

MESILA JUNIOR HIGH SCHOOL PROGRAM

Not For Distribution



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SAMPLE
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Teacher's Guide

MESILA JUNIOR HIGH SCHOOL PROGRAM

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Dear Educator,

Mesila is proud to introduce the most recent addition to our educational series: the Junior High School program, aimed at grades 6-8. Mesila's mission is to help people achieve financial stability, and we have found that prevention is the most effective strategy is combating financial difficulties.

In today's dizzying world of credit cards, advertising, and consumerism, kids are bombarded from the youngest age with harmful, anti-Torah messages that encourage them to buy, buy, buy, and to spend now, pay later. Even the most upstanding Torah publications are full of ads urging people to indulge because they "deserve" it, and no schoolyard is immune to conversations about designer clothing, gourmet nosh, and extravagant vacations. These conversations are far from innocent, since they create crushing social pressure and unfair expectations of parents.

Whether we like it or not, our children use money, think about money, and talk about money much more than kids did in previous generations. Considering these frightening realities, it's never too early to start inculcating kids with healthy, Torah'dik financial attitudes such as controlled consumption, sensitivity to others, integrity, delayed gratification, avoiding dependence, etc.

We welcome suggestions, questions, and other feedback.

Feel free to contact us at info@mesila.org or (212) 784 6780 (9 a.m. – 3 p.m. EST; please leave a message).

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UNIT 1

Introduction: CRASH COURSE IN ECONOMICS



Unit 1

Introduction: Crash Course in Economics

Educational goals



1. To convey basic economic terms and concepts.
2. To understand what money is and what gives it value.
3. To learn that money is a tool that can lead us towards a higher purpose.
4. To discover how the flow of money contributes to the health of the economy.
5. To learn that chessed forms the underpinning of the world and its economic realities.
6. To appreciate the concept that true wealth is a function of being happy with what you have.

Materials



Materials

- 1 lesson plan for teacher
- Workbook pages:
 - What is Money?
 - Follow the Trail of the \$50 Bill
 - The Value of Money

Lesson 1



What is Money?

Let's put money in its place.

The very concept of money triggers deep-seated emotional reactions in people, both adults and children. Money is mistakenly seen both as an all-powerful answer to all problems, and as the root of all evil. Money receives so much attention, yet is so misunderstood.

What is the truth? How does the Torah view money?

In the Torah view, money is merely a tool, a means to an end. Just as we have been given tools such as hammers, scissors, and knives that can both build and destroy, or hands, feet, and a mouth that can be used for positive or negative purposes, the money at our disposal can also be used in a way that is beneficial or detrimental. Our

challenge as Jews is to take the money that Hashem has given us and use it for a higher purpose, namely, *avodas Hashem*.

Any discussion of money in a Jewish classroom, and certainly a course that revolves around finance, must repeatedly emphasize the proper place of money in Torah hashkafah. Our job as educators is to strip money of its emotional overtones, and train our students to relate to money for what it is: a tool, and nothing else.

We have to convey that in the Torah value system, **money is:**

- NOT the marker of success
- NOT the cause of happiness
- NOT a goal in and of itself
- NOT an entitlement
- NOT all-important

Money IS:

- Necessary for healthy functioning
- A gift that brings with it the responsibility to help others
- A powerful tool that has to be controlled and used carefully
- A means of achieving higher goals

Before presenting the concepts in the lessons that follow, or in the course of the presentation, you may want to engage your students in a discussion of the proper place of money in the Jewish value system. One way of doing this is through an associations activity, where they write down or call out their automatic mental response to the word “money,” or other trigger words, such as happiness, tzedakah, or saving. You may be surprised to hear their associations.

Unit 1 | Introduction - Crash Course in Economics


MESILA

Providing The Path to Financial Stability

A long time ago, all of the Jewish people lived in Eretz Yisrael and Dovid Hamelech was their king. He was their leader in both spiritual and economic matters, guiding them in Torah and everyday life.

Dovid Hamelech had a harp hanging over his bed, and at midnight, the wind blew, and made music from the harp. Dovid, the king, would quickly get up and start learning Torah until morning. One morning, the Sages came to Dovid and said, “Our master the king! Your people, the Jews, need money!” He said to them, “Go and earn money from each other.”

