

Scribing Our Times

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Lesson Plan of the Year Contest, 2009

Second Place

LESSON DESCRIPTION

The overall goal of *Scribing Our Times* is for students to gain an understanding of and appreciation for current economic issues using the Federal Reserve as a springboard for class discussion. The lesson is also designed to have students become scribes of history. Initially, students engage in an inquiry activity by reading and discussing current events involving the Federal Reserve. They build vocabulary and hypothesize about the role the Federal Reserve plays in our economy. Students then view *The Fed Today* DVD/Video and evaluate the extent to which their hypotheses are correct. Finally, students create an economic time capsule that documents their economic times for future 8th grade students to read about twenty years hence.

GRADE LEVEL

8th grade

CONCEPTS

Students focus on selected concepts from the following:

- Monetary Policy
- Prices
- Inflation
- Unemployment
- Systems
- Consumption
- Sustainability
- Time

NATIONAL CONTENT STANDARDS IN ECONOMICS

Standard 8

Prices send signals and provide incentives to buyers and sellers. When supply or demand changes, market prices adjust, affecting incentives.

- **Benchmark 4 for 8th grade:** Scarce goods and services are allocated in a market economy through the influence of prices on production and consumption decisions.

Standard 19

Unemployment imposes costs on individuals and nations. Unexpected inflation imposes costs on many people and benefits some others because it arbitrarily redistributes purchasing power. Inflation can reduce the rate of growth of national living standards because individuals and organizations use resources to protect themselves against the uncertainty of future prices.

- **Benchmark 1 for 8th grade:** When unemployment exists, an economy's production is less than potential gross domestic product and some labor resources are not used.
- **Benchmark 3 for 8th grade:** Inflation reduces the value of money.
- **Benchmark 4 for 8th grade:** When people's incomes increase more slowly than the inflation rate, their purchasing power declines.

Standard 20

Federal government budgetary policy and the Federal Reserve System's monetary policy influence the overall levels of employment, output, and prices. (Editorial note: There are no benchmarks for 8th grade. The relevant 12th grade benchmarks are noted below.)

- **Benchmark 8 for 12th grade:** Monetary policies are decisions made by the Federal Reserve System that lead to changes in the supply of money and the availability of credit. Changes in the money supply can influence overall levels of spending, employment, and prices in the economy by inducing changes in interest rates charged for credit and by affecting the levels of personal and business investment spending.
- **Benchmark 9 for 12th grade:** The major monetary policy tool that the Federal Reserve System uses is open market purchases or sales of government securities. Other policy tools used by the Federal Reserve System include increasing or decreasing the discount rate charged on loans it makes to commercial banks and raising or lowering reserve requirements for commercial banks.

Jump \$tart:

Financial Responsibility and Decision Making

Standard 2

Find and evaluate financial information from a variety of sources.

Saving and Investing

Standard 6

Investigate how agencies that regulate financial markets protect investors.

OBJECTIVES

Students will be able to

- Identify and apply vocabulary terms in written form.
- Explain the Federal Reserve System in class discussions.
- Understand the current role of the Federal Reserve in written and oral form.
- Analyze current economic conditions.
- Describe current economic conditions in written form.

TIME REQUIRED

1 and ½ blocks (90 minutes)

MATERIALS

- *The Fed Today* video or DVD.
Order free copy from www.philadelphiafed.org/publications/order-form/fed-today.cfm.
- Local newspapers
- National newspaper (*USA Today* or other)
- 8 1/2" x 11" envelopes (one for each group of four students)
- Computers with Internet connections
- DVD or video player
- Website:
<http://www.federalreserveeducation.org/FRED/glossary/glossary.cfm>
- Activity 1: News Sleuth (1 per student)
- Activity 2: Economic Word Wall (1 per group)
- Activity 3: *The Fed Today*—Look for the Answers! (1 per student)
- Activity 4: Time Capsule (1 per group)
- Activity 5: Time Capsule Assessment (1 per group)

