Lesson 1: Scarcity and Choice

Big Ideas of the Lesson

People have unlimited economic wants.
Economic wants are desires that can be satisfied with a good or service.
Scarcity means not enough of something.
Because of scarcity people cannot have everything they want.
Because people cannot have everything they want, they have to make choices.

Lesson Abstract:
In this lesson, students build upon their knowledge of the economic concepts of scarcity, choice, wants, and needs. Students review the idea that economic wants are desires that can be satisfied with a good or service. The class brainstorms several economic wants they have and specific goods or services that will satisfy the wants. Students develop an understanding that people cannot have everything they want because of scarcity. In a Turn and Talk activity, students share ideas about what people do when they can’t have everything they want. In a class discussion the teacher explains that because of scarcity, people must make choices. Using the book, *Sam and the Lucky Money*, or a similar book that involves a child facing scarcity and having to make choices, students find examples of scarcity and choice.

Content Expectations
1 - E1.0.3: Using examples, explain why people cannot have everything they want (scarcity) and describe how people respond (choice).

Integrated GLCEs
R.NT.02.03 Identify and describe characters’ actions and motivations, setting (time and place), problem/solution, and sequence of events. *(English Language Arts)*

Key Concepts
choice
economic wants
scarcity

Instructional Resources
Equipment/Manipulative
Chart paper or one piece of white poster board
Lesson Sequence

Using Word Cards #1-#3 and the “Connecting Back” organizer, located in the Supplemental Materials (Unit 4, Lesson 1) review the concepts of economic wants, goods, and services which were explored in first grade. Note that this organizer is the same one used in Unit 2 of grade one. If necessary, provide students with further examples of goods and services.

Give each student a copy of the “Economic Wants” chart located in the Supplemental Materials (Unit 4, Lesson 1) and explain that students should list or draw an economic want on the left side of the chart and a specific good or service that would satisfy that want on the right side of the chart. If necessary, give them examples such as the economic want of ‘something to eat’ and the specific good of ‘a cookie’. Give students time to complete the chart. Note that common answers are likely to include things like the following:

- A bike – a red Huffy bike with lots of gears
- New shoes – new tennis shoes
- A toy – a kite
- A video game – Mario Cart

Have students share some of their economic wants and the associated goods or services in the large group. Pose the following question: Are these five things the only economic wants you have? Discuss student responses and guide students to the idea that people tend to have unlimited economic wants. Note that if time permits you may want to review If You Give a Pig a Pancake (used in Unit 3 of kindergarten or If You Take a Mouse to School (used in Unit 2 of grade 1) which explore the idea of unlimited wants.

Draw students’ attention back to the chart they completed in the previous step and pose the following question: Why can’t you have all the things on your
list? Discuss student responses. Using Word Card #4, review the term ‘scarcity’ which was introduced in grade one. Explain that because of scarcity, people cannot have everything they want.

Have students “Turn and Talk” with a partner to share ideas about what people do when they can’t have everything they want. Then, have partners share ideas in the large group. Using Word Card #5, guide students in understanding that because people can’t have everything they want they have to make choices.

Display the book *Sam and the Lucky Money*. Discuss the illustration on the cover. Explain that this book is about a Chinese-American boy who has to make choices regarding his economic wants.

Read the first page of the book and discuss the tradition of giving ‘lucky money’ as a part of the Chinese New Year’s celebration. Explain that students should look for other traditions that are part of this celebration as you read them the book. Connect back to the previous unit by reviewing the term ‘diversity’ and reminding students that diversity is an important characteristic of many communities.

As you continue to read and discuss the book, make a list of the goods Sam thought of buying with his four dollars. Note that these include honey-topped buns, New Year’s cookies, a toy police car, a talking pig toy, a basketball. Connect these items to economic wants such as something to eat, something to play with, etc.

As you read the section of the book on Sam’s visit to the toy store, guide students in identifying Sam’s scarcity problem, the fact that he didn’t have enough money for any of the toys he wanted.

Finish reading the book and then pose the question: What choice did Sam make in the end of the book? Discuss student responses and guide them in understanding that Sam chose to give the old man with no shoes his four dollars so he could buy socks. Ask students why they think Sam made this choice.

Ask students what scarcity problems they think the old man faced. Discuss their responses. Guide students in understanding that the old man had little or no money so he could not buy things like shoes or shelter.

Using the graphic organizer review the main ideas of the lesson and tie each part of the organizer to *Sam and the Lucky Money*. For example, tie the term ‘economic wants’ to Sam’s wants in the book and the term ‘goods and services’ to the list of goods you created as you read the book.
Assessment
A lesson assessment has been included in the Supplemental Materials (Unit 4, Lesson 1) in which students use a Word Bank of important words from the lesson to complete some short sentences.
People have unlimited ECONOMIC WANTS which can be satisfied with GOODS AND SERVICES. But, because of SCARCITY, people cannot have everything they want so they have to make CHOICES.
### Big Ideas of Lesson 1, Unit 4

- People have unlimited economic wants.
- Economic wants are desires that can be satisfied with a good or service.
- Scarcity means not enough of something.
- Because of scarcity, people cannot have everything they want.
- Because people cannot have everything they want, they have to make choices.
### Word Cards

<table>
<thead>
<tr>
<th></th>
<th>Economic Wants</th>
<th>Goods</th>
<th>Services</th>
<th>Scarcity</th>
<th>Choice</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Economic Wants</td>
<td>Goods</td>
<td>Services</td>
<td>Scarcity</td>
<td>Choice</td>
</tr>
<tr>
<td>2</td>
<td>Wants that can be satisfied with a good or service</td>
<td>Things we buy that we can touch or hold</td>
<td>Things that others do for you</td>
<td>When there is not enough</td>
<td>When people choose one thing and give up other things</td>
</tr>
<tr>
<td>Example:</td>
<td>Dylan wanted to eat pizza. He had one delivered to his home.</td>
<td>Example: A pizza is a good.</td>
<td>Example: Delivering pizza to a house is a service.</td>
<td>Example: Scarcity means you cannot have all the goods and services you want.</td>
<td>Example: Because of scarcity people have to make choices.</td>
</tr>
</tbody>
</table>
Connecting Back

People have

Needs  and  Wants

that can be satisfied with

Goods  and  Services
# Economic Wants

<table>
<thead>
<tr>
<th>Economic Want</th>
<th>Goods or Service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Assessment

Directions: Use the words in the boxes to fill in the blanks in the sentences.

<table>
<thead>
<tr>
<th>choices</th>
<th>wants</th>
<th>services</th>
</tr>
</thead>
<tbody>
<tr>
<td>scarcity</td>
<td>goods</td>
<td></td>
</tr>
</tbody>
</table>

People have many economic ___________________.

These can be satisfied with _____________________ and _____________________.

Because of _____________________, people cannot have everything they want. Because people cannot have everything they want people have to make ___________.

Lesson 2: Opportunity Cost

Big Ideas of the Lesson

Because of scarcity, people have to make choices. Every time someone makes a choice, there are other things that are not chosen. The next best thing that is not chosen is called a person’s opportunity cost. It is important to learn to make good economic choices, or decisions.

Lesson Abstract:
This lesson introduces students to the concept of opportunity cost. The lesson begins with three student-friendly objects such as a book, a small toy, and a bag of candy which cost around $5.00 each. Students imagine that they have enough money to purchase only one of the objects. Students write down what they would like to buy as their first, second, and third choices. The term ‘opportunity cost’ is introduced. The teacher explains that every time a choice is made, there are other things that are not chosen. The next best choice or alternative you do not choose is called your opportunity cost. Circling their second choice, students identify this as their opportunity cost. Students then analyze the economic choice Sam made in the book Sam and the Lucky Money and identify Sam’s opportunity cost. Students are introduced to an economic decision-making model and graphic organizer. Using the model, students evaluate alternatives to make a choice and identify their opportunity cost.

Content Expectations
2 - E1.0.1: Identify the opportunity cost involved in a consumer decision.

