



POWELL CENTER FOR
ECONOMIC LITERACY

Lesson Plan

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Balance of Power

Time Required

Four class periods

Grade Level and Subject

Grades 5-8, Social Studies

Keystone Principles

Principle #1 – We ALL make choices.

Principle #2 – There ain't no such thing as a free lunch.

Principle #3 – All choices have consequences

Principle #4 – Economic systems influence choices.

Voluntary National Content Standards in Economics

Standard #10 – [Role of Economic Institutions](#)

Standard #11 – [Role of Money](#)

Standard #12 – [Role of Interest Rates](#)

Standard #16 - [Role of Government](#)

Standard #19 – [Unemployment and Inflation](#)

Economic Concepts

Demand – *The quantity of a good or service that buyers are willing and able to purchase at a given price.*

Inflation – *An increase in the general price level of goods and services in the economy.*

Scarcity – *The fundamental economic condition that exists because our wants are unlimited but our resources are limited. We can't have everything we want.*

Supply – *The quantity of a good or service that producers are willing and able to sell at a given price.*

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Overview

“Balance of Power” is an activity in which several groups compete for political and financial power. It is designed to illustrate the conflict of interests in Colonial America prior to the American Revolution. The class sits as a General Assembly—a colonial governmental body whose job is to debate and pass laws for the administration of the colony. This body is made up of representatives from four major socioeconomic groups: small farmers, bankers, merchants, and frontiersmen.

The General Assembly will consider ten bills and vote to pass or defeat each one. Each group of representatives will be assigned voting power based on its percentage of the population. The object is for one group to accumulate more political and economic influence than any other group. However, each group must vote in its own economic best interest. The winner will be the group with the greatest financial increase (or least amount of decrease) after all ten bills have been considered.

Objectives

- Students understand aspects of diversity in Colonial America.
- Students understand positive and negative aspects of the competitive spirit.
- Students learn to assimilate economic ideas with historical events.
- Students begin to think and reason in an economic way.
- Students learn the art of compromise.

Materials and Handouts

- [Handout 1](#): Bills Proposed by the Colonial Government
- [Handout 2](#): Character Sketches
- [Money Design Sheet](#)

Teaching Activity

Though this lesson is designed to be completed in four class periods, it can easily be shortened by eliminating some of the ten bills.

Describe the situation to the class, using the overview above. Then divide the class into four groups. Hand out the character sketches which explain the general attitude of each segment of Colonial society. Each member of the group should use the sketches to learn about his or her own background and to determine which laws would improve or hurt his or her economic position.

Explain that each group's voting power is based on its representation in the total population.

Frontiersmen 1 vote
Bankers 2 votes
Merchants 3 votes

Small Farmers 4 votes

Give each group a certain amount of "money" to be used as beginning capital. The total amounts are based on the financial power represented by each group.

Frontiersmen \$10,000

Bankers \$40,000

Merchants \$30,000

Small Farmers \$20,000

Members of a given group may use this money to pay penalties, pay loans, or make bribes in order to influence another group to vote in a certain way (in your group's best interest). Each group will receive or lose money depending upon how all the groups vote on each bill. Each group should do all it can to get approval for those bills that help it and to defeat bills that hurt the group economically.

Go over the responsibilities of each group member: spokesperson; negotiator; treasurer; strategist.

Spokesperson: Speaks for the group, makes final decision in case of a tie, and must defend the group's decision.

Strategist: Advises the Spokesperson, interprets information from other negotiators.

Treasurer: Holds the money, pays debts and penalties, collects rewards, and keeps an accurate record.

Negotiator: Meets with other groups and tries to influence their voting, advises the Spokesperson. (There may be a negotiator assigned to cover each of the other groups.)

Allow time to select roles. If groups are large, roles can be switched after five bills. Make a poster of the roles/responsibilities and leave it on the board.

Distribute to each treasurer the beginning capital. The teacher represents the colonial treasury and pays all rewards and receives all penalties. Duplicate at least \$150,000.00 in currency (using the Money Design Sheet).

Discuss the following strategies:

1. Work quietly, keeping your strategy a secret.
2. Determine in advance how each bill might affect your group. Use the character sketches for this.
3. Determine, also, which groups might help you in return for your support.

4. Use your voting power and economic power to make deals with other groups.
5. Try to trick another group into believing a bill is good for them when it really is not. You have to be prepared with economic arguments.
6. Keep an open mind. Another group may have a logical argument which you have not thought about but, remember, it could be a trick. You have to understand your group's best interests.

Distribute a copy of the bills to be negotiated. Assign homework: Students should read all the sketches and look for clues as to how each group should vote in order to strengthen its economic position. Remind the class to look beyond the obvious and to develop strategies on how to trade, buy, or sell the group's vote(s).

Review the following economic terms: inflation, supply, demand, scarcity.

Negotiate one bill at a time. Only the negotiators should be moving around. All other students should listen to the arguments presented to them. Remind students to keep an open mind. Someone else just might have a better rationale than he/she thought was best. When the negotiating period is over, the teacher should call for the vote. Each spokesperson will vote aloud and must be able to defend the group's decision by giving an economic reason.

Record the votes on the board and announce each bill's fate. Each bill must pass or fail in a group's best interest for the group to receive a reward. Voting with the majority against the best economic interest of the group results in a penalty. Remind each treasurer to record all payments received or made after each vote.

When the last bill has been negotiated and voted on and the last penalties and rewards have been paid, the game is over. Each treasurer should write in the amount of cash on hand. The actual cash and the tally sheet should match. When all the forms are turned in, announce the winner—the group with the greatest economic gain or the smallest loss.

The benefits of this activity are many. Every student has a role to play and feels a sense of importance. Students are competing both with classmates and with "colonial" peers. Many students discuss their character sketches and bills with their parents and bring to class "real world" strategies. The application of economic concepts to the legislative process is both new and exciting. Though their rationale for voting may be simplistic, students are eager to try out their strategies. The opportunities to apply economic concepts to current events are extraordinary and provide a good way to adapt "Balance of Power" for upper grades.