

Destination L1: A Thematic Unit

What a Choice!

TEACHER GUIDE - ECONOMICS

BACKGROUND INFORMATION

This activity builds upon the work students completed in the introductory activity, “What a Trip!” In that activity, students planned a trip and identified the resources they would need to complete it. In this activity, students calculate the cost for each resource needed to develop a budget for the trip. They will also identify the choices they made in planning their trip and preparing the budget.

“What a Choice!” explores the concept that because resources are scarce, choices have to be made about how to use them. At the intermediate school level (grades 3-5), students examine the notion that trade-offs often have to happen when deciding how to spend money. At the middle school level, students learn about opportunity costs, which refer to the single most valuable opportunity given up when a choice is made.

Alternate Strategy Tip

If you would rather create a more traditional experience for students, a good alternative activity is “Going Camping.” Developed by Mid-continent Research for Education and Learning, (McREL), the activity addresses economics and language arts standards in grades 3-5. Students pretend that they are going on a camping trip and are asked to spend \$120 to buy camping supplies from a list of specific items. After they have decided what to buy, they are asked to reflect on how they decided what to purchase. This activity can be accessed on the McREL Web site at: <http://www.mcrel.org/standards-benchmarks/activities/?Activity=220>.

It is based on the fact that resources that are used to meet one alternative cannot be used to meet another. For example, if Juan has \$20 he has many options for spending it. He might choose to go to a movie. The opportunity cost is how Juan would have spent his money on a hypothetical second choice. In this case, it could be a book or a hat. Opportunity costs can also be thought of in terms of business and government spending.

NATIONAL ECONOMIC STANDARDS ADDRESSED

(Source - *Content Knowledge: A Compendium of Standards and Benchmarks for K-12 Education—3rd Edition*)

Grades 3-5

[Understands that scarcity of productive resources requires choices that generate opportunity costs.](#)

Understands that scarcity of productive resources requires choices that generate opportunity costs.

Understands that choices usually involve trade-offs; people can give up buying or doing a little of one thing in order to buy or do a little of something else.

Grades 6-8

[Understands that scarcity of productive resources requires choices that generate opportunity costs.](#)

Knows that all decisions involve opportunity costs and that effective economic decision-making involves weighing the costs and benefits associated with alternative choices.

Understands that the evaluation of choices and opportunity costs is subjective and differs across individuals and societies.

(View a full text of the [Content Knowledge: 3rd Edition Standards.](#))



MATERIALS

For each student:

- List of resources they identified in “What a Trip!”
- Student Activity, “[What a Choice!](#)” (Optional)

PROCEDURE

1. Review the concepts of scarcity of resources, choice, and priorities. For 3rd through 5th grades, also discuss trade-offs. For 6th through 8th grades, discuss opportunity costs. See the background above for an example for you to use when discussing these concepts. Put this into terms that students at your grade level are interested in and can relate to.
2. Ask students to review, and revise if necessary, the resources they needed to complete the trip they planned in “What a Trip!”
3. Have them determine how much they would like to spend on the trip. If you choose to allow students to set a budget, review it to make sure it is both reasonable for the scope of the trip and causes them to make some decisions. You may want to give them a set amount of money to spend on this trip. If you do this, you should consider the type of trip each student chose in the “What a Trip!” activity, and provide a set dollar amount for each student.
4. Ask students to find out how much each of the resources they identified would actually cost. They can do this either online or by actually visiting stores. You might have to provide them with some of the information. For example, you might use your school’s reimbursement rate for mileage or simply pick an easy number to multiply (e.g., 40¢ per mile). Students may use the Web sites listed at the end of this teacher guide to find costs.
5. Have them add up the total cost of the trip. Ask them to compare the amount they wanted to spend on the trip with the actual cost. How far off were they? What resources cost the most?
6. Ask students to think about how they might alter their trip plan to better match what they would like to spend. For intermediate school students (grades 3-5), ask them to consider what trade-offs they would make to best accomplish the goal of their trip; for middle school students (grades 6-8) what trade-offs they would make and what the opportunity costs are for the choices they make.
7. Review with students that trade-offs and opportunity costs are necessary because resources are limited. Have students write an essay on how they decided what activities they would do on their trip based on what best met their goals. For some students, their goals might have changed as they tried to fit the costs within their budget.

TEACHER RESOURCES

URLs

<http://www.coleman.com/>

Coleman camping supplies

<http://www.netgrocer.com/>

Netgrocer - branded non-perishable grocery, drug store, and general merchandise items

<http://www.travelocity.com/>

Travelocity - air travel, train travel, rental cars, lodging, cruises, special vacations