



# Understanding Economics

Money



## Teacher Guide



Global economy

Wants and needs



Selling goods







# Understanding Economics

## Teacher Guide



Core Knowledge®

## Creative Commons Licensing

This work is licensed under a Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License.



### You are free:

- to Share**—to copy, distribute, and transmit the work
- to Remix**—to adapt the work

### Under the following conditions:

**Attribution**—You must attribute the work in the following manner:

*This work is based on an original work of the Core Knowledge® Foundation ([www.coreknowledge.org](http://www.coreknowledge.org)) made available through licensing under a Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License. This does not in any way imply that the Core Knowledge Foundation endorses this work.*

**Noncommercial**—You may not use this work for commercial purposes.

**Share Alike**—If you alter, transform, or build upon this work, you may distribute the resulting work only under the same or similar license to this one.

### With the understanding that:

For any reuse or distribution, you must make clear to others the license terms of this work. The best way to do this is with a link to this web page:

<https://creativecommons.org/licenses/by-nc-sa/4.0/>

Copyright © 2023 Core Knowledge Foundation  
[www.coreknowledge.org](http://www.coreknowledge.org)

All Rights Reserved.

Core Knowledge®, Core Knowledge Curriculum Series™, Core Knowledge History and Geography™ and CKHG™ are trademarks of the Core Knowledge Foundation.

Trademarks and trade names are shown in this book strictly for illustrative and educational purposes and are the property of their respective owners. References herein should not be regarded as affecting the validity of said trademarks and trade names.



# Understanding Economics

## Table of Contents

Introduction .....	1
<i>Understanding Economics</i> Sample Pacing Guide .....	10
Chapter 1 <b>What Is an Economy?</b> .....	12
Chapter 2 <b>Making Economic Choices</b> .....	22
Chapter 3 <b>Exchange</b> .....	30
Chapter 4 <b>The Marketplace</b> .....	38
Chapter 5 <b>Economies in American History</b> .....	44
Teacher Resources .....	55

# **Understanding Economics**

## **Teacher Guide**

Core Knowledge History and Geography™ 5

# Introduction

### ABOUT THIS UNIT

#### The Big Idea

Different societies answer economic questions in different ways.

In order to function, every society must answer basic economic questions: What will the society produce? How will the society produce it? How will society distribute it? The answers to these questions are shaped by many factors, including access to resources, access to technology, and cultural values.

Similarly, individuals also make economic decisions about what to buy, where to buy it, when to save, how much to save, and so on. These decisions are informed by the availability of goods and services, prices, and personal values.

In this unit, students will explore the factors that influence both macro (society-level) and micro (individual-level) economic decision-making and study examples of how economic decision-making has influenced history.

# What Students Should Already Know

---

Students in Core Knowledge Schools should already be familiar with:

## Kindergarten

- the Indigenous cultures of the Eastern Woodlands, American Southwest, and Pacific Northwest, including how they lived, what they wore and ate, what their homes were like, what their beliefs and stories were/are, and what their status is today
- the voyage of Columbus in 1492

## Grade 1

- how and why some early peoples shifted from hunting and gathering to raising crops
- how the development of farming led to the building of permanent communities
- Columbus's voyage and Spain's search for gold and silver in Mexico, Central America, and South America
- the beginning of slavery and development of plantations in the Southern Colonies

## Grade 2

- exploration and settlement of North and South America by Europeans during the 1600s and 1700s

## Grade 3

- differences in climate and agriculture among the three colonial regions
- enslavement in the Southern Colonies, including economic rationales for slavery

## Grade 4

- the trade in silk and spices along the Silk Road
- the invention of paper money
- the growth of towns as centers of commerce in medieval Europe
- causes and provocations of the American Revolution, including British taxes; "No taxation without representation"



## What Students Need to Learn

---

- the difference between needs and wants
- the different types of resources (human, natural, capital)
- goods vs. services
- economic networks: consumers, producers, processors, distributors
- the basic economic questions:
  - what to produce
  - how to produce it
  - for whom to produce it
- influences on economic choices, such as scarcity, opportunity cost, budget, and personal values
- methods of exchange, such as barter, money, and credit
- how the marketplace works
- examples of economies and economic choices in U.S. history

## A SPECIAL NOTE TO TEACHERS—TALKING ABOUT SLAVERY

Discussing slavery with younger students is a challenging task. Slavery, which has existed for thousands of years in many cultures, is by definition an inhumane practice—people are reduced to property to be bought and sold and are often treated with brutality and violence. Classroom discussion of slavery should acknowledge the cruel realities while remaining mindful of the age of the students. In CKHG materials, we have attempted to convey the inhumane practices of slavery without overly graphic depictions.

Recently, some historians have questioned the language used to talk about slavery. Some contemporary historians urge that we refer not to slaves but instead to enslaved persons or enslaved workers. The term *slave*, these historians argue, implies a commodity, a thing, while *enslaved person* or *enslaved worker* reminds us of the humanity of people forced into bondage and deprived of their freedom. Other historians, however, argue that by avoiding the term *slave*, we may unintentionally minimize the horror of humans being treated as though they were someone else's property.

In CKHG, we acknowledge the logic of both perspectives, and we sometimes refer to slaves while at other times referring to enslaved persons or enslaved workers.

## AT A GLANCE

The most important ideas in *Understanding Economics* are:

- Societies and individual people make economic choices.
- Economic choices are shaped by many factors, such as needs, wants, values, and availability of resources.
- Economic transactions can take a variety of shapes, including bartering and buying on credit.
- Economic choices and policies helped shape U.S. history.

## 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 explanation. This document is not meant to be a complete history; 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 Understanding Economics”:

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

### Student Component

---


*Understanding Economics* Student Reader—five chapters

### Teacher Components

---

*Understanding Economics* Teacher Guide—five chapters. The guide includes lessons aligned to each chapter of the *Understanding Economics* Student Reader, with a daily Check for Understanding and Additional Activities, such as vocabulary practice and primary source analysis, designed to reinforce the chapter content. A Unit Assessment, a Performance Task Assessment, and Activity Pages are included in Teacher Resources, beginning on page 55.

- » The Unit Assessment tests knowledge of the entire unit using standard testing formats.
- » The Performance Task Assessment requires students to apply and share the knowledge learned during the unit through either an oral or a written presentation. In this unit, the presentation is written.
- » The Activity Pages are designed to reinforce and extend content taught in specific chapters throughout the unit. These optional activities are intended to provide choices for teachers.

*Understanding Economics* Question Cards—fifteen individual images depicting significant themes and ideas related to economics. In addition to an image, each card contains a chapter number and a driving question that outlines the focus of the chapter, discussion, or activity. The  icon is used throughout the lessons and activities to indicate a corresponding Question Card. In addition, a Question Card prompt is included at the end of each chapter. The cards will be a powerful learning tool, enabling you and your students to explore important themes and ideas in their study of economics.

### Question Cards

---

Some advance preparation will be necessary prior to starting the *Understanding Economics* unit. You will need to identify available wall space in your classroom of approximately fifteen feet on which you can post the Question Cards over the course of the unit. The cards may be organized either vertically or horizontally, even wrapping around corners and multiple walls—whatever works best in your classroom setting. Be creative—some teachers hang a clothesline so that the cards can be attached with clothespins!



**Chapter 1**



**Chapter 1**



**Chapter 1**



**Chapter 1**



**Chapter 1**



**Chapter 2**



**Chapter 3**



**Chapter 4**



**Chapter 5**



**Chapter 5**



**Chapter 5**



**Chapter 5**



**Chapter 5**



**Chapter 5**



**Chapter 5**



### Pacing Guide

---

The *Understanding Economics* unit is an optional addition to the history and geography units in the Grade 5 *Core Knowledge Curriculum Series™*. A total of ten days has been allocated to the *Understanding Economics* unit. You may choose to implement this unit in a ten-day block or spread the content throughout the year, as time allows. However, we recommend that you do not exceed this number of instructional days to ensure that you have sufficient instructional time to complete all Grade 5 units.

At the end of this introduction, you will find a Sample Pacing Guide that provides guidance as to how you might select and use the various resources in this unit during the allotted time. However, there are many options and ways that you may choose to individualize this unit for your students based on their interests and needs, so we have also provided you with a blank Pacing Guide that you may use to reflect the activity choices and pacing for your class. If you plan to create a customized pacing guide for your class, we strongly recommend that you preview this entire unit and create your pacing guide before teaching the first chapter.

### Reading Aloud

---

In each chapter, the teacher or a student volunteer will read aloud various sections of the text. When you or a student reads aloud, always prompt students to follow along. By following along in this way, students become more focused on the text and may acquire a greater understanding of the content.

### Turn and Talk

---

In the Guided Reading Supports section of each chapter, provide students with opportunities to discuss the questions in pairs or in groups. Discussion opportunities will allow students to more fully engage with the content and will bring to life the themes or topics being discussed.

### Big Questions

---

At the beginning of each Teacher Guide chapter, you will find a Big Question, also found at the beginning of each Student Reader chapter. The Big Questions are provided to help establish the bigger concepts and to provide a general overview of the chapter. The Big Questions, by chapter, are:

Chapter	Big Questions
1	How do communities meet their needs and wants?
2	How do people with limited resources make economic choices?
3	How do people purchase goods and services?
4	Where do people buy things?
5	How did different economies grow throughout history?

## Core Vocabulary

Domain-specific vocabulary, phrases, and idioms highlighted in each chapter of the Student Reader are listed at the beginning of each Teacher Guide chapter, in the order in which they appear in the Student Reader. Student Reader page numbers are also provided. The vocabulary, by chapter, are:

Chapter	Core Vocabulary
1	economy, mortgage, commute, capital, raw materials, tangible, labor, entrepreneur, interdependence, profit, externality
2	prohibitively, import, opportunity cost, discount, equilibrium price, elastic, glut, budget
3	circulation, market value, wages
4	marketplace, abstract, transaction, infrastructure, tax, currency
5	monopoly, conquistador, empire, plantation, mission, convert, mercantilism, joint-stock company, smelting, boom

## Activity Pages

Activity Pages



AP 3.1  
AP 5.1

The following Activity Pages can be found in Teacher Resources, pages 63–66. They are to be used with the chapter specified either for additional classwork or for homework. Be sure to make sufficient copies for your students prior to conducting the activities.

- Chapter 3—Domain Vocabulary: Chapters 1–3 (AP 3.1)
- Chapter 5—Domain Vocabulary: Chapters 4–5 (AP 5.1)

## Additional Activities and Website Links

A link to Additional Activities may be found at the end of each chapter in this Teacher Guide. While there are multiple suggested activities for this unit, you should choose activities to complete based on your available instructional time and your students' interests and needs. Many of the activities include website links, and you should check the links prior to using them in class.



## A SPECIAL NOTE ABOUT EDUCATING FOR AMERICAN DEMOCRACY

As you may recall if you and your students completed *The Geography of the United States*, the first Grade 5 CKHG American History unit, 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 a 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 icon of the American flag. The specific knowledge, questions, and activities identified by this icon denote opportunities to engage students and deepen their understanding of the historical events, laws, and structure of American government and society.

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

Cribb, Joe. *Money*. DK Eyewitness Books. London, U.K.: DK, 2016.

*The Economics Book: Big Ideas Simply Explained*. London, U.K.: DK, 2018.

*Everything Money*. Washington, D.C.: National Geographic Kids, 2013.

Goodwin, Michael. *Economix: How Our Economy Works (and Doesn't Work) in Words and Pictures*. Illustrated by Dan E. Burr. New York: Abrams ComicArts, 2012.

Hammond, Mel. *Love the Earth: Understanding Climate Change, Speaking Up for Solutions, and Living an Earth-Friendly Life*. Illustrated by Monique Dong. Middleton, WI: American Girl Publishing, 2020.

Hill, Christina. *Supply and Demand in Infographics*. Ann Arbor, MI: Cherry Lake Publishing, 2022.

Kenney, Karen Latchana. *Economics Through Infographics*. Illustrated by Steven Stankiewicz. Minneapolis: Lerner Publications, 2014.

Larson, Jennifer S. *Do I Need It? Or Do I Want It? Making Budget Choices*. Minneapolis: Lerner Classroom, 2010.

