

**New Jersey Department of Education  
2006 Social Studies Standards Implementation Guide (SIG)**

**6.5. (ECONOMICS) ALL STUDENTS WILL ACQUIRE AN UNDERSTANDING OF KEY ECONOMIC PRINCIPLES.**

**Grade 4**

**6.5.4.A. Economic**

1. Distinguish between goods (e.g., objects) and services (e.g., activities).
2. Distinguish between a want and a need and explain how to choose needed goods and services.
5. Explain that prices are the money value of goods and services and that prices change as a result of supply and demand.
6. Define consumers as buyers and producers as workers and sellers.
7. Explain that people can improve their ability to earn income by gaining new knowledge, skills, and experiences.
8. Describe how to earn and save money in order to purchase a needed or desired item.

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**Framework<sup>97</sup> References**

The Role of Money in Everyday Life, pp. 245-246.

Our Wants, Our Needs, Supply and Demand, pp. 247-248.

**National History Standard**

Standard I: Productive resources are limited. People cannot have all the goods and services they want. Therefore, they must choose some things and give up others.

Standard II: Money makes it easier to trade, borrow, save, invest and compare the value of goods and services.

**Content Overview**

This section expects learners to understand the **basic economic concepts** of: (1) goods and services; (2) wants and needs; (3) three functions of money; (4) factors of production; (5) the functions of price signals in the market; and (6) being a smart consumer and worker. These concepts are deepened by: (1) asking students to examine the **dynamics of price changes** for a buyer and seller; (2) asking to be a smart (**rational**) **consumer** through deferring immediate wants and planning and saving for large purchases; and (3) asking students to improve the ability to earn money through investing in themselves (**human capital**).

## Essential Questions

- What are wants and needs and goods and services? Why are each important?
- How is money used in our economy?
- What happens to people's desire to buy a good when the price goes up? Goes down?
- What might a company do if the price of its product is increasing in stores? Decreasing in stores?
- What is the importance of budgeting for consumers?
- How can a worker prepare him or herself to get a better paying job?
- What do entrepreneurs and individual enterprise do for our society?
- Should the government meet our every human need? Why or why not?

## Teaching Resources

<http://fte.org/teachers/lessons/lessons.htm>: Website of the Foundation for Teaching Economics which is "introducing young individuals to an economic way of thinking." Interesting and unusual lesson plan topics such as: "Economic History of St. Augustine"; "A Command Economic System (Russia)"; and "Creating a Student Price Index".

EcConEdLink: <http://www.econedlink.org/lessons/index.cfm>

NEEC Online Lessons: <http://www.ncee.net/resources/lessons.php>

EconomicsAmerica: <http://www.ncee.net/ea/program.php?pid=11>

## Assessment

Students develop a personal budget and saving plan. The budget should include a specification of the source of income (usually the home); the amount available for personal priorities for spending. A weekly amount or percentage should be specified for necessities and entertainment costs. To assess develop of positive attitudes toward planning and budgeting, each student presents and justifies his budget and saving plan to the class for reaction, questions and final grade.