

Financial Literacy: Teaching Economics in the Elementary Classroom





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Susan Sink
Dolores Paylor
Vonda Kai Martin
Shirley Lee
Mary Hales
Kaye Bynum
Toni Meyer

Any questions regarding this document can be addressed to:

Amy Turnbaugh
Social Studies Consultant
Department of Public Instruction
919-807-3862
aturnbaugh@dpi.state.nc.us

or

Michelle Palmer-Weaver
English Language Arts/Social Studies Consultant
Department of Public Instruction
919-807-3937
mweaver@dpi.state.nc.us



Purpose

Financial literacy legislation states that “Both the *Standard Course of Study* and the Basic Education Program shall include the requirement that the public schools provide instruction in personal financial literacy for all students during the high school years”. However, it is not just the responsibility of high school economics teachers to teach personal financial literacy, but should be taught beginning in kindergarten and building upon concepts for optimum understanding of economics. Personal Financial Literacy is found in all K-12 economic strands in social studies. This instruction helps even very young students learn to understand and value basic economic principles. This document was created to support teachers in their instruction of economic concepts and to help establish a foundation of financial literacy in the elementary schools.



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The included lessons can be used in a flexible format. Teachers may choose to complete lessons in one unit or with lessons spaced throughout a specific time span. These lessons may also be taught in any order.

The Economics Strand in the Standard Course of Study

Economics is one of the many strands of the North Carolina Social Studies Standard Course of Study. It is the study of how people cope with their environment and each other as they try to satisfy their needs and wants. People have unlimited needs and wants, but they live in a world which surrounds them with limits. A fundamental condition of life is that there is not enough time, money, energy, nor other resources to satisfy everyone's needs and wants. To make the best use of scarce resources, both individuals and groups must choose wisely among the alternatives available to them.

Economics can be thought of as responsible decision-making, choosing among alternatives. Choices (decisions) have consequences and some choices lead to more productive outcomes than others.

The purpose of economics is to provide practical tools for evaluating alternatives before making a decision. A good economic education should also help students develop the disposition and the ability for making decisions based on reason rather than other influences such as impulse or peer pressure.

Unequal distribution of resources necessitates systems of exchange, including trade, to improve the well-being of the economy. However, the role of government in economic policy-making varies over time and from place to place. Increasingly, these decisions are global in scope and require systematic study of an interdependent world economy and the role of technology in economic decision-making.

Instruction in economics should begin early to help very young students learn to understand and use a basic economic vocabulary and elementary economic principles. They can distinguish between needs and wants and can prioritize each. Young learners begin to see the consequences of their individual and group decisions. They are also able to develop the habit of taking a reasoned and responsible approach to decision-making.

Economics in the North Carolina Social Studies Standard Course of Study

Kindergarten

Competency Goal 6: The learner will apply basic economic concepts to home, school, and the community.

Objectives

- 6.01 Distinguish between wants and needs.
- 6.02 Examine the concept of scarcity and how it influences the economy.
- 6.03 Identify examples of how families and communities work together to meet their basic needs and wants.
- 6.04 Give examples of how money is used within the communities, such as spending and savings.
- 6.05 Explore goods and services provided in communities.

First Grade

Competency Goal 6: The learner will apply basic economic concepts to home, school, and the community.

Objectives

- 6.01 Examine wants and needs and identify choices people make to satisfy wants and needs with limited resources.
- 6.02 Describe how people of different cultures work to earn income in order to satisfy wants and needs.
- 6.03 Participate in activities that demonstrate the division of labor.
- 6.04 Explore community services that are provided by the government and other agencies.
- 6.05 Give examples of the relationship between the government and its people.
- 6.06 Identify the uses of money by individuals which include saving and spending.

Second Grade

Competency Goal 7: The learner will apply basic economic concepts and evaluate the use of economic resources within communities.

Objectives

- 7.01 Distinguish between producers and consumers and identify ways people are both producers and consumers.
- 7.02 Distinguish between goods produced and services provided in communities.
- 7.03 Describe different types of employment and ways people earn an income.
- 7.04 Identify the sources and use of revenue in the community.
- 7.05 Analyze the changing uses of a community's economic resources and predict future changes.

Third Grade

Competency Goal 5: The learner will apply basic economic principle to the study of communities.

Objectives

- 5.01 Define and identify examples of scarcity.
- 5.02 Explain the impact of scarcity on the production, distribution, and consumption of goods and services.
- 5.03 Apply concepts of specialization and division in labor to the local community.
- 5.04 Compare and contrast the division of labor in local and global communities.
- 5.05 Distinguish and analyze the economic resources within communities.
- 5.06 Recognize and explain reasons for economic interdependence of communities.
- 5.07 Identify historic figures and leaders who have influenced the economies of communities and evaluate the effectiveness of their contributions.

Fourth Grade

Competency Goal 6: The learner will evaluate how North Carolinians apply basic economic principles within the community, state, and nation.

Objectives

- 6.01 Explain the relationship between unlimited wants and limited resources.
- 6.02 Analyze the choices and opportunity cost involved in economic decisions.
- 6.03 Categorize the state's resources as natural, human, or capital.
- 6.04 Assess how the state's natural resources are being used.
- 6.05 Recognize that money can be used for spending, saving, and paying taxes.
- 6.06 Analyze the relationship between government services and taxes.
- 6.07 Describe the ways North Carolina specializes in economic activity and the relationship between specialization and interdependence.
- 6.08 Cite examples of interdependence in North Carolina's economy and evaluate the significance of economic relationships with other states and nations.

Fifth Grade

Competency Goal 5: The learner will evaluate ways the United States and other countries of North America make decisions about the allocation and use of economic resources.

Objectives

- 5.01 Categorize economic resources found in the United States and neighboring countries as human, natural, or capital and assess their long-term availability.
- 5.02 Analyze the economic effects of the unequal distribution of natural resources in the United States and its neighbors.
- 5.03 Assess the economic institutions in terms of how well they enable people to meet their needs.
- 5.04 Describe the ways in which the economies of the United States and its neighbors are interdependent and assess the impact of increasing international economic interdependence.
- 5.05 Evaluate the influence of discoveries, inventions, and innovations on economic interdependence.
- 5.06 Examine the different economic systems such as traditional, command, and market developed in selected countries of North America and assess their effectiveness in meeting basic needs.
- 5.07 Describe the ways the United States and its neighbors specialize in economic activities, and relate these to increased production and consumption.
- 5.08 Cite examples of surplus and scarcity in the American market and explain the economic effects.

Did You Know...?



That a study conducted in 2005 and sponsored by the National Council on Economic Education showed that ...

- 66% of high school students tested on basic money skills scored an “F” and only 32% received an “A”.
- Over 58% of students surveyed ages 12-17 said they wouldn’t bother to bend down and pick up money unless it was a dollar or more.
- Over 50% of the same student surveyed have received no financial education.
- 1.4 million Americans filed for personal bankruptcy in 1998.



Kindergarten

Competency Goal 6: The learner will apply basic economic concepts to home, school, and the community.

Objectives

- 6.01 Distinguish between wants and needs.
- 6.02 Examine the concept of scarcity and how it influences the economy.
- 6.03 Identify examples of how families and communities work together to meet their basic needs and wants.
- 6.04 Give examples of how money is used within the communities, such as spending and savings.
- 6.05 Explore goods and services provided in communities.**

“A Deserted Island! – A Lesson About Wants and Needs”

Grade Level: Kindergarten

Competency Goal 6: The learner will apply basic economic concepts to home, school and the community.

Objective(s): Students will:

- 6.01 Distinguish between wants and needs.

Essential Question/ Expected Outcome: Students will:

- Distinguish between needs and wants and recognize examples of each.

Approximate Time: 30 – 45 minutes

Materials:

- tape of ocean sounds
- seashells
- sand
- magazines
- construction paper
- chart paper



Activating Prior Knowledge: Explain that a need is something people must have to live. Ask students to close their eyes as you describe an island. The purpose of this is for students to brainstorm items that they would need to spend the night on a deserted island. Say to students “Close your eyes and imagine you are on a deserted island. The sun is shining brightly. The ocean is very salty and the waves are crashing on the shore. You can hear seagulls, and you can see dolphins splashing in the water. You walk down the beach and step on seashells, and you feel the sand between your toes.” Let students feel the seashells and sand as the tape of ocean sounds is playing. “Now let’s pretend that you are going to spend the night on this island. What do you need?” As students brainstorm write ideas on chart paper.

Presentation of Lesson

Teacher Input/ Student Activities:

Vocabulary:

- needs
- wants

1. Ask students what is the differences between the things people need and the things people want.

2. Explain that needs are things we must have to live; wants are things we would like to have.
3. Ask students to name things they want. Use their responses to complete a two column Needs and Wants chart.

NEEDS	WANTS

4. Refer back to the brainstorming chart from the deserted island. Circle all the words that represent a need in one color and a want in a different color.
5. Show students pictures that you have already cut out of a magazine. Have them sort the pictures into two categories: wants and needs. Label and glue them on construction paper.

Assessment: Can students:

- Distinguish between wants and needs?
- Give an example of two wants and two needs?

Post Lesson Recommendations:

1. In the housekeeping center provide paper to create lists of things students need to buy at the grocery store.
2. The students will create and share two collages (one on needs, and another on wants). For this activity, the students will search through magazines and find pictures of at least five items that can be considered needs and five items that can be considered wants. The students will label each of their two pieces of construction paper with the titles "Needs" and "Wants". They will then cut out the pictures that they have found and glue them on the corresponding sheets of paper forming a collage for each. After the collages have been completed, each student will share his/her work with the class.
3. Read students a story such as *The Market Lady*. Have students listen and identify the wants and needs described in the story.

Resources:

Books

But I Waaaaaaaaaaaaant It! by Laura Schlesinger

The Berenstain Bears Get the Gimmies by Stan and Jan Berenstain

The Market Lady by Pete Watson

The Mango Tree by Pete Watson

Bear Wants More, by Karma Wilson

Elementary Division/Social Studies

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Websites:

www.teacherhelp.org
<http://school.discovery>
www.cloudnet.com

“The Perfect Pet”

Grade Level: Kindergarten

Competency Goal 6: The learner will apply basic economic concepts to home, school and the community.

Objective(s): Students will:

- 6.01 Distinguish between wants and needs.
- 6.02 Examine the concept of scarcity and how it influences the economy.

Essential Question/ Expected Outcome: Students will:

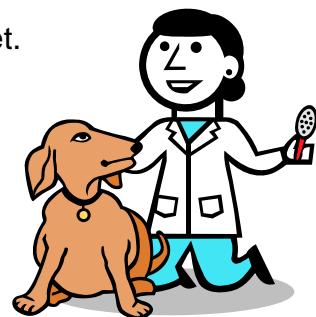
- Identify wants and needs of a responsible pet owner.
- Experience scarcity when making choices.

Approximate Time: 30 – 45 minutes

Materials:

- “The Perfect Pet” story (included with the lesson plans)
- chart paper

Activating Prior Knowledge: Ask students if they have ever owned a pet. Discuss the responsibilities of being a pet owner.



Presentation of Lesson

Teacher Input/ Student Activities:

Vocabulary:

- needs
- wants
- services
- scarcity
- responsible

1. Read the story “The Perfect Pet”. This is a story about a little girl who goes to a pet store to find the perfect pet. (see Econedlink website)
2. Then discuss, “Do you have a dog or know someone else who does?” If you do, you know that buying or adopting a dog means more than just finding an animal that is cute and cuddly. You have to care for it. Pets depend on their owners to provide the goods and services that keep them healthy and happy.
3. Brainstorm what items you would want to have for your pet? (Possible answers might include: food, water, treats, bed, shelter, leash, collar, exercise, medicine, toys, sweater or clothing, etc.) Record the answers on a chart.

4. Explain that few pet owners have enough money to buy everything they want for their pets. This is called a scarcity problem. Scarcity forces us to make decisions.
5. Ask students, "If you could buy just five things at the pet store for your new pet what would you buy?" Have students make a list, from the chart or ideas of their own, on paper.
6. Allow students time to share and compare which choices are the same as their classmates.

Discuss why some choices are the same - needs (food, water and things to keep pets healthy) and some are different - wants (toys, treats and clothing).

Assessment: Can students:

- Identify two things a pet owner might want for their pet?
- Identify two needs a pet would have?
- Describe a situation in which the business did not have enough products for the needs of the customers?

Post Lesson Recommendations:

1. Tell students that they will be shopping for a pet, just as the girl in the story did. Ask students to pick a particular animal, such as a fish, or use their own personal pet. They will have \$5.00 to spend at the pet store. Use pet store fliers or catalogs to locate items and their prices. Students must tell if the items are wants or needs. Let students compare their answers to their classmates. Let students discuss why they think the choices are the same and different.
2. Have students bring in a stuffed animal. Tell students to pretend that it is a real pet that has many wants and needs. They also require many goods and services. Have students show what kinds of services the animal would require or the owner would want and tell who would provide them. Have students cut out or draw pictures of the goods they would need or want for the animal.
3. Watch a video or taped television program showing the care of animals. Ask students to watch and identify the services or goods provided for the animal.

Resources:

Books

- Awful Ardvarks Shop for School, The (Reading Railroad)*, by Reeve Lindburgh
Bear Wants More, by Karma Wilson
Crispin the Pig Who had It All, by Ted Dewan
How Much Is That Doggy In The Window, by Bob Merrill
If You Give A Pig A Pancake, by Laura Numeroff
If You Give A Mouse A Muffin, by Laura Numeroff

Websites

www.teachersfirst.com

www.moneyinstructor.com

www.fundsnetservice.com

Source: www.econedlink.org.lessons



“Not Enough Cookies!”

Grade Level: Kindergarten

Competency Goal 6: The learner will apply basic economic concepts to home, school and the community.

Objective(s): Students will:

- 6.02 Examine the concept of scarcity and how it influences the economy,
- 6.05 Explore goods and services provided in communities.

Essential Question/ Expected Outcome: Students will:

- Recognize that money has value.
- Money can be used to purchase goods and services.
- Identify an example of scarcity and how it affects them.

Approximate Time: 30 – 45 minutes

Materials:

- goods to sell in a pretend market (cookies, candy, pencils, etc.)

Activating Prior Knowledge: Review the terms goods and services and how we use money to purchase them. Tell students to begin thinking of times when they went to the store to make a special purchase.

Presentation of Lesson

Teacher Input/ Student Activities:

Vocabulary:

- goods
- services
- money
- scarcity



1. Explain to students that you went to the store to buy a particular item and it was not there.

Ask students to examine possible reasons you were not able to get that item. (Students should come to conclusions such as, you didn't have enough money or the item was sold out.)

- 2.** Introduce the word “scarcity” and explain that scarcity is when too many people want an item, but there are not enough resources or items for everyone.
- 3.** Have a table with some goods displayed, for example, cookies. There are only enough cookies for half the students to have one.
- 4.** Students will line up for goods or the cookies. When the cookies run out, point out that there are still some students who did not get a cookie.

5. Discuss with students why there were some people who did not get a cookie.
6. Discuss reason why there were not enough cookies. Say to students that when you made the cookies you did not have enough resources at home to make enough cookies. The grocery store was out of the one ingredient you needed to make more. Therefore, there were not enough cookies for everyone, and this is called scarcity. Then, make sure all of the students get a cookie and enjoy.

Assessment: Students will:

- Identify an example of scarcity or when they wanted something and there was not enough. Was this item a want or need?
- Recognize that money is needed to make purchases.

Post Lesson Recommendations:

1. Have students draw a picture or write a story about a special time, such as Christmas or a birthday, and the special toy or item was not at the store. Describe why there was not enough for all the children. How did it make you feel?

Resources:

Books

Bringing the Rain to Kapita Plain, by Verna Aardema

The Doorbell Rang, by Pat Hutchens

The Lorax, by Dr. Seuss

One Grain of Rice – A Mathematical Folktale, by Demi

Reuben and the Quilt, by Merle Good

Sam and the Lucky Money, by Karen Chenn

Websites

www.moneyinstructor.com

www.fundsnetservice.com

www.teacherscorner.net

Source: <http://www.cksdwednet.edu>



“Popcorn Economics”

Grade Level: Kindergarten

Competency Goal 6: The learner will apply basic economic concepts to home, school and the community.

Objective(s): Students will:

- 6.02 Examine the concept of scarcity and how it influences the economy.

Essential Question/ Expected Outcome: Students will:

- Experience scarcity and relate the concept of scarcity to situations in school and their community.
- Students will learn that people make choices because of scarcity.

Approximate Time: 30 – 45 minutes

Materials:

- popped popcorn in a brown grocery bag, staple bag closed
- brown grocery bags stuffed with crumpled newspaper and stapled closed
- brown paper lunch bags (several per student)
- alternative snack such as dry cereal

Activating Prior Knowledge: Discuss briefly with students the terms “wants” and “needs”, and how we all like to have the things we want and need.

Presentation of Lesson

Teacher Input/ Student Activities:

Vocabulary:

- needs
- wants
- scarcity

1. Explain to students that someone donated popcorn as snack for the class and direct students to come up to the front of the room, row by row, to get their popcorn.
2. Call the first row of students up to the front and give them small brown paper lunch bags in which to put their popcorn. Allow them to get as much popcorn as they want, giving them extra lunch bags to hold popcorn if needed.
3. Continue to call row-by-row until the grocery bag of popcorn is empty.
4. Students will ask for the popcorn in the other stapled grocery bag. Open the bags and act surprised to find crumpled newspaper. Explain that you thought that all the grocery bags were filled with popcorn.

5. Apologize to those students who did not receive a snack. Explain that everyone thought there was plenty of popcorn for all. Suggest that, if the first students served had known there was a limited amount, perhaps they might have been careful to leave enough for the rest of the class.

Note: Students are likely to be a little frustrated or angry by the seemingly unfair situation; however, it is the purpose of this lesson for them to experience scarcity.

6. Discuss the following:

- What is the problem? (There wasn't enough popcorn for everyone who wanted it.)
- Why does the problem exist? (The amount of popcorn was limited and there were many students who wanted popcorn. Those who were selected first got as much or more popcorn that they could really eat.)

7. Explain that the experience students had with popcorn symbolizes a major problem that all societies face – scarcity. Scarcity occurs because people want many things, but resources available for producing the things people want are limited.

8. Tell students that other students still need a snack, but there's no popcorn left. Ask students what could be done. (Those with popcorn could share. Teacher could pop more popcorn if she had any. Teacher could get a different snack. Those without a snack would just have to go without a snack.)

9. Discuss other situations of scarcity that students can relate to at school and how they resolve the issue of scarcity. For example discuss the limited number of computers in their classroom (there usually is not one for every student in the classroom.) If there are only two computers how do eighteen students use them? (Discuss sharing, designated times and days, etc.)

10. After students have resolved how to solve the issue, give everyone who did not get popcorn a snack and enjoy.

Assessment: Can students

- Identify and explain two examples of scarcity found either in the classroom, school or home?

Post Lesson Recommendations:

1. Set up mini-markets in which students are given the opportunity to buy and sell goods. When items are very popular and they sell out, have students explain why everyone could not get one.

Resources:

Books

Bringing the Rain to Kapita Plain, by Verna Aardema

The Doorbell Rang, by Pat Hutchens

The Lorax, by Dr. Seuss

One Grain of Rice – A Mathematical Folktale, by Demi

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Reuben and the Quilt, by Merle Good
Sam and the Lucky Money, by Karen Chenn

Websites

www.education-world.com
www.teachers.net

Source: Lesson by Mary Sulter, adapted from a lesson found in Kaleidoscope,
USA.

Published by the Center for Entrepreneurship and Economics Education ,UM-ST.
Louis.

<http://ecedweb.unomaha.edu/lessons/popcorn.htm>



“A Vest Made New”

Grade Level: Kindergarten

Competency Goal 6: The learner will apply basic economic concepts to home, school and the community.

Objective(s): Students will:

- 6.02 Examine the concept of scarcity and how it influences the economy.
- 6.04 Give examples of how money is used with the communities, such as spending and saving.

Essential Question/ Expected Outcome: Students will:

- Recognize that they can not have everything they want and must make choices.
- Identify examples of spending and saving.

Approximate Time: 45 – 60 minutes

Materials:

- story “Spend or Save” (see source website for story)
- paper grocery bags – one for each child
- buttons (enough for each student to have two but not quite enough for three)
- assortment of resources for decorating (cotton balls, ribbon, yarn, glitter, beads, pom poms, cloth scraps)
- crayons and/or markers
- glue
- scissors
- penny strips

Activating Prior Knowledge:

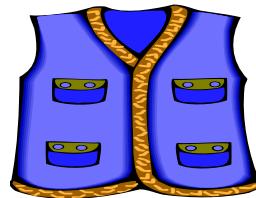
1. Prior to lesson, use paper grocery bags turned upside down to prepare one vest for each student. The simplest way to make a vest is to cut a slit all the up the center front of the bag, and then continue cutting an oval shape from the bag bottom for a neck hole. Cut armholes on each side. If there is writing on the bag, turn the bag inside out. The students will finish the remainder of the vest during the lesson. Review the concept of spending and saving. Explain to students that “scarcity” means that we always want more than we can have, and we therefore must make a decision of “this” or “that”. We can’t have every toy there is or every kind of candy they make. We must make choices.

Presentation of Lesson

Teacher Input/ Student Activities:

Vocabulary:

- scarcity
- needs
- wants



Lesson

1. Read the story "Spend or Save" or re-visit the story if it has already been read with a previous lesson.
2. Have the students recall what happened to help Penny make the choice to save her money for a bicycle. (Sally's mother will help her decorate her old vest, and now she does not want a new vest as much as before.)
3. Tell the students they will decorate a vest, too. Distribute prepared vests, along with scissors and markers or crayons. Caution students that the vests are made from paper and will tear easily.
4. Call students' attention to the fact that the vest is too long and must now be shortened. Explain that first they will need to make a decision about how they want the bottom of the vest to look. Demonstrate on scraps of the grocery bags how they can fringe or scallop the bottom or cut small curved sections from each side toward the middle of their vests to give them a rounded or a pointed edge. Remind them that when they decide to cut their vests one way, they will be giving up having the vest come out differently.
5. Show the assortment of items that may be glued onto the vest for decorations. Have enough of the penny strips for each student to have a trip of five pennies. Then charge the students a penny for each of the vest decorations. The students will have to make decisions as to which they will buy.
6. Explain to them that they must put three buttons on the vest. Help them calculate how much money they will have left (2 cents) and how many other decorations they will be able to purchase (2 additional decorations). Allow the students to come to the resource table to make their purchases.
7. Be sure that there are not enough buttons for everyone to have three. When the buttons are gone, students without buttons will begin to complain. Tell students there is a problem because there are not enough resources to satisfy everyone's wants (scarcity). Ask how to solve the problem. (Students will probably suggest sharing so everyone can have at least two buttons their vests.)
8. Allow time for students to draw color and glue decorations onto their vests. Allow time for the vests to dry, and then have the students put on their vests.
9. Ask students the following questions:
 - Do you have lots of wants? Name some. (Answers will vary)
 - Can you have everything you want? (We don't have enough money to buy everything we want right now.)

- What could you do now, so you would be able to buy an expensive item you want later? (save)
- What happens if everyone chooses the same item? (There may not be enough for everyone to get one.)

Assessment: Can students:

- Identify an example of spending and saving?
- Recognize they can not have everything they want and must make choices?

Post Lesson Recommendations:

1. Discuss with students world situations where scarcity is a problem with people having enough resources to supply their everyday needs, such as food, water and shelter. Examine ways that we can help our communities to meet those needs.

Resources:**Books**

Bringing the Rain to Kapita Plain, by Verna Aardema

The Doorbell Rang, by Pat Hutchens

The Lorax, by Dr. Seuss

One Grain of Rice – A Mathematical Folktale, by Demi

Reuben and the Quilt, by Merle Good

Sam and the Lucky Money, by Karen Chenn

Websites

www.cloudnet.com

www.learnnc.org/lessons

<http://school.discovery.com>

“Spend or Save”

Spend or save? A vest or a bike? “What should I do?” thought Penny as she sat at her desk in her bedroom. She had been daydreaming all morning about spending the money she had earned. She had so many wants. Her old denim vest looked shabby, and she really wanted a fancy new one to wear with her five-pocket jeans. But she also really wanted a new bike to ride with her friends. She had enough money to buy a new vest, but she would have to save for a while to have enough to buy a bike. “If I save for the bike, I can’t have the vest. Which one do I want more?” Penny asked herself.

Penny was still thinking about her choice when the telephone rang. It scared her and she jumped. Her friend, Sally was on the phone, and she was very excited.

“Hey, Penny!” Sally said. “Guess what my mom just taught me to do! She showed me how to decorate my old denim shirt. It looks fantastic! I can hardly wait to show you. I’ll bet you could make your old denim vest look fancy, too, if you decorated it like this. Mom said she would show you how.”

“That sounds like fun!” said Penny.

“It is!” said Sally. “I could wear my shirt, and you could wear your vest, and we’d look great together with our new jeans on. What do you think?”

“Wow, Sally! I like that idea. If your mom taught me how to fancy up my old vest, I wouldn’t need to buy a new one. And I could save my money for a new bike.” Penny was so excited she was almost shouting into the telephone. “Thank you, Sally. Ask your mom when I can come over to work on the vest, and then call me back,” said Penny.

Penny thought about her decision. She would decorate the old vest and not buy the new vest she had wanted. Then she could save her money for a new bike. She was getting excited about the new bike now, and she reached for a catalog on her desk. She wanted to check out the prices of new bikes. She soon realized that she would have to make another decision because she didn’t know if she wanted a mountain bike, a street bike, or a racing bike. She decided to think about that decision after she had saved more money. Right now she wanted to count her money.

Penny opened her bank and poured the money onto her desk. As she counted the coins, she realized she had already been saving. All these coins in her bank and the money she had in her pockets from walking Peluche added up to more than she thought. She took out a piece of paper and figured out the total amount. Then she realized that she still would need to save more in order to have enough money to buy a bike.

Mom walked into Penny’s room as Penny was putting the coins back into her bank. Mom asked, “Penny, what are you doing with your money spread all over your desk?”

“I was counting it to see how much I had saved and how much I earned from Mr. Lopez. I’ve decided to save all of it for a new bike,” Penny explained.

“I’m proud of you, Penny, I think you’ve made a decision that will make you happy,” said Mom.



Source: *Financial Fitness for Life Pocket Power Storybook*, National Council on Economics Education



Grade Level: Kindergarten

Competency Goal 6: The learner will apply basic economic concepts to home, school and the community.

Objective(s): Students will:

- 6.01 Distinguish between wants and needs.
- 6.04 Give examples of how money is used with the communities, such as spending and saving.

Essential Question/ Expected Outcome: Students will:

- Recognize the difference between spending and saving.
- Identify a want and a need.

Approximate Time: 30 – 45 minutes

Materials:

- story “Spend or Save” (included with the lesson)
- drawing paper
- crayons
- scissors
- large sheet of butcher paper

Activating Prior Knowledge: Discuss with the students that we make decisions every day about spending and saving. If they save they will have to give up something they may want. If they spend, they will give up the opportunity to save their money. We must be mindful to make very wise decisions. Review with students the concepts of needs and wants.

Presentation of Lesson

Teacher Input/ Student Activities:

Vocabulary:

- needs
- wants
- saving
- spending



Lesson

1. Read the story “Spend or Save”
2. Ask the following questions, or intersperse the questions while reading the story:

- What was the decision that Penny has to make? (To spend on a vest or save for a bike.)
- Why did Penny want a new vest? (She wanted the new vest to wear with her five-pocket jeans, and the vest she had looked old.)
- Why did Penny have to make a choice between the vest and the new bicycle?
(She didn't have enough money to buy both the vest and the bicycle or to buy the bicycle now. She had only enough money to buy the vest now.)
- Why did Penny decide that she could have both a vest now and a bicycle later? (She decided to decorate her old denim vest, creating a "new" one. This helped her save money to buy the bicycle later, when she had accumulated enough money.)
- What did Penny give up to save for a bike later? (The new vest.)
- How did Penny discover that she already had more money than she thought? (She counted the coins in her piggy bank and found that she had saved more than she remembered.)
- Why was Penny's mother proud of her? (she was proud because Penny made her own decision about the vest and the bicycle.)

3. Recall with the students that in the story Penny had to make a choice between buying a new vest and saving for a new bike. When she chose to save for the bike, she gave up buying a new vest. Tell the students they will now be making choices.

4. Give the students drawing paper, crayons, and scissors. Assist them as they trace one hand and cut it out. Point out that they could put something they want in their hands.

5. Tell the students to think about some things that they would really like to have. Tell them to choose the two items they really want the most. (This is a good time to review the terms "wants" and "needs".) Students should draw one item on one side of the hand and the other item on the other side.

