

## **Economic Theory and Media Literacy**

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### **The Academic Setting**

Cleveland Middle School is located in the northeast section of Albuquerque. The school has approximately 1000 students in grades six, seven, and eight. About 230 of those students receive special education services. The school population consists of 55% Anglo students, 38% Hispanic students, 5% Native American students and 2% African-American students. The students come from a variety of financial backgrounds ranging from upper-middle class to fixed income families who live in low-income apartments. The school is surrounded by neighborhoods with older homes and nice yards contrasted by busy city streets that are lined with large apartment complexes. Thirty-three percent of the students receive free or reduced meals at school. The rest of the students either buy breakfast or lunch in the cafeteria or snack bar or they bring their lunches.

Our school is one of only ten schools in New Mexico that belongs to the Coalition of Essential Schools. This means that when creating curriculum and working with students teachers follow the ten common principles that come from the coalition. These principles help us focus on what is important at our school, giving us recommendations about how to think about teaching and learning (teacher as coach, student as worker), how many students teachers should be responsible for (less than 80 at middle and high schools), what our curricular focus should be (less is more, limited number of essential skills for students to focus on), and how to treat students (tone of school focused on trust and high expectations, non-discriminatory practices). Part of becoming a Coalition School was creating smaller learning environments for the students. I work on a two-person team at Cleveland. I teach language arts, social studies and literature/health to 60 seventh grade students who come to me in two groups for 90-135 minutes. My teaching partner teaches the same 60 students math and science. We have a 45-minute meeting time everyday to discuss our plans and solve any problems that might arise during the day.

The classes I will be using this unit in are health, language arts and social studies. I try to integrate the units I teach so the students can see the interconnectedness of subject matter. In health we will focus on media and its influence on our everyday lives. In language arts we will focus on critical thinking and participating in meaningful conversations about the issues of economics and media. In social studies we will focus on economics and how it relates to what we have learned about New Mexico and the Western Hemisphere.

### **Goals and Objectives**

The seventh grade team I work on has developed an essential question for next year which is, "How do choices affect the future?" This will be the thread that holds together our units as the year unfolds. This unit will focus on how the economic choices we make to buy and do things are influenced by the media and how those choices affect our future. There will be two main parts to this unit. The first part will focus on the whole idea of buying and selling. Students will learn about supply and demand, opportunity cost and producer and consumer theory. The second part of the unit will focus on the concepts of media literacy. How do producers get us to consume? The students will be able to identify the different ways advertisers use to sell us things.

### **Objective statements**

The following objectives are related to the state and district standards as well as my school's individual goals for what students will know. They are cross-referenced with the documentation part of this paper.

- Students will be able to define economics.
- Students will learn about the basic concept of supply and demand.
- Students will be able to read and create supply and demand graphs.
- Students will learn about opportunity cost.
- Students will be able to read and create opportunity cost graphs.
- Students will learn about consumer theory.
- Students will learn about producer theory.

Students will analyze media based on their knowledge of economic theory and the strategies used by creators of media to make consumers buy.  
Students will create their own media based on what they have learned.

## **Narrative**

### Rationale

The average teenager watches between 22-23 hours of television per week. This means that they see an average of 350,000 advertisements by the age of 18. Who is the largest group that these advertising agencies target? Kids, age 15-24. There are many reasons for this, kids follow peer pressure more quickly than adults do, kids aren't spending money they had to work for as often as adults, and kids don't always have to pay for the necessities in life. These are all reasons to teach about economics and media literacy. Ultimately the kids we teach will have to learn to be responsible adults, capable of making "good" decisions. If I could choose the one thing that all my students mastered by the end of their time with me, it would be the decision making process. Imagine how much the students could gain from making the decisions that are best for them.

This unit will help them to see what is responsible decision making in regard to buying things and budgeting both their time and their money now and as they grow into adults. This unit will also give them the tools necessary to have an active relationship with media instead of the usual passive relationship. The unit will help the students critically analyze the media they see on a daily basis and the decisions that were made about how that media was to be presented. The basic theories of economics will help the students to understand the reason for the need for media, especially that of advertisements.

### Economics

What is economics? Economics is a social science meaning that economists study our society. Economics can be grouped with the other social sciences; psychology, sociology, and political science except that economists look at society in a different way. Economists study work, production of goods, distribution of goods and consumption of goods. Economics can help explain how prices are set in places where buyers and sellers trade. Economics can be defined as the study of choice under conditions of scarcity.

Although the word scarce sounds like we are all living with nothing, it really means that we don't have enough of the things we desire. It seems true that we as a society always want more or better, the best schools and big houses with nice, green lawns. The reason we can't get all that we want is a scarcity of resources. Resources are what we use to make goods and create services. Economists have three categories for these resources: labor, capital, and land. Labor is the time spent by humans to produce goods and create services. Capital can be broken down into two categories: physical capital and human capital. Physical capital is things like houses and machines. Human capital is the education and skills of the people who are doing the labor. Land is the space where production happens and the natural resources that are found on or under the land. Anything that is produced in the economy really comes from a combination of these resources.

Economics is a broad field. There are ways of classifying different types of problems economists study and different ways they analyze these problems. Microeconomics looks at small parts of the economy instead of looking at the economy as a whole. Macroeconomics looks at the whole economic system together, as a whole. These two terms help distinguish between the level of detail economists focus on when looking at the economy. The next two terms, positive and normative, determine the purpose of analyzing a problem. Positive economics deals with facts and how the economy works in a straightforward way. In the positive realm of economics there are correct answers to problems and questions. Normative economics looks at how things should be. When making judgments about the economy and suggesting solutions, normative economics is used. Positive economics makes problems plain and simple, normative economics forces economists to make value judgements. In any of these types of economics, models are used to help economists understand problems.