# UNDERSTANDING ECONOMICS SAMPLE PACING GUIDE

For schools using the Core Knowledge Sequence and/or CKLA

TG—Teacher Guide; SR—Student Reader; AP—Activity Page

## Week 1

**Day 1**

**Day 2**

**Day 3**

**Day 4**

**Day 5**

### *Understanding Economics*

"What Is an Economy?" Core Lesson (TG & SR, Chapter 1)	"What Is an Economy?" Core Lesson (TG & SR, Chapter 1) "Types of Resources" (TG, Chapter 1, Additional Activities)	"Making Economic Choices" Core Lesson (TG & SR, Chapter 2)	"Making Economic Choices" Core Lesson (TG & SR, Chapter 2) "How Should We Spend Our Money?" (TG, Chapter 2, Additional Activities)	"Let's Open a Restaurant!" (TG, Chapter 2, Additional Activities)
--	---	--	--	---

## Week 2

**Day 6**

**Day 7**

**Day 8**

**Day 9**

**Day 10**

### *Understanding Economics*

"Exchange" Core Lesson (TG & SR, Chapter 3) "Domain Vocabulary: Chapters 1–3" (TG, Chapter 3, Additional Activities, AP 3.1)	"The Marketplace" Core Lesson (TG & SR, Chapter 4)	"Economies in American History" Core Lesson (TG & SR, Chapter 5)	"Economies in American History" Core Lesson (TG & SR, Chapter 5) "Domain Vocabulary: Chapters 4–5" (TG, Chapter 5, Additional Activities, AP 5.1)	Unit Assessment
---	--	--	---	-----------------



## UNDERSTANDING ECONOMICS PACING GUIDE

\_\_\_\_\_’s Class

(A total of ten days has been allocated to the *Understanding Economics* unit in order to complete all Grade 5 history and geography units in the *Core Knowledge Curriculum Series™*. You may wish to complete 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**

*Understanding Economics*

--	--	--	--	--

### Week 2

**Day 6**

**Day 7**

**Day 8**

**Day 9**

**Day 10**

*Understanding Economics*

--	--	--	--	--

# What Is an Economy?

**The Big Question:** How do communities meet their needs and wants?

### Primary Focus Objectives

- ✓ Explain the difference between needs and wants. (RI.5.4)
- ✓ Identify different types of resources. (RI.5.1)
- ✓ Differentiate goods and services and consumers and producers. (RI.5.4)
- ✓ Explain how producers and other forces influence an economy. (RI.5.2)
- ✓ Understand the meaning of the following domain-specific vocabulary: *economy, mortgage, commute, capital, raw materials, tangible, labor, entrepreneur, interdependence, profit, and externality.* (RI.5.4, L.5.4)

### Core Vocabulary (Student Reader page numbers listed below)

**economy, n.** the way a country manages its money and resources to produce, buy, and sell goods and services (4)

*Example:* Small businesses are an important part of the U.S. economy.

*Variations:* economies, economics, economist, economic (adj.)

**mortgage, n.** a legal agreement in which a person borrows money to buy a house and pays back the money over time (6)

*Example:* We took out a mortgage because we did not have enough cash to buy the house.

*Variations:* mortgages, mortgage (v.)

**commute, v.** to travel regularly to and from a place of work (6)

*Example:* Mother spends an hour each day commuting to work.

*Variations:* commutes, commuting, commuted, commuter (n.), commute (n.)

**capital, n.** the money needed to pay for a workforce, machinery, and other equipment to support the development and growth of a business (6)

*Example:* The businessmen raised enough capital to open a new factory.

*Variations:* capitalism, capitalist, capitalist (adj.)

**raw materials, n.** substances used in the primary production or manufacture of goods (7)

*Example:* The cost of raw materials such as coal and oil has risen quickly.

*Variations:* raw material

**tangible, adj.** capable of being touched (8)

*Example:* Bakeries sell tangible goods such as bread and cakes.

**labor, n.** the work needed to create a good or provide a service; the people who perform that work (11)

*Example:* Construction workers provide the labor to build houses.

*Variations:* labor (v.)

**entrepreneur, n.** a person who starts a business and is willing to risk loss in order to make money (12)

*Example:* Bill Gates, who founded Microsoft, is a famous computer software entrepreneur.

*Variations:* entrepreneurs, entrepreneurial (adj.)

**interdependence, n.** the state of being related in such a way that each needs or depends on the other (13)

*Example:* Economic interdependence occurs when two countries depend on each other to supply needed goods and services.

*Variations:* interdependent (adj.)

**profit, n.** the money that is made by a business once all expenses have been paid (13)

*Example:* My uncle buys and fixes up old houses and sells them at a profit.

*Variations:* profits, profit (v.), profitable (adj.)

**externality, n.** a consequence of a commercial activity that affects other parties without impacting the cost of the goods (14)

*Example:* Habitat loss is a negative externality of clear-cutting forests.

*Variations:* externalities

## THE CORE LESSON 35 MIN

### Introduce *Understanding Economics* Student Reader

5 MIN

Distribute copies of the *Understanding Economics* Student Reader. Explain that *economics* is the study of how societies organize money, trade, and production to meet people's needs and wants. Suggest students take a few minutes to look at the cover and flip through the Table of Contents and images in the book. Ask students to brainstorm individual words or simple phrases describing what they notice in the Table of Contents and various illustrations; record this information in a list on the board or chart paper. Students will likely mention *economy*, *money*, *supply and demand*, and photos and illustrations of various economic activities and historical figures. Ask students if they recognized anything from earlier units they have studied.

## Introduce “What Is an Economy?”

5 MIN

Invite students to think about a time they had to make a choice. Maybe they had to decide which outfit to wear or what to eat or where to spend an afternoon. How did they make the decision? Which factors shaped their choice? Then introduce the topic of the chapter. Tell students that economics is all about making choices. In the same way you must choose among many alternative ways to spend your day, shoppers must choose among items offered to purchase, and businesses must choose which goods and services to produce. Tell students that in this chapter, they will begin to learn how and why those choices are made.

Call students’ attention to the Big Question. Tell students to look for details in the text that help explain how communities meet their needs and wants.

## Guided Reading Supports for “What Is an Economy?”

25 MIN

When you or a student reads aloud, **always** prompt students to follow along. By following along, students may acquire a greater understanding of the content. Remember to provide discussion opportunities.

### “Needs and Wants,” pages 4–6

**Scaffold understanding as follows:**

**Read aloud the first three paragraphs of the section on page 4.**

**CORE VOCABULARY**—Point out the vocabulary term *economy*, and explain its meaning.

**SUPPORT**—Make sure students understand the difference between *wants* and *needs*. Call attention to the image of the shoppers on page 5. Ask students if these shoppers are fulfilling wants or needs, and have them explain their answer. (*They are fulfilling needs because people need food to live.*) Explain to students that although food, shelter, and clothing are basic needs, they could also be wants depending on the type of food, shelter, or clothing. For example, foods such as fruits and vegetables are needs; they provide nutrition people must have to live. Foods such as candy and ice cream, however, are wants; it is possible to live without them.

**SUPPORT**—Point out that the word *economy* is related to the word *economics*, which is the study of the economy. People who study economics are called *economists*. Economists analyze the economic choices people and societies make.

**Have students read the remainder of the section on page 6 with a partner.**

**CORE VOCABULARY**—Point out the vocabulary terms *mortgage* and *commute*, and explain their meanings.



**SUPPORT**—Tell students that a *mortgage* is a special type of loan most commonly used to buy a house or other real estate. Home mortgages are normally paid off over a long period of time—sometimes up to thirty years. The main difference between a mortgage and other kinds of loans is that if a borrower fails to repay a mortgage, the lender can foreclose on the loan and retake possession of the property. The right to foreclose on a delinquent borrower reduces the risks of lending such a large amount of money. A less risky loan benefits home buyers, too, because it makes lenders willing to charge less interest.

**After students have read the text, ask the following questions:**

**LITERAL**—What is the difference between a want and a need?

- » A need is something people cannot live without. A want is something that people enjoy having but is not essential for survival.

**EVALUATIVE**—Is a fifty-inch flat-screen television a want or a need? Explain your answer.

- » A fifty-inch flat-screen television is a want. It is possible to live without having a large television.

**INFERENTIAL**—Which are more important to satisfy: wants or needs? Explain your answer.

- » It is more important to satisfy needs than wants because you cannot live without satisfying your needs.

### **“Resources,” pages 6–8**

**Scaffold understanding as follows:**

**Have students read the section on pages 6–8 independently.**

**CORE VOCABULARY**—Point out the vocabulary terms *capital* and *raw materials*, and explain their meanings.

**SUPPORT**—Make sure that students understand the difference between renewable and nonrenewable natural resources discussed in the second paragraph. Ask students to give examples of each and to explain why the resource they named is either renewable or nonrenewable. Stress that all natural resources must be *conserved*—that is, not used up, wasted, or spoiled. This is especially true of nonrenewable resources. Point out that conserving natural resources requires not using them all up as raw materials.



**TURN AND TALK**—Explain that land is an important natural resource. Ask students to think about how land shapes the ways people live, govern, and migrate. Have students turn to a partner and talk about their thoughts and ideas. As time allows, invite a few students to share with the class what they discussed with their partner.



**TURN AND TALK**—Ask students to think about how people’s choices can change the land. Have students turn to a partner and talk about their thoughts and ideas. As time allows, invite a few students to share what they discussed with their partner.

**SUPPORT**—Remind students that a business’s human resources are the workers, managers, and owners who produce goods and services. Ask students to name all the different human resources that enable their school to function. (*Answers include principal, assistant principal, office staff, teachers, custodians, lunchroom staff, and so forth.*)

**SUPPORT**—Call attention to the diagram of types of resources on page 7. Have students read the diagram and name the examples of each type. (*natural resources—trees or forests and fish or wildlife; human resources—workers and the time spent working; capital resources—tools and money*) Tell students that natural resources, human resources, and capital resources are sometimes referred to collectively as *factors of production*. The factors of production are broad categories of resources needed to produce the goods and services we want and need. They are involved in all economic activities. Invite students to suggest ways that each factor of production was involved in producing the clothes they are wearing. (*Possible answers: Natural resources—clothes could be made of cotton, or from polyester, which is made from petroleum; petroleum was used to power ships and trucks to get the clothes to warehouses and stores; cotton farms, factories, roads, warehouses, and retail stores all use land. Human resources—people used their skills and labor to make, ship, and sell the clothes; people planted and harvested the cotton and extracted and transported the petroleum. Capital resources—machinery and tools were used to make the clothes; trucks were used to transport the clothes to the store.*)

**SUPPORT**—Call attention to the photo on page 8 of a home being built. Ask students to identify the different factors of production, or resources, shown in this photo. (*possible answers: natural resources—wood; human resources—the construction worker; capital resources—tools used by the worker*)

**After students have read the text, ask the following questions:**

**LITERAL**—What are the three basic types of resources used to satisfy our economic wants and needs?

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

**EVALUATIVE**—How are renewable and nonrenewable natural resources different?

- » Renewable resources can be reproduced when they are used, so they will not run out. Nonrenewable resources cannot be replaced and will eventually run out.

**EVALUATIVE**—A hammer, nails, a drill, and a delivery truck are which type of resource?

- » A hammer, nails, a drill, and a delivery truck are examples of capital resources.

**INFERENTIAL**—What problems do you think the uneven distribution of resources might cause? Why?

- » People use resources to create needed and wanted goods and services. In places where some resources are scarce, it would be harder for people to satisfy their wants and needs.

### **“Goods and Services,” pages 8–9**

**Scaffold understanding as follows:**

**Read aloud the section on pages 8–9.**

**CORE VOCABULARY**—Point out the vocabulary term *tangible*, and explain its meaning.

**After you have read the text, ask the following questions:**

**EVALUATIVE**—What is the difference between goods and services? Give at least one example of each.

- » Goods are physical objects that are bought and sold. Examples include cars, food, and clothing. Services are actions that people are paid to perform. Examples of services include haircuts, medical care, and auto repairs.

**LITERAL**—How does an economy produce the goods and services that meet people’s needs and wants?

- » An economy produces goods and services by using its natural, human, and capital resources.

### **“Consumers and Producers,” pages 9–12**

**Scaffold understanding as follows:**

**Have students read the first two paragraphs of the section on pages 9–11 independently.**

**SUPPORT**—Explain that most people are both consumers and producers. For example, when someone spends the day working in a factory or shoveling the neighbors’ driveways, they are acting as a producer. When they buy a phone or attend a concert, they are acting as a consumer.

**SUPPORT**—Call attention to the picture on page 10 of people in a clothing store. Ask students if these people are acting as consumers or producers. (*It appears that they are customers who are shopping to buy clothing, which would make them consumers.*)

**Invite volunteers to read aloud the next four paragraphs of the section on pages 11–12.**

**SUPPORT**—In the third paragraph of this section, on page 11, call attention to the sentence “So the basic problem of every economy boils down to making decisions about what to produce, how to produce it, and for whom to produce it.” Tell students that different types of economies have different answers to these questions. Explain that in the U.S. economy, producers use consumer demand to help them decide *what* goods and services will be produced; producers also decide *how* to provide goods and services. The *for whom* question is determined by consumers’ income or purchasing power.

**CORE VOCABULARY**—Point out the vocabulary term *labor*, and explain its meaning.

**SUPPORT**—In the fourth paragraph of this section, on pages 11–12, call attention to the term *cost-effective*, and explain that a cost-effective procedure is one that achieves the desired result at a low cost. A product that is more expensive than competitors might yet be a cost-effective purchase if it performs better or lasts longer.

**CORE VOCABULARY**—Point out the vocabulary term *entrepreneur*, and explain its meaning.

**SUPPORT**—Emphasize to students that an entrepreneur is a person who starts a business or brings a new product to market. Entrepreneurs are human resources who use creativity and energy to organize resources. Tell students that although some entrepreneurs build large companies and become very wealthy, most start and run small businesses.

**After the volunteers have read the text, ask the following questions:**

**LITERAL**—Who are the two major groups that make decisions in an economy?

- » The two major groups that make decisions in an economy are consumers and producers.

**LITERAL**—How do producers decide which goods and services to provide?

- » Producers decide which goods and services to provide based on what consumers demand. They also decide what to provide based on the available resources.



**INFERENTIAL**—Why are consumers and producers both important in an economy?

- » Producers provide the goods and services that consumers want and need. Consumers provide the profit that producers want.

