a medium of exchange, a storage place of value/wealth, and an accounting system to keep track of who has how much and who owes how much to whom.

What would happen today if there were no forms of money or currency that everyone agreed upon as having a consistent value regardless of what was being purchased?

Let’s go back to our fancy coffee drink example. You walk into your neighborhood fancy coffee shop because you’ve gotta have one of those fancy coffee drinks. How much does it cost? When we used U.S Dollars, the answer was \$5. Now you and the coffee shop owner have to figure out another way. He might let you work for him for 30 minutes in exchange for the drink. Remember, we said earlier that you work for your employer for \$10 per hour and that’s also the going wage for new employees at the fancy coffee shop. Problem: you have to be somewhere else in a few minutes so don’t have time to spend 30 minutes working to get your drink. You have your cell phone; no good because it’s worth a lot more than \$5. How about your belt? It’s well used and you decide you can do without it, so you offer it to the coffee shop owner. He points to a rack of used belts in the corner and says he has not been able to resell even one of them. Discouraged, you leave the store. You get no fancy coffee drink and the shop owner gets no sale. Everyone loses. Sound far fetched? Well, that is exactly what took place before there were currencies. It was called bartering. It was clumsy and at the conclusion of the deal, someone usually ended up settling for something they didn’t really want.

Because currency was invented, you are able to convert the value (cash the check) from the labor you provided to your employer into a medium of exchange that everyone accepts as payment (U.S. Dollars) and carry it around in your pocket. Pretty cool!

And that is the short answer to the question: “What is money?”

## READING

1. Read this Investopedia article, *What is money?*

Retrieved from <https://www.investopedia.com/insights/what-is-money/>

# Assignment

Answer the following:

1. What are the three main functions of money?

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2. Which of those three main functions is most important? Why?

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3. What would be some of the negative results if there were no currency that everyone agreed to use?

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4. What were some of the items people used to barter to transact business in the American colonies?  
What was the main reason these items were chosen?

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## Vocabulary and Terms

**DEFINE:** (See Appendix A for terms, definitions, and resource references)

1. Currency

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2. Bartering

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3. Money

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**RECITE AND EXPLAIN**

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“ Who can say, “I have made my heart pure; I am clean from my sin”?

Unequal weights and unequal measures are both alike an abomination to the Lord. Even a child makes himself known by his acts, by whether his conduct is pure and upright.”

Proverbs 20:9-11 (ESV)

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# Answer Key/Teacher Notes

## LESSON 3: MONEY – WHAT IS IT?

**TEACHER NOTES:** As the students’ parent, you know them best. You are looking for the work to be completed according to the instructions. It is more important that the student grasps and demonstrates the ability to explain the concept than using the precise answer details and format given below.

### READING

1. Read this Investopedia article, *What is money?*

Retrieved from <https://www.investopedia.com/insights/what-is-money/>

### ASSIGNMENT

1. What are the 3 main functions of money?

Money serves as a medium of exchange, as a store of value, and as a unit of account.

Retrieved from <https://www.investopedia.com/insights/what-is-money/>

2. Which of those 3 functions is most important?

Money’s most important function is as a medium of exchange to facilitate transactions.

Retrieved from <https://www.investopedia.com/insights/what-is-money/>

Why? Because of the convenience, speed, and ease with which transactions can be completed. If there were no agreed upon medium of exchange with agreed upon value we would have to resort to trading goods and services and experience all of the inefficiencies that would result.

3. What would be some of the negative results if there were no currency that everyone agreed to use? (Teacher, the example below is one possible answer. Your student might give a different example. The correct answer will adequately point out the pitfalls and problems and inefficiencies of doing business without a currency everyone agrees to use as a medium of exchange. Grade the answer based on the student’s understanding and ability to communicate the problem.)

Before the development of a medium of exchange – i.e., money – people would barter to obtain the goods and services they needed. Two individuals, each possessing some goods the other wanted, would enter into an agreement to trade.

This early form of barter, however, does not provide the transferability and divisibility that makes trading efficient. For instance, if you have cows but need bananas, you must find someone who not only has bananas but also the desire for meat. What if you find someone who has the need for meat but no bananas and can only offer you bunnies? To get your meat, he or she must find someone who has bananas and wants bunnies . . . and so on.

The lack of transferability when bartering for goods is tiring, confusing, and inefficient. But that is not where the problems end: even if you find someone with whom to trade meat for bananas, you may not think a bunch of them is worth a whole cow. You would then have to devise a way to divide your cow (a messy business) and determine how many bananas you are willing to take for certain parts of your cow.

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4. What were some of the items people used to barter to transact business in the American colonies? What was the main reason these items were chosen?

(Teacher: The point of the exercise is that the student understands the concept that a medium of exchange needs to be useful to most people, easily transported and stored, and have a price that is relatively fixed/ steady and a referenced article is noted.)

To solve these problems came commodity money: a type of good that functions as currency. In the 17th and early 18th centuries, for example, American colonists used beaver pelts and dried corn in transactions; possessing generally accepted values, these commodities were used to buy and sell other things. The kinds of commodities used for trade had certain characteristics. They were widely desired and therefore valuable, but they were also durable, portable, and easily stored.