Integrated GLCEs
R.NT.02.03 Identify and describe characters’ actions and motivations, setting (time and place), problem/solution, and sequence of events. (English Language Arts)

Key Concepts
economic decision making
opportunity cost

Instructional Resources
Equipment/Manipulative
Chart paper
Overhead projector or Document Camera/Projector
Student journal or notebook
Three objects such as a book, a small toy, and a bag of candy which cost around $5.00 each.

**Student Resource**

**Teacher Resource**

**Lesson Sequence**
Using the graphic organizer and Word Cards from Lesson One, review the concepts of scarcity and choice.

Display three student-friendly objects such as a book, a small toy, and a bag of candy which cost around $5.00 each. Tell students to imagine that they have enough money to buy only one of the objects.

Give each student a copy of the “Making a Choice” activity sheet located in the *Supplemental Materials (Unit 4, Lesson 2).* Have students write down what they would like to buy as their first, second, and third choices.

Using Word Card #6, explain that every time a choice is made there are other things that are not chosen. The next best choice or alternative you do not choose is called your opportunity cost. Have students circle their second choice and then list this in the appropriate section of the activity sheet as their opportunity cost.

Display a blank copy of “Making a Choice”, used in Step 3. Display the book *Sam and the Lucky Money* which was used in the previous lesson. Guide students in identifying the economic choice Sam made at the end of the book. Note that Sam decided to give his money to the old man. Write ‘gave his money away’ next to the number 1 on the sheet.

Ask students to identify two other things Sam could have purchased with his money. Note that because Sam could not afford any of the toys, the only other choices in the book were the honey-topped buns and the New Year’s cookies. List these choices as number 2 and 3 according to the order students decide on.

Have students indentify Sam’s opportunity cost and write it in the appropriate place on the Activity Sheet.

Explain that just like Sam, they often have to make economic decisions. Therefore, it is important to learn how to make good decisions. Using the
lesson graphic organizer, go over the simple decision making process described on the organizer and discuss each step.

Give each student a copy of “Making an Economic Decision” chart, located in the Supplemental Materials (Unit 4, Lesson 2.) Give students three choices relating to an imaginary economic decision they need to make. Create your own set of choices or use one of the following:

- Birthday money to spend on one of the following: a basketball, a book, a video game
- Money to spend on an activity: going to a movie, going out for dinner, renting movies to see at home
- Using money to buy a gift for a relative (let students identify the relative): flowers, a book, a box of candy
- Family money for a purchase for their home: a new television, a new refrigerator, a new computer

Have students list the three choices in the appropriate boxes on the chart. Tell them to think carefully about each choice and then identify at least one good point and bad point relating to each choice. Explain that they should describe the good and bad points in the appropriate boxes on the chart. Give students time to complete the chart.

Ask students to carefully compare the three choices based on the good and bad points they have identified. Next, in the left hand column, have them number their choices in order. Then, have them make a decision and write their choice beneath the chart. Finally, have them identify their opportunity cost and write it beneath their choice.

Place students in pairs and have them share their charts and thinking with their partners.

Assessment
A lesson assessment has been included in the Supplemental Materials (Unit 4, Lesson 2) in which students use the decision making process explored in the lesson to make a decision about buying a new pet.
How to Make an Economic Decision

1. List your choices.
2. Think about your choices.
3. List good things about each choice.
4. List bad things about each choice.
5. Compare your choices.
6. Make a decision.
## Big Ideas Card

### Big Ideas of Lesson 2, Unit 4

- Because of scarcity people have to make choices.
- Every time someone makes a choice there are other things that are not chosen.
- The next best thing that is not chosen is called a person’s opportunity cost.
- It is important to learn to make good economic choices, or decisions.
Word Cards

Word Cards from previous lessons needed for this lesson:

- Scarcity — Word Card #4 from Lesson 1
- Choice — Word Card #5 from Lesson 1

6 opportunity cost

when you make a choice, your opportunity cost is the second thing you wanted most.

Example: Mary chose pizza for lunch. Her second choice was a hot dog. The hot dog was her opportunity cost.

(SS020402)
Making a Choice

1. ________________________________

2. ________________________________

3. ________________________________

My opportunity cost was ____________________

________________________________________.
## Making an Economic Decision

<table>
<thead>
<tr>
<th>Number (1,2,3)</th>
<th>MY CHOICES</th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
</tbody>
</table>

My choice is _______________________________________

My opportunity cost is __________________________________
Assessment

You have been given money to buy one new pet. You have to choose between a dog, a cat and a fish. Fill in the table, think, and then make a decision.

<table>
<thead>
<tr>
<th>Number (1,2,3)</th>
<th>MY CHOICES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>smiley</td>
<td>sad</td>
</tr>
</tbody>
</table>

My choice is _______________________________________

My opportunity cost is ___________________________________
Lesson 3: Using Natural Resources to Produce Goods and Services

Big Ideas of the Lesson

Natural resources are things in nature that people find useful. Trees, soil, and water are important natural resources. Natural resources are used to produce goods and services.

Lesson Abstract:
This lesson examines how natural resources are used to produce goods and services and also introduces informational text features. Students explore the term 'natural resources' by creating a class list of natural resources such as trees, soil, and water. Then, in small groups, students brainstorm products that can be made from trees. Groups share their ideas as the teacher creates a master class list of tree products. Paired students are given a copy of the book From Tree to Paper (from the Start to Finish series) or a similar book that shows production of a good or service from a natural resource. The teacher points out various parts of the book such as the table of contents and glossary; and explains the purpose of each. Next, the teacher points out various text features included in the book such as boldface text and photographs. Pairs read the book together and then discuss the main ideas of the book in the large group. With the teacher's guidance, students identify the text pattern of the book as sequential and then use the text to help them place a set of cards describing the paper making process in the correct order.

Content Expectations
2 - E1.0.4: Describe the natural, human, and capital resources needed for production of a good or service in a community

Integrated GLCEs
R.IT.02.02: Discuss informational text patterns including descriptive, sequential, enumerative, and compare/contrast. (English Language Arts)
R.IT.02.03: Explain how authors use text features including boldface text, graphs, maps, diagrams, and charts to enhance the understanding of key and supporting ideas. (English Language Arts)

Key Concepts
natural resources
production
Instructional Resources
Equipment/Manipulative
Chart paper
Overhead projector or Document Camera/Projector
Student journal or notebook

Student Resource

Teacher Resource

Lesson Sequence
Using Word Card #7, review the term ‘natural characteristics’ which was introduced in Unit 1. Explain that people find many natural characteristics in the environment to be very useful. Using Word Card #8, introduce the term ‘natural resources’ and explain that this term refers to things in nature that people find useful.

Guide students in creating a list of important natural resources and compile the list on chart paper. Make sure that their list includes trees, soil, and water. Note that other possible answers students may come up with include plants, specific plants such as vegetables, minerals such as iron or silver, oil, coal, etc.

Display the photograph of “Trees”, located in the *Supplemental Materials (Unit 4, Lesson 3)* or a similar photograph from another source. As an alternative, point out trees visible from a school window. Explain that trees are one of our most important natural resources. Place students in pairs and have each pair come up with a list of things that can be made from trees.

Give pairs time to work and then have them share their ideas in the large group as you make a master list on chart paper. Note that possible answers include pencils, furniture, wooden crates, shelving, houses, school desks, tables, lumber, etc.

Using the same pairs from the previous step, give each pair a copy of the book *From Tree to Paper* or a similar book showing how a finished product is made from trees. Make sure this book includes text features such as a table of contents and index. Have pairs quickly skim through the book to get an idea of how it is organized.

Using your own copy of the book, draw students’ attention to the table of
contents. Explain that a table of contents shows the different parts of a book and the pages on which the parts can be found. Explain that a table of contents is found at the beginning of a book. Next, point out the glossary and explain that a glossary shows important or hard words found in the book, what they mean, and how to pronounce them.

Point out the index in the book and explain that the numbers shown in the index are page numbers. Explain that an index is used to show some important ideas in a book and where they are found. Draw students’ attention to the term ‘chopping’ and have them look for the term on pages 6 and 10. Explain that a glossary and index usually found at the end of the book.