PROCEDURE

Day 1

1. Ask the class "What is our economy like today?" When students answer, follow up with "Why?" and look for student understanding of current economic conditions. Note student use of economic terms such as mortgages, stock market, unemployment, interest rates, and supply and demand.
2. Divide students into groups of four. Give each group four newspaper articles about the Federal Reserve from local and national newspapers. Distribute a copy of *Activity 1: News Sleuth* to each student. Have each student read one article and record unfamiliar vocabulary words in the first box of their *News Sleuth* sheets.
3. Tell students to individually fill out the second box of their *News Sleuth* sheets that asks, "What do you think are the roles of the Federal Reserve?" When they have completed this task, have them work in their groups to come up with a collaborative answer to the question on the roles of the Federal Reserve. Distribute a copy of *Activity 2: Economic Word Wall*. Tell students that at the same time they are working in groups, they should create an *Economic Word Wall*—a list of new vocabulary terms—and write the words on the left side of the sheet.
4. Refer students to <http://www.federalreserveeducation.org/FRED/glossary/glossary.cfm>. Give them time to look up definitions and record them on *Activity 2: Economic Word Wall*.
5. When student groups complete *Activity 2*, have them share their answers with the whole class. List each group's answers on the board and review vocabulary definitions.

6. Distribute a copy of *Activity 3: The Fed Today—Look for the Answers!* Tell students they are going to watch a DVD/video about the Federal Reserve System and that they should look for the answers to the questions in *Activity 3*. Show the DVD/video *The Fed Today*.
7. When students have seen the DVD/video and completed *Activity 3*, tell them to go back to their *Activity 1: News Sleuth* sheet and evaluate, extend, and refine their answers on the roles of the Federal Reserve in light of the additional information they have learned from the DVD/video. (The students should add specifics about the role of the Federal Reserve, including how it serves as the nation's central bank, establishes monetary policy, supervises and regulates commercial banks, and serves as banker for the government.)
8. Lead a class discussion about the Federal Reserve and why it has been in the news. Emphasize the role of the Federal Reserve in maintaining stable prices, steady economic growth, and higher employment through the use of monetary policy. Look for student understanding based on the DVD/video and current events.

Day 2

9. Ask students if they know what a "scribe" is. Explain that it means a "writer" or an "author." Tell students that they are going to work in their groups to become scribes of our times. Distribute copies of *Activity 4: Time Capsule*.
10. Review the *Activity 4* instructions with students and reinforce with them that their letters will become part of an economic time capsule for students twenty years from now. The time capsule information must fit into an 8 1/2" x 11" envelope for storage reasons. Distribute newspapers for students to locate advertisements, cartoons, and other resources for the time capsule. Remind students that they must include information about the overall state of the current economy and how they are or are not affected by the economy. They should

include at least five economic terms from their word wall. They must also include a political cartoon about the economy in the time capsule. They can either find one or create their own. They must include advertisements that include the prices of commonly bought goods and services. Finally, they should include one other item of their choice that represents their economic times. Allow approximately thirty minutes for students to complete their writing and create their time capsules. (If a group does not finish in the allocated time, it may complete the work for homework).

ASSESSMENT

- Distribute *Activity 5: Time Capsule Assessment*. Each group completes this self-assessment prior to turning it in along with its time capsule.
- Students are assessed on the time capsules they create. Within the time capsule, the letters to the future students are evaluated based on a student's demonstration of knowledge and understanding of our current economic times.
- Students may also be assessed on their ability to apply vocabulary learned (i.e., interest rate, mortgage, foreclosure, prime rate, recession, unemployment, inflation, Federal Reserve . . .) in writing personal perspectives of today.
- In addition, students may be assessed on ability to apply the knowledge they have gained to interpreting a political cartoon.

Name _____

Activity 1

News Sleuth

You are a newspaper detective looking for the facts. Begin by reading your newspaper article.

Now, fill in the facts of the case:

Vocabulary: What words did you not know the meaning of in your article?

What do you think are the roles of the Federal Reserve?

Now, collaborate with the other detectives at your table and create a group answer for the roles of the Federal Reserve.

After viewing the DVD/Video, look back at your answer. Evaluate- Rethink- and Refine your answer.

Activity 2

Economic Word Wall

<http://www.federalreserveeducation.org/FRED/glossary/glossary.cfm>

Term

Definition

Name _____

Activity 3

DVD: The Fed Today—Look for the Answers!

1. What is the Federal Reserve System?
2. When was the Federal Reserve System established?
3. Why was the Federal Reserve System established?
4. What are the goals of the Federal Reserve?
5. How many regional Federal Reserve Banks are there?
6. Name the three main functions of the Federal Reserve.
7. What does "monetary policy" mean?
8. What does the Federal Reserve do if it thinks there is too much money in circulation?

Name _____

Activity 4

Economic Time Capsule

You have the opportunity to document history. Your goal is to create a time capsule for 8th graders twenty years from now. Yes, what you create will be stored in our school's archives (file cabinet) for 8th graders twenty years in the future. You will work in groups, and your time capsule information must fit in an 8 ½" x 11" envelope for storage reasons.