The models used in economics separate economics from other social sciences. Economists use models to explain theories. These models are usually represented by diagrams and mathematical expressions. For example, a simple mathematical expression for a model of consumer behavior is: Expenditures  $\leq$  total

Income (meaning we need to stay within our budgets). The models are not replicas of reality. This would make the models too hard to follow. The models have enough information to illustrate or support a theory with no extra, unnecessary information. Economic models start with assumptions about the behavior of the decision makers in the economy. These decision makers are separated into three groups, households, business firms, and governments. With these assumptions the economists then use logic to come to conclusions about what is happening or what is likely to happen. For example, the simple model above would predict that if prices increased so that expenditure increased, a person would have to either decrease the number of things he bought or somehow increase his total income.

One assumption that economists make is that each decision maker tries to make the best out of any situation. This can be problematic in that there are often two or more decision makers working together at any given time and these decision makers have different goals or opinions as to what the best situation is. The next assumption is that there are constraints in every decision maker's decision. This goes back to the idea of scarcity. These two assumptions help economists start to answer questions. When trying to define a solution to a problem, economists always begin with the same three questions:

1. Who are the individual decision makers?
2. What are they maximizing? What is their goal?
3. What constraints do they face? What are the hurdles they have to overcome?

These questions are a basic start to understanding the economic problems of the world. There are eight economic principles that will also help to figure out the economics that surround us. The first principle, maximization subject to constraint, relates back to the assumption that every decision maker is looking to maximize something but has constraints that limit the decision. Opportunity cost states that any economic decision is costly in some way. In order to measure the cost you must look at what was given up to make that choice. Specialization and exchange make it possible for humans to enjoy greater production and higher living standards than we would have otherwise. Markets and equilibrium help economists understand how the economy works by separating the world into markets and studying the equilibrium of each market. Equilibrium suggests that in the process of interacting in a market, prices are established and the products that are produced correspond to what consumers want to buy. Short-run versus long-run outcomes reminds economists to consider which time horizon they are looking at in relation to the problem at hand since markets act differently in the short run than the long run. Marginal decision making is used to make the best of a situation by looking at small-step decisions. Policy tradeoffs refers to the tradeoffs when one decision is made and what is lost from the decision not chosen. Lastly, the importance of real values focuses on the relation between what we can buy and our purchasing power. For the purposes of this unit the principle I will primarily focus on is opportunity cost.

The principle of opportunity cost includes more than just what we receive when we make a decision. Opportunity cost focuses on what we give up when we make a choice. An example of this could be using the city bus system here in Albuquerque. I could ride the city bus to work every morning for only \$0.75. This would allow me time to grade papers or just relax on the bus while saving the environment from my car's fumes. I would also be helping the traffic problem in Albuquerque. I would feel good about myself for helping our city. On the other hand, I would have to leave about 25 minutes earlier than normal, which would require me to get up earlier, losing precious sleep time. I travel about 8 miles to work. With the cost of gasoline at \$1.50 per gallon I would be spending about \$0.75 driving my minivan to work. This means that the monetary amount spent would be equal. If I decide to ride the bus to work I give up the freedom of having my car to run errands after work. I would also have to risk sitting next to someone who would bother me instead of allowing me to relax or grade papers. If I drive to work I add to the traffic problem in Albuquerque, and I miss my chance to do something for the environment. So I choose to drive my car, listen to my own radio station and be another person who ruins the environment. This choice is based mostly on my scarcity of time. I need time to sleep and I cannot afford to take 45 minutes to get to work instead of 20 minutes. So, in making the choice to drive my car, I have made the choice not to ride the bus, giving up all of the positive things that go with riding the bus (figure 1 illustrates possible choices for five days of commuting).

### *Supply and Demand*

Supply and demand can be simply defined as an economic model made to show how prices are determined

in a competitive market system. Both supply and demand can change given the choices made by consumers and producers. Decisions about prices can be made and then changed based on more information given. Lots of people said they wouldn't buy cigarettes if the price went over \$1.00. The price is now over \$3.00 and people are still buying. The demand has gone down but has not diminished enough to put tobacco companies out of business or persuade them to lower their prices (figure 2).

When looking at demand there is something that happens with prices that is quite obvious: when the price of something rises and nothing else changes the quantity demanded lowers. This is called the law of demand. The demand curve explains the correlation between the price of a good and how much is demanded as long as everything else stays the same. Each point on the curve shows the amount that consumers would buy at a certain price. The law of demand makes for a downward sloping curve to represent demand.

When there is a change in demand for a good the demand curve changes. When the demand for a good increases, the demand curve moves to the right. When the demand for a good decreases the demand curve moves in the other direction, to the left. There are many things that can change the demand for a good.

One such change is a change in income or wealth. When a person's income goes up there is a change in goods that are purchased. When someone starts to make more money she usually purchases more normal goods, things like movie tickets and vacations. There is a decrease in demand for inferior goods when someone has an increase in wealth or income. Inferior goods are things like generic food items that are lower in quality than the name brand goods. Not very many people will continue to buy an inferior good when they make enough money to afford the normal good. Substitutes also play an important role in the concept of demand for a good. If something can be substituted for a lower cost than the original good then the substitute will be in higher demand. If the substitute starts to cost as much as or more than the original then the original good will be back in demand. This happened with the ever-popular Metabolife brand of diet supplements. Some imitation brands that were less expensive came onto the market and the cost of the original Metabolife had to be dropped making the substitute less in demand. A complement is something that is used with another good. Cool Whip and strawberries go together. If the price of strawberries skyrockets, Cool Whip might not be purchased in large quantities.

