

Grandma's Birthday Money

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Student Objective

Kindergarten or first graders learn the following concepts

- Scarcity
- Choice
- Goods
- Services

Time

30 minutes

Background

Scarcity is the condition of not having all the goods and services that you want, and so you have to choose which goods and services are most important to you. Goods are objects that satisfy wants; services are activities that satisfy wants.

Preparation

Drawing paper

Crayons or colored markers

Teach

1. Ask students to pretend that they got a \$10 bill from their grandmother for their birthday. Have the students draw on the paper two things they could spend the \$10 on. Tell them that one thing must be a good (such as Legos or candy) and the other must be an activity (going to a baseball game, swimming, a movie, skiing, or playing laser tag).
2. Take several of the papers and tape them to the blackboard.
3. Discuss the choices. Point out that grandmother's money can be used for goods (things you can touch) and services (activities).
4. Ask the students to raise their hands if they think the following are goods (objects) or services (activities) that people want.
 - a. Candy (good)
 - b. Water gun (good)
 - c. Rides at Lagoon Amusement park (service)
 - d. Haircuts (service)
 - e. Shoes (goods)
 - f. Teaching (service)
5. Ask the students the following:
 - a. Could they could buy all of the goods and services on the blackboard for \$10? (no)
 - b. Why not? (they would cost more than \$10)

6. Discuss: tell the class that the word scarcity means you cannot have everything you want. Because Grandma's \$10 will not buy all the goods and services on the board, there is scarcity. When there is scarcity you have to choose because you cannot have everything.
7. Discuss: Tell the class that they can have only one of the goods or services on the board. Ask:
 - a. Can we have everything we want? (no)
 - b. What do we call it when we cannot have everything we want? (scarcity)
8. Ask the class to help choose what they would like the most. Have them vote by raising their hands. After they have chosen, ask them if they choose a good or a service.

Closure

Return the papers to the students. Tell the students that they have to choose which of the pictures on their paper they would like the most. They should circle their choice. Have each of the students share their pictures, one at a time, with the class. They should discuss which is a good and which is a service, and why they chose the picture they did. Have the students take the pictures home to discuss with their family.