6. When the students have completed both drawings, invite them to help make a "choice banner." Show them a prepared sheet of butcher paper with the title "Our Hands Make Choices." Tell them that they should paste their hands on this paper. Point out that when a hand is pasted down, only one side will show because the other side will be pasted onto the banner. At this point each student must choose which drawing to show on the banner and which one to give up. The one they do not choose must be covered with paste and put out of sight forever, glued against the banner.

7. After students glue down their paper hand, give them an opportunity to tell what they chose and why. Display banner in classroom or hallway.

Assessment: Can students:

- Explain the difference between a want and a need?
- Identify an example of spending and saving?



Post Lesson Recommendations:

1. Teach the students some of the verses of this song. Remind students that decisions they make have consequences.

Be Careful

(Tune: *If You're Happy and You Know It Clap Your Hands*)

Be careful little eyes what you want. (clap, clap)

Be careful little eyes what you want. (clap, clap)

Wanting goods and services.

Can put you in a fizz

Be careful little eyes what you want. (clap, clap)

Be careful little mind when you decide. (clap, clap)

Be careful little mind when you decide. (clap, clap)

Weigh the costs and benefits,

They will help you quite a bit.

Be careful little mind when you decide. (clap, clap)

Be careful little hands when you choose. (clap, clap)

Be careful little hands when you choose. (clap, clap)

Opportunity cost

Is the choice that is lost.

Be careful little hands when you choose. (clap, clap)

2. Complete the "I Will Save For...." skill sheet. Discuss making good decisions and the choices of saving and spending. Have students think about something they would like to save their money to buy. Discuss how much money they will need to save. Fill in the blank with amount of money they need and what they are saving for. Students can draw a picture above the sentence.

Resources:

Books

Alexander Who Used to Be Rich Last Sunday, by Judith Viorst

The Babe and I, by David A. Aaler

A Chair for Mother, by Vera B. Williams

Uncle Jed's Barbershop, by Margaret King Mitchell

Errand's Braids, by Antonio Hernandez Madrigal

Mailing May, by Michael O. Tunnell

Tops and Bottoms, by Jane Stevens

Benny's Pennies, Pat Brisson

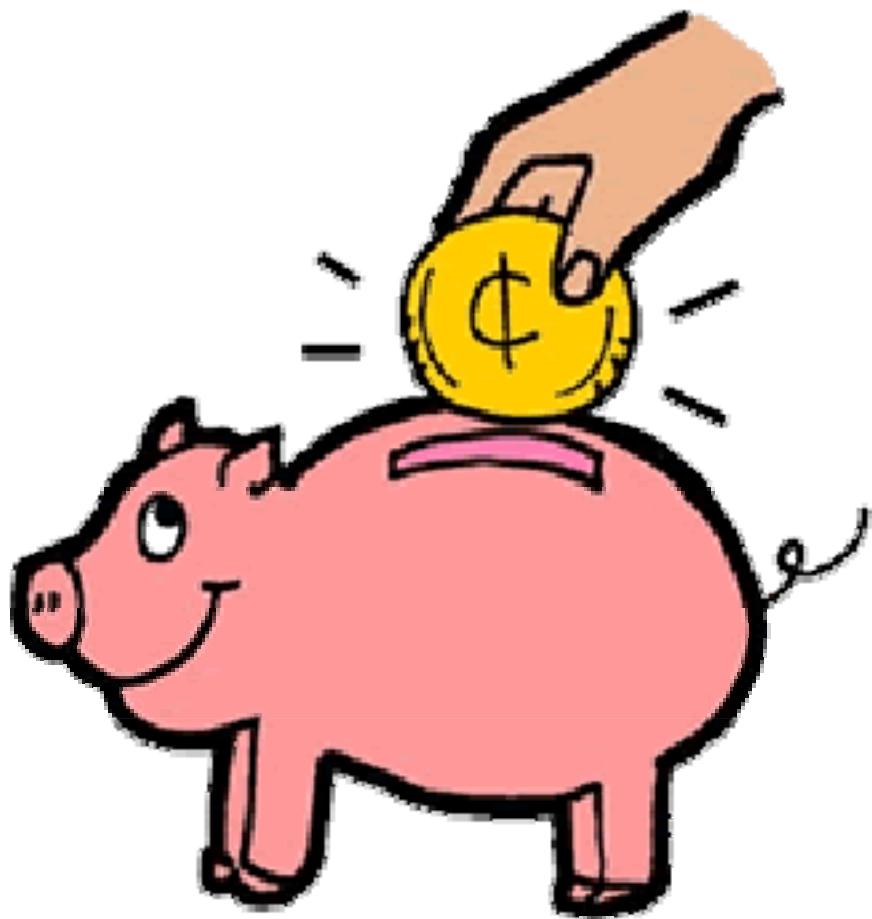
The Big Buck Adventure, by Deborah Gill Shelley

Websites

www.moneyinstructor.com

www.scufresno.edu

www.education-world.com



I will save _____ for _____.

“Spend or Save”

Spend or save? A vest or a bike? “What should I do?” thought Penny as she sat at her desk in her bedroom. She had been daydreaming all morning about spending the money she had earned. She had so many wants. Her old denim vest looked shabby, and she really wanted a fancy new one to wear with her five-pocket jeans. But she also really wanted a new bike to ride with her friends. She had enough money to buy a new vest, but she would have to save for a while to have enough to buy a bike. “If I save for the bike, I can’t have the vest. Which one do I want more?” Penny asked herself.

Penny was still thinking about her choice when the telephone rang. It scared her and she jumped. Her friend, Sally was on the phone, and she was very excited.

“Hey, Penny!” Sally said. “Guess what my mom just taught me to do! She showed me how to decorate my old denim shirt. It looks fantastic! I can hardly wait to show you. I’ll bet you could make your old denim vest look fancy, too, if you decorated it like this. Mom said she would show you how.”

“That sounds like fun!” said Penny.

“It is!” said Sally. “I could wear my shirt, and you could wear your vest, and we’d look great together with our new jeans on. What do you think?”

“Wow, Sally! I like that idea. If your mom taught me how to fancy up my old vest, I wouldn’t need to buy a new one. And I could save my money for a new bike.” Penny was so excited she was almost shouting into the telephone. “Thank you, Sally. Ask your mom when I can come over to work on the vest, and then call me back,” said Penny.

Penny thought about her decision. She would decorate the old vest and not buy the new vest she had wanted. Then she could save her money for a new bike. She was getting excited about the new bike now, and she reached for a catalog on her desk. She wanted to check out the prices of new bikes. She soon realized that she would have to make another decision because she didn’t know if she wanted a mountain bike, a street bike, or a racing bike. She decided to think about that decision after she had saved more money. Right now she wanted to count her money.

Penny opened her bank and poured the money onto her desk. As she counted the coins, she realized she had already been saving. All these coins in her bank and the money she had in her pockets from walking Peluche added up to more than she thought. She took out a piece of paper and figured out the total amount. Then she realized that she still would need to save more in order to have enough money to buy a bike.

Mom walked into Penny’s room as Penny was putting the coins back into her bank. Mom asked, “Penny, what are you doing with your money spread all over your desk?”

“I was counting it to see how much I had saved and how much I earned from Mr. Lopez. I’ve decided to save all of it for a new bike,” Penny explained.

“I’m proud of you, Penny, I think you’ve made a decision that will make you happy,” said Mom.



Source: *Financial Fitness for Life Pocket Power Storybook*, by the National Council on Economics Education.



“A Community of Helpers”

Grade Level: Kindergarten

Competency Goal 6: The learner will apply basic economic concepts to home, school and the community.

Objective(s): Students will:

- 6.03 Identify examples of how families and communities work together to meet their basic needs and wants.
- 6.05 Explore goods and services provided in communities.

Essential Question/ Expected Outcome: Students will:

- Identify jobs in the home and community.
- Recognize jobs people perform to earn money.

Approximate Time: 30 – 45 minutes

Materials:

- books about community workers
- drawing paper
- chart paper

Activating Prior Knowledge:

1. Explain to students that your job as a teacher is to help them learn. Invite students to name other jobs and the reason people hold that job. Record their answers on chart paper.

Jobs People Do	
Teacher	help children learn
Doctor	help people when they are sick
Barber	cut hair
Police officer	keep us safe
Firefighter	put out fires



Presentation of Lesson

Teacher Input/ Student Activities:

Vocabulary:

- goods
- services
- community

Lesson

1. Read a story that discusses careers. See resources for suggested books.
2. Remind students that they have jobs in the classroom. Ask them to name those jobs.
3. Ask students to imagine a job that they might like to do when they grow up. Encourage them to explain why they might like to have that job.
4. Remind them that some jobs people have help us to meet our basic needs. Ask them what jobs people have that help us stay safe, give us food and give us shelter. What jobs help us to have things that we want? Discuss the difference in that some of these jobs provide goods for us and others provide services.
5. Explain the difference between goods and services. Goods are the things people make or grow that we need or want. Services are jobs that others do for us because we can not or do not want to do ourselves. We can see and touch goods such as foods, toys, shoes, and homes, for example.
6. Students should infer that people usually pay for goods and services.
7. Students will complete the “goods and services” activity sheets.

Assessment:

Can students

- Explain the difference between a good and a service?
- Tell who in their community helps them to meet their needs?

Post Lesson Recommendations:

1. Make an ABC book of Occupations. To do this, list the letters of the alphabet on a piece of chart paper. As students brainstorm occupations, write their ideas next to the appropriate letters. Next, assign each child one letter and ask the student to create a page for an ABC book. Examples:

- A - Ambulance driver
- B – Ballerina
- C – Construction Worker

2. Divide the class into two teams. The first player in one line names a job and the first person on the other team must tell whether the job provides goods or services. The pair walks to the end of the lines, pantomiming an action from the job as they go.

3. Brainstorm a list of goods and services the class could provide to the school. Examples:

- Cleaning the cafeteria (service)
- Collecting library books for the librarian (service)
- Making cards for children in local hospitals (goods)
- Baking cookies for a school bake sale (goods)



Resources:

Books

Community Helpers From A-Z, by Bobbi Kalman
Jennie's Hat, by Ezra Jack Keats



Katy and the Big Snow, by Virginia Lee Burton
My New York: New Anniversary Edition, by Kathy Jacobson
My Town, by William Wegman
Pigs Go To Market, by Amy Axelrod
Rumpelstiltskin's Daughter, by Diane Stanley
To Market, To Market, by Anne Miranda
Too Many Chickens, by Paulette Bourgeois
Trashy Town, by Andrea Zimmerman and David Clemesha
Who Wants a Cheap Rhinoceros? By Shel Silverstein
Sheep Out to Eat, by Nancy Shaw
Sheep In a Shop, by Nancy Shaw
If You Give a Mouse a Cookie, by Laura Joffe Numeroff

Websites

<http://www.clau.org>
www.learn.org/lessons
www.moneyinstructor.com

Source: www.econedlink.org

See "Communities – What They Provide for Us" as well as "Mystery Worker" sheets



Grade Level: Kindergarten

Competency Goal 6: The learner will apply basic economic concepts to home, school and the community.

Objective(s): Students will:

- 6.05 Explore goods and services provided in communities.

Essential Question/ Expected Outcome: Students will:

- Differentiate between goods and services.
- Identify goods and services provided by a local business.

Approximate Time: 30 – 45 minutes

Materials:

- Chart paper
- Drawing paper
- Crayons
- Store items (jewelry, toys, food, books, etc)
- Book or video of a businesses providing goods and services

Activating Prior Knowledge: Brainstorm what is a local business and identify some in the area where the students live. Record the businesses on chart paper.

Presentation of Lesson

Teacher Input/ Student Activities:

Vocabulary

- good
- services
- local business

1. Have students draw a picture of one of the local businesses that was listed on the chart.
2. Discuss what the business sells. List the following businesses and ask the students to describe in one word what each business sells:
 - Grocery store (food)
 - Clothing store (clothes)
 - Jewelry store (jewelry)
 - Toy store (toys)
 - Restaurant (food)
 - Book store (books)
 - Pet store (dog leashes and collars)



3. Explain that some businesses sell “goods”, materials that you can touch, just like the examples above. Discuss the objects that you brought to match with the business.
4. Explain that other businesses sell services, or “help” from people who are experienced in that kind of work. Then, list the following businesses, and ask the students to describe what each of the following businesses sell. (Students could pantomime or act out the service.)
 - Dry cleaners (clothes cleaning)
 - Day care (child care)
 - Airline (transportation)
 - Auto repair (fixes cars)
 - Banks (money holding and check cashing)
 - Lawn care business (lawn cutting and maintenance)
 - Barber/beauty shop (hair cutting and styling)
5. Discuss that many businesses provide both goods and services. One example is a lawn care business, which provides goods (trees, shrubbery, fertilizer, soil) and services (cutting the lawn, pruning shrubs and planting flowers and trees).
6. Choose a book or video about a business that provides goods and services. (See resources for ideas.) While students are watching and listening, they should be thinking of goods and services that are provided. As a group, complete the following chart:

Goods	Services
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.
6.	6.
7.	7.

7. Complete activity sheet.

Assessment: Can students:

- Distinguish between goods and services?
- Give two examples of goods and services?

Post Lesson Recommendations:

1. Make an accordion book. Students should think of a product they can make: a book, a picture, a sandwich, etc. Have the students draw pictures in their book to show each step in the process of making their product. Students could also demonstrate how they make the product as well to the class.



2. Have students participate in a listening game. Ask students to listen to clues in order to guess which worker you are describing. Have a set of pictures of workers available for them to choose from. For example:
 - I make goods that you can wear. Which worker am I? (tailor)
 - I am a service worker. I build houses for you to live in. Which worker am I? (carpenter)

Resources:

Books

Jennie's Hat, by Ezra Jack Keats

Katy and the Big Snow, by Virginia Lee Burton

My New York: New Anniversary Edition, by Kathy Jacobson

My Town, William Wegman

Pigs Go To Market, Amy Axelrod

Rumpelstiltskin's Daughter, by Diane Stanley

To Market, To Market, by Anne Miranda

Too Many Chickens, Paulette Bourgeois

Trashy Town, by Andrea Zimmerman and David Clemesha

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Sheep In a Shop, by Nancy Shaw

If You Give a Mouse a Cookie, by Laura Joffee Numeroff

Websites

<http://www.clau.org>

www.learn.org/lessons

www.moneyinstructor.com

Source: www.econedlink.org

See "Providing Goods or Services" sheet from Source website



“Goods and Services”

Grade Level: Kindergarten

Competency Goal 6: The learner will apply basic economic concepts to home, school and the community.

Objective(s): Students will:

- 6.03 Identify examples of how families and communities work together to meet needs and wants.
- 6.05 Explore goods and services.

Essential Question/ Expected Outcome: Students will:

- Distinguish between goods and services.
- Learn about community helpers and the services they provide.

Approximate Time: 30 minutes

Materials:

- can of food, glove, toy, pencil and other interesting items
- magazine pictures or posters of community services
- “Goods and Services” posters

Activating Prior Knowledge:

Prior to the lesson, review with students what a community helper is and identify those in their community.

Presentation of Lesson

Teacher Input/ Student Activities:

Vocabulary:

- community helper
 - goods
 - services
1. Have students hold out their hands and go around the group and place an object in each child’s hand. Ask students what might be some other things they could hold.
 2. Discuss with students how all of these items have something in common. They can all be held or touched. Explain that items that people can buy are called “goods” if those items can be held or touched. It might be helpful to explain that this word has nothing to do with being good. Brainstorm other items that are goods.
 3. Now explain to students that we sometimes buy things that cannot be held. For example, we buy a haircut, but we don’t go to a store and

point to a haircut and put it on. Instead, a haircut is something someone does for us. In other words, it is a service. Or we may buy a carwash—but we don't carry it home in a box. A carwash is another example of a service – or something someone does for us. Similarly, when our water pipes leak at our house, we don't go buy a plumber: we pay a person to come to our house and fix them for us.

4. Tell students that some services that we need are provided by businesses (like getting a haircut or getting our teeth cleaned), but sometimes communities need to provide services for the people that live in them. Who collects the garbage? Who protects us from crime? Who put fires out at our homes? These are all services provided by people in our community.
5. Show and discuss the posters, included with this lesson, or community helpers from magazines or books. Have students explain the services that are provided. Brainstorm a list of community helpers that can be added to these.
6. Give each student a piece of drawing paper or construction paper. The title "Community Helper" should be at the top of the paper. Instruct the students to choose a community helper from the list the class has just compiled. Students are to draw a picture of that community helper providing a service to the community. You may also have students to write a sentence beginning with "I am thankful for the [insert title the community helper] because..."

Assessment: Can students:

- Identify two goods? (tangible items that can be touched or held)
- Identify two services? (activities that satisfy people's wants)
- Describe a community helper?



Post Lesson Recommendations:

1. Take students on a field trip to visit businesses in the community. Plan to stop at businesses where goods and /or services are provided. If possible, plan to have the manager or owner speak to the students about the business and what is provided. Take photographs and compile a scrapbook when back at school. Write stories telling about the visit and describing the photographs.
2. Play the Memory Game – Make cards from construction paper or cardstock which have pictures of different types of goods, services,



those who provide the service and the source of the good. Students will match the service to the provider and the good to the source. The students can play in small groups or pairs, and the student with the most matched pairs after all are matched correctly is the winner.

Resources:

Books

Jennie's Hat, by Ezra Jack Keats
Katy and the Big Snow, by Virginia Lee Burton
My New York: New Anniversary Edition, by Kathy Jacobson
My Town, William Wegman
Pigs Go To Market, Amy Axelrod
Rumpelstiltskin's Daughter, by Diane Stanley
To Market, To Market, by Anne Miranda
Too Many Chickens, Paulette Bourgeois
Trashy Town, by Andrea Zimmerman and David Clemesha
Who Wants a Cheap Rhinoceros? By Shel Silverstein
Sheep Out to Eat, by Nancy Shaw
Sheep In a Shop, by Nancy Shaw
If You Give a Mouse a Cookie, by Laura Joffe Numeroff

Websites

<http://www.clau.org>
www.learn.org/lessons
www.moneyinstructor.com
<http://bensguide.gpo.gov/k-2/neighborhood/teacher.html>

Source:<http://www.econedlink.org>



“Building a Community”

Grade Level: Kindergarten

Competency Goal 6: The learner will apply basic economic concepts to home, school and the community.

Objective(s): Students will:

- 6.03 Identify examples of how families and communities work together to meet needs and wants.
- 6.05 Explore goods and services provided in communities.

Essential Question/ Expected Outcome: Students will:

- Identify a variety of jobs and determine for each job whether it provides a service or goods.
- Explain the importance of having businesses that provide services and goods in their community.

Approximate Time: 30 - 45 minutes

Materials:

- pictures of community helpers
- magazines
- scissors
- glue
- drawing paper
- butcher paper
- crayons and markers



Activating Prior Knowledge:

Discuss with students what goods and services are. Review some of the community helpers that students are familiar with. Talk about the ones that are in their community.

Presentation of Lesson

Teacher Input/ Student Activities:

Vocabulary:

- goods
- services
- community
- community helpers

1. Tell students that they are going to pretend to be the mayor of an up and coming community. Talk about the community helpers you would want in your town. You need to make sure your town is safe so new people will move into your area. When you build your community you will need to match each worker to the job that she or he provides. Notice whether that person provides a good or service to the community. It is important that both types of people live in your community in order for it to grow,
2. Have students go through magazines and cut out pictures of buildings, vehicles, and other things that can be found in a city to build their community.
3. Provide or have students draw the different community helpers they want in their community with the service or goods they provide. You may want to provide pictures of buildings and vehicles that community helpers might use. Students may use large butcher paper or the background paper provided. They will probably need several sheets of the background paper. Students can work in small groups or individually.
4. Students should have two businesses that provide a service, two businesses that produce goods and two types of shelter that people could live in when their community is finished. Students will then add any other details they think their community should have to look like a community that someone would want to live in.

Assessment: Can students:

- Explain why communities need people who provide services as well as goods?
- Tell what would happen to a community if there were no businesses in town?
- Sort pictures of people into the categories of goods, services or both? (activity sheet)

Post Lesson Recommendations:

1. Plan a day for parents to visit and share about the job they have and whether it is a service or if they produce a good.
2. On a sheet of writing paper, write the letters of the alphabet down one side of the paper. Next to each letter, students write a good or service that you consume that begins with that letter. How many letters can students complete?
3. Make a list or using grocery store fliers cut out pictures of foods they would buy at the grocery store. Display a food pyramid and discuss the foods our bodies need to grow and be healthy. Next ask students to circle foods on their list that they really need versus the ones they want.



Resources:

Books

Community Helpers From A-Z, by Bobbi Kalman
Jennie's Hat, by Ezra Jack Keats
Katy and the Big Snow, by Virginia Lee Burton
My New York: New Anniversary Edition, by Kathy Jacobson
My Town, William Wegman
Pigs Go To Market, Amy Axelrod
Rumpelstiltskin's Daughter, by Diane Stanley
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Too Many Chickens, Paulette Bourgeois
Trashy Town, by Andrea Zimmerman and David Clemesha
Who Wants a Cheap Rhinoceros? by Shel Silverstein
Sheep Out to Eat, by Nancy Shaw
Sheep In a Shop, by Nancy Shaw
If You Give a Mouse a Cookie, by Laura Joffe Numeroff

Websites

www.moneyinstructor.com
www.learnnc.org/lessons
www.teachers.net
www.teacherhelp.org

Source: www.econedlink.org



First Grade

Competency Goal 6: The learner will apply basic economic concepts to home, school, and the community.

Objectives

- 6.01 Examine wants and needs and identify choices people make to satisfy wants and needs with limited resources.
- 6.02 Describe how people of different cultures work to earn income in order to satisfy wants and needs.
- 6.03 Participate in activities that demonstrate the division of labor.
- 6.04 Explore community services that are provided by the government and other agencies.
- 6.05 Give examples of the relationship between the government and its people.
- 6.06 Identify the uses of money by individuals which include saving and spending.



Be Smart! Save!

Grade Level: 1

Competency Goal 6: The learner will apply basic economic concepts to home, school and the community.

Objective(s):

6.01 Examine wants and needs and identify choices people make to satisfy wants and needs with limited resources.

Essential Question/ Expected Outcome: Why should we save our money?
How do we spend money wisely?

Approximate Time: 30 to 45 minutes

Materials:

- *Josh Has Many Wants* story
- *Josh Decides to Spend* story
- Pet Supply catalog or sales paper (make copies of supplies related to goldfish and hamsters)

Activating Prior Knowledge: Students can tell about experiences in which they went to a store with allowance or specific amount of money to spend, yet really wanted something that cost more than their amount. Or discuss times they wanted to save their money for something special.

Presentation of Lesson

Teacher Input/ Student Activities: After reading *Josh Has Many Wants*, create a chart showing the supplies Josh will need to take care of a hamster and a goldfish. Ask students to find the specific supplies listed on the chart paper for each pet. Write down the cost of the supplies and total how much taking care of each animal would cost. Discuss the questions at the end of the story. You could have students vote for their decision by creating a simple T-chart with one column labeled Goldfish and the other labeled Hamster. Give each student a colored sticky dot to stick under the column they feel Josh should buy. Then read *Josh Decides to Spend* to find out what decision Josh makes. You could also discuss goods and services that Josh wanted to purchase or did buy.

Vocabulary:

- Choices
- Bargain
- Consumer
- Goods



- Services

Assessment:

Give a list of scenarios for students to choose if they are saving wisely or spending. Such as “Josh wants to buy a hamster with his money, but buys a candy bar from the store.”

Post Lesson Recommendations: (Regular Ed/Re-teaching/Enrichment Activities)

Students could research costs of other pets to decide which would be the best/worst buy.

Resources: www.econedlink.org (Lesson titled “Every Penny Counts”)

See “Josh Has Many Wants” and “Josh Decides to Spend” from Econedlink.



Grade Level: 1

Competency Goal 6: The learner will apply basic economic concepts to home, school and the community.

Objective(s):

6.01 Examine wants and needs and identify choices people make to satisfy wants and need with limited resources.

Essential Question/ Expected Outcome: What is trading or bartering?

Approximate Time: 45 to 60 minutes

Materials:

- Used books
- Table
- Numbered slips of paper

Activating Prior Knowledge: What is trading? What do you trade for? Many of the children will already have some concept of trading, through various types of trading cards. List items that children in your class trade.

Presentation of Lesson

Teacher Input/ Student Activities: Students will bring in used children's books in order to trade. Allow each child to pull a number from a hat. This number will coincide with who chooses first, second, etc. Give all students a few minutes to examine the books, then call student number one to choose his/her book. As students select books, other students may notice that someone has already selected the book *they* wanted. When all students have a book, the bartering may begin, so students may trade with others for books more appealing to them.

- Barter
- Exchange
- Compromise

Assessment: How did you feel when someone else picked the book you wanted? What did you do to get the item you had originally chosen from the table? How difficult was it to get this item?



Post Lesson Recommendations: (Regular Ed/Re-teaching/Enrichment Activities)

Book talk after barter activity is completed.

Resources: www.econoedlink.org



Work Is Work

Grade Level: 1

Competency Goal 6: The learner will apply basic economic concepts to home, school and the community.

Objective(s):

6.02 Describe how people of different cultures work to earn income in order to satisfy wants and needs.

Essential Question/ Expected Outcome: How do people around the world earn income?

Approximate Time: 30 minutes

Materials:

- Work by Ann Morris
- Drawing supplies

Activating Prior Knowledge:

Presentation of Lesson

Teacher Input/ Student Activities: Have each student draw/color a picture detailing the occupation of his/her parent/guardian. Do you think that people all over the world earn money in the same ways we do here in our community?

Read Work by Ann Morris which is a photo essay of jobs around the world. Students will be fascinated to know the varied occupations around us. Assign each child a picture to create of one of the “new jobs” they learned about while reading the book. Create a bulletin board of Jobs At Home and Abroad.

Vocabulary:

- Occupations
- Cultures
- Income

Assessment: Have students generate a list of similarities and differences between two occupations.

Post Lesson Recommendations: (Regular Ed/Re-teaching/Enrichment Activities)

What would be the positives and negatives regarding some of the jobs revealed? What “human resources” would one need to have in order to hold this job?



Resources: www.carolhurst.com



Grade Level: 1

Competency Goal 6: The learner will apply basic economic concepts to home, school and the community.

Objective(s):

6.03 Participate in activities that demonstrate the division of labor.

Essential Question/ Expected Outcome: In occupations, why are jobs divided in small parts and assigned to specific people?

Approximate Time: 30 to 45 minutes

Materials:

- 2 Loaves of Bread
- Sliced Ham
- Sliced Cheese
- 2 Jars of Mustard
- Plastic Knives
- Sandwich Bags
- Plastic Gloves (students must wear during activity)
- Tablecloths

Activating Prior Knowledge: Survey the students to see how many have ever made their own ham and cheese sandwich. List the steps in order on chart paper.

Presentation of Lesson

Teacher Input/ Student Activities: The students will be divided into two groups, both of which will be making ham and cheese sandwiches. Divide all of the sandwich-making materials among the two groups, by placing them in a central location where the groups will be working. One group will not be divided into specific tasks, they will all be making sandwiches. The second group will have each member assigned a specific job. Bread person (gets the sandwich bread out to begin the sandwich started), Mustard spreader, Ham person, Cheese person, Closer, and Bagger. You could also have “quality control person” who checks for quality sandwiches. Other students in the classroom will be placed as observers in the sandwich factory and will note how each group works. At the start of time, each group begins making sandwiches. The ultimate goal is to see the group with division of labor is much more efficient than the group without. At the end of time, count sandwiches, possibly have “quality-control” dismiss any sandwiches that aren’t of high quality.

Vocabulary:

- Division of Labor
- Quality
- Process

Assessment:

Discuss how each group performed, felt, etc. Have observers share their thoughts on what was seen during the process. Why does working in an assembly line help work move much faster? Create a list of jobs the students do each day which requires the help of others. Have them describe what would happen if one of the persons in the line was absent.

Post Lesson Recommendations: (Regular Ed/Re-teaching/Enrichment Activities)

See the Division of Labor worksheets from the Resources website provided.

Resources: www.econedlink.org

****Teachers could use any activity which divides creation of a product into parts that are “do-able” by their students.**

Use worksheets from the Econedlink website for assessment worksheets.





Community Hats

Grade Level: 1

Competency Goal 6: The learner will apply basic economic concepts to home, school and the community.

Objective(s):

6.04 Explore community services that are provided by the government and other agencies.

Essential Question/ Expected Outcome: Who are community workers in our neighborhoods? What services do these people provide?

Approximate Time: 45 minutes

Materials:

- Hats of various types or pictures of hats

Activating Prior Knowledge: Review goods and services. Goods are items that can be touched and held (pencils, books, clothing), whereas services are cannot (a haircut, a check-up from the dentist, etc.)

Presentation of Lesson

Teacher Input/ Student Activities: In a large box, have various types of hats or pictures of hats. Suggested are cowboy hat, fireman's hat, chef's hat, police cap, etc. As each hat is pulled from the box, students guess what job corresponds to the cap. On chart paper, write down students' responses. Expand the discussion to tell the responsibilities of each worker. Allow students to choose which job he/she would like to have. What qualities would you need or what would you need to know or know how to do before getting this job? This lends itself to the discussion of human resources.