Another change affecting demand is population. A growth in population can create a growth in demand for goods and vice versa. Expectations of what will happen in the future can also increase or lower demand. We saw this with the threat of Y2K. The demand for generators went up significantly as the date neared December 31, 1999. Some people wait to buy new technological inventions because they have high expectations that the price will decrease over time. Tastes also play an important role in demand. Suppose Beanie Babies were suddenly not so popular, this would change the demand for these little creatures. Most economists do not try to figure out trends in tastes, they just look at what happens when tastes for a good change. Popularity of a good is usually associated with an increase in price. Bad news or declining popularity usually causes people to be willing to buy the product only if the price is reduced.

All of these changes affect the demand for goods, what about the supply of these goods? The law of supply states that when the price of a good goes up and everything else stays the same the amount of the goods supplied will also go up. This tells us that supply curves slope upward. When there is a change in supply there is a change in the entire relationship between price and quantity supplied. An increase in supply would make sellers sell more at any price. When supply decreases sellers choose to sell less at any price. There are different variables that can influence changes in supply. Price of inputs is one such variable. Producers of goods use many different inputs. Shoemakers rely on labor, rubber, leather, and other inputs when making shoes. If the price of one input went up, the supply of shoes would decrease. Another variable is the price of related goods. If the producers of copper doorknobs found that it was more profitable to make copper tea kettles they would decrease their supply of doorknobs and increase the supply of tea kettles. Technology can also change the supply curve. If suddenly there is an advance in the way a company produces their good that makes it less expensive to produce then there will be a larger supply of that good. Another variable in the change of the supply curve is productive capacity. This means that there is an increase in the number of companies making a good. This will increase the supply of that good. How many companies are there in the U.S. that make candles? It seems there will always be a supply of candles. The last variable is expectation of future prices. If it is determined that prices on a product will increase in the future than the present supply of that product might decrease while the company waits for the product price to go up.

All of these variables for both supply and demand mixed with the overall goals of the buyer and the seller make it seem as though there would be a never ending war between buyers and seller. How does supply and demand work in the real world within competitive markets?

In most cases prices do not go up and down every three seconds, instead they stay around the same at what economists call equilibrium. This means that the market is at a state of rest until an outside force that has been constant changes. To find the equilibrium in any market the supply graph and the demand graph are compared, where they intersect is the equilibrium of that market. If anything happens to change either the supply or the demand, the equilibrium changes as well. In order to understand how the economy in the world works, economists separate the world into different markets and then study the equilibrium in each market. This is the principle of markets and equilibrium.

### *Consumer Theory*

Consumer theory focuses on individual decision making. There are various constraints on the decision making process of individuals. Since individuals have to pay either in money or time for what they purchase economists need to focus on the fact that most people have a limited budget of both time and money. These two factors make up a consumer's budget constraint. A budget constraint identifies which combinations of products and services the consumer can afford with a limited amount of time and money at given prices. An example of this can be a person's clothing budget. If someone has \$100.00 a month to spend on clothing, there are a variety of items that person can buy with the \$100.00. This person can buy two pairs of expensive, name brand pants at \$50.00 each or five pairs of lower priced no name pants at \$20.00 each, or any combination of the two that does not spend more than the \$100.00 budget. One combination would be one pair of designer pants for \$50.00 and two pairs of no name pants for \$40.00. Unless something changes in this clothing budget these combinations will stay the same. These combinations can be graphed in an opportunity cost graph like the one shown in figure 1. However instead of considering different combinations of car and bus trips, the graph would show combinations of designer and generic pants.

The decision of which pants to buy is made taking more than just money into consideration. There is an underlying theme or incentive telling someone which decision to make. If this pants buyer purchases the more expensive, name brand pants what is the incentive? Maybe this person wants everyone to know that she can afford these pants, or that she knows the current fad. This is called signaling. What are the tradeoffs this person has just made? By making the decision to buy the more expensive jeans she now only has two pairs of jeans when she could have purchased as many as five. Her clothing allowance for the month is spent.

### *Producer Theory*

Businesses make decisions in the same way that individuals make decisions. Businesses will do something like selling a product until the gain they receive is less than what they put out to make that gain. When there is a demand for an expensive product, companies will supply that product at the price customers are willing to pay for as long as customers are willing to pay the high price. This means that if a company's goal or objective is to make a profit, they will be willing to take steps to keep the item's popularity high. The company will try things like quality control, endorsements, and advertising.

### *Media Literacy*

What is media literacy? All media productions (television, movies, videos, video games and print media) contain points of view about the world. Whether these view points are consciously intended or not, they come from a variety of choices made by the people who create the media. The decisions made before production of media are:

- What story will be told?
- Whose point of view will the story be told from?
- How will the story be filmed?
- How will it be edited?
- What sort of music will be used?
- Whose voices will be heard?

- What will the intended message be?

Media literacy is a curriculum designed for helping students develop a critical understanding of the ways mass media work, which techniques are used, what technologies and institutions are involved and the impact of these techniques on the audience. One goal of media literacy is to increase students' understanding and enjoyment of the media by looking closely at how the media work to produce meaning, how the media are organized, and how they construct reality. Another goal of media literacy is to assist students in the hands on approach to creating media. This forces the students to answer the above questions in their own way, getting a feeling for how the creators of media have to think. Thinking about the answers to the following questions while looking at media help us do that:

- Who has created the images we are seeing?
- Who is doing the speaking?
- Whose viewpoint is not heard?
- From whose perspective does the camera frame the events?
- Who owns the medium being used?
- What is our role as spectators in identifying with, or questioning what we see and hear?

