

The Federal Reserve Bank of New York

# ECON EXPLORERS



Teacher's Guide



Illustrated by Ping Homeric



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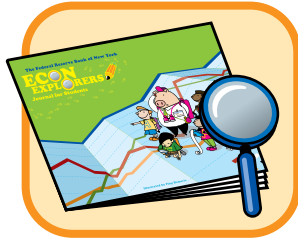
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## How to Use *Econ Explorers*



The Council on Economic Education reports that “nearly half of our young people don’t understand how to save and invest for retirement, nor how to handle credit cards, don’t know the difference between inflation and recession, nor how government spending affects them.” In response, the Council is leading a national campaign for economic literacy.

The Federal Reserve Bank of New York supports this campaign, believing that students who demonstrate economic and financial literacy will make better decisions as voters, workers, and consumers. In order to succeed in this effort, economics and personal finance education must begin as early as possible in the elementary school curriculum. Unfortunately, this presents a special challenge for K-6 educators, few of whom have had any economics coursework, and find a lack of quality instructional materials available to them. The Federal Reserve Bank of New York prepared *Econ Explorers* to help address this challenge.

*Econ Explorers* has the following objectives:

- To comply with national and state standards related to economic and financial literacy.
- To promote understanding of fundamental economic and personal finance concepts through active learning.
- To develop mathematics, communication, research gathering, critical thinking, and personal financial skills.
- To provide opportunities for parent involvement in student education.

*Econ Explorers* consists of a set of five long-term, outside-the-classroom projects for students in grades 4–6, with the following titles:

1. Price Hunter
2. Response to Literature
3. Earning a Living
4. Money! Money!
5. The Banking Story

Rather than classroom lessons, these projects are intended for use either as springboards or applications for a distinct unit in economics, or for integrating economics into an appropriate subject area (e.g., mathematics, communication arts, or social studies). The projects are not sequential and need not be completed in the order in which they appear. The projects can be assigned individually at different points during the school year.

Each project consists of a set of teaching suggestions, found in the *Econ Explorers Teacher’s Guide*, and related project sheets for students, found in the *Econ Explorers Journal*. We also have included a section called “Books Exploring Economic Themes,” from



which students can choose a book for the Response to Literature project. This bibliography also serves as the source for the pre-reading assignments.

The *Teacher's Guide* has the following features:

- **Big Question:** An essential issue or problem that should be the focus of the project.
- **Pre-Reading:** A suggested book that the class reads before starting the project to provide prior understanding of the economic topic under consideration.
- **Economic Theme:** One of five concepts (needs and wants, scarcity, interdependence, factors of production, and technology) appearing in the 1999 New York State Social Studies Core Curriculum Grades K-6 that is most closely related to the specific project.
- **Objectives:** Learning outcomes stating what students will know or be able to do as a result of completing the project.
- **Springboard:** An interactive learning exercise to introduce and interest students in the project.
- **Explaining the Project (used in conjunction with the springboard):** A teaching approach that walks the class through the project and suggests procedures for completing it successfully.
- **Debriefing the Project:** A teaching approach used after the project has been completed to review data gathered by students, promote discussion, and develop critical thinking.
- **Summary (used in conjunction with debriefing the project):** An opportunity for students to analyze conclusions they drew from the project.
- **Parent Involvement Ideas:** Suggestions as to the role parents/caregivers might play in helping children complete the project.

The *Econ Explorers Journal* contains:

- Directions/procedures to guide students in completing the projects.
- Project sheets on which students record and/or plot data, draw pictures, attach documents, or complete writing exercises.

Teachers are also encouraged to use *Econ Explorers* projects as the basis for a parent involvement program. In such a program, parents would help their children carry out each project (see “Parent Involvement Ideas” included in the *Teacher's Guide*).



## Teaching Suggestions

# PRICE HUNTER

**Big Question:** Why do the prices of certain goods change over time?

**Pre-Reading:** In order to familiarize students with some of the concepts they'll be learning in the "Price Hunter" project, it is suggested that the class read and discuss the following book: *The Great Pet Sale* by Mick Inkpen. (Orchard Books: 1999—ISBN #0-531-30130-3).

## Economic Theme

### Scarcity

#### Objectives

Students will be able to:

- Give reasons why prices change over time.
- Construct charts showing how prices of certain goods change over time.
- Define inflation and explain some of the problems it causes.

