

GRADES
3–5

FINANCIAL FOUNDATIONS™ · LESSON 1 OF 50

How Do People Really Make Money?

Six ways people earn income, twelve real examples to sort, and Miller's three income streams.

🕒 45 minutes 👥 Whole class, pairs and small groups ☑️ About 10 minutes to prep

INSIDE THIS LESSON

**Teacher plan**

pp. 1–5

**Student pages**

pp. 6–9

**Answer key**

p. 10

**Family letter**

p. 11

How Do People Really Make Money?

Lesson 1 of the Grades 3–5 year · Students meet six ways people earn income, sort twelve real-life examples, and design a third income stream for Miller.

 LEARNING TARGET	I can name at least three different ways people earn income and explain how each one works.	
 MATERIALS	☐ Chart paper for an “Income Sources” anchor chart	☐ Pencils
 COPIES & PREP	☐ Income Type Cards (p. 6) ☐ Task cards, 1 cut set per pair (p. 7)	☐ Student handout, 1 each (p. 8) ☐ Exit tickets, cut in half (p. 9)
	About 10 minutes to prep	
 VOCABULARY	income · wages · salary · profit · passive income (definitions on p. 6)	
 CONNECTS TO	Math: multiplication and division with money · Social studies: jobs and the economy · Careers	

Lesson flow

Warm-Up	Where does money in your home come from?	7 min
I Do	Six ways people earn money + Miller's three streams	12 min
We Do	Sort the Earner task cards, in pairs	15 min
You Do	Miller's Challenge + class discussion	5 min
Check	Exit ticket + Milo's question for home	4–5 min

Warm-Up

7 minutes

Write the I Can statement on the board. Underline **income** and ask what it might mean; take 3–4 ideas before giving the definition.

As students settle, write: **"Where does money in your home come from?"** Give 90 seconds to write 3 answers on a slip of paper (private, no wrong answers). Take voluntary shares and write every answer on the board without judgment: "Dad's job," "mom's business," "grandma's disability check," "my cousin sells things online," "rent from a house."

Teacher Talk

Look at this list. Every single one of these is a real way people earn or receive money. There isn't just one way. Today we're going to put these into categories — because understanding the type of income changes how you plan, save, and grow.

Hold up the Miller card (p. 6).

Teacher Talk

Miller is 10 years old. He already has THREE sources of income. Don't believe me? By the end of today, you'll be able to name all three — and understand why that matters.



Milo asks: "If you could make money doing something you love — what would it be? Hold that thought. We're going to come back to it."

I Do

12 minutes · build the anchor chart as you go

Tip Post each Income Type Card as you name it. Keep the real numbers: kids remember \$240 better than "some money."

Teacher Talk

Most people assume there's only one way to make money: go to work, get a paycheck. That's the most common — but it's not the only one. Let's look at the six main types.

1. **Wages.** "When you work a certain number of hours and get paid for each one, that's a wage." Maya earns \$12.00 an hour and works 20 hours: $20 \times \$12 = \text{\$240.00}$. Miss a day, lose that money.
2. **Salary.** "When you earn the same amount no matter how many hours you work, that's a salary." Mr. Davis earns \$52,000 a year, paid every two weeks: $\$52,000 \div 26 = \text{\$2,000 per check}$ (before taxes).
3. **Profit.** "When someone owns a business and their revenue is more than their costs, the extra money is profit." A phone case costs \$4.00 to make and sells for \$15.00: **\\$11.00** profit; 20 a month = **\\$220**. It can also be zero if costs are too high.
4. **Freelance / gig.** "Some people get paid per project or per task." Naiya's aunt designs logos: one = \$500; three this month = **\\$1,500**. Flexible, but some months are slow.
5. **Investment income.** "Some money earns more money when you put it in the right places." \$5,000 in savings at 4% a year: $\$5,000 \times 0.04 = \text{\$200}$. Stock bought for \$1,000 now worth \$1,300: a \$300 gain. Investments can also lose value.
6. **Passive income.** "You set something up once, and it keeps paying." Sai's uncle wrote a book five years ago and earns \$2.00 a copy: 100 copies = **\\$200**. Also: renting a room, a song on a streaming platform. It takes real work up front.

Miller's three streams

Teacher Talk

Remember I said Miller has three income sources at age 10? Let's name them.

