

"Everybody's Economics"

5th grade

Harrison Elementary

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Organizer

How can our fifth grade class operate a profitable business?

Academic Expectations and Demonstrators

1.2	Students make sense of the variety of materials they read.
1.16	Students use computers and other kinds of technology to collect, organize, and communicate information and ideas.
1.11	Students write using appropriate forms, conventions, and styles to communicate ideas and information to different audiences for different purposes.
2.7	Students understand number concepts and use numbers appropriately and accurately.
2.18	Students understand economic principles and are able to make economic decisions that have consequences in daily living.
2.30	Students evaluate consumer products and services and make effective consumer decisions.
3.4	Students demonstrate the ability to be resourceful and creative.
4.2	Students use productive team membership skills.

Essential Questions

- What is the purpose of money?
- How does a business make a profit?
- What are the services of a bank?
- What are different roles of workers in a business?

Project Description

Fifth grades will create a print shop business to make banners, newsletters, worksheets, cards, signs, etc. for school faculty and students. The classes will open and maintain a business savings or operating account at a local bank. Investors will make initial investments for the start-up of the business. Students will work within a created Division of Labor in order to experience the various roles of workers within a business. These divisions will be management, bookkeeping, quality control, marketing, customer service, artistic design and delivery.

Culminating activity

Students will create an Annual Report and use Power Point to create a presentation to give to the investors of the fifth grade business. Students will demonstrate an understanding of creating and running a profitable business by:

- Explaining how the business earned a profit
 - Demonstrate quarterly income earned
 - Demonstrate quarterly expenditures
- Provide Division of Labor reports
 - Explain the purpose of the Division of Labor
 - Explain the roles of each division within the business
 - Include samples of work from each division
- Demonstrate activity and utilization of bank

Rubric

Scoring Guide for Annual Report	
Points	Rubric
4	<ul style="list-style-type: none">• Student will explain giving at least three details of how the business earned a profit. Student will include clear and colorful graphic representations of expenditures and quarterly income earned.• Students will describe the structure of the Division of Labor and explain the function of each division, including a specific sample of work from each of the seven divisions.• Students will use data from bank statements to create charts or graphs to demonstrate activity of the class bank account. Student will explain in detail the purpose of the class bank account.
3	<ul style="list-style-type: none">• Student will explain giving at least 2 details of how the business earned a profit. Student will include clear graphic representations of expenditures and quarterly income earned.• Students will describe the structure of the Division of Labor and explain the function of each division, including specific samples of work from at least five of the seven divisions.• Students will use data from bank statements to create charts or graphs to demonstrate activity of the class bank account. Student will explain the purpose of the class bank account.
2	<ul style="list-style-type: none">• Student will explain how the business earned a profit. Student will include graphic representations of expenditures and quarterly income earned.• Students will describe the structure of the Division of Labor and state the function of each division, including samples of work from at least three of the seven divisions.• Students will use data from bank statements to create charts or graphs to demonstrate activity of the class bank account. Student provides a limited explanation of the purpose of the class bank account.
1	<ul style="list-style-type: none">• Student will attempt to explain how the business earned a profit. Graphic representations of expenditures and quarterly income earned are not clear.• Students will attempt to describe the structure of the Division of Labor and the function of each division. Samples displayed do not clearly show the work of the divisions.• Students' charts or graphs to demonstrate activity of the class bank account are unclear. Student provides a limited to no explanation of the purpose of the class bank account.

Knowledge (Core Content)

- Scarcity requires people to make choices about using goods, services, and limited resources.
- Consumers use goods and services to satisfy economic wants and needs.
- Every time a choice is made, an opportunity cost is incurred. Opportunity cost refers to what is given up when an economic choice is made.
- Economic systems can be large (e.g., U.S. economy) or small (e.g., individuals and households).
- The U.S. economic system has financial institutions (e.g., banks).
- The U.S. economic system is based on free enterprise where businesses seek to make profits by producing or selling goods or services.
- Profit is the difference between revenues and the costs entailed in producing or selling goods or services.
- A market exists whenever buyers and sellers exchange goods and services. Prices and availability of goods and services are determined by supply and demand.
- The direct exchange of goods and services is called barter. Money has generally replaced barter as a more efficient system for exchange.
- Producers create goods and services; consumers make economic choices about which ones to purchase.
- Producers who specialize create specific goods or services (e.g., computer games, tennis shoes, movie theatres).
- Practical/Workplace Reading includes whole texts and excerpts from materials such as articles, letters, memos, brochures, electronic texts, warranties, recipes, forms, consumer texts, manuals, schedules, and directions.

