



What Is an Economy? | Lesson Plan

What principles drive economic growth and how do we contribute to a healthy, thriving economy?

Students will learn about the interconnected relationship between producers and consumers, explore different types of fiscal economies, and evaluate the process of the economic business cycle.

Learning Objectives:

- Understand the business cycle of producer and consumer activity within an economy.
- Define key terms associated with the economy, including producer, consumer, business cycle, command-based, and market-based.
- Distinguish between different types of economies and their functions.
- Discover actions to become a savvy producer or consumer in a thriving economy.

Key Vocabulary:

- **Producer:** one who sells goods within an economy
- **Consumer:** one who purchases goods within an economy
- **Business Cycle:** the economic pattern of expansion and contraction
- **Command-Based:** an economy in which the government owns and controls production
- **Market-Based:** an economy in which supply and demand sets prices and production

Educational Standards: CCRA.R.7, CCRA.L.6, CCRA.R.10, CCRA.SL.2, CCRA.SL.4, CCRA.W.7, CCRA.W8

Academic Subject Areas: Financial Literacy, Economics, Investors

What You'll Need

- Video: *Ca\$h Cour\$e: What Is an Economy?* (Watch [Here](#))
- Worksheet: *Ca\$h Cour\$e: What Is an Economy?* (Click [Here](#))
- Classroom whiteboard and dry-erase markers.

Lesson Plan (45 mins.)

Warm-Up: (10 mins.)

1. Guiding Activity: Begin the lesson with a brainstorming session to explore the concept of an economy. Encourage students to design a hypothetical business collaboratively, creating a product they could sell to fund a year-end celebration like a field trip or pizza party. Facilitate a class discussion on strategies to grow their business within a school environment and note their ideas on the board for further exploration.
2. Discussion Prompts:
 - What factors would ensure that the business would thrive?



- What if you were told that your product cost had to be under a certain amount?
 - How might that limit affect your sales and profit?
 - What would happen if you set the cost for your product based on its demand?
3. After the discussion, introduce the video, highlighting its importance in shedding light on various economic systems. Urge students to think about the function of an economy and the factors that enable it to thrive and flourish.

Watch and Apply: (25 mins.)

1. Watch the video, *Ca\$h Cour\$e: What Is an Economy?*
2. Distribute the *Ca\$h Cour\$e: What Is an Economy?* Worksheet. Allow students 10 minutes to complete the worksheet independently.
3. Facilitate a collaborative review of the worksheet questions or collect them as a formative assessment.
4. Encourage students to share their understandings and clarify any misconceptions that arise.

Wrap-Up: (10 mins.)

1. Invite students to share their takeaways from the lesson. What new insights about the function of the economy did they discover?
2. Extension Activity: As a class or in small groups, list key considerations for a healthy economy. Considerations may include sustaining an extended period of economic expansion, selling products in high demand, and experiencing decreased consumer competition with other businesses.

Don't have time for the full lesson? Quick Activity (10-15 mins.)

- Distribute the worksheet and allow students to complete it while they follow along with the video.
- Or, have students watch the video at home and use the worksheet as a quick quiz the next day in class.