1. Takes out neighbors' trash every Monday for \$5 a week → **Wages**
2. Sells bookmarks he designs: \$0.25 to make, \$2.00 to sell → **Profit**
3. His \$40 in a kids' savings account earns a little interest → **Investment income**

Teacher Talk

Miller doesn't call it that. He just knows he has three places money comes from. But now we have the names — and the names matter, because each type grows differently.

Guided notes (4 min): students fill in the chart on the handout (p. 8) from memory, then review together.

We Do

15 minutes · Sort the Earner

Each pair gets a cut set of the 12 task cards (p. 7) and labels each card with its income type. **Some cards have more than one right answer — on purpose.** When pairs finish, they compare with another pair: where did they disagree, and why?

 **Tip** Circulate and ask: "What made you choose that? Could it be two types at once?" Cards 4, 6, 9, 10 and 11 start the best arguments.

You Do

Miller's Challenge, then discuss (5 min)

On the handout, students design Miller's third income stream: name the type, describe what he'd do, and estimate a month's earnings. Share 2–3 answers.

Discussion (whole class, then 60 seconds with a partner):

1. "Before today, how many types of income did you know existed?"
Listen for: most will say one. Celebrate it: "Now you know six. That changes what's possible for you."
2. "Which income type do you think is hardest to earn? Which would you want most?"
Listen for: passive income appeals. Push: "What do you have to do first before it pays off?"
3. Partners: "If you had to pick one income type to try before age 16, what would it be and why?"
Listen for: types connected to real interests. Validate every answer.

Check for Understanding

4–5 minutes

Hand out the exit ticket (p. 9). Answer key on p. 10.



Milo's question for home: "Ask one adult in your home how they earn money. Listen carefully — what TYPE is it? Wages? Salary? Something else? We'll talk about what you found out next class."

Differentiation

meeting every learner

Needs support

Give pairs only cards 1, 2, 3, 5 and 7 (one clear type each) and let them match against the Income Type Cards. Drawing is fine on the handout.

English learners

Keep the six Income Type Cards posted with their examples; partners may label cards in either language first.

Ready for more

Find the two-answer cards (4, 6, 9, 10, 11) and defend both answers; or total Miller's month across all three streams.

Extend & Adapt

if you have more time, or a different room

Extend it

- **Income research:** pick one income type and research a real job that uses it: what the job is, what it earns, what skills it needs.
- **Miller's income tracker:** a mock monthly tracker with his three sources and a total, then add a fourth.
- **Income vs. wealth:** "Is someone with a \$200,000 salary automatically wealthy? Is someone who earns \$50,000 and invests it well automatically poor?"

After-school, clubs and mixed ages

About 10–15 minutes of prep; the task cards print on one sheet. No printer? Read each card aloud and have students raise hands for the type. With mixed grades, pair an older and a younger student: the older one leads, the younger one chooses. Where families run businesses, lean into profit: "Does anyone have a family member who runs their own business? What do they sell? What are their costs?"

 **Tip** Short on time? Run Warm-Up, I Do and the task cards (35 min) and send Miller's Challenge home with the family note.

Where this goes next

This is Lesson 1 of a connected Grades 3–5 year: 10 lessons in this unit, 50 across the year. See Financial Foundations™ at wealthwisekids.org/curriculum.

Income Type Cards

Print or project · post as you teach

Wages

Paid for each hour of work.

Maya earns \$12 an hour. 20 hours = \$240.

Salary

The same pay every period, however many hours.

Mr. Davis: \$52,000 a year = \$2,000 every two weeks.

Profit

What a business keeps after paying its costs.

A \$15 phone case that costs \$4 to make = \$11 profit.

Freelance

Paid per project or task.

One logo design = \$500.
Three this month = \$1,500.

Investment

Money that earns more money.

\$5,000 saved at 4% earns \$200 in a year.

Passive

Keeps paying after the work is done once.

A book written years ago still earns \$2 a copy.



Meet Miller

Miller is 10. He already has three ways of getting money. By the end of today, you'll be able to name all three!

Sort the Earner • Task Cards

✂ Cut on the dashed lines • one set per pair

1



Rosa works at a bakery from 8am to 2pm and earns \$11 an hour.

Income type: _____

2



James is a dentist who earns \$95,000 a year, paid monthly.