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Other examples include: ammunition, flour, coffee, tea, salt, dried meat and other staples that held up in long term storage and were widely used.

## VOCABULARY AND TERMS

**DEFINE:** (See Appendix A for terms, definitions, and resource references)

1. Currency: a generally accepted form of money, including coins and paper notes, which is issued by a government and circulated within an economy. Used as a medium of exchange for goods and services, currency is the basis for trade.

Retrieved from <https://www.investopedia.com/terms/c/currency.asp>

a system of money in general use in a particular country.

Retrieved from [https://www.google.com/search?authuser=1&biw=1366&bih=657&ei=\\_JcRXIGrEc7YsAWlOqP4CA&q=what+is+currency%3F&oq=what+is+currency%3F&gs\\_l=psy-ab.12..0i71l8.0.0..4546...0.0..0.0.0.....0.....gws-wiz.Tuf7R1TY-C8](https://www.google.com/search?authuser=1&biw=1366&bih=657&ei=_JcRXIGrEc7YsAWlOqP4CA&q=what+is+currency%3F&oq=what+is+currency%3F&gs_l=psy-ab.12..0i71l8.0.0..4546...0.0..0.0.0.....0.....gws-wiz.Tuf7R1TY-C8)

2. Bartering: in trade, barter is a system of exchange where participants in a transaction directly exchange goods or services for other goods or services without using a medium of exchange, such as money.

Retrieved from <https://en.wikipedia.org/wiki/Barter>

3. Money: money is often defined in terms of the three functions or services that it provides. Money serves as a medium of exchange, as a store of value, and as a unit of account. Medium of exchange. Money's most important function is as a medium of exchange to facilitate transactions.

Retrieved from <https://www.investopedia.com/insights/what-is-money/>

## RECITE AND EXPLAIN

Proverbs 20:9-11 (ESV)

Teacher, the concepts for the student to grasp are:

1. No one can say their heart is pure or that they are clean from sin. If they do, they are lying or misled.
2. God hates and will not abide by or allow cheating to go uncorrected.
3. Every person reveals his character through what he does. Good conduct over a long period is a sign of good character. The opposite is also true.



# APPENDIX B

One Semester Plan - Two Quarters - Total of 18 weeks

Date	Day	Assignment	Due Date	<input checked="" type="checkbox"/>	Grade
<b>First Quarter</b>					
Week 1	Day 1	<b>LESSON 1 - Wisdom and Character</b> Read, memorize, recite James 1:5			
	Day 2	Read Proverbs Ch 1-4			
	Day 3	Read Proverbs Ch 5-8			
	Day 4	Read Proverbs Ch 9-12			
	Day 5	Read Proverbs Ch 13-16			
Week 2	Day 1	Read Proverbs Ch 17-20			
	Day 2	Read Proverbs Ch 21-24			
	Day 3	Read Proverbs Ch 25-28			
	Day 4	Read Proverbs Ch 29-31			
	Day 5	Lesson 1 - answer TEST questions 1-5			
Week 3	Day 1	Lesson 1 - answer TEST questions 6-10			
	Day 2	<b>LESSON 2 - Purpose and Work</b> Read, memorize, recite Colossians 3:23			
	Day 3	Read Ecclesiastes Ch 1-3			
	Day 4	Read Ecclesiastes Ch 4-6			
	Day 5	Read Ecclesiastes Ch 7-9			

APPENDIX B: LESSON PLAN AND GRADING TEMPLATE

Week 4	Day 1	Read Ecclesiastes Ch 10-12			
	Day 2	Lesson 2 - answer TEST questions 1-6			
	Day 3	Lesson 2 - answer TEST questions 7-11			
	Day 4	<b>LESSON 3</b> - Read INTRODUCTION			
	Day 5	Lesson 3 - Read Investopedia article - "What is money?"			
Week 5	Day 1	Lesson 3 - Re-read or continue reading Investopedia article - "What is money?"			
	Day 2	Lesson 3 - complete ASSIGNMENTS 1 and 2			
	Day 3	Lesson 3 - complete ASSIGNMENT 3			
	Day 4	Lesson 3 - complete ASSIGNMENT 4			
	Day 5	Lesson 3 - complete VOCABULARY			
Week 6	Day 1	Lesson 3 - READ and MEMORIZE Proverbs 20:9-11			
	Day 2	Lesson 3 - READ and MEMORIZE Proverbs 20:9-11			
	Day 3	Lesson 3 - explain/write the meaning of Proverbs 20:9-11			
	Day 4	Lesson 3 - explain/write the meaning of Proverbs 20:9-11			
	Day 5	<b>LESSON 4</b> - read INTRODUCTION			
Week 7	Day 1	Lesson 4 - continue reading INTRODUCTION			
	Day 2	Lesson 4 - READING - Read "How Young Entrepreneurs are Creating Their Own Wealth"			
	Day 3	Lesson 4 - Read "Need extra cash? 7 fun ways to rake it in."			
	Day 4	Lesson 4 - Read "100+ teen money making ideas for young entrepreneurs"			
	Day 5	Lesson 4 - ASSIGNMENT - complete assignment 1			



