

Economics and Financial Literacy

Unit 4

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Abstract

This unit engages second graders in the concepts of economics and its interdependence through the lens of the community. Students will understand the idea of an economy as a diverse mutually supportive web of needs and wants, producers and consumers, supply and demand, and trade and bartering with other countries.

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| **Lens of Social Studies:**  **Economist:**   * [Give examples of ways in which businesses in the community meet the needs and wants of consumers.](https://drive.google.com/folderview?id=0Bz1_Mt1e0edaMDF2ME1rVWV6cHM&usp=sharing) * [Explain the roles and impact producers and consumers have on the economy.](https://drive.google.com/folderview?id=0Bz1_Mt1e0edaMDF2ME1rVWV6cHM&usp=sharing) * [Summarize the concept of supply and demand.](https://drive.google.com/folderview?id=0Bz1_Mt1e0edaMDF2ME1rVWV6cHM&usp=sharing) * [Explain why people and countries around the world trade for goods and services.](https://drive.google.com/folderview?id=0Bz1_Mt1e0edaMDF2ME1rVWV6cHM&usp=sharing) * [Explain how money is used for saving, spending, borrowing and giving.](https://drive.google.com/folderview?id=0Bz1_Mt1e0edaMDF2ME1rVWV6cHM&usp=sharing) * [Summarize the role of financial institutions relative to savings.](https://drive.google.com/folderview?id=0Bz1_Mt1e0edaMDF2ME1rVWV6cHM&usp=sharing) | | | | |
| **Unit Compelling Question** | **How do basic economic concepts change the world?** | | | |
| **Essential Standard(s)** | 2.E.1 Understand basic economic concepts. | | | |
| **Students Will Know (Content)**   * That wants and needs drive economic development and the types of businesses that are established in a community. * A market economy answers the questions of what gets produced, how it is produced, and who receives it, and how it meets the needs and wants of consumers. * Economics is the process of making decisions about the use of resources to meet the needs and wants of consumers. * Businesses incur costs by hiring individuals and earn profit and revenue by selling goods and services. * Examples showing the impact that producers and consumers have on the economy. * The price of a good is determined by the cost to produce it and the demand for a product. * How competition contributes to the economic choices that a country makes. * Ways in which countries can specialize in goods and services. * Examples of financial tools, such as savings accounts, investments, loans, and credit. | | | **Student “I Can” Statements (Skills)**   * I can identify examples of business in a community. * I can explain the meaning of various economic language such as scarcity, resource, profit, revenue, consumer, producer, supply, demand, trade, barter, etc. * I can give examples of consumers and producers. * I can identify the difference between barter/trade and money exchanges. * I can explain the advantages and disadvantages of saving and spending money. * I can list types of financial institutes and describe how they assist people in saving money. * I can describe ways people earn money (e.g., income) that can be spent, given or saved as they choose. | |
| **Generalizations And Essential Questions** | | **Producers and consumers play a pivotal role on the economy of the community.**   * What are producers role on the economy? * What are consumers role on the economy? * How do a community utilize producers and consumers?   **The spending and borrowing habits of consumer may influence the supply and demand of a good or service.**   * How does spending money influence supply and demand? * How does borrowing money influence supply and demand? * How are goods and services related to supply and demand? | | **Economic exchanges between producer and consumers may impact the success of an economy.**   * What are economic exchanges? * How do producer and consumer have economic exchanges? * What are some of the impacts of an economic exchange between producers and consumers? |

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| Key Vocabulary:  Tier 1 | Tier 2 | Tier 3 |
| * Needs * Wants * Service * Goods * Money * Bank * Savings | * Resource * Profit * Decision-making * Global * Product * Barter * Budget * Supply * Demand * Business | * Scarcity * Revenue * Consumer * Producer * Market economy * Distributor * Entrepreneur * Enterprise * Natural Resources * Expenses * Global economy * Financial institutions |