**EVALUATIVE**—Why are entrepreneurs important to an economy?

- » Entrepreneurs are important to the economy because they start new businesses. They make important decisions about what to make and what resources are needed.

**INFERENTIAL**—How can specialization benefit a producer? How can it benefit a consumer?

- » Specialization can benefit a producer because it is cost-effective; that is, it uses resources efficiently. Producers are more efficient when they focus on doing just a few things well. Specialization can benefit consumers if producers who save money on production pass on those savings by lowering prices.

### **“Inside and Outside Forces in the Economy,” pages 13–14**

**Scaffold understanding as follows:**

**Have students read the section on pages 13–14 with a partner.**

**CORE VOCABULARY**—Point out the vocabulary terms *interdependence*, *profit*, and *externality*, and explain their meanings.

**SUPPORT**—Remind students that resources are not evenly distributed around the world. Because of this, nations must trade with one another to obtain the resources they do not have. This increases economic interdependence among the world’s nations. Economic interdependence is also increased when nations specialize in producing certain goods and services and trade with other countries for other products.

**SUPPORT**—Point out that consumers usually do not purchase goods directly from manufacturers or farmers. Instead, they rely on a network consisting of producers, processors, distributors, and retailers. Emphasize the roles of distributors and processors in this network and how they help get goods into the hands of consumers.

**SUPPORT**—Make sure that students understand the concept of externalities. Explain that the word *external* means outside. Externalities are costs and benefits that producers and consumers impose on others outside of, or as side effects of, their production and consumption. Pollution is perhaps the clearest example of a negative externality. A company may cut production costs by dumping waste into the environment instead of processing it to make it safe. This imposes costs on others: it harms the environment and people’s health and quality of life. These harms are costs of production that the producer is not paying.

**After students have read the text, ask the following questions:**

**EVALUATIVE**—How can interdependence affect the price you pay for goods?

- » If the price of raw materials increases, a producer will increase the price of goods in order to continue making a profit; this will cause distributors to increase the price they charge to retailers, which will cause retailers to increase the price they charge to consumers. In this example, a change in one part of the economy (raw materials) results in a change in another part of the economy (consumer price) because each part of the economy relies on other parts.

**LITERAL**—What role does a distributor have in an economy?

- » A distributor is a company that buys goods and sells them to other businesses, which in turn sell them to consumers.

**LITERAL**—What is *profit*?

- » Profit is the money that a business has left over after all expenses are paid.

**LITERAL**—What is an *externality*?

- » Externalities are side effects of producing and consuming goods and services that don't affect the direct consumers of the goods and services.

**“Identifying a Need” and “A Case Study in Addressing a Need: Nourish + Bloom Market®,” pages 14–15**

**Scaffold understanding as follows:**

**Have students read both sections on pages 14–15 independently.**

**SUPPORT**—Ask students to identify some economic issues and needs in their neighborhood or community, and record their responses on the board or chart paper. After reading the case study, have students propose some potential solutions to the issues they have identified.

**SUPPORT**—Tell students that the problem described in the case study is called a food desert. A *food desert* is an area where people have limited access to healthy and reasonably priced food. People who live in food deserts are more likely to develop health problems.

**After students have read the text, ask the following questions:**

**LITERAL**—Which need did Jamie and Jilea Hemmings provide to the people of Fayetteville, Georgia?

- » They provided the people of Fayetteville access to healthy foods.

**INFERENTIAL**—Would you call the Hemmingeses entrepreneurs? Why or why not?

- » They are entrepreneurs. They started a new business in Fayetteville and made the decisions about how to operate it. They decided what to make, how to make it, and for whom to make it.

## Question Card

---

- Show students the Chapter 1 Big Question Card. Read the caption, then review and discuss the Big Question.



### **“CHECK FOR UNDERSTANDING”** 10 MIN

#### **Ask students to:**

- Write a short answer to the Big Question: “How do communities meet their needs and wants?”
  - » Key points students should cite include: identifying needs and wants; using natural, human, and capital resources to produce goods and services that satisfy needs and wants; determining what to produce, how to produce it, and for whom to produce it; and making decisions about which needs and wants are most important.
- Choose one of the Core Vocabulary terms (*economy, mortgage, commute, capital, raw materials, tangible, labor, entrepreneur, interdependence, profit, or externality*), and write a sentence using the term.

To wrap up the lesson, ask several students to share their responses.

## 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)**

# Making Economic Choices

**The Big Question:** How do people with limited resources make economic choices?

### Primary Focus Objectives

---

- ✓ Explain the concept of scarcity. **(RI.5.2)**
- ✓ Describe how scarcity and incentives influence economic choices. **(RI.5.2)**
- ✓ Explain the role of supply and demand in an economy. **(RI.5.2)**
- ✓ Understand the meaning of the following domain-specific vocabulary: *prohibitively, import, opportunity cost, discount, equilibrium price, elastic, glut, and budget*. **(RI.5.4, L.5.4)**

### Materials Needed

---

- a rubber band or similar example of something elastic

### Core Vocabulary (Student Reader page numbers listed below)

---

**prohibitively, adv.** done in a way that prevents something from happening **(18)**

*Example:* After I got my driver's license, I still had to take the bus because car insurance was prohibitively expensive.

*Variations:* prohibitive (adj.), prohibit (v.)

**import, v.** to bring into one country from another country **(18)**

*Example:* The manufacturer needed to import parts from overseas.

*Variations:* imports, importing, imported, import (n.)

**opportunity cost, n.** the value of the option that was not chosen whenever a choice is made **(19)**

*Example:* When you choose to walk instead of taking the bus, the opportunity cost includes the benefits of using the bus, such as the time you would save.

*Variations:* opportunity costs

**discount, n.** an amount taken off a regular price (20)

*Example:* Many stores will offer coupons or a price discount to regular customers.

*Variations:* discounts, discount (v.), discounted (adj.)

**equilibrium price, n.** in economics, the price at which supply equals demand (21)

*Example:* The equilibrium price is the only price where the plans of consumers and producers are the same.

*Variations:* equilibrium prices

**elastic, adj.** able to be changed; flexible (23)

*Example:* The demand for snow shovels is elastic; it changes depending on the season.

*Variations:* elasticity (n.)

**glut, n.** a supply of something that is much more than is needed or wanted (24)

*Example:* The glut of coffee resulted in a sharp decrease in prices.

*Variations:* gluts, glut (v.)

**budget, n.** an amount of money available for spending based on a plan for how it will be spent (24)

*Example:* There is no room in my budget for a new cell phone.

*Variations:* budgets, budget (v.), budgeted (adj.)

## THE CORE LESSON 35 MIN

### Introduce “Making Economic Choices”

5 MIN

Review with students the differences between needs and wants and between goods and services, the different types of resources, economic networks (e.g., consumers, producers, processors, distributors), and the three basic economic questions (what to produce, how to produce it, and for whom to produce it).

Tell students that in this chapter, they will examine factors that help people decide how to use their resources to satisfy their wants and needs and answer the three basic economic questions.

Call students’ attention to the Big Question. Tell students to look for details in the text that help explain how people with limited resources make economic choices.

### Guided Reading Supports for “Making Economic Choices”

30 MIN

When you or a student reads aloud, **always** prompt students to follow along. By following along, students may acquire a greater understanding of the content. Remember to provide discussion opportunities.

## **“Scarcity,” pages 16–18**

**Scaffold understanding as follows:**

**Read aloud the section on pages 16–18.**

**CORE VOCABULARY**—Point out the vocabulary terms *prohibitively* and *import*, and explain their meanings.

**SUPPORT**—Make sure students understand that scarcity exists because resources are limited while wants and needs are unlimited. Remind students of the three basic economic questions, which were discussed in Chapter 1: what to produce, how to produce it, and for whom to produce it. If resources were unlimited, there would be no need to consider these questions. Also make sure students understand that money is a type of resource; like other resources, its supply is limited.

**SUPPORT**—Remind students about the concept of interdependence, which was discussed in Chapter 1. Point out that when resources are scarce, nations must trade to get what they need.

**SUPPORT**—Call attention to the picture of the retail sale on page 17. Ask students if they think the store has a scarcity or a surplus of coats. Have them explain their answer. (*There is a surplus. At the end of winter, the store has more coats than consumers want or need. The store is cutting prices on coats because demand for coats has fallen.*)

**After you have read the text, ask the following questions:**

**LITERAL**—What is *scarcity* in economics?

- » Scarcity is the situation in which there are not enough resources to meet people’s wants and needs.

**EVALUATIVE**—What often happens when an item becomes scarce? Why does this happen?

- » Answers will vary, but students may say that when an item becomes scarce, the price often rises. Producers assume that some consumers will pay the higher price because they intensely want or need the item.

**LITERAL**—What is one reason countries import resources?

- » Countries import needed resources that are scarce.

## **“Trade-Offs and Opportunity Costs,” pages 18–19**

**Scaffold understanding as follows:**

**Invite volunteers to read aloud the section on pages 18–19.**

**CORE VOCABULARY**—Point out the vocabulary term *opportunity cost*, and explain its meaning.



**SUPPORT**—Ensure that students understand that opportunity cost does not necessarily involve money. For example, ask students which they would prefer: a candy bar or an ice cream cone. In this choice situation, the item they did not pick is the opportunity cost. Stress to students that opportunity cost is all about choice. Because we cannot have everything we want, we must decide which want or need is most important to meet at any given time.

**SUPPORT**—Explain to students that their personal values influence their economic choices and their opportunity costs. For example, someone who cares deeply about the environment may choose to purchase products made from recycled resources, even if they are more expensive than goods made from non-recycled resources.

**After volunteers have read the text, ask the following questions:**

**LITERAL**—What is a *trade-off* in economics?

- » In economics, a trade-off means that if you choose to purchase something, you must sacrifice something else.

**EVALUATIVE**—Quinn’s Bakery has enough resources to make either cookies or cupcakes—but not both. What is the bakery’s opportunity cost?

- » The opportunity cost is whichever it decides not to make—cookies if it decides to make cupcakes, or cupcakes if it decides to make cookies.

**INFERENTIAL**—How is scarcity related to opportunity cost?

- » Because resources are scarce, we must make choices about how to use them. When we choose among options, we must forgo or miss out on those options we do not choose. We always choose what seems the best option; the next best option is the opportunity cost.

### **“Incentives,” pages 19–21**

**Scaffold understanding as follows:**

**Have students read the section on pages 19–21 independently.**

**CORE VOCABULARY**—Point out the vocabulary term *discount*, and explain its meaning.

**SUPPORT**—Refer back to the picture of the retail sale on page 17. Ask students why this is an example of an economic incentive. (*Possible answer: An incentive is something that encourages someone to make a trade-off. The discount is intended to encourage customers to make a purchase.*)

**TURN AND TALK**—Invite students to think about why a business might offer a discount on a certain good or service. Have students turn to a partner and talk about their thoughts and ideas. As time allows, invite a few students to share what they discussed with their partner.

**After students have read the text, ask the following questions:**

**LITERAL**—What is an *incentive*?

- » An incentive is something that encourages someone to make a trade-off.

**EVALUATIVE**—How can a coupon be considered an economic incentive?

- » A coupon is a type of discount. It reduces the price of a good or service. The coupon is an incentive for a consumer who wants to spend less to purchase an item.

**INFERENTIAL**—Do all incentives involve money? Explain your answer.

- » An economic incentive is one that involves money as a motivation for making a decision, but not all incentives involve money. For example, a consumer might be motivated to buy a game because it is popular or because the profits are shared with a particular charity.

**LITERAL**—What is a *negative incentive*? Give an example.

- » A negative incentive is an undesirable outcome that is threatened unless a person takes a certain action. An example is a fine that can be imposed on someone who fails to register their car.

### **“Supply and Demand,” pages 21–24**

**Scaffold understanding as follows:**

**Have students read the first two paragraphs of the section on pages 21–22 independently.**

**CORE VOCABULARY**—Point out the vocabulary term *equilibrium price*, and explain its meaning.

**SUPPORT**—Make sure students understand that supply and demand are the main factors that influence the prices of goods and services. Generally, low supply or high demand causes prices to increase; high supply or low demand causes prices to decrease.

**SUPPORT**—Explain to students that supply and demand depend on many factors. For example, the supply of a good or service is influenced by factors such as the availability of raw materials, the number of producers, manufacturing costs, transportation costs, and improvements in technology. Demand is influenced by factors such as consumers’ income and preferences, changes in population, and changes in weather.

**SUPPORT**—Tell students that the equilibrium price for a good or service rarely remains constant. There is almost always some movement in one direction or the other.

**Read aloud the remaining paragraphs of the section on pages 23–24.**

**CORE VOCABULARY**—Point out the vocabulary terms *elastic* and *glut*, and explain their meanings.

**SUPPORT**—When introducing the term *elastic*, use a rubber band to visually illustrate the concept for students—that something elastic can change size or shape as needed in a given situation.

**TURN AND TALK**—Ask students to think about which goods and services have elastic demand and which have inelastic demand. Have students turn to a partner and talk about their thoughts and ideas. As time allows, invite a few students to share what they discussed with their partner.

**After you have read the text, ask the following questions:**

**LITERAL**—What are *supply* and *demand*?

- » The supply of a good or service is the total amount that a producer offers to consumers at one time. Demand is how much consumers want or need that product.

