



Core Knowledge®

HISTORY AND GEOGRAPHY

Human resources



# Lessons in Economics

## Teacher Guide

Budgeting



Natural resources



Global economy





A family of three is shown in a grocery store. A man in a light blue shirt and a woman in a white tank top are pushing a shopping cart filled with various fruits and vegetables. A young girl in a patterned dress is reaching for a long green vegetable from the cart. The background shows shelves stocked with products and green hanging lights.

# Lessons in Economics

Teacher Guide



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# Lessons in Economics

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## **Lessons in Economics**

### **Teacher Guide**

*Core Knowledge* History and Geography™ 2

## LESSONS IN ECONOMICS

# Introduction

### ABOUT THIS UNIT

#### The Big Idea

Economics is part of our daily lives.

Every day, we use goods and services. We buy or use products that were made in other countries. We make choices about what to buy and where to buy it. All of this is part of economics.

In this unit, students will learn the basics of economics, including goods and services, consumers and producers, resources, choices, and trade.

## What Students Should Already Know

Students in Core Knowledge Schools should already be familiar with:

### Grade 1

- the names and locations of their continent, country, state, and community
- what rivers, lakes, and mountains are

## What Students Need to Learn

- what an economy is
- the difference between a good and a service
- the difference between a need and a want
- the three types of resources: natural, human, capital
- the difference between a consumer and a producer
- how people make economic choices
- what scarcity is
- what a marketplace is
- different ways that people exchange goods and services, such as barter, money, and credit
- how the government can help the economy
- why countries trade with each other

## AT A GLANCE

The most important ideas in *Lessons in Economics* are:

- An economy is all the ways that people make, buy, and exchange things.
- Goods are items that people can buy. Services are tasks that people do for others.
- Needs are things we have to have. Wants are things that would be nice to have.
- Goods and services are made and provided using natural, human, and capital resources.
- Producers make things. Consumers buy things.
- Consumers make choices about what to buy and how to pay for it.
- Scarcity means that there is not enough of something.
- Goods and services are bought and sold in a marketplace. Marketplaces can be physical or digital.
- Government can be involved in the economy in different ways.

## WHAT TEACHERS NEED TO KNOW

The What Teachers Need to Know document provides background information related to the unit content. The background information summarizes unit content and provides some additional details or explanations. This document is not meant to be a complete study; rather, it is a memory refresher to help provide context for what students are learning. For fuller, more detailed explanations, see the list of recommended books in this Introduction.

To access the What Teachers Need to Know for this unit, download the CKHG Online Resource “About Lessons in Economics”:

[www.coreknowledge.org/ckhg-online-resources](http://www.coreknowledge.org/ckhg-online-resources)

## UNIT RESOURCES

### Teacher Components

*Lessons in Economics* Teacher Guide—This Teacher Guide includes a general unit introduction, followed by specific instructional guidance. Primary focus objectives, Core Vocabulary, a lesson introduction, and the Student Book text to be read aloud—in the form of actual replicated Student Book pages—are included for each chapter. The Read Aloud sections of the Student Book are divided into segments so that the teacher can pause and discuss each part of the Read Aloud with students. It is important to discuss the images that accompany the text with the students, too.

The instructional guidance for each chapter also includes a Check for Understanding and, when appropriate, Additional Activities—such as virtual field trips, short film clips, and art activities—that may be used to reinforce students’ understanding of the content. These Additional Activities are intended to provide choices for teachers and should be used selectively.

**A Culminating Activity, a Unit Assessment, a Performance Task Assessment, and Student Activity Pages are included at the end of this Teacher Guide in Teacher Resources, beginning on page 58.** The Activity Pages are numbered to correspond with the chapter for recommended use and also indicate the recommended order for use. For example, AP 1.1 is a letter to family designed to be used at the start of the unit.

- » The Culminating Activity is a multistep activity that provides students an opportunity to review unit content knowledge prior to the Unit and Performance Task Assessments. Students will have a chance to play a unit-related game, learn and sing a song about the unit, or create a collaborative classroom mural and/or museum of craft projects they have made to represent artifacts from the time period and culture studied.
- » The Unit Assessment tests knowledge of the entire unit using a standard testing format. The teacher reads aloud multiple-choice questions or fill-in-the-blank statements, and students are then asked to answer these questions by circling a picture representing the correct response on the Unit Assessment Student Answer Sheet.
- » The Performance Task Assessment allows students to apply and demonstrate the knowledge learned during the unit by drawing and talking about images representing key content.
- » The Activity Pages are designed to reinforce and extend content taught in specific chapters. The Teacher Guide lessons provide clear direction as to when to use specific Activity Pages. Teachers will need to make sufficient copies of the Activity Pages they choose to use for all students in their class.

## Student Component

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The *Lessons in Economics* Student Book consists of seven chapters, intended to be read aloud by the teacher as the students look at images on each page.

As you will note when you examine the Student Book, colorful photos and engaging illustrations dominate the Student Book pages. The design of the Student Book in this way is intentional because students in Kindergarten–Grade 2 are just learning to read. At these grade levels, students are learning how to decode written words, so the complexity and amount of text that these young students can actually read is quite limited.

While some advanced students may be able to read words on a given page of the Student Book, as a general rule, students should not be expected or asked to read aloud the text on the Student Book pages. The text in the Student Book is there so that teachers and parents can read it when sharing the Student Book with students.

The intent of the Grades K–2 CKHG lessons is to build students' understanding and knowledge of specific historical time periods, people, and events, as well as associated concepts and skills. It is for this very reason that in Grades K–2 CKHG, the content area knowledge of each lesson is delivered to students using a teacher Read Aloud, accompanied by detailed images. Cognitive science research has clearly documented the fact that students' listening comprehension far surpasses their reading comprehension well into the late elementary and early middle school grades. Said another way, students are able to understand and grasp far more complex ideas and texts that they hear read aloud than they would ever be able to read or comprehend by reading to themselves. For a more thorough

discussion of listening and reading comprehension and the underlying cognitive science research, teachers may want to refer to Appendix A of the Common Core State Standards for English Language Arts, noting in particular the Speaking and Listening section of the appendix.

Use this link to download the CKHG Online Resources for this unit, where the specific link to this appendix can be found:

[www.coreknowledge.org/ckhg-online-resources](http://www.coreknowledge.org/ckhg-online-resources)

## USING THE TEACHER GUIDE

### Pacing

The *Lessons in Economics* unit is one of twelve units in the Grade 2 CKHG series that we encourage teachers to use over the course of the school year. We have intentionally left the pacing and timing needed to teach the content presented in the Teacher Guide and Student Book very flexible. Teachers can choose how much they read aloud and discuss in a single instructional period, as well as how often each week they use the CKHG materials.

In many instances, it is likely that the teacher will be able to read aloud and discuss a complete chapter from the Student Book in a single instructional period. At other times, teachers may choose to spread the Read Aloud and discussion of a longer chapter over two instructional periods.

At the end of this unit introduction, you will find a blank Pacing Guide on page 9 that you may use to plan how you might pace reading aloud and discussing each chapter, as well as when to use the various other resources in this unit. We strongly recommend that you preview this entire unit and create your pacing guide before teaching the first lesson. The content of this unit may be taught in a block or spread throughout the year, as time allows. As a general rule of thumb, we recommend that you spend no more than ten days teaching the *Lessons in Economics* unit so that you have sufficient time to teach the other units in the Grade 2 CKHG series.

### Reading Aloud

Within each Read Aloud, the text to be read aloud to students is in roman text in the Teacher Guide (like this); instructions intended only for the teacher are in boldface (like this). Core Vocabulary words appear in boldface color (like this). You may sometimes wish to preview one or two of these vocabulary words before a segment of the Read Aloud. In most instances, however, it may be more effective to pause and explain the meaning of the words as they are encountered when reading aloud.

It is important to note that students at this grade level are not expected to give definitions of the Core Vocabulary words. Rather, the intent is for the teacher to model the use of Core Vocabulary in the Read Aloud and in discussions about the Read Aloud to expose students to challenging, domain-specific vocabulary. If students hear these words used in context by the teacher over the entire unit, they will gain an increasingly nuanced understanding of these words. With support and encouragement from the teacher, students may even begin to use these same words in their own oral discussions of the unit.

Interspersed throughout the lessons, you will note instances in which instructional guidance is included. This guidance may call the teacher's attention to Core Vocabulary and idiomatic or figurative language that may be confusing and therefore require explanation. In other instances, Supports may direct the teacher to call attention to specific aspects of an image, as shown on a page in the Student Book. And in some instances, a Challenge, usually a more demanding task or question, may be included for teachers' optional use.

You will also notice within the Read Aloud segments that the Teacher Guide directs you to pause occasionally to ask questions about what students have just heard. By using this carefully scaffolded approach to reading aloud and discussing a portion of the content a bit at a time, you will be able to observe and ensure that all students understand what they have heard before you proceed to the next section of the Read Aloud.

## Turn and Talk

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You will also notice specific instances in the Read Aloud portion of the lesson designated as Turn and Talk opportunities. During these times, teachers should direct students to turn and talk to a partner to discuss specific things. These types of discussion opportunities will allow students to more fully engage with the content and will bring to life the topics and events being discussed.

## Big Questions and Core Vocabulary

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At the beginning of each Read Aloud segment in the Teacher Guide, you will find a Big Question. The answer to each Big Question is included as part of the Read Aloud in each chapter of the Student Book. At the end of each Read Aloud segment, you will be prompted to formally reask the Big Question for students to discuss during the Check for Understanding. Key vocabulary, phrases, and idioms are also identified in each lesson of the Teacher Guide.

Read Aloud Chapters	Big Questions	Core Vocabulary
Chapter 1: What Is an Economy?	What is the purpose of an economy?	economy, goods, services, digital, needs, wants
Chapter 2: We Need Resources	What is needed to produce goods and services?	resources, natural resources, human resources, capital resources, skills, produce, lumber
Chapter 3: Consumers and Producers	What are the main roles in an economy?	producer, consumer, factory, interdependence, pollinate
Chapter 4: Why Do People Make Certain Economic Choices?	How do people decide where to spend their money?	budget, trade-offs, opportunity cost, scarcity
Chapter 5: The Marketplace	Where do people buy and sell goods and services?	marketplace, physical, exchange, barter system, credit, value
Chapter 6: Government and the Economy	How can government affect the economy?	government, interest
Chapter 7: The Global Economy	Why do countries need to buy things from each other?	global economy, trade, imports, exports

## Letter to Family

Activity Page



A letter to family to make parents or guardians aware of what children are studying has been provided. The letter explains that children will be studying economics and identifies some of the principles they will be learning.

AP 1.1

- Chapter 1—Letter to Family (AP 1.1)

## Additional Activities and Website Links

A link to Additional Activities may be found at the end of most chapters in this Teacher Guide. Even though there are multiple suggested activities, it is advised that you choose activities based on your students' interests and needs, as well as on the instructional time available. Many of the activities include website links, and you should check the links before using them in class.



### A SPECIAL NOTE ABOUT EDUCATING FOR AMERICAN DEMOCRACY

As you may recall if you and your students completed any of the Grade 2 CKHG American History units, a critical goal of the *Core Knowledge Curriculum Series™*, of which these materials are a part, is to ensure that students acquire the foundational knowledge needed to become literate citizens able to contribute to a democratic society.