Technology Standards

T4 Access Information/Technological Skills

T4.4 Locate information using the Internet

T4.7 Locate information from application software (word processor, database, spreadsheet)

[T4.7.1 Use links and buttons](#)

T5 Process Information/Technological Skills

T5.3 Evaluate information from the Internet

T5.6 Enter and edit word processing information

T5.6.1 Use pull down menu items including but not limited to:

[T5.6.1.1 File \(New, Open, Close, Save, Save As, Save All, etc.\)](#)

[T5.6.1.2 View \(Normal Outline, Page Layout, etc.\)](#)

T5.7 Enter and edit spreadsheet information

T5.7.1 Use pull-down menu items including but not limited to:

[T5.7.1.6 Tools \(Spelling\)](#)

[T5.7.1.7 Data \(Sort, Filter, Form, Subtotals, Table, Text Column, Consolidate, etc.\)](#)

T6 Use or Present Information/Technological Skills

T6.5 Create a presentation or product using application software.

[T6.5.1 Choose appropriate information for purpose and audience](#)

[T6.5.2 Create signs, banners and cards](#)

T6.7.1 Demonstrate understanding of computer terminology

Skills and Procedures

Economics

- Needs/Wants
- Scarcity
- Producers and Consumers
- Decision Making
- Opportunity Cost
- Goods and Services
- Resources
- Advertisements
- Entrepreneurship
- Profit

Math

- Value of money
- Data collection
- Counting money
- Making change
- Budgeting
- Compound interest

Instructional Activities

Timeline for Unit

Quarter	Content	Technology Activities	Extra Activities
1 August 20 - October 18	<ul style="list-style-type: none"> • Basic Economics • Name the Business contest • Persuasive writing/speeches to obtain investors • Division of Labor schedule for the year • Marketing Campaign 	<ul style="list-style-type: none"> • Desktop publishing practice • Design order forms • Design invoices • Design customer satisfaction feedback form 	<ul style="list-style-type: none"> • Bank Field Trip • Presentation to potential investors
2 October 22 - December 20	<ul style="list-style-type: none"> • Economics Study • Open Response practice 	<ul style="list-style-type: none"> • Take orders • Create products • Fill orders • Deliver Orders 	<ul style="list-style-type: none"> • Grand Opening Business
3 January 7th - March 6th	<ul style="list-style-type: none"> • Economics Study • Focused Open Response practice 	<ul style="list-style-type: none"> • Take orders • Create products • Fill orders • Deliver Orders 	<ul style="list-style-type: none"> • Create business website
4 March 11th - May 30th	<ul style="list-style-type: none"> • Economics Study • Unit assessment 	<ul style="list-style-type: none"> • Take orders • Create products • Fill orders • Deliver Orders • End-of-the-Year Business Wrap-up 	<ul style="list-style-type: none"> • Annual Report to Investors • Field Trip

Lesson Goals

Lesson 1: Introduction to Economics

Objective: Students will develop a "student friendly" accurate definition of the word Economics

Description:

Brainstorm and web definition of the term economics

Search web sites on economics

Come back together and discuss new ideas

Compare and contrast what they thought the definition was and actual one is

Come up with a working definition for economics

Assessment:

Students' ability to give back or explain the word economics.

Critical Resources

Web Resources

- Economic Education Web
 - <http://ecedweb.unomaha.edu/teach.htm>

Fifth Grade Key Economic Concepts

* **Review of Fourth Grade Concepts**

Factors of Production - Resources used by businesses to produce goods and services.

Investment in Capital Resources - Business purchases of new plant and equipment.

Investment in Human Resources - Activities that increase the skills and knowledge of workers.

Trade-offs - Giving up one thing to get some of another.

Demand - A schedule of how much consumers are willing and able to buy at all possible prices during some time period.

Supply - A schedule of how much producers are willing and able to produce and sell at all possible prices during some time period.

Equilibrium Price - The market clearing price at which the quantity demanded by buyers equals the quantity supplied by sellers.