**LITERAL**—What is the relationship between supply and demand when a product price reaches the equilibrium point?

- » When a product price reaches the equilibrium point, supply and demand are equal. Producers are supplying exactly as much of the product as consumers are demanding.

**INFERENTIAL**—If a store has a glut of an item, will the item’s price likely rise or fall? Explain your answer using the concepts of supply and demand.

- » The price will likely fall. A glut is a supply of something that is more than consumers want or need. When supply is high but demand is low, prices usually fall.

**EVALUATIVE**—Which types of products are most likely to have inelastic demand: those that satisfy wants or those that satisfy needs? Why?

- » Products that satisfy needs are more likely to have inelastic demand because it is difficult to go without them. For example, people will continue to buy food even if food prices increase because people need food to live.

### **“Budgets,” pages 24–25**

**Scaffold understanding as follows:**

**Have students read the section on pages 24–25 with a partner.**

**CORE VOCABULARY**—Point out the vocabulary term *budget*, and explain its meaning.

**SUPPORT**—Tell students that businesses and governments as well as households must also create budgets. Make sure students understand the connection between budgeting, limited resources, and unlimited wants and needs. Remind students that money is one type of resource.

**After students have read the text, ask the following questions:**

**LITERAL**—What is a *budget*?

- » A budget is an amount of money available for spending based on a plan for how it will be spent.

**INFERENTIAL**—How does a budget help consumers make economic choices?

- » Because people have a limited amount of money, they must make choices about what to purchase. A budget helps show people how much money they have to spend. This helps them decide which products they can afford to purchase now and which products they need to save money to purchase in the future.

## Question Card

---

- Show students the Chapter 2 Big Question Card. Read the caption, then review and discuss the Big Question.



**“CHECK FOR UNDERSTANDING” 10 MIN**

**Ask students to:**

- Write a short answer to the Big Question: “How do people with limited resources make economic choices?”
  - » Key points students should cite include: scarcity forces people to make choices about how to use resources; resources are limited, while wants and needs are unlimited; all economic choices involve trade-offs and opportunity costs; people make economic choices based on price, personal values and trade-offs, incentives, and supply and demand; a budget is a plan that helps people to satisfy their wants and needs using their limited resources.
- Choose one of the Core Vocabulary terms (*prohibitively, import, opportunity cost, discount, equilibrium price, elastic, glut, or budget*), and write a sentence using the term.

To wrap up the lesson, ask several students to share their responses.

## 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

# Exchange

**The Big Question:** How do people purchase goods and services?

### Primary Focus Objectives

- ✓ Compare barter, money, and credit as methods of exchange. (RI.5.1, RI.5.2)
- ✓ Explain why the value of some goods and services fluctuates. (RI.5.2)
- ✓ Describe economic interdependence. (RI.5.2)
- ✓ Understand the meaning of the following domain-specific vocabulary: *circulation*, *market value*, and *wages*. (RI.5.4, L.5.4)

### Core Vocabulary (Student Reader page numbers listed below)

**circulation, n.** the act of passing something, such as money, from person to person or place to place (28)

*Example:* Very few two-dollar bills are in circulation.

*Variations:* circulate (v.)

**market value, n.** the price that consumers are willing to pay for something (30)

*Example:* We hoped that refurbishing our kitchen would increase the market value of our house.

**wages, n.** the amount of money that workers are paid based on their occupation and the number of hours they work each week (33)

*Example:* My boss promised to increase my wages if I learned a new skill.

*Variations:* wage

### THE CORE LESSON 35 MIN

#### Introduce “Exchange”

5 MIN

Review with students the various influences on economic choices, which they read about in Chapter 2: scarcity forces people to make choices about how to use resources; all economic choices involve trade-offs and opportunity costs; people make economic choices based on price as well as personal values, incentives, and supply and demand. Then call attention to the title of



this chapter. Tell students that an *exchange* is the act of giving one thing and receiving another—especially of the same type or value. Explain that in this chapter, students will learn about various methods of economic exchange, such as barter, money, and credit. Exchange is the means by which people obtain what they want and need.

Call students' attention to the Big Question. Tell students to look for details about the different ways people pay for goods and services and the factors that impact prices.

## Guided Reading Supports for “Exchange”

30 MIN

When you or a student reads aloud, **always** prompt students to follow along. By following along, students may acquire a greater understanding of the content. Remember to provide discussion opportunities.

### “Paying for Goods,” pages 26–27

**Scaffold understanding as follows:**

**Have students read the section on pages 26–27 with a partner.**

**SUPPORT**—Make sure students understand that bartering does not involve the exchange of cash. Bartering requires that both parties agree that the goods or services being exchanged fulfill a specific need or want. The parties negotiate until they reach an agreement in which the wants and needs of each are met. Point out to students that bartering works only if each party has something the other wants.

**SUPPORT**—Call attention to the illustration of trading in Carthage on page 27. Explain to students that Phoenician traders based in the area that is now Lebanon established Carthage by the 800s BCE as one of a number of trading centers around the Mediterranean Sea. The settlement grew to become a city that eventually built an empire. Students in CKHG schools will learn more about Carthage in the Grade 6 unit *Ancient Greece and Rome*.

**TURN AND TALK**—Invite students to think about possible advantages and disadvantages of bartering as compared to using money. Have students turn to a partner and talk about their thoughts and ideas. As time allows, invite a few students to share what they discussed with their partner.

**After students have read the text, ask the following questions:**

**LITERAL**—What does it mean to *barter*?

- » To barter means to purchase goods or services by trading for other goods or services, without using money.

**LITERAL**—Which kinds of things did ancient people barter for?

- » Ancient people bartered for things such as natural resources, handmade goods, and food.

**INFERENTIAL**—Suppose you agree to feed a neighbor’s cat while she is on vacation. In exchange, your neighbor gives you twenty dollars. Is this an example of bartering? Explain.

- » This is not an example of bartering because your neighbor paid you money to feed her cat.

## **“Money and Credit,” pages 28–29**

**Scaffold understanding as follows:**

**Read aloud the first two paragraphs of the section on pages 28–29.**

**CORE VOCABULARY**—Point out the vocabulary term *circulation*, and explain its meaning.

**SUPPORT**—Tell students that people in different cultures have used a variety of materials as money. For example, people on the South Pacific island of Yap used large stone wheels called *rai*. Some ancient cultures in Asia and Africa used cowry shells as a method of payment. Some Native American groups used strings or belts of beads called *wampum* as money.

**SUPPORT**—Call attention to the picture of U.S. notes and coins on page 28. Tell students that these notes and coins are an example of money, and all money should have these features:

1. It should be portable, or easy to carry.
2. It should be durable, or last a long time.
3. It should be standardized. Paper money or coins of the same value should be the same size, shape, and color.
4. It should be divisible, or easily divided into parts. For example, a ten-dollar bill can be exchanged for one five-dollar bill, four one-dollar bills, and four quarters.
5. It should be of limited supply so the money keeps its value over time.

**Have students read the rest of the section on page 29 with a partner.**

**SUPPORT**—Explain to students that the term *credit* can be summarized as “buying now and paying later.”

**After students have read the text, ask the following questions:**

**LITERAL**—What is *money*?

- » Money is any object that is widely accepted as payment.

**EVALUATIVE**—How does money help consumers determine the value of goods and services?

- » Because money is widely accepted, every good and service has a price attached to it. Consumers can use price to quickly understand the value of a product in relation to another.

**LITERAL**—What is *interest*?

- » Interest is money a consumer pays a lender for the convenience of having their borrowed money.

**EVALUATIVE**—What is one advantage of using a credit card to make purchases? What is one disadvantage?

- » Answers may vary, but students may say that one advantage is that using a credit card is convenient; consumers can buy things even if they are not carrying money. A disadvantage is that consumers might have to pay interest if they do not pay the full amount of the monthly credit card bill.

### **“Determining Value,” pages 29–31**

**Scaffold understanding as follows:**

**Have students read the section on pages 29–31 independently.**

**CORE VOCABULARY**—Point out the vocabulary term *market value*, and explain its meaning.

**SUPPORT**—Reread the sentence “When people are receiving a reliable income that comfortably covers their needs . . .” from the third paragraph. Reiterate to students that income can finance wants *only* when the income is more than enough to meet people’s needs. Explain that many people have jobs that do not pay enough to cover both wants and needs. In fact, many have jobs that do not even pay enough to cover all their needs. As a result, they need to make choices to help meet their needs, such as working multiple jobs, living with family, or going without.

**SUPPORT**—An organization called the Conference Board conducts a monthly survey called the Consumer Confidence Index (CCI) that tracks consumers’ perceptions of the country’s economic health. The CCI measures how consumers view the overall U.S. economy as well as their own personal financial situation. A CCI score of 100 or above indicates optimistic consumer attitudes toward the economy. Scores below 100 signal consumer pessimism.

**TURN AND TALK**—Invite students to think about how employment and consumer confidence affect the economy. Have students turn to a partner and talk about their thoughts and ideas. As time allows, invite a few students to share what they discussed with their partner.

**After students have read the text, ask the following questions:**

**EVALUATIVE**—How does the law of supply and demand help determine the value of goods and services?

- » The value or price of an item is determined in part by how much consumers are willing to pay for it. If demand is high but supply is low, the price will increase. If supply is high and demand is low, the price will often fall to encourage consumers to buy.

**LITERAL**—What is the *market value* of an item?

- » Market value is the price that consumers are willing to pay for an item.

**INFERENTIAL**—Do you think the market value of the same bicycle would be higher in Minnesota or in California? Explain.

- » Possible answer: The market value of a bicycle might be higher in California, where the weather makes bicycling a year-round activity, than in Minnesota, where winter weather makes bicycles useless for several months of the year.

**EVALUATIVE**—How does the employment rate impact prices?

- » People are more willing to spend money and make large purchases on credit when they are confident about their financial future, and high levels of employment increase consumer confidence. The increased demand leads to higher prices.

### **“International Trade,” pages 31–33**

**Scaffold understanding as follows:**

**Read aloud the first paragraph of the section on page 31.**

**SUPPORT**—Prompt students to recall the definition of *interdependence*, which was discussed in Chapter 1. (*Interdependence is the state of being related in such a way that each needs or depends on the other.*) Remind students that resources are not evenly distributed around the world, so nations must trade with one another to get what they need. This makes them interdependent.

**SUPPORT**—Use the example of coffee in the Student Reader to reinforce the concept of specialization, which was discussed in Chapter 1. (*Specialization is a type of production that focuses on one good or a small number of goods, thereby increasing efficiency.*) Point out that coffee would be much more expensive in the United States if we did not import it from other nations. Ask students to explain why. (*The United States does not have a good climate for growing coffee, so growing it would be difficult and costly. Coffee can be produced much more cheaply in other places. Producing coffee in the United States would use resources that are better used to produce other things.*)

**SUPPORT**—Call attention to the diagram of interdependence on page 32. Explain how the diagram illustrates the concept of interdependence between the United States and the European Union. The diagram shows that U.S. companies sell aerospace products to EU companies, and EU companies sell plastics and medical supplies to U.S. companies.

**Have students read the rest of the section on pages 32–33 independently.**

**SUPPORT**—The United States–Mexico–Canada Agreement (USMCA) is a 2020 trade agreement that promotes free trade among the three countries by eliminating many trade barriers, such as tariffs (taxes on imported goods) and quotas.

**After students have read the text, ask the following questions:**

**EVALUATIVE**—In your own words, define the term *economic interdependence*.

- » Possible answer: Economic interdependence means people or countries need or depend on each other for certain goods and products.

**EVALUATIVE**—What are some benefits for consumers of international trade?

- » International trade can result in lower prices for consumers. It also gives consumers more choices by introducing different products into the market.

**LITERAL**—What is the United States–Mexico–Canada Agreement (USMCA)?

- » The United States–Mexico–Canada Agreement (USMCA) is a trade agreement among these three countries.

**INFERENTIAL**—Do you think economic interdependence increases or decreases the possibility of conflict among nations? Why?

- » Possible answer: Economic interdependence decreases the possibility of conflict because countries that depend on each other for resources are less likely to go to war with each other.

### **“Lowering Costs,” page 33**

**Scaffold understanding as follows:**

**Have students read the section on page 33 with a partner.**

**CORE VOCABULARY**—Point out the vocabulary term *wages*, and explain its meaning.

**SUPPORT**—In addition to offshoring, some students may also be familiar with the concept of outsourcing. Explain to students the difference between the two. *Offshoring* involves moving certain economic activities from one country to another. *Outsourcing* involves giving certain economic activities to a third party, but not necessarily one outside the country. Economic activities that are offshored and outsourced commonly include manufacturing, call-center operations, and information technology.

**SUPPORT**—As of 2022, the federal minimum wage in the United States was \$7.25 per hour, but many states have legislated a higher minimum wage. Twelve states adhere to the federal minimum, while other states are on a schedule to eventually reach a minimum of \$15.00 per hour. The goal of a minimum wage is to make sure that people earn enough money to meet their needs, but that goal is not always met because the minimum wage does not increase as fast as the cost of living.

Distinguish for students the difference between *minimum wage* and *living wage*, which is a wage that is high enough to maintain a secure standard of living. Because the cost of living varies from state to state, so does a living wage. In 2022, the living hourly wage in the District of Columbia was estimated to be \$20.80. The lowest estimated hourly living wage in the nation was \$15.99 in Georgia, where the minimum wage in 2022 was \$7.25. Challenge students to find out the minimum wage in their state.