Media literacy in essence, tries to make our passive relationship with media active, so we think critically about what is happening before our eyes. Media literacy is not a curriculum intended to condemn media makers or question their right to freedom of expression. Media is meant to be enjoyed and not just criticized. It is through analysis of the tools used to create media that media can be truly enjoyed. Because media use identifiable techniques to construct their products we can deconstruct the final product and analyze the media message with our own tools thus freeing us from some of the negative effects of the media.

According to the New Mexico Media Literacy Project (NMMLP), most of the tools utilized by the media are primarily emotional and persuasive. Media contain value messages that are both intended and unintended. These messages can be positive or negative and they target specific groups. Don't we always see a mom and a dad in commercials for family cars? What message is that sending kids with only a mom or with two moms? Television runs at about 30 frames per second. The conscious mind can process only eight frames per second. This means that television keeps us from conscious analysis and reflection. Since 99% of the brain's sensory input is stored at the subconscious level, we are receiving lots of subliminal stimuli from media. All of the techno-effects, computer graphics, music, camera angles, framing, audience reaction shots and quick changes of a scene enhance the emotional impact of media. It is helpful for us to know and study all of the techniques used by the media to sell us "stuff". If we don't know the methods how can we guard against the strategies?

The NMMLP lists specific tools for analysis that are used by advertisers and individuals both consciously and unconsciously to try to get us to buy or do things. These tools are things like, using **symbols** that are larger than reality, **hyperbole** that is an exaggeration or "hype". **Glittering generalities** is a subset of hype that utilizes impressive language that is vague and meaningless. **Defensive Nationalism** uses fear (usually of an enemy) although it can be a political opponent, sickness, or any threat. **Scapegoating** is a powerful subset of defensive nationalism that blames many problems upon one person group, race, religion, etc. **Humor** is a powerful emotion. If you can make people laugh, you can persuade them. **Lies (big)** are used all the time in media. Outrageous claims are fine if preceded by **maybe**, might or could. **Testimonials** use famous people or respected institutions to sell a person, idea or product. **Repetition** drives the message home many times. The idea of using **plain folks** promotes oneself or one's product as being of humble origins, common-one of the gals/guys. **Fuhrerprinzip** is a phrase coined by Josef Goebbels, which means "leadership principle." This is often done using cultural icons that emphasize the strong yet plain superhero. **Name calling** or **ad hominem** can be direct or delicately indirect. **Flattery** is telling or implying to your target something that makes them feel good or often what they want to be. **Bribery** seems to give something desirable for free. **Diversions** seem to tackle a problem or issue but then throw in an emotional distraction. We all want to avoid attachment to unpopular things this is **Denial**. **Card stacking** is to provide a false context so that they give a false or misleading impression telling only part of the story. The **band wagon** approach insists that everyone is doing it. **Simple solutions** avoids complexities and offers one solution to a variety of problems. **Scientific evidence** uses the paraphernalia of science like charts and graphs for proof of their point. **Group dynamics** replaces that I weakness with we strength. **Rhetorical questions** get the

target to agree with questions, building trust and then trying to sell. **Nostalgia** can make a product appear better because people tend to forget the bad of the past. **Timing** can be as simple as planning your advertisement for when your target is tired or using so many frames in your ad that consumers don't really know what they are seeing.

Knowing and studying these tools can help us become actively involved in the media process. This is important because now commercials, movies, and news programs can become an experiment in which we try to figure out which method the creator is using to convey a message and we can think about what message is being sent instead of watching passively while ideas and products are being poured into our heads. It is important to remember that there is a long process that takes place when creating any kind of media that is viewed by large audiences. When advertisements are created there are many discussions about what each screen will look like when the advertisement is complete. There are lots of people involved in these kinds of discussions and many decisions need to be made. This makes it almost impossible for us as students and teachers to spend as much time taking an ad apart as the makers spent making the ad.

## Media Literacy and Economics

So what does media literacy have to do with economics? The three questions economists focus on, who is making the decision, what is their goal and what are their constraints help tie economics to media literacy. These questions can be asked of both the creator of media and the consumer. One way of looking at the decisions of both parties is with the help of a decision tree (see figure 3). If we look at these decision trees we can see each person's choices and payoffs.

One economic way of looking for the best outcome of a decision is looking at the decision trees using backward induction. This means that the creator of the media would look for the most beneficial outcome on the decision tree and follow the path up. This would tell the creator which decision is the best one to make. Looking at the decision tree (figure 3) for whether or not to advertise or follow advertisements we can see the choice set of the company and the customer. We can also see the predicted outcomes of each choice.

Decision trees can be used for any decision. They are especially helpful if you have the time to concentrate on the tradeoffs and the payoffs from the decision you are making. Opportunity cost can also be useful when looking at the decisions of both creators of media and consumers, especially when considering prices of products and what advertisers will go through to make theirs the most desirable. Creators of advertising focus on opportunity cost when making commercials with the simple solution hook. Often in advertisements it is suggested that if you buy their product you will also achieve ultimate happiness, success, a beautiful spouse, the appropriate weight and any number of other things from just one simple purchase. The media literacy concepts of bandwagon and denial can be attributed to our human pattern of obedience. Time and time again humans have proven to be incredibly obedient creatures, even in unusual circumstances (Akerlof). We don't want to be too different so if everyone else is buying a product we will buy it too, especially if that everyone includes someone famous or powerful, never mind that they were paid to do the commercial. If no one is buying something or if someone unpopular is associated with a product than we want nothing to do with that product. One of the most powerful ways to talk someone into doing something is using what appears to be cold, hard facts. We seem to fall for graphs and mathematical data. Steven Salop discusses this phenomenon in his article focusing on the Bayes Theorem.