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| Key People: | * Community * Government * Business * Consumers * Producers |
| Notable Events: | * Olympics * 1907: Banking Panic in NY * The Federal Reserve Act of 1913 * 1914: The assembly line developed by Henry Ford * Oct. 24, 1929: Wall Street Crash: Black Thursday * 1932: Great Depression deepens as nearly 10,000 U.S. banks fail * 1987: The U.S. stock Market plunges dangerously * 9/11 World Trade Centre Attack * The Government Shutdown of 2013 * Detroit’s Bankruptcy: December 2013 |
| Notable Documents and Nonfiction Text: | **Primary Sources**   * Introducing the Penny (Level N) Reading A-Z * Money in the USA (Level T) Reading A-Z * Discovery Education: Economics in Our Age: Factors of Production and Economic Systems - login using the CMS Student or NCEdCloud-then search Economics - filter K-2 and full videos * Discovery Education: Economics in Our Age: Goods and Services- login using the CMS Student or NCEdCloud-then search Economics - filter K-2 and full videos * Discovery Education: Economics in Our Age: Supply and Demand - login using the CMS Student or NCEdCloud-then search Economics - filter K-2 and full videos * Discovery Education: I Want to Know Cotton - login using the CMS Student or NCEdCloud-then search Economics - filter K-2 and full videos   **Secondary Sources**   * *Understanding Money* by Carol and James Barkin - The authors compare the purchasing power of money throughout the world and looks at how savings accounts work. * Money Games for Kids Catalog (Reading A-Z) * Making-Chocolate Throughout History (Reading A-Z) * <http://www.socialstudiesforkids.com/articles/economics/supplyanddemand2.htm> * <http://www.socialstudiesforkids.com/articles/economics/economicsgraphics.htm> * *Farmer George Plants a Nation* by Peggy Thomas   See unit resources section for websites that provide lists of additional primary and secondary sources. |

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| **Sample Questions Connected to Unit Literacy** | | | | |
|  | **Factual Knowledge** | **Conceptual Knowledge** | **Procedural Knowledge** | **Meta-Cognitive** |
| **Remember** | What does scarcity mean? | How would you summarize the relationship between supply and demand? | How does a producer become economically successful? | Is it mandatory for the world to have various economic exchanges (i.e. money, trade, borrow, etc.)? Why or why not? |
| **Understand** | How would you summarize the role of financial institutes? | How are consumers and producers related? | How would you rephrase the meaning of “ wise money use?” | How can you illustrate the impact supply and demand has on the economy? |
| **Apply** | What are some personal examples of spending and saving? | What would result if producers increased their goods production to quickly? | What facts would you gather to support the connection between trade and the concept of wants and needs? | How do events in other nations affect the U.S. economy? |
| **Analyze** | How would you categorize this list of consumer purchases using the title headings of “wants” and “needs”? (teacher provides list) | How can you tell the difference between trading and borrowing? | What conclusions can you draw about people who use financial institutions? | How is our economy impacted by a strike in India or a natural disaster in South America? |
| **Evaluate** | How does savings influence spending? | What information would you give to support the importance of saving money? | Can you assess the value or importance of the use of a financial institution? | How do you determine the advantages or disadvantages of saving money to buy an expensive item rather than buying it on credit? |
| **Create** | What would happen if people were not able to meet their wants or needs? | Can you construct a model that would change scarcity? | Can you elaborate on the reasons that countries trade items with other countries? | What could happen if counties no longer traded? How would it impact the world? |

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|  | **Factual Knowledge** | | **Conceptual Knowledge** | | **Procedural Knowledge** | | **Meta-Cognitive** | |
| **Text Dependent Tasks** | * Read a book about money and describe the how people save, spend, and borrow. (CR, P,W) * Read about goods and services and create a T-chart giving examples of each. (CR, A, W) * Use old magazines to create a collages depicting workers involved in various services. (A) * Create a flip chart and explain ways money is used for the following categories: saving, spending, borrowing, and giving. (P, W) | | * Read a text about supply and demand. Write a summary about the relationship between the two concepts. (CR, A, W) * Discuss the circumstances which you might trade a cell phone for a bottle of water. Write an opinion pieces discussing your reasons. (A,SP, P,W) * Compare and contrast the aspect of saving and spending. (A, SPL, P, W) * Have students write a short paragraph comparing their wants in the summer months to those in the winter months. ( A, SPL, W) | | * Give one example of a way you have contributed to saving, borrowing, spending, and giving. Rank your list from the most important way you used “money” to the least important. Then explain why you ranked them the way that you did. (P, W) * Read stories to help illustrate the decision-making process. Ask students to guess what choice the character will make and what choice they would make themselves. Would they, for example, barter the family cow for a handful of magic beans? Write a reflection of what you would do if you were the character.(CR, A, SPL, W) | | * If given $100, make a list of reasons/examples for spending, saving, or giving away that money? Tell a partner which you would be more likely to do. (SPL, W) * Read texts about the impact producers and consumers have on the economy. Then create 2-3 text-based questions. Share your texts and questions with a partner. Discuss the answers at the end. (CR, A, SPL, W) * Take students on an investigative tour of the school. Their goal is to identify all the services they can and develop interview questions and allow students to interview the people at school who provides a service.(CR, A, SPL, W) | |
| **Legend** | CR = Close Reading | A = Annotating | | SPL = Speaking and Listening | | P = Pre-Writing | | W = Writing |