**After students have read the text, ask the following questions:**

**EVALUATIVE**—How can offshoring benefit producers? How can it benefit consumers? Explain.

- » Producers choose offshoring when it enables them to pay lower wages. This lowers production costs, which raises profits for the producers. Lower production costs can also be passed on to the consumer in the form of lower product prices.

**INFERENTIAL**—What do you think might be some negative consequences of offshoring?

- » Possible answer: When jobs are offshored to another country, people in the home country lose their jobs. Unemployment might rise, and people might have less money to spend on their wants and needs.

**LITERAL**—What is meant by the term *minimum wage*?

- » A minimum wage is the lowest wage that is allowed by law for a job.



## Question Card

---

- Show students the Chapter 3 Big Question Card. Read the caption, then review and discuss the Big Question.



### **"CHECK FOR UNDERSTANDING"** 10 MIN

#### **Ask students to:**

- Write a short answer to the Big Question: "How do people purchase goods and services?"
  - » Key points students should cite include: bartering; money; credit; how when supply exceeds demand, prices tend to fall; how when demand exceeds supply, prices tend to rise; how economic interdependence helps keep prices at market value; and how offshoring tends to lower production costs and therefore lower prices.
- Choose one of the Core Vocabulary terms (*circulation*, *market value*, or *wages*), and write a sentence using the term.

To wrap up the lesson, ask several students to share their responses.

## 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)

# The Marketplace

**The Big Question:** Where do people buy things?

### Primary Focus Objectives

- ✓ Identify the different forms a marketplace can take. (RI.5.1)
- ✓ Explain what a market is in economic terms. (RI.5.1)
- ✓ Describe the government's role in the market. (RI.5.2)
- ✓ Understand the meaning of the following domain-specific vocabulary: *marketplace*, *abstract*, *transaction*, *infrastructure*, *tax*, and *currency*. (RI.5.4, L.5.4)

### Core Vocabulary (Student Reader page numbers listed below)

**marketplace, n.** an area where people go to buy, sell, and trade goods (34)

*Example:* On Saturdays, local farmers set up tables in a marketplace where we go to buy fresh fruit.

*Variations:* marketplaces

**abstract, adj.** relating to general ideas or qualities rather than to specific people, objects, or actions (36)

*Example:* Abstract ideas such as *love* or *beauty* can sometimes be difficult to understand.

*Variations:* abstract (v.), abstract (n.), abstraction (n.)

**transaction, n.** an occurrence in which goods, services, or money are passed from one person or group to another (37)

*Example:* When I paid to send a package express, the clerk gave me a receipt as a record of the transaction.

*Variations:* transactions, transact (v.)

**infrastructure, n.** the public works system that includes roads, utility wires, water, public transportation, etc. (38)

*Example:* A strong infrastructure makes it easier for companies to obtain raw materials and to ship their products to distributors and retailers.

**tax, n.** money that people are required to pay to support the workings of the government (38)

*Example:* Income tax will be deducted from your wages by your employer.

*Variations:* taxes, taxation, tax (v.)

**currency, n.** a system of money (38)

*Example:* The dollar is the official currency of the United States.

*Variations:* currencies

## THE CORE LESSON 35 MIN

### Introduce “The Marketplace”

5 MIN

Review with students the meaning of the word *exchange* (*the act of giving one thing and receiving another*), and have them recall the various methods of exchange they learned about in Chapter 3 (*barter, money, and credit*). Then explain that in this chapter, students will learn about where and how exchanges between buyers and sellers take place.

Call students’ attention to the Big Question. Tell students to look for details about what a marketplace is and how it works.

### Guided Reading Supports for “The Marketplace”

30 MIN

When you or a student reads aloud, **always** prompt students to follow along. By following along, students may acquire a greater understanding of the content. Remember to provide discussion opportunities.

#### “Types of Markets,” pages 34–36

**Scaffold understanding as follows:**

**Invite volunteers to read aloud the first two paragraphs of the section on page 34.**

**CORE VOCABULARY**—Point out the vocabulary term *marketplace*, and explain its meaning.

**SUPPORT**—Remind students that Southwest Asia is sometimes referred to as the Middle East.

**SUPPORT**—Explain to students that in the scenario of the opening paragraph, the prices being shouted are not random. The customers and merchants are *haggling*, or negotiating, to decide on a price they can both agree to. After an agreement is reached, a purchase is made.

**SUPPORT**—Call attention to the picture of the flea market on page 35, and reiterate that in such marketplaces, buyers and sellers commonly bargain with each other until they agree on a suitable price. Ask if any students have ever shopped at a flea market or yard sale and bargained with the seller over the price of an item.

**Invite volunteers to read aloud the rest of the section on page 36.**

**CORE VOCABULARY**—Point out the vocabulary term *abstract*, and explain its meaning.

**SUPPORT**—Ask if students are familiar with the idioms *in the market* and *on the market*. Tell students that to be *in the market* for something means to be a potential buyer (e.g., *I am in the market for a new phone*). If something is on the market, it is available for sale (e.g., *The new iPhone just went on the market*).

**After volunteers have read the text, ask the following questions:**

**LITERAL**—What is a *marketplace*?

- » A marketplace is an area where people go to buy, sell, and trade goods. *Marketplace* can also refer to the overall buying and selling of products in an economy or to a specific portion of the economy.

**EVALUATIVE**—How are modern supermarkets and online marketplaces similar to the bazaars that existed one thousand years ago? How are they different?

- » Modern supermarkets, online marketplaces, and ancient bazaars all offer(ed) goods and services for sale to potential buyers. One way they are different is that today, consumers can make purchases almost any time of day and have them delivered to their homes. Also, today the prices of most goods and services are fixed. At ancient bazaars, buyers and sellers often negotiated the price of products for sale or exchange.

### **“Features of a Market,” pages 36–38**

**Scaffold understanding as follows:**

**Read aloud the first paragraph of the section on page 36.**

**SUPPORT**—Point out the web diagram on page 36. Explain to students that the diagram identifies the four basic features of a market, which they will learn about in this section. Consider displaying the diagram on the board or chart paper during this lesson for students to reference.

**Read aloud the rest of the section on pages 37–38.**

**CORE VOCABULARY**—Point out the vocabulary term *transaction*, and explain its meaning.

**SUPPORT**—As you mention each of the basic features of a market, very briefly refer back to the diagram on page 36.

**SUPPORT**—Point out the photo of the online shopper on page 37, and briefly revisit the comparison between ancient open-air marketplaces and virtual marketplaces (mentioned in the previous section) to emphasize the

point that buyers and sellers no longer need to occupy the same physical space for transactions to occur.

**SUPPORT**—To explain the concept of competition, ask students to identify a local restaurant that sells lunch. Then ask them to identify a second, different restaurant that sells lunch. Explain to students that those two restaurants are competitors. Both want the same customers. Both want consumers to buy their food. Then have students identify a local store that sells shoes or clothing, and ask if this store is in competition with the restaurants. Have them explain their answer. (*No, a shoe store is not a competitor with a restaurant. They do not compete in the market for the same customers.*)

**SUPPORT**—Reread the final sentence in the second paragraph, “They may try to attract customers . . .,” and remind students of the concept of incentives, which they learned about in Chapter 2. Connect the idea of economic competition among sellers with the practice of offering incentives to potential customers. Explain to students that competition among sellers is a main factor in setting prices. Competition also provides an incentive to sellers to improve their products and make them more attractive to consumers than their competitors’ products.

**SUPPORT**—Point out the term *human resources* in the third paragraph. Remind students that human resources are people. When a business is looking for human resources, it is looking for the people, or workers, needed for a specific task or role.

**After you have read the text, ask the following questions:**

**LITERAL**—What are the four main features of a market?

- » The four main features of a market are (1) buyers and sellers, (2) availability of goods and services, (3) a place where transactions can occur, and (4) competition.

**INFERENTIAL**—How do you think competition in the marketplace benefits consumers?

- » Because of competition, producers and sellers try to offer the best products they can at the lowest possible price in order to attract buyers. Competition therefore results in better-quality products at lower prices than would otherwise exist.

### **“Government’s Role in the Marketplace,” page 38**

**Scaffold understanding as follows:**

**Have students read the section on page 38 independently.**

**CORE VOCABULARY**—Point out the vocabulary terms *infrastructure*, *taxes*, and *currency*, and explain their meanings.

**SUPPORT**—Remind students that in addition to the activities mentioned in this section, governments also guarantee a minimum hourly wage for most jobs. Ask students to recall the goal of a minimum wage (*to make sure that people earn enough money to meet their needs*), and reiterate that this goal is not always met because the minimum wage does not always match the cost of living.

**SUPPORT**—Make sure that students understand that taxes pay for more than just infrastructure. Taxes pay for parks, libraries, schools, police and fire protection, elections, and a host of other services.

**SUPPORT**—Remind students about the common features of currency, which were discussed in a Support note in Chapter 3.

**After students have read the text, ask the following questions:**

**LITERAL**—How does the government influence what is sold in the marketplace?

- » The government passes laws that buyers and sellers must follow. For example, laws require drug companies and auto manufacturers to demonstrate that the products they sell are safe.

**EVALUATIVE**—How does a strong infrastructure benefit buyers and sellers?

- » A strong infrastructure makes it easier for buyers and sellers to connect with each other and for companies to get their goods to market.

**EVALUATIVE**—How does currency make transactions in the marketplace easier for buyers and sellers?

- » Currency is an agreed-upon means of exchange for buying and selling. Currency also helps people reach a common understanding of how much a good or service is worth.

### **“Climate Change and the Marketplace,” pages 39–40**

**Scaffold understanding as follows:**

**Have students read the section on pages 39–40 with a partner.**

**SUPPORT**—Make sure students understand that more and more people have accepted the reality of climate change and are taking steps to reduce the impact of climate change. For example, the use of renewable energy sources such as solar and wind power is growing, and large companies are finding more and more ways to reduce pollution.



**After students have read the text, ask the following questions:**

**LITERAL**—What are some effects of climate change?

- » Effects of climate change include rising sea levels, higher temperatures, and increased or decreased rainfall.

**INFERENTIAL**—How might climate change cause prices for resources to rise? Use the concepts of supply and demand in your answer.

- » Climate change is expected to cause some resources to become scarcer. If the supply of a needed resource decreases but demand remains high, the price will increase.

**LITERAL**—What are some actions people are taking to reduce the impact of climate change?

- » New technologies are being developed to reduce carbon emissions, and infrastructure systems are being updated and improved.

## Question Card

---

- Show students the Chapter 4 Big Question Card. Read the caption, then review and discuss the Big Question.



### “CHECK FOR UNDERSTANDING” 10 MIN

**Ask students to:**

- Write a short answer to the Big Question: “Where do people buy things?”
  - » Key points students should cite include: an understanding that a *marketplace* is a place to buy, sell, and trade goods; the key features of a marketplace (buyers/sellers, availability of goods, a place for transactions to occur, and competition); and government’s role in the marketplace (e.g., building infrastructure, creating currency).
- Choose one of the Core Vocabulary words (*marketplace*, *abstract*, *transaction*, *infrastructure*, *tax*, or *currency*), and write a sentence using the word.

To wrap up the lesson, ask several students to share their responses.

## 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)

# Economies in American History

**The Big Question:** How did different economies grow throughout history?

### Primary Focus Objectives

- ✓ Describe Native American economies before European colonization of North America. (RI.5.2)
- ✓ Explain the role of economics in European exploration and colonization. (RI.5.3)
- ✓ Explain the role of economics in the quest for American independence. (RI.5.3)
- ✓ Summarize the changes brought by the Industrial Revolution. (RI.5.2)
- ✓ Explain the role of the United States in the global economy. (RI.5.2)
- ✓ Understand the meaning of the following domain-specific vocabulary: *monopoly, conquistador, empire, plantation, mission, convert, mercantilism, joint-stock company, smelting, and boom*. (RI.5.4, L.5.4)

### Core Vocabulary (Student Reader page numbers listed below)

**monopoly, n.** a situation in which one person, country, or company has complete control of the supply of a good or service (45)

*Example:* Until the era of mobile telephones, a single company held a monopoly on telephone services in the United States.

*Variations:* monopolies, monopolize (v.)

**conquistador, n.** the Spanish word for conqueror (46)

*Example:* During the Age of Exploration, conquistadors traveled to the Americas hoping to find great riches.

*Variations:* conquistadors

**empire, n.** a group of countries or territories under the control of one government or ruler (46)

*Example:* In the 1600s, Spain controlled a large empire in the Americas.

*Variations:* empires, emperor, imperialism

**plantation, n.** a large farm where cash crops are grown on behalf of the person who owns the land (46)

*Example:* A typical southern plantation might span one thousand acres and produce one or two crops for sale.

*Variations:* plantations

**mission, n.** a settlement built for the purpose of converting Indigenous people to Christianity (46)

*Example:* The priest lived and taught at the mission for many years.

*Variations:* missions, missionary

**convert, v.** to change from one belief or religion to another (47)

*Example:* After much thought, my cousin decided to convert from Christianity to Islam.

*Variations:* converts, converting, converted, convert (n.), conversion (n.)

