CURRICULUM CONNECTIONS

This lesson fits in perfectly with units that address curriculum standards in social studies, civics, economics, thinking and reasoning, history, media studies, business, government, and finance.

SAMPLE STANDARDS ALIGNMENTS

**CCSS.ELA-LITERACY.RI.11-12.5** Analyze and evaluate the effectiveness of the structure an author uses in his or her exposition or argument, including whether the structure makes points clear, convincing, and engaging.

**CCSS.ELA-LITERACY.W.11-12.2** Write informative/explanatory texts to examine and convey complex ideas, concepts, and information clearly and accurately through the effective selection, organization, and analysis of content.

**CCSS.ELA-LITERACY.RH.9-10.2** Determine the central ideas or information of a primary or secondary source; provide an accurate summary of how key events or ideas develop over the course of the text.

**CCSS.MATH.CONTENT.HSS.MD.B.5** Weigh the possible outcomes of a decision by assigning probabilities to payoff values and finding expected values.

**CCSS.MATH.CONTENT.HSS.MD.B.5.B** Evaluate and compare strategies on the basis of expected values.

**CCSS.ELA-LITERACY.RH.9-10.2** Determine the central ideas or information of a primary or secondary source; provide an accurate summary of how key events or ideas develop over the course of the text.

**CCSS.ELA-LITERACY.RH.9-10.4** Determine the meaning of words and phrases as they are used in a text, including vocabulary describing political, social, or economic aspects of history/social science.

**CCSS.ELA-LITERACY.RH.11-12.7** Integrate and evaluate multiple sources of information presented in diverse formats and media (e.g., visually, quantitatively, as well as in words) in order to address a question or solve a problem.

**CCSS.ELA-LITERACY.SL.11-12.1.C** Propel conversations by posing and responding to questions that probe reasoning and evidence; ensure a hearing for a full range of positions on a topic or issue; clarify, verify, or challenge ideas and conclusions; and promote divergent and creative perspectives.

**CCSS.ELA-LITERACY.SL.11-12.1.D** Respond thoughtfully to diverse perspectives; synthesize comments, claims, and evidence made on all sides of an issue; resolve contradictions when possible; and determine what additional information or research is required to deepen the investigation or complete the task.

**CCSS.ELA-LITERACY.W.9-10.2** Write informative/explanatory texts to examine and convey complex ideas, concepts, and information clearly and accurately through the effective selection, organization, and analysis of content.

**CCSS.ELA-LITERACY.W.9-10.6** Use technology, including the Internet, to produce, publish, and update individual or shared writing products, taking advantage of technology’s capacity to link to other information and to display information flexibly and dynamically.

**CCSS.ELA-LITERACY.RST.11-12.9** Synthesize information from a range of sources (e.g., texts, experiments, simulations) into a coherent understanding of a process, phenomenon, or concept, resolving conflicting information when possible.
LESSON PREPARATION

• Prepare a monitor with Internet access to screen the short film, “That Film About Money” (TRT 6:40) and “The Second Part of That Film About Money” (TRT 7:58) at www.wetheeconomy.com/films
• Prepare 5 $1 bills
• Prepare 2 3x5 index cards with the words “Bank #1 Visa” written on them, to represent credit cards.
• Prepare copies of Student Handout: K/W/L About Money for distribution

KEY WORDS AND PHRASES

Money, cash, Federal Reserve, loan, debt, fractional banking, currency, free market economy, interest

STUDENT OBJECTIVES

• Students will explore traditional and new definitions of the term “money.”
• Students will explore how money works in our economy.
• Students will learn about the concepts of double coincidence of wants and fractional banking.
• Students will begin to understand how our banking system works, and how debt supports our economy.
• Students will explore the causes of the economic crash of 2008.
• Students will analyze the pros and cons of our current banking system.
• Students will integrate information from a media source into their own thoughts and ideas.
• Students will work in pairs to ask and answer questions on the topics covered in class.
• Students will deepen newly acquired information with independent, in-depth research.

