

Adam Smith | Lesson Plan

What is Capitalism and how can we participate in it to make money?

Students will learn about the economic system of capitalism and how self-interest can increase everyone's wealth through honesty, fairness, and generosity. They will learn about the history of wealth and how they can build their own wealth through participating in capitalism.

Learning Objectives:

- Explain the history of the economic system known as capitalism.
- Define capitalism in regard to wealth, competition, and self-interest.
- Analyze the key components to participating effectively in a capitalist economy.
- Differentiate between self-interest and selfishness in relation to capitalism.
- Explore the role of a business owner and evaluate the decisions they must make in setting prices, paying employees, and promoting fairness.

Key Vocabulary:

- **Economics:** The study of how people make, use, and save money, and how goods and services are made and shared.
- **Wealth:** The abundance of valuable resources or material possessions, including money, property, and assets.
- **Capitalism:** An economic system where private individuals or businesses own and control the means of production and operate for profit.
- **Self-interest:** The pursuit of actions and decisions by individuals or businesses that maximize their own economic benefits and profits, which in turn drives innovation, efficiency, and overall economic growth, ultimately benefiting society as a whole.
- **Employee:** A paid person who works for a business owner.

Educational Standards: CCRA.R.1, CCRA.R.2, CCRA.R.7, CCRA.W.8, CCRA.SL.1, CCRA.SL.2, CCRA.L.6

Academic Subject Areas: Biography, Money, Economics

What You'll Need

- Video: *Adam Smith: The Father of Capitalism* (Watch [Here](#))
- Worksheet: *Adam Smith: The Father of Capitalism* (Click [Here](#))
- Real or pretend coins
- Pre-cut bartering/trade cards (Attached Below)

Lesson Plan (45 minutes)

Warm-Up: (10-15 minutes)

1. Begin the lesson by introducing how the economy is our system for making and saving money. Divide some coins equally among individual students in the class. Explain that a



long time ago, people thought that the world only had a certain amount of wealth, so if someone made more money, then others would have less. Choose five students to give three of their coins to someone else and discuss what happened to their own wealth (it decreased).

2. Give each member of the class a bartering/trade card (see below). Now, instead of having them give coins to one another, allow them to trade for different material objects.
3. Discuss what happened to everyone's wealth when they made decisions based on their self-interest and gaining the things they wanted. For example, did students become automatically richer or poorer?
4. Transition to introducing the video by connecting this experience to Adam Smith and the economic system of capitalism in which we live. Prime students' understanding of the new information in the video by explaining how capitalism allows everyone to build wealth at the same time by creating the best goods and services.

Watch & Complete: (20 minutes)

1. Hand out the worksheets to the students. Quickly review the worksheet with the students so they know what to listen for.
2. Play the video for the class.
3. Pause after key sections to ensure comprehension and help students answer pertinent questions as they watch.
4. After watching the video, have students complete the Making Connections section in small groups. Invite students to share their results with the class.

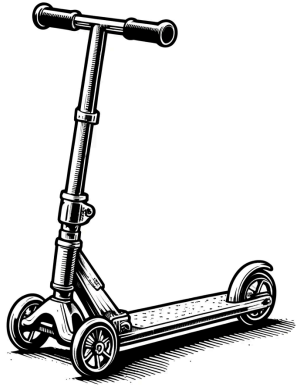
Wrap-Up: (10 minutes)

1. Conclude with a brief recap of how capitalism works, emphasizing the importance of taking part in capitalism in our daily lives.
2. Ask reflective questions to assess understanding:
 - What economic system can we be a part of since we live in the United States?
 - How does capitalism give everyone a chance to build wealth?
3. Allow students to share their responses to the Making Connections section of the worksheet.
4. Collect the worksheets for assessment or use them to guide further discussion.
5. Wrap up by reminding students that everyone can build wealth if they want. All they have to do is create the best product or service and offer that to people who will benefit from it.

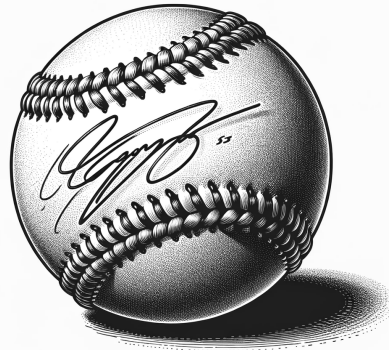
Don't have time for the full lesson? Quick Activity (15-20 minutes)

Distribute the worksheet and allow students to complete it while they follow along with the video.

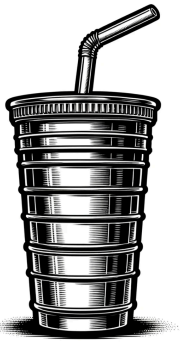
Bartering/Trade Cards



a gently used scooter



an autographed baseball from a professional New York team



a water tumbler



dog-walking for a week



an art supply kit



a new baseball cap



a pair of sunglasses



an older generation smartphone



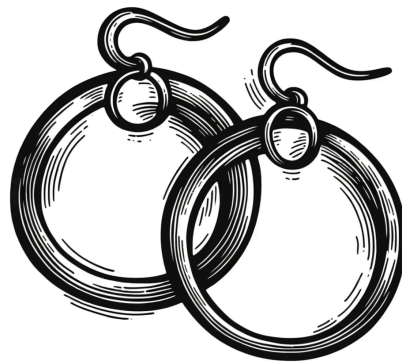
pet-sitting for a weekend



making a family breakfast



a hooded sweatshirt



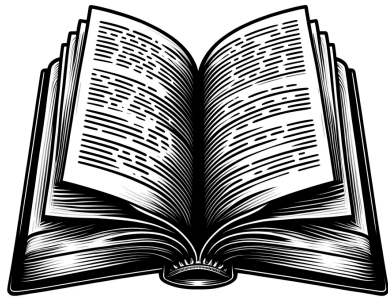
gold-plated earrings



mopping the kitchen three times



two movie downloads from a streaming service



a new paperback book



mowing the lawn



a music lesson



a fast food meal