When media literacy is paired with the ideas present in economic theory both topics have a more salient meaning.

## Implementation

This lesson is intended to last 4-6 weeks. The lessons outlined here will be taught in a seventh grade humanities classroom. I will be teaching the information in 45-90minute blocks. The unit will focus on economics and media literacy; both topics will be covered in depth here and revisited throughout the year. This unit will follow a unit on nutrition and precede a unit on the early people of New Mexico and the Western Hemisphere. The worksheets listed can be found in the documentation section of this unit. The letter-number references are made to the APS DCCSS and the CMS Essential Skills, which are also found in the documentation section.

Week 1

Focus question for the week, "What is Economics?"

Objectives: Students will be able to define economics.  
Students will learn the three questions economists ask.  
Students will learn about the different resources used to make goods.  
District goals met: Social Studies C1f. Language Arts T-g, i; C-b, e, f, g, k, l, m; con-g.

This lesson will begin with students listing on worksheet #1 what they usually eat for lunch and why they make that choice. The students will then share with the class what they have written down. The students will then write down what they would eat for lunch if they could have anything in the world. I will encourage them to be creative, reminding them that money is no object. The students will share those ideas with their groups and then someone in the group will share the one they thought to be the best with the class. Then we will start to talk about why they can't eat what they would wish for everyday. The students will list these reasons. Next, the students will write down the definition for economics as the choices we make in conditions of scarcity. We will talk about the fact that all of the reasons they listed for not having the lunch of their dreams were all reasons based on scarcity of some kind of resource. We will then list the definitions for the three resources listed labor, capital, and land. Worksheet #2 will help the students record and remember the questions that economists ask when studying choices people make. I will tell the students that economists ask themselves three basic questions when considering choices people make. I will use a student as an example. A discussion might center around who decides what you (the student) eats for lunch. Do you decide, does your mom decide or does the APS kitchen staff make that decision? That is the first question economists ask, "Who is the individual decision maker?" Students will be directed to write down this question on the blank and provide an example from the exercise that we are doing. Discussion for the other three questions will follow with students filling in the worksheet.

Homework (formative assessment check for understanding):

Students will list four things they have purchased in the last month and the examples of what resources were probably used to make these things. Students will answer the three economic questions when thinking back on the things they bought.

Week 2

Focus question: "What is supply and demand?"

Objectives: Students will be able to define supply and demand  
Students will be able to understand a graph showing supply and demand  
Students will be able to make a supply and demand graph of their own  
District goals met: Social studies C1e, Language arts T-b, c, d, j; C-b, f, g, j, k, l, m; con-b, d, j.

Students will begin this lesson by playing a card game with red and black cards (Worksheet #3). After they play the game we will look at the data. The students will discuss with their group why they were willing to trade when they traded. We will plot on a graph where each person was willing to buy and sell his or her card. After we have discussed this graph and named what we have done, supply and demand we will make a graph for the price of pizza in the cafeteria and see how the demand would change as the price goes up. As a class we will discuss how this graph works for everything in a competitive market to set the price for a good.

Homework: (formative assessment check for understanding)

Students will make a graph of their own showing a product that is important to them and how much they would be willing to pay if the price were to rise.

Week 3

Focus question, "Do decisions cost anything?"

Objectives: Students will learn about opportunity cost.  
Students will learn to read and create opportunity cost graphs.  
Students will create pamphlets explaining the basic economic concepts they have learned.  
District goals met: Social studies C1f; language arts T-b, c, d, e, g, h, i, j; C-a, b, c, d, e, f, g, i, j, k, l, m; con-a, b, d, e, f, g.

To start this lesson we will continue on the theme of school lunch. Beginning with the question, what do you give up when you make a choice about what to eat for lunch? Students will start to look at trade-offs in decision making. We will use graphs for this lesson. We will first decide individually what the choices for lunch are and what the monetary cost for each choice is (worksheet #4). After the students have filled out their papers we will look at how to create an opportunity cost graph based on the information from the worksheet. We will discuss how every decision that is made has some trade-offs and that it is important to look at those trade-offs when making any decision.

Homework: (formative assessment check for understanding, final assessment demonstration of mastery of concepts) Students will make two more opportunity cost graphs illustrating the trade-offs for each lunch decision.

Students will create a pamphlet using the school computer lab illustrating and defining the concepts learned so far in this unit. The pamphlets will be given to the students in another class to take a test using only the information contained in the pamphlet. Students will be graded on how well the student using his or her pamphlet performed on the test.

#### Week 4

Focus question, "Why do we make the decisions to buy certain products?"

Objectives: Students will learn about consumer and producer theories.

Students will learn about media literacy.

Students will become familiar with the terms used to deconstruct advertisements.

Students will create a scrapbook of advertisements that illustrate various advertising strategies.

District goals met: Social Studies C1d, e, f; language arts T-b, c, d, e, f, g, h, I, j; C-a, b, c, d, e, f, g, h, i, j, k, l, m; con-a, b, c, d, e, f, h, i; health a, b, c, e, f.

This week will begin with a new concept that relates to those learned in previous weeks. Consumer and producer theory will be easier to grasp for most students since they consume a lot of goods. We will look at the goals and constraints of individuals making decisions to buy goods and companies making decisions to sell these goods. These concepts will be learned through the media literacy strategies for deconstructing media. The students will look at the advertisements on Channel One News that will be shown in the classroom daily. The students will start to identify the different strategies used by the creators of media to sell us goods. We will then view the film "Advertising and the End of the World" and discuss how the ideas in this film relate to the economic concept of producer and consumer theories.

