

Understanding

Objectives:

Explain that economic wants are desires that can be satisfied by consuming a good or service or leisure activity.

When given a scenario, students explain why all the wants cannot be satisfied.

Differentiate between bartering and using money as forms of exchange in order to be better off.

Exploration:

A. Goods and Services We Use Everyday

Write a story in your journal about every single thing you've done since yesterday morning. Write these events in order.

Show the **Goods and Services We Use Everyday** chart with questions that can guide the students' writing. Remind students to include even the "little" or "boring" things such as brushing teeth and waking up.

Flip Chart Guiding Questions

- * What are the things you did after getting up from bed?
- * What items did you use in getting ready?
- * What did you eat and what did you use to eat?
- * What chores do you do before leaving for/coming back from school? How do you get to school?
- * What tasks did you do in class? What items do you need to perform the task?
- * What did you eat for lunch? Who served it?
- * How did you get home? What did you do on the way home?
- * What did you do at home before going to sleep?
- * If you use the computer, do you use the Internet and for what?
- * If you watch TV, do you use cable or a DVD player?

2. Have students create a Goods and Services T- Chart on the next page in their journal. They will write all the goods from their story and all the services that were performed from their story.

3. Choose 3 goods and 3 services from the T- Chart. Write an explanation of why you use these goods and services.

Explain to students that people's wants and desires are satisfied when they consume a good or service. _____ wants were satisfied when he/she consumed _____.

Have students share one good and one service and say out loud, "**My wants were satisfied when I consumed (bought, used, ate, etc) _____ . I wanted _____ because _____.**"

Possible answer: My wants were satisfied when I consumed or used my computer and the Internet. I wanted my computer and the Internet because I am able to do research for my science project and to check my email.

B. Satisfying All Wants

Explain to the students that their room will be getting 2 new computers. The teacher needs to find a way to have all 20 students in the class use the computers fairly. There's only 60 minutes in a class period and the class meets 5 days a week. The teacher knows that there isn't enough

time in the class period and maybe all students won't get the same amount of time on the computer. What can the teacher do to make sure that each student gets some time to use the computer?

Remind students that, in regards to wanting goods and services, not all wants can be satisfied.

Put students in small groups (2-3 students). Ask each group to write what are the pros and cons of each scenario. Students will write whose wants are met/ not met in each scenario as well. Designate a "writer" and "reporter."

Scenarios

1) The teacher can put aside the last 10 minutes and have 1 boy and 1 girl use the computers for 5 minutes. This way, 4 students can use it each day. The teacher can choose what day each pair of boys and girls can use the computers.

2) Students can use the computer whenever they are finished with their class work and homework. This means that the students who complete their work early may have more time on the computer than those who take longer to finish their assignments.

3) The teacher can use a reward system during the week (ex. earn a stickers to use computer. 1 sticker= 1 minute on the computer.)

C. Bartering Activity

Before implementing this part of the lesson, have students bring 3 goods from home and a list of 3 services they feel they can do well. (Goods examples: toy, stuff animal, game, pens, crayons. Service example: sweep and dust, wash dishes, type papers, tutoring, fixing hair). Explain that they will get back their original goods they brought in to class. The purpose for students bringing their goods is to demonstrate **bartering**. If it is not possible for students to bring items from home, they may draw items on note cards or post-its.

With your 3 goods and 3 services, create a poster highlighting your "Goods". Students will write a brief explanation of what your goods are. Create a post- it highlighting your "Services." Students will write a brief explanation of what services they can do. This will make it easier to barter using a post it with their service.

Put students in groups of 4. Explain to students that they are to **barter** or trade their goods or service.

Explain to students that **bartering** is exchanging your goods and/or services because you want someone else's goods and/or services. This trade happens because each person is giving up something that the other person wants.

The students in each groups will read each other's posters and discuss with each other what good or service they are interested in trading for. After the students choose what they want and what they are choosing to trade, they must prepare written statements answering the following:

Bartering Activity

What did you give up? What did you get out of the barter?

