



POWELL CENTER FOR  
ECONOMIC LITERACY

*Lesson Plan*

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## Bowling for Dollars

### An Economics Vocabulary Building Exercise

#### Time Required

5 to 15 minutes scheduled at the same time every day.

#### Grade Level and Subject

All grade levels.

#### Keystone Principles

Keystone Principle #5: People respond “predictably” to rewards and incentives.

#### Voluntary National Content Standards in Economics

Standard # 4: People respond predictably to positive and negative incentives.

#### Economic Concepts

**Incentive** - *Any reward or benefit, such as money, advantage, or good feeling that motivates people to do something.*

**Allocation of resources** - *The way in which scarce resources are distributed among competing interests within an economic system.*

#### Overview

Bowling for Dollars is a fun, simple, quick, and convenient method enabling the teacher and all students to internalize economic concepts and vocabulary as a group. Our school decided to implement an economic infusion model. This necessitated teachers and students becoming familiar enough with economic concepts and vocabulary to identify its importance in all subject areas and all areas of student life in the school. I started to use

this daily exercise to ensure that both my students and I were becoming equally familiar with the economic terms we would need to be able to discuss economics together all day.

My students respond with much more attention when a correct answer is rewarded with a piece of candy, and I always used this incentive when we do this exercise. That is where the silly name “Bowling for Dollars” came from. Students quickly realize that if they do not pay attention, they will miss out on the candy. All students want a fair chance to win a piece of candy, so I use a lottery system to choose who gets to answer the questions each day. This simple daily lesson helped equip my class and me to start seeing the economic concepts underlying everything we experience all day long.

## Objectives

Students will learn the economic vocabulary needed to discuss all the economics in the Voluntary National Content Standards in Economics.

## Materials and Handouts

- Handout #1 - Glossary of economic terms with definitions. (The handout included with this lesson is targeted to elementary and middle school students. For High School students, link to an [NCEE glossary](#).)
- Creating a space on a bulletin board in class to display current words being taught is helpful for the visual learners in your classes, but not essential to the exercise.
- A bag of popular candy. You will need 3 or 4 pieces each day.
- A cup with student’s names or numbers printed on chips or something that can be shaken and picked in a lottery.

## Teaching Activity

I do this exercise at the same time each day so that if I forget, my students, looking forward to a chance to win candy, will remind me.

### Day One

- The teacher introduces a new word/term.
- Teacher announces “We are going to start learning economic vocabulary today. We will do this each day. I will have a piece of candy for the student who knows the meaning of this word tomorrow. Today’s new economics word is \_\_\_\_\_”. Teacher reads the definition and gives the students an example. Have the students repeat the word and the definition twice.

### Day Two

- Review yesterday’s new term.
- Teacher announces “Let’s bowl for dollars!” (and picks up the cup with the student numbers/names in it, reaches in and chooses a student’s name)

- In my class this allocation system is called “Third Grade Justice”. When candy or another attractive incentive is up for grabs, my students require a “fair” chance at winning it.
- The random and transparent nature of this allocative method satisfies their innate sense of fairness. My students demand the employment of “Third Grade Justice” whenever I offer an incentive for a correct answer.
- Ask the selected student the meaning of the term you have designated for review.
- If the answer is correct the student receives a piece of candy.
- Ask the class to repeat the review word and definition twice.
- If the student is not correct, do not continue the process. Give the class the definition and ask them to repeat it twice. I have found that my less attentive students start paying a lot more attention when they find out that they have one chance for the candy each day.

On a normal day, I do two review words and introduce one new one. On days that I have not prepared well enough to present a new word well, I just do two or three review words.

Remember to bring back important words from the beginning of your list for review.

## **Elementary School Glossary of Terms**

Allocation of resources – The way in which scarce resources are distributed among competing interests within an economic system. In a market system, supply and demand determine the price of goods and services, and those prices guide the allocation of resources.

Asset – Something that has monetary value to the owner and can be transferred or sold to another.

Bank – A business or firm that provides financial services to customers such as loans, credit cards, checking account services, and savings accounts.

Barter – The exchange of one good for another, without the use of money.

Business – A person, group, or organization engaged in the production of goods or services.

Capital Resources– Tools, buildings, machinery, equipment, roads, and all other goods used in the production of goods and services.