#### Springboard

- Prior to launching this project, as a homework assignment, ask the students to visit a store or stores (if necessary) in their neighborhood to find the price of:
  - A one-gallon container of milk.
  - A pair of athletic shoes that they would like to wear.
  - A gallon of gasoline a family member or friend uses.
- After the children return to class with the information above, ask them to respond to the following:
  - Tell us the prices you found for the container of milk, pair of athletic shoes, and gallon of gasoline. Record a sampling of the prices for the three different items on the writing board.
  - How do you think store owners decide what price to charge for products like a one-gallon container of milk, a pair of athletic shoes, or a gallon of gasoline?



## Explaining the Project

- Distribute the *Econ Explorers Journals* and ask them to open to page 2 – “Price Hunter.” Instruct students to read to themselves the project on pages 2 – 7 and ask any questions they have about completing the project.
- Explain to the class the “Price Hunter” project and how to complete the chart and graph for each product. It is also important for the children to understand that they should be tracking the same brand of a gallon of milk, model of athletic shoes, and brand of gallon of gasoline over the next four months.

## Debriefing the Project

- Have a sampling of children present their graphs to the class.
- As part of the whole class discussion, ask the children to respond to the following:
  - Tell us one thing you learned about prices from this project.
  - Raise your hand if you found that prices on the three goods have mostly: gone up/gone down/remained the same.
  - How can you explain any changes in the price of these items?
- Divide the children into groups of four. Have each group come up with three reasons that might explain why a store owner would raise or lower his/her prices. Ask the children to respond to the following:
  - What were some of the reasons that your group discussed?
  - If you were a store owner, what would be the most likely reason for you to raise prices?
- Write the following definition on the board: Inflation– describes a situation when the prices of most of the things people buy are increasing. Ask children to respond to the following:
  - Based on the information you found about prices, do you think we are in a period of inflation?
  - In what ways would you and your family be affected if food prices, housing prices, and clothing prices were going up a lot?
  - Suggest some of the products and activities that you would be less likely to buy if prices for them went up a lot.

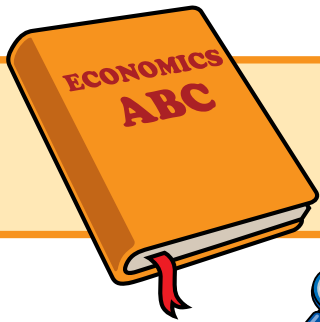
## Summary

- Ask students to respond to the following:
  - What’s the most important thing you learned about prices from this project and our discussion today?

## Parent Involvement Idea

- Ask parent(s)/caregiver(s) to review the “Price Hunter” project in the *Econ Explorers Journal*, schedule some shopping trips at times that students can accompany them, and point out examples of items whose prices have changed.





## Teaching Suggestions

# RESPONSE TO LITERATURE

**Big Question:** What do the books we read teach us about economics in our everyday lives?



**Pre-Reading:** (Due to the nature of this project, there is no recommended pre-reading.)

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## Economic Theme

Will vary depending on the book selected.

## Objectives

Students will be able to:

- Write a response to literature based on a book with an economics theme.
- Draw a book cover illustrating an economic theme that appears in the book they read.
- Explain the relationship between the book they read and one of the economic themes that appear in the New York State K-6 core curriculum.

## Springboard

Give each student a copy of the handout, “Book Cover” (see *Teacher’s Guide*, page 8). Ask the students to explain their answers to the following questions:

- What do you see on this book cover?
- What do you think this book is about?
- What kinds of things about money would you be interested in learning more about?

## Explaining the Project

- Ask the children to open their *Econ Explorers Journal* to “Response to Literature” on page 8.
- Tell the students that for their next *Econ Explorers* project they will be reading a book that has something to do with at least one of the five ideas on page 12 in the *Econ Explorers Journal*.
- Divide the class into five groups. Assign students in each group the task of individually drawing a picture that illustrates one of the five economic ideas described on page 12. For example, a student in the group illustrating the factors of production might want to draw a picture of a farmer harvesting his or her crop.





- Ask a sampling of students from each group to display their drawings. Then ask the class which five drawings best illustrate these economics themes: needs and wants, scarcity, interdependence, factors of production, and technology?
- Refer students to pages 33 – 45 and explain that they will have a choice of reading one of the books on the list, or another they find on their own, related to one of the five economics themes on page 12.
- Refer students to pages 8 – 13. Explain parts 1 – 4 of the “Response to Literature” project and any other expectations you have (e.g. write in ink, draw in crayon, due date, etc.)