Was it a good trade? Was it fair?

How did you decide that this was an "even" or "fair" trade?

Each group will share what goods or services they bartered and discuss how they decided that this was an even trade.

After the groups of students share, they will answer the following question on their **Bartering Activity** paper:

Why is money better used in exchange for goods and services than bartering?

Possible answer: The goods or services you want have a universal money value and would be considered an even exchange. With bartering, you would have to find someone who would want your goods or services in order for you to get their goods or services. Also, both you and the other person have to agree that the amount of goods and services you are trading is fair and even.

Assessment:

1. Donna has three children. Distinguish whether each of Donna's wants is a good or service and why she would want them for her children.

Donna's Wants

Why does Donna want this item?

automobile (**good, to transport herself and her children to work and school**)

cable television (**service, to entertain herself and her children**)

clothing (**good, to provide warmth and be stylish**)

doctor's visit (**service, to stay healthy**)

electricity (**service, to run lights and appliances**)

groceries (**good, to eat and drink**)

checking out library books (**service, to learn and be entertained**)

toys (**good, to play with and have fun**)

2. A class is deciding how to share a cake. The class is made up of 1 male teacher, 14 boys, and 10 girls. Examine each proposal for sharing the cake, infer which proposal is the most fair to everyone and defend your choice.

a. The teacher gets $\frac{1}{2}$ the cake, and the students share the other half.

b. Boys share $\frac{1}{2}$ of the cake, and girls shares the other half.

c. Everyone with A's and B's gets a big piece, everyone with C's and D's gets a small piece, and everyone with an F gets no cake.

All of the proposals have pros and cons.

Proposal A is more fair than B or C because having a college degree is desirable, gives status, and is difficult to earn, but Proposal A also gives half of the cake to the teacher and forces all of the students to share the other half.

Proposal B is more fair than A or C because it divides the cake most equitably by the number of people, but Proposal B also forces 15 males to share $\frac{1}{2}$ the cake and 10 females to share the same amount.

Proposal C is more fair than A or B because it recognizes the accomplishments of the students and rewards good grades, but Proposal C also does not allow F students to receive a piece of cake, and also doesn't allow the teacher to have any cake because he doesn't earn grades!

3. Why do people trade goods and services with each other? (**People trade goods and services so they can obtain something they want by trading something they want less.**)

4. Explain why each of these people will be better off after trading.

a. Carlos has a pack of pens and he wants a new eraser. Susan has several erasers but needs something to write with.

b. Paul and Tara each have a bag of candy. Paul's favorite color is red, and Tara's favorite color is green.

c. Michael is a math whiz but has a broken bicycle. Cheryl is good at fixing bicycles and needs help with math.

(Carlos and Susan should trade so that they each have erasers and something to write with. Paul and Tara should trade so that they will each have more of their favorite color of candy. Michael and Cheryl should trade so that Michael can use his bicycle and Cheryl can pass math.)

5. Demetri forgot his pencil. His teacher will trade him for a pencil. Explain what Demetri could give to his teacher in order to create a fair exchange.

Possible answers: Demetri could offer a service, like sweeping or cleaning up the classroom. He could offer to exchange paper for the pencils he borrowed. Demetri could offer to pay money for the pencil.

6. Describe ways of obtaining these goods and services, without using money.

a. A new pair of shoes **(Make a deal with a parent to do chores in exchange for the shoes)**

b. A video game **(Find someone that has the game and offer to trade one of your other games for it)**

c. A haircut **(Offer to clean the salon for a day in exchange for the haircut)**

d. An orange **(Trade an item out of your lunch for the orange in someone else's lunch)**

e. A basketball game ticket **(Find a season ticket holder and offer to do them a favor in exchange for one of their tickets)**

Answers may vary, but the student's answers must demonstrate understanding that trade happens because each person gives up something that the other person wants.

7. Explain why using money makes it easier to get the same five items. **(Not necessary to find someone that has the item. Don't need to have an item or the ability to perform a service that the person wants. Money has a set value and is universally accepted.)**