(Based on Gemara Sanhedrin 16a)



WHAT IS MONEY?

Money is a tool with which people get the things they need and want.

There are two kinds of things money can buy: **goods** and **services**.

Goods are objects or products, such as food, clothing, houses, toys, etc.

Services are things that people or companies do or provide, such as designing, babysitting, haircutting, fixing, etc.

People **pay** money in exchange for goods and services that they consider valuable.

People **earn** money by providing useful goods or services to others.

Money flowing from one person to another in a way that benefits a chain of people is the basis of an **economy**. An economy is a system in which money is earned and spent by the people of a community or society.

When people provide goods and services for each other, they accomplish several things:

- 1) They earn money for themselves.
- 2) They keep money flowing, boosting the health of the economy.
- 3) They help others, and do chessed with one another.

Hashem blessed each and every person with unique skills and talents that they can use to help others, and in the process earn money for themselves and their family.

It is no coincidence that people get money by helping others and doing chessed. In fact, Hashem's plan for the world was that it should be built and maintained through people doing good things for each other. People may not realize it, but any time they earn money through providing useful goods or services, they are actually doing chessed.

An Economics Lesson From a Great Torah Leader

The world's economy is based on the flow of business. Money has to pass from hand to hand, through thousands of hands, in order to do business, lend money, etc.

“Olam chessed yibaneh - The world is built with kindness” (Tehillim 89:3).

“Why is money called ‘zuzim’? Because it moves [‘zaz’] from one person to another.” (Bamidbar Rabbah 22:7). The power of money lies in its mobility.

(Rav Eichenstein Wasserman, Ba'atei d'Meshichah, p. 8)

Workbook: What is Money?

Goal

To understand how the movement of money is the basis of economic activity and prosperity.

Workbook: Follow the Trail of the \$50 Bill



In this worksheet, we follow the trail of a \$50 bill and show how much economic benefit accrues along this journey. Another idea that can be developed from this tale is the value of initiative. How many people just sit back and wait passively for solutions to materialize, when they themselves hold the keys to making those solutions happen? This is true in all realms: economic, social, medical, even spiritual.

You may decide to use this tale as a springboard for a discussion of the concept of being proactive rather than reactive or passive.

The concept of initiative will be developed further in Unit 2: Money in Action.

Workbook: Follow the Trail of the \$50 Bill / Review

Unit 1 | Introduction - Crash Course in Economics

Follow the Trail of the \$50 Bill

Here's an example of how the flow of money from one hand to another strengthens the economy while helping people at the same time:

A Microeconomic Tale

Meir Zlotnik, age 10, really wants his own esrog, and he has an idea of how he can buy his own set: He has an aravos bush in his backyard, and he'll sell aravos outside the shul before Succos and use the money to buy the esrog. His mother gives him permission to cut branches from the bush and sell them, and he sells the aravos for \$5 a pair. He sells 10 pairs, and earns \$50. He puts the \$50 bill in his wallet and goes to spend the money on his very own esrog.

Mr. Goldbaum is an esrog dealer. One day before Succos, Meir Zlotnik walks into his shop. "I have \$50 to spend on an esrog," he says proudly. "Can you show me the nicest esrog you have for that price?"

Mr. Goldbaum helps Meir choose a lovely esrog, and places the \$50 in his wallet.

Erev Succos, Mrs. Goldbaum looks at her watch and sees that it's already 10:30 in the morning. "Uh oh," she thinks, "my succah still has no lights!" Mr. Goldbaum is still out selling esrogim, and Mrs. Goldbaum doesn't know what to do. She quickly picks up the phone and calls Chaim, the electrician. "Can you come down and set

up the lights in my succah?" she pleads.

"Sure," Chaim says. "I'll be right over."

An hour later, the Goldbaums' succah is bright and cheery, and Mrs. Goldbaum is bright and cheery as well as she pulls out the \$50 to pay Chaim.

The \$50 safely in his pocket, Chaim the electrician runs over to Zlotnik's Liquor Store just before closing time and buys wine for Yom Tov. "Great," he thinks. "I was running low on cash, and I didn't know if I'd be able to get the wine I wanted for simchas Yom Tov."

Mr. Zlotnik closes his liquor store and goes home to get ready for Yom Tov. "Meir," he calls, "did you end up buying yourself an esrog?"