In 2021, the Educating for American Democracy (EAD) consortium released a Roadmap for American Democracy. The Roadmap is an effort to encourage and bolster history and civics instruction in K-12 education. It is organized around seven themes that were developed by a team of educators, historians, and civics professionals. Each theme contains a series of history and civics driving questions meant to spark deeper examination of social studies topics.

We have therefore included in this Economics unit content related to EAD's Roadmap for American Democracy and the Roadmap's driving questions for this grade. This content is readily distinguished by an American flag icon. The specific knowledge, questions, and activities identified by this icon denote opportunities to engage students and deepen their understanding of what it means to be a citizen.

A link to the Roadmap can be found in the CKHG Online Resources for this unit:

[www.coreknowledge.org/ckhg-online-resources](http://www.coreknowledge.org/ckhg-online-resources)

## Books

Baccelliere, Anna. *I Like, I Don't Like*. Illustrated by Ale + Ale. Grand Rapids, MI: Eerdmans Books for Young Readers, 2017.

Biebow, Natasha. *The Crayon Man: The True Story of the Invention of Crayola Crayons*. Illustrated by Steven Salerno. New York: Houghton Mifflin Harcourt Books for Young Readers, 2019.

*Economy*. DK Eyewitness Books. London, U.K.: DK Children, 2010.

Ferrie, Chris, and Veronica Goodman. *ABCs of Economics*. Naperville, IL: Sourcebooks Explore, 2020.

Furgang, Kathy. *Everything Money: A Wealth of Facts, Photos, and Fun!* Washington, D.C.: National Geographic Kids, 2013.

Larson, Jennifer S. *Who's Buying? Who's Selling? Understanding Consumers and Producers*. Minneapolis, MN: LernerClassroom, 2010.

Layton, Neal. *The Tree: An Environmental Fable*. Illustrated by Neal Layton. Somerville, MA: Candlewick Press, 2017.

Lindstrom, Carole. *We Are Water Protectors*. Illustrated by Michaela Goade. New York: Roaring Brook Press, 2020.

## LESSONS IN ECONOMICS PACING GUIDE

\_\_\_\_\_’s Class

**Note to Teacher:** *Lessons in Economics* can be taught at any time in the sequence of Grade 2 CKHG. You may wish to teach the unit in a ten-day block, as shown, or spread the content throughout the year as time allows.

### Week 1

Day 1

Day 2

Day 3

Day 4

Day 5

*Lessons in Economics*

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### Week 2

Day 6

Day 7

Day 8

Day 9

Day 10

*Lessons in Economics*

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# What Is an Economy?

### Primary Focus Objectives

- ✓ Explain what an economy is. (RI.2.2, RI.2.4)
- ✓ Explain the difference between a good and a service. (RI.2.1, RI.2.4)
- ✓ Explain the difference between a need and a want. (RI.2.1, RI.2.4)
- ✓ Understand the meaning of the following domain-specific vocabulary: *economy, goods, services, digital, needs, and wants.* (L.2.4, RI.2.4)

### THE CORE LESSON

#### Introduce *Lessons in Economics* and Chapter 1: “What Is an Economy?”

Review the topics that students have already studied in Core Knowledge History and Geography. Explain that so far, they have learned about history, or people who lived long, long ago, and about geography, or places and people all over the world.

Now, students are going learn about something different, called *economics*. Economics is about how things are made, bought, and sold.

### Materials Needed

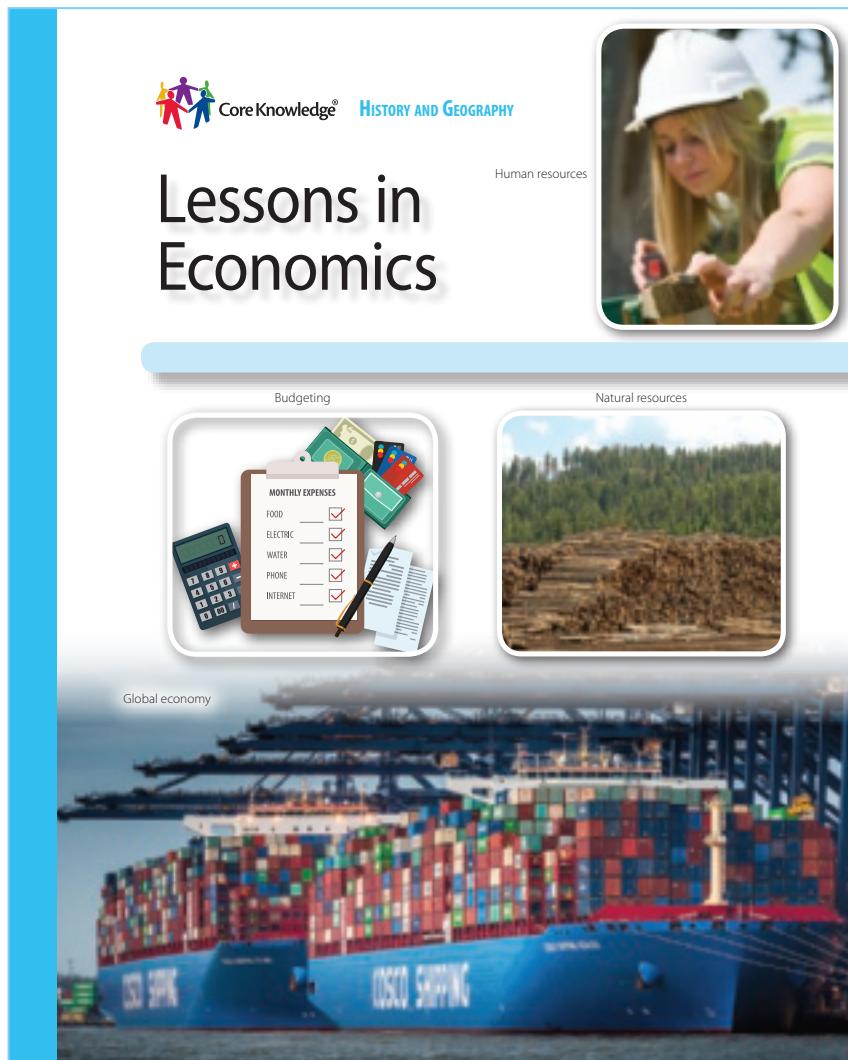
#### Activity Page



AP 1.1

- individual student copies of *Lessons in Economics* Student Book
- individual student copies of Letter to Family (AP 1.1)

**Distribute copies of the Student Book to the class. Ask students to look at the cover and describe what they see.**



## Big Question

 What is the purpose of an economy?

## Core Vocabulary

economy    goods    services    digital    needs    wants

## Chapter 1: "What Is an Economy?"

Ask students to turn to page 2 of the Student Book and look at the image as you read aloud. Tell them that the title of this chapter is "What Is an Economy?"

CHAPTER  
1

### What Is an Economy?

All societies have an economy. An economy is all the ways people exchange goods and services. This means the economy includes the jobs that people do. Some jobs in your community might be teacher, chef, or farmer. In our society, people are paid money for the jobs they do. They use that money to buy the things they need. You, too, might be a part of the economy. You may do chores at home for an allowance.



2

**CORE VOCABULARY**—Explain that an **economy** includes all the ways people make, sell, trade, and buy things or services. It includes the work people do and the pay they get for their work.

**CORE VOCABULARY**—Explain that a **good** is an item that a person can buy. Many goods are objects that can be seen and touched, like a banana or a lamp.

**CORE VOCABULARY**—Explain that a **service** is a task that a person does for another person in exchange for payment.

**SUPPORT**—Help students understand that the economy is enormous and complicated. It is not something that we can see or hold, but it affects everything we do. Discuss with students ways in which they are involved in and affected by the economy, such as: teachers are part of the economy because they get paid for teaching; a school is part of the economy when it buys books and supplies and electricity; families that buy groceries and gasoline and telephones are part of the economy.

**SUPPORT**—Explain that a chef is a person who is paid to cook meals for other people, often at a restaurant or at a private event such as a party. Many chefs go to school to learn how to cook.

**Ask students the following questions:**

**LITERAL**—What is an economy?

- » An economy is all the ways people exchange goods and services. It includes everything we do that involves money, such as the jobs people do and the ways we buy and sell things.

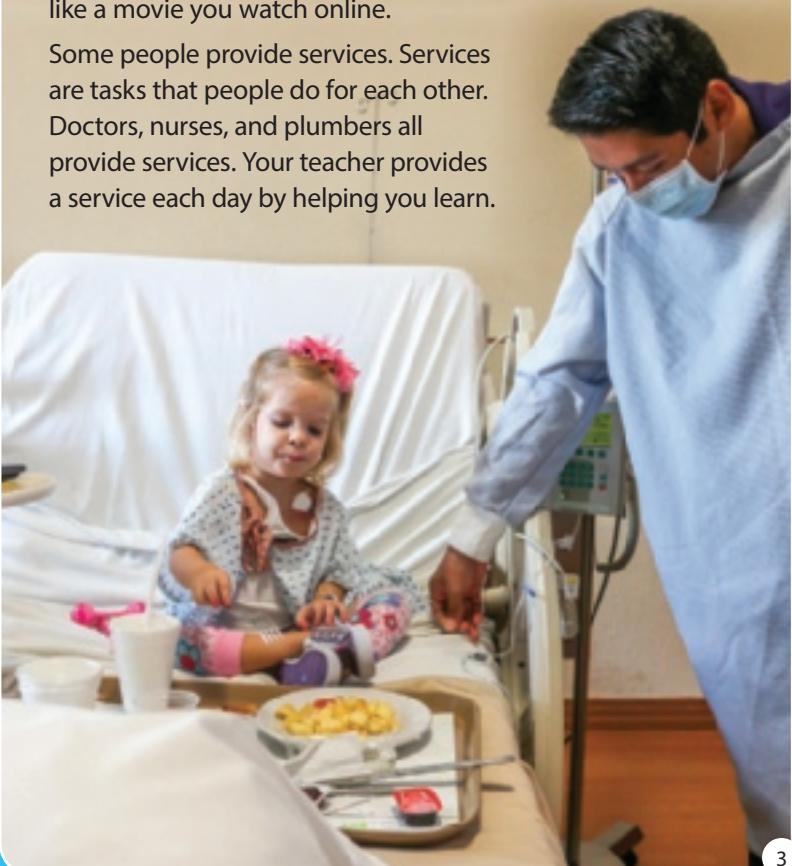
**LITERAL**—How are jobs part of the economy?

- » Jobs are part of the economy because people are paid money for the jobs they do, and they use that money to buy things they need.

**Now ask students to look at the image on page 3 as you read aloud.**

Some people make and sell goods. Goods are items that people can buy. Goods include clothes, toys, food, and books. Most goods are things you can hold in your hands. Others are digital, like a movie you watch online.

Some people provide services. Services are tasks that people do for each other. Doctors, nurses, and plumbers all provide services. Your teacher provides a service each day by helping you learn.



3

**CORE VOCABULARY**—Explain that the word **digital** refers to information in a computer, such as words, videos, photos, and so on. A digital book or movie is information stored in an electronic device like a tablet or e-reader. You can read the book or watch the movie when you make the device show the information on a screen.

**SUPPORT**—Help students understand the difference between a good and a service. Point out that goods are objects we can own, and most goods are things we can see and touch. Services are actions that are done; they are not objects. Many goods, such as clothing and furniture, last for a long time and can be used many times. Some goods, however, such as food and paint, go bad over time or get used up. Services cannot be saved or stored at all.