Draw students’ attention back to the table of contents and ask them how a table of contents and an index are alike. Guide students in understanding that both show page numbers. Ask students how the two features are different. Guide students in understanding that they are found in different parts of a book. In addition, a table of contents shows the main sections of a book and an index shows important ideas in the book.

Have pairs turn to page 4 in the book. Draw students attention to the sentence: Workers plant trees. Ask students how this text differs from the rest of the text on the page. Discuss student responses. Introduce the term ‘bold text’ and explain that this refers to text that is printed darker than other text. Ask students why an author might put some words in bold text. Guide students in understanding that the author probably wants these words to stand out because they are very important.

Ask students another way the sentence referred to in Step 9 differs from the rest of the text on the page. Guide students in understanding that the text is printed larger. Explain as students read the book, they should pay careful attention to the parts of the text that are bold and in large print. This will help them understand the most important ideas of the book.

Draw students’ attention to the photograph on page 5 and ask them what photographs contribute to a book. Discuss student responses. Guide students in understanding that text features like photographs or illustrations help a reader better understand a text. Read the text on page 4 with students. Discuss how seeing the photograph helps a reader better understand the process of planting trees. Explain as they read the book, they should pay careful attention to the photographs.

Give students time to read and discuss the book with their partner. Then, lead a whole class discussion of the book using the following questions to guide the discussion:

What are some of the steps in turning a tree into paper?
What kinds of different machines are involved in the process? Besides trees, what other natural resources are needed to make paper? What are some new words you learned from the book? What are some questions you still have about how paper is made?

Draw students’ attention back to the table of contents and ask them how this book is organized. Guide students in understanding that this book shows the sequence, or order, which is followed when paper is made. Explain that many different informational books use this kind of pattern. If possible share other expository books from your classroom collection that follow a sequential text pattern.

Give each pair a set of the “How Trees are Used to Make Paper” sequence cards, located in the Supplemental Materials (Unit 4, Lesson 3.) Explain that pairs should use the text to help them place the cards in the correct sequence, or order. Give students time to work and then go over the correct sequence with them. Note that the correct sequence is as follows:

Workers plant trees
Workers cut the trees into logs.
The logs are made into chips.
At a factory, the chips are made into pulp.
The pulp is turned into paper.
The paper is rolled and then cut.

Return to Word Card #8, and guide students in understanding that natural resources are useful because they can be used to produce many different goods and services. Ask students if they can name another natural resource that is used to make paper. Point out that water is also a natural resource.

Assessment
A lesson assessment has been included in the Supplemental Materials (Unit 4, Lesson 3) in which students’ answer multiple choice questions and complete one constructed response. Correct answers to the multiple choice questions are as follows: 1: B, 2: C, 3: A. Answers for the constructed response should center on the idea that natural resources are used to produce goods and services.
Graphic Organizer

Things in nature people find useful

Natural Resources

Things like soil, water, and trees

Used to produce goods and services
Big Ideas Card

<table>
<thead>
<tr>
<th>Big Ideas of Lesson 3, Unit 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Natural resources are things in nature that people find useful.</td>
</tr>
<tr>
<td>• Trees, soil and water are important natural resources.</td>
</tr>
<tr>
<td>• Natural resources are used to produce goods and services.</td>
</tr>
</tbody>
</table>
Word Cards

Word Cards from previous lessons needed for this lesson:

- Goods – Word Card #2 from Lesson 1
- Services – Word Card #3 from Lesson 1

<table>
<thead>
<tr>
<th>7 natural characteristics</th>
<th>8 natural resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Things that were not made by humans.</td>
<td>things in nature that people find useful</td>
</tr>
<tr>
<td>Examples: Trees and rocks are natural characteristics.</td>
<td>Example: Water, soil and trees are natural resources.</td>
</tr>
</tbody>
</table>

(SS020403)
Unit 4: How Do People Work Together in a Community?

Lesson 3

Michigan Citizenship Collaborative Curriculum
www.micitizenshipcurriculum.org
How Trees are Used to Make Paper

<table>
<thead>
<tr>
<th>The logs are made into chips.</th>
<th>At a factory, the chips are made into pulp.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers cut the trees into logs.</td>
<td>The pulp is turned into paper.</td>
</tr>
<tr>
<td>Workers plant trees</td>
<td>The paper is rolled and then cut.</td>
</tr>
</tbody>
</table>
Lesson Assessment

1. Which of the following is **NOT** a natural resource?
   A. a tree
   B. a bridge
   C. water
   D. soil

2. Natural resources are things in nature that are
   A. beautiful
   B. very big
   C. useful
   D. free

3. Which of the following helps you find the parts of a book?
   A. a table of contents
   B. photographs
   C. bold print
   D. a title

Why are natural resources important?
Lesson 4: Resources: Natural, Human, and Capital

Big Ideas of the Lesson

| Natural, human, and capital resources are used together to produce goods and services. |
| Human resources are people doing work. |
| Capital resources are things made by people that are used to produce other goods and services. |
| Tools, machines, and buildings are capital resources. |
| Resources are limited, but wants are unlimited. This causes scarcity. |

Lesson Abstract:
This lesson builds on the previous lesson by introducing students to how human and capital resources are used in conjunction with natural resources to produce goods and services. Returning to the book *From Trees to Paper*, the teacher guides students in identifying different resources described in the book and categorizing them on a three-column chart. Then, students apply what they have learned by repeating the process with the book *The Goat in the Rug*, or a similar book. Finally, students connect back to Lesson 1 as they explore how the problem of unlimited wants and limited resources results in scarcity.

Content Expectations
2 - E1.0.4: Describe the natural, human, and capital resources needed for production of a good or service in a community

Key Concepts
capital resources
human resources
natural resources
production

Instructional Resources
Equipment/Manipulative
Chart paper
Overhead projector or Document Camera/Projector
Student journal or notebook

Student Resource
Lesson Sequence

Display the book *From Trees to Paper*, which was used in the previous lesson and give pairs of students a copy of the book. Review the term ‘natural resources.’ Pose the following question to students: What else was needed to produce paper besides the natural resource of trees? Ask students to list one or two things in their social studies journal.

Tell students to scan through the book to find additional things to add to the list they began in the previous lesson. Give pairs time to work together and then have students share their lists in the large group. Make a master list of their ideas on chart paper. Note that students are likely to come up with things like the following: machines, people, tools, a saw, etc. If students do not come up with the idea that people are needed to make paper, use prompting questions to elicit this idea and add it to your list.

Using Word Card #9, introduce the term ‘produce’ and explain that two other types of resources other than natural resources are needed to produce goods. Returning to the list you created in Step 2, circle the word ‘people’ and explain that people are a very important part of producing goods. Using Word Card #10, explain that workers and their skills are called ‘human resources.’

Refer students to page 7 in the book and ask them what human resource is shown in the photograph. Guide students in identifying a person who cuts down trees. Display “Three Kinds of Resources” chart, located in the Supplemental Materials (Unit 4, Lesson 4) or create a similar chart on chart paper. Write ‘trees’ in the column labeled “Natural Resources” and “ a tree cutter’ in the column labeled ‘Human Resources.”

Draw students’ attention to the saw the man is holding. Pose the following questions: Is the saw a natural resource? Why or why not? Discuss student responses and guide students in understanding that the saw is not a natural resource because it is not something found in nature.

Pose the following questions: Is the saw a human resource? Why or why not? Discuss student responses. Guide students in understanding that the saw cannot be a human resource because it is not a person.
Using Word Card #11, explain that the saw is the third kind or resource used to produce goods. Explain that it is a capital resource or a good used to make other goods. Add the word ‘saw’ to the chart in the column labeled ‘capital resources.’

Refer students to page 8 and 9 in the book. Ask students what kind of resource this machine is. Guide students in understanding that this machine, which takes off bark, is a capital resource. Add the phrase ‘machine that takes off bark’ to the capital resource column of the chart.

Explain that a factory is even considered a capital resource because it is something used to make other things, or goods. Add the term ‘paper making factory’ to your chart under the ‘capital resource’ column.