Your time capsule must include the following components:

1. Every group member must write a letter to the future 8th grader about our current economic times. You must include information about the overall state of our economy and how you are or are not affected by the economy. You need to include at least five economic terms from our word wall.
2. You must include one political cartoon in your time capsule about the economy. You can either find one in the newspaper or draw your own. Also, write a paragraph explaining the cartoon.
3. You need to cut out advertisements that include the price of common things you buy.
4. Your choice: You must include in your time capsule one other item that fits in your envelope to represent our economic times.

Names _____

Activity 4

Time Capsule Assessment

As a group, please complete the checklist prior to turning in your time capsule. Also, evaluate your group's project using the rubric below.

Checklist/rubric:

- ___ 2028 letter including five vocabulary terms
- ___ Political cartoon on economic topic with paragraph explanations
- ___ Five advertisements
- ___ Group choice focusing on an economic issue

Holistic Rubric

| | |
|---|---|
| 5 | The group includes all of the items on the checklist, and the information is correct. Attention is paid to the final product being well designed, including grammar and spelling. |
| 4 | One of the above descriptors is missing or incorrect. |
| 3 | Two of the above descriptors are missing or incorrect. |
| 2 | Three of the above descriptors are missing or incorrect. |
| 1 | The given criteria were not met. |

Self Evaluation: _____

Teacher Evaluation: _____

TEACHER RESOURCES

Appendix A

Answers to Activity 3

DVD: The Fed Today—Look for the Answers!

1. What is the Federal Reserve System?
The central bank of the United States
2. When was the Federal Reserve System established?
1913
3. Why was the Federal Reserve System established?
To establish and maintain public confidence in our nation's monetary and banking system.
4. What are the goals of the Federal Reserve?
A stable, healthy, and growing economy/high employment, steady growth, and stable prices.
5. How many regional Federal Reserve Banks are there?
Twelve
6. Name the three main functions of the Federal Reserve.
Establish monetary policy, regulate and supervise banks, and provide financial services
7. What does "monetary policy" mean?
"Monetary policy" refers to decisions of the Federal Open Market Committee that affect the amount of money and credit available in the economy by setting interest rates.
8. What does the Federal Reserve do if it thinks there is too much money in circulation?
The Federal Reserve sells government securities, thus taking money out of the economy as the securities are paid for by those who buy them.

Appendix B
Sample Student News Sleuth

and

Appendix C
Sample Student Economic Time Capsule Letter

are provided on the next two pages.

Name Halley

News Sleuth

You are a newspaper detective looking for the facts. Begin by reading your newspaper article.

Now, fill in the facts of the case:

Vocabulary: What words did you not know the meaning of in your article?

Adjustable Rate Mortgage, prime lending rate, ARM, adjustment period

What do you think are the roles of the Federal Reserve?

I think the Federal Reserve is part of the market that controls the interest rate. They can higher it or lower it depending on what the country needs.

Now, collaborate with the other detectives at your table and create a group answer for the roles of the Federal Reserve.

The Federal Reserve helps keep the money in balance. They also control the interest rate, being able to raise or lower it to the countries needs. They can or may help the Stock Market.

After viewing the DVD, look back at your answer. Evaluate- Rethink- and Refine your answer.

The Federal Reserve is the bank of banks, it controls the interest rate and the Monetary Policy (money). They give structure and oversight of banks. They provide financial institutions and are financial advisors.

STUDENT SAMPLE : ECONOMIC TIME CAPSULE LETTER

Jan 12, 2009

Hey 2028! I'm Lauren and I'm 14 years old! Right now the economy is in a great recession. The stock market crashed and lots of big corporations are laying tons of their employees off. Also, a historical election took place this year. The republican presidential candidate, John McCain lost against the Democratic candidate, Barack Obama. What makes this election historical? Well, Obama is African American and is now the first African American to be elected as the President of the United States. More about the economy though... I think the worst part is all of the foreclosures. Almost every other house in my neighborhood is either "reduced price" or under foreclosure. It's very unfortunate because many people are being left with no home or money. It's a big problem and hopefully President Obama will turn the economy around. Hopefully by the time you are reading this letter, the economy will have already flipped because looking at the shape it's in right now, it could take years! So anyway, I hope you enjoy the rest of 8th grade and pay attention to the economics portion of Social Studies, because it will come in handy as you get older! 😊

Have fun!