REQUIREMENTS

MATERIALS

• Whiteboard and markers, chalkboard and chalk, or chart paper and markers
• 5 $1 bills, 2 3x5 index cards with “Bank #1 Visa” written on them
• Monitor/projector, and computer with Internet access
• Student Handout: K/W/L About Money

TIME:

• 2 class periods

TECHNIQUES AND SKILLS

Vocabulary building, large group discussion, working in pairs, critical and analytical thinking, utilizing information sources, communicating ideas, weighing pros and cons, research skills, listening skills, categorizing and organizing ideas, and research
PROCEDURES

1. Hold up a $1 dollar bill. Ask the class what it is. Ask them to share all the things they know about this item. Allow 1-2 minutes for students to call out the information and associations that they know about a dollar bill.

2. Distribute Student Handout: K/W/L About Money. Instruct students to fill in the first square on the chart, using the facts that were just shared, as well as anything else they want to add.

3. Divide the class into pairs. Allow 15 minutes for students to work in pairs to complete the “Know” and “Want to Know” columns on their K/W/L charts.

4. Ask students to raise their hands if they have a piece of candy or gum in their possession. Then, say, “Raise your hand if you’d trade your candy/gum for my pencil.” Next say, “Raise your hand if you’d trade your candy/gum for this dollar bill.” Note how many more students raise their hands.

5. Tell the class that money is simply a “medium of exchange that facilitates trade.” Explain: “Without money, in order to get a piece of candy, I would need to find someone who, first, has candy, and second, really wants my pencil. With money, I can find someone who has candy, and trade them my money, and they can use that money to get whatever they want. You saw how much easier it was for me to trade a dollar bill for candy than the pencil. Many more people were interested. If everyone in a society agrees that this piece of paper is worth a dollar, it takes on that value. Money allows a free market economy to grow more quickly than barter or trade.”

6. Ask for 8 student volunteers to come to the front of the room. Give 2 students a 3x5 index card that says “Bank #1 Visa” on it. Tell them that for the purpose of this experiment, those are credit cards. Give 2 of the students each a random item (notebook, pen, textbook). Give one student 5 $1 dollar bills.

7. Tell the class that the 3 students with cash and credit cards are consumers and the 3 students with items are merchants. The last 3 students are bankers at Bank #1, #2, and #3.

8. Tell the student with the 5 $1 dollar bills to “deposit” his money in Bank #1 (he hands the bills to the first banker, so now Bank #1 has 5 dollars). The first consumer can now sit down. Write on the chalkboard, whiteboard, or chart paper in the front of the room: $5. Then instruct the 2nd consumer to use his Bank #1 Visa card to purchase an item from a vendor for $1. The vendor “runs” the credit card and gives the consumer his card and the item in return. The bank that owns the credit card company (Bank #1) gives the merchant $1. The merchant deposits that $1 into his own bank (Bank #2). Write $1 on the board and tell the 2nd consumer and the 1st merchant that they can both sit down.

9. Instruct the 3rd consumer with a Bank #1 Visa to purchase an item with his visa card for $1. Again, the vendor “runs” the credit card and gives the consumer his card and the item in return. The bank that owns the credit card company (Bank #1) gives the 2nd merchant $1. The merchant deposits that $1 into his own bank (Bank #3). Write $1 on the board and tell the 3rd consumer and the 2nd merchant that they can both sit down.
10. Direct the class’s attention to the board. Note that a total of $7 is written down. Ask the bankers to hold up their money. Count the dollars – only 5. Ask the class – how did $7 worth of commerce occur with only 5 actual cash dollars in existence?

11. Tell the class that they are now going to watch a short film that looks at money and explores how it works in our economy. Instruct students to take notes in the “Learn” column on their chart as they watch, writing down information they learn about each topic.