**mercantilism, n.** an economic system that aims to increase a country's wealth and power by controlling trade and people (47)

*Example:* A country that practices mercantilism tries to use its colonies to increase its own wealth.

*Variations:* mercantilist (adj.)

**joint-stock company, n.** a company that raises money by selling shares, or interest in the company, in the form of stock (48)

*Example:* The Virginia Company of London was a joint-stock company chartered by King James I in 1606 to establish a colony in North America.

*Variations:* joint-stock companies

**smelting, n.** the process of extracting metal from its ore through heating and melting (52)

*Example:* As the supply of coal and iron decreased, jobs in mining and smelting became more scarce.

*Variations:* smelt (v.)

**boom, n.** a period of sudden rapid growth (52)

*Example:* This year has seen a boom in cell phone sales.

*Variations:* booms

## THE CORE LESSON 35 MIN

### Introduce “Economies in American History”

5 MIN

Call students' attention to the Big Question. Tell students that now that they understand the principles of economics, they are going to travel back in time to see what economies looked like in the past, at different times in U.S. history, including hundreds of years ago. Tell students to look for examples of

resources, supply, demand, consumers, producers, interdependence, markets and marketplaces, government intervention, and other elements of economics as they read.

## Guided Reading Supports for “Economies in American History” 30 MIN

When you or a student reads aloud, **always** prompt students to follow along. By following along, students may acquire a greater understanding of the content. Remember to provide discussion opportunities.

**Note:** As students read this chapter, point out (or ask students to identify) the economic concepts students have already read about (supply, demand, profit, interdependence, market, etc.) in the historical examples provided.

### “Early American Economies,” pages 41–43

**Scaffold understanding as follows:**

**Read aloud the first two paragraphs of the section on page 41.**

**SUPPORT**—As you point out the picture of dried corn on page 42, remind students of the concept of bartering as a method of exchange, which they learned about in Chapter 3. Explain that Native Americans might have traded corn such as this for other goods that they needed or wanted.

**Invite volunteers to read aloud the rest of the section on page 43.**

**Note:** *Haudenosaunee* is pronounced (/hoe\*deh\*no\*show\*nee/). *Tsimshian* is pronounced (/shim\*shee\*uhn/).

**SUPPORT**—Remind students that resources are unevenly distributed and that people typically trade for goods that they need and want but cannot produce themselves. For example, fish was an abundant resource in the Northwest, so the Tsimshian had more than they needed; they traded the surplus for things that were not in abundance.

**After volunteers have read the text, ask the following questions:**

**LITERAL**—How did Native American groups get things they wanted but could not produce themselves?

- » Native Americans traded with each other for things they wanted but could not produce themselves.

**EVALUATIVE**—Recall the definition of the term *interdependence* from Chapter 1. How does this section illustrate the concept of interdependence?

- » Interdependence is the state of being related in such a way that each needs or depends on the other. The section illustrates the concept by discussing how different Indigenous groups depended on one another for resources to meet their wants and needs.

**INFERENTIAL**—Was demand for the eulachon rather high or rather low? How do you know?

- » Demand for any highly valued luxury good such as the eulachon fish would have been high. The Tsimshian traded it to other groups. If the fish were not in high demand, the Tsimshian would not have been able to use it in trade.

### **“Spanish Claims in the Americas,” pages 44–47**

**Scaffold understanding as follows:**

**Have students read the first two paragraphs of the section on pages 44–45 with a partner.**

**CORE VOCABULARY**—Point out the vocabulary term *monopoly*, and explain its meaning.

**SUPPORT**—Make sure students understand what a monopoly is. Compare the concept of monopoly with the concept of competition, which students learned about in Chapter 4. Ask students if a monopoly is good or bad for consumers and why. (*A monopoly is bad for consumers. If a good can only be obtained from one person or group, that supplier can charge an excessively high price for it.*) Tell students that the U.S. government has laws to prevent companies from gaining a monopoly and to restrict the actions of a company that has a monopoly.

**SUPPORT**—Call attention to the use of the term *profit* in the first paragraph. Remind students that profit is the money made by a business once all expenses have been paid and that making a profit is the goal of most businesses.

**Have students read the rest of the section on pages 45–47 with a partner.**

**CORE VOCABULARY**—Point out the vocabulary terms *conquistador*, *empire*, *plantation*, *mission*, and *convert*, and explain their meanings.

**SUPPORT**—Make sure to remind students that not all arrivals to the Americas were voluntary settlers or explorers. Most Africans who came to the Americas during this period were enslaved and brought to America against their will.

**Note:** For an Indigenous perspective on the Spanish mission system, see the Core Knowledge Free Resource Library biography of Toyupurina.

**After students have read the text, ask the following questions:**

**LITERAL**—Why did European monarchs initially invest in voyages of exploration?

- » They wanted to reach the source of desired spices, break the Arab and Venetian traders’ monopoly on the spice trade, and reduce dependence on overland trade routes.

**LITERAL**—Which two European countries were the first to establish extensive claims in the Americas? By the 1500s, which country had come to control most of the region?

- » Spain and Portugal were the first European countries to establish extensive claims in the Americas. By the 1500s, Spain controlled most of the Americas.

**LITERAL**—What are two reasons the Spanish came to the Americas?

- » The Spanish came to the Americas to find a direct route to Asia in order to obtain riches and to convert the Indigenous people to Christianity.

**INFERENTIAL**—Why do you think Spain did not want other European countries to colonize the Americas?

- » Possible answer: Spain did not want to share the resources they found in the Americas with other nations. Spain hoped to become wealthy by keeping American resources for itself.

### **“Other Europeans Claim Land in North America,” pages 47–49**

**Scaffold understanding as follows:**

**Read aloud the first two paragraphs of the section on pages 47–48.**

**CORE VOCABULARY**—Point out the vocabulary terms *mercantilism* and *joint-stock company*, and explain their meanings.

**SUPPORT**—Explain to students that the colonization of the Americas involved more than merely taking control of land and resources. It also meant the conquest or removal of Native peoples. Sometimes it meant enslavement of Native peoples. Before Columbus arrived in the Americas in 1492, the Indigenous population is estimated to have been about sixty million. One hundred years later, the number had fallen to about six million.

**SUPPORT**—Briefly elaborate on the concept of mercantilism. The theory of mercantilism states that there is a finite amount of wealth and riches in the world, and it is in a nation’s best economic interests to regulate commerce and trade in order to accumulate as much of it as possible. Under this theory, countries achieve wealth by producing and exporting more than they import. This reduces the choices available to consumers; fewer imports results in less competition and higher prices. As a direct result of their mercantilist policies, European nations came into conflict with each other over control of trade routes. Mercantilism is very much at odds with modern principles of free trade and economic interdependence.

**SUPPORT**—Students who completed the Grade 5 CKHG unit *The Age of Exploration* may recall learning about the Northwest Passage. Remind students that the Northwest Passage was a theorized sea route enabling travel from the Atlantic Ocean to the Pacific Ocean through or around North America. Remind them that one of the original goals of Spanish exploration was to find a faster western sea route to Asia. Norwegian explorer Roald Amundsen finally discovered and navigated the Northwest Passage in the early 1900s. Because of ice, the passage is usually unnavigable. Because of climate change, however, much Arctic ice is melting, and the passage could ultimately become usable.

**Have students read the rest of the section independently.**

**SUPPORT**—Tell students that the French treated Native peoples quite differently than did other European explorers and settlers. Generally, the French had friendlier relations with Native peoples, learning their languages and customs. Native peoples were called “allies,” not “subjects,” and the relationship between the groups was much more interdependent. More French settlers married Indigenous people than did any other European group. In the 1700s, however, French authorities prohibited these sorts of intermarriages. Additionally, the French always considered Native American cultures to be inferior.

**SUPPORT**—Call attention to the painting of New Netherland on page 49. Ask students why they think England wanted New Netherland. (*Possible answer: England wanted New Netherland because New Netherland was in competition with English settlements along the Atlantic coast. England wanted control of the entire region and its resources.*)



**TURN AND TALK**—Ask students to think about the causes of international conflicts in the past and the consequences of those conflicts. Have students turn to a partner and talk about their thoughts and ideas. As time allows, invite a few students to share what they discussed with their partner.

**After students have read the text, ask the following questions:**

**LITERAL**—What is *mercantilism*?

- » Mercantilism is an economic system that aims to increase a country’s wealth and power by controlling trade and people.



**LITERAL**—Why did various groups compete for territory in North America?

- » Groups competed for territory in North America because they thought controlling colonies was necessary to build wealth. Controlling colonies would give them access to new resources.



**EVALUATIVE**—How did the success of Jamestown attract other English colonists to North America?

- » After some initial struggles, Jamestown became very profitable. This inspired other English people to settle in North America, hoping to become wealthy themselves.

**LITERAL**—In addition to Spain and Portugal, which other European nations established colonies in the Americas?

- » Along with Spain and Portugal, England, France, and the Netherlands (the Dutch) established colonies in the Americas.

### **“The British Colonies and the Establishment of the United States,” pages 49–51**

#### **Scaffold understanding as follows:**

**Note:** Before beginning this section, explain to students that the term *British* means from or related to Britain or Great Britain. Britain and Great Britain are common names for what was then the Kingdom of Great Britain, which was created in 1707 by uniting England, Wales, and Scotland. (In 1801, Great Britain joined with Ireland to form the United Kingdom of Great Britain and Ireland; when most of Ireland became independent in 1922, the U.K. officially became the United Kingdom of Great Britain and Northern Ireland.) Thus, the term *British* refers to English, Welsh, and Scottish people and their government after 1707.

#### **Invite volunteers to read aloud the section on pages 49–51.**

**SUPPORT**—Point out to students that mercantilism and a free-market economy are different ways to answer the three basic economic questions: what to produce, how to produce it, and for whom to produce it. In a mercantilist system, the government makes many decisions about what to produce and how to produce it, and the goal is to create wealth for the state.

Remind students that in the U.S. economy, producers decide, based largely on consumer demand, *what* goods and services will be produced and *how* to provide goods and services. The *for whom* question is determined by consumers' income, or purchasing power. Along with competition and limited government regulation, these are basic principles of a free-market economy. The right to own private property (e.g., capital and natural resources) and the use of profit as an incentive are also free-market characteristics.

**SUPPORT**—The Navigation Acts were a direct result of Britain's mercantilist economic policies. Among other things, the Navigation Acts stipulated that Britain's North American colonies could only sell the goods they produced to Britain. This policy increased Britain's wealth while preventing the colonists from trading with other nations.

**After volunteers have read the text, ask the following questions:**

**INFERENTIAL**—Were the prices of goods in British colonies determined by the law of supply and demand? Explain.

- » Prices of goods in British colonies were not determined by the law of supply and demand; they were heavily impacted by the policies of the British government.

**LITERAL**—Why did the British government impose additional taxes on its colonies in the 1770s? How did colonists react?

- » The British government imposed additional taxes on the colonies to pay the debts it had accumulated during its war with France. Colonists objected to these taxes, saying that taxing them was unfair because they had no representation in the British government.

**EVALUATIVE**—How was U.S. economic policy after the American Revolution different from British economic policy?

- » After the Revolution, the United States abandoned mercantilism in favor of free-market economic principles.

**“The Industrial Revolution,” pages 51–53**

**Scaffold understanding as follows:**

**Read aloud the section on pages 51–53.**

**CORE VOCABULARY**—Point out the vocabulary terms *smelting* and *boom*, and explain their meanings.

**SUPPORT**—Call attention to the photo of the spinning machines on page 51. Explain to students that spinning machines turned raw cotton and wool into yarn and that such technological innovations allowed companies to produce more with less effort, ultimately reducing prices for consumers. But also explain that operating such machines could often be dangerous, and at the time, there were no laws in effect requiring factory owners to keep employees safe. Employees were often injured or even killed on the job, and disabled workers received no financial help from their employers or the government.

Also explain that the technological advances of the Industrial Revolution allowed farmers to grow and harvest more crops with less human resources. Millions of people moved from rural areas to cities in search of factory jobs, as they were no longer needed to work on farms. The high supply of labor meant that factory owners could pay very low wages. As a result, workers often had to live in crowded tenements (apartment buildings) in poorer neighborhoods of cities, and many family members, including children, had to work in order to earn enough to

meet the family's needs. By the early twentieth century, workers had started to organize and form unions to fight for better pay and safer working conditions.

**Note:** Students in Core Knowledge schools will learn more about the Industrial Revolution in Grade 6.

**SUPPORT**—Explain to students that rapid urbanization placed a great strain on the infrastructures of America's cities, which soon found that demand for services far exceeded supply.

**SUPPORT**—Point out the examples of interdependence in this section. For example, industrial equipment was made of iron and steel, which increased demand for iron ore and coal. Increased steel production fueled the growth of railroads, whose iron engines were powered by coal that ran on steel tracks. Ask student volunteers to think of additional examples.



**TURN AND TALK**—Explain to students that the word *institutional* means related to a large organization, such as a university, corporation, or government. Then ask students to identify the institutional and non-institutional ways that people have made changes to society. Have students turn to a partner and talk about their thoughts and ideas. As time allows, invite a few students to share what they discussed with their partner.

**After you have read the text, ask the following questions:**

**INFERENTIAL**—Based on the description in the text, what is a good definition of the term *Industrial Revolution*?

- » Answers may vary, but students might say that the Industrial Revolution was the period of economic change that began in the mid-1700s and was characterized by the use of machines to produce goods.

