



POWELL CENTER FOR
ECONOMIC LITERACY

Lesson Plan

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Economics in *The Tale of Despereaux*: Institutions

Time Required

Varies with time spent on the book.

Grade Level and Subject

Grades 3 – 5: Language arts, reading

Keystone Principles

[Principle #4 – Economic systems influence choices.](#)

Voluntary National Content Standards in Economics

[Standard #10](#) – Role of economic institutions: Institutions (rules and organizations) evolve in market economies to help individuals and groups accomplish their goals. Banks, labor unions, corporations, legal systems, and not-for-profit organizations are examples of important institutions. A different kind of institution, clearly defined and enforced property rights, is essential to a market economy.

Economic Concepts

Institutions – *Economic systems create institutions to help people make choices and to help them satisfy their wants. Institutions include rules and laws, beliefs, customs and traditions. They also include certain types of organizations like banks, unions, trade groups, and enforcement groups.*

Rules and laws – *These are formal institutions that are put in place by government action to direct choices and decisions. They are usually enforced. They often have strict penalties for violation.*

Beliefs, customs and traditions – *These are informal institutions that may or may not be*

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recorded but are generally agreed to and abided by and are designed to direct choices and decisions. They may also penalties for violation.

Organizations – *These are groups that are set up to help develop, continue and possibly enforce the formal or informal institutions that are put in place. They can receive their authority by government action or by voluntary choice.*

Overview

This lesson will have students identify and discuss the rules (institutions) that influence the choices and decisions of characters that appear in the book *The Tale of Despereaux*.

Objectives

- Students will identify the institutions (rules) that exist in book *The Tale of Despereaux*.
- Students will suggest whether they think the institutions (rules) are formal (laws) or informal (beliefs).
- Students will indicate who the institutions (rules) apply to.
- Students will state how the institutions (rules) affect the choices of various characters.

Materials and Handouts

- The book, *The Tale of Despereaux* by Kate DiCamillo.
- The worksheet at the end of this lesson, or you can construct a similar form on an easel, overhead or poster.

Teaching Activity

1. Give each student a copy of the worksheet.
2. As you or they read the story, have the students do four things:
 - a. List any institutions/rules they come across as they read the story.
 - b. Indicate whether they think this is formal (law) or informal (belief, custom or tradition).
 - c. Indicate who they think the rule applies to (everyone in the kingdom, only mice, etc.)
 - d. Indicate how the rules affected the choices and decisions of characters in the story. (Did it keep them from doing something? Did it keep others from doing something? Were things done that shouldn't have been done?)

