



POWELL CENTER FOR
ECONOMIC LITERACY

Lesson Plan

WRITTEN BY Rebecca S. Shepherd

Last Modified: April 17, 2005

The Art of Economics

Time Required

4 Month Period, but can be shorter

Economic Concepts

Scarcity
Demand
Supply
Shortage
Prices

Overview

Young children can explore and grasp large ideas when they are presented simply. *The Art of Economics* takes great art and basic economic concepts and knits them together in an understandable way for young students.

I wanted my students to develop an appreciation for art. They also needed money for an interstate trade experience they were planning with their California pen pals. When Christie's Auction House of London announced that the sale of Van Gogh's "Sunflowers" would be their big event of the year, my class decided to have an art gallery sale that would coincide. When "Sunflowers" sold for \$40 million, the students could understand that artwork can be a safe place to store funds and a smart investment.

The economic study successfully integrated reading, writing, spelling, math, art, and social studies.

Objectives

- To recognize and experience being producers.
- To develop the understanding that consumers buy goods to satisfy needs and wants.
- To realize that specialization promotes efficiency and results in greater interdependency.

Collegiate School ★ North Mooreland Road ★ Richmond, Virginia 23229

telephone (804) 741-2806 facsimile (804) 740-6701 www.powellcenter.org



POWELL CENTER FOR
ECONOMIC LITERACY

Lesson Plan

- To understand that people in all states are consumers and producers.
- To understand that states differ in their resources.
- To understand that states often sell products to other states and create interdependence between states.
- To understand that money is brought into a state when one state sells a product to another state. The money can be used within the state or used to buy products from another state.
- To understand that by forming a conglomerate – companies of unrelated industries merging together – a firm could grow larger and raise its total profits.

Materials and Handouts

Art supplies

Teaching Activity

Scope

The Art of Economics project lasted over a four-month period. We began by corresponding with our pen pals every two weeks. After four letters had been exchanged, our class began planning an interstate trade experience with their pen pals. Each class would ship a state product to the other class. My students selected the Virginia peanut. Our pen pals selected the California pistachio.

Christie's Auction House of London planned to sell Vincent Van Gogh's "Sunflowers" on March 30, the anniversary of his birth. To raise money for our interstate trade, my class held an art gallery sale on March 31, the morning after the auction of "Sunflowers." For six weeks the students imitated a famous artist every week, spending 60 minutes per week in this activity. Each day four students painted in their own styles, spending 30 minutes per day for six weeks. Economics and art history were studied daily for 30 minutes using a multi-disciplinary approach involving art, math, reading, writing, and social studies.

Description of Project

After corresponding for a month, the students had acquired the writing skills to correspond with their California pen pals. They began planning their interstate trade

Collegiate School ★ North Mooreland Road ★ Richmond, Virginia 23229

telephone (804) 741-2806 *facsimile* (804) 740-6701 *www*.powellcenter.org



POWELL CENTER FOR
ECONOMIC LITERACY

Lesson Plan

experience. Since money was needed to purchase and ship Virginia products, the students needed a means of generating funds.

I wanted my students to develop an appreciation for art. Since Christies's Auction House in London was planning to sell Van Gogh's "Sunflowers" on March 30, it was decided that our class would have an art gallery sale. We would coincide it with Christie's auction.

Motivation

Students thrive on feeling special. When they realized that parents and special guests would come to a gallery sale to consider buying their artwork, they felt special. Students who had never shown much interest in art activities were motivated and begged to use the easel.

The children had an incentive to listen carefully when the styles of famous artists were described. They knew they would be responsible for giving their invited guests a knowledgeable tour of the gallery. Also, they had to imitate the artists' styles effectively to produce quality products for our gallery. Only quality products would sell quickly. Knowing this made them work carefully.

In addition, the students were motivated to become specialists. As specialists, they could run an efficient business that would lead to a profit needed for interstate trade with their pen pals. Competition surfaced when they understood their California pen pals were well on their way to raising enough money for their expenses. My students were motivated to do the same.

Content

Introduction

There is nothing unique about a class exchanging letters with pen pals in another state. But when interstate trade emerges from letter exchanges, an exciting economic learning experience takes place. Television commercials have made "Beatrice" a household word to young students. It is clear that Hunt's Ketchup, Orville Redenbacher's Popping Corn, and Peter Pan Peanut Butter all belong to Beatrice or in more formal terms, it is a conglomerate. Thanks to Beatrice, defining a conglomerate to young children has been simplified.



POWELL CENTER FOR
ECONOMIC LITERACY

Lesson Plan

Cougar Enterprises was formed in order to create an interstate trade experience for my class. The following companies comprised Cougar Enterprises: The Cougar Kids for Art Company, The Cougar Peanut Company, and The Cougar Pistachio Company. By selling student art through The Cougar Kids for Art Company, the profit made was used for the purchase of peanuts so The Cougar Peanut Company could ship Virginia peanuts to a first-grade class in Beverly Hills, California. The Cougar Pistachio Company purchased almonds from a first-grade business in the Beverly Hills school system and had the pistachios shipped from California to sell in Virginia. Interstate trade was the exciting result.