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| Learning Connections: | |
| *Before Topic is taught (prior learning):* | ***After Topic is taught (anticipated learning):*** |
| Note: This list indicates what students show already understand about civics and government from Kindergarten and First grade. Teachers may need to reviews these concepts prior to starting the unit.   * Examples of jobs. * The difference between needs and wants. * Jobs provide money for people that allow them to make choices about purchases that serve their needs and wants. * People often depend on jobs and other sources of income so they can contribute to the production and exchange of goods and services. * Choice is integral to earning and using money for goods and services. * Goods and services are determined by the availability of resources. * The process of making choices using available resources and why people cannot have everything they want. | **Note:** The underlined words indicate the change between the on grade level learning and anticipated future learning. Teachers can use this list to provide enrichment for students.   * Prices may reflect the availability and location of resources. * Scarcity may dictate the economic choices of individuals. * Access to resources often facilitates or weakens economic growth in regions. * People’s decisions to locate, develop and make use of natural resources in particular regions will influence economic development. * Innovation and opportunity encourage people to take risks as entrepreneurs. * People may pursue entrepreneurship as a means to ensure economic independence. * The needs of consumers may change from region to region. |

**Unit Resources**

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| Unit Title – Economics and Financial Literacy | | |
| Resource Title | **Location** | **Summary** |
| Discovery Education: “The Difference Between Wants and Needs” | Discovery Education Website - login using the CMS Student Portal or NCEdCloud | This is a 16 minute video in which two young friends wake up and find themselves on a desert island where the 'Genie of Wise Choices' lives. While there, the genie helps the children understand the importance of making good choices as they are faced with the difficult task of choosing between an essential need or a desired want. Water, food, clothing, shelter, and clean air are all introduced and discussed as your students learn about the difference between a need and a want. |
| Discovery Education: “Production Workers: And the Goods They Make” | Discovery Education Website - login using the CMS Student Portal or NCEdCloud | This is a 17 minute video where students learn about the people who make or grow the goods we need—production workers. See how these workers make trucks and houses and grow food for the community. Understand simple explanations of the terms goods and services, consumers, income, etc. |
| Discovery Education: “Where We Live, Work, and Play: Businesses” | Discovery Education Website - login using the CMS Student Portal or NCEdCloud | This is a 12 minute video where students learn that from farming to factories to small businesses, each supplies people's needs - from products to services. It's valuable to introduce the consequences to a particular community that different businesses have. Planting the seeds early for what children want to be when they grow up is also important. |
| Discovery Education: “How Our Economy Works: All About Earning and Spending Money” | Discovery Education Website - login using the CMS Student Portal or NCEdCloud | In this 18 minute video student learn that people work to earn money to satisfy their basic needs and wants. Help students understand the two, as well as the difference between goods and services. Explore a variety of jobs, including production and service workers, and introduce students to banks and the concept of saving money. |
| Mad Money from PBS Kids Go! | <http://pbskids.org/itsmylife/games/mad_money_flash.html> | Students have thirty days to earn, spend, and save money. The goal is to end up with a big ticket item of their choice by the end of the thirty days by making appropriate choices. |
| Practical Money Skills for Life online games | <http://www.practicalmoneyskills.com/games/> | **“Road Trip”** - Meet the challenges of four weeks on the road as you steer your way to financial stability. This game requires players to make decisions about income, expenses and savings. Coming up short on cash means losing your wheels. **“Ed’s Bank”** - Help Ed collect enough money to shop for his favorite things. This entertaining game provides a lighthearted way of teaching younger audiences about saving and differing money values. **“Money Metropolis”** – game format designed by VISA that teaches children the importance of saving. |
| Economics Book List | <https://sites.google.com/site/readalouds/economics> | A compiled list of books to support economics and financial literacy. |
| A Birthday for Frances | *A Birthday for Frances* by Russell Hoban | This story discusses why people trade or barter for things. |
| Communities Here & There | Grade 2 Nystrom Teacher’s Guide | The following units and lessons from the CMS Social Studies curriculum support this unit of study   * Unit 2 - all lessons |
| US Mint Kids | <http://www.usmint.gov/kids/> | Provides kid-friendly links to games and cartoons about money. Also provides resources and lesson plans for K-12 teachers. |
| HMH Guided Reading Sets | Copies of these books sets are available in every school. Ask your literacy facilitator if you are not sure where in your building they are housed. Some lesson guides are available online if you google search the text title. | The following Houghton Mifflin Harcourt guided reading sets may support this unit of study:   * What I Want to Be - Level J * Food for You - Level H |
| Newsela | <https://newsela.com/> | Website that provides nonfiction primary sources and secondary source articles on various topics. Comprehension questions and student reading level differentiation are also available for many of the articles. |