



## Thinking like an economist

October 31, 2023

Introduce your students to foundational economic concepts using everyday examples.

### Overview

Part of the **"You Are the Economy"** series of lessons, this lesson plan provides an introduction to personal finance and economics. For best results, follow the activities in order.



**Activity 1:** Watch a video featuring economists explaining how they make decisions.



**Activity 2:** Identify important economic concepts in a series of short comics.



**Activity 3:** Extend their thinking in small groups by answering questions on economics in daily life.



**Activity 4:** Watch a video connecting decision-making to the broader economy and review discussion questions.



**Conclusion:** Close with an online quiz to review economic concepts.

### Big idea

We help shape the economy through the decisions we make each day.

### Total time

100 minutes (plus optional homework time)

### Grade levels

Grades 7–12; Secondary I–V

### Subject areas

Economics

- Introduction to economic terms
- Personal economics and decision-making
- Careers in economics
- Role of central banks in monetary policy

#### Business and careers

- Economic decision-making for businesses

#### Health

- Making healthy decisions
- Financial literacy and media literacy

## Learning objectives

#### Students will:

- identify different economic decisions that are made in everyday life
- connect economic decision-making to consumer choices and the broader economy
- collaborate with peers to analyze economic concepts
- examine the role of the Bank of Canada in monitoring the Canadian economy

## Materials

#### Classroom supplies and technology

- Pens or pencils
- Whiteboard or chart paper and markers
- Projector or display screen hooked up to a computer
- Internet connectivity for the two videos and online quiz

#### Handouts and worksheets

1. Download the **lesson plan, worksheets and answer key**.
2. Print these resources on regular paper:
  - **"Decision-making worksheet"** – double-sided, one copy per student or one copy per station
  - **worksheet answer key** – single-sided, one copy per station (or displayed on a screen)
  - (optional) **panel of comic strips** – single-sided, cut and left at each station (or displayed on a screen)

For low-printing options, you can:



- provide the "Decision-making worksheet" as a PDF to the students (without the answer key)
- leave one comic worksheet at each station, and students can write answers to that comic's discussion questions on loose-leaf paper.

## Activity 1: Think like an economist

Brainstorm what the economy is. Then watch a video featuring Bank of Canada economists to understand the economic decision-making process.

#### Time

15 minutes

### 1.1 Opening discussion

Begin a class discussion on the economy. Ask your students:

- What comes to mind when you think of the economy?
- Why do you think the economy is important?
- Can you think of any examples of the economy in your own life?
- How would you say the economy is faring right now? How do you know this to be true?

Introduce a brief definition of economics:

- Economics is the study of how finite resources are allocated with infinite wants. In other words, economics looks at how a limited amount of goods and services are distributed to people. While economics often involves quantitative data (data that can be counted or measured and given a value or number), it is a social science because it relates to society and people's behaviours.
- A lot of economics is based on the idea that our decisions involve trade-offs or compromises. These trade-offs might involve money. For instance, someone may be on a limited budget and may need to decide whether to buy groceries or a pair of jeans. But these trade-offs can also involve time or energy. For example, we must choose priorities during the set number of hours we have each day, such as deciding whether to do homework after school or hang out with friends.

Remind students that our choices—such as where we decide to spend our money—influence the Canadian economy and the global economy. But the economy also affects us, whether we are working full time to earn a salary or are in school studying.

## 1.2 Watch the video



Play **"Think Like an Economist,"** a four-minute video for your students. It features economists from the Bank of Canada explaining their jobs and how they solve problems.

## 1.3 Video discussion

After watching the video, have a class discussion using the questions in the **video discussion guide**. Explain to students that they will be developing their own economic thinking for the next activity, where they will look at everyday examples of economic concepts.

## Activity 2: Spot the economic decision

Explore economic concepts with your class by examining a series of comic strips about decision-making.

Time

15 minutes

## 2.1 Introduce the comic strips

Display the first comic strip on a screen or projector, or by using the image carousel below.

Explain that each strip focuses on a character making a decision that has an impact on the economy. Then tell the students that they will need to identify the economic concepts for that decision.

## 2.2 Guess the concepts

As you go through the first comic strip, extend the discussion with these guiding questions:

- What kind of decision is being made here?
- Does the situation remind you of anything?
- What else do you notice in the comic panels?
- How might this decision connect to the overall economy?

Ask your students to also use the tips found in the “Think Like an Economist” video.

Display on a screen the “Key concepts” and “Extended concepts” paragraphs for each comic on the screen, or hand out one copy of the “**Decision-making worksheet**” to each student and have students read these paragraphs in their worksheet paragraphs either alone or with a partner. As a class, discuss the bolded definitions found there.