The Cougar Kids for Art Company

Objectives

To help children:

1. Grasp that art (a product) has value
2. Develop an appreciation of famous artists and their work
3. Develop an economic vocabulary
4. Form a company and produce and sell art
5. Experience specialization
6. Understand the law of demand: at higher prices, less will be purchased; at lower prices, more will be purchased

Economic Activity

Exchanging letters with the California pen pals was called Project Friendship. The students frequently wrote each other about classroom activities in which they were participating. Students discussed differences between the two states. The idea came to us that it would be fun to share a common project. We decided to study famous artists and take it a step further. We would form a business and sell our paintings to raise money for a Virginia product to sell to our California pen pals.

Virginia and California students studied the following artists and their styles:



POWELL CENTER FOR
ECONOMIC LITERACY

Lesson Plan

Paul Cézanne
Vincent Van Gogh
Toulouse Lautrec
Piet Mondrian
Henry Moore
Jackson Pollock

The students imitated these artists' styles and volunteer mothers assisted with the preparation of paint, supplies, and paper. A student's mother who was an artist talked to the class about each artist. The students made booklets about the artists to acquaint the parents attending the gallery sale. The student art gallery opened from 8:00 a.m. – 8:45 a.m. in order to accommodate working parents. The student art imitations were superior and the students felt their work would bring high prices. Students also created original artwork for the market.

The students estimated their business expenses to be:

\$1.00	rent for gallery space
\$1.00	rent for workshop
\$1.50	payment for guest lecturer
\$2.00	payment for computer passes
<u>\$5.00</u>	art materials
\$10.50	Total

The class borrowed money from Cougar Cache, the student lending institution at Collegiate for their total expenses. The short-term loan charged \$.25 interest.

Cougar Kids for Art Company created the following necessary jobs and students applied for the positions according to their abilities and talents:

Cougar Kids for Art Company Specialists

General Manager
Treasurers
Door Attendants
Admissions Managers
Computer Engineers
Cassette Recorder Guides
Hostesses (muffins)

Collegiate School ★ North Mooreland Road ★ Richmond, Virginia 23229

telephone (804) 741-2806 *facsimile* (804) 740-6701 *www*.powellcenter.org



POWELL CENTER FOR
ECONOMIC LITERACY

Lesson Plan

Hostesses (punch)
Price Removers

The class decided to sell their paintings and sculpture for \$.25, \$.50, \$.75, and \$1.00. The prices were color-coded in red, yellow, green, and blue, so the treasurers could easily tally the sales. A committee of estimators priced each painting and another committee numbered and attached the color dots. A student designed a pass for each family attending the art gallery, which was by invitation only. In addition, each student designed an original picture for computer art and a software disk was sold for \$12.00.

The students wrote the script describing each artist and recorded the information on a cassette tape. Earphones were made available during the sale. The students sent a letter home to parents explaining the art gallery sale. The students made muffins and served them with juice and coffee during the art gallery sale.

Volunteer mothers and students matted each painting on construction paper and taped the paintings around the classroom and hall walls. The clay sculptures and the computer art were displayed on a table.

The gallery sale was a great success. Parents made many positive comments. The result of the sale was as follows:

39 paintings sold @ @. 75	\$29.25
12 paintings sold @ \$1.00	\$12.00
49 paintings sold @ \$.50	\$24.50
63 paintings sold @ \$.25	\$15.75
12 sculptures sold @ \$.50	<u>\$ 6.00</u>
Total Sales	\$87.50

Expenses plus interest -\$10.75

Profit \$76.75

The students observed the law of demand: at higher prices, less will be purchased; at lower prices, more will be purchased. The \$.25 paintings sold the largest number; the \$1.00 paintings sold the fewest. Part of the profit was used to purchase peanuts so the Cougar Peanut Company could ship peanuts to our California pen pals. The students wrote stories describing their feelings about the Cougar Art Gallery.

Collegiate School ★ North Mooreland Road ★ Richmond, Virginia 23229

telephone (804) 741-2806 *facsimile* (804) 740-6701 *www*.powellcenter.org



POWELL CENTER FOR
ECONOMIC LITERACY

Lesson Plan

The Cougar Peanut Company

Objectives

To help children:

1. Understand that people in all states are consumers and producers
2. Understand that states differ in their resources
3. Understand that states often sell their products to other states and create interdependence between states
4. Understand that money is brought into a state when one state sells a product to another state. The money can be used within the state or used to buy products from another state.

Economic Activity

“Made in Virginia” stickers have been plastered throughout our state to encourage support for local products. The class discussed several Virginia products as possible items to sell to our California pen pals. The California students stated that interstate trade would be fine provided the price was right and the product was appealing. Survey results from our pen pals indicated Virginia peanuts would be well received.