### Debriefing the Project

- Have a sampling of children read their projects to the class. Ask students to explain their answers to the following:
  - What did you learn about the following ideas from the projects your classmates just read: wants and needs, scarcity, interdependence, factors of production, and technology? (On the board, write five columns with each of the five ideas at the head of the column. As students discuss something they learned about each of the five ideas, list it in the appropriate column).
  - Which of the characters you read about did you find most interesting?
- Display each of the students’ book cover designs (page 13). Have students select the book cover designs that best illustrate the five ideas about economics related to this project (i.e. wants and needs, scarcity, interdependence, factors of production, and technology).

### Summary

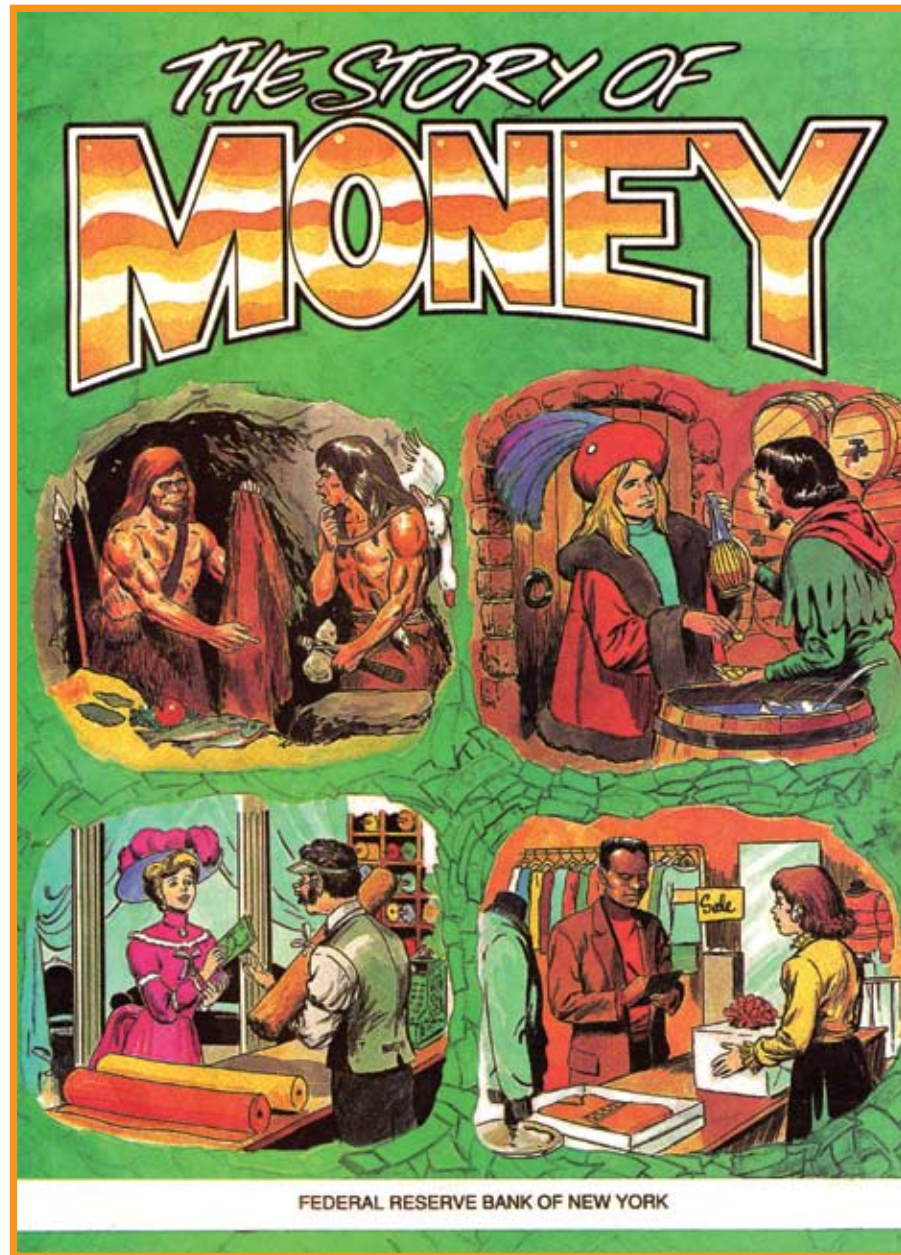
- Ask students to respond to the following:
  - Based on the book you read, what are some of the ways economics plays a role in our lives?

### Parent Involvement Idea

- Ask parent(s)/caregiver(s) to:
  - Read the book their child has selected and discuss the book with him/her before the *Response to Literature* is written.
  - Review their child’s *Response to Literature* before it is submitted to the teacher.