**SUPPORT**—Explain that a plumber is a person who installs and repairs the pipes that bring water into and out of sinks, toilets, showers, and so on. Plumbers provide services—installing and repairing plumbing. Sometimes plumbers also sell goods, such as pipes and faucets.

**Ask students the following questions:**

**LITERAL**—What is a good?

- » A good is an item that people can buy.

**LITERAL**—What is a service?

- » A service is a task someone does for someone else.

**Now ask students to look at the image on page 4 as you read aloud.**

When we buy goods and services, we fulfill our needs or wants. Needs are things people must have to survive. Wants are things that are nice to have. In some places, most people can meet their needs and wants. Goods and services are mostly available. In those places, most people have the money to pay for them. But this is not true for everyone everywhere.



**CORE VOCABULARY**—Explain that **needs** are things that people must have in order to live. Needs include food, water, clothing, and shelter. Point out that people often say they “need” something because it is useful. For example, if you say, “I need a pen,” you do not mean that you will collapse or die if you do not get a pen. In economics, the pen is not a need; you do not require the pen to survive.

**CORE VOCABULARY**—Explain that **wants** are things that are nice to have but are not necessary to live. Pillows are useful because they help us sleep comfortably, but we don’t need them to stay alive.

**SUPPORT**—Help students understand the difference between needs and wants by using examples from the picture. Point out that the people in the picture are buying fruits and vegetables. These foods have vitamins and minerals that people need to stay healthy and survive. They are needs. A few aisles over, shoppers would find chips and cookies. Those types of foods are wants; even though they taste good and are fun to eat, they are not needed for survival.

**Ask students the following questions:**

**LITERAL**—What are wants?

- » Wants are things that are nice to have but are not needed to survive.

**EVALUATIVE**—Is a cell phone a need or a want? Explain your answer.

- » A cell phone is a want. People do not need a cell phone in order to live.

**INFERRENTIAL**—What are three needs humans have?

- » Answers may vary, but students should recognize that humans need food, water, shelter, and clothing.

Now ask students to look at the image on page 5 as you read aloud.

In other places, people struggle to meet their everyday needs. These needs include food, shelter, and clothing. Everyone needs these things each day to survive.

Most people have wants, too. Some wants are things such as TVs and video games. Many services are wants as well. For example, getting pizza delivered is a service that is a want, not a need.

It's good for the economy when people are able to buy what they need and what they want. When people buy things, they are supporting businesses.



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**SUPPORT**—Help students differentiate between needs and wants by having them categorize objects and services they use every day, such as cereal and milk (needs), toothpaste (need), shoes (need), a cell phone (want), a book (want), and a basketball (want). If they have trouble determining if something is a need or a want, remind them that needs are things humans must have to survive.

Ask students the following questions:

**LITERAL**—How does buying things to fulfill our needs and wants help the economy?

- » Buying things to fulfill our needs and wants supports businesses.

**INFERRENTIAL**—Do people have more needs or wants? Why?

- » Answers may vary, but students might say that people have more wants than needs. We only need basic food, water, shelter, and clothing to survive. Many people have many other things, too, such as computers, cars, extra clothing, large houses, toys, pets, and televisions. The number of possible wants continues to grow with advancements in entertainment and technology.



## CHECK FOR UNDERSTANDING: BIG QUESTION

**TURN AND TALK**—What is the purpose of an economy?

- » The purpose of an economy is to provide people opportunities to earn money by selling goods and services. The money they earn allows them to buy the goods and services that help them meet their needs and wants.

Activity Page **Note:** Distribute copies of Letter to Family (AP 1.1) for students to take home.



AP 1.1

## Additional Activities

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Download the CKHG Online Resources for this unit, where the Additional Activities for this chapter may be found:

[www.coreknowledge.org/ckhg-online-resources](http://www.coreknowledge.org/ckhg-online-resources)

# We Need Resources

### Primary Focus Objectives

- ✓ Differentiate between natural, human, and capital resources. (RI.2.1, RI.2.4)
- ✓ Understand the meaning of the following domain-specific vocabulary: *resources, natural resources, human resources, capital resources, skills, produce, and lumber.* (L.2.4, RI.2.4)

### THE CORE LESSON

#### Introduce “We Need Resources”

Remind students that an economy is all the ways people make, sell, and buy things. Those things can be goods, which are usually objects, or services, which are tasks that one person does for another person. Making goods and performing services require resources, or supplies.

Tell students that in this Read Aloud, they will learn about three different types of resources: natural resources, human resources, and capital resources.

### Materials Needed

- individual student copies of *Lessons in Economics* Student Book

## Big Question

What is needed to produce goods and services?

## Core Vocabulary

resources natural resources human resources

capital resources skills produce lumber

## Chapter 2: "We Need Resources"

Distribute copies of the Student Book. Ask students to turn to page 6 of the Student Book and look at the image as you read aloud. Tell students that the title of this chapter is "We Need Resources."

CHAPTER  
2

### We Need Resources

To make or provide goods and services, people use resources. There are three types of resources. They are natural resources, human resources, and capital resources.

There are many natural resources on Earth. Natural resources come from nature. One example of a natural resource is wood from trees. Forests can grow all on their own. People cut down trees to build houses and make goods. It's important that humans replace the trees they use.



6

**CORE VOCABULARY**—Explain that **resources** are things used to make goods or provide services.

**CORE VOCABULARY**—Explain that **natural resources** come from nature. Natural resources include sunlight, water, wind, minerals, wood, and oil.

**CORE VOCABULARY**—Explain that **human resources** are any people who make a good or provide a service.

**CORE VOCABULARY**—Explain that **capital resources** are any things made by humans that are used to create or provide goods or services. This includes money, tools, machinery, and buildings.

**SUPPORT**—Direct students to the photograph on the page. Explain that they are looking at piles of logs that were once trees in a forest. Humans cut down the trees and will use their wood to build things like furniture and homes. Explain that forests and their trees are natural resources. Trees can grow on their own, but when all the trees in a forest are cut down, they will only grow back with our help.

**Ask students the following questions:**

**LITERAL**—What is a resource?

- » A resource is something that is used to make goods or provide services.

**EVALUATIVE**—Trees are a natural resource. What is another natural resource?

- » Answers will vary, but students may identify sunlight, water, wind, minerals, or plants as natural resources.

**INFERRENTIAL**—Why do humans need to replace trees they cut down?

- » Answers will vary, but students might say that they need to make sure there are enough trees for people to use in the future.

Now ask students to look at the image on page 7 as you read aloud.

Another example of a natural resource is sunlight. Light from the sun helps plants grow. The sun also provides energy that people can use. This is called solar power. Some homes and businesses get their electricity from solar power.

Another type of resource is human resources, or people. They are the workers who use their skills to make goods and provide services. For example, the person who cuts your hair is a human resource. They use their learned skills to provide a service.



7

**SUPPORT**—Explain that electricity is what powers things in our homes, schools, and businesses. It makes the lights turn on when we flip a switch. Solar panels collect the sun's light energy and convert it to electrical energy, or electricity. Humans also build power plants to produce electricity. To create electricity, a power plant may burn oil, or it may use water power from a dam. Oil and water power are also natural resources.

**SUPPORT**—Explain that while the sun and wind are natural resources, they technically do not come from Earth itself. Wind is caused by changes in air pressure within Earth's atmosphere. Solar power and sunlight come from the sun, which is in the center of our solar system. We still consider these to be natural resources because they occur naturally. Humans do not make them.

**CORE VOCABULARY**—Explain that **skills** are abilities that a person learns, such as reading or riding a bicycle.

**SUPPORT**—Tell students that human resources are very important to the economy. When a business needs a new worker, it looks for a person who has the skills to do the job well.

## Ask students the following questions:

**INFERRENTIAL**—How do natural resources help humans?

- » People use natural resources to make and provide goods and services. Goods and services help people meet their needs and wants.

**EVALUATIVE**—Think about the goods and services you use every day. Who are the human resources who make and provide those goods and services?

- » Answers will vary, but students might identify store stockers and cashiers, farmers and bakers, engineers and artists who create video games, doctors and nurses, teachers, bus drivers, sewers who make clothing, truck drivers who deliver goods to stores and to homes, and so on.

Now ask students to look at the images on page 8 as you read aloud.

The skills people provide have a positive effect on the economy. An economy needs a combination of natural and human resources to work well.

```
graph TD; Resources[Resources] --> NaturalResources[Natural Resources]; Resources --> HumanResources[Human Resources]; Resources --> CapitalResources[Capital Resources]; NaturalResources --> TreeIcon[Tree]; NaturalResources --> SunIcon[Sun]; HumanResources --> WorkerIcon1[Worker]; HumanResources --> WorkerIcon2[Worker]; CapitalResources --> ToolsIcon[Tools]; CapitalResources --> MoneyIcon[Money];
```

Capital resources are the third kind of resource. Capital resources include money and tools. People need money and tools to produce goods and services. They also need buildings in which to work. These are all examples of capital resources.

8

**SUPPORT**—Tell students that a positive effect is something good that happens. The text says that people's skills have a positive effect on the economy; this means that people's skills cause good things to happen to the economy.

**CORE VOCABULARY**—Explain that the word **produce** means to make or create.

**SUPPORT**—Help students understand human and capital resources by giving them examples from the classroom. Explain that you, the teacher, are a human resource. You were trained in the skills of teaching, and teaching these students is a service you provide using your skills. Then point out your classroom's capital resources, such as the students' desks and chairs. Then point out any boards, screens, books, cubbies, and posters. Explain that those are capital resources, too, because they were made by humans and they help you provide the service of teaching.

**Ask students the following questions:**

**LITERAL**—What are examples of capital resources?

- » Money, tools, and buildings are examples of capital resources.

**INFERRENTIAL**—Why are capital resources necessary?

- » Answers will vary, but students might say that to produce goods and services, people need money to pay for natural, human, and other capital resources; tools to produce and distribute goods and services; and buildings to do all this production in.

**Now ask students to look at the image on page 9 as you read aloud.**

Think back to the example of trees and the wood they provide. This will help you understand how the three kinds of resources are used to produce the lumber needed to make buildings. First, you need a lot of forests to provide the wood. Forests are a natural resource. Second, you need skilled workers, the human resources who cut down trees and plant new ones. Finally, you need tools such as chainsaws and heavy machinery. These tools are used to cut down trees and shape them into lumber. They are capital resources.



9

**CORE VOCABULARY**—Explain that **lumber** is wood that has been cut from a tree, then sawed into pieces of standard sizes.

**SUPPORT**—To further reinforce how natural, human, and capital resources work together, extend the description of how lumber is made to how it is used to build a home. Say, “The lumber will be used to build a new house. The foundation, or base, of the house is made of concrete. Concrete is made from natural resources, including stone, minerals, and water. The lumber, which is made from wood, is used to create the frame of the house. Carpenters, plumbers, roofers, and electricians are some of the people who build the house. They are human resources. They use capital resources like tools, nails, and wallboard to build the house. They are paid with money, which is also a capital resource.”

**Ask students the following questions:**

**LITERAL**—What are the three types of resources?

- » The three types of resources are natural, human, and capital.

**INFERRENTIAL**—Why does the economy need all three types of resources?

- » Answers will vary, but students might say that natural, human, and capital resources work together. People are human resources. They use natural resources and capital resources to make and provide goods and services that other people buy.



### Check for Understanding: Big Question

**TURN AND TALK**—What is needed to produce goods and services?

- » Three types of resources are needed to produce goods and services: natural resources, human resources, and capital resources.