Capitalism – An economic system characterized by the private ownership of the factors of production, from which the free enterprise system evolved.

Choice – A selection among alternatives. Scarcity requires individuals, businesses and nations to make choices.

Command Economy – An economic system characterized by the public ownership of productive resources and centralized economic planning.

Commodity Money – Items used as forms of money. Historically, animal skins, tobacco, corn, beads, and shells have served as commodity money.

Comparative Advantage – The ability to produce a good or service at a lower opportunity cost than some other producer. This is the economic basis for specialization and trade.

Competition – Attempts by two or more individuals or organizations to acquire the same goods, services, or productive and financial resources. Consumers compete with other consumers for goods and services. Producers compete with other producers for sales to consumers. Fundamental for market production and consumption of any good or service.

Complementary Good – A good that is produced to be used together with another good.

Consequence - A result or effect of an action or decision; may be positive or negative.

Consumer – A person who uses goods and services to satisfy personal needs and not for resale or in the production of other goods and services.

Consumption – Spending by households on goods and services.

Corporation – A legal entity owned by shareholders whose liability for the firm's losses is limited to the value of the stock they own.

Cost – The value of everything a consumer must give up to obtain a good or service. The effort, loss or sacrifice necessary to achieve or obtain something.

Credit - The opportunity to borrow money or to receive goods or services in return for a promise to pay later.

Currency – Money that is used as a form of exchange; the term usually refers to paper money.

Demand – The quantity of a good or service buyers are willing and able to purchase at various prices at a given time.

Dividend – That portion of corporate profits distributed directly to stockholders.

Economic System – A society's answer to the three basic questions of economics: what to produce, how to produce it, and for whom to produce it.

Economics –The allocation of scarce resources among competing interests.

Embargo – A government order prohibiting the movement of merchant ships into or out of its port, or a prohibition by a government on trade with a foreign nation.

Entrepreneur – One who draws upon his or her skills to start a new business with the aim of making a profit. Often a risk-taker, inclined to see opportunity when others do not.

Exchange – Trading a good or service for another good or service, or for money.

Exports – Goods and services produced by businesses in one country and sold to individuals and businesses in other countries.

Factors of Production – The resources used to produce goods and services, which include land, labor, capital, technology, and the entrepreneur.

Firm – An economic unit that produces goods and services with the expectation of making a profit.

Fixed Costs- Costs that a household or firm incur even if they produce zero output.

Free Enterprise System – An economic system based upon the laws of supply and demand, and recognition of private property rights; usually contrasted to a system of central decision-making or tradition.

Goods – Items produced by businesses to be sold to other consumers, other businesses, or government.

Household – The sector of the economy that buys and consumes goods and services, and owns and sells the productive resources of labor, land, capital, and entrepreneurial skills.

Human Resources – The health, education, experience, training, skills and values of people. Also known as human capital. A skilled and educated workforce.

Imports – Goods and services that are produced by businesses in other nations and sold to businesses and consumers in this country.

Incentive - Any reward or benefit, such as money, advantage or good feeling, that motivates people to do something.

Income – Payments earned by households for selling or renting their productive resources. May include salaries, wages, interest and dividends.

Industry – A collection of businesses which produce the same good or service.

Inflation – A rise in the general or average price level of all the goods and services produced in an economy.

Innovation – An idea that is newly introduced and could potentially add to the growth of productivity.

Interest – Income paid to individuals or financial institutions for the use of their money by others.

Interdependence – The relationship between participants in the marketplace that entails an exchange of benefits between producers and consumers.

International Trade – The voluntary exchange of goods and services between individuals and/or companies located in different countries.

Intermediate Goods – Goods which have been produced that, when used in combination with other intermediate goods, produce a final good.

Invest – To provide capital (monetary or otherwise) to a business with the expectation of a future benefit.

Investor - A person who commits money or capital in expectation of financial return.

Labor – Workers; one of the factors of production.

Labor Force – The total of individuals who are employed in the production of goods and services.

Land – When used to describe a factor of production, the term refers to all natural resources, such as real estate, forests, water, fossil fuels, minerals, and the air we breathe.

Loss – The situation that exists when the total cost of producing a good or service exceeds the price received through the sale of the good or service.

Market – A place where buyers and sellers carry out exchange at mutually agreeable terms. Where buyers and sellers meet.

