

# Creating a Classroom Economy

## Curriculum



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## Overview & Purpose

Turn your classroom into a mini economy by intertwining daily classroom lessons with life lessons about financial responsibility, job performance, and managing money based on needs and wants through fun and experiential learning. With this lesson, at the beginning of the year all students will be assigned a job that helps the classroom to function properly, just like jobs in the real world help our economy prosper. While all students will receive an equal salary (with fake money), those who exceed the expectations of the job may be rewarded bonuses, while other students may be docked pay for "missing work" or unsatisfactory job performance. Money earned can be used to purchase fun gadgets and goodies from the classroom store, or a pencil and paper if a student shows up to class without adequate materials. This teaches students the importance of not only earning money, but saving it for necessary moments. By bringing real-world scenarios into the classroom of performing jobs to earn (fake) money, students can see and feel the impact of their decisions to save, spend, and budget.

Just as adults are responsible for paying for shelter, students will be responsible for renting out a desk and novel from the classroom each month. This will be considered a necessity, as it is a required tool for their performance in the classroom. There will be supplemental items, or luxuries, such as pencils, markers, pens, or candy that students will have the option to purchase with their funds, should they want these items for their personal use. Depending on the given day or needs of the students, prices may fluctuate for these luxury items, implementing knowledge of the supply and demand market. Students will have to learn to budget their money each month for their necessities and become more responsible in balancing their wants with their needs to get through each day in class.

## Objectives

1. Participate in a simulation of a real-world economy within our own classroom.
2. Learn the value of earning a paycheck, as they receive the salaries from their classroom jobs.
3. Learn how to budget their spending, manage a loan, balance a checking account, and make regular scheduled payments.

4. Discover the importance of saving money to obtain what they want.
5. Find out that every decision has an opportunity cost.

## Materials Needed

1. Play money
2. Notecard box with tabs for each student if money will be housed within the classroom for each “student account” (recommend method)
3. Chart paper
  - Used for listing supplies available at store and prices
  - Used for listing out student jobs and responsibilities
  - Used for listing out opportunities for bonuses or penalties for docked pay
4. Storage boxes to house money and supplies
5. Notecards
  - Used for student weekly reflections
  - Used as the balance sheet for student accounts (to be placed in the notecard box with their earnings)
6. Classroom store supplies/goodies
  - Varies based on grade and need. Ideas include but are not limited to:
    - i. Pencils/pens
    - ii. Highlighters
    - iii. Paper / notebooks
    - iv. Journals
    - v. Markers/crayons/colored pencils
    - vi. Post-it notes
    - vii. Candy/snacks
    - viii. Stickers
    - ix. Books
    - x. Small games / cards

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## Verification

1. Review of weekly balance sheets that are updated by students based on their earnings and spending
2. Weekly student reflections on their spending and saving habits
3. Continual check ins with students to ensure they are actively engaged with completing their jobs and making sure their regular payments are being made

## Activity

This lesson can be incorporated into your entire school year, as it teaches and reinforces skills continuously but seamlessly. Many various activities can be performed on a daily and weekly basis in order to ensure that students are comprehending the lesson, and specifically recognizing the benefits and consequences of earning, saving, and spending money. Such activities include:

1. **Jobs and Pay Day** - On the 15th of each month, students will receive a paycheck/cash deposited into their classroom account, assuming they have performed their job during that pay period.
  - a. **Jobs:**
    - Jobs can be determined by each teacher based on the specific needs of the classroom
    - Examples of jobs include but are not limited to: board eraser, floor sweeper, store clerk, librarian, desk cleaner, laptop cart organizer, book distributor, handout helper, etc.
  - b. **Payouts:**
    - Bonuses can be given out at the teacher's discretion based on exceptional performance
    - Deductions/docked pay can be calculated based on lack of performance or completion of a job
    - Promotions and raises can be given periodically to promote a competitive "work" environment within the classroom and encourage and motivate students to work harder and excel
2. **Weekly Account Balancing** - at the end of each week, students will review their finances. This includes, but is not limited to, the income they earned that week for performing their classroom jobs, as well as their expenses for any items that were purchased. Students will be mindful at the end of each week how much "money" they have on their account - leading them to understand whether or not they were able to save money and evaluate their decisions.

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### 3. **Weekly Account Reflections**

- How much money do you have at the end of XXX week?
- What have you spent your money on? Are you glad you made this purchase?
- If you did not spend any money this week, how come? Did you not **need** or **want** any items? What led you to be able to save money this week?

4. **Monthly Rent Collection** - As a member of the classroom who utilizes a desk and novel each day, students will be responsible for paying rent on the last day of each month for the use of the classroom materials and their own desk. \*See below for “**Student Loans**” and “**Unpaid Bills**” in the event that a student cannot pay his/her bills.

5. **Supply and Demand** - throughout the week or month, the teacher can periodically remove certain items from the classroom store or change the prices of items, based on supply and demand. This introduces the idea of price fluctuation based on interest in certain items.

Ex: If that day or week many students are forgetting a pencil, the teacher may raise the price of the pencils, forcing students to pay more for something that is needed and highly demanded.

6. **Student Loans** - Loans can be given to students who are in need of a classroom supply or unable to pay their rent. However, just as a normal loan will work with a bank, a student will sign a contract for that loan which will go in their account file.

**Loan Details** - student loans are critical to this project in order to explain to students the downsides of loans and the importance of paying them back in a timely manner. Teacher will assign a certain percentage of interest to the loan, so that the student understands that a loan is not free money. Each month that the loan is not paid back, an interest amount will be added to the total amount owed back to the “bank” or teacher.

\*\*\*During a period of time when a student has a loan, he or she will be unable to purchase luxury items, teaching the importance of saving up to pay off a loan and necessities, before indulging on luxuries.

7. **Unpaid Bills** - in the event that a student should run out of money due to lack of job performance, or they fall behind on their rent due to negligence, the teacher can provide a multitude of opportunities for the student to receive additional income through various classroom jobs and based on the procedures and policies of the school (coming up to the classroom at lunch, staying after school, etc.)

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## Distance Learning

Should schools not open in the fall, this curriculum can be modified given the needs and responsibilities that come from virtual learning and still be utilized to create a fun and educational experience! Students can still earn salaries based on their participation in the virtual classroom, and that money can be used to later purchase materials from the classroom store. Given the nature of distance learning and its difficulty, this curriculum could be used as a classroom motivator for students to earn rewards.

Feel free to modify, add and remove various items and suggestions as needed for your classroom.