Vocabulary:

- Goods
- Services
- Human resources
- Job responsibilities

Assessment: What human resources are needed by your parents for the jobs listed in the beginning of the activity? What services are provided by your parents?



Post Lesson Recommendations: (Regular Ed/Re-teaching/Enrichment Activities)

Read What Will I Be by James Levin and have students guess what each worker is.

Create an ABC book of community workers.

Resources: www.econedlink.org

Save Those Noodles

**Grade Level:** 1

Competency Goal 6: The learner will apply basic economic concepts to home, school and the community.

Objective(s):

6.06 Identify the uses of money by individuals which include saving and spending.

Essential Question/ Expected Outcome: Why is saving money important? Why do people save money?

Approximate Time: 30 minutes (This activity can be applied year-long.)

Materials:

- Noodle banks
- Noodles (elbow macaroni, etc.)
- Class Treasure Box

Activating Prior Knowledge: Conceptual knowledge of saving money.

Presentation of Lesson

Teacher Input/ Student Activities: Create a treasure box or classroom store with prizes of different values or “noodle costs”. Have children look through the store and choose a prize they would like to purchase. Discuss questions such as “What will we need to do to buy this prize?” What if we decide, at spending times, to buy a smaller prize? Will we reach our goal of the ultimate prize?” Assign students a jar to be called “The Noodle Bank”. Talk about the terms *saving, goals, and earning*. Set ways for earning noodles such as homework, behavior, etc. Write each child’s goal and the number of noodle needed to reach this goal on chart paper. You could discuss how many each child has daily (counting), how many more he/she needs (subtraction).

Vocabulary:

- Allowance
- Goals
- Wish List
- Saving



- Earning

Assessment: Student open-ended questions/answers to each other about the importance of saving money.

Post Lesson Recommendations:

(Regular Ed/Re-teaching/Enrichment Activities)

Relate this to savings in the real world. Discuss parents saving money for various reasons.

Resources: www.econoedlink.org
www.moneyinstructor.com



If I Had \$100

Grade Level: 1

Competency Goal 6: The learner will apply basic economic concepts to home, school and the community.

Objective(s):

6.06 Identify the uses of money by individuals which include saving and spending.

Essential Question/ Expected Outcome: Why do people save? Why do they spend?

Approximate Time: 30 minutes

Materials:

- Catalogs, magazines, sales papers
- Scissors
- Glue
- Save or Spend sheet

Activating Prior Knowledge: Students tell about things they have saved their money for or their favorite things to purchase when they have money.

Presentation of Lesson

Teacher Input/ Student Activities: Ask students the essential questions above. Pose the scenario to them: If I gave you \$100, what would you do with it? Have them think for a moment, then give sales papers, magazines and catalogs to students and the Save or Spend sheet. They should decide which they will do...NOT BOTH! They can cut out pictures of items they would save for to glue by the piggy bank OR what they would spend their money on, gluing it by the cash register.

Vocabulary:

- Save
- Spend
- Wants
- Needs

Assessment: Let each child who saved tell the class one item they would be saving for. List each response then do the same for the students who said they



would spend the \$100. For what reasons do people decide to save their money?
Why do people spend?

Post Lesson Recommendations: (Regular Ed/Re-teaching/Enrichment Activities)

Resources: www.education-world.com

Save or Spend

If I had \$100, I would save my money for...



If I had \$100, I would spend it on...





Community Exploration

Grade Level: 1

Competency Goal 6: The learner will apply basic economic concepts to home, school and the community.

Objective(s):

- 6.03 Participate in activities that demonstrate the division of labor,
- 6.04 Explore community services that are provided by the government and other agencies.
- 6.07 Recognize that all families produce and consume goods and services.

Essential Question/ Expected Outcome: What are the differences/similarities of your community with another?

Approximate Time: 35 minutes

Materials:

- City Mouse Country Mouse
- Venn diagram

Activating Prior Knowledge: Discuss with students how many have been to the country, specifically a farm and what is observed there. Do the same with city life.

Presentation of Lesson

Teacher Input/ Student Activities: Read City Mouse Country Mouse. Use a venn diagram to compare and contrast country life with city life. What types of jobs would be found in each place? Generate a list under the categories of “City Jobs” and “Country Jobs”. Also discuss what goods are produced in the country setting, what services they would find in each. Students can create a picture about a job listed on the chart. They should also include in the illustration what services that job provides or goods produced by the job.

- Differences
- Goods
- Services
- Similarities

Assessment



Post Lesson Recommendations: (Regular Ed/Re-teaching/Enrichment Activities)

Resources: www.education-world.com/a_lesson/lesson



Second Grade

Competency Goal 7: The learner will apply basic economic concepts and evaluate the use of economic resources within communities.

Objectives

- 7.01 Distinguish between producers and consumers and identify ways people are both producers and consumers.
- 7.02 Distinguish between goods produced and services provided in communities.
- 7.03 Describe different types of employment and ways people earn an income.
- 7.04 Identify the sources and use of revenue in the community.
- 7.05 Analyze the changing uses of a community's economic resources and predict future changes.



Producers and Consumers

Grade Level: 2

CG: 7 The learner will apply basic economic concepts and evaluate the use of economic resources within communities.

Objective(s):

- 7.01 Distinguish between producers and consumers and identify ways people are both producers and consumers.
- 7.02 Distinguish between goods produced and services provided in communities.

Essential Question/ Expected Outcome: Students will be able to distinguish between consumers and producers and identify ways people are both. Students will be able to distinguish between goods produced and services provided in communities.

Approximate Time: 30-45 minutes

Materials:

- Post-it notes
- index cards

Activating Prior Knowledge: Write the words “producer” and “consumer” on the board. Give students sticky notes to write what they think each word means. Read aloud some of the definitions students gave you.

Presentation of Lesson

Define “producer” and “consumer” for the students. Producer: someone who makes something or provides a service. Consumer: someone who buys or uses a product. Explain to students that we are all producers and consumers. Give some examples: When I bought this pen I was a consumer. When I made this poster I was a producer. Ask students to think of a time they were a producer: wrote a story, raked the leaves. Have 1-2 students share various ideas and briefly discuss how each idea makes the student a producer. Do the same for consumer: bought lunch, got hair cut.

Teacher Input/ Student Activities:

Divide the students into groups of 2-3. Give each group an index card with a scenario on it that they will act out. After they act out their scenario, the rest of the class will identify who the consumers were and who the producers were based on the skit. Students must support their thoughts with valid reasons based on the definitions of producer and consumer.



Scenario ideas:

1. Two friends go to a restaurant and order a pizza for lunch. (2 friends and a restaurant owner)
2. A person goes to get a haircut. (person needing haircut and hairdresser)
3. A mom/dad and child go to a store to buy school supplies. (Mom/Dad, child, and cashier)
4. Two friends rake leaves for a neighbor for \$10. (2 friends and elderly neighbor)
5. A person walks dogs for people in the neighborhood. (Dog walker, neighbor, dog)
- 6.

Vocabulary:

- consumer
- producer
- product
- service

Assessment: Give each child an index card. Have them write one time they were a producer and one time they were a consumer. Have them explain on their index card what made them a producer and consumer in the instances they shared. Have some of the students share their index cards. Ask for one student to define “producer” and one student to define “consumer.”

Post Lesson Recommendations:

(Regular Ed/Re-teaching/Enrichment Activities)

Resources:

Submitted by Sara Self, Turner Creek Year-Round Elementary School, Cary, N.C.



Goods and Services

Grade Level: 2

CG: 7 The learner will apply basic economic concepts and evaluate the use of economic resources within communities.

Objective(s) 7.02 Distinguish between goods produced and services provided in communities.

Essential Question/ Expected Outcome: Students will be able to distinguish between goods produced and services provided in communities.

Approximate Time: 30 minutes

Materials:

- index cards

Activating Prior Knowledge: What is a producer? Explain to students that a producer is someone who makes something or provides a service. How can we tell the difference? If someone makes something there is an end product – something we can touch. If they provide a service, they've done something for us, but there is no product for us to touch.

Presentation of Lesson

Both types of producers are very important to our community. Today we are going to divide into teams and play a game to practice distinguishing between goods produced and services provided.

I am going to read off a card and the person whose turn it is on your team will need to call out “produced” or “provided.” (Have these words written on the board.)

Teacher Input/ Student Activities:

Divide the class into two teams and let them choose a name. You may choose to have the first person from each team go at the same time and whoever answers first gets the point, or you may alternate from team to team.)

Scenario ideas:

1. Cut someone's hair
2. Raked leaves
3. Baked bread



4. Cooked dinner
5. Did laundry
6. Walked dog
7. Mowed the yard
8. Made a dress
9. Invented a bicycle
10. Made jewelry

Vocabulary:

- produce
- provide
- service
- product

Assessment: Give each child an index card. Have them write a time they produced a good and a time they provided a service. Have some of the students share their index cards.

Post Lesson Recommendations:

(Regular Ed/Re-teaching/Enrichment Activities)

Resources:

***Submitted by Sara Self, Turner Creek Year-Round Elementary School, Cary, N.C.**

Grade Level: 2

CG: 7 The learner will apply basic economic concepts and evaluate the use of economic resources within communities.

Objective(s)

- 7.01 Distinguish between producers and consumers and identify ways people are both producers and consumers.
- 7.02 Distinguish between goods produced and services provided in communities.

Essential Question/ Expected Outcome: Students will be able to distinguish between goods produced and services provided in communities. Students will be able to distinguish between producers and consumers and identify ways people are both producers and consumers.

Approximate Time: This activity is highly adaptable in length because it is broken down into various steps that may or may not all be used

Materials:

- chart paper
- markers
- drawing paper
- duplicated “Goods and Services” chart, one for each family
- glue
- old magazines
- overhead projector
- transparencies
- stapler
- tape

Activating Prior Knowledge:

Write a simple definition for goods at the top of chart paper or on an overhead transparency. Write a simple definition for services at the top of another piece of chart paper, or on another overhead transparency.

Sample definitions:

Goods - things people make or grow to sell.
Services - jobs that people do for others.



Presentation of Lesson

1. Explain the definitions to the children. Ask them to remove one item from their desk that a person made or grew. List those items on the "Goods" chart or overhead transparency. (Examples: pencils, paper, books, etc.) Next, ask the children to name one article of clothing they are wearing that was made by a person. Add the clothing items to the "Goods" list. Instruct them to think about something they ate for breakfast or lunch that was made or grown by a person. (Examples: an apple or cereal) Add the food items to the "Goods" list.
2. Instruct the children to think about jobs that are done for them during the week. As they respond, write the jobs on the "Services" chart or transparency. (Examples: crossing guard, bus driver, teacher, custodian, doctor, dentist, etc.) Next, ask the children to think of services they do for others. Write those responses on the "Services" list. (Examples: passing out papers, turning on the computer, setting the table, or taking out the trash).
3. Divide the children into pairs to create "Goods and Services" collages. Distribute one sheet of drawing paper to each pair of children. Instruct the pairs to fold the paper in half and label one side Goods and the other side Services. Have available old magazines for the children to cut out pictures of goods and services, and attach them to the appropriate side of the paper.

Example:

Goods	Services

4. Review the definitions of goods and services with the class before the children share their collages. Ask each pair of children to explain two pictures that are goods and two pictures that are services to the class. Hang the collages on a bulletin board or in the hallway.
5. Have the children take home the chart below to be completed by their family. Direct the family to list the goods and services they use each day for the next two days. After two days, have the children return the charts to



the school regarding the goods and services that their families have used. The charts will be analyzed in Lesson 2.

6. Instructions:

Please complete this chart about the goods and services your family uses for the next two days, and then return it to school.

7. Child's Name _____

	Goods - things people make or grow to sell	Services - jobs that people do for others
Day 1 Date:		
Day 2 Date:		

Add an "Economy" section to the "Community" word wall or word bank (if applicable) and include:

- Goods
- Services

Vocabulary:

- goods
- services

Assessment: Formally assess the children's understanding of goods and services as they explain their choice of pictures for the collages.

Post Lesson Recommendations:

(Regular Ed/Re-teaching/Enrichment Activities)

The children can talk with family members about important services the community provides. They can also identify goods they or their family purchase or services that they or their family use.

Resources:



Employment and Revenue

Grade Level: 2

CG: The learner will apply basic economic concepts and evaluate the use of economic resources within communities.

Objective(s):

- 7.01 Distinguish between producers and consumers and identify ways people are both producers and consumers.
- 7.02 Distinguish between goods produced and services provided in communities.
- 7.03 Describe different types of employment and ways people earn an income.
- 7.04 Identify the sources and use of revenue in the community.
- 7.05 Analyze the changing uses of a community's economic resources and predict future changes.

Essential Question/ Expected Outcome: Students will gather economic data from observing the local community through school field trips to local business and by observing the businesses their families use. Students will analyze and evaluate how the community meets the economic needs and wants of their families.

Approximate Time: This activity is highly adaptable in length because it is broken down into various steps that may or may not all be used.

Materials:

- camera, digital, photographs or video
- chart paper
- markers
- drawing paper
- field trip sites for businesses that produce goods and services
- observation worksheets, reproduced for each family
- overhead projector
- transparencies
- string
- writing journals

Activating Prior Knowledge:

Explain to the children that the economy of the community depends on people earning and spending money in the community. Tell them they are going to observe where people make their money and how money is used in their local community.

Presentation of Lesson

Arrange the following field trips to businesses in the local community.

- Visit a business in the community where the children are able to observe where goods are made, e.g. a farm or a factory.
- Visit a business where the children are able to observe where goods are distributed, e.g. a grocery store or a car dealer.
- Visit a hospital or a library in order to observe a business that provides services to the community.

Explain to the children they are to use their eyes and ears at the field trip sites to learn how people in the community earn and spend money. Record the experiences with a camera for photographs, videotapes, or digital pictures for use later in the lesson. After each trip create a class poster. Put pictures of the business at the top and underneath the pictures write a list of observations as the children recall what they saw and heard about how goods and services are produced, distributed, and consumed in their community.

Teacher Input/ Student Activities:

Review the field trip pictures and observation lists with the class. Explain to the children that people can be both producers and consumers of goods and services. Distribute drawing paper to each child. Direct them to draw at least two pictures showing a person as a producer and a consumer. For example, one picture depicts a person producing furniture, while another picture depicts the same person at a shoe store buying shoes with the money earned from making furniture. Have the children share their pictures with the rest of the class and bind them into a book for the class library.

As a homework assignment ask the children to observe the businesses their families use during a five-day period. Define business as a store or other establishment that sells, makes, or provides goods or services to consumers. Create a worksheet for them to record their observations of the businesses their families visit. Have the children return the worksheets to school at the end of the time period.



Sample Worksheet

Food	Clothing	Shelter	Water
Health Care	Transportation	Recreation	Other

Analyze the information gathered from the family observation worksheets with the questions listed below. Record the children's responses on chart paper or an overhead transparency.

- What kinds of businesses did your family use the most?
- Did your family spend more money for needs or wants?
- Did the businesses in our community meet your family's needs or did you go to other communities to spend your money?
- Are there places to work, live, and play in our community?

Use the Thinking/Writing Journals to have the children respond to the question, "Based on your observations, how does our community meet our economic needs and wants?" Have the children share responses with other members of the class.

Vocabulary:

- business
- consumer
- goods
- producer
- services

Assessment: The Thinking/Writing Journals are a formal assessment of the children's understanding of local economy based on their observations.

The pictures the children drew of producers and consumers in Step 3 are a formal assessment of knowledge that people can be producers and consumers and where those processes take place

Post Lesson Recommendations:

(Regular Ed/Re-teaching/Enrichment Activities)

Send the children home with a drawing paper and instructions for creating a mural mobile. The children draw pictures of the local businesses in the

community on the strip. Label it "All Around The Community" above the pictures, and write at least one sentence about the businesses on the bottom of the strip, underneath the pictures, for example, "We have many stores for people to buy things they need". At home or at school, bend the paper into a circle and tape the edges. Punch three holes at equal distances across the top of the strip. Thread equal length pieces of string through the holes. Tie the three strings together and attach to a single long string. Hang the murals in the classroom.

Resources: Gruber, Barbara, and Sue Gruber. *"All Around My Community."* Theme Book Series, Communities, Grade 3. Palos Verdes Estates, CA: Frank Schaffer Publications, Inc., 1991. 21.

Grade Level: 2

CG: 7 The learner will apply basic economic concepts and evaluate the use of economic resources within communities.

Objective(s):

- 7.01 Distinguish between producers and consumers and identify ways people are both producers and consumers.
- 7.02 Distinguish between goods produced and services provided in communities.
- 7.03 Describe different types of employment and ways people earn an income.

Essential Question/ Expected Outcome: Students will be able to distinguish between producers and consumers and identify ways people are both producers and consumers. Students will be able to describe different types of employment and ways people earn an income.

Approximate Time:

This activity is highly adaptable in length because it is broken down into various steps that may or may not all be used.

Materials:

- Chart paper with definitions of economic terms producer/consumer/goods/services
- Materials for making crafts
- Nickels in play money
- Poster board for signs
- Loan papers
- Zip-lock bags to hold money while shopping
- Visuals for LEP students
- Plastic shopping bags
- Mock Lay-Out of Booths

Activating Prior Knowledge: If using a multicultural winter holiday theme, you will need to teach holidays before beginning this unit. Try to include holidays from as many cultures in your school as possible.



Presentation of Lesson

Day 1:

1. Introduce market. Ask students if they have ever been to a supermarket or other types of markets. Make a [double bubble or Venn diagram](#) showing the similarities and differences between markets and supermarkets. Record students' remarks on chart paper using words and simple illustrations.
2. Show chart with economics terms. Teacher reads definition of term and adds a simple illustration of term. Teacher elicits additional examples from students and draws and labels examples.
3. Before the lesson, create a list of business teams with students assigned heterogeneously(mixed according to gender, ability, and cultural background). Assign each team a service or product to create. Teams should consist of 2-4 students. Teacher identifies teams. Teacher explains that each team is now a business. They will be creating products for other consumers to purchase at the international market. Teacher shows each team an example of their product.

Teacher Input/ Student Activities:

1. Teacher introduces materials that students will need to make each product. Teacher then tells students that they will need to buy these materials for \$3. Teacher asks students if they have the money to buy the materials, and if not, what can they do. Teacher leads students to the understanding that they will have to borrow some money to pay for the materials. Teacher introduces the loan paper.) Teacher reads it aloud to make sure students understand what they are agreeing to. Each member of the business team signs the loan agreement. Teams receive their materials.
2. Teacher explains that they will also be earning a daily wage if they perform their jobs well (You could also pay by production, but it works best if each child ends up with \$1 total in wages). Tell students that they will be using the money they earn to purchase items in the market.

Days 2 through 6:

1. Work on crafts or services. Put directions for each craft on a sign using words and pictures. While working on the crafts, teacher reminds students to:
 - o produce enough goods to be able to repay loan.
 - o maintain high quality of product.
2. Students receive a daily wage based on how well they worked. You can tell them how much they earned each day and let them keep a running tally, or you can give them the money each day to keep in a bag.

Day 7:

1. Business teams set prices for their goods or services. Teacher shows a mock layout of market booths drawn on chart paper with a picture and label of each product on the booth. Place paper on floor with students around it in a circle. Give one student a bag of 20 nickels (use nickels for ease in counting). Student selects a craft to buy. Teacher says, "That one costs 80 cents. Put 80 cents on that booth." Student selects another booth. Teacher says, "That one costs 40 cents. Put 40 cents on that booth." Students see that he doesn't have enough money to pay for the item. Teacher then asks what will happen if they set their prices too high (consumers won't be able to buy many items, or they may decide not to buy the product).
2. Then talk about what will happen if they set prices too low. Give an example: You charge 5 cents for a bracelet, and your team has made 20 bracelets. How much will you make on the 20 bracelets? (Students can count out the 20 nickels and see that they would make 100 cents. Teacher then asks what the problem with this is and leads them to see that they will not have enough to repay their loan.
3. Teams then decide how to set the price on their products. The price needs to be in a multiple of five. You may want to establish a range of prices for the students to choose from (for example, 10 to 25 cents). You may want to write the multiples of 5 on the board for students to refer to.

Day 8: Prepare for market:

1. Business teams design a poster for their market booth. Sign should give the name of the product and its price, and it could also illustrate the product.
2. Team members choose roles to perform at the market, either cashier or customer assistant. Cashier is responsible for taking the money and making sure the amount is correct. Customer assistant recruits business, helps the customer select the product, and directs the customer to the cashier. Teacher gives team members tags with roles on them to assign to the people they have selected to perform those roles.
3. Practice with the money, because all students will be both buying and selling at the market. Give students bags of nickels. Teacher gives an example: You see a bracelet for 25 cents. Put out the right number of nickels to pay for the bracelet. Teacher circulates and checks coins. Assist students in counting orally by 5's if they are having difficulty.

Day 9:

1. Students set up booths by putting 2-4 desks together. They display their products and put their sign up. They use a bowl or bag to put the money in.
2. If you are working with another teacher on this project, classes take turns visiting each other's markets. If you are working alone, divide your business teams into two groups so that one group shops while the other group sells their products.
3. Students who are buying go around to booths as they wish to buy items. They have a shopping bag to put their purchases in.

Debrief:

1. If you are working with another class, ask the debriefing questions in two sessions, one after the students have had the opportunity to buy, and the other after they have had the opportunity to sell. If you are working alone, you may want to divide the debriefing into two sessions after the market experience.
2. Debriefing questions about purchasing items:
 - o Did you buy items from each booth?
 - o Did you buy two or more of any items? If so, why?
 - o How did you decide what you were going to buy? Were you buying for yourself or for others?
 - o Did you have enough money to buy what you wanted?
3. Debriefing questions about selling items:
 - o What was your favorite part? What did you like least?
 - o How many products did you sell? Teams figure out how many they sold by subtracting the number of products they have left from the number they had originally.
4. Teacher makes a class graph showing the most popular items. Teacher asks, Why do you think these items were the most popular?
5. Each team groups their nickels in groups of 20 to make one dollar. Teams count up how much they made by selling their products.
6. Teacher brings out loan papers and reminds students they need to repay their loans. Teacher collects the money from each team. Ask teams how much they have left. Explain that this is their profit, or how much the team made.
7. Ask, "If we did this again, what would you do the same or differently, based on today's experience?" "How was this experience like where your parents work or shop?"

As students are working on producing the goods and services, teacher polls individual students to assess. Ask students to define or give an example of goods, services, producers, and consumers. Teacher may mark student's



performance on an optional checklist. Teacher will later work with students who do not understand in small groups and re-assess.

If there are a lot of products left, talk with students about what to do with them. Lead them to understand that having a clearance sale would be a good idea, since the class could still make money on the items.

Assessment

When assessing if students have learned the economics terms, use the mock layout of the market booths from Day 7. Teacher asks student to indicate a good or a service. To indicate the producer and consumer, the teacher should have several pictures available, showing people making products and people in a store buying products. Teacher shows a producer and a consumer picture and asks student to indicate which picture shows a producer. Students may point to the appropriate answer.

When assessing the speaking and listening goals, observe students during their interactions while creating products, shopping in the marketplace, and participating in class discussions.

Vocabulary:

- market
- business
- producer
- consumer
- goods
- services
- wage
- loan
- profit

Post Lesson Recommendations:

(Regular Ed/Re-teaching/Enrichment Activities)

These modifications refer to the specific steps and days in the Activities box below.

Day 1--

1. Show pictures of markets from different parts of the world (<http://www.usda.gov/oc/photo/opc-mark.htm> or <http://images.google.com/images?q=markets&ie=UTF-8&hl=en&btnG=Google+Search>). What kinds of items are for sale? Ask students if they have been to markets like this in their families' countries--or in the US.

3. If possible, put novice learners onto teams with a same-language buddy who is more proficient in English, or if none is available, be sure they are with a student you know will be helpful.

As you tell students what team they are on, have them sit together as teams. Show each product and tray of materials to the team to make it clear that this is what that team will be making.

4. To demonstrate the idea of a loan, have the sequence of events for the market simply illustrated on several cards: 1--get materials 2--make product 3--hold the market 4--count up money 5--repay loan. Teacher will act out the sequence of events while pointing to the cards

5. Wages: To demonstrate the idea of receiving wages, draw someone working and then receiving payment. Indicate with pantomime that students will also receive payment for their work.

Day 7: Use sticky notes to put sample prices on each booth. Seeing the prices in writing helps the students understand what you are talking about. Use sticky notes so that you can easily remove or change the prices as you discuss setting a price.

Day 8: Use simple drawings and pantomime to illustrate the cashier and customer service roles.

Debriefing on buying items: Use the mock layout of the market from Day 7 to let students indicate which areas they purchased from and how many items they purchased. To find out if they bought items for themselves or for others, have a picture that represents a student and another picture that represents a student giving a gift to someone else. Pantomime giving the present to yourself or to someone else.

When drawing the graph, draw a picture of each item to go with the written label.

Resources:

This lesson plan was developed during the English Language Development Standard Course of Study lesson planning institutes hosted by the North Carolina Department of Public Instruction and LEARN NC, June and July, 2004. It includes specific strategies, instructional modifications, and alternative assessments which make this lesson accessible to limited English proficient students. Please note that this lesson has been aligned with the goals and objectives of the N.C. English Language Development standards.



Sources of Revenue

Grade Level: 2

CG: 7 The learner will apply basic economic concepts and evaluate the use of economic resources within communities.

Objective(s):

- 7.01 Distinguish between producers and consumers and identify ways people are both producers and consumers.
- 7.02 Distinguish between goods produced and services provided in communities.
- 7.03 Describe different types of employment and ways people earn an income.
- 7.04 Identify the sources and use of revenue in the community.

Essential Question/ Expected Outcome: Students will be able to distinguish between producers and consumers and identify ways people are both producers and consumers. Students will be able to distinguish between goods, producers, and services provided in communities and identify the sources and use of revenue in the community.

Approximate Time: This activity is highly adaptable in length because it is broken down into various steps that may or may not all be used.

Materials:

- chart paper/markers
- drawing paper, at least one for each child
- newspaper advertisements
- overhead projector/transparencies
- surveys
- visual recordings from field trip sites to businesses
- worksheets, observations of businesses used by families

Activating Prior Knowledge:

Prior to the beginning of the lesson prepare a chart paper or an overhead transparency with the definition of business.

Business - a store or other establishment that sells, makes, or provides goods or services to consumers.

Presentation of Lesson

In this lesson the children describe a variety of businesses in their local community by producing A Business Guide to Our Community based on businesses they visited businesses used by their families, and local newspaper advertisements. The children will connect the economic needs of the people in the community with the businesses that meet those needs.

1. Explain to the children that in this lesson the class is going to create *A Business Guide to Our Community*. Review the businesses they visited with the children. Begin a list of those businesses on chart paper. Review the businesses used by their families and add more community businesses to the class list. Use the surveys to gather more ideas about businesses in the community. Continue to add to the list of businesses as the lesson continues.

Teacher Input/ Student Activities:

Ask the children to study and review the local advertisements from the newspaper to school. Add new businesses from the advertisements to the class list.

2. Direct the children to think about the list of businesses generated by the class and decide what economic need each business meets, i.e. whether it is production, distribution, or consumption of goods and services for the needs of community members. Write the need next to the business on the large chart.

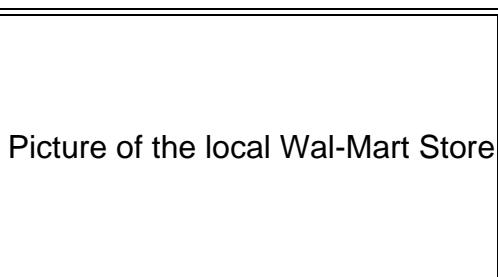
For example:

<u>Business</u>	<u>Economic need</u>
Grocery store	Distribution job, food for consumers
Cereal factory	Production jobs
Gas station	Distribution jobs, transportation for consumers

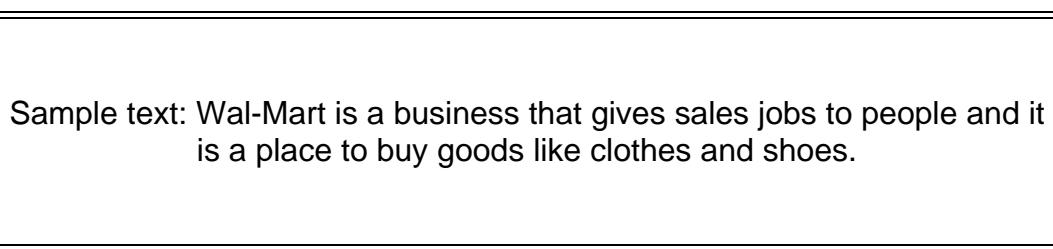
3. Cut the large chart into strips, with a business and economic need(s) on each strip. With the children, categorize the businesses according to the basic needs of community members, e.g. food, clothing, shelter, water, health care, transportation, recreation, and other. Some businesses may fit into more than one category, if so reproduce the strip.
4. Divide the children into groups of three or four, and assign each group a category connected to basic needs, i.e. one group works on food businesses, another works on clothing businesses, etc. Distribute drawing paper and the set of strips with businesses and economic needs, to each appropriate group of children. For example, the group assigned to make

pages for the food section of the guide would get the set of strips including restaurants, grocery stores, and food production factories, etc. Direct the children to illustrate each business in their category and write at least one sentence about how the business meets the economic needs of their community. Use a separate page for each business.