### Additional Activities

Download the CKHG Online Resources for this unit, where the Additional Activities for this chapter may be found:

[www.coreknowledge.org/ckhg-online-resources](http://www.coreknowledge.org/ckhg-online-resources)

## CHAPTER 3

# Consumers and Producers

### Primary Focus Objectives

- ✓ Explain the difference between a producer and a consumer. (RI.2.1, RI.2.4)
- ✓ Understand the decisions that producers make. (RI.2.1)
- ✓ Identify the natural, human, and capital resources used to grow and distribute almonds. (RI.2.1)
- ✓ Understand the meaning of the following domain-specific vocabulary: *producer*, *consumer*, *factory*, *interdependence*, and *pollinate*. (L.2.4, RI.2.4)

### Materials Needed

- individual student copies of *Lessons in Economics* Student Book

### THE CORE LESSON

#### Introduce “Consumers and Producers”

Help students recall the difference between goods and services. Remind them that goods are usually objects that can be touched or, in the case of digital goods, can be kept for a long period of time. Services are tasks that we pay other people to do for us.

The production of goods and services requires three types of resources: natural resources, human resources, and capital resources. Natural resources come from nature. Human resources are the people who use their skills to make and provide goods and services. Capital resources are the human-made things that are used to make and provide goods and services, such as money, tools, and buildings.

Tell students that in this Read Aloud, they will learn about the roles of producers and consumers in an economy and how they are related.

## Big Question

What are the main roles in an economy?

## Core Vocabulary

producer consumer factory interdependence pollinate

## Chapter 3: "Consumers and Producers"

Distribute copies of the Student Book. Ask students to turn to page 10 of the Student Book and look at the image as you read aloud. Tell students that the title of this chapter is "Consumers and Producers."

CHAPTER  
3

### Consumers and Producers

There are two main roles in an economy. These roles are producers and consumers. A producer is someone who makes things. A consumer is someone who buys things. Most people are both a producer and a consumer at different times. For example, a farmer is a producer when growing crops for sale. But when buying seeds for the crops, a farmer is a consumer.



10

**CORE VOCABULARY**—Explain that a **producer** is a person or a business that makes or creates goods or provides services. A farmer who grows peaches is a producer. So is a large company that makes televisions.

**CORE VOCABULARY**—Explain that a **consumer** is a person or group that buys or uses goods or services. A person who buys milk at a grocery store is a consumer. So is a school district that buys new desks for its classrooms.

**SUPPORT**—Help students better understand the roles of consumer and producer by discussing situations in which they are consumers—buying snacks at a baseball field, paying a barber for a haircut, paying the fare on a city bus, going to a shopping mall to buy shoes or school supplies—and other situations in which they are producers, such as helping serve food or collect tickets at a school fair or running a lemonade stand.

**Ask students the following questions:**

**LITERAL**—What is a producer?

- » A producer is a person or business that makes or creates goods or provides services.

**LITERAL**—What is a consumer?

- » A consumer is a person or group that buys goods or services.

**LITERAL**—Give an example of someone who is a producer at one time and a consumer at another time.

- » A farmer is a producer when growing crops for sale and a consumer when buying seeds for the crops.

**Now ask students to look at the images on page 11 as you read aloud.**

A producer has a lot of decisions to make. First, they have to decide what to make. Consider a person who wants to make shoes. They have to decide what kind of shoes to produce, such as sneakers or boots. Then they have to decide how to make those shoes. Do they want to make the shoes in a factory? Or do they want to make shoes by hand? What materials will they need? How much will they charge for the shoes?



11

**CORE VOCABULARY**—Explain that a **factory** is a building where workers use machines to make goods.

**SUPPORT**—Help students better understand the types of decisions producers make by using the lemonade stand example. Ask students what they would have to decide about if they were to open a lemonade stand for the school. Possible ideas include: Will they offer yellow lemonade, pink lemonade, or both? What size cups will they use? Will the cups be plastic or paper? How much will they charge for a cup? What equipment will they need? How will they get water? What hours will the lemonade stand be open? Who will work the lemonade stand? Where should it be located? Point out how some decisions, like the types of lemonade offered and the types of cups purchased, will affect how much money they would have to charge for the lemonade. Ask volunteers to explain how higher or lower prices might affect how many customers come to the lemonade stand.

**Ask students the following questions:**

**LITERAL**—What is the first question a producer has to answer?

- » The first question a producer must answer is what good or service to produce.

**LITERAL**—What is a factory?

- » A factory is a building where workers use machines to make goods.

**INFERRENTIAL**—Why might a producer choose to make goods in a factory?

- » Answers may vary, but students might say that a producer might choose to make goods in a factory so they can make more goods faster than they could by hand.

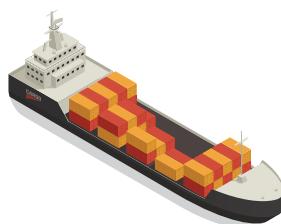
**INFERRENTIAL**—Think about the company that produces your pencils. What decisions do you think it has to make about its product?

- » Answers may vary, but students might say that the company has to decide what type of wood to use, where to locate its factory, what hours the factory will be open, how much to pay its workers, what size the pencils will be, how much to charge for the pencils, how many pencils to put in a box, and so on.

Now ask students to look at the images on page 12 as you read aloud.

Many producers work together to bring a product to consumers. They all rely on one another to do their part. This is called interdependence. Producers who make shoes need the materials to make the shoes. They also need tools. The people who make these materials and tools rely on people who make shoes to buy *their* products.

Some products are ones that a lot of people need, like shoes. They are sold to many consumers. Producers need a way to let people know about their products. And they must figure out how to get their goods to consumers.



Cargo Ship



Freight Train



Airplane



Truck

12

**CORE VOCABULARY**—Explain that **interdependence** is when two or more people or groups rely on one another.

**SUPPORT**—Direct students to the images on the page, and explain that the images show various forms of transportation. Then read aloud each of the labels. Explain that goods sold in the United States aren't always made in the United States. Many are produced around the world, in China, Japan, Vietnam, and countries in Latin America and Africa. Even some of the foods we eat, such as fish, nuts, bananas, pineapples, onions, and spinach, are grown in other countries and transported to the United States. Invite students to think about which forms of transportation would be used to get products from China to their community and what would happen if bad weather caused problems for those forms of transportation.

Ask students the following questions:

**LITERAL**—What is interdependence?

» Interdependence is when two or more people or groups rely on one another.

**LITERAL**—What do producers need to do after making their products?

- » They need to tell consumers about their products and get their products to consumers.

**Now ask students to look at the image on page 13 as you read aloud.**

Let's look at another example. California produces most of the world's almonds. California has many natural resources that make it a good place for almond trees to grow. The weather is warm and dry. The soil is rich. California also has the human and capital resources to produce a lot of almonds.

Almond trees bloom in the spring. When they bloom, beekeepers bring in bees to pollinate the almonds, which will cause them to grow. The beekeepers are human resources. The bees are natural resources. Then the almonds grow for the next few months.



13

**CORE VOCABULARY**—Explain that bees and other insects **pollinate** plants when they carry pollen from one plant's flowers to another plant's flowers. Flowers need to be pollinated so they can grow.

**SUPPORT**—Briefly describe the pollination process to students. Explain that pollination enables a plant to make new, "baby" plants. Only pollinated flowers can grow fruit; for instance, a fruit tree that is not pollinated will not grow fruit. Fruit contains seeds. If the seeds are planted, they can grow into new plants. Sometimes the wind causes pollination; wind can carry pollen from one plant to another. Birds and insects also carry pollen. Pollen is small and sticky. When a bee, for instance, lands on a flower, pollen can cling to its legs. When it goes to another flower, it brings the pollen that is stuck to it.

**SUPPORT**—Direct students' attention to the image on the page. Point out that the almond trees, the water and soil in which they grow, and the bees that pollinate the almond flowers are all natural resources. The people who care for the trees are human resources.

## Ask students the following questions:

**LITERAL**—What are some of California’s natural resources that make it a good location for growing almonds?

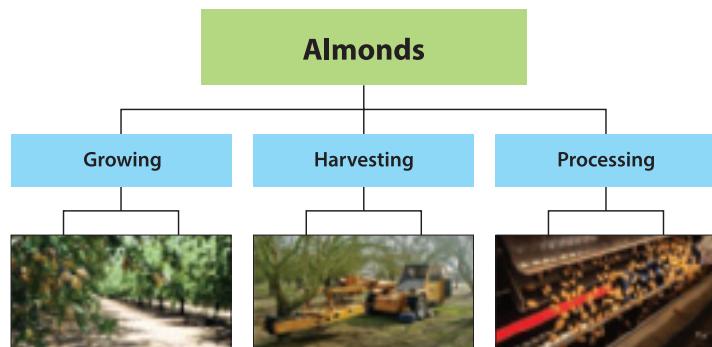
- » California has warm, dry weather and rich soil.

**INFERRENTIAL**—What human resources are necessary for growing almonds?

- » Answers may vary, but students should recognize that almonds require people to plant and tend the almond trees and beekeepers to take care of the bees that pollinate the trees.

## Now ask students to look at the images on page 14 as you read aloud.

Almonds grow in a hard, fuzzy shell. In July, the shell splits open. Machines called tree shakers shake the trees. This makes the ripe almonds fall to the ground. Another machine gathers the almonds. The almonds are then taken to a factory. There, the almonds are taken out of their shells. Workers sort the almonds by size. The machines and factory are capital resources. The people who operate the machines and work at the factory are human resources.



Almonds are shipped from California to all over the world. Some almonds go to grocery stores, where consumers buy them to eat at home. Some almonds are bought by other producers, such as restaurant owners. Perhaps even your family eats California-grown almonds.

14

**SUPPORT**—Point to the image of the almond grove in the diagram. Tell students that almonds are natural resources because they come from the earth. Point to the images of the harvester and the processing machine. Prompt a student to say that the machines used to harvest and process almonds are capital resources. Then ask students how they would classify the people who work in the almond groves and in the factories. Students should respond that those people are human resources.

**SUPPORT**—Tell students that the people who arrange the shipments of almonds all over the world are human resources. The vehicles used to ship almonds are capital resources.

**SUPPORT**—Describe how some goods are both a finished product that is sold to consumers *and* a resource that is sold to other producers. For example, almond producers have two different types of customers. Some almonds are sold in grocery stores so people can eat them at home. Some are sold to restaurants or bakeries and used to make other food products. Corn is another example. Some corn is grown for humans to eat, but a large percentage of the world’s corn is sold as feed for livestock such as cows and pigs. A corn producer’s biggest customer might be another farmer.

**Ask students the following questions:**

**LITERAL**—How are capital resources used on almond farms?

- » Machines help people shake the trees to make the ripe almonds fall to the ground, gather the fallen almonds and bring them to factories, remove the almonds from their shells, and sort them.

**LITERAL**—Where are almonds produced? Where are they sold?

- » Many almonds are produced in California. From there, they are sold all over the world.

**INFERRENTIAL**—When might a producer be a consumer?

- » Answers will vary, but students should recognize that a producer is a consumer when they purchase things to make their product, such as when a restaurant owner purchases almonds to make a dish to serve at their restaurant.



### CHECK FOR UNDERSTANDING: BIG QUESTION

**TURN AND TALK**—What are the main roles in an economy?

- » The main roles in an economy are consumers and producers. Consumers buy goods and services. Producers produce goods and services. Sometimes producers are also consumers.

