



# What Are Commodities? | Lesson Plan

How do commodities affect our personal finances and decision-making?

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Students will learn what commodities are, the risks and rewards of investing in them, and how knowledge of them will help them make wise and informed financial choices.

## Learning Objectives:

- Define commodities and provide examples of hard and soft commodities.
- Explain the process of investing in and trading commodities to make a profit.
- Evaluate the risks involved with investing in and trading commodities.
- Describe what a successful commodity investment looks like using real-life examples.
- Differentiate between high-risk and low-risk commodity investments.

## Key Vocabulary:

- **Commodities:** Raw materials sourced from the earth for use.
- **Soft Commodities:** Cultivated goods like grains and livestock.
- **Hard Commodities:** Mined resources like oil, gas, and minerals.
- **Futures Contracts:** Deals to trade commodities at future prices.
- **Speculators:** Traders betting on futures for profit.
- **Spot Price:** Current commodity price, reflecting supply and demand.

**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, CCSS.MP1, CCSS.MP2, CCSS.MP4, CCSS.MP5,

**Academic Subject Areas:** Financial Literacy, Economics, Investors

## What You'll Need

- Video: Ca\$h Cour\$e: What Are Commodities? (Watch [Here](#))
- Worksheet: Ca\$h Cour\$e: What Are Commodities? (Click [Here](#))

## Lesson Plan (45 mins.)

Warm-Up: (15 mins.)

1. Initiate a mind mapping session on communities. Ask students to think of any item or resource they use daily and trace it back to its raw form. Write "Commodities" in the center of the board. Surround it with students' responses, lining everyday items to their commodity origins.
2. Introduce key vocabulary terms and link them to the mind map. For instance, link "Soft Commodities" to food items mentioned by students.
3. Pose the following discussion questions:
  - How might the weather affect the price of food you eat?



- Why would a toy made of plastic be more expensive during an oil price hike?
  - How would a farmer's decision in Brazil affect your breakfast?
4. Introduce the video as a resource to deepen students' understanding of how commodities work, how they affect our daily lives, and how learning about them can help us make wise financial choices.

Watch and Apply: (20 mins.)

1. Watch the video *Ca\$h Cour\$e: What Are Commodities?* as a class.
2. Pause at opportune moments to check for understanding or review key vocabulary terms.
3. After the video, hand out the *Ca\$h Cour\$e: What Are Commodities? Worksheet* to the students, and have them complete the Matching and Multiple Choice sections independently or in groups. Save the Application section for the Wrap-Up portion of the class.
4. Ask students to share one surprising way commodities affect the everyday lives of Americans.

Wrap-Up: (10 mins.)

1. Have students complete the Application section of the worksheet, focusing on real-life implications and decision-making in commodity trading.
  - To help students with this, provide a real-life example that they can work with.
  - Scaffold the task and provide guided practice.
  - Encourage critical thinking and group discussion.
2. Once complete, review the rest of the worksheet to check the answers. Consider collecting as a formative assessment.
3. Close with reflection and discussion:
  - Reflecting on today's lesson, how do you think changes in commodity prices impact your family?

**Don't have time for the full lesson? Quick Activity (5-10 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.