5. Sample Page - Clothing



Picture of the local Wal-Mart Store



Sample text: Wal-Mart is a business that gives sales jobs to people and it is a place to buy goods like clothes and shoes.

6. Compile the pages from each group to make the business guide, including a title page, dedication page, and table of contents.
7. Share the completed guide with the whole class. Place the guide in the classroom library, or the school library.

Vocabulary:

- business
- consumer
- goods
- producer
- services

Assessment:

Informal observations of the children's familiarity with and application of concepts about the local economy are conducted during the class sessions about businesses in the community, connecting each business to an economic need, and categorizing the businesses according to needs and wants.

Creating the pages for the guide to businesses in the community is a formal

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assessment of each child's ability to summarize a local business and how it helps meet the economic needs of community members.

Post Lesson Recommendations:

(Regular Ed/Re-teaching/Enrichment Activities)

Suggest that the children look through the yellow pages of their local phone book at home to find a business that sells bicycles, to locate a dentist, to discover a business that makes something, and a business that repairs things. The children report their findings to the rest of the class.

Resources:



Flea Market

Grade Level: 2

CG: 7 The learner will apply basic economic concepts and evaluate the use of economic resources within communities.

Objective(s):

- 7.03 Distinguish between producers and consumers and identify ways people are both producers and consumers.
- 7.02 Distinguish between goods produced and services provided in communities.
- 7.03 Describe different types of employment and ways people earn an income.
- 7.04 Identify the sources and use of revenue in the community.

Essential Question/ Expected Outcome: Students will be able to distinguish between producers and consumers and identify ways people are both producers and consumers. Students will be able to distinguish between goods, producers, and services provided in communities and identify the sources and use of revenue in the community.

Approximate Time: This activity is highly adaptable in length because it is broken down into various steps that may or may not all be used.

Materials:

- chart paper/markers
- drawing paper, 9x12 inches
- "Flea Market" items to sell
- money to buy items and for making change
- name sticks,
- overhead projector/transparencies
- thinking/writing journals

Activating Prior Knowledge:

1. Prior to the beginning of the lesson, prepare a large chart or an overhead transparency with the definition for "market" at the top.

Sample definition:

Market - any place where people come together to buy and sell goods and services.

Brainstorm with the children the different kinds of markets in which they participate. List the markets on the large chart or overhead transparency.

Examples of markets include supermarket, farmer's market, fish market, flea market, etc.

Presentation of Lesson

2. Read aloud the book *On Market Street*, to the whole class. (If the book is unavailable, have a discussion about the types of shops in their own communities and the goods and services that are sold and bought there.) After reading, discuss the kinds of shops that were on Market Street and the goods and services that were bought and sold.
3. Explain to the children they are each going to create a desktop flea market or garage sale. Prior to the sale give the following instructions to the children and send home a copy to the parents.
 1. The date for the sale is _____.
 2. On that day the children are to bring any items they wish to sell that will fit on their desktop.
 3. The children must price the items at home, with nothing priced over \$.25.
 4. The children may bring money on the day of the sale to buy items from other children, or to make change. The amount is not to exceed \$3.00 in coins.
4. On the day of the sale have the children make signs to name their shops and advertise their wares. Prior to the appointed time of the sale the children set up their shop for the flea market on their desks.

Teacher Input/ Student Activities:

5. Provide the children with the following instructions for the actual sale.
 - a. Have them browse the markets of the other children to see what is available.
 - b. Divide the class in half. Tell one half they are to be consumers for the first time period, while the other half of the class will be the sellers. (To choose, use the name sticks, or use the first half of the alphabet, or use one side of the classroom.)
 - c. Give the first group of consumers fifteen minutes to shop at the markets where there is a seller present.
 - d. Have the consumers and sellers change places. The second group of consumers has fifteen minutes to shop at the markets.
 - e. During the final part of the sale have everyone buy and sell at the same time. The children are in close enough proximity to their desks that they can watch their market and shop at other markets at the same time. Direct the children that markdowns could occur at

this time. Tell them that a markdown is when the price of the item is lowered and can also be known as a sale price. Provide time for the children to decide which items to markdown.

6. When the flea market is over, discuss the following questions with the class to extend the experience.
 - What items were not in demand?
 - What items were in demand?
 - Did the consumers seem to buy the less expensive or more expensive items?
 - What would happen if a shopkeeper had things for sale that nobody wanted?
 7. Have the children use their Thinking/Writing Journals to summarize the activity by responding to the following:
 - List three markets you know about.
 - Why are markets important?
- Have the children share their responses with the rest of the class.
8. Add "market" to the word wall or word bank. (if applicable)

Vocabulary:

- consumer
- goods
- services
- producer

Assessment: The Thinking/Writing Journals may be used as a formal assessment of each child's knowledge of markets and how they work.

Post Lesson Recommendations:

(Regular Ed/Re-teaching/Enrichment Activities)

Ask families to keep a record of the different markets or stores they use in a week's time. Have the children bring the records to school. When the records are returned make a list of markets/stores in the local community on the board or an overhead transparency to reinforce the concept of markets and the local economy.

Resources:

Lobel, Arnold. *On Market Street*. Nova Scotia, Canada: Mulberry Books, 1989.



Economy and the Community

Grade Level: 2

CG: 7 The learner will apply basic economic concepts and evaluate the use of economic resources within communities.

Objective(s)

- 7.01 Distinguish between producers and consumers and identify ways people are both producers and consumers.
- 7.02 Distinguish between goods produced and services provided in communities.
- 7.03 Describe different types of employment and ways people earn an income.
- 7.04 Identify the sources and use of revenue in the community.

Essential Question/ Expected Outcome: Students will be able to distinguish between producers and consumers and identify ways people are both producers and consumers. Students will be able to distinguish between goods producers and services provided in communities and identify the sources and use of revenue in the community.

Approximate Time: 45 minutes

Materials:

- small notebook
- calculator
- construction paper
- markers
- pens
- colored pencils
- shopping circulars

Activating Prior Knowledge: Discuss facts learned about the economy and the community during the unit. Students should all be able to contribute and participate in the discussion.

Presentation of Lesson

1. Divide the class into groups of 4-5.
2. Each group decides what kind (Italian, Chinese, Eclectic, American) of restaurant they want to be and what they want to name their restaurant.
3. Give each group a budget, a small notebook (to keep track of budget and note what they are doing), and a calculator.

4. Each group must choose a member to go to the store (run by the teacher) to purchase pencils and paper to take notes on – in their notebook they write what they are doing and whether they are acting as a producer or consumer.
5. Plan menu with prices, select a different member to go to store to purchase materials to make menus (construction paper, colored pencils, markers, pens).
6. Record in notebook what they did, what they were acting as, and how much they spent.
7. Make menus – record in notebook.
8. Purchase materials to make sign for restaurant – record in notebook.
9. Make sign – record in notebook.
10. Make a grocery list – go to store (here you can use circulars from grocery stores with the prices in them) – always recording in notebook!
11. Assign jobs for opening day.
12. Each restaurant gets one day to operate by taking orders, making bills, etc.

Vocabulary:

- budget
- producer
- consumer

13. **Assessment:** When they finish they must balance their budget and see if they made money. They must also detail all the times they were producers and consumers. Under the times they were producers they need to specify whether they were producing goods or providing services. (I always brought in cookies and juice for the students to serve in place of real food.)

Post Lesson Recommendations:

(Regular Ed/Re-teaching/Enrichment Activities)

Resources:

***Submitted by Sara Self, Turner Creek Year-Round Elementary School, Cary, N.C.**



Family Jobs

Grade Level: 2

CG: 7 The learner will apply basic economic concepts and evaluate the use of economic resources within communities.

Objective(s):

7.02 Describe different types of employment and ways people earn an income.

7.03 Describe different types of employment and ways people earn an income.

7.04 Identify the sources and use of revenue in the community.

Essential Question/ Expected Outcome: Student will be able to identify how people make living in their community as well as identify the goods and services they produce. Students will be able to identify the sources and use of revenue in the community.

Approximate Time: This activity is highly adaptable in length because it is broken down into various steps that may or may not all be used.

Materials:

- chart paper
- markers
- overhead projector
- transparencies
- survey forms

Activating Prior Knowledge: Begin the lesson by asking the children what kinds of jobs their parents have. Expand the discussion by asking them what goods and services their parents produce at their work. Explain to the children that in this lesson they are going to gather information through a survey about how people in their community make a living and what goods and services they produce.

Brainstorm survey questions with the children. Direct them to think about who they should survey.

Presentation of Lesson

Teacher Input/ Student Activities:

Have the children think about what they want to know about how people make a living in the community. Write the children's responses on an overhead transparency or chart paper. Possible people to interview may include family

members, neighbors, friends, and school workers. Possible survey questions include:

What is your job?

What is your business? Define business as a store or other establishment that sells, makes, or provides goods or services.

What goods do you produce?

What services do you produce?

Design a survey form by selecting from the responses in Step 2. Reproduce the survey form for each child.

Sample Survey Form

Who	What is your job?	What is your business?	Goods you produce	Services you produce

Distribute the survey forms to each child. Invite the school principal, custodian, or another teacher to visit the classroom. As a class, have the children practice interviewing and writing information on their survey forms.

Send the surveys home with the children along with a letter of explanation to their parents. Inform the parents that the children are going to use the completed surveys to make a table in Lesson 5. Ask for the survey to be filled out by family, neighbors or friends. Tell the children they have five days to complete the survey. Collect the surveys as they are returned to school.

Sample letter:

Dear Parents, Neighbors, and Friends,

The children are studying how people in their community make a living. They are gathering information about what jobs people have and what goods and services they produce. Please help them by filling out the accompanying survey and returning it to the child. The children will use the information from the completed surveys to make an economic table reflecting the jobs, and the goods and services produced in our community.

Thank you for your assistance.

Add the words “job” and “business” to the word wall or word bank. (if applicable)

**Vocabulary:**

- business
- consumer
- goods
- producer
- services

Assessment: The children's discussion about their parents' jobs may be used as an informal assessment about how people make a living in the community.

As a more formal assessment, the children could share the information from their surveys with the class.

Post Lesson Recommendations:

(Regular Ed/Re-teaching/Enrichment Activities)

Have the children extend their surveys by asking family members, neighbors, and friends how their jobs or businesses help the community. The responses are then discussed with the rest of the class.

Resources:

www.michigan.gov
SCoPE Site Lesson Plan



How Can We Earn Money?

Grade Level: 2

CG: 7 The learner will apply basic economic concepts and evaluate the use of economic resources within communities.

Objective(s)

7.03 Describe different types of employment and ways people earn an income.

Essential Question/ Expected Outcome: Students will be able to describe different types of employment and ways people can earn money.

Approximate Time: 30 minutes

Materials:

- index cards

Activating Prior Knowledge: Ask students what they want to do for a job when they grow up. Ask them if they think they will make money doing that job.

Presentation of Lesson

In a community there are lots of different types of employment, or jobs. There are technical jobs like working with computers, labor jobs like building houses, professions that allow you to work with and help others like teaching or being a doctor. All these jobs allow people to make money – or earn an income. Income is the money you make through employment to support yourself and your family. Some of you may have an income from walking the dog or washing the dishes.

Teacher Input/ Student Activities:

Today we are going to look at the different types of employment our community offers by playing charades. You will each get a card with your new job on it. When it is your turn you will need to come to the front of the room and act out your job. On the board is a list of jobs. The rest of the class will use that list to determine what your job is. Once the class figures it out you will share what you do to earn your income. (Have a student repeat instructions to make sure everyone has it.)

Job ideas:

1. Doctor

2. Nurse
3. Construction worker
4. Custodian
5. Teacher
6. Police officer
7. Post office worker
8. Firefighter
9. Cashier
10. Bank teller
11. Computer tech
12. Bus driver
13. Vet
14. Electrician
15. Plumber
16. Chef

Vocabulary:

- employment
- community
- income

Assessment: Give each child an index card. Have them write what they want to do for employment when they are adults. Have them write what they will be doing to earn an income.

Have some of the students share their index cards.

Post Lesson Recommendations:

(Regular Ed/Re-teaching/Enrichment Activities)

Resources:

***Submitted by Sara Self, Turner Creek Year-Round Elementary School, Cary, N.C.**



Taxes

Grade Level: 2

CG: 7 The learner will apply basic economic concepts and evaluate the use of economic resources within communities.

Objective(s):

7.04 Identify the sources and use of revenue in the community.

Essential Question/ Expected Outcome: Students will be able to identify the sources and use of revenue in the community.

Approximate Time: 30-45 minutes

Materials:

- receipt
- pay stub
- pie graph handouts

Activating Prior Knowledge:

Review goods and services.

Presentation of Lesson

Ask the student if they have ever taken a dollar to the store, and they find just what they want and it costs a dollar and they take it up to the cashier to find out that it now costs \$1.07. Why is that?

Show students a receipt. Show the cost of the item and the sales tax.

Explain that taxes are one way that government will pay for a service and sales tax is one type of tax. Explain sales, income (use pay stub here) and property tax.

Explain how taxes go the government which decides on how the money will be used (for libraries, road work, safety, schools, parks and other services.) Show a pie graph that illustrates the same information.

Brainstorm services that tax money pays for.

Teacher Input/ Student Activities:

Give students \$16 (or any even number-maybe one for each student in the class) in fake one-dollar bills. Tell students that they are now the government of their own city. They will decide how to spend their money.



In pairs or small groups, students will name the city, decide on which services they will spend their money and how much money they will spend on each service.

The students will graph how they will spend their tax money using a pie graph.

The students will present their city, and how/why they will spend their money.

Vocabulary:

- tax
- sales tax
- income tax
- property tax

Assessment:

Ask students to respond to the following questions:

Did the student decide how, how much and why the money would be spent for his/her made-up city?

Did the student complete the pie graph to represent his/her money information?

Post Lesson Recommendations:

(Regular Ed/Re-teaching/Enrichment Activities)

Using information about how your county spends its tax money, and how the other county spends its tax money, have the students complete a comparison.

- Which county spends more money on education?
- Why do some counties have more money than other counties?

Have students collect 5-10 receipts. Have the students locate the sales tax on the receipt. Have the students add up how much sales tax they paid (three digit addition).

Resources:

Social Studies: Communities Around Us; Teaching Guide 3, Ginn Silver Burdett.

Scarcity

Grade Level: 2

CG: 7 The learner will apply basic economic concepts and evaluate the use of economic resources within communities.

Objective(s)

7.05 Analyze the changing uses of a community's economic resources and predict future changes.

Essential Question/ Expected Outcome: Students will be able to analyze the changing uses of a community's economic resources and predict future changes.

Approximate Time: This activity is highly adaptable in length because it is broken down into various steps that may or may not all be used.

Materials:

- chart paper/markers
- crayons
- drawing paper
- markers
- overhead projector/transparencies
- thinking/writing journals

Presentation of Lesson

In this lesson the children explore the possibility of scarcity (when human needs exceed resources), with the question "What happens if...?". They consider the effects of the scarcity of resources on the economy of their local community and brainstorm solutions to preserve the resources for the sake of the future economy of the community. Each child creates a poster showing ways that individuals can conserve limited resources.

Distribute drawing paper to each child. In the center of the paper instruct the children to draw a tree, and label it "resource". Have the children draw several straight lines radiating out from the tree. At the end of each line, direct them to draw products made from the tree that are used by animals and people. Products may include nuts for squirrels, homes for birds, firewood, lumber for homes, etc. Ask each child to share one product from a tree with the class. Guide a discussion on the importance of trees as a resource.

1. Have the children use their Thinking/Writing Journals to respond to the question.
 - "What happens if we cut down and use up most of our trees?"

Ask each child to share one thing that would happen if most of our trees were gone. Possible responses include, no homes for birds or animals, no wooden buildings, no paper for books, less oxygen, and less beauty, etc.

2. Prior to the beginning of this step write the definition for scarcity on chart paper or an overhead transparency. Scarcity occurs when human needs exceed our wants. Explain to the children that if most of the trees were gone we would have a scarcity of that resource.

Sample definition:

Scarcity - not having enough of a particular resource to meet our needs.

3. Read The Lorax to the entire class. (If this book is unavailable, go to the section 5) Have the children listen carefully for the resources that become scarce and for solutions to the scarcity problem. In a follow up discussion, focus on the problems of scarcity of resources in the book (e.g., the Truffula Trees are chopped down, the water source is polluted from the factory waste, and the air is polluted with smoke), and the solutions generated for restoring the resources (e.g., new trees are planted, the factory is cleaned so the water and air are improved).
4. Instruct the children to think about trees and their local economy. Brainstorm a list of ways people earn money in their community from trees. For example, the tree trimmer gets paid for trimming people's trees, a garden shop sells young trees for planting, a builder uses wood when building a house, etc. Generate another list of ways people in their community spend money for the products of trees, for example, books, paper, lumber for decks, etc. Record the children's responses on chart paper or an overhead transparency.
5. Use a series of "What happens if...?" questions to initiate responses from the children about the consequences to the local economy and the members of the community, if there was a scarcity of trees.
 - What happens if trees disappear and people cannot earn money working or making things from trees?
 - What happens if trees disappear and people cannot buy tree related products in our community?
 - What happens if we have a scarcity of paper, because of the scarcity of trees?
6. Ask the children,
 - "What can we do to save the trees and other important resources?"

Have the children brainstorm possible solutions to the problem of scarcity of trees and other important resources. Make a list on chart paper or an overhead transparency.

Possible solutions include:

- Plant more trees
- Recycle newspapers
- Use both sides of writing paper
- Reuse cardboard boxes

Distribute drawing paper to each child. Direct the children to choose one solution and create a poster that will tell other children in the school about saving our resources. Hang the posters in the hallway or school library.

7. Have the children use their Thinking/Writing Journals to respond to the following question:

- What happens to the economy of our community if we make responsible decisions to maintain our resources such as trees, or water, or soil?

Collect the journals to assess each child's understanding of how resources affect the future economy of the community.

8. Add the word "scarcity" to the word wall or word bank.

Application Beyond School

Children can recycle newspapers, shopping bags, and bottles and cans with their families. They can discuss how recycling helps conserve resources of their community.

Vocabulary:

- consumer
- goods
- producer
- resources
- services

Assessment:

The posters created by the children formally assess their ability to form alternate solutions to the problem of scarcity of resources.



The children's responses in their Thinking/Writing Journals are a formal assessment of each child's ability to explain the relationship between the scarcity of resources and the economy of the community.

Post Lesson Recommendations:

(Regular Ed/Re-teaching/Enrichment Activities)

Resources:

Seuss, Dr. *The Lorax*. New York: Random House Inc., 1971.



Third Grade

Competency Goal 5: The learner will apply basic economic principles to the study of communities.

Objectives

- 5.01 Define and identify examples of scarcity.
- 5.02 Explain the impact of scarcity on the production, distribution, and consumption of goods and services.
- 5.03 Apply concepts of specialization and division in labor to the local community.
- 5.04 Compare and contrast the division of labor in local and global communities.
- 5.05 Distinguish and analyze the economic resources within communities.
- 5.06 Recognize and explain reasons for economic interdependence of communities.
- 5.07 Identify historic figures and leaders who have influenced the economies of communities and evaluate the effectiveness of their contributions.



Distribution of Goods

Grade Level: 3

Competency Goal: The learner will apply basic economic principles to the study of communities.

Objective(s); 5.01 Define and identify examples of scarcity.

Essential Question/ Expected Outcome:

- Students will become aware that scarcity requires people to make choices when trying to satisfy their unlimited wants.
- Students will come to a consensus on how to distribute goods and will understand the consequences that a choice has.

Approximate Time: One hour

Materials:

- 5-7 paper bags
- Items such as peanuts, gum, fruit to put in the bags
- Distribution handout sheet

Activating Prior Knowledge: Ask the children to imagine this scenario: You have been to the store and bought three of your favorite candy bars. Just as you are getting ready to sit down and enjoy them, three of your friends come over to play. Your mother insists that you share the candy with your friends. How does that make you feel? What kinds of problems will arise in this situation?

Presentation of Lesson

Vocabulary:

- Scarcity
- Distribution

Teacher Input/ Student Activities:

1. Before the class starts, get 5-7 paper bags and put different amounts of an item in each bag. The items can include peanuts, gum, candy, fruit or other items. In bag 1, put one item. In bag 2, put two items, etc.
2. Divide the class into groups of 4 to 6 students.
3. Discuss with the class what might be in the bags.
4. Have each group select a recorder, time keeper, speaker and materials person.
5. The group recorder will need to fill out the Distribution Handout as the group moves through the questions.
6. Hand out the bags. **Do not open at this time.**

7. Give the groups 10-15 minutes to discuss, after they open the bags, several methods for distribution of the bags' contents and finally how they would distribute the contents among the group members in a way that is acceptable to all.

Assessment: The discussion about the distribution handout sheets will give the teacher enough information to know if the children understood the lesson

Post Lesson Recommendations:

Present other scenarios where scarcity would be a problem or allow the children to create their own scenarios. The students can work in groups to create various solutions that could solve the problems.

Resources:

- Case, K.E. and Fair, R.C. (1996) *Principles of Macroeconomics* (4th ed.) New Jersey: Prentice Hall, Inc.
- Cavin, R. (1978) *A Matter of Money: What Do You Do With a Dollar?* New York: Phillips
- *Children in the Marketplace: Lesson Plans in Economics for Grades 3 and 4.* (1986) Joint Council on Economic Education. New York
- Faber, D.(1979) *Wall Street: A Story of Fortunes and Finance.* New York: Harper & Row.
- Maybury, R.(1993) *What Ever Happened to Penny Candy?* Placeville, CA: Bluestocking Press.
- O'Toole, T. (1991) *Global Economics.* Minneapolis, MN: Lerner Publications.
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Lesson adapted from “Distribution of Goods” created by Kevin Grammens, Mary Golec, Jeff Hill, Judy Aguilar, Shannon McDowell



Beanie Baby Prices Soar

Grade Level: 3

Competency Goal: The learner will apply basic economic principles to the study of economics.

Objective(s): 5.01 Define and identify examples of scarcity.

5.02 Explain the impact of scarcity on the production, distribution and consumption of goods and services.

Essential Question/ Expected Outcome: The students will be able to explain the impact of scarcity on the production, distribution and consumption of goods and services.

Approximate Time: Two (30-45 minute) sessions

Materials:

- Copies of the article “Beanie Mania”

Activating Prior Knowledge: Ask the students the following question: Have you ever gone shopping for a certain toy only to find that it has been sold out? What kinds of things would you do to be able to buy that toy?

Presentation of Lesson

Teacher Input/ Student Activities:

Vocabulary

- Scarcity
- Production
- Consumption

1. Bring in a Beanie Baby to show the class. Find out how many of the students have any of the Beanie Babies and how much they paid for them. Write the names of the Beanie Babies and the costs on the board. Note that some of the toys cost more than others.
2. Share the following introduction with the students:
During December 1997, the *Washington Post* published an article about the debut of the Princess Beanie Baby. A Beanie Baby retailer, interviewed by the *Post*, indicated there was strong demand for the new stuffed animal.
“In just a week, Banner has received 110 or so bids. Here’s how they break down: After the \$600 topper, there’s been “one bid at \$500, one at \$400, a bunch of \$300s and a whole mess of \$250 and \$200,” Banner reports. The highest bids generally are coming into the Annapolis store, Banner said.”

3. Run off copies of “Beanie Mania” (or certain sections of the article) and distribute them to the class. This can be done as a whole group lesson or the students could be divided into smaller groups and given a certain piece of the lesson to discuss.
4. Read through the article as a whole group or in small groups. Have the children report out things that they notice about prices of Beanie Babies. Why did some of the toys sell for much more money? Were there any cases of a Beanie Baby being very inexpensive because there were too many that were produced? If you were producing the toys, how do you think that you could make the most profit?
5. In the second part of the lesson, have the children go the www.beanieexchange.com website and explore the difference in the prices between the current and retired beanies. Discuss the following questions with your students:
 - Why are the retired prices higher than the current prices?
 - Do you think that you should hold on to all Beanie Babies that you buy until they are retired?
 - Do you think that collecting Beanie Babies would be a profitable hobby? Why or why not?

Assessment: Use the questions for discussion as an assessment to see if the students understand how the price of goods can be affected by production, distribution and consumption.

Post Lesson Recommendations:

- Use the articles about Elmo and/or Cabbage Patch Dolls to further discussion about scarcity. Check out websites that buy and sell these products.
- Have the students interview their parents or grandparents to see what toys were popular when they were young. Find out if scarcity was a problem back then.

Resources:

- www.beanieexchange.com
- Articles that follow this lesson

Lesson adapted from “Beanie Baby Prices Soar”, EconEdLink

Beanie Mania

Web posted June 17, 1998

By Charmain Brackett
Correspondent

Since Memorial Day weekend, Jenna Johnson has been on an unusual diet: hamburgers, french fries and small soft drinks.

"I've kinda had a lot," the 11-year-old said.

A lot of McDonald's Happy Meals, that is.

And it's not because she loves the fast food meals for kids. It's the Teenie Beanie Baby tucked inside that Jenna's really after.

"I like collecting them. Some are really cute," she said. As of Friday, Jenna had 10 of the 12 Beanies being offered by the restaurant this summer. She's got all 10 from last year and more than 140 of the regular sized toys.



Jenna Johnson's collection of the teenie beanie babies includes the full 1997 set and seven of the current year's set.

KATHY MOORE/STAFF

Ty Inc. created 250 million miniaturized versions of its stuffed bean bag toys exclusively for this McDonald's promotion which has caused quite a frenzy nationwide.

"We are completely out," said Janice Oakman, manager of the McDonald's on Whiskey Road in Aiken, early last week. "Some people came in and bought 12 or 15 Happy Meals. They'd say 'Give the food to someone else.'"

Customers couldn't just buy the toys; they had to make a food purchase as well.

Other McDonald's across the area have had the same reaction to this year's batch of toys.

"They are hard to come by," said Joe Gooden, first assistant manager at the McDonald's in Evans. "Everybody wants them."

Large orders and incessantly ringing phones have been a problem for local McDonald's but in other parts of the country, the police have been called in.

The Washington Post reported that a McDonald's manager in Lancaster, Pa., called the authorities when Beanie Babies buyers got out of control.

"I responded and observed approximately 50 people standing inside," Office Delene Brown wrote in her report. "They said they were waiting for Zip cats to go on sale. The employees said the cat will not be sold until all the Doby dogs are gone, and there were still over 100 dogs to be sold. Employees said it would be at least an hour."

The Beanie Baby phenomenon has been raging since 1994. There are magazines and books devoted to collecting. There's an official Beanie Babies Club and web site (www.ty.com). Numerous companies sell special storage cases and plastic covers to protect the toys and their tags. There are Beanie conventions. And even counterfeit Beanies have been seized.

"It's a craze all right," said Karen Lamb, owner of Heartfelt Creations, a Martinez store that sells the larger sized babies along with other collectibles and gifts. "It's slowing down right now because of the summer, but as fast as we get them in, they're sold."

On a good week, she said, she sells about seven or eight cases of Beanies. A case has about nine dozen.

In keeping with the McDonald's trend, Ms. Lamb said that many people are looking for the larger versions of the toys to go with their Teenies. She's even selling a few of the larger toys that are no longer made such as Snips the Lobster.

Jenna has all of the big ones for this year to go with the little ones.

Just as the Tickle Me Elmo doll and the Cabbage Patch Doll fetched high prices on the black market, resales of Beanie Babies can command high prices. One Web site lures customers with the promise of not having to eat any more burgers. It offers the entire set of Teenie Beanies for \$120 or \$10 each.

While current Beanie Babies sell for \$5 to \$10 each, the prices for "retired" full-sized babies can reach hundreds or thousands of dollars.



The Beanie Baby craze has spawned whole magazines dedicated to collecting the little stuffed critters.

*JONATHAN
ERNST/STAFF*

According to the June 1998 edition of *Mary Beth's Beanie World Magazine* a Flutter the tie-dyed butterfly, retired in 1996, has a market value of \$1,000. A mint-condition Derby the fine maned horse that was retired in 1995 has a value of \$4,500.

While Jenna said she has a few of the retired Beanies, she's not planning on parting with them any time soon.

"I'll wait until they get really expensive," she said.

Beanie Baby Facts:

Here are some Beanie Babies facts from the Spring 1998 Collector's Value Guide and June 1998 edition of *Mary Beth's Beanie World Magazine*:

Beanie Babies were created by Ty Warner, founder of Ty Inc. which has been producing plush toys animals since 1985.