## Additional Activities

Download the CKHG Online Resources for this unit, where the Additional Activities for this chapter may be found:

[www.coreknowledge.org/ckhg-online-resources](http://www.coreknowledge.org/ckhg-online-resources)

# Why Do People Make Certain Economic Choices?

### Primary Focus Objectives

- ✓ Explain the purpose of a budget. (RI.2.1)
- ✓ Understand the opportunity costs of economic choices. (RI.2.2)
- ✓ Understand how scarcity affects choices. (RI.2.2)
- ✓ Understand the meaning of the following domain-specific vocabulary: *budget, trade-offs, opportunity cost, and scarcity*. (L.2.4, RI.2.4)

### Materials Needed

- individual student copies of *Lessons in Economics* Student Book

### THE CORE LESSON

#### Introduce “Why Do People Make Certain Economic Choices?”

Prompt students to think about the choices they make in an average day, such as what to wear, what to eat, what to do at recess, or which book to choose from the school library. Explain that some choices are economic choices: when a person makes decisions about how to earn money or how to spend money, that person is making an economic choice.

Tell students that in this Read Aloud, they will learn more about making economic choices.

### Big Question

 How do people decide where to spend their money?

### Core Vocabulary

**budget    trade-offs    opportunity cost    scarcity**

## Chapter 4: "Why Do People Make Certain Economic Choices?"

Distribute copies of the Student Book. Ask students to turn to page 15 of the Student Book and look at the image as you read aloud. Tell students that the title of this chapter is "Why Do People Make Certain Economic Choices?"

CHAPTER  
4

### Why Do People Make Certain Economic Choices?

Consumers make choices every day. They decide how and where to spend their money. Most consumers have budgets. A budget is a plan for how a person will use the money that they have. The money comes from a job or other sources. A budget helps guide spending. One way to plan a budget is to think about all the things you need. Then you plan what to spend on each thing.

The illustration shows a clipboard with a white sheet of paper titled 'MONTHLY EXPENSES'. The checklist includes categories: FOOD, ELECTRIC, WATER, PHONE, and INTERNET. Each category has a line and a box with a checkmark. To the left of the clipboard is a black calculator. To the right is a green wallet containing money and cards, and a pen is resting on the clipboard. There are also some papers or bills at the bottom right.

15

**CORE VOCABULARY**—Explain that a **budget** is a plan a person makes for how to use money that they have.

**SUPPORT**—Explain how a budget helps guide spending: To make a budget, you first determine how much money you have to spend. Then you list the things you need and want, estimate the cost for each item, and add up the costs for all the items. If you do not have enough money for everything on your list, you must make choices. Perhaps there are items you can do without for now, or perhaps you can replace an item on the list with something less expensive. You have a working budget when the cost of everything on your list is less than the amount you can spend.

Ask students the following questions:

**LITERAL**—What is a budget?

- » A budget is a plan for how a person will use the money that they have.

**LITERAL**—What is the purpose of a budget?

- » A budget helps guide the way a person spends their money.

**Now ask students to look at the images on page 16 as you read aloud.**

What's in a budget depends on how much money a person has. It also depends on what they need and want. As you have read, food, clothing, and shelter are basic needs.

Often, planning a budget involves trade-offs. If you spend money on one thing, you can't spend it on something else. For example, you might use your money to buy a video game. This means you can't spend it on clothes. Economists call this an opportunity cost. Buying the game means you give up the opportunity to buy clothes.



OR

16

**CORE VOCABULARY**—Explain that **trade-offs** are when you give up some things in exchange for other things.

**CORE VOCABULARY**—Explain that an **opportunity cost** is the value of what you give up to do or purchase something else.

**SUPPORT**—Construct a scenario where an imaginary student's parents gave them thirty dollars for allowance this month. Have students identify at least one need and one want. Lead students in a brief discussion about which item they would recommend purchasing first and why.

**SUPPORT**—Explain that a budget can include saving. Instead of budgeting to spend all your money right away, you can plan to save some. Explain that one reason to save is to buy things that are very expensive. Another reason to save is to be prepared for something unexpected. Invite students to discuss examples of things they might save for.

**Ask students the following questions:**

**LITERAL**—What two things do budgets depend on?

- » Budgets depend on how much money a person has and their needs and wants.

**LITERAL**—What is an opportunity cost?

- » An opportunity cost is what you give up in order to get or do something else.

**Now ask students to look at the image on page 17 as you read aloud.**

Scarcity is another thing that affects consumer choices. Scarcity means how rare something is. When something is scarce, such as a game or even food, there is not enough for everyone to have. And when a good or service is scarce, its price goes up.



17

**CORE VOCABULARY**—Explain that **scarcity** describes how rare, or limited, something is.

**SUPPORT**—Help students understand the meaning of scarcity by showing its connection to the word *scarce*, which means lacking in number. Connect this idea to the empty shelves in the image. Then explain that goods are not the only type of thing that can be scarce: services can also be scarce, such as when a doctor's office says you cannot have an appointment until next month. Then point out that the reason to have a budget is because your money is scarce.

## Ask students the following questions:

**EVALUATIVE**—What does it mean when someone says there is a scarcity of strawberries this year?

- » It means that there are not many strawberries available for sale this year. It might also mean that strawberries will be more expensive than usual.

**INFERRENTIAL**—If scarcity of a product causes prices to go up, what do you think happens to prices when a large quantity of a product is available?

- » Answers will vary, but students should say that the prices of the product go down.



## Check for Understanding: Big Question

**TURN AND TALK**—How do people decide where to spend their money?

- » People decide where to spend their money based on their wants and needs. Making a budget can help people spend their money to best meet their wants and needs. Spending involves trade-offs; if you spend money on one thing, you can't spend it on something else. People might not be able to buy scarce products because there is not enough and because when a good or service is scarce, its price goes up.

## Additional Activities

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Download the CKHG Online Resources for this unit, where the Additional Activities for this chapter may be found:

[www.coreknowledge.org/ckhg-online-resources](http://www.coreknowledge.org/ckhg-online-resources)

## CHAPTER 5

# The Marketplace

### Primary Focus Objectives

- ✓ Explain what happens in a marketplace. **(RI.2.1)**
- ✓ Identify different systems of exchange. **(RI.2.1, RI.2.4)**
- ✓ Understand the factors that influence a product's value. **(RI.2.1)**
- ✓ Understand the meaning of the following domain-specific vocabulary: *marketplace, physical, exchange, barter system, credit, and value.* **(L.2.4, RI.2.4)**

### Materials Needed

- individual student copies of *Lessons in Economics* Student Book
- a world map or a globe

### THE CORE LESSON

#### Introduce “The Marketplace”

Remind students that producers are people or groups that make goods or provide services for sale. Consumers are people or groups that buy those goods and services. Sometimes it can be difficult for producers and consumers to find one another. That’s why marketplaces exist. They bring consumers and producers together.

Tell students that in this Read Aloud they will learn what a marketplace is, how it works, and what happens there.

#### Big Question

 Where do people buy and sell goods and services?

#### Core Vocabulary

**marketplace    physical    exchange    barter system    credit    value**

## Chapter 5: “The Marketplace”

Distribute copies of the Student Book. Ask students to turn to page 18 of the Student Book and look at the image as you read aloud. Tell students that the title of this chapter is “The Marketplace.”

CHAPTER  
5

### The Marketplace

Goods and services need a place to be bought and sold. That place is called a marketplace. A marketplace can be physical. Malls and grocery stores are examples of physical marketplaces. Marketplaces can also be digital. When someone shops online, they are using a digital marketplace. Many different things affect what's available in a marketplace.



18

**CORE VOCABULARY**—Explain that a **marketplace** is where goods are bought and sold.

**SUPPORT**—Pause after reading the first sentence on the page to review the meaning of *goods* and *services*. Remind students that a good is a thing that can be sold, while a service is a task that someone does for payment.

**CORE VOCABULARY**—Explain that a **physical** object is a thing that we can see and touch, and a physical place is a place where people and objects could be.

**SUPPORT**—Remind students that digital goods and services are things that we can't touch or visit. We can see a digital marketplace, like a website, and look at what that website sells on our computer screen, but we can't go to that digital marketplace in person to touch or try out the goods it sells.

**SUPPORT**—Help students understand that a person uses a computer, phone, or tablet to shop at a digital marketplace. When you shop at a digital marketplace, a seller sends information to your device. The information tells you what is for sale and what it costs. To buy something, you use your device to send information back to the seller.

**SUPPORT**—Explain that a digital marketplace can sell digital goods, physical goods, and services. If you buy a digital good, such as a subscription to a streaming service, the seller will send you a digital code that lets you use the service on your device. If you buy a physical good, such as a pair of sunglasses, the seller will put the good in a box or bag and ship it to your home.

**Ask students the following questions:**

**LITERAL**—What is a marketplace?

- » A marketplace is a place where goods are bought and sold.

**EVALUATIVE**—What types of physical marketplaces do we have in our community?

- » Answers will vary, but students should identify grocery stores, thrift shops, shopping malls, strip malls, restaurants, toy stores, farmers markets, and so on.

**Now ask students to look at the image on page 19 as you read aloud.**

Marketplaces require a system of exchange. The consumer gets a good or service from a producer. They then give something to the producer in exchange.

One form of exchange is a barter system. A barter system does not use money. People trade goods or services for other goods or services. For example, during school lunches, you might trade your apple for someone else's pudding. That's bartering. Bartering was common long, long ago.



19

**CORE VOCABULARY**—Explain that an **exchange** is a trade. Each person gives something the other person wants and gets something they themselves want. Direct students' attention to the image on the page. One girl is exchanging her apple for a pudding cup. The other girl is exchanging her pudding cup for an apple. Each girl gets something she wants.

**CORE VOCABULARY**—Explain that a **barter system** is a method of paying for something. Instead of using money, people pay with other goods or services.

**SUPPORT**—Tell students that the barter system is a form of exchange: bartering is buying without using money. Direct students' attention back to the image on the page. Explain that the students are bartering: one girl is buying a pudding cup and using an apple to pay for it and the other girl is using a pudding cup to pay for an apple.

**Ask students the following questions:**

**LITERAL**—How does bartering work?

- » Bartering is when two or more people trade goods or services for other goods or services.
- Bartering is exchanging goods or services without using money.

**INFERRENTIAL**—When two people barter, which one is a consumer?

- » Answers may vary, but students might say that when two people barter, both are consumers.
- A consumer is someone who buys something; when two people barter, each one buys something from the other.

Now ask students to look at the image on page 20 as you read aloud.

Today, most economies use money. The Mesopotamians are believed to have been the first people to use money. They lived thousands of years ago. The Mesopotamians used stamped gold and silver coins. Today, money is usually made of metal or paper.

Credit is another system people can use to buy things. A consumer can receive credit from a seller when buying something now if there is a promise to pay for it later. Often, buying on credit comes with an extra fee. It's common to use credit to make expensive purchases, like a house or car.



20

**CORE VOCABULARY**—Explain that **credit** is a system of exchange in which the buyer promises to pay later, in the future, and the seller agrees to receive payment later.

 **SUPPORT**—Students who completed CKHG Grade 1 may already be familiar with Mesopotamia. For those who did not, explain that Mesopotamia was one of the world's first civilizations. It was located in southwestern Asia near the Tigris and Euphrates Rivers. Today, this area includes parts of Iraq, Turkey, and Syria. Point out its location on a world map or globe.

