

## 22 Economic Themed Bell Ringers and Warm-ups

Ring in EconEdMonth with one bell ringer/warm-up every school day during the month of October! Write the concept on the board, write or share the questions you see under Student Bell Ringer, and be ready for some engaging conversations to kick-off your class(es).

|   | Concept                              | Student Bell Ringer/Warm-ups                                                                                                                                                                                                        | Teacher Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| 1 | Opportunity cost                     | Have you ever been treated to a free lunch? Was it truly free? What do economists mean when they say, "There is no such thing as a free lunch" (TINSTAAFL)?                                                                         | Explain the TINSTAAFL Principle, and have students give examples of this principle in their own lives. The assumption is that "free" means it doesn't have a monetary cost. There is always a cost - a cost in time, effort, etc. even when no money is exchanged.                                                                                                                                                                                                                                                                                                                                                 |
| 2 | Economic decision making, trade-offs | Think of a decision you made recently. What other alternatives did you have?                                                                                                                                                        | For every decision made, all possible alternatives are called trade-offs. The single next best alternative (your second choice) is the opportunity cost.                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 3 | Comparative advantage                | Should you grow oranges in Alaska? Should LeBron James mow his own lawn? Why or why not?                                                                                                                                            | Although you can grow oranges in a greenhouse in Alaska and LeBron James can mow his own lawn, both examples use resources that would be better used for producing another good/service in a more efficient way. A person or a nation has a comparative advantage in the production of a product if it can produce that item at a lower opportunity cost than another person or nation.                                                                                                                                                                                                                            |
| 4 | Marginal analysis                    | How many total hours will you spend studying for your next test? If you studied 30 minutes more, would it make a difference? Why or why not?                                                                                        | <p>If the marginal benefit from another unit of some activity exceeds the marginal cost of that unit, you should undertake that extra unit of the activity. If the marginal benefit of the extra unit is less than the extra cost of that unit, do not take on the extra unit.</p> <p>For example, you have spent 2 hours studying for that test. You now need to decide if you should study for another (marginal) 30 minutes. You would make that decision based on the marginal benefit (a slightly higher grade) versus the marginal cost (the extra 30 minutes you could have been doing something else).</p> |
| 5 | Diminishing marginal utility         | If you were at a party with free pizza, how many slices would you eat? How many slices would you eat if the host declared you would have to pay \$2.00 for each slice? Why would you behave differently when the pizza is not free? | The satisfaction (utility) you get from consuming a good or service declines as more of it is consumed by an individual. The more pizza you eat, the less you value each additional slice. Is it worth it to eat one more free slice? Is it worth \$2.00 to eat one more slice?                                                                                                                                                                                                                                                                                                                                    |
| 6 | Demand                               | Your favorite candy bar goes on sale. Do you buy more or less? Why? What if the candy company brings out a new flavor? What happens then?                                                                                           | The law of demand states that as the price goes down, consumers demand more. You will buy more of your favorite candy bar. However, if you like the new flavor more, your tastes and preferences have changed, and                                                                                                                                                                                                                                                                                                                                                                                                 |

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|    |                                  |                                                                                                                                                                                                                                                              | this is a change in demand. The price has not changed but you are buying more of one and less of the other.                                                                                                                                                                                                                                                                                                                                                                          |
| 7  | Supply                           | If you are selling a product, such as candy, and the price of candy increases, will you want to put more candy or less candy on the market to sell? Why?                                                                                                     | The law of supply states that as the price of a product increases, the supply increases. The cost to produce the candy did not increase, just the price. The more candy you sell, the bigger your profit, so put more candy on the market.                                                                                                                                                                                                                                           |
| 8  | Circular Flow                    | What if you worked at a grocery store but also shopped there on your days off? List all the ways your different roles – as producer and consumer - participate in the economy.                                                                               | Students should list how they are producers/consumers and how their money is earned and then spent, etc.                                                                                                                                                                                                                                                                                                                                                                             |
| 9  | GDP (Gross Domestic Product)     | What makes an economy “healthy”? In what ways can an economist measure the health of the economy? Explain.                                                                                                                                                   | A healthy economy has full employment and stable prices. Student answers might also include a clean environment, happiness, etc. The primary measure of the health of the economy is GDP.                                                                                                                                                                                                                                                                                            |
| 10 | Inflation, money                 | Describe what five dollars is worth without using another unit of money (so no pennies, nickels, etc. allowed in your description).                                                                                                                          | You want students to think about what a dollar is worth in terms of what it will buy so that when you introduce the idea of inflation, they will see that an increase in the price level means that a dollar is worth less because it will not buy as much.                                                                                                                                                                                                                          |
| 11 | Unemployment                     | Imagine you and your friends decide to start a band after high school. Unfortunately, after a few months, you struggle as you only book a few gigs a month and make little money. Do you think the government would consider you unemployed? Why or why not? | People are considered employed if they did any work at all for pay or profit during a Bureau of Labor Statistics survey reference week. This includes all part-time and temporary work and regular full-time, year-round employment.                                                                                                                                                                                                                                                 |
| 12 | Business Cycle                   | How do you think the economy is doing right now – is it “up” or “down”? What have you heard or seen that helps you answer this question? Explain.                                                                                                            | Discuss what students have seen, heard, or experienced that leads them to think the economy is doing well or poorly. As students justify their position, make sure unemployment and inflation are included in the discussion. Current data for unemployment and inflation are available on the Bureau of Labor Statistics website, <a href="http://bls.gov">bls.gov</a> .                                                                                                            |
| 13 | Multiplier and disposable income | What would you do if you suddenly came into an extra \$100 today?                                                                                                                                                                                            | Explain that when consumers have money in their wallet (disposable income) they can only do two things with that disposable income – spend it (consumption – C) OR save it (saving – S). $C+S = DI$ . Refer back to the bell ringer. What did the students do with their extra \$100? How many spent the entire amount? How many saved some? Have them think about the equation in terms of percentages. If they spent \$80 and saved \$20 then $80\%+20\% = 100\%$ or $.80+.20 = 1$ |
| 14 | Fiscal policy                    | To what extent do you believe the government should get involved when the economy is in a recession? How? Should they give households money? Should they “bail out” industries?                                                                              | Answers will vary but students should start to think about ways and times the government uses taxes and spending to influence the economy.                                                                                                                                                                                                                                                                                                                                           |