Ask students to find more examples of human and capital resources in the book. As they identify examples, list them on the chart. Note that possible answers include:

**Capital Resources:** a machine that washes the wood chips, a machine that smashes the wood chips, a screen, rollers, an oven, a cutter

**Human Resources:** the person who runs the washing machine, the person who runs the smashing machine, the person who runs the big screen, people who run the cutting machines

Remind students that water was used in the paper making factory. Ask students where you should list water on the resource chart. Discuss their responses. Remind students that water, like trees, is a natural resource and needs to be listed in that column if needed.

Introduce the book *The Goat in the Rug* by explaining that sometimes a good is made by one person, not a factory. Display another copy of the “Three Kinds of Resources” chart. Explain that as you read the book, students should identify different resources used to make the rug and guide you in putting them in the correct columns.

Read the book to students and add resources to the chart as you read. Note that a chart showing sample answers has been included in the *Supplemental Materials (Unit 4, Lesson 4)* for you to use as reference. Also note that in the front and back cover of the book are pictures of all the resources used to make the rugs. You may wish to copy these pages, have students cut them out and sort them on the chart rather than listing them.

Review the term ‘scarcity’ from Lesson 1. Then, using Word Card #12, explain that there are not enough resources to make all the goods people want. Explain that this means there are 'limited resources.' Using Word Card #13, remind students that they learned that people’s wants are unlimited.
Using the “Scarcity” graphic organizer, located in the Supplemental Materials (Unit 4, Lesson 4), explain that scarcity results because human wants are unlimited but resources are limited. Remind students that because of scarcity, people have to make choices not only about what to buy but also about how to use their limited resources.

**Assessment**
A lesson assessment has been included in the Supplemental Materials (Unit 4, Lesson 4) in which students classify a set of cards according to whether they describe natural, human, or capital resources.
Graphic Organizer

Resources

Natural

Human

Capital
### Big Ideas of Lesson 4, Unit 4

- Natural, human, and capital resources are used together to produce goods and services.
- Human resources are people doing work.
- Capital resources are things made by people that are used to produce other goods and services.
- Tools, machines, and buildings are capital resources.
- Resources are limited, but wants are unlimited. This causes scarcity.
Word Cards from previous lessons needed for this lesson:

- Economic Wants — Word Card #1 from Lesson 1
- Scarcity — Word Card #4 from Lesson 1
- Natural Resources — Word Card #8 from Lesson 3

**produces**

9. to make goods

*Example:* In the United States, we produce many different kinds of goods like cars, tools, and toys.

(SS020404)

**human resources**

10. workers and their skills

*Example:* Truck drivers, doctors, and teachers are human resources.

(SS020404)

**capital resources**

11. goods that are used to produce other goods and services

*Example:* Factories and tools are capital resources.

(SS020404)

**limited resources**

12. there are only certain amounts of resources

*Example:* Water and trees and other resources are limited.

(SS020404)
13
unlimited wants

there is no end to the number of things people want and need

Example: People have unlimited wants.
# The Three Kinds of Resources

<table>
<thead>
<tr>
<th>Natural Resources</th>
<th>Human Resources</th>
<th>Capital Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="natural_resources.png" alt="Image" /></td>
<td><img src="human_resources.png" alt="Image" /></td>
<td><img src="capital_resources.png" alt="Image" /></td>
</tr>
</tbody>
</table>

The Three Kinds of Resources

<table>
<thead>
<tr>
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<th>Human Resources</th>
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<td><img src="capital_resources.png" alt="Image" /></td>
</tr>
</tbody>
</table>
## Resources used to make a Navajo Rug – Sample Answers

*From The Goat in the Rug*

<table>
<thead>
<tr>
<th>Natural Resources</th>
<th>Human Resources</th>
<th>Capital Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wool from Geraldine, the goat</td>
<td>Glenmae, the weaver</td>
<td>Scissors</td>
</tr>
<tr>
<td>Yucca roots for soap</td>
<td></td>
<td>Bucket</td>
</tr>
<tr>
<td>Water</td>
<td></td>
<td>Carding combs</td>
</tr>
<tr>
<td>Plants for dye</td>
<td></td>
<td>Spindle</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dye pots</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Loom</td>
</tr>
</tbody>
</table>
Scarcity

Unlimited Wants and Limited Resources cause Scarcity, which means people have to make Choices.
Lesson Assessment

The town of Oakville has a small potato chip factory. These cards show resources the factory uses. Cut them out and place them in the correct place on the Resource Chart.

<table>
<thead>
<tr>
<th>Salt</th>
<th>Robert who runs the peeling machine</th>
<th>Lucy the owner of the factory</th>
</tr>
</thead>
<tbody>
<tr>
<td>The small chip factory</td>
<td>Juan who runs the packaging machine</td>
<td>The tubs for washing potatoes</td>
</tr>
<tr>
<td>Slicing machine</td>
<td>Potatoes</td>
<td>Water for washing potatoes</td>
</tr>
<tr>
<td>Peeling machine</td>
<td>Sarah who runs the slicing machine</td>
<td></td>
</tr>
<tr>
<td>Natural Resources</td>
<td>Human Resources</td>
<td>Capital Resources</td>
</tr>
<tr>
<td>-------------------</td>
<td>-----------------</td>
<td>-------------------</td>
</tr>
<tr>
<td><img src="image1.png" alt="Natural Resources" /></td>
<td><img src="image2.png" alt="Human Resources" /></td>
<td><img src="image3.png" alt="Capital Resources" /></td>
</tr>
</tbody>
</table>

Resource Chart
Lesson Assessment Resource Chart – Answer Key

<table>
<thead>
<tr>
<th>Natural Resources</th>
<th>Human Resources</th>
<th>Capital Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potatoes</td>
<td>Robert who runs the peeling machine</td>
<td>Peeling machine</td>
</tr>
<tr>
<td>Water for washing potatoes</td>
<td>Sarah who runs the slicing machine</td>
<td>Slicing machine</td>
</tr>
<tr>
<td>Salt</td>
<td>Juan who runs the packaging machine</td>
<td>The small chip factory</td>
</tr>
</tbody>
</table>

Lucy the owner of the factory | The tubs for washing potatoes
Lesson 5: Businesses in our Local Community

Big Ideas of the Lesson

People have unlimited economic wants.
Economic wants are met with goods and services.
People buy goods and services from businesses.
Businesses make and sell goods and services using limited resources.

Lesson Abstract:
In this lesson, students explore businesses in their own community. The lesson begins with students reviewing the concept of economic wants. Then, in a brainstorming activity, students create an initial list of local businesses and identify the economic wants met by these businesses. In order to identify more businesses in the community, students take home a log on which their families record businesses where they shop during a two or three day period. Using this data, students add businesses to their initial list. If time permits, students use additional resources such as a local business directory, phone books, and the Internet to identify more local businesses. As a culminating project, students create a simple business directory which includes illustrations of local businesses and short descriptions which include the businesses location, products, and economic wants they satisfy.

Content Expectations
2 - E1.0.2: Identify businesses in the local community.
2 - E1.0.3: Describe how businesses in the local community meet economic wants of consumers.

Integrated GLCEs
W.GN.02.03: Write an informational piece including a magazine feature article using an organizational pattern such as description, enumeration, sequence, or compare/contrast that may include graphs, diagrams, or charts to enhance the understanding of central and key ideas. (English Language Arts)

Key Concepts
business
economic wants

Instructional Resources
Equipment/Manipulative
Chart paper
Lesson Sequence

Using the lesson graphic organizer from Lesson 1, review the concept of ‘economic wants’ and how economic wants are satisfied with goods and services.

Using Word Card #14, review the term ‘businesses’ which was introduced in Unit 1 and remind students that businesses are an important common characteristic of communities. Businesses satisfy people’s economic wants by producing and/or selling goods and services.

Using the T-chart labeled “Businesses” and “Economic Wants”, located in the Supplemental Materials (Unit 4, Lesson 5) or a similar chart you create on chart paper, guide students in brainstorming a list of local businesses. Write the businesses on the T-Chart.

Guide students in identifying an economic want satisfied by each of the businesses on the T-Chart and write the wants on the chart next to the business. For example, if students have identified a local restaurant or a local grocery store these businesses both satisfy the economic want of ‘food.’