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Week 8	Day 1	Lesson 4 - ASSIGNMENT - complete assignment 2			
	Day 2	Lesson 4 - ASSIGNMENT - complete assignment 3			
	Day 3	Lesson 4 - ASSIGNMENT - complete assignment 4			
	Day 4	Lesson 4 - ASSIGNMENT - start assignment 5			
	Day 5	Lesson 4 - ASSIGNMENT - continue assignment 5			
Week 9	Day 1	Lesson 4 - ASSIGNMENT - continue assignment 5			
	Day 2	Lesson 4 - ASSIGNMENT - continue assignment 5			
	Day 3	Lesson 4 - ASSIGNMENT - continue assignment 5			
	Day 4	Lesson 4 - ASSIGNMENT - begin assignment 6			
	Day 5	Lesson 4 - ASSIGNMENT - continue assignment 6			
<b>Second Quarter</b>					
Week 1	Day 1	Lesson 4 - VOCABULARY - study vocabulary			
	Day 2	Lesson 4 - VOCABULARY - continue studying vocabulary			
	Day 3	Lesson 4 - READ AND EXPLAIN - begin I Timothy 5:4,8			
	Day 4	Lesson 4 - READ AND EXPLAIN - continue I Timothy 5:4,8			
	Day 5	Lesson 4 - READ AND EXPLAIN - continue I Timothy 5:4,8			
Week 2	Day 1	Lesson 4 - READ AND EXPLAIN - continue I Timothy 5:4,8			
	Day 2	Lesson 4 - READ AND EXPLAIN - complete I Timothy 5:4,8			
	Day 3	<b>LESSON 5 - INTRODUCTION</b> - begin reading introduction			

APPENDIX B: LESSON PLAN AND GRADING TEMPLATE

	Day 4	Lesson 5 - INTRODUCTION - continue reading introduction			
	Day 5	Lesson 5 - INTRODUCTION - complete reading introduction			
<b>Week 3</b>	Day 1	Lesson 5 - READING - begin reading verses			
	Day 2	Lesson 5 - continue reading verses			
	Day 3	Lesson 5 - ASSIGNMENT - complete assignment 1			
	Day 4	Lesson 5 - ASSIGNMENT - complete assignment 2			
	Day 5	Lesson 5 - ASSIGNMENT - complete assignment 3			
<b>Week 4</b>	Day 1	Lesson 5 - ASSIGNMENT - complete assignment 4			
	Day 2	Lesson 5 - ASSIGNMENT - complete assignment 5			
	Day 3	Lesson 5 - ASSIGNMENT - complete assignment 6			
	Day 4	Lesson 5 - VOCABULARY - study vocabulary			
	Day 5	Lesson 5 - VOCABULARY - continue studying vocabulary			
<b>Week 5</b>	Day 1	Lesson 5 - VOCABULARY - continue studying vocabulary			
	Day 2	Lesson 5 - VOCABULARY - continue studying vocabulary			
	Day 3	Lesson 5 - RECITE and EXPLAIN - Matthew 23:23			
	Day 4	Lesson 5 - RECITE and EXPLAIN - Matthew 23:23			
	Day 5	Lesson 5 - RECITE and EXPLAIN - Matthew 23:23			
<b>Week 6</b>	Day 1	Lesson 5 - RECITE and EXPLAIN - Matthew 23:23			

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	Day 2	<b>LESSON 6 - INTRODUCTION</b> - begin reading introduction			
	Day 3	Lesson 6 - INTRODUCTION- continue reading introduction			
	Day 4	Lesson 6 - INTRODUCTION - continue reading introduction			
	Day 5	Lesson 6 - INTRODUCTION - continue reading introduction			
<b>Week 7</b>	Day 1	Lesson 6 - INTRODUCTION - complete reading introduction			
	Day 2	Lesson 6 - READING - read 15 Ways to Teach Your Kids About Money			
	Day 3	Lesson 6 - READING - read What is Biblical Stewardship?			
	Day 4	Lesson 6 - READING - read What is the Difference Between a Credit Card and a Debit Card?			
	Day 5	Lesson 6 - ASSIGNMENT - begin assignment 1			
<b>Week 8</b>	Day 1	Lesson 6 - ASSIGNMENT - continue assignment 1			
	Day 2	Lesson 6 - ASSIGNMENT - complete assignment 1			
	Day 3	Lesson 6 - ASSIGNMENT - begin assignment 2			
	Day 4	Lesson 6 - ASSIGNMENT - continue assignment 2			
	Day 5	Lesson 6 - ASSIGNMENT - complete assignment 2			
<b>Week 9</b>	Day 1	Lesson 6 - VOCABULARY - prep for test			
	Day 2	Lesson 6 - VOCABULARY - prep for test			
	Day 3	Lesson 6 - VOCABULARY - prep for test			
	Day 4	Lesson 6 - VOCABULARY - prep for test			
	Day 5	Lesson 6 - VOCABULARY - Test			
<b>Final Grade</b>					