Income type: _____

3



Layla makes and sells slime kits at her school market. She keeps \$40 after costs each time.

Income type: _____

4



DeShawn mows 4 lawns this weekend and earns \$25 per lawn.

Income type: _____

5



Amara put \$200 in an account that earns 3% interest.

Income type: _____

6



A musician recorded a song 3 years ago. It still earns \$40 a month from streams.

Income type: _____

7



Marcus is a firefighter with a steady \$58,000 a year city job.

Income type: _____

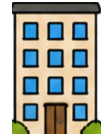
8



Priya builds websites for small businesses. Each site earns her \$800.

Income type: _____

9



Carlos owns 3 apartments. He charges \$1,200 rent for each.

Income type: _____

10



Zoe tutors kids after school for \$15 an hour and sets her own schedule.

Income type: _____

11



A kid sells handmade jewelry in an online store.

Income type: _____

12



After saving \$500 for a year, a family earns \$15 in bank interest.

Income type: _____

Six Ways People Earn Money

Name _____

Income type	One example from real life or the lesson
Wages	
Salary	
Profit	
Freelance	
Investment	
Passive	



Miller's Challenge

Miller wants 3 ways of earning money by the time he's 12. He has **wages** from chores and **profit** from his bookmarks. What should his third one be?

Income type: _____

What Miller would do: _____

How much in a month? \$ _____

How I worked it out: _____

Exit Ticket

Name _____

1. Name two income types from today's lesson.

2. Miller earns \$5 a week taking out the trash for neighbors. What type of income is that?

3. What's one income type you want to learn more about? Why?



Exit Ticket

Name _____

1. Name two income types from today's lesson.

2. Miller earns \$5 a week taking out the trash for neighbors. What type of income is that?

3. What's one income type you want to learn more about? Why?

Sort the Earner

#	Card	Answer
1	Rosa works at a bakery from 8am to 2pm and earns \$11 an hour.	Wages
2	James is a dentist who earns \$95,000 a year, paid monthly.	Salary
3	Layla makes and sells slime kits at her school market. She keeps \$40 after costs each time.	Profit
4	DeShawn mows 4 lawns this weekend and earns \$25 per lawn.	Wages or Freelance
5	Amara put \$200 in an account that earns 3% interest.	Investment income
6	A musician recorded a song 3 years ago. It still earns \$40 a month from streams.	Passive income (royalties)
7	Marcus is a firefighter with a steady \$58,000 a year city job.	Salary
8	Priya builds websites for small businesses. Each site earns her \$800.	Freelance
9	Carlos owns 3 apartments. He charges \$1,200 rent for each.	Passive income (rent)
10	Zoe tutors kids after school for \$15 an hour and sets her own schedule.	Wages or Freelance
11	A kid sells handmade jewelry in an online store.	Profit or Freelance
12	After saving \$500 for a year, a family earns \$15 in bank interest.	Investment income

Two-answer cards are deliberate. Accept either answer when the student explains it (DeShawn's lawns are task pay and also gig work he chooses).

Exit ticket

1. Any two correct types = full credit.
2. Wages (task-based pay).
3. Open response: read for engagement, not accuracy.

Miller's Challenge

Strong answers name a type he doesn't have yet (freelance, investment or passive fit a 10-year-old; salary is unlikely), describe something he could really do, and show a sensible monthly estimate with the math.



Dear Family,

A note from your child's class

Today your child learned how people make money. We learned there are **six types of income**:

- **Wages**: paid per hour (grocery store worker, delivery driver)
- **Salary**: fixed pay whatever the hours (teacher, engineer)
- **Profit**: what a business owner keeps after costs
- **Freelance / gig**: paid project by project (designer, tutor, lawn care)
- **Investment income**: money that earns more money (savings interest)
- **Passive income**: earnings from something built earlier (rent, royalties)

Try this in the car or at the store:

“How do you earn our family's money? What type of income is that: hourly, salary, business profit, or something else?”

A 5-minute game: think of three people you both know and guess what type of income each likely earns. No amounts needed, just the type.

Thank you for your partnership.

Milo Peregrine

and the WealthWise Kids™ Team

Free for families: read WealthWise Kids Adventures™ Book One together at adventures.wealthwisekids.org.



Milo's footprint