**SUPPORT**—Explain to students that credit can work in different ways. It used to be common for shops to let their regular customers buy on credit. Instead of collecting payment for each purchase, the shopkeeper would keep a record. At the end of the month, the customer was expected to pay for all their purchases. Today, credit cards are common. When a customer pays with a credit card, the seller sends the payment information to the credit card company; then the credit card company sends repayment information to a bank, and the payment is deposited in the seller's account. Later, the credit card user has to send money to the credit card company.

**Ask students the following questions:**

**LITERAL**—Which people are believed to have been the first to use money?

» The Mesopotamians are believed to have been the first people to use money.

**INFERRENTIAL**—Why might a person use credit?

» Answers will vary, but students might say that a person might use credit to buy something they can't pay for all at once, such as a car or a house.

**Now ask students to look at the image on page 21 as you read aloud.**

The price of a product depends on its value. Value is how much something is worth. There are many things that affect a product's value. A product might have a high value if it is well-made and popular. Or it might have a high value because it is scarce. The value of a product goes down if too few people want to buy it.



21

**CORE VOCABULARY**—Explain that **value** is how much something is worth.

**SUPPORT**—Reinforce the idea that a thing's value is determined by how much people want it. Value is high if many people want it very much. Value is low if only a few people want it. For example, suppose that one year, farmers produced a lot of really good apples. People ate a lot of apples but then got tired of them. Apples sat unsold in stores. Grocers did not want the apples to spoil; they had to lower the price of apples to get people to buy them. In another year, the weather was very bad for apples. Farmers produced few apples for sale, and apples were hard to get. Still, some people felt a strong need for apples. Stores increased the price of apples because those people were willing to pay extra for them.

**Ask students the following questions:**

**LITERAL**—What is value?

» Value is how much something is worth.

**EVALUATIVE**—Imagine that a video game company is selling a new game. The Gold Version of the game has extra levels and characters. The company only made one hundred copies of the Gold Version to sell. Does that version have a high value or a low value?

» The Gold Version of the game has a high value because it is scarce and of high quality, so a lot of people want to buy it and are willing to pay more for it.

**Now ask students to look at the image on page 22 as you read aloud.**

Some things also cost a lot of money to produce. Houses are expensive. Building them requires many materials and a lot of work. They also require land. This means that a house costs much more than other purchases.

How much people are willing and able to pay affects a home's value, too. People might be willing to pay more for a house in one location than another. Houses with a view of the ocean are often more expensive than those without a view.



22

**SUPPORT**—Check that students understand the two factors that affect the value of a good. One is the amount of resources required to produce the good. The other is how much people want the good.

**SUPPORT**—Help students understand how differences in production costs affect the value of an item by comparing the ingredients used to make two different sandwiches—a peanut butter and jelly sandwich and a bacon, lettuce, and tomato sandwich. Present the following charts on a board or chart paper.

PB&J		BLT	
Ingredient	Cost	Ingredient	Cost
Bread	\$0.50	Bread	\$0.50
Peanut Butter	\$0.75	Lettuce	\$0.25
Jelly	\$0.25	Tomato	\$0.75
		Bacon	\$2.00
		Mayonnaise	\$0.25
<b>Totals</b>	<b>\$1.50</b>		<b>\$3.75</b>

Read through the ingredient list for each sandwich, then compare the prices of the ingredients and the total cost to make each sandwich. Emphasize that based on the cost of the ingredients, the BLT has a greater value than the peanut butter and jelly sandwich.

**SUPPORT**—Provide students with examples of how location can affect the value of a house. Explain that people often look for homes that are close to their jobs, their families, and places they like to spend their free time. People who do not have cars may search for homes near public transportation, but not too close; trains can be very noisy. Some people are willing to pay more money for open space instead of living in a crowded neighborhood, while others will pay more to live in a tiny apartment in a busy, bustling city.

**Ask students the following questions:**

**LITERAL**—Why do houses cost so much money?

- » They require a lot of resources to produce—building materials, land, and skilled workers.

**INFERRENTIAL**—How does location affect the value of a house?

- » Answers may vary, but students might say that a house that is in a place people want to live would have a higher value than a house that is in a location where people don't want to live.



**CHECK FOR UNDERSTANDING: BIG QUESTION**

**TURN AND TALK**—Where do people buy and sell goods and services?

- » Possible responses: Goods and services are bought in marketplaces. A marketplace can be physical or digital.

## CHAPTER 6

# Government and the Economy

### Primary Focus Objectives

- ✓ Understand how the government can influence the economy. (RI.2.2)
- ✓ Explain how interest works. (RI.2.1)
- ✓ Understand the meaning of the following domain-specific vocabulary: *government* and *interest*. (L.2.4, RI.2.4)

### THE CORE LESSON

#### Introduce “Government and the Economy”

Review the components of an economy with students. Begin with producers, who make and provide goods and services, and consumers, who purchase goods and services. Remind students that the exchange of goods and services happens in a marketplace, which can be physical or digital. The price of a good or service is based on its value, or how much it is worth. Items that are scarce, or hard to find, are more valuable than items that are easily available. Goods and services that are costly to produce are more valuable than those that are easy and inexpensive to produce. Goods and services that people want very much are more valuable than those that people don’t want.

Tell students that in this Read Aloud, they will learn why and how a government may try to direct the economy.

### Big Question

How can government affect the economy?

### Core Vocabulary

government    interest

### Materials Needed

- individual student copies of *Lessons in Economics* Student Book

## Chapter 6: "Government and the Economy"

Distribute copies of the Student Book. Ask students to turn to page 23 of the Student Book and look at the image as you read aloud. Tell students that the title of this chapter is "Government and the Economy."

CHAPTER  
6

### Government and the Economy

Governments play a role in the economies of their nations. How involved a government is in the economy depends on the type of government a country has. In some countries, the government is not very involved in the nation's economy. Leaders in these countries think economies work best when they're left alone. In other countries, the government controls certain parts of the economy. These countries' leaders think this helps make things fairer for the people.



23

**CORE VOCABULARY**—Explain that a **government** is the group of people who make decisions for a city, state, or country. In the United States, most government officials are chosen by voters in elections.

**SUPPORT**—Direct students' attention to the words *nations* and *countries* in the first and third sentences. Explain that in this text, *nation* and *country* are synonyms; they mean the same thing.

**SUPPORT**—Direct students' attention to the image of the U.S. Capitol. Explain that the U.S. Capitol, in Washington, D.C., is where Congress meets. Congress is the group in the United States government that makes laws that affect all people in the United States.

**Ask students the following questions:**

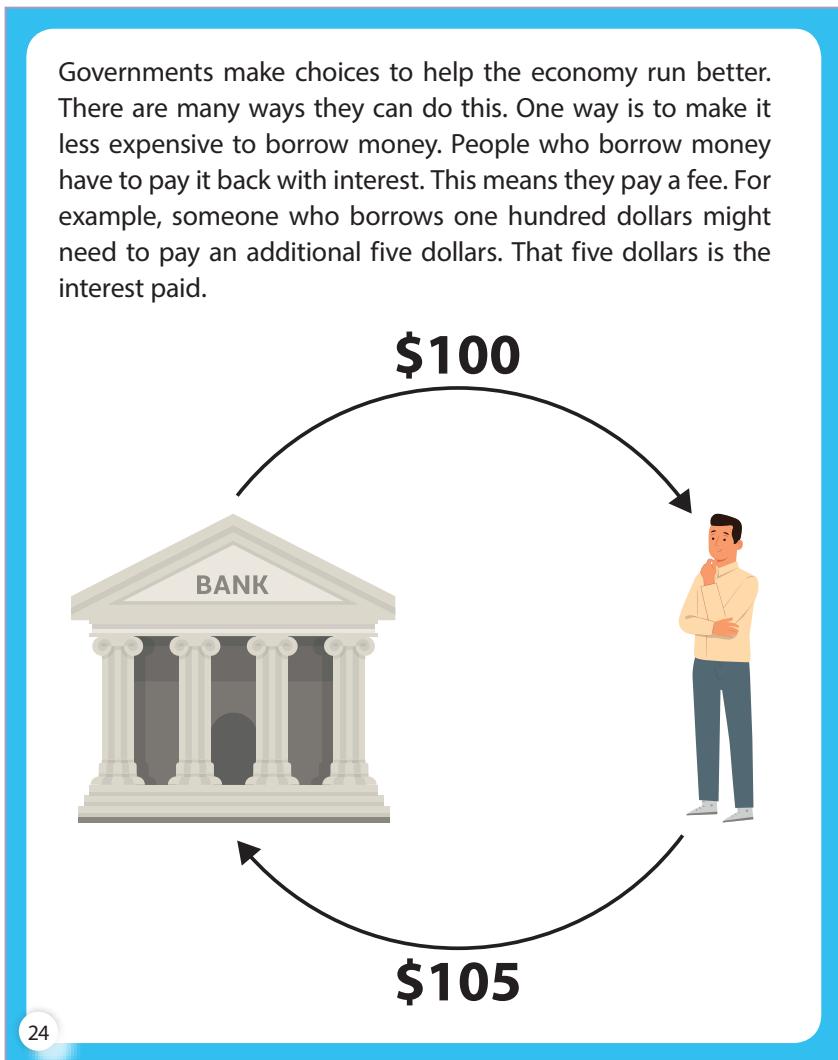
**LITERAL**—Why might a government choose not to be very involved in its country's economy?

- » Its leaders might think that economies work better without government involvement.

**LITERAL**—Why might a government become very involved in the workings of its country’s economy?

- » Its leaders might think that government involvement will help make things fairer for the country’s people.

Now ask students to look at the image on page 24 as you read aloud.



**CORE VOCABULARY**—Explain that **interest** is an extra fee paid by someone borrowing money.

**SUPPORT**—Remind students that some words have more than one meaning. *Interest* is one of those words. Point out that they may be familiar with the version of *interest* that means “I would like to learn more about that.” Explain that in this context, or situation, they’re using the economic meaning of *interest*.

**SUPPORT**—Provide a brief story to go along with the diagram on the page. For example, say that the man had almost enough money to purchase a bicycle he wanted. He asked the bank to loan him \$100 to make up the difference. The bank agreed to loan him the \$100 but also charged him \$5 in interest. When he pays back the loan, he will have to pay \$105.

**Ask students the following questions:**

**LITERAL**—What is interest?

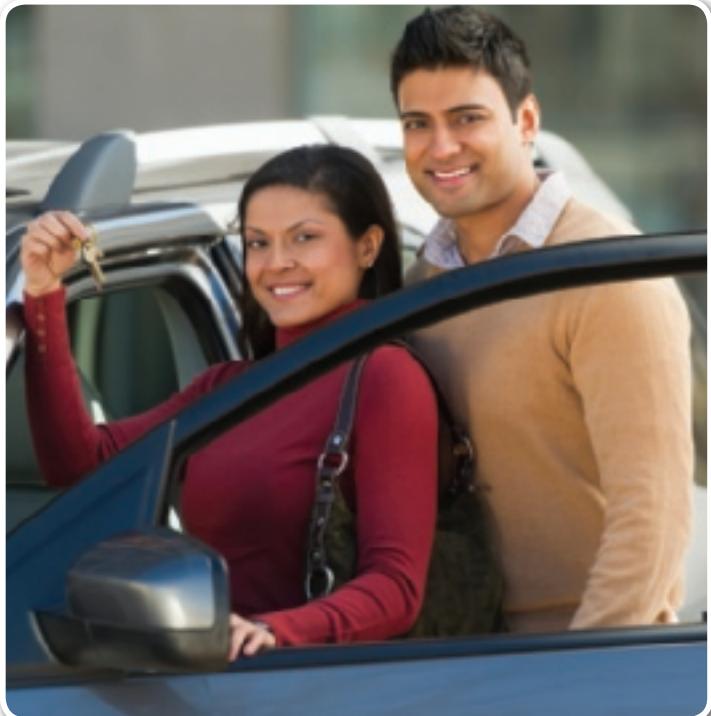
» Interest is an extra fee paid to borrow money.

