



POWELL CENTER FOR
ECONOMIC LITERACY

Lesson Plan

WRITTEN BY Denise Hurlburt
Denver Street School
Denver, CO
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Late to Class:

What Does It Really Cost Me?

Time Required

15 Minutes

Grade Level and Subject

Middle and High School

Keystone Principles

Principle #1 – We All Make Choices

Principle #2 – There Ain't No Such Thing As A Free Lunch

Principle #5 – Incentives Produce “Predictable” Responses

Economic Concepts

Cost/Benefit Analysis – *A study that compares the tangible and intangible, long- and short-term costs and benefits of any decision.*

Incentives – *A reward or a punishment which may or may not be intentional that induces action or motivates effort.*

Opportunity Cost – *The best alternative given up when a choice is made.*

Scarcity – *Not being able to have all of the goods, services, time or space that you want. Scarcity forces people to make choices.*

Overview

This exercise is designed to help students understand the economics involved in every day choices they make. In this case, coming to class late and its consequences are used as an example, but other decisions that result in a penalty could be used. (Note: At our school, students receive a 30 minute detention at lunch the next day after they are late to a class.)

Objectives

To encourage students to take ownership of their decisions, they will

- Evaluate their actions using a cost/benefit analysis.
- Practice being intentional in their decisions.

Materials and Handouts

Vouchers for one, two, or three dollars

Teacher Preparation

Create or copy the vouchers

Teaching Activity

1. Give each student a voucher for one, two or three dollars randomly. Discuss the relative value of what they have – what could they purchase with it?
2. Ask them what they could buy if they had \$30 instead of what they have to establish the benefit of \$30 over \$1, \$2, or \$3.
3. Tell them that you will exchange the voucher for the face value BUT they will be required to give you \$30 tomorrow. Ask what they think of your proposal. Ask: Is it beneficial to them to have \$1-3 extra today at a cost of \$30 tomorrow? Is there anyone who is still willing to trade in the voucher? Why or why not?
4. Ask the students how this relates to their attendance, specifically being late to class (or other decisions). Discuss why they would never make such a trade with money, but they are willing to make it with their time. Ask which resource they consider scarcer based on their choices. What is the opportunity cost of coming late to class? Ask them to consider other decisions they make which could or do lead to a large penalty. Discuss how this example might relate to those decisions in the future. How are disincentives used to try to encourage positive behaviors? How effective are they?

Follow-up/Extension

1. This activity could be a good lead-in to doing more formal cost/benefit analysis with the students.

\$1.00

\$1.00

VOUCHER

This voucher may be exchanged for U.S. dollars in the amount indicated, subject to certain pre-existing conditions. Authorized by _____.

Student signature and date

Teacher signature and date

Voucher must include authorized signatures in order to be valid.

\$2.00

\$2.00

VOUCHER

This voucher may be exchanged for U.S. dollars in the amount indicated, subject to certain pre-existing conditions. Authorized by _____.

Student signature and date

Teacher signature and date

Voucher must include authorized signatures in order to be valid.

\$3.00

\$3.00

VOUCHER

This voucher may be exchanged for U.S. dollars in the amount indicated, subject to certain pre-existing conditions. Authorized by _____.

Student signature and date

Teacher signature and date

Voucher must include authorized signatures in order to be valid.