

“Why Money?” Lesson (Barter System vs. Monetary System)

Anticipatory set:

(On the board) ask: Why do we have money? What about it do we like so much? Why does it work? It is ONLY paper the government told us was valuable. Is there another way? A better way? → Money causes all kinds of stress and worry. If we just got rid of it all together the world would be a much happier place. You’ve all heard this: **“MONEY is the root of all EVIL”**.

Couldn't we just trade our goods and services with each other? Ask students if they have every bartered? (Lunch room, Baseball Cards, etc.)

Procedure:

1. Pass out cards (*randomly*) with an item on them (this is what you have)
 - Not all goods of equal value
 - Some services (a few tough sells → Economics teacher)
 2. All items placed on board → Public awareness of the market and the items available for trade.
 3. Tell the class to find something on the board that they want.
 - a. Explain to them that coming home (finishing the round) without making a trade and returning with your own item would just be awful.
 - b. Try and trade up (if possible)
- Tell class story of the *Red Paperclip*
- Explain that though you may be discouraged because you have a bad card to start, it is okay if you can sell your product and make a good deal.
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- Tell them they have 4 minutes to trade and get what they want. After each trade tell students to go back and record what the trade went for.
 - AFTER Round 1: Ask the class questions. Talk about the frustrations and difficulty that may have occurred. → What happened if nobody was willing to trade with them?
 - For ROUND 2: Students now are producers and manufacturers of the good that they have. They are permitted to produce as many as possible and at any quality.
 - Give another 4 to 5 minutes to trade.
 - After the round is done ask what that round was like and if it made it a little bit easier to trade. (Students may say yes but may say no)
 - Ask how one was to know what the value of one of the items in the game were: How much does an iPod touch cost in terms of skateboards.
 - Would anyone actually want that many skateboards?

- This is one PROBLEM with barter. You have to have comparable goods and find a partner that is willing for voluntary exchange.
 - Then ask students what they traded for
 - Find an example where someone got ripped off through the system.
 - Show another problem: Would services such as teachers be provided at all? (no)
 - What would most people produce? (Food) why? (because if you were not able to make a trade that day at least you could go home and eat) →limited progress in a barter system
 - AND what would happen if you tried to store up a bunch of this food →it would rot and mold. (PROBLEM: Doesn't keep value)
- What would make things easier, more efficient and fairer? MONEY!!!!

Abstract: *Social Studies Teaching is Interdisciplinary and Connect Students to the World Around Them.*

This lesson meets the enduring understanding because it shows students the necessity of money in an economy. It shows students how money plays a role in making things run more smoothly and also giving individuals incentive to do things such as research for progress and also in order for us to have the services that simply would not exist in a barter system. It brings in many different aspects of our society in forcing students to think about if we just traded things than we would probably be in a primitive native state. It connects students to the world around them when discussing when this type of system would work: Small tribal family societies, black market, and underground market. It connects students to the world around them because most of us have bartered with something in our life times. It shows the inequity between doing this and how sometimes it is difficult to understand the value and worth of a craft or a specific good. The lesson allows students to appreciate the ease of the monetary system and how it relates to the rest of the world. Students consider society and what life would be like in the absence of money and why which aspects of their life that would change.