Suggested Evidence of Student Learning for Intermediate Economic Goals

<http://ecedweb.unomaha.edu/teach.htm>

Scarcity/Choice - Students will list things their families want and also the services that they think should be provided by their local, state and federal government. They will then select those family wants that they would be willing to give up in order to obtain the government services listed and state the reasons for their choices.

Trade-offs - Students will apply the concepts of “opportunity costs” and “trade-offs” in answering the following: Your grandmother gave you \$30 for your birthday and you are trying to decide how to spend it. You are considering buying cassette tapes (price = \$12 each), or going to the movies (ticket price = \$3.50 each time you go), or taking some friends out for pizza (\$7.50 for each person you take, including yourself). You do not have to spend all your money on one thing; you can choose some of one thing and some of another. How would you spend your money so as to get the greatest satisfaction from your grandmother’s present? Why would your choices satisfy you more than the things you gave up?

Opportunity Cost - Students will apply the concept “opportunity cost” in responding to the following: You are a member of your state’s legislature, and there is a \$100,000 surplus in the state budget. How much of that \$500,000 would you spend on each of the following programs: aid to the homeless, money to retrain unemployed workers, aid to schools in poor neighborhoods, improvement of state roads or money for the state society for prevention of cruelty to animals? Explain why you chose to support certain programs and to spend no money on others. What is the opportunity cost of the choices that you made?

Human Capital- Students will explain in terms of human capital why engineers make more money than taxi drivers and why teachers with master’s degrees earn more money than teachers without master’s degrees.

Traditional Economic System - Students will describe how the three economic questions (What to produce?, how to produce?, and for whom to produce?) are answered in traditional societies of the past and present, such as Europe in the Middle Ages, the American Indian tribes before the arrival of European settlers, or the rural villages of the less developed countries today.

Command Economic System - Students will describe the three economic questions are answered in command economies of the past and present, such as the mercantilist nations of early modern Europe or the communist nations of the present time.

Market Economic System - Students will describe how the three economic questions are answered in the past and the present in a market economy such as the United States, Canada or other western societies.

Incentives - Students will list economic incentives that have recently affected their behavior, such as taking a part-time job (mowing, delivering newspapers, etc.) to get money to buy something they want.

Interdependence - Students will list ten ways in which the United States economy would be affected if the Arab countries cut off all trade with the United States.

Circular flow - Students will draw the circular flow diagram and explain the interrelated roles of households and businesses in the economy.

Competition - Students will survey their community to find the number of fast-food restaurants and the number of bicycle shops present. Based on the results of the survey, they will draw conclusions about which market is more competitive.

Public Goods - Students will explain why government instead of private industry usually provides police and fire protection and street and roads.

Taxes - Students will answer the following questions: If the national, state, and local governments had no power to tax, what goods and services would we have to do without? What foods and services might we have more of?

Resources - Using encyclopedia and textbooks, students will identify and classify the major resources in several countries and draw conclusions about what kind of resources are scarcer than others in those countries.

Specialization - Students will cite the benefits of specialization in answering the following questions: The South American country of Ecuador could grow many agricultural products. However, the climate and territory is best suited for the production of coffee and bananas, which can be grown in few other countries. Is it in the best economic interest of the farmers of Ecuador to attempt to grow many crops or to specialize in coffee and bananas? Why?

Entrepreneurs - After a classroom visit by a local entrepreneur, students will write a short essay on the risk entrepreneur take and the motivation they have in undertaking these risks.

Vocabulary

<http://ecedweb.unomaha.edu/eleconpt.htm>

Economic Concepts

Scarcity	Circular Flow
Choice	Trade/Exchange
Goods	Factors of Production
Services	Investment in Capital Res.
Opportunity Cost	Investment in Human Res.
Resources	Trade-offs
Natural Resources	Demand
Human Resources	Supply
Capital Resources	Equilibrium Price
Barter	Competition
Interdependence	Cost of Production
Money	Profit
Producers and Production	Entrepreneurs
Consumers	Incentives
Specialization	Taxes
Division of Labor	Income Tax
Productivity	Property Tax
Markets	Sales Tax
Prices	Unemployment
Public Goods	Shortages
Economic Systems	Surpluses
Market Economy	