Homework: (formative and final)

Students will create a scrapbook of advertisements following the strategies above. They will have to identify one advertisement from ten of the strategies. The scrapbook will have the definition of each strategy used and a written explanation of the advertisement and why it falls into this particular category.

#### Week 5

Focus question, "How can you convince someone to buy something?"

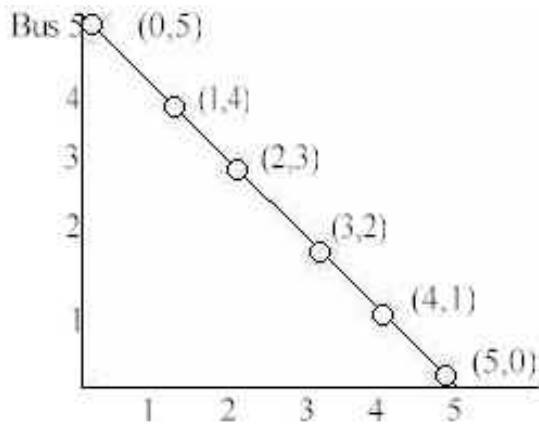
Objectives: Students will create a "needed" product and make an advertisement using one of the strategies learned about.

District goals met: All mentioned in above lessons.

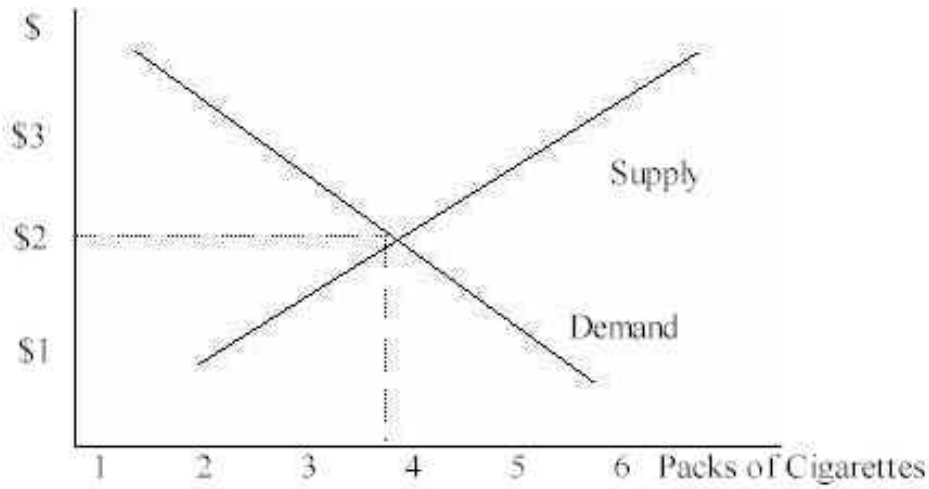
This will be the final assessment of this unit. The students will present the final advertisement for their product at a demonstration of mastery where we will present the advertisements in a museum walk inviting parents, administrators and other classes to see the work. The students will use all of the concepts they have learned about economics and media literacy to create a product they think would be in demand if invented. They will then pick one or more strategy to sell the product and make an advertisement for their invention.

### Documentation

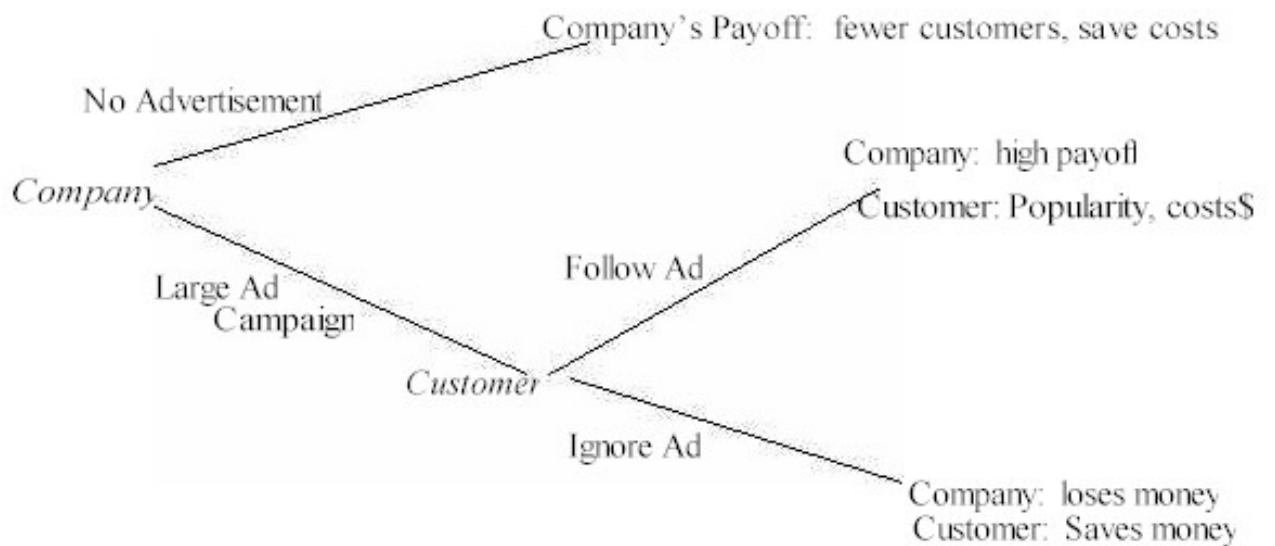
Opportunity Cost (Figure 1)



Supply and Demand Graph (Figure 2)



Company's Payoff: fewer customers, save costs



Decision Tree (Figure 3)

What do you normally eat for lunch?

