

Lesson 1: What is Economics?

Big Ideas of the Lesson

- Economics is the study of how people choose to use resources to produce or consume goods or services to meet their wants and needs.
- Needs and wants differ but are related. Needs are necessary for survival such as food, shelter, and air. Wants are not essential for survival. For example, people need food, but the types of food they choose to eat – pizza or a hot dog – are wants.
- Distinguishing between needs and wants can be difficult. What people perceive as a need may be based on their experiences and life situation, rather than necessary for survival.
- Scarcity results because individuals, groups, businesses, and countries have unlimited wants, but the resources need to meet those wants are limited. Scarcity is a fundamental economic problem – a society cannot provide everything for everybody. As a result, people make choices.
- For every choice, there is an opportunity cost. The opportunity cost is the value of the next best alternative given up when a choice is made.

Lesson Abstract: This lesson introduces students to the basic economic problem of scarcity. The lesson begins with a PowerPoint showing students a variety of images, graphs and charts related to economics. After students are introduced to the fundamental economic problem of scarcity, they learn the difference between wants and needs. Two options for students to make their thinking about economics visible are provide – a visible thinking routine or an economics poster activity. Students then read an article about the discipline of economics and apply practical examples to the concepts of scarcity, choice, and opportunity cost.

Content Expectations: E1.1.1; E4.1.1

Common Core State Standards for Literacy in History/Social Studies: RH.9-10.4; WHST.9-10.4

Key Concepts: choice, economics, needs vs. wants, opportunity cost, scarcity

Teacher Note: This lesson assumes that the teacher has launched the start of the course establishing classroom environment and protocol, procedures, course syllabus, etc.

Lesson Sequence

1. Begin the lesson by displaying the *PowerPoint (Lesson 1, Unit 1)* to the class. Show **Slide 1** to students and pose the question: “What do all these slides have in common?” Then proceed through **Slides 2-9**, one at a time, giving students time to read and study each. It is important that you not spend too much time on each slide; rather it should be a “fly-by” of each slide. Move to **Slide 10** which has students stop and jot in response to the question: “What did these slides have in common?” Allow students two minutes to stop and jot, then have them share their responses by turning and talking with a partner.

Teacher Note: Detailed information for each slide can be found in the notes section of the PowerPoint. You may choose to share this information with the class but it is recommended that the descriptions are saved for after students have had an opportunity to think about the slides and their relationship to each other.

2. Move to **Slide 11** of the *PowerPoint (Lesson 1, Unit 1)*, which provides several options for introducing the fundamental problem of scarcity. The slide contains links to the Rolling Stones’ song, “You Can’t Always Get What You Want” and a YouTube link to a reading of the book, *If You Give a Mouse a Cookie*. Choose one of the links or read a portion of the book aloud to the class. Afterwards, ask students what the song or book has to do with economics. Pause for a minute to elicit several

responses from students. Then, use **Slide 12** to help guide students to recognize that economics addresses the problem: How do people solve the problem of unlimited wants but limited resources?

3. Distribute Word Cards 1-4 to small groups of 3-4 students each. Have each group make a three-column chart, labeling each column as follows: Food/Clothing/Shelter. Display **Slide 13** to show students an example of the three-column chart. Explain that these three categories are basic human needs. As a group, they need to identify at least five items that fit within each category. Have the groups discuss and record their responses on their small group chart.

Post the following questions on the board and ask the small groups to discuss each one. They can be found on **Slide 14** of the PowerPoint.

- If you had to make a choice for each category, which would you choose and why?
- Why might your choices differ from others in your group? Why might they be the same?
- How might the amount of resources you have influence your decision in each category?

Allow about 10 minutes for students to discuss. Debrief the small group discussions by asking several groups to share how their choices differed within their group and the role resources plays in making economic decisions.

4. In order to make visible what students already know about economics, it is recommended that teachers choose one of the following options below for the next portion of this lesson.

Option A: Visible Thinking Routine

- a. Distribute the “**Color, Symbol, Image Handout**,” located in the *Supplemental Materials (Lesson 1, Unit 1)*. Explain to students this is a routine for distilling the essence of ideas non-verbally. **Teacher Note:** You may want to model this routine in front of the class with an idea that is more familiar with your students prior to engaging students in this activity.
- b. Students should read the question, “What comes to mind when you hear the term ‘economics’?” and then respond with an appropriate color(s), symbol, and image. **Teacher Note:** Consider eliminating the color green and the money sign (\$) for a symbol as options for students. This will encourage them to think more deeply about the question.
- c. Have students share and discuss their responses in small groups of three or four students. Instruct students to listen for commonalities and differences in their small groups and identify a speaker to share with the whole class.
- d. Debrief the activity by engaging students in a whole group discussion in which each group’s speaker presents and explains the commonalities and/or differences in one (color, symbol or image) of the categories.