The first Beanie Babies appeared on store shelves in 1994. Beanie Babies are made in China and Korea. After being cut from plush cloth, the toys are sewn and partially filled with small round pellets to give them a playful floppiness. There are more than 180 different Beanie Baby characters ranging from Ally the Aligator to Zip the black cat.

Introductions of new releases and announcements of retirements are made two to three times a year. Each Beanie Babie has a heart shaped "hang tag" with the Ty logo and a tush tag. The presence and condition of the tags affects the resale value of the toy. A creased or bent tag can devalue a retired Beanie up to 40 percent.

The tags have evolved over the years. A "first generation" tag featured the toy's name and style number. Fourth generation tags include a poem about each toy and its birthdate. Disney, Coca-Cola and Kenner are among the manufacturers now offering limited edition bean bag toys. Star Wars and Grateful Dead Bears are among the newer offerings.

From: *The Augusta Chronicle*

Augustans wait for Elmo investments to pay off

Web posted December 20, 1996



By Alisa DeMao
Staff Writer

At these prices, Elmo - or somebody - should be tickled.

On a pedestal that looks more like an auction block, Tickle-Me Elmo is commanding prices up to \$500 in the Augusta area, fueled by the desire of parents who really, *really* want to bring home the season's hottest toy.

Advertised on the Internet and in the newspaper, the fuzzy red Sesame Street denizen, who giggles and shakes when you press his tummy, is going for hundreds of dollars on the black market.

One potential seller, Brian Carlson of Augusta, didn't even bother to list a price in his classified advertisement in *The Augusta Chronicle*.

``Will take highest bidder," his ad coaxes.

If you're interested in Mr. Carlson's Elmo - purchased before Halloween by an expectant grandmother, but still safely ensconced in the original box - you only have until today to make an offer, he said. Today, he decides who gets the doll, which actually belongs to his 2-month-old son, he admitted.

``I figure I'll wait until it comes back in stock after the holidays and buy another one," he said. ``So he'll get another Elmo doll, plus have a little extra."

Like Mr. Carlson, Martinez resident Michelle Mertz and her husband raided the toy box for the Elmo they're offering for \$200 - or the best offer. Mrs. Mertz said her sister-in-law bought the doll as a Christmas gift for the Mertzes' 2-year-old daughter before the Elmo craze started.

The couple plans to buy another Elmo doll in a few months for the little girl's birthday and bank the rest of the money in a college fund, she said.

``We really put the ad in the paper to see what would happen," she said. ``We didn't think we'd get that much response. We've gotten 30 calls since Saturday."

At \$200, the Mertz's Elmo is a steal. Of a dozen classified ads in *The Chronicle*, most have listed prices of \$300-\$500 or promised to accept the best offer.

Internet postings also carry tales of Elmos sold for hundreds of dollars above his \$26.99 retail price, and the going rate in Atlanta is up to \$2,000.

``I kind of feel bad doing it," said Grovetown resident Tracy Genova, who's advertising a \$500 Elmo. ``I've got 18-month-old twins and a 3-year-old who know nothing about it. If they knew about it, I could never sell it. But they're going to be abundant, come January."

Most people who call say they're willing to pay \$500 for Elmo, although one caller tried to cut the price down by \$50, Mrs. Genova said. One man called to make sure the doll was still available before he set to work scraping up the money.

Others aren't quite as willing to turn their pockets inside out - an advertiser who identified herself only as Jean said she'd only gotten offers as high as \$60.

``One lady was right mean about it," Jean said. ``She wanted to know what I was asking, and when I told her I was taking the best offer, she said, 'You're just trying to make a fortune off them,' and hung up.

``Another woman called and said she wanted to buy it because she heard someone else calling about it, and she didn't like him, she didn't want him to have it."

With Christmas fast approaching, and few of the dolls on store shelves, parents are eager to hunt down one of the critters, even if it means shelling out big bucks.

And the black market might be their only hope.

Kmart stores in Augusta, Martinez and North Augusta have no Elmos, although more might come in before Christmas, said employees with crossed fingers. Toys R Us and Kay-Bee Toys, as well as Wal-Mart stores in Augusta, Martinez and North Augusta are out of the dolls and don't expect any more shipments before Christmas, workers said.

``It's on a `Don't have, probably won't get' list," one employee said with a laugh.

From: *The Augusta Chronicle*

'Tickle Me Elmo' laughs all the way to the bank

"Tickle Me Elmo," like all good legends, seemed to come out of nowhere. The fuzzy red Muppet doll vibrated into the national consciousness at the start of the holiday shopping season without warning. Elmo, long a favorite of children who watch "Sesame Street," has been available in doll form for years. But when New Jersey-based Tyco Toys offered one that says, "Ooh, that tickles," and giggles and breaks into hysterics when its stomach is touched, a phenomenon was launched.

Suddenly, everyone wanted a "Tickle Me Elmo" doll for their children. Then, just as suddenly, everyone wanted a "Tickle Me Elmo" doll to sell to someone else who wanted it for their children. "Tickle Me Elmo" dolls were auctioned. Raffles were held. Classified ads offered the \$30 doll for as much as \$2,500, and "Tickle Me Elmo" jokes began making the late-night talk shows.

In Fredericton, New Brunswick, some 300 Elmo-seeking people lined up outside a Wal-mart store five hours before it opened, then stampeded when the doors were unlocked, trampling an employee so badly he was sent to the hospital. At a Texas Wal-Mart, two employees were fired for hiding the dolls from customers so they could buy them for themselves. In New York, the son of jailed mob boss John Gotti, along with his friends, dropped \$8,000 at a toy store and reportedly made off with a case of Elmos.

At the time this report hit the Web, however, it appeared the backlash had begun. Two days before Christmas, an Elmo doll was squashed flatter than a pancake by a 10-ton steamroller driven by a Maryland family that paid \$800 to charity for the privilege. The local radio station sponsoring the event said that it was an ardent supporter of Elmo and Sesame Street, and "it amazes us that his positive message has been lost on greedy parents who have been taken in by the hype-driven media."

From www.cnn.com/EVENTS, 1996

Whatever Happened to Cabbage Patch Dolls?

Did you have a "Cabbage Patch Moment" in the 1980s? You know--standing on line at a Toys R Us for hours and then fighting in a melee of other mothers/collectors/doll scalpers when the only available crate of Cabbage Patch Kids got put out on the floor?

TOPAZ from the Forum relates this story about her Grandfather's Cabbage Patch Moment: "When the mass produced ones came out, my Grandmother wanted one. She REALLY wanted one. But as soon as they hit the stores *whoosh* they were gone. So my Grandfather found out the K-Mart down the street was going to get a shipment of them, got up in the middle of the night and sat outside the doors to wait. By morning, there were over a hundred women with him, also waiting for the dolls. (His recollections of what happened are told by him in the same awed hush that a soldier recounts a battle.) The doors opened and he was carried into the store by the mad rush of crazed women, fighting, screaming, clawing, scratching - all to get the coveted Cabbage Patch Doll. Dolls were literally flying overhead as the women were screaming that they wanted a blonde, or blue eyes, or a redhead. Fights broke out as 2 or more women all wanted the exact same doll. He survived, bruised but still intact, and did manage to get Grandmother her doll - and swore that he'd NEVER do that again. Not in a million years."

Sound familiar? What WAS it about these pudgy-faced vinyl and cloth dolls that created such fervor? And, what ever happened TO the Cabbage Patch Kids?

Cabbage Patch Pre-History

In 1979, Babyland General Hospital in Cleveland, Georgia began producing Cabbage Patch dolls. The dolls were designed by Xavier Roberts, a sculptor residing in Georgia. The dolls were very different than anything that had been produced before, and quite strange-looking at first glance. They had very round faces (almost lumpy!) and tiny, soft pudgy arms. The eyes were close set, and they had hair made of yarn. Each doll was just a bit different than the next doll, making each original "Cabbage Patch Kid" a unique individual. Babyland was also a unique place--the Cabbage Patch dolls were displayed in what looked like a real maternity ward, with the sales personnel dressed in maternity ward outfits, and the dolls "up for adoption" and not just for "sale" (of course, they WERE for sale, but the adoption gimmick really hit a cord with collectors and children). Roberts and his dolls made several television appearances, and the dolls became very well known.

Anatomy of a Doll Craze

Robert sold mass-production rights to his Kids to Coleco toy company in 1982. The Coleco dolls were very similar to the Babyland dolls, except that the heads were made of vinyl, not cloth. Each Cabbage Patch Kid came with its own unique name and birthday, adoption papers, and a birth certificate. And...due to random computer generation, each doll was, due to some small variation, a "one of a kind." Children loved the process of "adoption" for the dolls, where they would send the adoption papers to Coleco to adopt the dolls. Then, on the first birthday of the doll, they received a birthday card from Coleco!

For the first few years, Coleco couldn't produce the dolls fast enough. The marketing gimmick and television coverage combined to make sales explode starting in 1983. The doll was in short supply, and Christmases in the early 1980s saw parents scrambling to find dolls for gifts, as they fought scalpers and other profiteers who also were scooping the dolls up and re-selling them at large profit through newspaper and magazine ads. The dolls were in such short supply for Christmas that some stores had to call the police to control crowds waiting for the dolls, and other stores held lotteries to fairly distribute the dolls and to avoid riot-like scenes. Coleco posted record sales of \$600 million in 1985, thanks to their Cabbage Patch Kids. Many people believe that Cabbage Patch dolls were THE fad of the 1980s.

After the Craze, the Crash

Most fads and crazes are short lived, and the Cabbage Patch doll mania was no exception. From \$600 in sales in 1985, sales of Cabbage Patch dolls fell to \$250 million in 1986. Some scalpers and profiteers were caught with closets full of unsold dolls that, suddenly, no one wanted even at retail. Coleco tried many things to revive the Cabbage Patch market, including dolls that "did" things, such as talk. But, things went downhill from there, and in 1988, Coleco filed for bankruptcy. [Hasbro](#) took over the rights to produce Cabbage Patch dolls in 1989, and Hasbro continued to make dolls with gimmicks, such as dolls that played kazoos. Hasbro gradually began making the dolls for younger children, leading to smaller and smaller dolls. Although Cabbage Patch dolls were still one of the best selling dolls, Hasbro never really revitalized the Cabbage Patch market. In 1994, finally, Mattel purchased the rights to the dolls.

Where Are Cabbage Patch Dolls Today?

Currently, Mattel still makes Cabbage Patch dolls. However, the dolls do not have cloth bodies--the dolls continue to be all-vinyl play dolls. The dolls are generally 14" or smaller, and most of them have a "gimmick"--they play on water-toys, swim, eat, or brush their teeth. Most of the Mattel play Cabbage Patch dolls are available at mass-market retailers such as Toys R Us for prices generally under \$20.

And then--you can find hundreds, nay, thousands of Cabbage Patch dolls on eBay. Some estimates say that over 80 million Cabbage Patch dolls have been produced, so they are by no means rare. You can find naked and dirty, very forlorn Cabbage Patch dolls, near-mint in box Cabbage Patch dolls, Cabbage Patch clothing, and Cabbage Patch licensed merchandise. Because of the great quantities of these dolls produced, most do not bring very high prices. However, certain rare varieties (black, freckled Cabbage Patch dolls) and very early mint-in-box dolls can fetch over \$100. Cloth collector Cabbage Patch Kids from Babyland General can also bring high prices. Most Cabbage Patch dolls,

however, bring prices in the \$5 to \$50 range, with the majority selling for under \$30.

Prices on mint examples of these dolls may rise as the children that coveted them in the early 1980s move into their 30s, which is prime collecting time for toys of youth. Only time will tell, however, if nostalgia for these dolls can overcome the high quantities produced. Even though millions and millions of vintage Barbie dolls were produced in the 1960s, high prices are paid by collectors for them today, but the dolls were produced in a pre-eBay era when old toys were discarded, and not sold for pin money on eBay, as many of the Cabbage Patch dolls have been sold from the late 1990s to now.

If you can't get enough of Cabbage Patch Dolls, and the Mattel dolls and old eBay dolls aren't enough for you, you can still visit Babyland General Hospital in Cleveland, Georgia and adopt your own original cloth Cabbage Patch kid. Prices for these collector dolls start at approximately \$200. Visiting Hours are Monday through Saturday, 9-5 and 10-5 on Sunday. Find out more at the official Babyland General Hospital Web Page at <http://www.cabbagepatchkids.com>.

In Closing: One Final Cabbage Patch Moment

This "Cabbage Patch Moment" is from MELMARNIC n the Doll Collecting Forum:

"My sister got my mother and me sucked into the Cabbage Patch craze. She was nuts about them, she and Mom used to go the rounds to get them as they arrived at the stores and then resell them at a profit. As I remember, they cost around \$30 and would resell for over twice that! They made a nice chunk of change from the whole adventure, but I think that what they really enjoyed was the thrill of the hunt!...Later, my sister continued her interest and collected the original soft sculptures and porcelains. She went back to Xavier Roberts place...and bought several dolls there and I had her bring me back the only one I ever bought; the little Businessman in a suit and vest, with his own miniature briefcase. I got him for my six year old grandson and he still has him."

From: *About Hobbies and Crafts* website



Grade Level: 3

Competency Goal: The learner will apply basic economic principles to the study of communities.

Objective: 5.03 Apply concepts of specialization and division of labor to the local community.

Essential Question/ Expected Outcome: Students will experience firsthand the meaning of “division of labor” and “specialization” by creating a greeting card on an assembly line.

Approximate Time: One hour

Materials:

- Colored construction paper
- Various paper cut-outs relevant to the season or theme
- Sample completed greeting card
- Glue
- Crayons, pens
- Instructions for each station of the assembly line

Activating Prior Knowledge: Students will review the meaning of specialization and division of labor by looking at pictures of factory workers. Ask students to discuss a time that they helped someone do a project or when they helped someone complete a project.

Presentation of Lesson

Teacher Input/ Student Activities:

Vocabulary:

- Specialization
- Division of labor
- Inspector

Teacher Input/ Student Activities:

1. Explain to the class that they will be making greeting cards.
2. Show a sample of a completed card and briefly explain how the students will make the card.
3. Divide the class into 3 groups of approximately 8 students each. This allows each child to have a part in the assembly line. (Stations may need to be added or deleted, depending on the number of students in the class.)

4. Desks or tables should be arranged in a long rectangular shape so that students can be placed on both sides of the table facing each other. There should be 8 students to a table (or one child at every station).
5. Set up approximately 8 stations with instructions at each station for the task to be completed.
6. Have all materials ready at each station.
7. One student on each team will be chosen as the inspector. He/she will inspect the final product and reject any card that was not made properly.
8. Give the signal to begin. Circulate to help tables understand what each person has to do.
9. After allowing 15-20 minutes of assembly line time, call time and lead a discussion concerning the success of the project.

The stations are as follows:

- Station 1: Fold the construction paper in half to make the card. Pass on.
- Station 2: Glue the umbrella (or other cut-out shape) to the right top corner of the front of the card. Pass on.
- Station 3: On the front of the card, write "Happy Spring" (or an appropriate sentiment). Pass on.
- Station 4: Open the card and glue 3 flower cut-outs (or an appropriate shape) at the top of the card on the right hand side of the open card. Pass on.
- Station 5: Write at the bottom right hand side of the open card: "From your friend". Pass on.
- Station 6: Glue a butterfly (or other appropriate shape) on the left side of the open card.
- Station 7: Write on the back of the card at the bottom: "This card was made just for you by _____'s class on (date).
- Station 8: The inspector inspects the card and either saves or rejects.

Assessment: The teacher will check with the inspectors to see how many cards were made correctly. The teacher will also observe what kinds of mistakes were made and give feedback.

Post Lesson Recommendations:

The children could extend this activity to technology by working in groups of 3 and creating a card on the computer. One child would be responsible for making the front, one the inside and one the back.

Resources:

Print Shop Deluxe

This lesson was adapted from a lesson found on www.learnnc.org and was developed by Pat Pennino.



Division of Labor in Local and Global Communities

Grade Level: 3

Competency Goal: The learner will apply basic economic principles to the study of communities.

Objectives: 5.03 Apply concepts of specialization and division of labor to the local community.

5.04 Compare and contrast the division of labor in local and global communities.

Essential Question/ Expected Outcome: The students will compare and contrast the division of labor in local and global communities.

Approximate Time: 45 minutes

Materials:

- List of local businesses and industries
- List of locations that these businesses and industries import/export to and from
- Maps of the United States and the world
- Chart paper
- Markers

Activating Prior Knowledge: As a review of interdependence, have the children look in the labels of their shirts or coats to see where they were manufactured. Locate the places on the United States or world map. Review the vocabulary terms of specialization, division of labor, goods and services, supply and demand and scarcity.

Presentation of Lesson

Teacher Input/ Student Activities:

Vocabulary: no new vocabulary; students should be familiar with goods, services, scarcity, supply and demand, specialization and division of labor

1. Choose a local industry that produces a specialized product. For example, a textile mill that turns raw cotton into thread. Explain that within the factory, there are specialized jobs that are required, such as unloading cotton, bleaching, dying, spinning, winding on spools, etc. Generate a web or flow chart showing the various steps in this specialized process. (Note: If there are no local industries, create an imaginary one).
2. Next, generate a discussion of what other industries might want to import this product (for example, factories that produce jeans, shirts, towels,

- sheets, etc). Discuss the kinds of specialized jobs that would be required in this step of the process and create another web or flow chart.
3. After this process, discuss where the completed products might be sent and what types of jobs would be involved in getting the products to their final destination. What kinds of specialized jobs are needed for things like packing, transporting, and marketing the products? Make a flow chart or web that tracks the product to its final destination, branching off each step to show the specialized jobs involved.
 4. Involve the children in a whole group discussion that asks these questions:
 - How many people or steps were involved in the process?
 - Could any steps be left out?
 - What would happen if one factory tried to do all of the steps itself? How would that impact its business?
 - How would the local company's relationship with the states or countries involved in the steps affect the business?

Assessment: The teacher can assess student understanding through observations of classroom discussion and the completed webs or flow charts.

Post Lesson Recommendations:

Research other products to find out how many places are involved in their production. Locate these places on a map of the United States or world.

Resources:



Integrating Economic Topics

Grade Level: 3

Competency Goal: The learner will apply basic economic principles to the study of communities.

Objective(s): 5.03 Apply concepts of specialization and division of labor to the local community.

5.06 Recognize and explain reasons for economic interdependence of communities.

Essential Question/ Expected Outcome: The students will understand how specialization and interdependence relate to the production of goods and services.

Approximate Time: Two (30-45 minute) sessions

Materials:

- Overhead projector
- Transparency markers
- Index cards with professions glued or written on them (see handout sheet)
- Handout

Activating Prior Knowledge: Discuss the following questions with the students: How many had an egg for breakfast? Who or what was involved in getting that egg onto your plate? Create a web showing the student responses. Tell the students that they will be exploring this idea further in today's lesson.

Presentation of Lesson:

Teacher Input/ Student Activities:

Vocabulary:

- Capital resources--man-made items that are used in the production of goods and services
- Economic specialization—professions that focus their efforts in one specific area
- Goods—products used by producers and consumers that are tangible
- Human resources—energy from people used to produce goods and services
- Interdependence—two or more people depending on one another to complete a task or goal. It occurs as a result of economic specialization.
- Natural resources—items from nature that are used to produce goods and services

- Producer—a person or group that supplies a good or service to a consumer
 - Services—things producers do for consumers that do not result in tangible products.
1. Give each student a card with a profession on it. He/she will read the card aloud and explain what the profession entails.
 2. List each profession on the overhead. (Create two columns, listing providers of goods in one column and providers of services in the other. Do not put headings on the columns yet. Two colors of markers may be used to differentiate.) Each profession is listed only once in one of the two columns.
 3. After all of the professions are recorded, have the students brainstorm why certain ones were grouped together.
 4. Group students physically with others in the same column. Have them brainstorm why they are matched as such. Facilitate a discussion of how one group is a provider of goods and the other is a provider of services.
 5. Next, have students pair themselves with someone on whom they feel their job depends. This demonstrates interdependence. Have a discussion about that term.
 6. Lastly, have pairs of students make lists of all human, capital and natural resources needed to do their job. This information can be used in a whole class discussion.

Assessment: The students can be evaluated on their active participation in this activity and in the classroom discussions. A quiz can be administered matching economics vocabulary terms with definitions.

Post Lesson Recommendations:

- Students will explore other professions to see how they may be interdependent.
- Students will interview a parent or family member about their profession to see how it relates to other resources in the community.

Resources:

Lesson by Erin Tuttle Sonn, Abingdon Elementary School, Arlington, VA



Car mechanic	Computer salesperson	Hairdresser
Pilot	Farmer	Construction worker
Banker	Chef	Author
Baker	Firefighter	Waiter/waitress
Toymaker	Florist	Bus Driver



Local Economic Resources

Grade Level: 3

Competency Goal: The learner will apply basic economic principles to the study of communities.

Objective(s); 5.05 Distinguish and analyze the economic resources within communities.

5.06 Recognize and explain reasons for economic interdependence of communities.

Essential Question/ Expected Outcome: The students will distinguish and analyze economic resources found in their local and surrounding communities.

Approximate Time: 3 (30-45 minute) periods

Materials:

- Writing paper, envelopes, stamps
- Addresses of Chamber of Commerce offices in the local and surrounding towns
- Chart paper for recording information

Activating Prior Knowledge: Students will review the definitions of goods, services, interdependence, scarcity and resources to be sure that they understand the concepts.

Presentation of Lesson

Teacher Input/ Student Activities:

Vocabulary: no new vocabulary; the students will review concepts already introduced

Teacher Input/ Student Activities:

1. Write the words “community economic resources” on the board and ask the children to think, pair, share what they think it means. After sharing with a partner, the students will participate in a whole group discussion and come to a consensus on what they believe it means. Inform the children that they will be writing letters to area Chambers of Commerce to determine what economic resources are available in the local and surrounding communities. Once they receive and analyze the information, they will present it to the class.
2. Groups of 2-4 students will be assigned a Chamber of Commerce to write to. In their letter they will explain that they are trying to determine economic resources that are available in that particular town and what

goods and services are provided by local area businesses. Mail the letters.

3. When the requested information is received, the group will record all economic resources that can be determined from the information, breaking them down into goods or services. They will record the information on a chart and post it on the wall. When all groups are finished, the students will participate in a gallery walk to view information received by other groups.
4. During the next class period, the groups will analyze their information and try to determine if their community would be able to exist independently or if it is lacking goods and services needed to survive. Once this analysis is complete, assign jigsaw groups to meet and determine how the various communities in the area could depend on one another. Create a web to show this interdependence.

Assessment: The teacher will assess the students' understanding by observing as they write letters, meet and post their findings. The final web that is created will demonstrate if the children have an understanding of the effect of economic resources on communities.

Post Lesson Recommendations:

- After analyzing the communities, students can generate a list of resources that they would like to have available in their community. They could determine what would be needed to bring those resources into the community.
- Students will write follow-up letters to the Chambers of Commerce and include any recommendations that their group had that would be beneficial to the community.

Resources:

- Phone books from surrounding areas (or a list of addresses of surrounding Chambers of Commerce)



Interdependence Among Communities

Grade Level: 3

Competency Goal: The learner will apply basic economic principles to the study of communities.

Objective: 5.06 Recognize and explain reasons for economic interdependence of communities.

Essential Question/ Expected Outcome: The student will gain an understanding of how communities depend on each other for goods and services.

Approximate Time: One hour

Materials:

- 4 community cards, labeled Farm, Restaurant, Restaurant Supply Company, Transportation Company
- Several cards with \$ printed on them (about 10 per group)

Activating Prior Knowledge: Tell the children that you are going to bake a batch of cookies to send to your cousin in California. You don't have anything needed to make these cookies, so you will have to go get everything needed in order to get the cookies to your cousin. Ask the children if you could get all of the goods and services that you needed at one place.

Presentation of Lesson

Teacher Input/ Student Activities:

Vocabulary:

- Interdependence
- Transaction

Teacher Input/ Student Activities:

1. Divide the class into four groups. Give each group one of the community cards and 10-15 of the money cards.
2. Explain that the groups will have to interact with each other, making money transactions that will help them to survive. For example, the restaurant group will have to buy food from the farm. The farm will have to pay for transporting the goods to the restaurant. Each time they have to spend money to buy something, they will write what they used the money for on the back of the card. It is important that they don't run out of money or products.
3. Allow about 30 minutes for the children to perform the transactions.

4. When time is up, hold a class discussion about some of the interdependence they discovered. Draw a web on the board with arrows that show the interdependence of the four communities involved. Were there any communities that were more reliant on the others? Could any of the communities have survived without the others?

Assessment: Assign a web project—have the children do a web showing the interdependence of communities for a product that they use at home. They will construct the web and be able to articulate the relationships among all of the communities involved.

Post Lesson Recommendations:

- Take a field trip to a local business or invite the owner to the classroom. Find out all of the communities involved in keeping that business going.
- Research all of the resources and communities involved in making a pencil.

Resources:

Local businesses/Chamber of Commerce

Farm	Restaurant
Restaurant Supply Company	Transportation Company

\$	\$	\$
\$	\$	\$
\$	\$	\$
\$	\$	\$
\$	\$	\$



Historical Figure: A Monologue

Grade Level: 3

Competency Goal: The learner will apply basic economic principles to the study of communities.

Objective(s): 5.07 Identify historic figures and leaders who have influenced the economies of communities and evaluate the effectiveness of their contributions.

Essential Question/ Expected Outcome: The students will identify historic leaders who have influenced the economies of communities and evaluate the effectiveness of their contributions by performing monologues.

Approximate Time: 3-5 (45 minute) class periods

Materials:

- List of historical figures/leaders/inventors for the children to choose from
- Books or websites containing biographies of the people on the list
- Video camera/VCR (optional)
- Students will need to create costumes and props

Activating Prior Knowledge: Discuss some famous historical figures or inventors and the contributions they made to our economy. Ask the students how life would be different if they had not done what they did. For example, how did the Wright Brothers' invention of the airplane affect our lives/economy today?

Presentation of Lesson

Teacher Input/ Student Activities:

Vocabulary:

- Monologue
- Contribution

1. Provide the class with a list of historical figures/inventors that have made some important contributions to the economics of communities. The list may include local dignitaries as well as people from the past.
2. Model how to write a monologue. Have the students list a number of facts that they know about a famous person, like Abraham Lincoln or Martin Luther King, Jr. Pass out a brief biography of that person and demonstrate how to write a monologue from the information. Perform the monologue for the class.
3. The students will pick a person that they would like to research. They may use books that are available or search on the Internet. Allow the students 2-3 days to gather their information.

4. Allow class time to begin writing the monologues. Conference with students about which information they should include. The students will complete the monologue at home. They will also gather costumes and props and practice at home for their presentations.
5. Students will perform their monologue in front of the class. Assign 6-10 students per day to perform. Videotape the presentations for assessment purposes.

Assessment: Prepare a rubric that will be used to assess the performances. Go over the features of the rubric in advance. Videotaping each performance may help to assess each performance.

Post Lesson Recommendations:

Imagine that you could invent something that would make your life easier in some way. What would that invention be? How would your invention help others? What might be some economic benefits of your invention?

Resources:

- www.greatwomen.org
- www.kidinfo.com
- www.inventors.about.com

Adapted from "Historical Figure: A Monologue". ARTSEDGE, Kennedy Center



Fourth Grade

Competency Goal 6: The learner will evaluate how North Carolinians apply basic economic principles within the community, state, and nation.

Objectives

- 6.01 Explain the relationship between unlimited wants and limited resources.
- 7.06 Analyze the choices and opportunity cost involved in economic decisions.
- 7.07 Categorize the state's resources as natural, human, or capital.
- 7.08 Assess how the state's natural resources are being used.
- 7.09 Recognize that money can be used for spending, saving, and paying taxes.
- 7.10 Analyze the relationship between government services and taxes.
- 7.11 Describe the ways North Carolina specializes in economic activity and the relationship between specialization and interdependence.
- 7.12 Cite examples of interdependence in North Carolina's economy and evaluate the significance of economic relationships with other states and nations.



Popcorn Economics

Grade Level: Fourth

Competency Goal: 6 The Learner will evaluate how North Carolinians apply basic economic principles within the community, state, and nation.

Objective(s): 6.01 To explain the relationship between unlimited wants and limited resources.

6.03 To categorize the state's resources as natural, human, or capital.

Essential Question/ Expected Outcome(s): Students will be able to relate the concept of scarcity to situations in school and their community. Students will learn that people make choices because of scarcity and will be able to differentiate between capital and natural resources.

Approximate Time: One 45 - 60 minutes class period

Materials:

- popped popcorn in a brown grocery bag, staple bag closed
- brown grocery bags stuffed with crumpled newspaper and stapled closed
- brown paper lunch bags (several per student)
- alternative snack such as dry cereal
- pencils and paper

Activating Prior Knowledge: Ask the class to name at least ten natural resources and write them on the chalkboard. Begin a discussion with the class as to whether each resource is renewable or non-renewable. Ask student what happens when there are no longer enough resources to supply a community.