Why?

What would your dream lunch consist of?

Why does this remain a dream instead of your normal lunch?

**Economics is**

*Anything that is produced in the economy comes from a combination of the following resources, define them with examples given in class.*

**Labor**

**Capital**

**Land**

Worksheet #2

-

### Questions to consider when studying economics

1.

example

2.

example

3.

example

### **Homework**

List four things that you have purchased or that have been purchased for you in the past month then list the resources used to make each product using the resources from the front of this page. Then answer the three questions economists ask when analyzing decisions.

1.

2.

3.

4.

A trading game

Objective: earn the most value you can to feed your hungry family

ACE = 1      JACK = 11      QUEEN = 12      KING = 13

**RED CARD HOLDERS: SELL HIGH**

- If you have a RED card, the value represents what it cost you to produce the card.
- If you sell it for less than its face value, you will LOSE money. Your objective is to sell it for as much as you can.
- Your earned value is the trading price minus the face value of the card.

**BLACK CARD HOLDERS: BUY LOW**

- If you have a BLACK card, the value represents how much you are willing to pay for a red card.
- If you pay less than the face value of the black card, you GAIN more value for your family. Your objective is to buy at the lowest price possible.
- Your earned value is the face value of your card minus the trading price.

Use this space to graph the data from the class trading game.

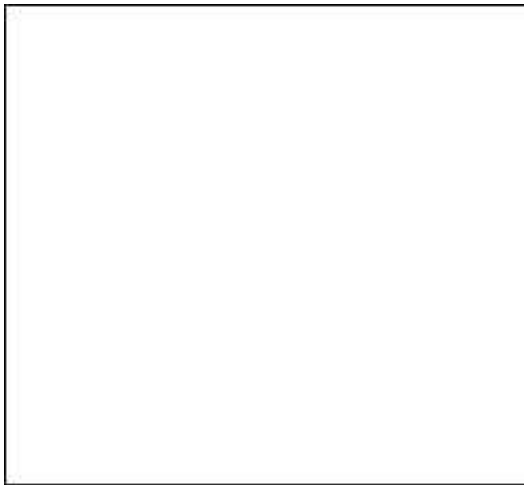
Worksheet #4

Choices for lunch

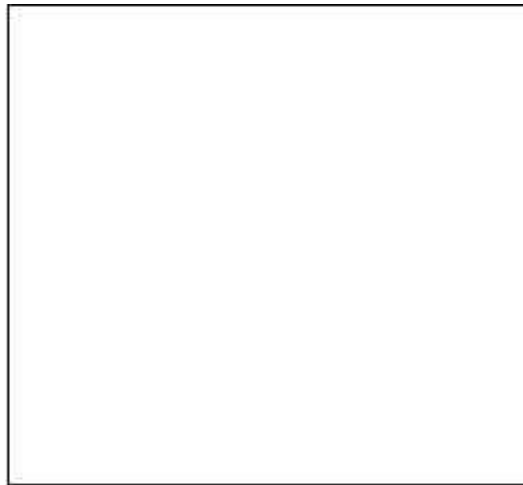
\$ Cost to you for choice

- 1.
- 2.
- 3.

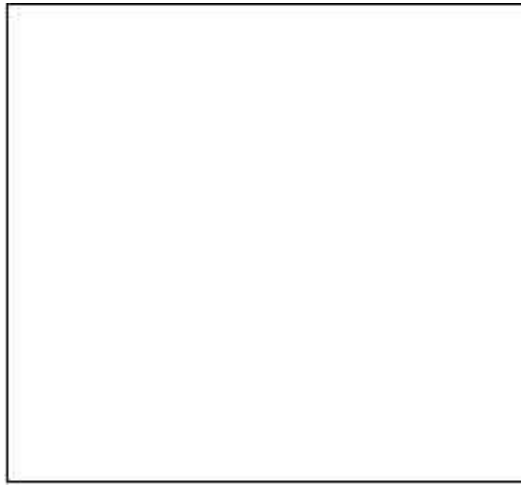
Illustrate your opportunity graphs for each choice



Choice 1 and alternative



Choice 2 and alternative



Choice 3 and alternative

APS District Core Curriculum and Scope & Sequence

The following are standards that I will meet during the course of this unit.

### **Social Studies**

#### **C.Economics**

1. Learners exhibit an understanding of how people organize for the production, distribution, and consumption of goods and services in a global society:
  - a. analyze historical and contemporary economic trade patterns, routes, and networks in North and South America
  - b. describe how trade among people and countries of North and South America promotes the spread of ideas and cultures
  - c. relate the role of transportation, communication, manufacturing, natural resources, and technology to the economic development of New Mexico
  - d. use economic principles, such as balance of trade, to help explain historical and contemporary developments and issues in North and South America
  - e. describe the role that supply and demand play in determining what is produced and distributed in the competitive market of North and South America
  - f. use economic reasoning to compare different proposals for dealing with contemporary social issues such as unemployment, acid rain, or high quality education

### **Language Arts:**

#### Thinking (T)

In grades 6-8, the study of language arts develops thinking abilities so learners can:

- a. apply problem solving approaches to investigate and understand language arts content;
- b. compare, categorize, classify, and sequence ideas and information;
- c. identify cause and effect relationships;
- d. predict reasonable outcomes;
- e. make inferences;
- f. recognize persuasion and propaganda regarding language arts issues;
- g. gather, organize, record, and apply data, including errors, variables, and unexpected results, to construct reasonable explanations
- h. summarize and synthesize ideas from a variety of sources;
- i. formulate questions, draw conclusions, and use criteria to evaluate;
- j. apply decision-making skills.