Handout "Book Cover"





## Teaching Suggestions

# EARNING A LIVING

**Big Question:** What is the world of work like?



**Pre-Reading:** To familiarize students with some of the concepts in the “Earning A Living” project, it is suggested that the class read and discuss the book *Berenstain Bears On the Job* by Stan and Jan Berenstain (Random House: 1987—ISBN #0-394-89131-7).

## Economic Theme

### Factors of Production

#### Objectives

Students will be able to:

- Develop interviewing techniques (e.g., creating questions, asking questions, and taking notes).
- Make a presentation to the class.
- Demonstrate an understanding of the eligibility requirements, responsibilities, and benefits of a job that interests them.

#### Springboard

Ask students to explain their answers to the following:

- What job would you like to have when you become an adult?
- What would be some good ways to find out more about a career in which you’re interested?

#### Explaining the Project

- Ask the children to open their *Econ Explorers Journal* to “Earning A Living” on page 14. Have volunteers read sections of pages 14 – 19 aloud. Answer any questions students have about completing the project.
- Divide the class into pairs. Tell the class that you would like each pair to develop a list of three questions to ask someone about his/her job.
- As part of the whole-class discussion, ask the class to respond to the following:
  - Tell us one question your pair came up with. (Write the suggested questions on the board.)
  - Which questions would help us learn the most about a person’s job?



- Tell students that their assignment for this project is to make a presentation of no more than five minutes. In the presentation, they will discuss the following information about the job of the person whom they interviewed or sent a letter to: eligibility requirements, responsibilities, and benefits. Ask students to respond to the following:
  - How should you practice giving the presentation at home?
  - How should you speak, stand, and look at the class when you are presenting?
  - What kinds of pictures, tools, or props should you use in your presentation?
  - How can you get over being nervous about speaking in front of the class?

### Debriefing the Project

- After each child makes his/her presentation, as part of the whole-class discussion, ask students to respond to the following:
  - What did you learn about the different careers from these presentations?
  - Which jobs, other than the one you presented, interested you the most?
  - Which of the following things would be most important to you in taking a job?
    1. Salary
    2. Number of hours you had to work
    3. Location
    4. Boss' treatment of employees
    5. Other factors

### Summary

- Ask students to respond to the following:
  - What kinds of things can you do now as an elementary school student to make sure you have a good job when you become an adult?

### Parent Involvement Idea

- Ask parent(s)/caregiver(s) to review the “Earning A Living” project in the Econ Explorers Journal and have a discussion with the child about possible careers.





## Teaching Suggestions

# MONEY! MONEY!

**Big Question:** How do we use money in our economy?



**Pre-Reading:** In order to familiarize students with some of the concepts they'll be learning in the "Money! Money!" project, it is suggested that the class read and discuss the comic-style booklet *Once Upon a Dime* by the Federal Reserve Bank of New York (Order class sets free-of-charge at <http://www.newyorkfed.org/publications/result.cfm?comics=1>).

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## Economic Theme

### Scarcity

#### Objectives

Students will be able to:

- Discuss the functions of money in an economy.
- Explain the advantages of using paper money versus a barter system.
- Compare U.S. and foreign currency.
- Create a new design for a one-dollar bill.

#### Springboard

- Ask students to explain their answers to the following:
  - Why is money something most people like to have a lot of?
  - What are some of the different things that we can do with money?

#### Explaining the Project

- Ask students to open their *Econ Explorers Journal* to the "Money! Money!" project on page 20. Instruct students to read to themselves the project on pages 20 – 25 and ask if they have any questions about completing the project.
- As part of the whole-class discussion, ask the class to respond to the following:
  - What would be some of the problems we would have if all the money in the world disappeared?
  - Before we had money, people would trade for the things they needed to live or wanted to have. How different would our lives be today if, instead of spending money, we traded for the goods and services that we wanted?



## Debriefing the Project

- Ask 3-4 volunteers to read their short stories to the class. As part of the whole-class discussion, ask students to respond to the following:
  - What are some of the ways our lives would be different if we had a barter system today?
  - Which of these stories interested you most?
- Direct students to go to page 22, Exercise 2. Ask them to explain their answer to the following questions:
  - What were some of the different items that you found were used as money?
  - What would be some of the problems we would face using these different items (e.g. fish, shells, or cattle) as money rather than paper-like currency?
  - What are the advantages of using paper-like money (our money is actually made of cotton and linen) over other items like fish, shells, or cattle, which have been used as money in the past?
- Ask 3-4 volunteers to discuss the foreign currency they examined. Then have the children explain their answers to the following:
  - In what ways was the foreign currency you looked at different from U.S. currency?
  - Would you favor the U.S. copying any ideas from other countries for use on our currency?
- Have the students display their designs for a new one-dollar bill (page 24, Exercise 4). Ask the class to select the five best designs.