Give each student a copy of the “Business Log” located in the Supplemental Materials (Unit 4, Lesson 5). Go over the directions at the top of the log. Make sure you have filled in the blanks for ‘number of days” and “date for return” before you make copies of the log for students. Note that this is a good home project to assign on a Friday and have students return on Monday.

As a class, review students’ Business Logs and add any new businesses to the T-Chart you began in Step 3. Note, you may wish to keep a tally if several students frequented the same business. Then, identify an economic want satisfied by each of these businesses. Discuss the data students have collected with these questions:

Were there some businesses where more than one family shopped? If so, which businesses?
Why do you think these businesses were visited by more than one family?
What were some common economic wants that families seemed to have?
Which of these businesses would you likely find in other communities?
Are any of these businesses unique to our community? If so, which ones?
What are some choices your family had to make at these businesses?
If time permits, use other resources such as a local business directory, a community map, or the Internet to identify additional examples of local businesses and add them to your T-Chart.

Explain that as a culminating project, the class will be working together to create a business directory for your community. Display the “Sample Business Directory Page” located in the Supplemental Materials (Unit 4, Lesson 5). Explain that each student will be creating a similar page with an illustration of a business and a short description. Note that this project provides an opportunity to integrate the English Language Art GLCE on writing informational pieces.

Have each student choose one of the local businesses you have identified in the lesson or assign a business to each student.

Give each student a copy of the “Writing Plan”, located in the Supplemental Materials (Unit 4, Lesson 5), and go over the three questions on the plan. Explain that students should answer each question and then write a sentence incorporating their answer. Explain that this will serve as a rough draft for their page of the business directory.

As students work to complete the writing plan, circulate and offer assistance as needed. Note that some students are likely to need help describing the location of their assigned business.

Go over the Writing Plans with each student and guide them in editing their sentences.

Give each student a copy of the “Business Directory Page”, located in the Supplemental Materials (Unit 4, Lesson 5) and have them complete the writing section of the page using the draft sentences on their Writing Plan. Then, have them create an illustration of the business. Note that you may wish to offer students the alternative of taking a photograph of the business and gluing the photo to their page. If you have access to technology, this is a great project to use in a computer lab.

When all the pages are complete, assemble the pages together to create your business directory.

Assessment
The page of the business directory created by each student in the culminating project can be used as the assessment.
2nd Grade Local Communities

Unit 4: How Do People Work Together in A Community?

Lesson 5

Michigan Citizenship Collaborative Curriculum

May 11, 2010
People have unlimited ECONOMIC WANTS which can be satisfied with GOODS AND SERVICES which are produced and sold by BUSINESSES using limited RESOURCES.
## Big Ideas Card

<table>
<thead>
<tr>
<th>Big Ideas of Lesson 5, Unit 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>• People have unlimited economic wants.</td>
</tr>
<tr>
<td>• Economic wants are met with goods and services.</td>
</tr>
<tr>
<td>• People buy goods and services from businesses.</td>
</tr>
<tr>
<td>• Businesses make and sell goods and services using limited resources.</td>
</tr>
</tbody>
</table>
**Word Cards**

**Word Cards from previous lessons needed for this lesson:**

- Economic Wants — Word Card #1 from Lesson 1
- Goods — Word Card #2 from Lesson 1
- Services — Word Card #3 from Lesson 1

---

**14 businesses**

places that produce or sell goods and services

*Example:* Restaurants and grocery stores are businesses.

(SS020405)
Business Log

We are studying about local businesses in our community. Please keep track of businesses where you shop for the next ____ days. List the businesses on the chart and what they sell. Please return the chart on _________________.

<table>
<thead>
<tr>
<th>Business</th>
<th>What it sells?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>
## Business T-Chart

<table>
<thead>
<tr>
<th>Business</th>
<th>Economic Want</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
Business:  Miller's Bakery

Miller's Bakery is located on Pine Street across from the Mobil gas station. At the bakery you can buy cookies, bread, and pies. They are all very good. This business satisfies the economic want of food.
My Writing Plan

Where is the business located? __________________________________________________________

Write a sentence describing its location:

____________________________________________________________________________________

____________________________________________________________________________________

____________________________________________________________________________________

What goods or services does it sell or produce?

_____________________________________________________

Write a sentence describing its location:

____________________________________________________________________________________

____________________________________________________________________________________

____________________________________________________________________________________

What economic want does it satisfy? __________________________________________________

Write a sentence describing its location:

____________________________________________________________________________________

____________________________________________________________________________________

____________________________________________________________________________________
Lesson 6: Specialization and Trade

Big Ideas of the Lesson

People specialize in producing certain kinds of goods and services. Because of specialization, people do not produce everything they want. People have to trade with others to get the things they want. Money is often used to trade for what people want.

Lesson Abstract:
In this lesson, students explore the economic concepts of specialization and trade. The lesson begins with a discussion of the goods and services produced by family members of students. The teacher then connects the discussion to the concept of specialization by explaining that people cannot produce everything they need so they must trade with others to meet their wants. Students then review the idea from first grade that people use money to get the things they want. In a simple simulation, students explore the connections between specialization and trade. Finally, using the book *The Ox-Cart Man* or a similar book, the teacher guides students in applying what they have learned about specialization and trade as well as other concepts covered in previous lessons of the unit. Students identify goods the family in the story produces and the natural, human, and capital resources needed to make the goods.

Content Expectations

2 - E1.0.5: Use examples to show that people cannot produce everything they want (specialization) and depend on trade with others to meet their wants.

Integrated GLCEs

R.NT.02.03 Identify and describe characters’ actions and motivations, setting (time and place), problem/solution, and sequence of events. (*English Language Arts*)

Key Concepts

specialization
trade

Instructional Resources

Equipment/Manipulative
Chart paper
Overhead projector or Document Camera/Projector
String
Lesson Sequence

Connect back to the previous lesson by reviewing your list of local businesses that was generated. Then, pose the following question: How do people get the goods and services these businesses sell? Have students jot down an answer to the question in their social studies journal.

Have students share the answers they wrote in the large group. Guide students in understanding that people use money to buy the goods and services. Pose the following question: Where do people get the money to buy goods and services? Discuss student responses and guide students in understanding that people work to earn money which they use to buy goods and services to meet their needs and wants.

Have a brief discussion of the kinds of work done by family members of students. Help them in distinguishing between work that produces goods and work that provides services. For example, someone who works in a factory produces goods and a teacher provides services.

Using Word Card #15, introduce the word “specialization’ and explain that people specialize in producing certain goods and services. Using Word Card #16, explain that people cannot produce everything they need or want, so they must trade with others to meet their wants.

Explain that students will now learn more about the connections between specialization and trade with a short simulation. The following steps explain how to set up the simulation:

Print the “Store Signs”, located in the Supplemental Materials (Unit 4, Lesson 6,) on cardstock. Cut them out and fold them so they will stand up on a desk.
Print the “People Signs.” Cut them out and punch the holes marked on each sign and attach string so students can wear the signs around their necks.
Follow the Directions on the “Simulation Directions Sheet”, located in the Supplemental Materials (Unit 4, Lesson 6), for setting up and running the simulation.

Discuss the simulation using the following questions:
Display the book *The Ox-Cart Man*, and explain that as you read this book to students they should look for examples of specialization and trade.

Read the first half of the book to students and as you read, make a list of the goods which were made by the family on the "Goods" T-Chart, located in the *Supplemental Materials (Unit 4, Lesson 6).* Make sure to discuss examples of specialization in the book. For example, discuss the idea that the son made brooms and the daughter made mittens.

As you complete the book, make a list of the goods the father purchased in town on the Goods T-Chart which you began in the previous step. Note that a completed chart has been included in the *Supplemental Materials (Unit 4, Lesson 6)* for you to use for reference. Discuss how the father traded his goods for money and then traded the money for goods which the family wanted but did not produce such as the big kettle and the peppermint candies.

Pose the following question: What happened to the father’s ox? Discuss students’ responses and then ask students why they think the father sold the ox. Explain that the father made an economic choice when he decided to sell the ox. Ask students what other choice he had. Guide students in understanding that he also had the choice of keeping the ox. Review the term ‘opportunity cost’ which was explored in Lesson 2. Ask students what the farmer’s opportunity cost was when he chose to sell the ox. Discuss student responses and guide them in understanding that his opportunity cost was his chance to keep his ox.