## Communication (C)

In grades 6-8, the study of language arts includes numerous opportunities for communication so learners can:

- a. locate, comprehend, and use information from various sources;
- b. use the skills of reading, writing, and viewing to interpret and evaluate information;
- c. adjust spoken, written, and visual language for a variety of situations;
- d. use information systems as a tool for communicating language arts;
- e. make oral presentations individually and within groups;
- f. speak and write in complete sentences using correct grammar, syntax, and pronunciation;
- g. write legibly to express ideas;
- h. use the writing process to convey information related to language arts;
- i. use keyboarding and other electronic media skills to express ideas;
- j. model situations using oral, written, concrete, pictorial, and graphical methods
- k. follow written and oral directions;
- l. use common understandings of ideas, including the role of definitions ;
- m. work cooperatively and independently to complete tasks by:
  - participating in or learning a group process
  - analyzing and adjusting task responsibilities to meet quality criteria
  - discussing ideas, making conjectures, and formulation convincing arguments
  - negotiating toward agreements
  - teaching others new skills.

## Connections (con)

In grades 6-8, the study of language arts includes opportunities to make connections so learners can:

- a. relate their everyday language to content specific language definitions and symbols;
- b. integrate conceptual and procedural knowledge;
- c. recognize relationships among different topics in language arts;
- d. relate language arts to other curricular areas;
- e. use graphical, numerical, physical, and verbal models or representations;
- f. use information systems as appropriate;
- g. apply strategies for studying and taking tests;
- h. analyze the impact of language arts and technology in daily life;
- i. examine the role of language arts in various cultures and societies of the world;
- j. explore the relationship between language arts and the world of work.

## Health

Learners will:

- a. analyze how the media influences the selection of health information and products;
- b. analyze the influence of culture, media, technology, and other factors on health;
- c. analyze how messages from media and other sources influence health behaviors;
- d. analyze the influence of technology on personal and family health;
- e. demonstrate the ability to apply a decision-making process to health issues and problems individually and collaboratively;
- f. analyze how ethical and health-related decisions are influenced by individuals, family, peers, and community values;
- g. predict the consequences of decisions regarding health behaviors for self and others;
- h. apply skills to formulate strategies to attain personal health goals;
- i. describe how changes in information, abilities, priorities, and responsibilities affect

- personal health goals; and
- j. implement a plan that addresses personal strengths, needs, and health risks.

## Teacher Bibliography

### Articles

Akerlof, George. "Procrastination and Obedience." May 1991: Pages 1-19.

A helpful look at the human pattern of procrastination and reasons for it as well as obedience even in uncomfortable situations.

Salop, Steven. "Evaluation Uncertain Evidence With Sir Thomas Bayes: A Note For Teachers." *Economic Perspectives* Summer 1987: Pages 155-160.

This article focuses on the way you can look at probability and statistics to best determine an outcome of a problem.

Schiraldi, Vincent. "Media Fuels False Ideas About Juvenile Violence." *Albuquerque Journal* Dec. 3, 1999: A-19.

An eye-opening look at what numbers can really mean.

### Books

Duncan, Barry, et al. *Media Literacy Resource Guide*. Toronto, ON.,Canada: Ontario Ministry of Education, 1989.

Helpful place to start when studying media literacy. Lots of useful information.

Hall, Robert E, and Marc Lieberman. *Microeconomics Principles and Applications*. Cincinnati, Ohio: South-Western College Publishing, 1998.

Supplies basic information on economic theory and applications.

Giesbrecht, Martin Gerhard, and Gary E. Clayton. *A Guide to Everyday Economic Thinking*. Boston, Massachusetts: Irwin McGraw-Hill, 1997.

An easy to read book with simple explanations of economic theory.

### Internet

"Media Literacy Online Project." Media Literacy Online Project – College of Education.

University of Oregon – Eugene. No posting date. Media Literacy Online Project. June 10<sup>th</sup>, 2000.  
<http://interact.uoregon.edu/MediaLit/HomePage>.

The most comprehensive media literacy site with an extensive link page for further reading.

"Mef." Media Education Foundation.

"Seeking Wise Media Consumers." *New Mexico Media Literacy Project*. No posting date. New Mexico Media Literacy Project. June 10, 2000

<http://www.nmmlp.org/>.

Helpful information on media literacy with conference dates for NM teachers.

## Student Resources

McKibben, Bill. *Age of Missing Information*. New York, New York: Plume, 1992.

In his book, Bill McKibben compares the information he gained from watching 24 hours of television with the information he gained from spending 24 hours on a small mountain in the Adirondacks. The author wonders what each experience tells us about ourselves and the world we live in? This book can be used with students at various reading levels.

Postman, Neil. *Amusing Ourselves to Death: Public Discourse in the Age of Show Business*. New York, New York: Penguin Books, 1995.

In this book, Neil Postman looks at television's role in changing the nature of public discourse in American culture over the past fifty years. This book is for advanced readers.

### Videos

*Advertising and the End of the World.* Sut Jhally. Videocassette. Media Education Foundation. 1998.

Sut Jhally, an author and anthropologist, talks about what advertisements have done to change our culture. Analytical and thought provoking.

*Pack of Lies.* Sut Jhally. Videocassette. Foundation for Media Education. 1992.

Jean Kilbourne and Richard Pollay lecturing about the effects of cigarette and alcohol advertising. Raises the question, "Why aren't cigarettes and alcohol included in the war on drugs?"

*Slim Hopes.* Sut Jhally. Videocassette. Media Education Foundation, 1995.

Jean Kilbourne lecturing on the portrayal of women in the media as thin and fragile. Good use of examples of advertisements.