Presentation of Lesson:

Vocabulary:

- Scarcity
- Capital
- Natural resources

Teacher Input/ Student Activities:

1. Explain that a parent or the principal donated a snack for the class and that students will come to the front of the room, row by row, and serve themselves.

2. Call the first row of students up to the front and give them brown lunch bags in which to put their popcorn. Allow them to take as much popcorn as they want, giving them extra lunch bags to hold popcorn if needed until the grocery bag of popcorn is empty.
3. Student will ask for the popcorn in the other stapled grocery bags. Open the bags and act surprised to find crumpled newspaper. Explain that you thought that all of the grocery bags were filled with popcorn.
4. Apologize to those students who did not receive a snack. Explain that everyone thought there was plenty of popcorn for all. Suggest that, if the first students served had known there was a limited amount, perhaps they might have been careful to leave enough for the rest of the class.
Note: Students are likely to be very angry at the seemingly unfair situation; however, it is the purpose of this lesson for them to experience scarcity.
5. Discuss the following:
 - A. What is the problem? (There wasn't enough popcorn for everyone who wanted it.)
 - B. Why does this problem exist? (The amount of popcorn was limited and there were many students who wanted popcorn. Those who were selected first got as much or more popcorn than they could really eat.)
6. Explain that the experience students had with popcorn symbolizes a major problem that all societies face—scarcity. Scarcity occurs because people want many things, but resources available for producing the things people want are limited.
7. Tell students that other groups still need a snack, but there's no popcorn left. Ask student what could be done. (Those with popcorn could share. Teacher could pop more popcorn. Teacher could provide an alternative snack. Those without a snack could go without.)
8. Explain that when faced with scarcity, people and societies must make choices about allocation. When people allocate, they decide how something should be used and/or who should get something that is available.
9. Explain that people and societies make different allocation decisions. Explain that the number of computers available at school is limited. Capital resources are things produced and used to produce other goods and services.
10. Point out that the number of computers available is limited but students and teachers have unlimited wants for the computers. Students and teachers want to use the computers to write, to research, to learn to use software, and so on.

Assessment: Ask each student to define on paper in complete sentences capital resources and natural resources. Ask each student to also draw a 2-column chart with the headings *Capital Resources* and *Natural Resources*. Students are to list examples of each under the appropriate heading and write an (r) beside



each resource that is renewable and an (nr) beside each resource that is non-renewable. Collect and evaluate each chart.

Post Lesson Recommendations: Explain that natural resources are things that occur naturally in or on the earth. Ask the students to ask their parents to assist them in exploring examples of natural resources in their community. (land, water, trees, air) Ask each student to submit a list of at least ten.

Resources:

<http://ecedweb.unomaha.edu/lessons/popcorn.htm>

This lesson was adapted from a lesson at
<http://ecedweb.unomaha.edu/lessons/popcorn.htm> by Mary Suiter, (adapted from a lesson found in Kaleidoscope, USA).



Economic Incentives in Our Community

Grade Level: Fourth

Competency Goal: 6 The Learner will evaluate how North Carolinians apply basic economic principles within the community, state, and nation.

Objective: 6.02 To analyze the choices and opportunity cost involved in economic decisions.

Essential Question/ Expected Outcome: Students will understand that incentives are used to encourage and discourage behaviors.

Approximate Time: One 45 – 60 minutes class period

Materials:

- Paper and Pencils

Activating Prior Knowledge: Illustrate the idea of incentives by having students draw on their own experiences with how incentives have influenced them by asking such questions as: Have you ever purchased a kids meal just to get the toy? Or have you ever purchased a box of cereal because of the prize inside? Explain to students that economic incentives are offered to influence our behavior:

- Positive economic incentives reward people financially for making certain choices and behaving in a certain way.
- Negative economic incentives punish people financially for making certain choices and behaving in a certain way.

Presentation of Lesson:

Vocabulary:

- Choice: Making a selection among alternatives
- Decision Making: Weighing costs and benefits of choices
- Incentives: Tools used to influence behavior

Teacher Input/ Student Activities:

1. Tell students that economic incentives are offered to encourage people to make certain choices or behave in a certain way. They usually involve money, but they can also involve goods and services.

2. Explain that positive economic incentives leave you better off if you do what was asked of you. These incentives benefit you in some way. They reward you with money or some sort of financial gain such as a better price, a free item or an upgraded item. Coupons, sales, freebies, discounts and rewards can be positive economic incentives. They are called positive because they are associated with things many people would like to get.

3. Explain that negative incentives leave you worse off financially by making you pay money. These incentives cost you money. Fines, fees and tickets can be negative economic incentives. They are called negative because they are things you don't want to get.

4. Ask students to cite, as you list on the chalkboard, reasons why monetary economic incentives are used? Include the following:

- to encourage you
- to persuade you
- to convince you
- to bribe you
- to punish you
- to reward you
- to penalize you
- to influence you .

5. Ask students who do they think offer economic incentives and why.

6. Then explain that businesses often use economic incentives to encourage people to come and do business with them. Offering incentives is one way to get customers to choose to come and spend money at a business.

- Restaurants use coupons, buy-one, get-one deals, Kid's Eat Free night, and other incentives to encourage people to choose their restaurant.
- Stores offer coupons, sales, discounts, buy-one, get-one free and other incentives to get customers to choose their store.
- Airlines give frequent flier miles as incentives for people to choose to fly with them.

7. Tell students that government agencies also use economic incentives, but they usually do it to encourage certain behaviors in people. Offering incentives is one way the government tries to get people to behave responsibly. Allow students 10 minutes to construct a circle map on a sheet of paper to suggest ways, collect them and then discuss the following:

- Public libraries use library fines to discourage people from keeping the books too long. Fines encourage people to choose to turn books in on time.

- Park rangers & park police officers use littering fines as a way to keep people from littering. Fines help people choose not to litter, and this keeps the parks clean.
- Police officers use speeding tickets and parking tickets as incentives to keep people safe. Speeding tickets discourage people from choosing to speed and encourage them to drive safely. Parking tickets help keep parking spaces open for the handicapped and fire hydrants clear of unwanted cars. Parking tickets encourage people to choose only legal parking spaces.
- Police officers give out tickets if babies are not riding in car seats or if people are not wearing their seatbelts. These negative incentives discourage people from choosing unsafe behaviors.

Assessment: Ask students to complete the [Economic Incentives Worksheet](#). [\[Answers to Worksheet\]](#). (Can be found at the end of grade four section). Small Group Work - Using their worksheets, the students should work in small groups to share and compare their created incentives/behavior for the community. Use the students' worksheets and participation in small group work and class discussion to determine if they are able to identify positive and negative economic incentives in our community, explain why they are used and understand that not all incentives will work for all people.

Post Lesson Recommendations: Tell the students to write the answers to the following questions on a sheet of paper and be prepared to share their answers with the rest of the class during the next class period.

- Why do people use incentives? [As a way to influence, convince, encourage, bribe, reward people's choices]
- Do all incentives work? Why? [No. Not everyone will want the incentive or want the choice, so they won't be or can't be convinced.]
- Does everyone think and react in the same way about an incentive? Why? [No. People hold various beliefs, values, or views of incentives; thus, no one incentive could satisfy or convince everyone.]
- Do you think economic incentives work better than non-economic ones? Why? Why not? [Students should be able to back up their opinion on this.]

Resources:

Follow up this lesson with the EconEdLink lesson titled ["Inventive Incentive."](#)

Worksheet: [Economic Incentives in Our Community](#)

Interactive Activity: [Tic Tac Toe - What Do You Know?](#)



This lesson was adapted from a lesson found on
<http://www.econoedlink.org/lessons> and was developed by Cross-Curricular Connections.



The Productive Blues (Jeans)

Grade Level: Fourth

Competency Goal: 6 The learner will evaluate how North Carolinians apply basic economic principles within the community, state, and nation.

Objective: 6.03 To categorize the state's resources as natural, human, or capital.

Essential Question/ Expected Outcome: Students will be able to identify and categorize productive resources as human resources, capital resources, and natural resources.

Approximate Time: One 45 – 60 minutes class period

Materials:

- ❖ Pencils and paper

Activating Prior Knowledge: The teacher will ask the students how many of you own one pair of jeans. Two pairs. More than two pairs. The teacher will ask students if they know when jeans were invented and why. Tell them that in this lesson they will learn about when and why blue jeans were invented, about resources needed to produce them and about the entrepreneur behind the successful history of blue jeans.

Presentation of Lesson

Vocabulary:

- Capital resources: Capitol resources are goods that are produced and used to make other goods and services.
- Entrepreneur: An entrepreneur is a special type of human resource; identify examples of intermediate goods.
- Intermediate goods: Intermediate goods are items that are part of the production process, used to produce the final good.
- Human resources: Human resources are the quantity and quality of human effort directed toward producing goods and services.
- Natural resources: Natural resources, such as land, are "gifts of nature." They are present without human intervention.
- Productive resources: Productive resources are the human resources, capital resources, and natural resources used to make goods and services.



Teacher Input/ Student Activities:

1. Write the following terms on the board: Productive resources, human resources, capital resources, natural resources, and intermediate goods. Explain each term briefly, as suggested below.

Tell the students that productive resources are the human resources, capital resources, and natural resources used to make goods and services. Human resources are the labor or human effort used to produce goods and services. Point out that a special type of human resource is an entrepreneur. An entrepreneur is a person who comes up with the idea for a good or service and takes the risks involved in producing it. Capital resources are goods produced and used to make other goods and services.

2. Ask the students to think of examples of capital resources in North Carolina. (Possibilities include tools, factories, and equipment)
3. Tell the students that natural resources are "gifts of nature." They are present without human intervention. Ask the students to think of examples of natural resources in North Carolina. (Possibilities include land, air, trees)
4. Tell the students that cotton is another example of a natural resource, and cloth is an intermediate good used to produce various final products, like jeans.

5. Direct students to read the biography of Levi Strauss (each student should have a copy from the website <http://www.levistrauss.com/about/history/founder.htm>) and then use information from the biography to answer the following questions:

1. Why did Levi Strauss move to San Francisco? (Strauss moved to San Francisco to make his fortune: not by panning gold but by selling supplies to the throngs of miners who arrived daily in the big city to outfit themselves before heading off to the gold fields.)
2. Why would being close to the waterfront be beneficial for Strauss? (In the 1850s this location was handy for receiving and selling the goods that arrived by ship from his brother Jonas's store in New York.)
3. How did Strauss get his idea for improving pants? (In 1872 Strauss received a letter from a tailor who said that he had an interesting way of making pants for his customers: he placed metal rivets at the points of strain.)

4. Why might Strauss be considered an innovator rather than an inventor? (Because a tailor gave him the idea for jeans, and the tailor needed Strauss to help with financial aspects of the jeans business.)
5. What was the original name for jeans? (Waist overalls.)
6. Name some of the tasks involved in making the jeans. (Cutting denim, sewing, designing, making deliveries.)
7. Why was Levi Strauss and Company able to survive the San Francisco fire of 1906? (Strauss had foresight, business sense, and devotion to quality; he continued to pay employees and extended credit to less fortunate merchants.)

Assessment: Ask the students to give their definition of each productive resource and to name at least five of each in North Carolina during a class discussion (or on paper) and then check their answers.

Post Lesson Recommendations: Ask students to find as many productive resources as they can in North Carolina. Then, using prior knowledge, work individually or with a partner to fill in the chart below.

North Carolina

Product	Human	Capital	Natural	Intermediate Good
	1. 2. 3.	1. 2. 3.	1. 2. 3.	1. 2. 3.

Resources:

<http://www.levistrauss.com/about/history/founder.htm>

<http://www.econedlink.org/lessons>

This lesson was adapted from a lesson found on <http://www.econedlink.org/lessons> and was developed by the NCEE Technology Staff.



Where did that pencil come from? The Study of Natural Resources

Grade Level: Fourth

Competency Goal: 6 The learner will evaluate how North Carolinians apply basic economic principles within the community, state, and nation.

Objective(s): 6.04 To assess how the state's natural resources are being used.

Essential Question/ Expected Outcome: Students will list the goods that can be made using natural resources, identify which natural resources contribute to the production of a particular good, and identify natural resources located on a North Carolina's map.

Approximate Time: One 45 minutes class period

Materials:

- Pencils and paper
- Classroom map of North Carolina
- Individual student maps of North Carolina
- Worksheets
- Computers

Activating Prior Knowledge: The teacher will introduce the lesson by asking students these questions: Have you ever considered where your desk came from? Did you ever wonder how your pencil became a pencil? Where your water was before it came out of your faucet? Which items in nature give us our desks, pencils and tap water? (*The students may mention trees, lakes, and rivers, etc.*) After giving students sufficient time to answer each question tell them that these items are called natural resources.

Presentation of Lesson

Vocabulary:

- Natural resources
- Production

Teacher Input/ Student Activities:

1. Allow students time to access <http://worldatlas.com/webimage/countrys/namerica/us.htm> and choose North Carolina as the state they want to research (students may print a copy of the

map for use at their desks or you may use an overhead projector to display map for entire class).

Note: This site provides maps of different types for every state. The highway maps and topographic relief maps are the best choices for identifying natural features. The highway maps show where such natural features as lakes, rivers, forests and mountain ranges are located. The topographic relief maps provide a better understanding of how these features affect the landscape. Be sure to help the students with the interpretation of the maps.

2. Students will need copies of the [worksheet](#) at <http://www.econedlink.org/lessons/EM303/docs/packet.swf> (you may print copies for each student) to transcribe their findings from the map. In section 1 of the worksheet have the students do the following:

- List any major rivers, lakes, mountain ranges, valleys or plains in North Carolina.
- List natural resources that would be near these features.
- List finished goods that can be produced by refining these natural resources.

Assessment: Ask students to complete section 2 of the worksheet. Students should do the following:

1. Choose a natural resource.
2. Draw pictures to show how this resource can be processed to produce a finished good.
3. Write a short description of the process they have just illustrated.

Post Lesson Recommendations: Once the students have completed their worksheets, ask them to share their findings with the entire class. Encourage the students to describe and explain the process of production associated with the respective natural resources. Taken together, the students' reports should inform the class about a wide variety of resources and production processes (may be a homework assignment for a class discussion on a different day).

Resources:

A definition of natural resource at the EconEdLink glossary:
<http://my.econedlink.org/glossary.php?#N>

<http://worldatlas.com/webimage/countrys/namerica/us.htm>

<http://www.econedlink.org/lessons>



This lesson was adapted from a lesson found on
<http://www.econedlink.org/lessons> and was developed by the NCEE Technology Staff.



The Story of Jack and the Bankstalk

Grade Level: Fourth

Competency Goal: 6 The learner will evaluate how North Carolinians apply basic economic principles within the community, state, and nation.

Objective(s): 6.05 To recognize that money can be used for spending, saving, and paying taxes.

Essential Question/ Expected Outcome: How can using a bank help you save money?

Approximate Time: One 45 minutes class period

Materials:

- Play money and coins
- Paper and pencils

Activating Prior Knowledge: Read the story of *Jack and the Beanstalk*. Ask students what form of exchange do they use when purchasing items. Tell them that fairy tales have always been used to give lessons about life. The story of Jack and the Bean Stalk is a good lesson about the importance of knowing about money and banks. Tell students that the story of Jack asks the question, "What is money?"

Presentation of Lesson:

Teacher Input/ Student Activities:

Vocabulary:

- Banking:
- Currency: Money used in a given place
- Money: Anything that provides a way to express price and store value.
- Interest rate: Percentage of money paid by a borrower to a lender in return for using the lender's money
- Opportunity cost: The most valuable alternative not chosen when making a decision

Explain that in order for something to be accepted as money it must perform three functions. It must be:

1. A Medium of Exchange
2. A Unit of Account
3. Store of Value

What is meant by these three functions?

First, for money to be a medium of exchange everyone has to accept that "it" is money. A gold coin is money because everyone will take it in trade for goods and services. In some ancient cultures, shells were used as money. Do you think Pokemon cards are money? (Can you pay for your lunch with Pokemon cards?)

Next, money must be a unit of account. This means that it can be broken up into parts and that other goods can be priced terms of money. That is why we have, pennies, dimes, quarters and dollars. If money is not a unit of account then it becomes hard to trade fairly. For instance, how many Pokemon cards equal a cow? Money allows a shop to price its goods, so you pay \$.65 for a quart of milk and \$2.00 for a dozen donuts. You can also check in other stores to see what prices they charge and then buy at the store with the best price.

Finally, money must be a store of value. If we are to hold money, we must know that it will be worth something tomorrow. Pokemon cards may be a good value today, but how much will they be worth when the Pokemon craze calms down? Apples are another good that does not make good money. If you hold onto an apple for two years would anyone want it? This is why most money is made out of metal or paper.

Tell students that a bank has a number of functions as well. One is to protect your money from being robbed. The first banks were operated by blacksmiths and goldsmiths. Ask why do you think that they made good bankers? (*Since they were usually the strongest person in a village, they would hide the money under their anvils so no one could steal the money or gold.*)

A second function is to lend money to others and receive interest in return. Banks make lending and borrowing money easier, just like money makes trading easier. The bank works as a clearinghouse. Those who want to lend money put deposits into their saving accounts, while those who want to borrow go to the bank and take out loans. The bank then makes sure that the loans are paid back and that everyone pays the right amount of interest.

Assessment: Ask students to write on a sheet of paper the answers to the following questions. Collect and grade.

1. What did Jack's mother ask Jack to trade in exchange for the cow? (*Gold coins, so that they could buy other goods like food.*)

2. Why did Jack's mother not like the trade that Jack made? (*Because beans cannot be traded for goods they would need in the future; beans do not meet the three functions of money.*)

3. Why are beans not money, given the functions of money above? (*1. It is not a unit of account because most stores will not take beans in trade for other goods. 2. It might be a unit of account since it is easily divisible, but there is no national standard for how many beans equal a cow. 3. It is not a store of value since the beans will rot.*)

4. What is the opportunity cost of not having money to trade with? (*There are a number of opportunity costs. The most important is that you will lose the time finding someone who wants what you have to trade and will trade you something that you want.*)

Post Lesson Recommendations: Ask students to answer the following question on paper as homework for discussion during the next class period:

1. How is planting beans in the ground similar to putting money in the bank? (*Planting is like investing in the bank, after time you end up with more beans than you started with.*)

2. What is the justification given for Jack to "steal" from the giant in this story? (*The giant in one of the stories has killed Jack's father and taken his money. If Jack's father had put his money in the bank then the Giant could not have stolen all that Jack had.*)

3. If Jack's father had put his money in the bank, how would that have changed the story?

(Jack's mother would have had money to live on and they would not have had to sell their cow for the beans.)

4. How is the goose that lays the golden eggs like a bank?

(The goose lays eggs at regular intervals just like interest payments. The purchase of the goose is like the initial money put into a bank, while the eggs represent interest.)

Resources:

<http://www.econedlink.org/lessons>

This lesson was adapted from a lesson found on
<http://www.econedlink.org/lessons> and was developed by Frederick G. Floss.



Money: Kids and Cash

Grade Level: Fourth

Competency Goal: 6 The learner will evaluate how North Carolina apply basic economic principals within the community, state, and nation.

Objective: 6.05 To recognize that money can be used for spending, saving, and paying taxes.

Essential Question/ Expected Outcome: What role do banks play in providing money to consumers and maintaining their money?

Approximate Time: One 45 minutes class period

Materials:

- ❖ Paper and pencils

Activating Prior Knowledge: Ask students what a bank is and why people put some of their money in banks. Elicit from students that two reasons are:

- to protect the money from thieves
- to make more money by getting interest from the bank.

Presentation of Lesson

Vocabulary:

- ❖ Interest: Fee paid for borrowing money
- ❖ Deposit: Something that is put away to be kept safe
- ❖ Withdrawals: Something that is taken away or removed
- ❖ Reserve: Something that is set aside for future use, such as savings or resources

Teacher Input/ Student Activities:

1. Explain that it's important for students to understand what *interest* means. Define *interest* as "a fee paid for borrowing money." Explain that when a person puts his or her money in the bank, the bank is, in a sense, borrowing the person's money. The bank uses the person's money by lending it to other people or companies. The bank *charges* interest to the people it lends money to and *pays* interest to those who put money in the bank. Show students an example such as the following:

John puts \$100 in the bank for a year. During that year, the bank lends John's \$100 to Mary. At the end of the year, Mary gives the bank the \$100 *plus* the interest she must pay, so she gives the bank \$108.

At the end of the year, John takes out the \$100 he put in earlier *plus* the interest it earned, so he gets \$105.

Ask students, "How much money did the bank make on John's \$100 during the year?" Or ask, "Why does the bank charge Mary \$8 but pay John only \$5?

2. Now explain that interest is expressed as a percent. The bank says to John, "If you give us your money for a year, we will give you 5 percent interest at the end of the year. So you will earn \$5 on your \$100." The bank says to Mary, "If you want us to give you money for one year, you will have to give us 8 percent interest at the end of the year. So you will have to pay us back \$108."
3. Make sure students understand why the bank needs to make money.

Post Lesson Recommendations: Ask students to interview their parents or other adults and report back to the class on how their parents or other adults decide which bank(s) to use and why.

Resources:

The Go-Around Dollar by B Adams, 1992.

Every Kid's Guide to Making and Managing Money by J. Berry, 1991.

<http://www.discoveryschool.com>

<http://www.ustreas.gov/treasury/bureaus/mint/mint.html>

This lesson was adapted from a lesson found on

<http://www.discoveryschool.com>



Who Pays For City Hall?

Grade Level: Fourth

Cognitive Goal: 6 The learner will evaluate how North Carolina apply basic economic principals within the community, state, and nation.

Objective: 6.06 To analyze the relationship between government services and taxes.

Essential Question(s)/ Expected Outcome(s): What does a city or county government do? Who pays for city government services. What is taxation?

Approximate Time: One 45 minutes class period

Materials:

- Paper and Pencils

Activating Prior Knowledge: Explain to students that people in our communities like to have parks, police and fire protection, streets, community centers and many other services and other features that cities provide. But who pays for all of these? Tell them we do! Students should have a conceptual understanding of goods and services before this lesson. Ask them what are goods and services?

Presentation of Lesson

Vocabulary:

- Communities and cities
- Role of government
- Taxation

Teacher Input/ Student Activities:

1. Ask the students:

1. What makes your city a good place to live in? [Answers will vary.]
2. Would your city be a nice place if it didn't have any parks?
3. What if your city did not have police or fire services?
 - o How would fires be put out?
 - o How would people be protected?

2. Ask students who decides how many parks are right for your city. Who decides how many fire stations or police stations your city will have? Who decides how many streets there are, or how to clear the streets of snow, or what to do with animals that may run loose in the streets? Who decides where a traffic light should go? Who takes care of the parks? Allow ample time to discuss answers.

3. It might surprise your students to know that people who live in cities have a city government that does all those things and more! Your students might already know a little bit about city government, but have they ever stopped to think who PAYS for all those things to happen? We do! Every time you buy a good or service, you pay a tax to the store that sells that good or service. That is a sales tax. Some of that money goes to your city hall to pay for goods and services the city provides. Your parents also pay a portion of the money they earn from their jobs to the city government. This is called an income tax.

Assessment: Ask students to make a 2-column chart on a sheet of paper with the headings **goods** and **services**. Ask students to list goods and services supplied by their local and state government. Briefly discuss answers.

Post Lesson Recommendations: Assist students in preparing 7 interview questions for a city councilman or a county commissioner. Ask each student to ask for his/her parents' help with setting up an appointment with a city councilman or county commissioner. Each student will be encouraged to personally interview at least one.

Resources:

<http://www.hud.gov/kids/field1.html>
<http://www.econedlink.org/lessons>

This lesson was adapted from a lesson found on
<http://www.econedlink.org/lessons> and was developed by Mickey Ebert.



Free Ride

Grade Level: Fourth

Competency Goal: 6 The learner will evaluate how North Carolina apply basic economic principals within the community, state, and nation.

Objective: 6.06 To analyze the relationship between government services and taxes.

Essential Question/ Expected Outcome: What is the role of the government in providing goods and services for citizens? Students will be able to evaluate the cost of government-provided services.

Approximate Time: One 45 minutes class period

Materials:

- Pencil and Paper

Activating Prior Knowledge: Explain to students that many goods and services are provided by the government; including the building and maintenance of roads. Children and their families make use of roads daily, seemingly free of charge. Tell them that this lesson explores the true cost of a 'free ride'.

Explain to the students that there are many goods and services which the government provides for us which individuals do not need to pay for directly. An example is their school.

Ask the students:

- Can you think of any other examples of goods or services that the government provides for people "free of charge"? [parks, police, fire services, some medical care, roads]

Presentation of Lesson:

Vocabulary:

- Goods
- Government expenditures
- Government revenues
- Services
- Taxation

Teacher Input/ Student Activities:

1. Explain to the students that they are accustomed to using many goods and services without thinking how much it really costs. Each day, students come to school on government-provided roads. Each student also enjoys walking in the parks and woods.

2. Ask the students:

- Have you ever thought of who is paying for the maintenance of the national parks, public schools, and roads?
[all of these are very expensive and are paid for by the government.]
- At what times do you use the roads?
[going to the schools, shopping, practice, visiting friends.]
- Who constructs the roads?
[road workers, planners]
- What materials do they use to build a road?
[sand, asphalt, stones, etc.]
- What machinery do they use to build a road?
[bulldozer, backhoe loader, graders, hydraulic shovel, dump truck, etc.]
- Why are good roads so important for our country?
[food, clothes, appliances, etc. are transported on the roads. Also remind the children that the ambulance, firefighters can answer one's call immediately only if the roads are in good shape.]

3. Now, ask the students:

- Who pays for all of the goods and services that you just identified which is required in road building and maintenance?
[the government]
- Where does our government get the money to build the roads?
[from taxes, money collected from the people]

4. Explain that the working people give a share of their income to the government and this share is called a tax. When we buy something we also pay a little bit more than the price tag says – it is called a tax, too. Thus, the gas tax pays the construction and maintenance of the roads.

Assessment: Have students place the following steps in order by creating a flow-chart:

- Tax is charged [2]
- Government pays people to build and maintain roads[5]
- Government decides how to spend the tax money [4]
- People buy gasoline [1]
- Government collects taxes [3]



Ask the students to define tax and taxpayers and answer the following question. Have them to explain their answers by writing 3 or 4 complete sentences.

Who really pays for the roads? (All the people of the country pay for the goods and services that are provided by the government). Collect each paper.

Post Lesson Recommendations: Have students plan a trip to any place in the United States using www.mapquest.com. Ask the children to calculate how many miles they would have to drive and how much money they would have to spend to the maintenance of the roads.

Resources:

<http://www.econedlink.org/lessons>

This lesson was adapted from a lesson found on
<http://www.econedlink.org/lessons> and was developed by Cross-Curricular Connections.



Tic Tac Taxes

Grade Level: Fourth

Competency Goal: 6 The learner will evaluate how North Carolina apply basic economic principals within the community, state, and nation.

Objective: 6.06 To analyze the relationship between government services and taxes.

Essential Question/ Expected Outcome: Students will be able to identify various taxes and the services they help governments provide.

Approximate Time: One 45 minutes class period

Materials:

- Paper and Pencils
- TIC TAC TAXES Activity Sheet

Activating Prior Knowledge: Ask students if they know why citizens pay county/city, state, federal, sales, and property – taxes, taxes, taxes! Allow time for answers. Then ask, “What is the benefit to us? What are the goods and services that the government provides for us? How does the government pay for those goods and services?” After a brief discussion of students’ answers, explain that this lesson will take them through the different types of taxes governments impose, and the goods and services the governments provide in return.

Presentation of Lesson:

Vocabulary:

- Government Expenditures
- Government Revenues
- Income
- Role of Government
- Taxation:

Teacher Input/ Student Activities:

1. Explain to students that our governments, at all levels, provide us with goods and services that are sometimes more difficult for companies or individuals to provide. A paving company wouldn't be able to charge individual drivers for the roads it creates. A hospital can't collect from people who can't afford to pay. Governments have a role in our society to provide some of these goods and services on behalf of all citizens. But governments have to pay to get the job done. Those costs are called expenditures. The government doesn't have its own

paving company, and even if it did, it would have to pay the people who work there. How do governments pay for the goods and services they provide? They pay for these things through a system of taxation, to gain necessary revenues. Taxation is the primary revenue generator for our governments. There are three main kinds of taxes:

- Income Tax
- Sales Tax
- Property Tax

2. Ask students if they know each definition and discuss each type of tax.

3. Ask students to name some goods and services that are provided by the government. Then divide students into teams of four. Ask each team to brainstorm and name some goods and services that are provided by the government in their communities.