You can then go through each of the other seven comic strips, answering the above guiding questions and discussing the bolded economic terms together. Alternatively, have the students work through the guiding questions and economic terms for each of the other comic strips at the stations. They can then refer to the worksheet to check if they guessed correctly.

After you review the definitions, remind students that:

- we make many economic decisions everyday without even knowing it. Sometimes an economic decision does not involve money or goods but instead might be choosing how we spend our time.
- many external influences can affect our decision-making, such as advertisements, social media, peer pressure and society’s expectations. Being aware of and learning how these might affect our decisions is important.
- we need to be aware when we are making a decision. That means weighing our options and being at peace with our decisions.

The comics are ordered from simple to more complex topics. For younger students, consider using only the first four comics and defining each concept first or providing a word bank on the board. (You can find a word bank in the **Appendix**.)



Schoolyard trading



### Activity 3: Group work in stations

Students rotate through stations to further discuss and explore the economic concepts found in each comic.

#### Time

45 minutes

#### 3.1 A deep dive in stations

Divide the students into small groups. Explain they will move from station to station around the classroom to work through the different comics in more detail. At most, the students will move through eight stations—one for each of the eight comic strips. The discussion questions found on the second page of each comic focus on personal decision-making, consumer awareness and economic reasoning.

Allow students five minutes at each station to respond to the discussion questions for that comic. Students can either write down their answers on their worksheets or loose-leaf paper, or simply discuss them together. Rotate through as many stations as time (and interest) allows. If needed, consider splitting their station work over two classes or assign any remaining comics for homework.



Groups can go through stations one by one or do the stations as a jigsaw activity with one group per station, then gathering into a larger group to help each other complete all the discussion questions and fill in missing information.

#### 3.2 Answer review

Have students review their answers after allowing them to go through each station. You can do this either as a class discussion, or by providing each station with the answer key for that comic strip's discussion questions.

### Activity 4: We all play a role in the economy

Watch a video that connects daily decision-making to the national economy, and close with some discussion questions.

#### Time

15 minutes

#### 4.1 Watch the video

Introduce “We all play a role in the economy”, a five-minute **video**. It’s about how our daily decisions impact the larger economy. It also looks at the role of the central bank in stewarding the economy and ensuring our money holds its value. Explain to students that our daily actions can make a big impact when they are combined.



The Bank of Canada’s mandate is to promote the economic and financial wellbeing of Canadians now and into the future. The Bank analyzes the contributions of all Canadians to help steer the economy.

## 4.2 Video discussion

After watching the video, use the questions in the **video discussion guide** to connect the ideas on daily decision-making and the role of the Bank. The questions will help to review:

- everyday economic decision-making found in your community
- how money connects with goals and aspirations
- how central banks keep our economy stable so households and businesses can plan for the future

## Conclusion

If time allows, use the **online quiz** as a wrap-up activity to review the concepts explored. Display the quiz on a screen and complete as a whole class, or individually.

## Time

10 minutes

## Key takeaways

- Economics centres around decision-making with limited resources but unlimited needs and wants.
- Thinking like an economist can help you make informed choices, whether they are financial or time-based.
- Understanding economic concepts can help you assess what options you have and the potential impacts of your decisions.

## Extensions

- Ask students to log economic decisions that they or those around them make in one day. How many are financial decisions, and how many are time-based decisions? What economic concepts did each decision include?
- Calculate the cost of both time and money for a purchase. List some different things you might want to purchase and calculate how many hours of work are needed to pay for each item. After this, decide if the purchase is still worth it.
- Explore needs versus wants further by looking at the roles that advertising and peer pressure play in financial decision-making. As a class, come up with a list of tech-savvy and media-literate strategies to identify these influences.
- Research behavioural economics with your students and connect the concepts found in the comic strips with other real-life examples. Have students work in groups to present their findings to the class.

## Appendix

### Word bank of economic terms

The following economic concepts can be found as bolded words in the comics. They are jumbled below for students to match the terms to the comics. Note that each comic contains between three and four terms. Students should match to the best fit because some concepts may be repeated in more than one comic. The answers can be found in the **answer key**.

- Sunk costs
- Trade-offs
- Depreciation
- Competition
- Inelastic and elastic demand
- Debt
- Externalities
- Interest

- Imports and exports
- Supply and demand
- Incentives
- Marginal utility
- Inflation
- Loan
- Subsidy
- Disincentives
- Opportunity cost
- Money
- Barter system
- Markets
- Utility
- Currency
- Deflation