"Yes, Abba," Meir says excitedly. "Look! Isn't it beautiful?"

"It sure is," says Mr. Zlotnik. "How much was it?"

"Fifty dollars," says Meir. "That's what I made selling aravos."

Mr. Zlotnik reaches into his pocket. "I just made one last extra sale as I was closing the store," he says, "and it was exactly \$50. Here - I want to pay for your esrog."

The End

Unit 1 | Introduction - Crash Course in Economics

Follow the Trail of the \$50 Bill

REVIEW

Look how many wonderful things happened through the travels of one \$50 bill!

- 1) How many times did the \$50 move from hand to hand? _____
- 2) Rav Elchonon Wasserman writes that "The power of money lies in its mobility." What is the total dollar value of the economic activity that happened because of the movement of the \$50 bill from hand to hand?
(Hint: Economic activity is the total of all the money earned and spent through the flow of money from one person to another.)

- 3) List the goods and services provided and received through the travels of the \$50 bill.

- 4) List the mitzvos and acts of chessed that happened as a result of the travels of the \$50 bill.

- 5) On a separate sheet of paper, write a story (real or fictitious) about another \$50 bill, following it along a journey of four or five good deeds.

Workbook: The Value of Money

Goal

To demonstrate the limitations of money's worth.

A. Putting Money in Perspective

In the following worksheet, we present the idea that money has no intrinsic worth. What gives money value is the fact that people trust and accept the currency.

The purpose of conveying this message about money is, once again, to put money in perspective. Yes, we need money, and yes, money is important, but not for its own sake – only for what can be done with it. If money has no intrinsic worth, then there is no sense in pursuing it as an end in and of itself, nor is there a reason to obsess or become consumed with it.

However, our goal is not to dismiss money as worthless or irrelevant. Our Sages teach that righteous people value their money more than their very selves (Chullin 91a), and the reason they value their money is because they understand that it is a gift from Hashem that is meant to be used to fulfill their mission in this world.

Therefore, money has to be taken seriously and treated responsibly. We will expand on this idea in Unit 7, Respecting Property.

B. What is Money Really Worth?

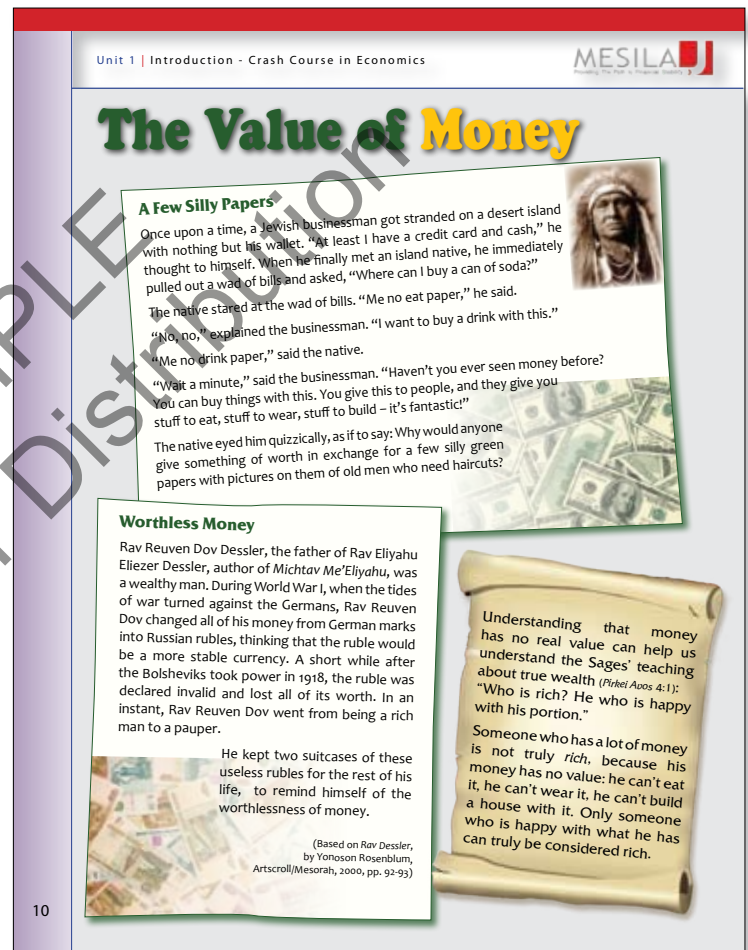
Question: Why does money have value?

