



But Why Tariffs? | Lesson Plan

How do tariffs affect the way countries and people trade with each other?

Students will understand that tariffs are government-imposed taxes on traded goods meant to protect national interests or influence trade. However, they often create economic trade-offs that affect both countries and consumers.

Learning Objectives:

- Define what a tariff is and explain the difference between specific and ad-valorem tariffs.
- Explain why governments use tariffs to protect domestic industries, raise revenue, or achieve foreign policy goals.
- Identify both intended benefits and unintended consequences of tariffs on consumers and businesses.
- Evaluate how tariffs can influence product prices, availability, and market competition.
- Analyze how retaliatory tariffs escalate trade conflicts and disrupt global commerce.

Key Vocabulary:

- **Tariff:** A tariff is a tax placed on goods when they're traded between countries, either when brought into (imported) or sent out of (exported) a country.
- **Import:** A good brought into one country from another.
- **Ad Valorem Tariff:** (Latin for "to the value") A tariff charged as a percentage of the good's value.
- **Retaliatory Tariff:** A tariff imposed in response to another country's tariffs.
- **Specific Tariff:** A fixed dollar amount charged per item.
- **Revenue:** Money collected by a government, including from tariffs.
- **Trade Barrier:** A government action, like a tariff or quota, that restricts international trade.

Educational Standards: CCRA.R.7, CCRA.R.10, CCRA.W.2, CCRA.W.4, CCRA.W.7, CCRA.SL.1, CCRA.SL.2, CCRA.L.6

Academic Subject Areas: Financial Literacy, Economics, Money

What You'll Need

- Video: *Ca\$h Cour\$e: But Why Tariffs?* (Watch [Here](#))
- Worksheet: *Ca\$h Cour\$e: But Why Tariffs?* (Click [Here](#))
- Classroom whiteboard and dry-erase markers (or use a technology solution if available).

Lesson Plan (50 mins.)

Warm-Up: (10 mins.)



Scan to watch episode:

1. Begin with a quick trade analogy: Imagine you and a friend bring different snacks to school. You have chips, they have chocolate. You agree to trade, but then your teacher walks over and says, "If you want to make that trade, you have to pay me a dollar."
2. Ask the class:
 - Would this affect your decision to make a trade?
 - Would anyone still go through with it? Why or why not?
3. Use this to introduce the idea that a "trade tax" changes behavior. Just like the dollar trade tax would make a person think twice about whether the trade is worth it, tariffs between countries change how businesses and consumers behave.
 - A tariff makes imported goods more expensive, so people might buy fewer of them or switch to buying goods made at home instead.
 - Governments use tariffs because they know a 'trade tax' can protect local businesses, raise money, or push countries to change their behavior.
 - Today, this lesson explains how tariffs can encourage, discourage, or even break trade between countries, and how that affects prices, businesses, and consumers like us.
4. Write the following terms on the board and explain that students will explore these today. Ask them to take notes and jot down examples as you go over each.
 - **Tariff:** A tax on goods traded between countries.
Example: If a store imports chocolate from Switzerland, it might have to pay a tariff on each box it brings in.
 - **Import:** A good brought into one country from another.
Example: Anything that says "Made in China" and sold here is an import.
 - **Ad Valorem Tariff:** A percentage-based tax on the value of a good.
Example: A 10% tariff on a \$1,000 laptop means the importer pays \$100 in taxes.
 - **Specific Tariff:** A fixed dollar amount charged per item.
Example: A \$750 tariff on every car imported from Germany.
 - **Retaliatory Tariff:** A response tariff placed on another country's goods.
Example: Country A taxes chocolate, so Country B taxes Country A's coffee.
 - **Revenue:** Money collected by a government, including from tariffs.
Example: The U.S. collects millions from taxes on imported goods.
 - **Trade Barrier:** Any policy or rule that makes international trade harder or more expensive.
Example: A limit on how many sneakers a country can import.
5. Have students come up with a few examples of their own to secure understanding.
6. Transition to today's enduring question and explain that this question will guide their understanding as they work through today's material: *How do tariffs affect the way countries and people trade with each other?*
7. Once students are familiar with the basic terms and ideas, explain that they'll now watch a short video that brings these concepts to life. The video uses real-world examples and storytelling to show how tariffs work, why governments use them, and how they affect prices, trade, and everyday consumers.

8. Let students know they'll be expected to discuss and apply what they see, so they should watch carefully for moments that connect to the vocabulary they just reviewed.

Watch and Discuss: (20 mins.)

1. Show the *Ca\$h Cour\$e: But Why Tariffs?* video to the class.
2. Note to teachers: Watch straight through or pause at key moments to clarify important concepts. Encourage students to listen for terms from the vocabulary list while watching.
3. After the video, ask the following discussion and comprehension questions:
 - What is a tariff, and how does it affect the price paid by importers and consumers?
 - How do tariffs affect the price of imported goods?
 - Explain the different types of tariffs and how they are calculated.
 - Why might a country prefer using a tariff to protect industries or raise money, instead of banning goods or setting strict limits?
 - What are some potential negative consequences of tariffs?
 - Can you think of a time when a tariff might help or hurt regular people?
4. Give each student the "Cash Course: But Why Tariffs" Worksheet and allow them to complete it independently or in pairs.
5. Circulate the classroom to provide support, answer questions, and check for understanding.

Wrap-Up: (20 mins.)

1. Invite students to share new insights they gained about tariffs and why countries use them. Encourage them to connect these insights to how economic decisions, like setting prices, protecting industries, or choosing where to buy goods, impact everyday life.
2. Prompt students to think about where their regular purchases come from and how the price they pay is influenced by different factors, including tariffs, production costs, and government policies.
3. Close with an Exit Ticket (students can write on an index card or the back of their worksheets):
 - What's one way a tariff could affect your life, even if you're not directly involved in international trade?
4. Gather completed worksheets and exit tickets to assess student comprehension and mastery of the lesson objectives.

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.