Review the three kinds of resources which were covered in Lessons 3 and 4. Display the “Resource Chart”, located in the *Supplemental Materials (Unit 4, Lesson 6)*, or create a similar chart on chart paper. Write the words “Birch Broom” under the column labeled “Goods the Family Produced.” Ask students to identify one natural resource, one human resource, and one capital resource needed to make the broom. If necessary, re-read the section of the book which describes the son making brooms. List the resources in the appropriate columns on the chart. Note that a completed chart has been included in the *Supplemental Materials (Unit 4, Lesson 6), for reference.*

List one of the following goods on the Resource Chart: Shawl, Maple Sugar, or Bag of Wool. Have students independently identify one natural, one
human, and one capital resource needed to produce the item and write them in their social studies journal. As an alternative you may wish to give each student a copy of the Resource Chart.

Discuss the resources students have identified and add examples to the Resource Chart you began in Step 11.

Using the Lesson Graphic Organizer, review the connections between specialization and trade.

Assessment
An assessment consisting on one constructed response and one multiple choice question has been included in the Supplemental Materials (Unit 4, Lesson 6).
Graphic Organizer

People produce certain kinds of goods and services. This is called

SPECIALIZATION

Because of specialization, people do not produce everything they want. To get what they need or want people

TRADE

People often trade using

MONEY

People produce certain kinds of goods and services. This is called

SPECIALIZATION

Because of specialization, people do not produce everything they want. To get what they need or want people

TRADE

People often trade using

MONEY

People produce certain kinds of goods and services. This is called

SPECIALIZATION

Because of specialization, people do not produce everything they want. To get what they need or want people

TRADE

People often trade using

MONEY
### Big Ideas of Lesson 6, Unit 4

- People specialize in producing certain kinds of goods and services.
- Because of specialization, people do not produce everything they want.
- People have to trade with others to get the things they want.
- Money is often used to trade for what people want.
Word Cards

Word Cards from previous lessons needed for this lesson:

- Economic Wants - Word Card #1 from Lesson 1
- Goods - Word Card #2 from Lesson 1
- Services - Word Card #3 from Lesson 1
- Natural Resources - Word Card #8 from Lesson 3
- Produce - Word Card #9 from Lesson 4
- Human Resources - Word Card #10 from Lesson 4
- Capital Resources - Word Card #11 from Lesson 4

---

15 specialization
when people produce certain kinds of goods or services

Example: Some people specialize in fixing cars and some people specialize in growing food like vegetables.

(SS020406)

16 trade
to exchange one thing for another

Example: People often trade money for goods.

(SS020406)
Specialization and Trade Simulation

Roles (3 students needed): Farmer Jones, Grocery Store Owner, Hardware Store Owner

Directions
1. Set up the farm, grocery store and hardware store and the 3 students as shown in the Diagram on the next page. Use a desk for each store and put the store sign on the desk and the student behind the desk.
2. Seat the rest of the class where they can clearly see what happens. Note that you may find it easiest to set up the simulation in a gym or other larger space.
3. Attach a string to each of the signs (Farmer Jones, etc) located on the following pages so students can wear the sign around their neck.
4. Give the Money Sign to the Grocery Store Owner, the Vegetable Sign to Farmer Jones and the Tools Sign to the Hardware Store owner.
5. Follow the script below.

<table>
<thead>
<tr>
<th>Words</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our story begins with Farmer Jones picking vegetables on his farm.</td>
<td>Farmer Jones pretends to pick vegetables.</td>
</tr>
<tr>
<td>Farmer Jones then goes to the grocery store and sells his vegetables to the store owner</td>
<td>MONEY SIGN goes to Farmer Jones and VEGETABLES SIGN goes to the Grocery Store Owner.</td>
</tr>
<tr>
<td>Farmer Jones then goes to the hardware store and buys tools for his farm with the money he has earned from selling his vegetables.</td>
<td>MONEY SIGN goes to Hardware Store Owner and TOOLS SIGN goes to Farmer Jones.</td>
</tr>
<tr>
<td>Farmer Jones returns to his farm with the tools.</td>
<td>Farmer Jones goes back to his farm.</td>
</tr>
<tr>
<td>The Hardware Store Owner takes the money he has earned from selling his tools and goes to the grocery store.</td>
<td>The Hardware Store Owner goes to the Grocery Store.</td>
</tr>
<tr>
<td>The Hardware Store Owner uses the money to buy vegetables at the store.</td>
<td>MONEY SIGN goes to the Grocery Store Owner and the VEGETABLES SIGN goes to the Hardware Store Owner.</td>
</tr>
<tr>
<td>The Hardware Store Owner returns to his hardware store with his vegetables.</td>
<td>The Hardware Store Owner returns to his Hardware Store.</td>
</tr>
</tbody>
</table>
Set-up Diagram for Simulation

- Farmer Jones
- FARM
- Hardware Store Owner
- Hardware Store
- Grocery Store Owner
- Grocery Store
Simulation Signs

Farmer Jones

Grocery Store Owner
Hardware Store Owner

Farm
MONEY

Vegetables
Tools
### Goods

<table>
<thead>
<tr>
<th>Goods the Family Produced</th>
<th>Goods the Father purchased in town</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Goods – Answer Key

<table>
<thead>
<tr>
<th>Goods the Family Produced</th>
<th>Goods the Father purchased in town</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bag of wool</td>
<td>Iron kettle</td>
</tr>
<tr>
<td>A shawl</td>
<td>Embroidery needle</td>
</tr>
<tr>
<td>Mittens</td>
<td>A knife for carving</td>
</tr>
<tr>
<td>Candles</td>
<td>Peppermint candies</td>
</tr>
<tr>
<td>Linen</td>
<td></td>
</tr>
<tr>
<td>Shingles</td>
<td></td>
</tr>
<tr>
<td>Broom</td>
<td></td>
</tr>
<tr>
<td>Potatoes</td>
<td></td>
</tr>
<tr>
<td>Apples</td>
<td></td>
</tr>
<tr>
<td>Honey</td>
<td></td>
</tr>
<tr>
<td>Honeycombs</td>
<td></td>
</tr>
<tr>
<td>Turnips</td>
<td></td>
</tr>
<tr>
<td>Cabbages</td>
<td></td>
</tr>
<tr>
<td>Maple sugar</td>
<td></td>
</tr>
<tr>
<td>A bag of goose feathers</td>
<td></td>
</tr>
</tbody>
</table>
### Resource Chart

<table>
<thead>
<tr>
<th>Goods the family produced</th>
<th>Natural Resources</th>
<th>Human Resources</th>
<th>Capital Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><img src="image1" alt="Water Tap" /> <img src="image2" alt="Water Tap" /> <img src="image3" alt="Water Tap" /></td>
<td><img src="image4" alt="Scientist" /> <img src="image5" alt="Worker" /></td>
<td><img src="image6" alt="Factory" /> <img src="image7" alt="Building" /></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Resource Chart – Sample Answers

<table>
<thead>
<tr>
<th>Goods the family produced</th>
<th>Natural Resources</th>
<th>Human Resources</th>
<th>Capital Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birch Broom</td>
<td>Birch tree</td>
<td>Son</td>
<td>Knife</td>
</tr>
<tr>
<td>Shawl</td>
<td>Wool</td>
<td>Mother</td>
<td>Loom</td>
</tr>
<tr>
<td>Maple sugar</td>
<td>Maple tree</td>
<td>The whole family</td>
<td>Iron kettle</td>
</tr>
<tr>
<td>Bag of wool</td>
<td>Sheep</td>
<td>Father</td>
<td>Shearing scissors</td>
</tr>
</tbody>
</table>

- Birch Broom is made from Birch tree, provided by Son, and crafted with a Knife.
- Shawl is made from Wool, provided by Mother, and crafted with a Loom.
- Maple sugar is made from Maple tree, provided by The whole family, and crafted with an Iron kettle.
- Bag of wool is made from Sheep, provided by Father, and crafted with Shearing scissors.
Assessment

Henry made wooden toys. In his workshop, he used tools like a saw and a hammer. He sold his toys to the owner of a small toy store. Each time he sold some toys, he would go shopping. Henry bought things like food and clothing.