Answer: Because people in a society accept it as payment.

Background

In ancient times, precious metals such as gold and silver, were used as money, or **currency**. Alternatively, people traded goods or services to get what they needed. (This was called **barter**.)

In modern times, paper money is standard currency. Unlike gold and silver, unlike valuable items that can be bartered, paper money has no real value other than the paper it's printed on. The only reason



Unit 1 | Introduction - Crash Course in Economics

The Value of Money

A Few Silly Papers

Once upon a time, a Jewish businessman got stranded on a desert island with nothing but his wallet. "At least I have a credit card and cash," he thought to himself. When he finally met an island native, he immediately pulled out a wad of bills and asked, "Where can I buy a can of soda?"

The native stared at the wad of bills. "Me no eat paper," he said.

"No, no," explained the businessman. "I want to buy a drink with this."

"Me no drink paper," said the native.

"Wait a minute," said the businessman. "Haven't you ever seen money before? You can buy things with this. You give this to people, and they give you stuff to eat, stuff to wear, stuff to build – it's fantastic!"

The native eyed him quizzically, as if to say: Why would anyone give something of worth in exchange for a few silly green papers with pictures on them of old men who need haircuts?

Worthless Money

Rav Reuven Dov Dessler, the father of Rav Eliyahu Eliezer Dessler, author of *Michtav Me'Eliyahu*, was a wealthy man. During World War I, when the tides of war turned against the Germans, Rav Reuven Dov changed all of his money from German marks into Russian rubles, thinking that the ruble would be a more stable currency. A short while after the Bolsheviks took power in 1918, the ruble was declared invalid and lost all of its worth. In an instant, Rav Reuven Dov went from being a rich man to a pauper.

He kept two suitcases of these useless rubles for the rest of his life, to remind himself of the worthlessness of money.

(Based on Rav Dessler, by Yonason Rosenblum, Artscroll/Mesorah, 2000, pp. 92-93)

Understanding that money has no real value can help us understand the Sages' teaching about true wealth (Pirkei Avos 4:1): "Who is rich? He who is happy with his portion."

Someone who has a lot of money is not truly rich, because his money has no value: he can't eat it, he can't wear it, he can't build a house with it. Only someone who is happy with what he has can truly be considered rich.

that money has value is because people accept it as payment. The only reason that people accept it as payment is because they think it has value.

Question: What would happen if people suddenly stopped thinking that money has value?

Answer: Money would have no value. This has happened in many different countries in modern times.

Example: Israel suffered terrible **inflation** and **currency devaluation** in the 1970s and 1980s. (You may want to introduce these concepts to your class more in-depth.) In 1985, the old Israeli shekel was replaced with the New Israeli Shekel (NIS) – at a rate of 1,000 old shekels to one new shekel! This was after the lira, or Israeli pound, was replaced in 1980 with the shekel.



C. Who is Truly Wealthy?

At the end of worksheet #2, we briefly introduce what is perhaps the most central principle of finance in Jewish thought. While we are all familiar with the concept of “Who is rich? He who is happy with his portion,” we tend to understand it as an ethical teaching, rather than as a statement of economic reality. But if money has no intrinsic worth, then how can someone be rich, even if the financial sense, just by owning a lot of it?

Furthermore, it’s patently obvious that wealth is entirely subjective. A tribal chief living in a large mud hut in Africa will feel wealthy compared to his subjects living in smaller mud huts, whereas a person living in the largest hut in America would feel poverty-stricken. (We will discuss this idea further in Unit 4: Needs & Wants.) On the other hand, Baron Rothschild felt rich without running water or a refrigerator. Can anyone today say the same?

Therefore, whether or not a person is wealthy depends entirely on whether he feels wealthy. Who is richer? A billionaire who is dissatisfied with his life and oblivious to his good fortune? Or a teenager who just earned her first summer job paycheck and is delighted with her earnings?

Feeling wealthy has much less to do with the amount of money you have in the bank, and much more to do with how you feel about what you have. “Who is rich? He who is happy with his portion.”