12. Direct students’ attention to the monitor or screen and play “That Film About Money” (TRT 6:40).

13. For homework, students should review their K/W/L charts and cross out the items in the “Want to Know” column that they learned from the film. They should complete their “Learned” column, and add any additional items to the “Want to Know” column that might have occurred to them while watching the film, or after it ended. Note: Students may watch the film again at home by going to www.wetheeconomy/films/.

DAY 2

1. Begin class with a recap of the experiment, and the film, from the previous class period. Remind the class of the banking experiment where a bank with $5 cash was able to generate $7 worth of commerce by treating credit card debt as money.

2. Conduct a short, whole-group discussion about the film from the previous class, using some or all of the following questions to help students recall its content:
   - Why did the film claim that banks need to be empty in order to function properly?
   - What happens to your money when you deposit it in a bank?
   - What percentage of the money that is deposited in the bank is required to be reserved at the bank?
   - What is the “fractional banking system”?
   - What does it mean when they say that money is really all about trust?
   - What did the film say about the way money looks, and the way banks used to look? Why are these aesthetic details important?
   - What would happen if everyone decided to withdraw their money from the bank at the same time?
   - How do money and debt function as the same thing in the economy?
   - How do the banks benefit when debt is treated the same as money in the economy?
PROCEEDURES CONTINUED

3. Instruct students to take out their K/W/L charts that they completed for homework, and arrange themselves in the same pairs they were in during the previous day’s class.

4. Tell the students that they have 15 minutes to work together to share and compare their K/W/L charts. After 15 minutes, reconvene as a whole group and ask for volunteers to read some of the items still left unanswered from the “Want to Know” columns of their charts.

5. Explain to the class that they will now watch Part 2 of the film they saw in the previous class period. As they watch, they should amend their K/W/L charts, crossing off questions that have been answered, and adding to the “Learn” column as they learn new information.

6. Direct students’ attention to the monitor or screen and play “The Second Part of That Film About Money (TRT 7:58).

7. After the film ends, conduct a whole group debrief, using some or all of the following questions as a guide:
   - Where does cash money come from?
   - How does the Federal Reserve increase the amount of cash that is in circulation?
   - What do we want the banks to do with the cash they get from the Federal Reserve? What did they actually do with it?
   - How do loans, such as small business loans and mortgages, help the economy?
   - How do the banks benefit from the way our economy currently works, based mostly on debt rather than cash?
   - According to the film, what is one of the main causes of the economic crash of 2008?
   - What has increased more over the past 40 years – household income or household debt? Why is this the case? How has this impacted the economy as a whole? How has this impacted individual consumers? How has this impacted the banking system?
   - Why do the banks need us to over-extend ourselves with credit cards and live beyond our means? How does this help our economy?
   - What does it mean when they say that “corporations are becoming people” and “people are becoming corporations”?
   - Explain why the film claims that our economy is based on an illusion? Based on what you learned from these films, do you agree or disagree with this statement? Explain.

8. For homework, students should choose 3 remaining items from their “Want to Know” column and endeavor to answer them in 2-3 paragraphs each. Students should conduct additional research and gather additional information, complete with citations. Students can also incorporate their own theories, ideas, or insights as they work to answer their questions. Note: Students may watch the film again at home by going to www.wetheeconomy/films/, and should incorporate data or information from other sources including films, books, articles, etc.
### STUDENT HANDOUT K/W/L ABOUT MONEY

**DIRECTIONS:** Complete the first two columns of the chart before you watch the film. While you watch, and after the film is over, complete the 3rd column.

<table>
<thead>
<tr>
<th>KNOW</th>
<th>WANT TO KNOW</th>
<th>LEARNED</th>
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<tbody>
<tr>
<td><strong>MONEY</strong></td>
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<td><strong>BANKS</strong></td>
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<td><strong>DEBT</strong></td>
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<td><strong>CREDIT CARDS</strong></td>
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<td><strong>LOANS</strong></td>
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