<table>
<thead>
<tr>
<th>What did Henry specialize in making?</th>
<th>What was one natural resource Henry used?</th>
<th>What was one human resource Henry used?</th>
<th>What was one capital resource Henry used?</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Wooden Toy" /></td>
<td><img src="image2.png" alt="Natural Resource" /></td>
<td><img src="image3.png" alt="Human Resource" /></td>
<td><img src="image4.png" alt="Capital Resource" /></td>
</tr>
</tbody>
</table>

How did Henry get food and clothes?

A. He made them.
B. He traded money for them.
C. He traded toys for them.
D. He got them from the toy store.
Assessment – Answer Key

Henry made wooden toys. In his workshop he used tools like a saw and a hammer. He sold his toys to the owner of a small toy store. Each time he sold some toys he would go shopping. He bought things like food and clothes.

<table>
<thead>
<tr>
<th>What did Henry specialize in making?</th>
<th>What was one natural resource Henry used?</th>
<th>What was one human resource Henry used?</th>
<th>What was one capital resource Henry used?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wooden toys</td>
<td>Trees</td>
<td>Henry</td>
<td>Saw</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Hammer</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The workshop</td>
</tr>
</tbody>
</table>

How did Henry get food and clothes?

A. He made them.
B. He traded money for them.
C. He traded toys for them.
D. He got them from the toy store.
Second Grade
Social Studies

Unit 4: How Do People Work Together in a Community?

Student Name:
Big Picture Graphic

Overarching Question:

**How do people’s choices impact a community?**

<table>
<thead>
<tr>
<th>Previous Unit:</th>
<th>This Unit:</th>
<th>Next Unit:</th>
</tr>
</thead>
<tbody>
<tr>
<td>How Do People Live Together in a Community?</td>
<td>How Do People Work Together in a Community?</td>
<td>How Do Communities Change?</td>
</tr>
</tbody>
</table>

Questions To Focus Assessment and Instruction:

1. How do scarcity, choice, and opportunity cost impact economic decision making?
2. How do people and businesses interact to meet economic wants?

Types of Thinking:

- Cause and Effect
- Descriptive
- Classification
Questions for Students

In this unit, we are going to be learning about how people work together in a community. Think about the focus questions:

1. How do scarcity, choice, and opportunity cost impact economic decision making?
2. How do people and businesses interact to meet economic wants?

Use the chart below to write or draw about these questions.

<table>
<thead>
<tr>
<th>Things I Know</th>
<th>Questions I Have</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
People have unlimited economic wants, which can be satisfied with goods and services. But, because of scarcity, people cannot have everything they want so they have to make choices.
## Word Cards

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong></td>
<td><strong>economic wants</strong></td>
</tr>
<tr>
<td></td>
<td>wants that can be satisfied with a good or service</td>
</tr>
<tr>
<td>Example:</td>
<td>Dylan wanted to eat pizza. He had one delivered to his home.</td>
</tr>
</tbody>
</table>

| **2** | **goods** |
|   | things we buy that we can touch or hold |
| Example: | A pizza is a good. |

| **3** | **services** |
|   | things that others do for you |
| Example: | Delivering pizza to a house is a service. |

| **4** | **scarcity** |
|   | when there is not enough |
| Example: | Scarcity means you cannot have all the goods and services you want. |

| **5** | **choice** |
|   | when people choose one thing and give up other things |
| Example: | Because of scarcity people have to make choices. |
Connecting Back

People have

Needs and Wants

that can be satisfied with

Goods and Services
# Economic Wants

<table>
<thead>
<tr>
<th>Economic Want</th>
<th>Goods or Service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
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<td></td>
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<td></td>
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</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Directions: Use the words in the boxes to fill in the blanks in the sentences.

<table>
<thead>
<tr>
<th>choices</th>
<th>wants</th>
<th>services</th>
</tr>
</thead>
<tbody>
<tr>
<td>scarcity</td>
<td>goods</td>
<td></td>
</tr>
</tbody>
</table>

People have many economic _________________.

These can be satisfied with _________________ and _________________. Because of _________________, people cannot have everything they want. Because people cannot have everything they want people have to make ____________.
Lesson 2 Graphic Organizer

How to Make an Economic Decision

1. List your choices.
2. Think about your choices.
3. List good things about each choice.
4. List bad things about each choice.
5. Compare your choices.
6. Make a decision.
Big Idea Card

Big Ideas of Lesson 2, Unit 4

- Because of scarcity people have to make choices.
- Every time someone makes a choice there are other things that are not chosen.
- The next best thing that is not chosen is called a person’s opportunity cost.
- It is important to learn to make good economic choices, or decisions.

Word Cards

Word Cards from previous lessons needed for this lesson:

- Scarcity – Word Card #4 from Lesson 1
- Choice – Word Card #5 from Lesson 1

6 opportunity cost

when you make a choice, your opportunity cost is the second thing you wanted most.

Example: Mary chose pizza for lunch. Her second choice was a hot dog. The hot dog was her opportunity cost.
Making a Choice

1. ______________________________

2. ______________________________

3. ______________________________

My opportunity cost was __________________

______________________________
### Making an Economic Decision

<table>
<thead>
<tr>
<th>Number (1,2,3)</th>
<th>MY CHOICES</th>
<th>😊</th>
<th>😞</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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<tr>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

My choice is _______________________________________

My opportunity cost is _________________________________
You have been given money to buy one new pet. You have to choose between a dog, a cat and a fish. Fill in the table, think, and then make a decision.

<table>
<thead>
<tr>
<th>Number (1,2,3)</th>
<th>MY CHOICES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

My choice is _______________________________________

My opportunity cost is _________________________________
Lesson 3 Graphic Organizer

**Natural Resources**

- Things in nature people find useful
  - Things like soil, water, and trees
  - Used to produce goods and services
Big Idea Card

Big Ideas of Lesson 3, Unit 4

- Natural resources are things in nature that people find useful.
- Trees, soil and water are important natural resources.
- Natural resources are used to produce goods and services.

Word Cards

Word Cards from previous lessons needed for this lesson:

- Goods – Word Card #2 from Lesson 1
- Services– Word Card #3 from Lesson 1

7 natural characteristics
Things that were not made by humans.

Examples: Trees and rocks are natural characteristics.

8 natural resources
Things in nature that people find useful

Example: Water, soil and trees are natural resources.
## How Trees Are Used To Make Paper

<table>
<thead>
<tr>
<th>The logs are made into chips.</th>
<th>At a factory, the chips are made into pulp.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers cut the trees into logs.</td>
<td>The pulp is turned into paper.</td>
</tr>
<tr>
<td>Workers plant trees</td>
<td>The paper is rolled and then cut.</td>
</tr>
</tbody>
</table>
Lesson 3 Review

1. Which of the following is NOT a natural resource?
   A. a tree
   B. a bridge
   C. water
   D. soil

2. Natural resources are things in nature that are
   A. beautiful
   B. very big
   C. useful
   D. free

3. Which of the following helps you find the parts of a book?
   A. a table of contents
   B. photographs
   C. bold print
   D. a title

Why are natural resources important?
Resources

Natural Human Capital

Big Idea Card

Big Ideas of Lesson 4, Unit 4

- Natural, human, and capital resources are used together to produce goods and services.
- Human resources are people doing work.
- Capital resources are things made by people that are used to produce other goods and services.
- Tools, machines, and buildings are capital resources.
- Resources are limited, but wants are unlimited. This causes scarcity.
### Word Cards

**Word Cards from previous lessons needed for this lesson:**

- Economic Wants – Word Card #1 from Lesson 1
- Scarcity – Word Card #4 from Lesson 1
- Natural Resources – Word Card #8 from Lesson 3