Budgeting

Amusement Park Activity

Goal: Learn to budget effectively using time as the unit of currency.

Background: You and your friend have three hours (60 minutes) in an amusement park. There are 8 rides and activities to choose from. You can go on all rides more than once. If you know how well you budget your time at the amusement park so that you can get the most out of your trip?

6 TIPS for budgeting your time effectively:

1. Think in terms of the time you have and not the money you have.
2. If you have that time, how much money will you need to go on the rides you want to go on? How much money will you need to go on the rides you want to go on?
3. The rides that take the most time are the most expensive.
4. You can go on the same ride more than once.
5. You can go on the same ride more than once.
6. You can go on the same ride more than once.

Activity	Time (min)	Cost (\$)	Value (\$/min)
1. Roller coaster	15	1.00	6.67
2. Boat ride	10	0.50	5.00
3. Ferris wheel	20	1.50	7.50
4. Water slide	10	0.75	7.50
5. Carousel (go round)	10	0.50	5.00
6. Horse show	10	0.50	5.00
7. Petting zoo	10	0.50	5.00
8. Miniature golf	10	0.50	5.00
9. Laser tag	10	0.50	5.00
10. Large the long double roller coaster	20	2.00	10.00
11. Miniature golf	10	0.50	5.00
12. Petting zoo	10	0.50	5.00
13. Water slide	10	0.75	7.50
14. Roller coaster	15	1.00	6.67
15. Boat ride	10	0.50	5.00
16. The cup spinning ride	10	0.50	5.00
17. Trampoline	10	0.50	5.00
18. Water slide	10	0.75	7.50

Money in Action

Patty's Plans

Lesson in Entrepreneurship

Patty Flanagan and her friend Rachel agree and decide to throw a trip to ERETZ ISRAEL FOR \$10000, BUT NEITHER ONE WAS THE MONEY FOR A TRIP.

NO PROBLEM, SO I WON'T GO TO ERETZ ISRAEL, YOU SEE, WHEN I CAN, I WILL.

WHEN I CAN, I WILL, I GO TO ERETZ ISRAEL, YOU SEE, WHEN I CAN, I WILL.

Step 1: Finding a need that you can fill

Step 2: Market research

Step 3: Pricing

Considerations:

A. Cost of running an 8-week daycare:

B. Break-even point:

Options:

Becoming a Smart Consumer

Understanding Unit Cost

HAVE YOUR CAKE - AND PAY FOR IT, TOO!

Amelia Shlemiel, the newly married bride, decides to bake her very first chocolate cake. She takes her chocolate cake recipe out of her brand-new recipe book and takes it to the store in a shopping list.

MAMA'S BEST CHOCOLATE CAKE:

- 2 Eggs
- 2 cups flour
- 1 1/2 cups white sugar
- 1/2 cup butter
- 1 teaspoon vanilla extract
- 1/2 cup cocoa
- 2 teaspoons baking powder
- 1 teaspoon baking soda

Directions: Bake in a 9x13 pan at 350° for 30-40 minutes.

What a ripoff! Amelia thinks. "This cake is costing me \$32! I should have bought a fancy birthday cake at the bakery down the block, for only \$28!"

Amelia, Amelia, don't be such a Shlemiel! This cake is not costing you \$32!

Item	Unit Cost
2 Eggs	\$1.00
2 cups flour	\$0.50
1 1/2 cups white sugar	\$0.75
1/2 cup butter	\$0.50
1 teaspoon vanilla extract	\$0.50
1/2 cup cocoa	\$0.50
2 teaspoons baking powder	\$0.50
1 teaspoon baking soda	\$0.50
TOTAL	\$5.25

Mesila is a non-profit organization dedicated to empowering families and businesses to seek, achieve and maintain financial stability. With over 25 chapters across Israel, as well as branches in Manchester, England and Lakewood and Baltimore in the USA, Mesila is guiding hundreds of families and businesses along the path to financial independence, through its counseling and preventative education programs.

Mesila is dedicated to:

- Raising public awareness of the importance of financial stability and independence.
- Promoting the development of attitudes and habits that lead to financial stability.
- Giving business owners the professional tools to manage their businesses correctly.
- Guiding people to create and implement sustainable, long-term solutions to the economic challenges they face.