Sources of Income

Money Foundations: Module 5

AGE RANGE	7–12	DURATION	35–40 min

CORE LEARNING OUTCOME

Understand the main ways people earn money — through employment, business, and assets

Learning Objectives

TYPE	OBJECTIVE
Knowledge	Children can name three ways people earn money and give a real-life example of each.
Skills	Children can categorise income examples into employment, business, or asset income.
Attitudes	Children develop respect for different types of work and the effort behind earning.

Materials Needed

- Module 5 animation video, "Sources of Income" (cued up, device tested with sound)
- Printed "Sources of Income" activity sheet — one per child
- Pencils

Lesson Flow

STEP	TIME	WHAT HAPPENS
1. Warm-Up	5 min	Ask: "Think of a job an adult in your life has. How do you think they get paid for it?" Take a few answers. Frame the lesson: "Today we're figuring out that a job is only one of the ways people earn money — there are others too."
2. Watch the Video	~2 min	Play the Module 5 animation, "Sources of Income." Prompt before playing: "Sam notices people paying for things everywhere he looks and starts wondering where all that money comes from. Watch for three different answers he gets." After the video, take 1–2 quick answers before moving on.
3. Direct Instruction & Discussion	10–12 min	Walk through the three key concepts in the Content Knowledge table below. Concept 1 connects directly back to Module 1's "time and skills create value" idea — the video itself makes this callback explicit, so use it rather than reintroducing employment from scratch.
4. Guided Activity	13–17 min	Hand out the "Sources of Income" activity sheet. Complete Activities 1–3 in class (see Activity Breakdown table below). Activity 2 (Spot the Mistake) targets the exact same three mix-ups covered in the Common Misconceptions table — treat it as your built-in check that the categories have been understood, not just a filler exercise.

5. Closure & Recap	5 min	Bring the group back together and pose one or both discussion prompts (see below). Check for understanding: ask a child to name the three ways people earn money from the video and give one real-life example of each.

Content Knowledge — Used in Step 3

Each concept below has a plain-language explanation and a suggested script you can read almost verbatim.

CONCEPT	EXPLAIN IT LIKE THIS	SUGGESTED SCRIPT
Employment — earning through time and skills	Employment means working for someone else, who pays you for the time and skills you provide. Mrs Patel earns money as a teacher — the school pays her for her teaching skills and the time she spends helping children learn.	*In the video, Sam asked Mrs Patel where adults get their money. She told him: 'My job as a teacher is one example — I get paid for my teaching skills!' Remember from Module 1 that people earn money by using their time and skills to create value? Employment is exactly that in action.*
Business — earning through revenue and profit	Someone who owns a business earns money differently. Customers pay the business money — that's called revenue. But the business also has costs it needs to pay, like ingredients, equipment, and staff wages. What's left over after those costs is profit, and that's what the business owner actually earns.	*At Mr Toby's café, Lottie explained it step by step: customers pay Mr Toby money — that's revenue. But Mr Toby has costs too: the building, ingredients, equipment, and staff wages. What's left over after all of that is profit — and that's what he actually earns as the owner.*
Assets — earning income from something you own	An asset is something valuable a person owns that can generate income for them. Mrs Patel's landlord, Bob, owns the apartment she lives in. By letting her live there in exchange for rent, that apartment — the asset — generates income for him.	*At Mrs Patel's apartment, Sam watched her pay rent to her landlord, Bob. Lottie explained that the apartment is an asset that Bob owns — and by renting it out to Mrs Patel, that asset generates income for him, even though Bob isn't the one doing the day-to-day work.*

Activity Breakdown — Used in Step 4

ACTIVITY	FORMAT	TIME
Activity 1: Income Detective	Categorise 5 clues as Employment / Business / Assets, individual	~6–8 min
Activity 2: Spot the Mistake	Circle the error in 3 statements and correct it, individual	~5–7 min
Activity 3: True or False	One quick true/false question, whole class or individual	~2 min

Discussion Prompts — Used in Step 5

- *"Sam thought everyone earns money the same way — through a job. Was he right?"*
- *"Can someone earn money through more than one of these three ways at the same time?"*

Homework / Offline Challenge — Activity 4: Money Map

OPTION	WHAT IT INVOLVES	BEST FOR
Default: send home as homework	Children complete Activity 4, Money Map — they choose someone they know (or invent a character) and draw a simple map of how that person earns their income, with a brief description of the source.	Most classes — talking to a real family member about how they earn money gives the categories genuine personal grounding.
Alternative: run a shorter version in class	Give children a short profile of an invented character (e.g. "Auntie Fatima owns a flower shop and also rents out a spare room") and have them map out and label that person's income sources instead.	Classes where asking children to interview a family member is impractical.

Differentiation Notes

LEARNER	STRATEGY
Extension	Ask children if they can think of someone who earns money through more than one of the three routes at once (e.g. a teacher who also rents out a property).
Support	For Activity 1, work through the first clue (the teacher's salary) together as a class before children continue independently.
Shy / non-verbal learners	For Activity 4, allow the Money Map to be entirely drawn, with descriptions given verbally to the teacher instead of written.

Common Misconceptions to Watch For

MISCONCEPTION	TEACHING TIP
Children may confuse asset income (like rent) with employment income — e.g. thinking someone who receives rent from a house they own is earning employment income.	This is exactly what Activity 2's first statement tests. Anchor it in Bob the landlord: he doesn't work at the apartment, the asset itself generates the income.
Children may confuse running a business with earning asset income — e.g. thinking someone who owns and actively runs an online shop is earning asset income rather than business income.	The distinction is activity: a business owner is actively working to generate revenue (like Mr Toby), while an asset owner earns passively from something they own (like Bob's apartment).