**LITERAL**—What are some changes that occurred because of the Industrial Revolution?

- » Because of the Industrial Revolution, fewer people worked on farms, and more people worked in factories. Factory work became increasingly mechanized. More and more people moved to cities.

**INFERENTIAL**—How do you think the Industrial Revolution influenced the supply of consumer goods? How do you think it influenced the supply of nonrenewable resources? Explain your answer.

- » The supply of consumer goods increased because machines made it easier and faster to produce goods. The supply of nonrenewable resources decreased, however. By definition, nonrenewable resources cannot be replaced. As factories used more and more of nonrenewable resources such as coal and petroleum, there was less and less left for future use.

## **“A Global Economy,” pages 53–54**

**Scaffold understanding as follows:**

**Have students read the section on pages 53–54 independently.**

**SUPPORT**—If necessary, make sure students understand the links among international trade, the uneven distribution of resources, specialization, and economic interdependence—all of which have been discussed extensively in this unit.



**TURN AND TALK**—Tell students that trade requires groups of nations to cooperate with each other. Have them work with a partner to find examples in the Student Reader. Then have the partners use the examples they found to answer the questions “How have nations cooperated in the past? What are the costs and benefits of cooperation?”

**After students have read the text, ask the following questions:**

**LITERAL**—What are some major U.S. exports and imports? Who are the major U.S. trading partners?

- » Major U.S. exports include petroleum (oil) and cars. Major imports include cars and computers. The major U.S. trading partners are Canada, Mexico, and China.

**EVALUATIVE**—How does economic interdependence benefit an economy?

- » Through international trade, economic interdependence benefits an economy by providing access to more resources, increasing competition, and offering more consumer choice.

**EVALUATIVE**—How is the modern U.S. economy similar to ancient economies?

- » All economies exist to provide the goods and services consumers want and need. They all answer the three basic economic questions: what to produce, how to produce it, and for whom to produce it.

## **Question Card**

---

- Show students the Chapter 5 Big Question Card. Read the caption, then review and discuss the Big Question.



## “CHECK FOR UNDERSTANDING” 10 MIN

### Ask students to:

- Write a short answer to the Big Question: “How did different economies grow throughout history?”
  - » Key points students should cite include: trade and barter among Native American groups; the colonization of the Americas and the resulting trade in goods and natural resources; the impact of mercantilism and joint-stock companies on colonial growth; the rebellion against taxation and mercantilism by British colonists; the development of a free-market economy in the United States; the impact of the Industrial Revolution on workers, consumers, and producers; and the impact of international trade.
- Choose one of the Core Vocabulary terms (*monopoly, conquistador, empire, plantation, mission, convert, mercantilism, joint-stock company, smelting, or boom*), and write a sentence using the term.

To wrap up the lesson, ask several students to share their responses.

## 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)

# Teacher Resources

<b>Unit Assessment: <i>Understanding Economics</i></b>	<b>56</b>
<b>Performance Task: <i>Understanding Economics</i></b>	<b>59</b>
• Performance Task Scoring Rubric	<b>60</b>
• Performance Task Activity: <i>Understanding Economics</i>	<b>61</b>
• <i>Understanding Economics</i> Performance Task Notes Table	<b>62</b>
<b>Activity Pages</b>	
• Domain Vocabulary: Chapters 1–3 (AP 3.1)	<b>63</b>
• Domain Vocabulary: Chapters 4–5 (AP 5.1)	<b>65</b>
<b>Answer Key: <i>Understanding Economics</i>— Unit Assessment and Activity Pages</b>	<b>67</b>

## Unit Assessment: *Understanding Economics*

---

### A. Circle the letter of the best answer.

1. Which of the following is a need?
  - a) water
  - b) sports car
  - c) diamond ring
  - d) birthday cake
2. Which of the following is a human resource?
  - a) a forest
  - b) a factory
  - c) a delivery truck
  - d) an office worker
3. What is the difference between goods and services?
  - a) Goods satisfy both needs and wants, while services satisfy only needs.
  - b) Goods are created by producers, while services are carried out by consumers.
  - c) Goods are tangible things that can be sold, while services are tasks people do for customers.
  - d) Goods are produced with renewable resources, while services are produced with nonrenewable resources.
4. When does scarcity occur in an economy?
  - a) Scarcity occurs when wants and needs are the same.
  - b) Scarcity occurs when supply is much higher than demand.
  - c) Scarcity occurs when there is more of an item than people want or need.
  - d) Scarcity occurs when there are not enough resources to meet people's wants and needs.
5. Suppose you must choose between going to a movie that costs ten dollars and going to a carnival that costs seven dollars. You choose the movie. What is your opportunity cost?
  - a) the movie
  - b) ten dollars
  - c) the carnival
  - d) three dollars
6. What happens to supply and demand at the equilibrium price?
  - a) Supply and demand are zero.
  - b) Supply and demand are equal.
  - c) Supply decreases and demand increases.
  - d) Supply increases and demand decreases.



- 7.** Which of the following is the best example of bartering?
- a)** Estella bakes a cake, and Martin gives her ten dollars for it.
  - b)** Estella bakes a cake and gives it to Martin for his birthday.
  - c)** Estella bakes Martin a cake, and in return, Martin mows Estella's lawn.
  - d)** Estella bakes a cake, and Martin borrows ten dollars from his mother to pay for it.
- 8.** Why is the price of summer fruit usually lower in the summer than in the winter?
- a)** The supply of summer fruit is elastic.
  - b)** The demand for summer fruit is inelastic.
  - c)** The supply of summer fruit is higher in the summer than in the winter.
  - d)** The demand for summer fruit is higher in the summer than in the winter.
- 9.** The United States–Mexico–Canada Agreement (USMCA) demonstrates which economic principle?
- a)** incentives
  - b)** economic interdependence
  - c)** the law of supply and demand
  - d)** the market value of goods and services
- 10.** In economics, what is a market?
- a)** a display of goods and services for sale
  - b)** the total amount of a product offered to consumers
  - c)** the price consumers are willing to pay for something
  - d)** an area where people go to buy, sell, and trade goods
- 11.** Which of the following is a characteristic of all markets?
- a)** a monopoly
  - b)** buyers and sellers
  - c)** the use of barter for exchange
  - d)** a physical space for transactions
- 12.** What is currency?
- a)** a system of money government creates as a means of exchange
  - b)** money that people pay to support the workings of government
  - c)** the public works system that includes roads, bridges, and rail
  - d)** laws passed by the government to regulate the marketplace
- 13.** Which of the following was a major reason for European colonization?
- a)** Colonies were created to replace mercantilism with competition.
  - b)** Colonies were created to promote economic interdependence.
  - c)** Colonies were created in order to support international trade.
  - d)** Colonies were created to enrich their home countries.

- 14.** Why did many British colonists object to the Navigation Acts?
- a) The Acts forced colonists to pay Native Americans for the use of natural resources.
  - b) The Acts required colonists to conduct all trade on British or colonial ships.
  - c) The Acts required colonial businesses to compete against each other.
  - d) The Acts forced free-market economic principles on the colonies.

- 15.** What was one change brought about by the Industrial Revolution?
- a) The use of railroads declined.
  - b) Cities and factories grew rapidly.
  - c) Fewer consumer goods were available.
  - d) More and more people worked on farms.

**B. Match each vocabulary word on the left with its definition on the right. Write the correct letter on the line.**

- |                                |   |
|--------------------------------|---|
| _____ <b>16.</b> economy       | <b>a)</b> an amount taken off a regular price   |
| _____ <b>17.</b> capital       | <b>b)</b> an occurrence in which goods, services, or money are passed from one person to another                                  |
| _____ <b>18.</b> raw materials | <b>c)</b> money needed to pay for a workforce, machinery, and other equipment to support the development and growth of a business |
| _____ <b>19.</b> discount      | <b>d)</b> an economic system that aims to increase a country's wealth and power by controlling trade and people                   |
| _____ <b>20.</b> budget        | <b>e)</b> the amount of money that workers are paid based on their occupation and the number of hours they work each week         |
| _____ <b>21.</b> wages         | <b>f)</b> the way a country manages its money and resources to produce, buy, and sell goods and services                          |
| _____ <b>22.</b> transaction   | <b>g)</b> money that people are required to pay to support the workings of the government   |
| _____ <b>23.</b> tax           | <b>h)</b> an amount of money available for spending based on a plan for how it will be spent                                      |
| _____ <b>24.</b> monopoly      | <b>i)</b> a situation in which one person, country, or company has complete control of the supply of a good or service            |
| _____ <b>25.</b> mercantilism  | <b>j)</b> substances used in the primary production or manufacture of goods   |

## Performance Task: *Understanding Economics*

**Teacher Directions:** Entrepreneurs are people who start new businesses. Entrepreneurs like Jamie and Jilea Hemmings (from the Chapter 1 case study) typically identify a want or need in the community and start a new business to meet it. Entrepreneurs make all the decisions about what the business will produce and how to produce it.

Ask students to think about a want or need in their community. Then have them write a plan for a new business to fill that want or need. Encourage them to use their Student Reader and knowledge of their community and to take notes and organize their thoughts in the table provided.

A sample table, completed with possible notes, is provided below to serve as a reference for teachers, should some prompting or scaffolding be needed to help students get started. Individual students are not expected to provide a comparable finished table. Their goal is to create notes as a basis for their plan for a new business in the community.

<b>Type of product (good or service)</b>	<ul style="list-style-type: none"><li>Students should list ideas that match the headings in the left column. One of many possible examples is provided below.</li><li>homework help</li></ul>
<b>Description of business (physical, online, hybrid) and how it will produce the product</b>	<ul style="list-style-type: none"><li>online</li><li>provide homework help via online chat</li></ul>
<b>Want or need the business will meet</b>	<ul style="list-style-type: none"><li>Help students with their homework when their parents or guardians can't</li></ul>
<b>Needed resources</b>	<ul style="list-style-type: none"><li>homework helpers, website</li></ul>
<b>Suggested price</b>	<ul style="list-style-type: none"><li>\$20 per session,</li><li>or annual subscription (unlimited sessions) for \$500</li></ul>
<b>Reason for price</b>	<ul style="list-style-type: none"><li>Most tutors charge around \$20 an hour, and we need to pay our helpers and for our website.</li></ul>

## Performance Task Scoring Rubric

---

**Note:** Students should be evaluated on the basis of their business plan using the rubric.

Students should not be evaluated on the completion of the notes table, which is intended to be a support for students as they first think about their responses.

<b>Above Average</b>	Business plan is accurate, detailed, well organized, and clearly presented. The plan is engaging and demonstrates a solid understanding of entrepreneurship and economic principles. A reader would gain a strong understanding of the student's business goals and strategies. One or two minor errors may be present.
<b>Average</b>	Business plan is neatly presented and mostly accurate, with clear and mostly consistent organization and focus. The plan demonstrates a good understanding of entrepreneurship and economic principles. A reader would gain a satisfactory understanding of the student's business goals and strategies. The plan exhibits multiple but minor issues with neatness and/or usage of standard English.
<b>Adequate</b>	Business plan is mostly accurate but lacks detail, and issues with neatness, organization, focus, and/or usage of standard English detract from understanding the plan. The plan demonstrates a partial understanding of entrepreneurship and economic principles. A reader would gain a partial idea of the student's business goals and strategies.
<b>Inadequate</b>	Business plan is incomplete or demonstrates only a minimal understanding of entrepreneurship and economic principles. A reader would have little understanding of the student's business goals and strategies. The plan exhibits major issues with neatness, organization, focus, and/or usage of standard English.

Name \_\_\_\_\_

Date \_\_\_\_\_

## Performance Task Activity: *Understanding Economics*

Entrepreneurs are people who start new businesses. Entrepreneurs like Jamie and Jilea Hemmings (from the Chapter 1 case study) typically identify a want or need in the community and start a new business to meet it. Entrepreneurs make all the decisions about what the business will produce and how to produce it.

Think about a want or need in your community. Then write a plan for a new business to fill that want or need. Use details from your reading in *Understanding Economics* and from your own knowledge of your community.

Use the table on the next page to take notes and organize your thoughts. You may refer to the chapters in *Understanding Economics*.

[illegible]

**Understanding Economics Performance Task Notes Table**

Use the table below to help you organize your thoughts as you refer to *Understanding Economics* and think about a business that can fill an unmet want or need in your community. You do not need to complete the entire table to create your business plan, but your plan should address all of the factors shown below.