Market Economy – an economy that allocates resources through the decentralized decisions of many businesses and households as they interact in markets for goods and services.

Market Survey – A process in which potential customers are asked to respond to a set of questions, to provide information to producers about the likes and dislikes, and the wants and needs of consumers.

Market Value – The value today that a person should be able to receive for something that he/she wants to sell.

Medium of Exchange – Anything that facilitates trade by being generally accepted by all parties in payment for goods and services.

Money – A commodity that is legally established and readily accepted in exchange for goods and services. A generally accepted medium of exchange, store of value, or measure of value.

Money Supply – The supply of money that is available in the economy for purchasing goods and services.

Monopoly – A market situation where there is only one firm producing the good or providing a service that has no close substitutes.

National Income – The sum of all payments made to resource owners for the use of their productive resources.

Natural Resources – The many things nature provides that are used to satisfy wants, such as land, water, forests, animals, and minerals.

Need – An economic good or service that is generally considered required to sustain life.

Opportunity Cost – The NEXT BEST alternative that must be sacrificed as a result of choosing one thing over another. All choices bear an opportunity cost.

Partnership – A firm owned by two or more people that is not incorporated. Individuals bear the risks and responsibilities.

Patent – A legal right to exclusivity awarded by and safeguarded by government. Patents protect the intellectual property rights of firms and individuals, encouraging investment in technological and scientific research.

Portfolio – A collection of various stocks, bonds and other assets held by an individual or firm.

Price – The amount of money people pay when buying a good or service. A measure of the value of a good or service to buyers or sellers.

Private Property Rights – The right of an owner to use, sell or rent property.

Producer – An individual or business engaged in the process of creating goods and/or services to be offered for sale to consumers.

Product – A good created to be sold to an intermediate or final consumer.

Production – The process of manufacturing a good to be sold at a later date.

Productive Resources – That set of resources utilized in the process of production: land, labor, capital, technology and entrepreneurial abilities.

Productivity – The ratio of a specific measure of output to a specific measure of inputs, such as output per hour of labor.

Profit – Total revenue minus total cost.

Property Rights – The right of an owner to use, sell, or rent-out his property.

Public Good – A good that, once produced, is available for all to consume, regardless of who pays and who does not.

Quota – A limit on the amount of a good that can be imported. It is a barrier to free trade.

Recession – A period of decline in total production in an economy usually considered as lasting at least six months.

Rent – The payment that owners receive for the use of their land by a second party.

Resources – Factors of production such as land, labor, capital, technology, and entrepreneurial skills that are used to produce goods and services, to satisfy the wants and needs of consumers.

Sales Tax – A form of tax levied on the purchase of a good or service, based upon a percentage of the value.

Savings – Money set aside for a future use.

Scarcity – The condition that occurs because people's wants and needs are unlimited, while the resources needed to produce goods and services to meet these wants and needs are limited.

Secondary Effects – Consequences of economic actions that develop slowly over time as people react to events.

Service – Products that cannot be touched or stored such as medical care, selling, education, transportation, telephone communication. A service is consumed at the instant it is produced.

Shortage – Excess in the quantity demanded compared to the quantity supplied.

Sole Proprietorship – A business owned by a single person who assumes all of the risk associated with the business, and all the rights to the profits.

Specialization – The act of devoting all of one's resources to production of a single good or service.

Stakeholder – Someone with a personal and financial interest in the viability of a business or firm.

Stock – The ownership of a corporation, represented in shares that are claims on the firm's assets and earnings.

Stockholder – An individual who owns stock in a corporation, or a share of the corporation.

Substitute Goods – Goods that can easily serve as replacements for each other.

Supply – The amount of goods and service that producers are willing and able to provide for consumption at different prices.

Surplus – An excess of the quantity supplied compared to the quantity demanded at a given price.

Tariff – A tax on an imported good.

Trade – The voluntary exchange of goods and services between individuals and firms. Trade can be local, national or international.

Trade-off – Giving up one choice to have another which seems more desirable.

Traditional Economy – An economic system characterized by decisions made by previous generations being used as the guiding force in the organization of current economic activities.

Unemployment – The total number of workers who are no longer employed in the workforce.

Wages – The payment to the resource owners in exchange for their labor.

Want – All those things, tangible and intangible, people might wish to possess, but which are not absolutely necessary for their survival.