Students contacted numerous businesses selling peanuts and we realized the peanut was available, affordable, and actually had the name Virginia in it. Thus the Cougar Peanut Company was born under the umbrella of Cougar Enterprises. Profits from the Cougar Art Company were used to finance the new venture. The students priced peanuts at several stores and chose the lowest price. To assure freshness, the peanuts were packaged in plastic bags, boxed and sent airmail. The California order was for ten pounds of Virginia peanuts.

The profit was only \$2.00 due to the cost of shipping.

Price charged California students	\$26.29
Actual cost of Virginia peanuts	- \$14.29

Collegiate School ★ North Mooreland Road ★ Richmond, Virginia 23229

telephone (804) 741-2806 *facsimile* (804) 740-6701 *www*.powellcenter.org



POWELL CENTER FOR
ECONOMIC LITERACY

Lesson Plan

Shipping	<u>-\$10.00</u>
Profit	\$2.00

Cougar Enterprises combined the profit from the Cougar Kids for Art Company with the profit from the Cougar Peanut Company:

Cougar Kids for Art Co.	\$76.25
Cougar Peanut Co.	<u>\$2.00</u>
Total profit	\$78.75

The students realized that by forming a conglomerate, firm could raise its total profits.

The students understood that their Virginia student business was selling to California students and created interdependence between the states. They realized that parts of Virginia had the right climate and soil to grow peanuts and parts of California had the right climate and soil to grow pistachios.

The Cougar Pistachio Company

Objectives

To help children:

1. Understand that states differ in their resources
2. Understand that states sell products to other states and create an interdependence between states
3. Understand that money is brought into a state when one state sells a product to another state. The money can be used within the state or used to purchase products from another state.

Economic Activity



POWELL CENTER FOR
ECONOMIC LITERACY

Lesson Plan

Not to be outdone, our California pen pals decided to sell the California pistachios to us. A market survey showed interest in this product and using the survey results, 50 pounds were ordered. Our survey results indicated that the market-selling price should be \$3.50.

The students weighed the pistachios and sent sample $\frac{1}{4}$ pound packages to interested families. The delicious samples invalidated our market survey. The quantity demanded exceeded the quantity supplied. Consequently, we experienced a shortage. Unfortunately, the shortage was not anticipated and the price was already set on the order form. The pistachios sold out immediately, and the company had to send refunds on orders that could not be filled.

The Cougar Pistachio Company paid \$2.90 per pound for 50 pounds of pistachios and \$24.26 for shipping. The total cost was \$149.50. Four pounds were used for samples. The remaining 46 pounds were sold at \$3.50 per pound, bringing the total sales to \$161.00

Total sales	\$161.00
Cost	<u>-\$149.50</u>
Profit	\$11.50

The students realized the high cost of shipping nuts by airmail reduced their profit. The overhead for interstate trade is increased by transportation costs. The students recognized that selling locally or within the state would not involve the cost of airfare. They also realized the great demand for the quality almonds in Virginia. In the future, the children recommended that samples be distributed with the market survey so the results would be more realistic. The price could be increased and the profit would increase.

The Cougar Enterprise profit was as follows:

Cougar Kids for Art Co.	\$76.75
Cougar Peanut Co.	\$2.00
Cougar Pistachio Co.	<u>\$11.50</u>
Total profit	\$90.25



POWELL CENTER FOR
ECONOMIC LITERACY

Lesson Plan

Evaluations and Conclusions

Since many first grade students cannot read well enough to take a written pretest and posttest on basic economic concepts, they were tested orally. The students moved from virtually no knowledge of economics to understanding of many basic concepts.

In addition to these tests, students were questioned after each concept was taught and applied.

To review, students took homework assignments home, which required their discussing the economic terms with their parents. They related the homework to our project. They also took spelling tests and completed written assignments.

The students were prepared to discuss art and economic concepts during the classroom visit by parents. The pride the students felt in what they had learned was apparent at the gallery sale. The parents were overwhelmingly pleased.

All the students gained from this creative endeavor. One grandmother reported that a guard at the Virginia Museum of Fine Arts was shocked when her granddaughter began asking where the works of famous artists she had studied were located.

Another parent described how her son monopolized the dinner table conversation about the gallery sale when they had a local artist to dinner.

Project Friendship was an exciting experience in interstate trade. The world is shrinking and far away travel is becoming more and more a reality even with young students. The children learned about products made within their state and about interdependence between states.

Before beginning this project, the students were unfamiliar with the terms interstate trade and interdependence between states. Upon completion the children could discuss this not only in terms of peanuts and pistachios, but also in terms of other goods such as California avocados and oranges versus apples and Virginia hams. The first grade students were eager to expand the interstate trade to other states.

As a classroom teacher, I found this to be a very satisfying project. The multi-disciplinary approach gave such meaning to learning. I enthusiastically encourage other teachers to try this unit. I believe the children's experiences with the economic concepts can be built upon in future years in school and the real world.