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| 15 | Functions of money, barter                                                                                           | Imagine that all forms of money have vanished from the world. How would you trade or exchange goods and services without money? What problems would you encounter?                                                                                                                                                                                           | Students will answer that they will barter. Challenge that answer by asking if they will be able to barter enough to obtain everything that they will need to survive. Money functions as a unit of account, measure of value, and store of value.                                                                                                                                                                                                                    |
| 16 | Price elasticity of demand                                                                                           | Imagine a world where the price of your favorite snack suddenly doubled overnight. How would this impact your purchasing decisions? Why?<br>Now imagine that the price of a new car doubled. Is your decision to buy a new car the same as buying your favorite snack? Why?                                                                                  | Price elasticity of demand measures the strength of the consumer response to a change in the price of a product.<br><br>The four determinants or factors that affect price elasticity of demand are: <ul style="list-style-type: none"> <li>• Availability of substitutes</li> <li>• Nature of the Good – a luxury or a necessity?</li> <li>• Proportion of income spent on the good</li> <li>• How much time has elapsed since the time the price changed</li> </ul> |
| 17 | Revenue and profit                                                                                                   | Imagine you run a lemonade stand. Each glass of lemonade costs you \$0.50 to make. On a hot summer day, you sell 50 glasses of lemonade for \$2 each. How much money was in the cash drawer at the end of the day? What were your costs? What's left over?                                                                                                   | \$100 was in the cash drawer. Your costs were \$25. \$75 is left over. Ask students if they know the economic terms for the \$100 in the drawer (revenue) and the amount left over (profit).                                                                                                                                                                                                                                                                          |
| 18 | Decisions to enter and exit a market                                                                                 | Have you ever visited a popular tourist destination during the “off season”? What did you observe about the restaurants (like pancake houses) and souvenir shops? What do you believe is the reason for this phenomenon?                                                                                                                                     | Restaurants in popular tourist destinations often shut down temporarily in the off season when the reduction in tourism traffic does not allow them to pay their variable costs of production; however, be sure to point out that the businesses do not exit the market completely, as they choose to reopen in “peak season” when they typically experience supernormal profits.                                                                                     |
| 19 | Price discrimination                                                                                                 | Can you think of examples where different consumers are charged different prices for the same product or service?                                                                                                                                                                                                                                            | Possible student answers: movie theaters, haircuts for men vs. women, airline tickets, senior citizen discounts. Price discrimination exists when a producer charges different prices to different customers for the same item, for reasons other than differences in cost.                                                                                                                                                                                           |
| 20 | Perfectly competitive markets<br> | Have you ever noticed that starting in September there are pumpkins for sale everywhere - grocery stores, farmer's markets, pop-up “pumpkin patches” in empty parking lots? Agricultural products, like pumpkins, are the closest examples we can get to a perfectly competitive market. Using pumpkins, explain the characteristics of this type of market. | Perfect competition – many sellers, pumpkins are the same no matter where you buy them (homogenous), it's easy to enter and exit (pop-up pumpkin patches on vacant lots), people shop on price. This is not a perfect example, however. There is non-price competition (free hayrides and a festive atmosphere at a farmer's market vs. at a grocery store).                                                                                                          |

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| 21 | <p>Tragedy of the commons, common pool resources, free rider</p>  | <p>When you were younger and went trick or treating, what did you do when you came across a porch with a bowl of candy that was “unattended” with a sign that says, “Take one, please”? Explain your reasoning. Would this porch candy be a public good, private good, common-pool resource, or toll good? Why?</p> | <p>Unattended Halloween candy is a common-pool resource: non-excludable and rival. Non-excludable - people cannot be excluded from the benefits of a good or service even if they do not pay for it. People who receive the benefit of a good but don’t pay for it are called free riders. The candy is also rival – if it’s eaten no one else can enjoy it. If no one is there to stop you, you could take all the candy. This is an example of the tragedy of the commons.</p> |
| 22 | <p>Choice, demand</p>                                             | <p>What are this year's 10 most popular Halloween costumes for kids?</p>                                                                                                                                                                                                                                            | <p>2025 Stats<br/>Kids: Spider-Man, Princess, Witch, Ghost, Superhero, Batman, Superman, Wednesday Addams, K-Pop Demon Hunters, Vampire</p> <p><a href="https://nrf.com/media-center/press-releases/nrf-consumer-survey-finds-halloween-spending-to-reach-record-13-1-billion">https://nrf.com/media-center/press-releases/nrf-consumer-survey-finds-halloween-spending-to-reach-record-13-1-billion</a></p>                                                                     |