Type of product (good or service)	
Description of business (physical, online, hybrid) and how it will produce the product	
Want or need the business will meet	
Needed resources	
Suggested price	
Reason for price	

Name \_\_\_\_\_

Date \_\_\_\_\_

### Activity Page 3.1

### Use with Chapter 3

### Domain Vocabulary: Chapters 1–3

**For each word, write the letter of the definition.**

- |                             |   |
|-----------------------------|---|
| _____ 1. economy            | <b>a)</b> the state of being related in such a way that each needs or depends on the other  |
| _____ 2. mortgage           | <b>b)</b> done in a way that prevents something from happening  |
| _____ 3. commute            | <b>c)</b> the money needed to pay for a workforce, machinery, and other equipment to support the development and growth of a business |
| _____ 4. capital            | <b>d)</b> a legal agreement in which a person borrows money to buy a house and pays back the money over time                          |
| _____ 5. raw materials      | <b>e)</b> the value of the option that was not chosen whenever a choice is made   |
| _____ 6. tangible           | <b>f)</b> an amount taken off a regular price   |
| _____ 7. entrepreneur       | <b>g)</b> substances used in the primary production or manufacture of goods   |
| _____ 8. interdependence    | <b>h)</b> to bring into one country from another country  |
| _____ 9. profit             | <b>i)</b> the way a country manages its money and resources to produce, buy, and sell goods and services                              |
| _____ 10. externality       | <b>j)</b> a person who starts a business and is willing to risk loss in order to make money   |
| _____ 11. prohibitively     | <b>k)</b> the money that is made by a business once all expenses have been paid   |
| _____ 12. import            | <b>l)</b> in economics, the price at which supply equals demand   |
| _____ 13. opportunity cost  | <b>m)</b> to travel regularly to and from a place of work   |
| _____ 14. discount          | <b>n)</b> a consequence of a commercial activity that affects other parties without impacting the cost of the goods                   |
| _____ 15. equilibrium price | <b>o)</b> capable of being touched  |



Name \_\_\_\_\_

Date \_\_\_\_\_

**Activity Page 3.1 (continued)**

**Use with Chapter 3**

\_\_\_\_\_ **16.** elastic

**p)** a supply of something that is much more than is needed or wanted

\_\_\_\_\_ **17.** glut

**q)** the amount of money that workers are paid based on their occupation and the number of hours they work each week

\_\_\_\_\_ **18.** budget

**r)** the price that consumers are willing to pay for something

\_\_\_\_\_ **19.** circulation

**s)** an amount of money available for spending based on a plan for how it will be spent

\_\_\_\_\_ **20.** market value

**t)** able to be changed; flexible

\_\_\_\_\_ **21.** wages

**u)** the act of passing something, such as money, from person to person or place to place

\_\_\_\_\_ **22.** labor

**v)** the work needed to create a good or provide a service; the people who perform that work

Name \_\_\_\_\_

Date \_\_\_\_\_

## Activity Page 5.1

## Use with Chapter 5

### Domain Vocabulary: Chapters 4–5

Use the words in the word bank to complete the crossword puzzle. Leave out any hyphens or spaces between words.

mercantilism	abstract	transaction	infrastructure	tax	currency
monopoly	conquistador	empire	plantation	mission	convert
marketplace	joint-stock company	smelting	boom		

#### Across:

- 4. to change from one belief or religion to another
- 7. an occurrence in which goods, services, or money are passed from one person or group to another
- 11. a period of sudden rapid growth
- 13. a large farm where cash crops are grown on behalf of the person who owns the land
- 15. a company that raises money by selling shares, or interest in the company, in the form of stock

#### Down:

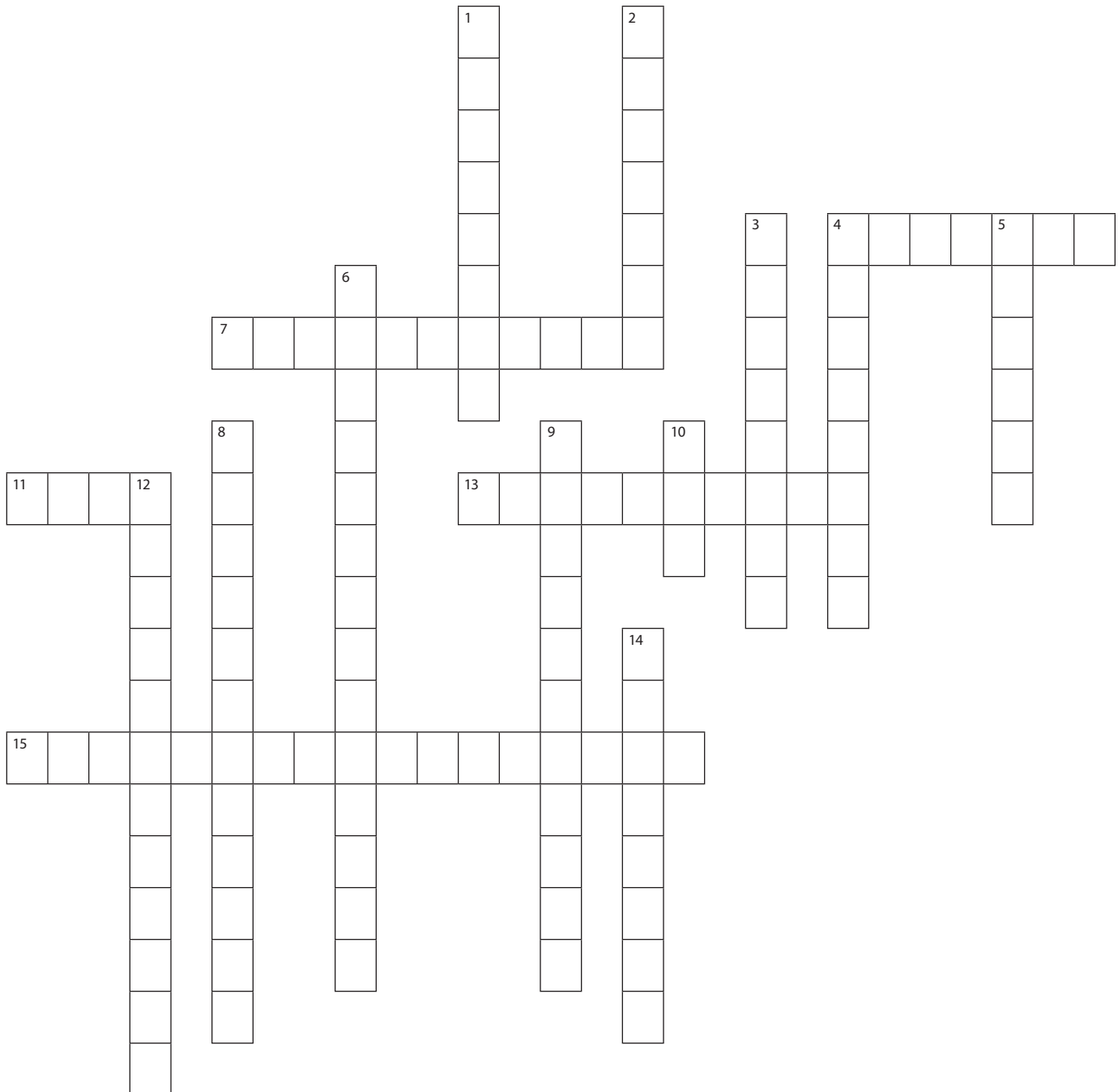
- 1. relating to general ideas or qualities rather than to specific people, objects, or actions
- 2. a settlement built for the purpose of converting Indigenous people to Christianity
- 3. the process of extracting metal from its ore through heating and melting
- 4. a system of money
- 5. a group of countries or territories under the control of one government or ruler
- 6. the public works system that includes roads, utility wires, water, public transportation, etc.
- 8. the Spanish word for conqueror
- 9. an area where people go to buy, sell, and trade goods
- 10. money that people are required to pay to support the workings of the government
- 12. an economic system that aims to increase a country's wealth and power by controlling trade and people
- 14. a situation in which one person, country, or company has complete control of the supply of a good or service

Name \_\_\_\_\_

Date \_\_\_\_\_

### Activity Page 5.1 (continued)

## Use with Chapter 5



## Answer Key: *Understanding Economics*

---

### Unit Assessment

- A.** 1. a 2. d 3. c 4. d 5. c 6. b 7. c 8. c 9. b  
10. d 11. b 12. a 13. d 14. b 15. b
- B.** 16. f 17. c 18. j 19. a 20. h 21. e 22. b  
23. g 24. i 25. d

### Activity Pages

#### Domain Vocabulary: Chapters 1–3 (AP 3.1)

- |       |       |
|-------|-------|
| 1. i  | 12. h |
| 2. d  | 13. e |
| 3. m  | 14. f |
| 4. c  | 15. l |
| 5. g  | 16. t |
| 6. o  | 17. p |
| 7. j  | 18. s |
| 8. a  | 19. u |
| 9. k  | 20. r |
| 10. n | 21. q |
| 11. b | 22. v |

#### Domain Vocabulary: Chapters 4–5 (AP 5.1)

##### Across

4. convert  
7. transaction  
11. boom  
13. plantation  
15. joint-stock company

##### Down

1. abstract  
2. mission  
3. smelting  
4. currency  
5. empire  
6. infrastructure  
8. conquistador  
9. marketplace  
10. tax  
12. mercantilism  
14. monopoly





**CKHG™**

Core Knowledge HISTORY AND GEOGRAPHY™

**Editorial Directors**

Rosie McCormick

Ilene Goldman

## Subject Matter Expert

Dr. Christian Davis

## Illustration and Photo Credits

Alan Dawson/age fotostock / SuperStock: 6b

Blue Jean Images / Alamy Stock Photo: Cover C, 6a

Everett Collection Historical / Alamy Stock Photo: 6m

Henry Georgi/All Canada Photos / SuperStock: 6d

History and Art Collection / Alamy Stock Photo: 6j

Ian Dagnall / Alamy Stock Photo: Cover A, 6g

Ivy Close Images / Alamy Stock Photo: 6o

Jan Fritz / Alamy Stock Photo: Cover B

Jeffrey Isaac Greenberg 16+ / Alamy Stock Photo: i, iii, 6h

Larry Rains / Alamy Stock Vector: 6f

North Wind Picture Archives / Alamy Stock Photo: 6i, 6n

Panther Media GmbH / Alamy Stock Photo: 6c

Rahul Dsilva / Alamy Stock Photo: 6e

Smith Archive / Alamy Stock Photo: 6l

World History Archive / Alamy Stock Photo: 6k

*These materials are contributed by the Educating for American Democracy participants. The development of the materials was funded under a cooperative agreement with the National Endowment for the Humanities and the U.S. Department of Education. However, the content of this initiative does not necessarily represent the policy of the U.S. Department of Education or the National Endowment for the Humanities, and you should not assume endorsement by the Federal Government.*

Within this publication, the Core Knowledge Foundation has provided hyperlinks to independently owned and operated sites whose content we have determined to be of possible interest to you. At the time of publication, all links were valid and operational and the content accessed by the links provided additional information that supported the Core Knowledge curricular content and/or lessons. Please note that we do not monitor the links or the content on such sites on an ongoing basis and both may be constantly changing. We have no control over the links, the content or the policies, information-gathering or otherwise, of such linked sites.

By accessing these third-party sites and the content provided therein, you acknowledge and agree that the Core Knowledge Foundation makes no claims, promises, or guarantees about the accuracy, completeness, or adequacy of the content of such third-party websites, and expressly disclaims liability for errors and omissions in the either the links themselves, or the contents of such sites.

If you experience any difficulties when attempting to access one of the linked resources found within these materials, please contact the Core Knowledge Foundation:

Core Knowledge Foundation

801 E. High St.

Charlottesville, VA 22902

Email: [coreknow@coreknowledge.org](mailto:coreknow@coreknowledge.org)



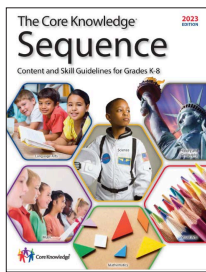
# Core Knowledge Curriculum Series™

**CKHG™**

Core Knowledge **HISTORY AND GEOGRAPHY**

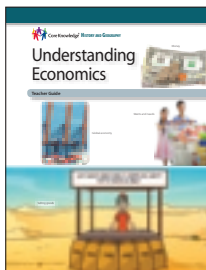
## Understanding Economics

*Core Knowledge Sequence* History and Geography 5



### What is the *Core Knowledge Sequence*?

The *Core Knowledge Sequence* is a detailed guide to specific content and skills to be taught in Grades K–8 in language arts, history, geography, mathematics, science, and the fine arts. In the domains of world and American history and geography, the *Core Knowledge Sequence* outlines topics that build chronologically or thematically grade by grade.



### For which grade levels is this book intended?

In general, the content and presentation are appropriate for readers from the upper-elementary grades through middle school. For teachers and schools following the *Core Knowledge Sequence*, this book is intended for Grade 5 and is part of a series of **Core Knowledge HISTORY AND GEOGRAPHY** units of study.

For a complete listing of resources in the  
**Core Knowledge HISTORY AND GEOGRAPHY** series,  
visit [www.coreknowledge.org](http://www.coreknowledge.org).



## Core Knowledge **HISTORY AND GEOGRAPHY**

A comprehensive program in world and American history and geography, integrating topics in civics and the arts, exploring civilizations, cultures, and concepts specified in the *Core Knowledge Sequence* (content and skill guidelines for Grades K–8).

### Core Knowledge **HISTORY AND GEOGRAPHY**

units at this level include:

**World Lakes**  
**Maya, Aztec, and Inca Civilizations**  
**The Age of Exploration**  
**The Renaissance**  
**The Reformation**  
**England and the Golden Age**  
**Early Russia**  
**Feudal Japan**  
**The Geography of the United States**  
**Westward Expansion Before the Civil War**  
**The Civil War**  
**Westward Expansion After the Civil War**  
**Native Americans: Cultures and Conflicts**  
**Understanding Economics**

[www.coreknowledge.org](http://www.coreknowledge.org)

Core Knowledge Curriculum Series™