<table>
<thead>
<tr>
<th>Word Card</th>
<th>Definition</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 produce</td>
<td>to make goods</td>
<td>In the United States, we produce many different kinds of goods like cars, tools, and toys.</td>
</tr>
<tr>
<td>10 human resources</td>
<td>workers and their skills</td>
<td>Truck drivers, doctors, and teachers are human resources.</td>
</tr>
<tr>
<td>11 capital resources</td>
<td>goods that are used to produce other goods and services</td>
<td>Factories and tools are capital resources.</td>
</tr>
<tr>
<td>12 limited resources</td>
<td>there are only certain amounts of resources</td>
<td>Water and trees and other resources are limited.</td>
</tr>
<tr>
<td>13 unlimited wants</td>
<td>there is no end to the number of things people want and need</td>
<td>People have unlimited wants.</td>
</tr>
</tbody>
</table>
### The Three Kinds of Resources

<table>
<thead>
<tr>
<th>Natural Resources</th>
<th>Human Resources</th>
<th>Capital Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="Natural Resource" /></td>
<td><img src="image2" alt="Human Resource" /></td>
<td><img src="image3" alt="Capital Resource" /></td>
</tr>
</tbody>
</table>

- **Natural Resources**
- **Human Resources**
- **Capital Resources**
Scarcity

Unlimited Wants and Limited Resources causes Scarcity which means people have to make Choices
Lesson Review

The town of Oakville has a small potato chip factory. These cards show resources the factory uses. Place them in the correct place on the Resource Chart below.

<table>
<thead>
<tr>
<th>Natural Resources</th>
<th>Human Resources</th>
<th>Capital Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salt</td>
<td>Robert who runs the peeling machine</td>
<td>Lucy the owner of the factory</td>
</tr>
<tr>
<td>The small chip factory</td>
<td>Juan who runs the packaging machine</td>
<td>The tubs for washing potatoes</td>
</tr>
<tr>
<td>Slicing machine</td>
<td>Potatoes</td>
<td>Water for washing potatoes</td>
</tr>
<tr>
<td>Peeling machine</td>
<td>Sarah who runs the slicing machine</td>
<td></td>
</tr>
</tbody>
</table>

Resource Chart
Lesson 5 Graphic Organizer

People have unlimited

ECONOMIC WANTS

which can be satisfied with

GOODS AND SERVICES

which are produced and sold by

BUSINESSES

using limited

RESOURCES
Big Idea Card

Big Ideas of Lesson 5, Unit 4

- People have unlimited economic wants.
- Economic wants are met with goods and services.
- People buy goods and services from businesses.
- Businesses make and sell goods and services using limited resources.

Word Cards

Word Cards from previous lessons needed for this lesson:

- Economic Wants – Word Card #1 from Lesson 1
- Goods – Word Card #2 from Lesson 1
- Services – Word Card #3 from Lesson 1

14 businesses

places that produce or sell goods and services

Example: Restaurants and grocery stores are businesses.
Business Log

We are studying about local businesses in our community. Please keep track of businesses where you shop for the next ____ days. List the businesses on the chart and what they sell. Please return the chart on ________________.

<table>
<thead>
<tr>
<th>Business</th>
<th>What it sells?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Business</td>
<td>Economic Want</td>
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</tr>
</tbody>
</table>
Business: Miller's Bakery

Miller’s Bakery is located on Pine Street across from the Mobil gas station. At the bakery you can buy cookies, bread, and pies. They are all very good. This business satisfies the economic want of food.
My Writing Plan

Where is the business located? ____________________________________________

Write a sentence describing its location:
__________________________________________________________
__________________________________________________________
__________________________________________________________
__________________________________________________________

What goods or services does it sell or produce?
__________________________________________________________
__________________________________________________________
__________________________________________________________
__________________________________________________________

Write a sentence describing its location:
__________________________________________________________
__________________________________________________________
__________________________________________________________
__________________________________________________________

What economic want does it satisfy? ________________________________

Write a sentence describing its location:
__________________________________________________________
__________________________________________________________
__________________________________________________________
__________________________________________________________
Business Directory Page

Business: ________________________________

__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
People produce certain kinds of goods and services. This is called

Because of specialization, people do not produce everything they want. To get what they need or want people often trade using money.
Big Idea Card

Big Ideas of Lesson 6, Unit 4

- People specialize in producing certain kinds of goods and services.
- Because of specialization, people do not produce everything they want.
- People have to trade with others to get the things they want.
- Money is often used to trade for what people want.

Word Cards

Word Cards from previous lessons needed for this lesson:

- Economic Wants – Word Card #1 from Lesson 1
- Goods – Word Card #2 from Lesson 1
- Services – Word Card #3 from Lesson 1
- Natural Resources – Word Card #8 from Lesson 3
- Produce – Word Card #9 from Lesson 4
- Human Resources - Word Card #10 from Lesson 4
- Capital Resources – Word Card #11 from Lesson 4

15 specialization
when people produce certain kinds of goods or services

Example: Some people specialize in fixing cars and some people specialize in growing food like vegetables.

16 trade
to exchange one thing for another

Example: People often trade money for goods.
Goods from the book, *The Ox-cart Man*

<table>
<thead>
<tr>
<th>Goods the Family Produced</th>
<th>Goods the Father purchased in town</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Resource Chart

<table>
<thead>
<tr>
<th>Goods the family produced</th>
<th>Natural Resources</th>
<th>Human Resources</th>
<th>Capital Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><img src="image" alt="Natural Resources Icon" /></td>
<td><img src="image" alt="Human Resources Icon" /></td>
<td><img src="image" alt="Capital Resources Icon" /></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
Lesson Review

Henry made wooden toys. In his workshop, he used tools like a saw and a hammer. He sold his toys to the owner of a small toy store. Each time he sold some toys, he would go shopping. Henry bought things like food and clothing.

<table>
<thead>
<tr>
<th>What did Henry specialize in making?</th>
<th>What was one natural resource Henry used?</th>
<th>What was one human resource Henry used?</th>
<th>What was one capital resource Henry used?</th>
</tr>
</thead>
<tbody>
<tr>
<td>![Car]</td>
<td>![Saw and hammer]</td>
<td>![Scientist and computer]</td>
<td>![Building]</td>
</tr>
</tbody>
</table>

How did Henry get food and clothes?

A. He made them.
B. He traded money for them.
C. He traded toys for them.
D. He got them from the toy store.
Unit 4 Graphic Organizer

A community is made up of

- Families
  - Have unlimited
  - Needs and Wants
  - But limited
  - Resources
  - Limited resources create Scarcity
  - Forcing us to make Choices

- Businesses
  - Produce
  - Goods and Services
  - Using limited

Choose one of the following:

1. **Families**
2. **Businesses**
3. **Needs and Wants**
4. **Goods and Services**
5. **Resources**
6. **Scarcity**
7. **Choices**
# Unit 4 Vocabulary Words

<table>
<thead>
<tr>
<th>Word</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>businesses</td>
<td>24</td>
</tr>
<tr>
<td>capital resources</td>
<td>19</td>
</tr>
<tr>
<td>choice</td>
<td>4</td>
</tr>
<tr>
<td>economic wants</td>
<td>4</td>
</tr>
<tr>
<td>goods</td>
<td>4</td>
</tr>
<tr>
<td>human resources</td>
<td>19</td>
</tr>
<tr>
<td>limited resources</td>
<td>19</td>
</tr>
<tr>
<td>natural characteristics</td>
<td>14</td>
</tr>
<tr>
<td>natural resources</td>
<td>14</td>
</tr>
<tr>
<td>opportunity cost</td>
<td>9</td>
</tr>
<tr>
<td>produce</td>
<td>19</td>
</tr>
<tr>
<td>services</td>
<td>4</td>
</tr>
<tr>
<td>scarcity</td>
<td>4</td>
</tr>
<tr>
<td>specialization</td>
<td>31</td>
</tr>
<tr>
<td>trade</td>
<td>31</td>
</tr>
<tr>
<td>unlimited wants</td>
<td>19</td>
</tr>
</tbody>
</table>
Unit 4 Key Concepts

- businesses
- capital resources
- choice
- economic decision making
- economic wants
- human resources
- natural resources
- opportunity cost
- production
- scarcity
- specialization
- trade