Assessment: Ask students to create individual three-column charts. Tell each student to label one column federal government, one column state government, and one column local government. Students should first sort the goods and services (listed from step # 3) according to the government which provides them, and then write them in the appropriate column. Tell students that if a good or service is provided by more than one government, place it in both columns. Collect papers and discuss during the next class period.

Post Lesson Recommendations: Ask each student to complete the *Tic Tac Taxes* Activity sheet as a homework assignment.

Resources:

Tic Tac Taxes Activity Sheet
<http://www.econedlink.org/lessons>

This lesson was adapted from a lesson found on
<http://www.econedlink.org/lessons> and was developed by Cross-Curricular Connections.



President Bush's Allowance

Grade Level: Fourth

Competency Goal: 6 The learner will evaluate how North Carolina apply basic economic principals within the community, state, and nation.

Objective: 6.06 To analyze the relationship between government services and taxes.

Essential Question/ Expected Outcome: Students will identify different expenses in the US budget and will decide on the order of importance for different expenses.

Approximate Time: One 30 – 45 minutes class period

Materials:

- Paper and pencils

Activating Prior Knowledge: Tell students that this school costs money to run. Roads also cost money. Most schools and roads are paid for by the government.

Ask students if they know where the government finds money for schools and roads. Allow students time to respond. Then explain that every person who works in our country pays a part of his or her income to the government. This payment is called a tax. Then the people who make up the government have to make decisions about how to spend that money. These decisions eventually are expressed in a written plan that tells how the tax payments, or revenue, will be spent. Ask students if they know what this written plan is called. After a couple of minutes, tell them that this plan is called a budget.

Presentation of Lesson:

Vocabulary:

- Budget
- Choice
- Cost/benefit analysis
- Government expenditures
- Taxation

Teacher Input/ Student Activities:

1. With your class, decide what kinds of things we need to pay for in our country. Remember that you are not focusing here on things that people use privately--

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movie tickets or tires for their cars, for example. These are things people usually pay for themselves. Instead, you are trying to identify things that lots of people will use, as a member of the public--schools and roads, for example. These are things that are usually provided by the government and paid for out of tax revenue. Ask students if they can think of other things that the government might include in its budget? [Try to solicit several responses including hospitals, national parks, social services, and the military.]

2. Now, allowing sufficient time for answers, discuss these questions with your class:

Schools

1. Why do we need schools?
2. What would happen if there were no schools?

Hospitals

1. Why do we need hospitals?
2. What would happen if there were no hospitals?

Roads

1. Is there a need to build new roads and fix the old ones?
2. What do you think would happen if the roads were in poor repair?

Nature Conservation

1. How do you think the area we live in would look without trees and grass?
2. What would happen if all the water around us was polluted?

Military

1. Why do we need armed forces?
2. What would happen if there were no armed forces?

Assessment: Explain to the students that they will each be given \$1,000 to spend on local community expenses, and that they will be making pie charts to show their spending. Have them find out the following:



(NOTE: As an option, students can also work in teams of four.)

- How many schools, hospitals, highways, parks and military bases are in your community?
- Are any of these more important to your community than others?
- Are there other things that your community uses that should be included in your budget?

(It would be helpful to have both community maps and local phone directories on hand to help students locate community services in the evaluation activity.)

Then have the students decide how much of the \$1,000 to spend on each area.

The students should be able to explain why they spent more money for some resources than for others in their community. Make sure to have the students describe their allocations (for example, 'We spent the most on hospitals...'). Once the students have discussed their pie charts, introduce the concept of trade-offs/opportunity cost. Ask the students what would happen if all the money were given to the schools. What/who would suffer? What/who would benefit? Discuss similar situations with the various government-funded programs within the community.

Post Lesson Recommendations: In the previous activity, you helped to make important choices about how to spend our tax revenue. Now think about the following:

(NOTE: For language arts integration, you may choose to write these questions on the board for your students to copy. Ask students to answer the questions in complete sentences, using correct spelling and appropriate punctuation as a homework assignment.)

- Why did you spend the money the way you did?
- Was it easy or hard to plan the budget?
- What would happen if you only had \$100 to spend?
- What would get less money?

Resources: "If I Were President . . ." [Interactive Activity](#)

This activity presents an online game in which participants spend tax revenue.

<http://www.econedlink.org/lessons>

This lesson was adapted from a lesson found on
<http://www.econedlink.org/lessons> and was developed by Cross-Curricular Connections.



From Butterflies to Buffaloes

Grade Level: Fourth

Competency Goal: 6 The learner will evaluate how North Carolina apply basic economic principals within the community, state, and nation.

Objective: 6.07 To describe the ways North Carolina specializes in economic activity and the relationship between specialization and interdependence.

Essential Question/ Expected Outcome: Students learn what ecotourism is and explore how conservation of our natural resources can be profitable.

Approximate Time: One 30 – 45 minutes class period

Materials:

- Pencils and paper

Activating Prior Knowledge: Ask students if they have ever been on vacation with their family visiting another city or state or perhaps to a resort area such as Disney World. Allow several students to give answers. Explain if so, they were tourists. Ask if they have ever been eco-tourists? In order to answer, students must first understand what eco-tourism is. Define eco-tourism as tourism with a primary focus on visiting natural areas to gain a greater understanding and appreciation. It is one of our fastest growing types of tourism. Explain that many people today live in urban or suburban areas yet still want to enjoy the outdoors and nature. Activities such as bird watching, hiking and touring natural areas are types of eco-tourism. Tell students that in this lesson, they will learn about some eco-tourism businesses and how these businesses earn a profit.

Presentation of Lesson:

Vocabulary:

- Markets
- Natural resources
- Producers
- Profit motives

Teacher Input/ Student Activities:

1. Say to students that the International Eco-tourism Society has surveyed people in the United States about which nature-related activities they have participated in over the last year. Ask students if they can think of any nature-related activities that they have done recently? Look at the [list of nature activities](#)

(each student should have a handout) and see how many of them apply to you and your family.

2. Explain that as more people enjoy nature-related activities, businesses are being started that offer these and other related activities. Eco-tourism businesses, just like other businesses, must make a profit to stay in business. Let's look at a few of these eco-tourism businesses.
3. Tell students that corn prices in recent years have been so low that some farmers have not been able to make a profit raising corn. A new way to make a profit from corn farming is to create corn mazes and charge admission. Read about some amazing corn mazes at http://www.cornfieldmaze.com/site_list.html. Ask students to click on the map to read information about the mazes and see pictures of them. Ask if North Carolina has any mazes listed? If there are none listed, discuss why you think there aren't any. Ask students if they think people in their community would pay to visit a corn maze if one were available?
4. In addition to corn mazes, many farmers are now raising a completely new kind of crop - butterflies. There are now over 150 butterfly farms in the United States. Ask students if they know why farmers are raising butterflies. Tell them that they may find out by reading <http://www.butterflyfarm.co.cr/ed/index.htm> (NOTE: they will need to click on "All About Butterfly Farming") Have students name some of the places or markets discussed in the article? [The hobby market, butterfly gardens, the wedding release market.] Explain that in addition to raising butterflies for one or more of the markets above, many butterfly farmers give tours and charge admission. To read about a butterfly tour, see <http://butterflywebsite.com/Field%20Trips/Susanna/Article04.htm>. Ask student to figure how much would it cost for their family to visit this butterfly farm.
5. Discuss how some former cattle ranchers are now raising buffaloes (or more precisely, American bison). Explain why buffalo meat is growing in popularity as it is considered by many people to be leaner and thus healthier to eat than meat from cattle. When people choose to buy goods that are similar to other goods but may be cheaper or better, this is known as substitute goods. When consumers buy buffalo meat instead of beef, they are buying a substitute good. In addition to raising buffaloes to sell the meat, many buffalo ranchers give tours on their ranches to tourists who are interested in seeing buffaloes in their natural habitats. To read about a typical buffalo tour, see <http://www.bisonfarm.com/bisontours.html>. Ask students how much does a tour cost. [\$10 per adult, \$6 per child.] and in what season of the year would they expect to see the most business for buffalo tours at this ranch in Kansas. [Summer, when people are on vacation and the weather is good.]

Ask students which of the three activities discussed (corn mazes, butterfly tours, or buffalo tours) would you most like to do. Why?

Assessment: For math integration display these word problems on an overhead. Ask students to solve the problems on paper. Farmer Bob is a butterfly farmer who raises only Monarch butterflies. He charges \$95 per dozen for the butterflies. (Many of his customers buy butterflies so that they can release them at weddings.) Monarch butterflies only eat milkweed plants. An average milkweed plant costs \$3.00 and one plant will feed, on average, one butterfly. In addition to the cost of the milkweed plants, Farmer Bob has fertilizer, water and labor costs of about \$20 per dozen butterflies. Calculate the profit (Profit = total sales in dollars - total costs in dollars) per dozen butterflies for Farmer Bob. [$\$3 \times 12 = \36 cost of the milkweed per dozen + \$20 other costs per dozen butterflies for a profit = $\$95 - \$36 - 20 = \$39$ per dozen butterflies].

If Farmer Bob expects to sell 150 dozen butterflies for wedding releases this year, what will his total profit be? [$150 \times 39 = \$5,850$]

Since the most important season for butterflies is spring and summer, Farmer Bob has decided to plant 10 acres of corn to create a corn maze in the fall. Seed corn costs \$25 per acre and fertilizer costs are \$15 per acre. Other costs, such as fuel for his tractor and labor costs, will total \$1,200. Farmer Bob has decided to charge \$5 per person to visit his corn maze. If he expects 1,500 people to visit his maze this fall, what will his profit from the maze be?

[Profit = Total dollar sales - total dollar costs
 Total dollar sales = $1500 \times 5 = \$7,500$
 Total dollar costs = $\$25 \times 10 \text{ acres} = \250 for seed corn
 $\$15 \times 10 \text{ acres} = \150 for fertilizer
 $\$1,200$ for other costs =
 $\$1,600$ total costs
 Profit from the corn maze = $\$7,500 - \$1,600 = \$5,900$]

What is the total profit for Farmer Bob from the butterfly farm and corn maze? [$\$5,850 + \$5,900 = \$11,750$].

Ask the students if they think Farmer Bob has made enough profit on his land. Discuss if they think Farmer Bob might have any other income (other crops, raising livestock, etc.).

Post Lesson Recommendations: For additional interaction, have the students search online for eco-tourism businesses in their town or area. If there is a local zoo, this would be a good example and trigger a discussion of the differences between a profit and non-profit organization.

Resources:

- "Butterfly farming", <http://www.butterflyfarm.co.cr/ed/index.htm> (NOTE: you need to click on "All About Butterfly Farming")



- "Bison Farm", <http://www.bisonfarm.com/bisontours.html>
- "Corn mazes", http://www.cornfieldmaze.com/site_list.html

This lesson was adapted from a lesson found on
<http://www.econedlink.org/lesson> and was developed by
Cheryl McGaughey.



Lean on Me – We Depend on Each Other

Grade Level: Fourth

Competency Goal: 6 The learner will evaluate how North Carolina apply basic economic principals within the community, state, and nation.

Objective: 6.07 To describe the ways North Carolina specializes in economic activity and the relationship between specialization and interdependence.

Essential Question/ Expected Outcome: What is division of labor and specialization?

Approximate Time: One 45 – 60 minutes class period

Materials:

- Boxes of crayons for each student
- Paper and pencils

Activating Prior Knowledge: Explain to students:

1. Division of labor occurs when the production of a good is broken down into separate tasks, with different workers performing each task.
2. Specialization and division of labor usually increase the productivity of workers.
3. Greater specialization leads to increasing interdependence among producers and consumers.

Ask students to name some of the places of employment that their parents work and what types of products, if any, they make. Ask students to define the term labor.

Presentation of Lesson:

Vocabulary:

- Division of labor
- Interdependence
- Productive resources
- Specialization

Teacher Input/ Student Activities:

1. Students will reassemble boxes of crayons. One group of students will work on the task individually and the other team will organize themselves as an assembly line, and specialize.
2. Divide the students into teams of four or five. Have them arrange their chairs and desks to form a common work surface. You will need a new box of 8, 12 or 24 crayons per student (use boxes of all the same crayon count). Place one box of crayons per student on each table. Ask each team to open the box and spill the contents in a large pile in the middle, mixing up the crayons as they add more. Have your students carefully unfold the box so that it is flattened.
3. Explain to the students that it is their individual task to put one box of crayons back together per student and that you will time their team effort. Ask the children to raise their hands when they have finished, and record the time on the board (keep track for each group). Do not keep track of which student has finished in which time; it is more important to see how long it takes to put all the boxes back together. When all the boxes have been reassembled count up the total time for each of the groups--e.g., team A took X minutes, team B took Y minutes etc.
4. Ask the students if they could think of a way to make the job easier. You will want to encourage of them the idea that they might first sort the crayons according to color, then each student could place several crayons in the box and then hand the box to the next child until the box is back together, and filled properly. All the students could work to sort the crayons and each could participate in the reloading of each box. Record the time for this round.

Assessment: Ask each student to explain on paper using complete sentences why an assembly line makes the production more efficient and faster than working alone. Ask each student to also explain in three sentences what happens when one member either cannot do the job or is not there. Discuss the impact it has upon production. Collect and score each paper.

Post Lesson Recommendations: Ask students to work in pairs to create a double bubble map to compare and contrast various operations of his/her parent's (one parent) job. Assign a random place of employment to any student whose parent(s) do not work. Collect and review each map.

Resources

http://www.nabiscoworld.com/games/hm_flash_hmrc.htm
<http://www.econedlink.org/lessons>

This lesson was adapted from a lesson on <http://econedlink.org/lessons> and was developed by Abbejean Kehler.



Economics and Interdependence

Grade Level: Fourth

Competency Goal: 6 The learner will evaluate how North Carolina apply basic economic principals within the community, state, and nation.

Objective: 6.08 Cite examples of interdependence in North Carolina's economy and evaluate the significance of economic relationships with other states and nations.

Essential Question/Expected Outcome: What is interdependence and how does it relate to your community?

Approximate Time: One 45 minutes class period

Materials:

- Chart paper
- Markers
- Pencils and Paper

Activating Prior Knowledge: Ask students to define the terms economics and interdependence. Remind students that economics is the study of how people manage money and how things are made, bought and sold and that interdependence is when people depend on one another or need each other for something. Ask students to raise their hands if they have ever purchased items on their own. Tell them that in economics, this is called buying a good. A good is something that you can see and touch. Ask students to give you examples of goods (write them on the chalkboard or an overhead). Explain that there are two things that can be bought in economics, either a service or a good.

Remind students that a service is something that people do for one another. Ask for examples of services.

Presentation of Lesson:

Vocabulary:

- ❖ Goods: Things that you can see and touch
- ❖ Services: Activities people can do for one another
- ❖ Interdependence: When people depend on one another or need each other for something

Teacher Input/Student Activities:

1. Ask students if they can tell you what it means to depend on someone. (Look for answers that reflect the idea of needing another person for something)
2. Can you think of a person at home or at school on whom you depend? (*teacher to be in school teaching; librarian to help them find books; mom and dad to get them up for school, help with homework, make dinner, etc.; brother/sister; etc.*) Write down answers on chart paper.
3. Do these same people depend on you for any reason? (*teacher depends on them to be in class and do work; librarian depends on students to return the books, etc.*) Make check marks next to the people who are named.
4. Explain to students that when you depend on people, and they depend on you, interdependence occurs. Interdependence also occurs in the community. People in the community depend on one another for the goods and services they want (remind students of what goods and services are again).
5. Explain: workers in the community who only produce one good or service depend on other workers for other goods and services. For example, a teacher works at a school providing education for students in the community. The teacher depends on storeowners for the food and clothing s/he wants, and doctors and dentists for health care. The store owners, doctors, and dentists depend on the teacher to educate their children.
6. Ask students: Who does your family depend on in the community? (*doctor for health care, furniture store owner for furniture, car dealer, police, etc.*) Make a list on chart paper.
7. Who in the community depends on your family? (*police and fire fighters depend on us to obey the laws and report fires and crimes, store owners depend on us to work in their stores and to buy goods and services, doctors, dentists, etc.*) Put a check next to those people who are named (write down any others).

Assessment: In the last 10 minutes of class, ask students to do a 2-minute review of what economics and interdependence mean and ask them to think about ONE example of interdependence in their life. Then ask them to get out a piece of paper and a pencil. Ask them to write down what interdependence means and list FIVE examples of interdependence. Collect all papers.

Post Lesson Recommendation(s): Explain that when we buy a good, say a car or a house, we don't usually think about what other people and services helped to make this thing we're buying. Can you think of any other people, goods, or services that were needed to make the car or house that your mom



and dad owns? Ask students to create a Bubble Map to display their answers (homework).

Resources:

<http://www.econedlink.org/lessons>

Author unknown



North Carolina's Global Interdependence

Grade Level: Fourth

Competency Goal: 6 The learner will evaluate how North Carolina apply basic economic principals within the community, state, and nation.

Objective: 6.08 To cite examples of interdependence in North Carolina's economy and evaluate the significance of economic relationships with other states and nations.

Essential Question/ Expected Outcome: Students will be able to define and identify specific North Carolina imports and exports. Students will also be able to define interdependence and economics.

Approximate Time: One 45 – 60 minutes class period

Materials:

- Whole class world map
- Student maps of the world with North Carolina shaded
- Chart paper or overhead projector
- One computer with internet access
- Paper and pencils

Activating Prior Knowledge: Brainstorm with students a list of team sports that they play. Narrow the list and focus on one team sport like baseball and softball. Have students list the different roles people play on a baseball or softball team: pitchers, catcher, outfield, first, second, and third basemen, shortstop, etc.. Discuss what would happen if only two or three people tried to play baseball or softball against an entire team. Discuss why each role on the team is needed and what happens without them. Guide the discussion to result in the idea that each team member plays a different role depending on their own talents or abilities. For example, those who can throw well are often pitchers, those who are good at hitting can be pinch hitters, etc.. Explore the question of what happens if one or two or three people try to play alone. Introduce the term interdependence as it relates to the team players. Also introduce the term independence and why teams cannot be made of only a few independent players.

Presentation of Lesson:

Vocabulary:

- Export
- Import
- Interdependence



- Global Interdependence

Teacher Input/ Student Activities:

1. Have students go to the National Geographic's Xpedition website to read "Lizzie's Morning" or print out an overhead copy and read it aloud as the student watch. If you read it together, be sure to underline or highlight the names of the different countries Lizzi comes in contact with during her day.
2. On a world map, mark the different countries that Lizzie interacts with during her day. Ask students if they think they come into contact with other countries during their day. Have students check their clothing or shoe labels for the "Made in _____" tag. Make a list of the countries their clothing and shoes are from.
3. Share with students that they are going to discover where some of their grocery store items really come from. Allow students to explore the website, "*Whole World in Your Shopping Bag*" for at least fifteen minutes. Have them record the names of the countries and each product from that country on their own paper.
4. Have students "think/pair/share" with a partner about why they predict so many of the clothes, shoes, and foods in North Carolina come from another country.
5. Introduce the terms export and imports to the class. Write class definitions on the chalkboard. From the clothing and shoes activity, as a class list some of the imports into the United States and North Carolina. Discuss why we import those products into our state.

Assessment: Ask students to write complete sentences in their own words the meanings of global interdependence, independence, imports and exports. Then assign a specific country to teams of four students. Ask each team to construct a tree map to classify products imported from their assigned country. Collect papers and discuss at an appropriate time.

Post Lesson Recommendations: Have students select one of the countries that receive North Carolina exports and research ten facts about that country. You may wish to use the website that has kid-friendly facts about different countries. For math integration have students use the data to graph North Carolina's leading exports in agricultural products and manufactured products. Have them create a bar and circle graph showing these products. Have students draw conclusions about what might happen if North Carolina stopped producing two of these exports.



Resources:

Blank world map for printing-

<http://www.nationalgeographic.com/xpeditions/atlas/index.html>

<http://library.thinkquest.org/50055/index.shtml>

<http://www.sba.gov/oit/stseeports/NC-Fb-EPSweb.pdf>

<http://www.amnh.org/nationalcenter/itWTO/states/nc.pdf>

Author unknown

Fifth Grade

Competency Goal 5: The learner will evaluate ways the United States and other countries of North America make decisions about the allocation and use of economic resources.

Objectives

- 6.01 Categorize economic resources found in the United States and neighboring countries as human, natural, or capital and assess their long-term availability.
- 6.02 Analyze the economic effects of the unequal distribution of natural resources in the United States and its neighbors.
- 6.03 Assess the economic institutions in terms of how well they enable people to meet their needs.
- 6.04 Describe the ways in which the economies of the United States and its neighbors are interdependent and assess the impact of increasing international economic interdependence.
- 6.05 Evaluate the influence of discoveries, inventions, and innovations on economic interdependence.
- 6.06 Examine the different economic systems such as traditional, command, and market developed in selected countries of North America and assess their effectiveness in meeting basic needs.
- 6.07 Describe the ways the United States and its neighbors specialize in economic activities, and relate these to increased production and consumption.
- 6.08 Cite examples of surplus and scarcity in the American market and explain the economic effects.



The Wealth of Our Country

Grade Level: 5

Competency Goal: 5 The learner will evaluate ways the United States and other countries of North America make decisions about the allocation and use of economic resources.

Objective(s): 5.01 Categorize economic resources found in the United States and neighboring countries as human, natural or capital and assess their long-term availability.

Essential Question/ Expected Outcome: The students will be able to identify and sort some human, natural and capital resources found in the United States and its neighboring countries.

Approximate Time: One 50-minute session

Materials:

- A variety of nationally circulated magazines such as *Newsweek*, *U.S. News and World Report*, *Time*, etc.
- Newspapers
- Scissors
- Glue sticks
- A sheet of poster board for each team

Activating Prior Knowledge: Ask students: How can you tell if someone is wealthy? (Students might respond with phrases like – owns a big house, cars, lots of land, lots of people working for them, big spender, etc.) Record student responses.

Presentation of Lesson

Teacher Input/ Student Activities:

Vocabulary:

- Capital resources
- Human resources
- Natural resources

1. Ask students, "How could you tell if a country is wealthy or not?" After student responses, make a comparison showing how personal economic wealth as defined by the number of laborers one can employ, possession of land with natural resources and possession of man-made things such as homes, buildings, cars, furniture, etc.) is similar to the economic wealth of a nation.

2. Introduce vocabulary by explaining that laborers are also known as human resources, man-made goods are known as capital resources and natural resources are “gifts of nature” such as land, soil, water, minerals, petroleum, etc.
3. Divide students into small groups. Distribute magazines, newspapers and other supplies to each group. Have groups divide their poster into 3 sections and label the sections capital, human and natural.
4. Assign students to develop a collage for each section. The collage may consist of headlines, pictures, articles, etc.
5. Lead students to discuss how items in the capital section might be connected to items in the other two sections.
6. Have students speculate what might happen in the U. S. if certain natural resources were no longer available. Do the same for items in the other two sections. Discuss countries that have limited resources and how they struggle to meet the needs of their people and compete in the international market.

Assessment: Provide students with the name of a product manufactured in the U.S. Have students research and list some of the human, capital and natural resources needed to make the product.

Post Lesson Recommendations:

Provide students with the name of a Canadian Province or Latin American country. Have students compile lists of human, capital and natural resources needed to meet the needs of its people.

Resources:



Industry and Resources

Grade Level: 5

Competency Goal: 5 The learner will evaluate ways the United States and other countries of North America make decisions about the allocation and use of economic resources.

Objective(s): 5.02 Analyze the economic effects of the unequal distribution of natural resources in the United States and its neighbors.

Essential Question/ Expected Outcome: The learner will

- Brainstorm to compile a list of the natural resources of North America.
- Identify the locations of these natural resources; label them on a classroom map of North America.
- Research on the Internet to find answers: Are industries located where natural resources are found?
- List industries that are possible because of an abundance of a particular natural resource found in an area.

Approximate Time: Three 50-minute lessons

Materials:

- Map
- Internet
- Atlas and almanac
- Coloring pencils

Activating Prior Knowledge:

1. List the large employers and/or industries in the area where you live.
2. Review the definition of natural resources.
3. Class discussion – “Do you think the industries are located where natural resources are located?” Explain or support your answer.

Presentation of Lesson

Teacher Input/ Student Activities:

Vocabulary:

- Natural resources
- Economy
- Industry

1. Each student should use the text, atlas and almanac to compile a list of natural resources found in North America. Share this information in a class discussion. List the resources so that all students can view the list.

- Label each list with the appropriate letter for the supply (L-large, M-medium, S-small).
2. Give each student a desk map of North America. Display the same map on the overhead or classroom wall map.
 3. As a group or individually, create a map key for the list of resources. Students should use the key to label their maps, showing the locations of resources.
 4. Use the almanac and Internet to compile a list of industries in North America. While sharing information orally, make and display a class list so that all students can view the information. Create a second map key for industries. Then place this key on the map and use it to show the location of industries in North America.
 5. If resources are available, give students a North American map on a transparency sheet. Use this transparency map to label and locate industries. Then overlay this map onto the first map so that students can see the relationship of resources and industries. If not, the teacher should work on the overhead or classroom wall map as students work on desk maps and point out the relationship of resources and industry during class discussion.

Assessment: Use the maps to answer the following questions:

- Are there industries where there is an abundance of one or more resources? If so, list the industry(ies) and resource(s).
- Are there industries where there are minimal resources? If so, list them. These questions are to be answered individually (in class or as homework), then used for class discussions: Compare and contrast list 1 and list 2. Which list is longer? Which list produces the most jobs? Which list has the higher paying jobs?

Post Lesson Recommendations:

- Examine your maps and your responses to the questions, "Does the unequal distribution of natural resources have any economic effect?" Explain your answer based on the data collected from the lesson.
- Present your findings in an essay.

Resources:

Everyday Social Studies. Wheeler, Ron. Frank Schaffer Publications, Inc., page 68. Torrance, CA 90505.

- From "Natural Resources and Me", author unknown.

Elementary Division/Social Studies

NCDPI

Summer 2005



How Would You Like to Pay?

Grade Level: 5

Competency Goal: 5 The learner will evaluate ways the United States and other countries of North America make decisions about the allocation and use of economic resources.

Objective(s): 5.03 Assess economic institutions in terms of how well they enable people to meet their needs.

Essential Question/ Expected Outcome:

Students will be able to explain how a bank can provide consumers with different ways to pay for goods and services.

Approximate Time: Three 50-minute sessions

Materials:

- Activity sheets
- Advantage/disadvantage information sheets or classroom charts
- Circle maps
- Overhead transparencies of activity sheets
- Props for role-playing (play money, pretend checkbooks, credit cards, money orders, debit cards and student role cards)

Activating Prior Knowledge: Complete a class circle map for each of the following: credit cards, checks, debit cards and money orders. Have students brainstorm what they already know about each payment form. Record responses on the circle map.

Presentation of Lesson

Teacher Input/ Student Activities:

Vocabulary:

- Consumers
- Goods
- Services
- Credit cards
- Debit cards
- Money orders
- Balance

- Check register
 - Withdrawal
 - Debit
 - Finance charges
1. Explain that consumers are people who consume or use goods and services. Discuss goods and services that families usually pay for.
 2. Discuss that families choose to use different methods of payment in different situations. Explain that when cash payments are made, the consumer uses currency and coins. Children usually pay for goods in cash.
 3. Begin the discussion of paying with a check. Explain that people put money in checking accounts in the bank. Their balances show how much cash they have in the account. When people write checks, they are giving their banks a note permitting them to remove money from their account to make the payment.
 4. Have students role play what happens when a person writes a check. Assign roles such as: consumer, store clerk and bank.
 5. Using an overhead transparency, show students how to write a check. Use a scenario that Mark Davis wants to purchase a new bike for his son. Today, he is buying the bike from Wal-Mart. The total cost with tax is \$89.49.
 6. Have students practice writing a check. (Give them another purchase that Mark may make the same day, for example.)
 7. Show that he would record information about this check in a check register to keep track of the amount of money he has left in his account. This is called a balance.
 8. Pretend that Mark had a balance of \$300.00 in his checking account. Show how the check information is recorded on the register and that a withdrawal is when the bank removes money from the account. Demonstrate how to find the new balance by subtracting. Ask students what his balance is now. Have students record this transaction on their copies.
 9. Then have students record on their check registers the information from the 2nd check that they wrote. Ask, "What is the balance now?"
 10. Give students a scenario in which Mark wanted to buy something that would cost more than his current balance. Explain what would happen.
 11. Show that deposits are when money is added to a checking account. People often make deposits when they get paid from their job. Give a sample scenario in which Mark gets paid \$800 at his job. Show how the deposit is added to the balance.
 12. Have students practice with an example that requires them to add in a deposit on the register.