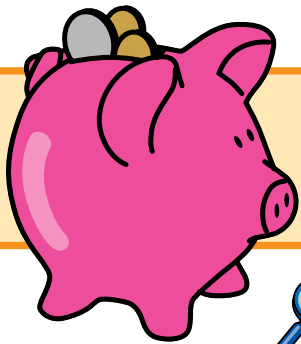
## Summary

- Ask students to respond to the following:
  - Why was the invention of paper-like money so important?

## Parent Involvement Idea

- Ask parent(s)/caregiver(s) to review the “Money! Money!” project in the *Econ Explorers Journal*, help the child find a piece of foreign currency, and discuss the problems we would have getting the things we need and want without money.





## Teaching Suggestions

# THE BANKING STORY

**Big Question:** How do banks serve the needs of their customers?



**Pre-Reading:** To help familiarize students with some of the concepts they'll be learning in "The Banking Story" project, it is suggested that the class read and discuss the book *The Berenstain Bears' Dollars and Sense* by Stan and Jan Berenstain (Random House: 2001—ISBN #0-375-91124-3).

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## Economic Theme Technology

### Objectives

Students will be able to:

- Explain the different services that banks provide their customers and how banks use technology to provide those services.
- Describe the job responsibilities of a bank branch staff.
- Write a check.

### Springboard

Ask students to explain their answers to the following:

- What are some of the different reasons that people become customers of banks?
- What is the most important service that a bank performs for its customers?

### Explaining the Project

- Ask students to open their *Econ Explorers Journal* to "The Banking Story" project on page 26. Instruct students to read the project to themselves and ask any questions they have about completing the project.
- Tell students that to help them complete this *Econ Explorers* project you'll be taking them on a trip to a neighborhood bank. In arranging for the trip, tell the bank manager that the class is most interested in:
  - Learning more about the saving and checking services that the bank provides.
  - Speaking with bank employees about their jobs.
  - Hearing about how the bank uses technology in serving its customers.





- During the trip to the bank, arrange for students to receive:
  1. A pamphlet describing the bank's services.
  2. A savings deposit slip.

### Debriefing the Project

- Refer students to Exercise 1 on page 26. As part of the whole-class discussion, ask students to respond to the following:
  - What are some of the different services banks perform for their customers?
  - Which service do you think customers find the most important?
  - How does the use of computers help the bank do its job?
- Refer students to Exercise 2 on page 29. As part of the whole-class discussion, ask students to respond to the following:
  - What did you decide to save for? (write a list on the chalk board)
  - Most Americans save less than do people in many other countries. What would you say to convince people that it's important to save money in a bank?
- Pair students with a partner. Ask partners to exchange their *Econ Explorers Journals*. Refer students to Exercise 3 (check B) on page 31. Distribute the handout titled "Check" (see *Teacher's Guide*, page 15) and using it as a guide, have each pair determine the extent to which each partner wrote check B correctly. After making corrections as required, partners should return the *Econ Explorers Journal* to its owner. As part of the whole-class discussion, have students respond to the following:
  - How many of you wrote the check correctly?
  - Why does the bank ask that the amount of the check be written in two different ways, as digits and in script?
  - Why is it a good idea to write on the check the items that were purchased?
  - Why is it a good idea to write checks in ink?

### Summary

- Ask students to respond to the following:
  - Discuss one important thing you learned about banks from this project.

### Parent Involvement Idea

- Ask parent(s)/caregiver(s) to review the "The Banking Story" project in the *Econ Explorers Journal*, and arrange to take the child on a visit to a local bank.





Handout "Check"

**My Name** SAMPLE CHECK 4742  
My Address  
City, State 12345

① DATE March 7, 2009

PAY TO THE ORDER OF ② ABC Electronics Store ③ \$ 135.25

④ One Hundred Thirty-Five and 25/100 DOLLARS

FOR ⑤ DVD Player ⑥ My Signature

⑆ 1 2 3 4 5 6 7 8 9 ⑆ ⑆ 1 2 ⑆ 3 4 ⑆ 5 6 7 8 9 0 ⑆ 4 7 4 2



**Notes**

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