**LITERAL**—What is one way the government can help the economy run better?

» The government can make it less expensive to borrow money.

**Now ask students to look at the image on page 25 as you read aloud.**

The amount of interest that people pay changes. This is because the government can change the amount of the fee. More people borrow money when the amount of interest is low. Then people are more likely to open businesses. People also make larger or more expensive purchases, like houses or cars. The economy grows when people buy more goods and services.



25

**SUPPORT**—Demonstrate how the economy grows when people buy more goods and services. Draw a stick figure and a car in the center of the board or a piece of chart paper. Explain that Daphne just bought a car. Draw another stick figure, and explain that Joe was the salesperson who sold Daphne the car. Her purchase helps pay part of his paycheck. Draw some more rectangles with people inside, and explain that these are places where Joe shops. When he spends his money, it helps pay the people who work in these shops. Then explain that when these people spend their money, it helps pay other people. Conclude by reinforcing that the economy grows when people have more money to spend.

**Ask students the following questions:**

**LITERAL**—What happens when the amount of interest people pay is low?

- » People borrow more money when interest is low.

**INFERRENTIAL**—Why do you think people borrow more money when interest is low?

- » People borrow more money when interest is low because it costs less to pay back the loan.

**EVALUATIVE**—Why does the economy grow when interest is low?

- » When interest is low, it is less expensive to borrow money. People borrow money to start new businesses. They also borrow money to make large purchases. People starting new businesses and making large purchases help the economy grow.

**Now ask students to look at the image on page 26 as you read aloud.**

Sometimes, the economy grows too fast. This makes prices for goods and services go up. When this happens, people struggle to pay for what they need. The government can then make it more expensive to borrow money. This will slow the growth of the economy.



26

**SUPPORT**—Help students understand why prices go up when the economy grows too quickly. Explain that when an economy expands, almost everyone who wants to work is able to find a job. That means more people have more money to spend on goods and services. More people want more things. If producers can't keep up with the demand, products and services become scarce. Scarcity causes an increase in prices.

**Ask students the following questions:**

**LITERAL**—How do prices change when the economy grows too quickly?

- » When the economy grows too quickly, prices for goods and services go up.

**LITERAL**—How can the government slow the growth of the economy?

- » One way the government can slow the growth of the economy is by making it more expensive to borrow money.

**Now ask students to look at the image on page 27 as you read aloud.**

Another time a government may take action to affect the economy is when many people are out of work. People can lose their jobs when the economy isn't doing well. There are a few ways the government can try to help these people. It can create job-training programs. It also can help lower the cost of running businesses so that more people can be hired.



27

**SUPPORT**—Check that students understand the two ways described in the reading that the government can try to help people who lose their jobs. One way is to invest in training. Inform students that job training gives people skills, and remind students that workers get paid when they use their skills to make goods and provide services. Then explain that job training helps people because workers with more or better skills can get better jobs. The second way the government can try to help people who lose their jobs is to lower the cost of running businesses. This is because some businesses might use the money they save to hire more workers.

**SUPPORT**—Explain that some people lose their jobs because of changes in technology. For example, the United States has relied on coal as a source of energy for more than two hundred years. Now we are using coal less. In 1985, more than 170,000 Americans worked in coal mining. Today, fewer than 40,000 do. People who lose their jobs in coal mining will need training to perform new jobs.

**Ask students the following questions:**

**LITERAL**—What actions might the government take to help people who are out of work?

- » The government might help people who are out of work by creating job-training programs and by lowering the cost of running businesses.

**INFERRENTIAL**—How do job-training programs help people who are out of work?

- » Answers will vary, but students might say that job training gives people useful skills, and workers with more or better skills can get better jobs.



### Check for Understanding: Big Question

**TURN AND TALK**—How can government affect the economy?

- » The government can affect the economy by changing how much interest people pay on loans. It can also affect the economy by lowering the cost of running businesses and offering job-training programs.

## Additional Activities

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Download the CKHG Online Resources for this unit, where the Additional Activities for this chapter may be found:

[www.coreknowledge.org/ckhg-online-resources](http://www.coreknowledge.org/ckhg-online-resources)

## CHAPTER 7

# The Global Economy

### Primary Focus Objectives

- ✓ Understand how the global economy works. (RI.2.2)
- ✓ Explain the difference between imports and exports. (RI.2.1, RI.2.4)
- ✓ Understand the meaning of the following domain-specific vocabulary: *global economy, trade, imports, and exports*. (L.2.4, RI.2.4)

### Materials Needed

- individual student copies of *Lessons in Economics* Student Book
- a globe

### THE CORE LESSON

#### Introduce “The Global Economy”

Remind students that scarcity exists when there is not enough of some resource or product. When something becomes scarce, it becomes more expensive. Then review the systems of exchange within an economy, including barter, money, and credit. Remind students that systems of exchange take place within marketplaces, which bring together producers and consumers.

Explain that just as people are producers and consumers, countries are producers and consumers. When countries buy from and sell to each other, it is called *trade*. Tell students that in this Read Aloud, they will learn more about how countries trade.

#### Big Question

Why do countries need to buy things from each other?

#### Core Vocabulary

**global economy    trade    imports    exports**

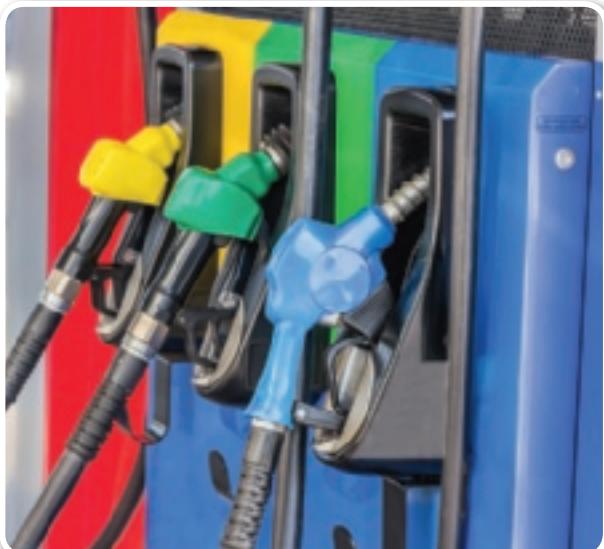
## Chapter 7: "The Global Economy"

Distribute copies of the Student Book. Ask students to turn to page 28 of the Student Book and look at the image as you read aloud. Tell students that the title of this chapter is "The Global Economy."

CHAPTER  
7

### The Global Economy

The global economy is the biggest marketplace in the world. The global economy is the exchange of goods and services among countries. There are many reasons to buy things from other countries. One is that some resources are available only in certain places. Another reason is that some countries have a greater supply of resources than others. For example, Saudi Arabia has a large supply of oil. Gasoline for cars is made from oil. Many countries buy their oil from Saudi Arabia.



28

**CORE VOCABULARY**—Explain that the **global economy** is the exchange of goods and services among countries around the world.

 **SUPPORT**—Help students better understand the word *global* by demonstrating its meaning with a globe. Explain that when we talk about something that happens nationally, we're talking about something that happens within a single country. Point out several countries on the globe. Then slowly rotate the globe and gesture to the entire globe as you tell students that when something happens globally, it happens all over the world.

**Ask students the following questions:**

**LITERAL**—What is the global economy?

- » The global economy is the exchange of goods and services among countries all over the world.

**INFERRENTIAL**—Why might a country purchase oil from Saudi Arabia?

- » Answers may vary, but students should say that the country might not have any oil, or it might not have enough.

**Now ask students to look at the image on page 29 as you read aloud.**

Chocolate is another example. Chocolate comes from the cacao tree. This tree can only grow in a warm, tropical climate. Countries that grow cacao sell it to places where the tree cannot grow. People all over the world can then enjoy chocolate.

The process of buying and selling goods worldwide is called trade. Products that one country buys from another are imports. Products that a country sells to another are exports.



29

**CORE VOCABULARY**—Explain that **trade** is the process of buying and selling goods worldwide.

**CORE VOCABULARY**—Explain that **imports** are products that are purchased by one country from another. Imports come into a country.

**CORE VOCABULARY**—Explain that **exports** are products that are sold by one country to another. Exports go out of a country.

**SUPPORT**—Help students understand that one major reason for global trade is scarcity. Explain that some resources are more plentiful in some countries than others. For example, copper is a metal that is used to make electrical wire and other products. Copper is mined from the earth, but it is not found everywhere on Earth. Countries that cannot find copper in the ground need to buy it from other places. They must get it through trade.

**SUPPORT**—Help students better understand imports and exports with a diagram. Using the board or chart paper, draw a large circle in the middle. Write “United States” in the center. Draw a similarly sized circle to the right. Write “United Kingdom” inside. Explain that the United States has a lot of resources and makes a lot of products and that some of those resources and products are sold to other countries. Then say, “For example, the United States sells nuts to the United Kingdom.” Draw an arrow from the U.S. circle to the U.K. circle, and label it “Nuts.” Near the start of the arrow, write “Out” and “Exports,” and remind students that exports are products that go out of a country. Then write “In” and “Imports” near the end of the arrow, and remind students that imports are products that come into a country. Explain that nuts are a U.S. export because they go out of the United States to another country, and nuts are a U.K. import because they come into the United Kingdom from another country.

**Ask students the following questions:**

**LITERAL**—What is trade?

- » Trade is the process of buying and selling goods around the world.

**LITERAL**—How are imports and exports different?

- » Imports are products that a country buys from another country. Exports are products that a country sells to another country.

**Now ask students to look at the image on page 30 as you read aloud.**

China is the world’s largest exporter. It sells more goods than any other country. China builds a lot of electronics. Most phones, video games, and TVs have parts made in China. China can do this because it has built a lot of factories to make these goods. It also has many workers.

The United States is also a large exporter. Two important exports of the United States are oil and cars. The United States does the most trade with China, Canada, and Mexico.

Trading means that people around the globe have access to things that they otherwise could not get. The global economy makes it possible to buy more and more products.





**SUPPORT**—Using the globe, show students where China is in relation to the United States. Explain that goods shipped between the two countries usually travel by ship across the Pacific Ocean. Direct their attention to the image of the container ships. Explain that each block they see on the ships is a container like those that are hauled by big trucks on the highways. Give them a sense of the size of the ships by explaining that each ship is more than twelve hundred feet (366 m) long, which is more than the length of three football fields. Containers on the ships range from twenty to forty feet (6–12 m) long. They are usually strapped down to prevent them from falling into the water, but the ships still have to move slowly in case of bad weather.



**SUPPORT**—Using the globe, show students how the United States, Canada, and Mexico are all part of North America. Explain that this makes transportation of goods faster and easier. Have volunteers suggest methods of transporting goods between nations, such as by truck, rail, ship, and airplane.

**Ask students the following questions:**

**LITERAL**—Which country in the world exports the most goods?

- » China exports the most goods.