Day 2

1. Explain that consumers make payments using a debit card. When a consumer uses a debit card, a computer sends information to the bank, giving the bank permission to pay. A debit card works like a check, so it needs to be entered into a register in the same way as a check. Provide an example, and have students practice recording the debit in the register.
2. Discuss the advantages and disadvantages of using checks to make payments. Do the same for debit cards. Have students discuss which of the two they might prefer. If they were making purchases on a vacation, which would they prefer? Create classroom or individual charts/visuals to show student responses. (See sample attached.)
3. Explain that a money order is another way for consumers to pay for goods and services. A money order is like cash. The person who buys a money order gives permission for someone else to collect cash for the money order. People must pay a fee for a money order. For example, if Mark needed to make a money order payment of \$75, it might cost \$77 or more because of the additional fee.
4. Role play the process so that the students can see the sequence of events.
5. Discuss the advantages and disadvantages of using money orders to make payments. Create classroom or individual charts or visuals showing responses. (See sample attached.)

Day 3

1. Review methods of payments discussed in Days 1 and 2. Explain that consumers have another option for paying for goods and services. It is the use of credit cards. Explain that credit cards aren't money. Credit cards allow consumers to get something now and pay for it later. When a purchase is made with a credit card, the consumer signs a receipt. This is an agreement between this person and the credit card company. The credit card company promises to loan you money for the goods or services. The consumer promises to pay the company back plus a little extra money as a fee. That extra money is called the finance charge. Businesses also have to pay the credit card companies a fee to process the charges. That's how credit card companies make money. Explain that using credit cards is like borrowing money and paying the money back with interest. Because using credit cards is so easy and convenient, consumers sometimes lose track of how much money they are actually "borrowing" from the credit card company. When this happens, paying back the debt to the credit card company can become difficult.
2. Have students role play what happens when someone pays for something using a credit card. Assign the following roles: credit card company, store clerk and consumer.
3. Have students discuss the advantages and disadvantages of using a credit card. Record responses on classroom or individual charts.

Assessment:

- Have students role play a situation in which a person is charging too much and has to deal with the consequences.
- Create flow charts showing what happens to the money when someone writes a check, writes a money order or uses a debit card.
- Provide a shopping scenario and a checking account balance. Have students decide how (or if) they will purchase the item. Require that they provide rationales for their decisions.

Post Lesson Recommendations:

- Invite a banking representative to come and talk with the class.
- Have students find out how consumers are penalized when they charge too much and can't pay the credit card companies.
- Have students find out how consumers can be penalized if they overdraw from their checking account.
- Discuss how ATMs work.
- Discuss what happens if a consumer purchases something using the store's credit plan.

Resources:

www.ncee.net

local bank representatives and bank flyers/information

Financial Fitness for Life, National Council on Economic Education

-Adapted from "How Would You Like to Pay?", *Financial Fitness for Life: Steps to Financial Fitness*



Checking Account Register

Check #	Date	Item Description	Deposit	Withdrawal	Balance
		Beginning balance			\$300.00



Writing a Check

Your Name 123 Oak Street My Town, NC 27900	4762
	Date _____
<i>Pay to the order of</i> _____	\$ _____ _____ DOLLARS
Bank of Lotsamoney	
MEMO _____	_____
45678984:34567890	



CHECKING ACCOUNT

Advantages	Disadvantages

DEBIT CARD

Advantages	Disadvantages



MONEY ORDER

Advantages	Disadvantages

CREDIT CARD

Advantages	Disadvantages



From Boomtown to Ghost Town

Grade Level: 5

Competency Goal: 5 The learner will evaluate ways the United States and other countries of North America make decisions about the allocation and use of economic resource.

Objective(s): 5.03 Assess economic institutions in terms of how well they enable people to meet their needs.

Essential Question/ Expected Outcome: Students will be able to understand the relationships between the availability of resources, the economic institutions of a community and the movement of people.

Approximate Time: Three 50-minute sessions

Materials:

- Computer with Internet access
- Writing and drawing materials, including large pieces of poster board

Activating Prior Knowledge:

Have students look at the pictures of ghost towns at the following Web sites:

[Bodie Photo Album](#)

[Ghost Towns of Arizona](#)

[Historic Ghost Towns \(Colorado\)](#)

Pose these questions to the class:

What do these towns look like?

Does it look like anyone is living there now?

Why do students think these towns are called ghost towns?

Tell the class that they are going to be learning the story of how ghost towns are created.

Presentation of Lesson

Teacher Input/ Student Activities:

Vocabulary:

- Ghost town
- Boomtown
- Gold Rush

1. Ask students to name some of their favorite belongings or some of the things they would like to own. Discuss the reasons why these items are desirable.
2. Ask students to imagine that there has been an incredible new discovery: the most popular possession for kids their age has been found to occur naturally underground in some parts of the country. It's a ridiculous idea, perhaps, but ask them to go along with it for fun and for the sake of the lesson.
3. Take students through the following chronological scenario, asking them to answer the questions in a class discussion. Fill in the blanks with the name of the popular item. You can choose to simply read the scenario to the class, or you can have students help you illustrate the steps on the U. S. wall map and the board. Instructions for illustrating the scenario are provided.

What would happen if _____ were found in large quantities on public land (land owned by the government instead of by individuals) in the mountains of western Wyoming, available to anyone who could find and remove them from the mountains? What would people do? What would you do? What if there were people already living in these mountains – what would they say about the discovery?

4. Have a student tape a picture of the object(s) to western Wyoming on the map. Other students can draw pictures of how they and the native people might react.

What would be needed if thousands of kids or adults ended up living in the Wyoming mountains looking for _____? What types of things would these people need in order to spend a long time looking for _____? Students should mention that they would need housing, food, and some other basic services and commodities.

5. Have a student place a picture of a town and some basic human necessities on the map.

What would happen if, after a few years, the supply of _____ suddenly ran out or it became very hard to find any more _____? What would the “miners” do? What would happen to the towns and businesses that had sprung up to serve the “miners”? Students should recognize that the “miners” would probably have to leave in search of other work. That means that businesses would subsequently have no more customers and be forced to leave as well, thus creating a ghost town.

6. Have a student remove the popular object from the map and also remove the services provided to the “miners”.

7. Explain that the above scenario is more or less what happened to many towns during and after the California gold rush. In that case, people headed west in search of gold. Have students read about the gold rush at the following Web pages, and write answers to the questions below. (They might also want to refer back to the Web sites listed in the Activating Prior Knowledge section, as well as search for other sites on their own.)

[California Gold Rush History](#)

[California National Historic Trail](#)

[Oakland Museum of California: Gold Rush! California's Untold Stories](#)

- Who lived in the California gold region before gold was discovered?
- What happened to these people once the miners started to arrive?
- How did the miners get from the East Coast to California? Was this a difficult or an easy journey?
- Did everyone who mined for gold get rich? Why or why not?
- What happened to the supply of gold after a few years?

8. Bring the class back together and discuss students' answers to the above questions. Did students come to the same conclusions? Why or why not?

Assessment:

Have students create posters or booklets titled "The History of a Ghost Town." Their posters or booklets should be divided into at least five sections that use pictures and/or drawings to illustrate

- the location of a future ghost town before any miners have moved there
- the beginning of the mining industry in that location
- the heyday of the mining industry there
- the decline of the industry
- the ghost town as it might look today

Each picture should have a caption describing the reasons why the location looks the way it does.

Post Lesson Recommendations:

- Have students use the Internet or an encyclopedia to find out about a modern-day town that is heavily based on one industry, such as coal mining or the poultry industry. Have them report on this town's businesses and write paragraphs describing how the town might benefit from getting some other industries to move in.
- Ask students to write paragraphs answering the question, "Why do some towns become ghost towns"?

Resources:

[Bodie Photo Album](#)

[California Gold Rush History](#)



California National Historical Trail

Ghost Towns of Arizona

Historic Ghost Towns (Colorado)

National Geographic: Xpeditions Activity-The Quest for Gold

Oakland Museum of California: Gold Rush: California's Untold Stories

-From "From Boomtown to Ghost Town", National Geographic Society, 2004.



The World On A String

Grade Level: 5

Competency Goal: 5 The learner will evaluate ways the United States and other countries of North America make decisions about the allocation and use of economic resources.

Objective(s): 5.04 Describe the ways in which the economies of the United States and its neighbors are interdependent and assess the impact of increasing international economic interdependence.

Essential Question/ Expected Outcome:

The learner will understand how the economies of all countries are interdependent.

Approximate Time: One 50-minute lesson

Materials:

- Index cards with directions
- Ball of string

Activating Prior Knowledge: Ask, “How much does a gallon of unleaded gas cost today? Ask, “If the gas prices tripled today, how would that affect your family?” Create a cause/effect graphic organizer to show student responses. Explain that much of the nation’s oil supply is imported. Discuss how these prices might affect local businesses.

Presentation of Lesson

Teacher Input/ Student Activities:

Vocabulary:

- interdependence

1. Give each student a card with the country’s name, export and trading partner. (See attached list)
2. Have the group stand in a circle at random (26 students max.)
3. The first country (Afghanistan) throws string to its trading partner (Libya), who in turn throws it to its trading partner (Norway).
4. Keep throwing the string until it has crisscrossed the circle and each person is holding a part of the string.
5. The first person relates some problem that affects his country’s export (i.e., “Drought hurt the fruit crop. Exports of dried fruit are drastically reduced.”) Then the person tugs on the string.
6. Each person who feels the tug raises his/her hand, and then tugs his/her string.



7. Tugs continue until the effect travels around the world.

Assessment:

Class discussion or essay: How can factors such as changes in oil prices, hurricanes or war affect international trading partners?

Post Lesson Recommendations:

Have students collect news articles about significant international events.

Have student groups make predictions about how this event might affect the U. S.

Resources: Internet News Sites
Newspapers and Periodicals

INTERDEPENDENCE SIMULATION GAME

COUNTRY	PRODUCT	TO
1. Afghanistan	Dried fruit	Libya
2. Libya	Oil	Norway
3. Norway	Fish	Sweden
4. Sweden	Wood	West Germany
5. West Germany	Machinery	France
6. France	Textiles	Italy
7. Italy	Footwear	U.S.A
8. U.S.A.	Machinery	Canada
9. Canada	Wheat	Venezuela
10. Venezuela	Gold	Brazil
11. Brazil	Coffee	Djibouti
12. Djibouti	Hides	Somalia
13. Somalia	Food	Saudi Arabia
14. Saudi Arabia	Oil	Switzerland
15. Switzerland	Watches	Albania
16. Albania	Wheat	Greece
17. Greece	Tobacco	Portugal
18. Portugal	Cork	Britain
19. Britain	Manufactured goods	Netherlands

20 Netherlands	Chocolate	Japan
21. Japan	Machinery	Hong Kong
22. Hong Kong	Manufactured goods	Algeria
3. Algeria	Wine	Austria
24. Austria	Iron	Kuwait
25. Kuwait	Oil	Australia
26. Australia	Coal	Argentina

-From "The World on a String", by Lisa Knight, Academy Curricular Exchange, Columbia Education Center



The Bead Game Simulation

Grade Level: 5

Competency Goal: 5 The learner will evaluate ways the United States and other countries of North America make decisions about the allocation and use of economic resources.

Objective(s):

- 5.06 Examine the different economic systems such as traditional, command and market developed in selected countries of North America and assess their effectiveness in meeting basic needs.
- 5.07 Describe ways the United States and its neighbors specialize in economic activities, and relate these to increased production and consumption.

Essential Question/ Expected Outcome: Students will have the opportunity to participate in the three basic systems, (market, command and tradition). By working in each of the systems, students will be able to understand the advantages and disadvantages of the systems, and how production and consumption are affected by each system. Students will also be able to categorize countries by their economic systems.

Approximate Time: Three 50-minute sessions

Materials:

- 6 balls of light packaging string
- Red, blue, yellow, and green wooden or plastic hobby beads for each group
- A ruler, scissors and bead “bowl” for each group
- Copies of directions
- Overheads of the score board sheet
- Student copies of the chart sheets
- Picture of Henry Ford’s Quadricycle

Activating Prior Knowledge: Show students a picture of the first automobile made by Ford. Have students guess how long it took to make his first “Quadricycle”, an early prototype of the automobile.(See photo attached) Explain that it took 3 years to develop it. Ask how the car industry might be different if it took 3 years to make a car today.

Presentation of Lesson

Teacher Input/ Student Activities:

Vocabulary:

- Market economy
- Command economy

- Tradition economy
- Production
- Consumption

1. Have the room set up in six small groups, 4 or 5 students per group.
2. Each group should have a ball of string, a bead bowl, a pair of scissors and a copy of one of the 3 direction sheets. (See sheets attached)
3. Three 15-minute rounds will be played. The values and goals sheets are rotated from group to group so that each group will be able to experience each system within the hour.
4. Groups are to follow whatever directions are on their values and goals sheet. The teacher will distribute the beads each round and act as the quality control person.
5. After each production round, the groups' scores are posted on the score board. The winning group is the one that has the most dollars per person after the third round.
6. One fifty minute period is required for the game. Another two or three periods are required for completing the comparison chart (see chart attached) and class discussion.
Discuss how the system might affect the prices of products sold in that country, production rates and factors that affect consumption.

Assessment: Students will respond to an essay which asks, "Which system is best?" Any answer will be accepted as long as they offer support for their position.

Post Lesson Recommendations:

On a map of North America, have student groups research the economies of the countries and color in the map using a color key posted for the whole class. Be sure to include a color key for a mixed economy.

Resources:

www.fte.org
www.hfmqv.org

-From "The Bead Game Simulation", by Ken Ripp. Foundation for Teaching Economics.



Traditional Economy

"That's The Way We've Always Done It"

Values: Your group is really concerned with the way things were done in the past. Positions of authority and jobs are handed down according to tradition. You value the past and see no need to change anything. You see no need to worry about the economic growth of your community. Basically everything in your society is determined by beliefs and customs.

Goals: To produce what your ancestors did and in the same way that they did. You only want to follow tradition.

Situation: Other countries make necklaces, bracelets and rings, but your country only makes bracelets. That's all. You will earn \$5 for each bracelet that you make.

Directions for making bracelets: Each person must make an entire bracelet by himself. There is no specialization of labor in this country. Since resources are limited, one person gets to have all the resources (beads, ruler, string, scissors, etc.) until he is finished. Then he passes the materials to the next person to his left to begin. After each bracelet is finished, the finished product is passed around the group. Each member of the group must tell the maker how beautiful it is. (This is a tradition of this country.) The maker hands the bracelet to the quality control person (the teacher). If the procedures are followed correctly, the team earns \$5.

Cut a piece of string 12 inches long. Then add 8 beads on the string in the following order (because that's the way you've always done it): 3 reds, 2 yellows and 3 greens. Tie a knot at each end of the string. Then trim the knot neatly with the scissors.



Command Economy

"Don't Ask Questions. Just Do What You're Told"

Values: Your country has a government that is very strong and strict. This government has figured out a way to organize money-making by assigning everyone a job. The plan is meant to be a quick and efficient way to improve the standard of living for your country. It is up to your government leaders to decide what is needed for your country and how the resources will be used.

Goals: The leader of your country knows what's best for everyone. You must take whatever job you are given, work as quickly as you can, and don't be wasteful with your resources. If everyone works hard at his assigned job, economic growth will occur for your country.

Situation: Your leader has decided that your team will make only bracelets. Arrange yourself in alphabetical order (by your last name) around the table. The first person (by alphabetical order) will be the string cutter. The next person will be the bead sorter, then comes the bead stringer, the knot tier, and the knot trimmer. After each bracelet is finished and neatly trimmed, it is handed to the quality control person (the teacher), and the money earned is recorded. If your group makes 4 bracelets (the quota) in the allotted time, everybody in your group earns \$10. If your group makes more than 4 bracelets, you still only get \$10 because extra bracelets will go to the leader of your government. If your group makes less than 4 bracelets, then everybody in your group will have to work extra hours tonight to fill the quota.

Directions for Making Bracelets:

Cut a piece of string 12 inches long. Then add 8 beads on the string in the following order (because that's the way you've been told to do it): 2 reds, 2 yellows, 2 blues and 2 greens. Tie a knot at each end of the string. Then trim the knot neatly with the scissors.



Market Economy **“Make As Much As You Want”**

Values: Your country values individual decisions. It is up to each person to make himself/herself richer than other people. Your country is interested in selling whatever will make the most money in a way that costs the least. Workers who help their companies earn lots of money get money bonuses, longer vacations and promotions.

Goals: Your group gets to decide which product it wants to make. Your group can organize however it wants, so long as it doesn't waste time and resources and makes money fast. Profit is the key.

Situation: With the resources you have been given (beads, string, ruler, scissors, etc.) your group can create rings, necklaces or bracelets. Your group gets \$10 for a necklace, \$5 for a bracelet and \$2 for a ring. Your group produces whatever it wants.

Directions: It's up to you to organize your group and choose jobs in whatever fashion you want. (You should have a string cutter, bead sorter, bead stringer, and knot tier). Requirements must be met for each of the following in order to pass quality control.

A ring must be made from a 6-inch piece of string with 4 beads in this order: 1 red, 1 yellow, 1 blue and 1 green.

A bracelet must be made from a 12-inch piece of string with 8 beads on it in this order: 2 reds, 2 yellows, 2 blues and 2 greens.

A necklace must be made from a 20-inch piece of string with 10 beads on it in this order: 3 yellows, 3 blues, 2 greens and 2 reds.

After the beads are strung, tie a knot at each end. You may trim the knot neatly if you want. Hand your finished product to the quality control person (your teacher). Your group will get paid in full for as many products as you make correctly within the time limit.



Comparison Chart

	Market	Command	Tradition
Was that country interested in making progress?			
Did the workers have a choice of jobs?			
Were the workers eager to make many products to sell?			
Did the workers have a choice of what to produce?			
Were the products of high quality?			



Supply and Demand

Grade Level: 5

Competency Goal: 5 The learner will evaluate ways the United States and other countries of North America make decisions about the allocation and use of economic resources.

Objective(s): 5.08 Cite examples of surplus and scarcity in the American market and explain the economic effects.

Essential Question/ Expected Outcome: Students will understand how surplus and scarcity might affect American markets.

Approximate Time: Two 50-minute sessions

Materials:

- Tokens
- Prize for each student in the class (for example, chocolate candy bar)
- Pencil for each student
- 3 index cards for each student

Activating Prior Knowledge: Ask students if they have ever been to an auction. How does it work? What can drive the price higher on some items?

Presentation of Lesson

Teacher Input/ Student Activities:

Vocabulary:

- Supply
- Demand
- Surplus
- Scarcity

1. Students will be given a box of tokens with at least two different colors in it. They are asked to select any number of them from 1 to a handful.
2. Place a value on the tokens. (Make certain this is done AFTER students have already selected their tokens.)
3. Pull out an object students would desire to win and let the students know that they will only receive an "A" on this lesson if they own this selected item of which there is only one. You will announce the bidding to be opened at 10 and they may use their tokens to purchase the item.
4. Continue the auction until a student has paid a high price for this item and received it. Then pull out a large supply of the very same item just sold

while announcing that you do just happen to have a few more of these items and you're willing to open the bidding at 1. Wait and watch their reactions.

5. Write supply and demand on the board. Ask the student who bought the overpriced item to define what these terms mean to him in light of the experience he just had. Explain why he was motivated to pay such a high price for it. Ask the student if he would have paid so much had he known there were enough items to go around.
6. Guide students in a discussion which covers how scarcity and surplus affects the value of an item.
7. Then ask students to think of three items in their desks and to secretly set a price for each one of them on an index card, which is folded so that it can stand upright on the desks.
8. Instruct student to then take out the items and place them by the appropriate "price tag" on their desks.
9. Invite students to go "shopping" and check out all the prices in the "store".
10. Lead the students in the discussion which will naturally follow with questions such as: Now that you know how other merchants priced their items, how will it affect your pricing of the same item? Were there some items that would be in high demand because of their low supply (scarcity)? How might that affect pricing? What would happen to the price if an item if there were lots of them available on the market (surplus)?
11. Follow up this lesson with discussions about the cost of certain electronic games when they first come out on the market. What happens to the price after a year or so? Why? Relate this to the supply and demand of oil and how pricing fluctuates.

Assessment: Give students scenarios and have students predict what will happen to the price of the goods based on the supply and demand as indicated in the scenario.

Post Lesson Recommendations:

- Ask students to restock and reprice their "shelves" in the store activity they participated in earlier. What changes did they make? Why?
- Research times in history (World War II, for example) when demand exceeded supply.

Resources:

- From "Supply and Demand", by Lisa Knight. Academy Curricular Exchange, Columbia Education Center.



Teaching Economics Using Children's Literature

Angell, Judie. *Leave the Cooking to Me*
Blood, Charles M. and Martin Link. *The Goat in the Rug*
Brittain, Bill. *All the Money in the World*
Brown, Marc. *Arthur's Pet Business*
Carle, Eric. *Pancakes, Pancakes*
Dorros, Arthur. *Ant Cities*
De Paola, Tomie. *Charlie Need a Cloak*
Godfrey, Neale S. *Follow an Ice Cream Truck Around the World*
Hutchins, Pat. *The Doorbell Rang*
Konisburg, E.L. *From the Mixed Up Files of Mrs. Basil E. Frankweiler*
Markum, Patricia Maloney. *The Little Painter of Sabana Grande*
Mills, Claudia. *Cally's Enterprise*
Mitchell, Margaret King. *Uncle Jed's Barbershop*
Naylor, Phyllis Reynolds. *Beetles Lightly Toasted*
O'Dell, Scott. *Island of the Blue Dolphins*
Paulson, Gary. *The Tortilla Factory*
Pfeffer, Susan Beth. *Kid Power Strikes Back*
Ruckman, Ivy. *Night of the Twister*
Sharmat, Marjorie Weinman. *Mitchell is Moving*
Silverstein, Shel. *The Giving Tree*
Williams, Vera. *A Chair for My Mother*



Teaching Money Concepts Using Picture Books

- Arnold, Caroline. *What Will We Buy?*
Axelrod, Amy. *Pigs Will Be Pigs*
Baylor, Byrd. *The Table Where Rich People Sit*
Berenstain, Stan. *The Berenstain Bears' Trouble with Money*
Brenner, Barbara. A. *The Five Pennies*
Brooks, Ben. *Lemonade Parade*
Brown, Marc T. *Arthur's TV Trouble*
Brown, Marcia. *The Little Carousel*
Caple, Kathy. *The Purse*
Chardiet, Bernice. *Martin and the Tooth Fairy*
Cole, Joanna. *Don't Tell the Whole World*
Day, Alexandra. *Paddy's Pay-Day*
Gill, Shelly. *The Big Buck Adventure*
Hoban, Lillian. *Arthur's Funny Money*
Inkpen, Mick. *The Great Pet Sale*
Kent, Jack. *Piggy Bank Gonzales*
Kimmel, Eric A. *Four Dollars and Fifty Cents*
Langford, Sondra G. *Mishka and Plishka*
Leedy, Loreen. *The Monster Money Book*
Love, Ann. *Ice Cream at the Castle*
McMillan, Bruce. *Jelly Beans for Sale*
Maestro, Betsy. *Dollars and Cents for Harriet*
Mantinband, Gerda. *Blabbermouths*
Mollel, Tololwa M. *My Rows and Piles of Coins*
Murphy, Stuart J. *The Penny Pot*
Murphy, Stuart J. *A Paper of Pins*
Rockwell, Anne F. *Gogo's Pay Day*
Rose, Anne K. *As Right as Right Can Be*
Slobodkin, Louis. *Moon Blossom and the Golden Penny*
Smalls-Hector, Irene. *Irene and the Big, Fine Nickel*
Stewart, Sarah. *The Money Tree*
Turkle, Brinton. *Rachel and Obadiah*
Underhill, Liz. *The Lucky Coin*
Vaughan, Marcia Kapok. *The Lemonade Stand*
Vincent, Gabrielle. *Bravo, Ernest, and Celestine*
Wells, Rosemary. *Bunny Money*
Wondriska, William. *Mr. Brown and Mr. Gray*
Yardley, Thompson. *Buy Now, Pay Later*
Zimelman, Nathan. *How the Second Grade Got \$8,205.50 to Visit the Statue of Liberty*

**Lists taken from the National Council on Economic Education and A to Zoo:
Subject Access to Children's Picture Books



Websites Supporting Economic Education and Financial Literacy

EcoEdLink

www.econedlink.org

Foundation for Teaching Economics

www.fte.org

Money Instructor

www.moneyinstructor.com

National Council on Economic Education

www.ncee.net

Distribution Form

Date:

Group Members (list names):

Our ideas for DISTRIBUTING THE ITEM(S):

PROBLEMS we had with our ideas:

How we finally DISTRIBUTED THE ITEM(S):

Name: _____

Date: _____

Economic Incentives in Our Community Worksheet

Directions: Identify who is offering the incentive and briefly explain why. The first one is already done as an example for you.

ECONOMIC INCENTIVE	WHO OFFERS THIS INCENTIVE?	POSITIVE OR NEGATIVE?	WHY?	WOULD THIS INCENTIVE INFLUENCE YOUR BEHAVIOR? WHY?
Late fee for returning videos.	Video Store	Negative	To prevent people from keeping the videos too long.	Yes, I don't want to pay extra \$.
\$25 speeding ticket for driving too fast				
\$50 Reward for finding lost dog				
Buy one, get one free				
\$15 Littering Fine at the Park				
\$100 fine for parking in front of fire hydrant				
Free Toy with kid's meal				
\$1000 Rebate on New Car				
\$30 Fine for Using Fireworks at Park				
Free Umbrella if you open Bank Account				

Brainstorm! Create an incentive that would help your community. Think of a behavior that you want to encourage, create a positive incentive to encourage the behavior or a negative incentive to discourage the behavior. Write below.

Teacher's Answer Sheet for Economic Incentives in Our Community Worksheet

Directions: Identify who is offering the incentive and briefly explain why. The first one is already done as an example for you.

Economic Incentive	Who Offers This Incentive?	Positive or Negative?	Why? What is purpose of the incentive?	Would this incentive influence your behavior? Why?
Late fee for returning videos.	Video Store	Negative	To prevent people from keeping the videos too long.	Yes, I don't want to pay extra \$.
\$25 speeding ticket for driving too fast	Police	Negative	To encourage safe driving. To discourage speeding.	
\$50 Reward for finding lost dog	Family, person	Positive	To encourage someone to help look for and return the dog.	
Buy one, get one free	Restaurant, store	Positive	To encourage customers to shop at their store	
\$15 Littering Fine at the Park	Park police, Police	Negative	To discourage littering.	
\$100 fine for parking in front of fire hydrant	Police, Meter Maid	Negative	To prevent fire hazard. To encourage public safety. To discourage illegal parking.	
Free Toy with kid's meal	Fast food Restaurant	Positive	To encourage kids to ask parents to dine there. To bring in customers.	
\$1000 Rebate on New Car	Car Dealer	Positive	To encourage people to buy cars.	
\$30 Fine for Using Fireworks at Park	Police, Park Police	Negative	To encourage public safety. To discourage dangerous behavior.	
Free Umbrella If you open Bank Account	Bank	Positive	To bring in new customers.	

Brainstorm! Create an incentive that would help your community. Think of a behavior that you want to encourage, create a positive incentive to encourage the behavior or a negative incentive to discourage the behavior. Write below.

NAME: _____

DATE: _____

TIC TAC TAXES ACTIVITY SHEET

What are the main goods and services each level of government provides to its citizens? List them below.

Federal Government Goods and Services	State Government Goods and Services	Local Government Goods and Services

Where do governments get the money to pay for all these goods and services? When you list taxes, be specific.

Federal Government Revenues	State Government Revenues	Local Government Revenues
Primary Source of Revenue	Primary Source of Revenue	Primary Source of Revenue
Other Sources	Other Sources	Other Sources

Refer to "The Economics of Taxation" (<http://www.treas.gov/education/fact-sheets/taxes/economics.html>)

Name: _____ Date: _____

Student Handout 1

THE SHOW MUST GO ON – LEARNING WHAT IT TAKES

Productive Resources – *Human Resources*

Directions: You have just learned about *Productive Resources*, the resources that are necessary to produce all the goods and services we use. You are going to work in a group to sort and list the human resources necessary to produce a musical production. Study the list below carefully. Review the definition of *human resources* again. Then make a list of all the items you believe are the human resources necessary so the show can go on. Your group may not use all of the spaces provided.

The List:

ticket sellers	seats	air
wood (trees)	conductor's baton	cleaning crew
music/songs	the conductor	musicians
microphones	silver	lights
silk worms	song writers	choreographer
land	curtains	carpets
sound systems	water	lighting technicians
sound technicians	drums	violins
stone	ushers	flutes
heating system	sand to make glass	set designers
ore (for steel)	carpenters	air conditioners
stage hands	crude oil (for heating)	singers
costumes	costume designers	lumber

Our List:

- | | |
|-----------|-----------|
| 1. _____ | 8. _____ |
| 2. _____ | 9. _____ |
| 3. _____ | 10. _____ |
| 4. _____ | 11. _____ |
| 5. _____ | 12. _____ |
| 6. _____ | 13. _____ |
| 7. _____ | 14. _____ |
| 15. _____ | |

Can your group come up with additional **human resources** necessary to put on a show?