Option B: Defining Economics Poster Activity

- a. Place a pile of magazines in a central location in the classroom. After students are divided into groups of two or three students each, have each group select several magazines to use for this activity.
- b. Tell students they should cut out pictures and words from the magazines to create a poster that defines economics. Use the following questions to guide your interpretive project:
 - What is economics?
 - What are some economic issues and challenges that people, businesses, and societies have?

- How do we, both individually and in groups, attempt to address these economic issues and challenges?
- c. Tell students that they will be sharing and discussing posters with the rest of the class. Each group will explain their poster for 3-4 minutes. Each person must present and explain at least one picture, attempting to answer the questions above.
 - d. Before presentations begin, pass out a 3x5 index or note card to each student. Or if you wish to be more technologically engaging and have phones or computers, set up a Today's Meet page <http://todaysmeet.com> for students to use and display comments to the whole class. Inform students that during small group presentations, they will write down on the index/note card or on the Today's Meet page, two or three economic topics you find most interesting and would like the class to focus on this term. Tell students that you will be using their ideas to help guide your choices for framing economic problems throughout the course.
 - e. Have each group briefly present their posters. Collect students' 3x5 cards for use later in the course.
5. Pass out the **“What is Economics?”** handout located in *Supplemental Materials (Unit 1, Lesson 1)* to each student. As a whole class, have students read aloud **“What is Economics?”** handout, selecting different students to read as you move through the text. During the reading, stop and discuss answers to questions in addition to big idea concepts like need versus want, opportunity cost, scarcity, and choice. Emphasize to students the difference between individual choice and social choice from the second half of the reading.
 6. Instruct students to form small groups of two or three people. Ask students to think about the Friday night example and create their own choice experience (real or fictional) with at least three options. Students should determine their own opportunity cost. Then ask student to share their answers with the large group. This step can be used as an informal assessment.

Reference Section

Content Expectations

E1.1.1: Scarcity, Choice, Opportunity Costs, and Comparative Advantage – Using examples, explain how scarcity, choice, opportunity costs affect decisions that households, businesses, and governments make in the market place and explain how comparative advantage creates gains from trade.¹

E4.1.1: Scarcity and Opportunity Costs – Apply concepts of scarcity and opportunity costs to personal financial decision making.

Common Core State Standards for Literacy in History/Social Studies

RH.9-10.4: Determine the meaning of words and phrases as they are used in a text, including vocabulary describing political, social, or economic aspects of history/social science.

WHST.9-10.4: Produce clear and coherent writing in which the development, organization, and style are appropriate to task, purpose, and audience.

¹ The comparative advantage portion of this expectation will be more fully addressed later in the course in the unit entitled “The Global Economy”.

Instructional Resources

Equipment/Manipulative

A set of 3x5 index cards, one per student
A variety of magazines from which students may cut out pictures and words (Option B)
Computer with PowerPoint capability
Markers or colored pencils for student drawings
Overhead projector/ LCD projector
Student Notebook or Journal – “Decision Making Notebook”

Student Resource

Gustafson, Kathryn, Brian Pierce and Scott Warrow. *PowerPoint (Lesson 1, Unit 1)*. Teacher-made materials. Oakland Schools, 2014.

- - -. *Supplemental Materials (Lesson 1, Unit 1)*. Teacher-made materials. Oakland Schools, 2014.

Today's Meet. 2 April 2014, <http://todaysmeet.com>.

Teacher Resource

“Colour, Symbol, Image Routine.” *Visible Thinking*. Harvard Project Zero. 8 July 2014
<http://www.visiblethinkingpz.org/VisibleThinking_html_files/03_ThinkingRoutines/03d_UnderstandingRoutines/ColourSymbolImage/ColourSymbolImage_Routine.html>.

Landsburg, Steven E. *Fair Play: What Your Child Can Teach You About Economics, Values, and the Meaning of Life* by Steven E. Landsburg. New York: The Free Press, 1997. Pp. 5-6.