**EVALUATIVE**—Why is global trade important?

- » Global trade helps people access goods and services they might not otherwise be able to get.



**CHECK FOR UNDERSTANDING: BIG QUESTION**

**TURN AND TALK**—Why do countries need to buy things from each other?

- » Countries need to buy things from each other because no single country has every resource it needs to produce all the goods its people need and want.

# Teacher Resources

### **Culminating Activity: *Lessons in Economics***

- Classroom Mural 59

### **Unit Assessment: *Lessons in Economics***

- Unit Assessment Questions: *Lessons in Economics* 60
- Unit Assessment Student Answer Sheet: *Lessons in Economics* 62

### **Performance Task: *Lessons in Economics***

- Performance Task Activity: *Lessons in Economics* 66
- Performance Task Scoring Rubric 67

### **Activity Pages**

- Letter to Family (AP 1.1) 68

### **Answer Key: *Lessons in Economics* Unit Assessment** 69

Looking for more teaching ideas using CKHG or to connect with other teachers? Check out the Core Knowledge Community at <https://www.coreknowledge.org/community/>. You will find a Teacher Workroom with ideas for different activities, chat rooms where you can communicate with other Core Knowledge teachers, and a map of the United States so you can see who else may be using Core Knowledge near you!

## Culminating Activity: *Lessons in Economics*

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### Classroom Mural

**Materials Needed:** sufficient copies of *Lessons in Economics* coloring book pages; crayons, markers, or colored pencils; butcher-block paper; tape, glue, or stapler

 **Background for Teachers:** Print out the coloring pages about economics. Use this link to download the CKHG Online Resources for this unit, where the links to suggested pages may be found:

[www.coreknowledge.org/ckhg-online-resources](http://www.coreknowledge.org/ckhg-online-resources)

Organize the class into small groups. Distribute the coloring pages evenly across the groups. Have each group color its assigned pages.

Hang a piece of butcher-block paper on the wall. Work with students to affix their colored pages to the butcher-block paper to create a collage.

Once the collage is completed, invite each group of students to tell the rest of the class about the images they colored. What do the images represent?

You may wish to schedule the presentations for a separate day and invite parents.

## Unit Assessment: *Lessons in Economics*

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Make sufficient copies of the Student Answer Sheet for each student; see pages 62–65 of this Teacher Guide. Read each sentence or question aloud with the answer choices. Instruct students to point to each picture on the answer sheet as you read the choice aloud. Read the question or sentence and answer choices aloud a second time, and tell students to circle the picture that shows the correct answer.

1. Which is an example of a good?
  - a) a teacher
  - b) a haircut
  - c) a vegetable
2. Which is an example of a need?
  - a) shelter
  - b) entertainment
  - c) books
3. Which is a capital resource?
  - a) farming equipment
  - b) lumber
  - c) a shoemaker
4. Where do natural resources come from?
  - a) humans
  - b) factories
  - c) nature
5. Which people are consumers of almonds?
  - a) farmers who grow almonds to sell
  - b) people who buy almonds to eat at home
  - c) grocers who sell almonds
6. Which describes a good that is scarce?
  - a) two items on five store shelves
  - b) car dealership lot filled with cars
  - c) bookstore with full shelves
7. Which could you use to barter for apples?
  - a) money
  - b) eggs
  - c) credit card

8. Which group has the most power to change how fast the economy grows?

- a) consumers
- b) farmers
- c) the government

9. The global economy is the exchange of goods and services \_\_\_\_\_.

- a) around the world
- b) between two people
- c) at a mall

10. What is an import?

- a) something made at home
- b) something bought from another country
- c) something sold to another country

Name \_\_\_\_\_

Date \_\_\_\_\_

**Unit Assessment Student Answer Sheet: *Lessons in Economics***

**1.**



**b.**



**c.**



**2.**



**b.**



**c.**



**3.**



**b.**



**c.**



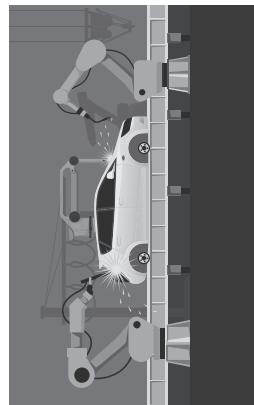
Name \_\_\_\_\_ Date \_\_\_\_\_

### Unit Assessment Student Answer Sheet: *Lessons in Economics*

**4.**



**b.**



**c.**



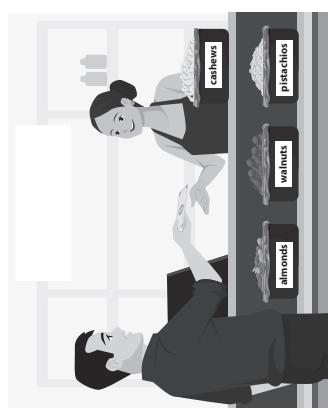
**5.**



**b.**



**c.**



**6.**



**b.**



Name \_\_\_\_\_

Date \_\_\_\_\_

**Unit Assessment Student Answer Sheet: *Lessons in Economics***

**7.**



**b.**



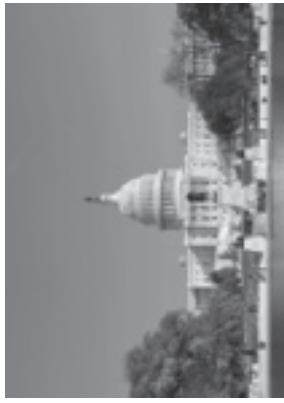
**c.**



**8.**



**c.**



**b.**



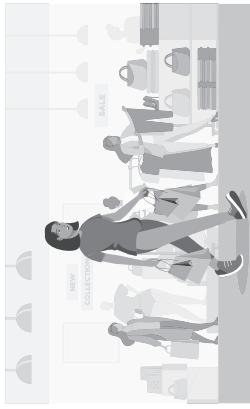
**9.**



**c.**



**b.**



Name \_\_\_\_\_

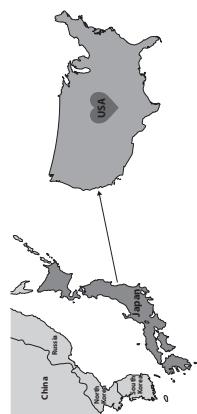
Date \_\_\_\_\_

### Unit Assessment Student Answer Sheet: *Lessons in Economics*

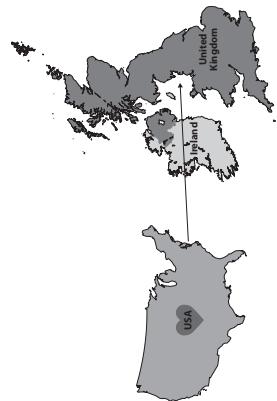
**10.**



**b.**



**c.**



## Performance Task: *Lessons in Economics*

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**Materials Needed:** four blank 5" × 8" index cards per student, pencils, assorted thin-tipped colored markers, individual student copies of the *Lessons in Economics* Student Book

**Teacher Directions:** In this unit, students learned about the basics of economics, beginning with the idea that an economy is all the ways people produce, sell, and buy goods and services. They learned how natural resources, capital resources, and human resources are combined to produce goods and services and how producers and consumers come together in marketplaces to engage in systems of exchange. Students also learned about how consumers use budgets and the concept of opportunity costs to make decisions. Finally, students learned how government actions can shrink or expand a country's economy and how people around the world are connected by global trade.

Have students reflect back on what they learned during this unit by flipping through the pages of the Student Book. Tell students to imagine they are teaching their friends and family about economics. They will share important ideas and examples with their friends and family by creating four different postcards on 5" × 8" index cards. Remind students that postcards are like condensed versions of large travel posters. The postcards should show the most important or most interesting details about economics. Students should identify in their postcards the most important aspects of economics that they have learned about and what makes them exciting and important ideas to think about.

Have students draw images related to economics on one side of each card and dictate a brief message about economics for the other side.

**Note to Teacher:** We suggest that you allocate two instructional periods for the completion of this performance-based assessment. Students will work at different paces. You should circulate throughout the room and be available to discuss each card and take dictation as individual students finish each postcard.

Prompt each student to talk about their drawing by saying, "Tell me about what you drew and what it tells about economics." It is not necessary for you to write verbatim what the student says, but rather to capture bullet points that can later be used with the Performance Task Scoring Rubric that follows.

## Performance Task Scoring Rubric

**Note:** Students should be evaluated on the basis of their postcard drawings, along with what they say that they have drawn and why, using the rubric.

<b>Above Average</b>	<p>Response is accurate and detailed. Student demonstrates strong understanding of economics, identifying four of the following details in drawing and/or dictation:</p> <ul style="list-style-type: none"><li>• A good is an object or thing that can be bought. A service is a task that someone performs for someone else.</li><li>• There are three types of resources: natural resources, human resources, and capital resources.</li><li>• A budget is a plan for spending money.</li><li>• An opportunity cost is the value of what is not purchased or not experienced when a person buys or does something else.</li><li>• A producer is someone who produces goods or services. A consumer is someone who buys goods or services.</li><li>• Producers and consumers come together in the marketplace to buy and sell goods and services.</li><li>• Interest is the cost of borrowing money from a bank.</li><li>• Governments can help economies by changing the amount of interest people pay on money they borrow.</li><li>• Countries trade to obtain resources that are scarce.</li><li>• A good or service that is sold to another country is called an export. A good or service that is bought from another country is called an import.</li></ul>
<b>Average</b>	Response is mostly accurate and somewhat detailed. Student demonstrates solid understanding of economics, noting three of the details listed above.
<b>Adequate</b>	Response is mostly accurate but lacks detail. Student demonstrates a very basic understanding of economics, noting two of the details listed above.
<b>Inadequate</b>	Response is incomplete and demonstrates a minimal understanding of the content in the unit, noting only one or none of the details listed above.

Name \_\_\_\_\_

Date \_\_\_\_\_

## Activity Page 1.1

## Use with Chapter 1

## Letter to Family

During the next few weeks, as part of our study of the Core Knowledge History and Geography (CKHG) program, your child will be learning about fundamental economic concepts such as buying, selling, and trade. They will learn about the basics of economics and economies, which are defined as all the ways people make, sell, and buy goods and services. They will also learn how consumers and producers come together in the marketplace to buy and sell goods and services. In this unit, students will distinguish between wants and needs. They will examine the relationship between natural resources, capital resources, and human resources. They will be introduced to the concepts of budgeting, opportunity cost, and interest. They will compare systems of exchange, including barter, currency, and credit.

As part of their exploration, students will also learn a little bit about international trade and government involvement in the economy. This information is presented in a factual, age-appropriate way rather than in a manner that suggests the value or correctness of any particular action. The goal is to foster understanding of policies that affect students' lives that they may not be familiar with.



Sometimes students have questions regarding how the information they are learning relates to themselves and their own experiences. In such instances, we will encourage each student to discuss such topics with you. We recognize that the best place to find answers to those types of questions is with your family and the adults at home.

Please let us know if you have any questions.

## Answer Key: *Lessons in Economics*

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### Unit Assessment

(pages 60–61)

**1. c 2. a 3. a 4. c 5. b 6. a 7. b 8. c 9. a 10. b**



**CKHG™**  
Core Knowledge **HISTORY AND GEOGRAPHY™**

**Editorial Directors**

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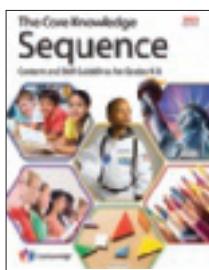
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