



YOUR \$

FINANCIAL LITERACY FOR KIDS

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From the Editor: Thanks to the PwC Charitable Foundation, TIME for Kids is pleased to offer teachers, students, and their families a monthly financial-literacy magazine. —**Andrea Delbanco, Editorial Director, TIME Education**

Teaching the cover story

THE PRICE OF PRODUCE

WHAT'S INSIDE

- Learn about the economic factors that influence the price of orange juice. Open the student magazine to pages 2 and 3.
- How can world events affect the price of products you buy every day? Find out on page 4.



a note from *Jean*

Dear Teachers,

Full disclosure: I got a C in micro-economics in college. It was the first C I'd ever gotten, and I was devastated. But I've long thought that I came to the topic too late—and that it was presented in too dry a way. So this month, we've got a microeconomics lesson for your students: our cover story on the price of orange juice. We're using orange juice to explain the concept of supply and demand and how things that happen in life—not just hurricanes and wildfires but also plain old rain—affect what we pay at the grocery store. I hope they enjoy it (and it doesn't give you flashbacks to your own first econ experience).

Happy March!
Jean

SUMMARY

The cover story explains how natural disasters can affect the price of products all over the world.

TEACHING TIPS

Before Reading

Build Background

- Tell students that prices are often determined by the economic principle of supply and demand: the amount of goods available compared with the amount that people want to buy.

Build Comprehension

Read for Details

- Read the cover story with your class, stopping to discuss important details. Challenge students to use the term *supply and demand* in their answers. Ask: Why did the price of orange juice increase from \$1.33 to \$1.65 after Hurricane Irma? (*The hurricane destroyed 30% of orange crops in Florida, reducing supply and causing the price per gallon to rise.*) Why did the price of orange juice decrease to \$1.39 per gallon? (*Brazil had a terrific growing season, so the supply of oranges wasn't really hurt. Consumers weren't willing to pay a higher price for orange juice, so demand for orange juice did not rise.*)

Start a Discussion

Draw Conclusions

Ask: Why might the price of lemonade increase? What role would supply and demand play in the increase? Explain.

Build Vocabulary

Define Words in Context

- Tell students to pair up and reread paragraph 2 to identify the difference between services and goods. Then have them sort the following into services and goods in a T-chart: lemons, wood, oil, wheat, housecleaning, chicken, pizza delivery, carrots, car washing, car repair. Finally, ask them to choose one service or item and brainstorm events that could affect its price.

Extend Learning

Create an Infographic

- Divide students into groups of four and provide them with poster board and markers. Tell them the aim is to create an infographic that explains with numbers, illustrations, and words what happened to the price of a gallon of orange juice (the increase in price from \$1.33 to \$1.65 and back down to \$1.39) as a result of Hurricane Irma. Explain that anyone reading the infographic should understand what caused the price to increase and decrease.

FINANCIAL-LITERACY STANDARDS ADDRESSED
Grades K-12

II. Buying Goods and Services

COMMON CORE STATE STANDARDS ADDRESSED

Grade 5 RI.5.1, RI.5.3, RI.5.4, W.5.2, SL.5.1

Grade 6 RI.6.1, RI.6.3, RI.6.4, W.6.3, SL.6.1

Your name _____

Date _____

PRICE WISE

Read "The Price of Produce." Use what you learn to complete the activities below.

Talk like an Economist

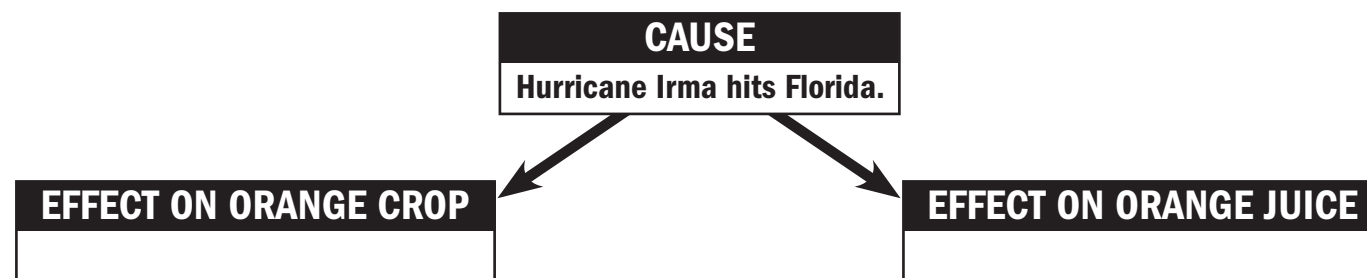
1. Underline the services and circle the goods in the list below. Put a check mark next to goods that are raw materials.

- | | | | |
|---------------|--------------|-----------|------------|
| cocoa beans | orange juice | taxi ride | cereal |
| chocolate bar | hair cut | wood | wheat |
| oranges | shampoo | paper | toothpaste |

2. Choose one of the services or goods from the list. What factors might affect its price? Write two. _____

Economic Effects

3. Complete the cause-effect chart with information from the cover story.



4. Why did the price of orange juice come back down to \$1.39 by the end of 2017? Give three reasons. _____

Disaster's Cost

Answer the questions below.

5. Let's say Florida farmers produce 700 million gallons of orange juice each year. How much money would they make at \$1.33 per gallon? _____

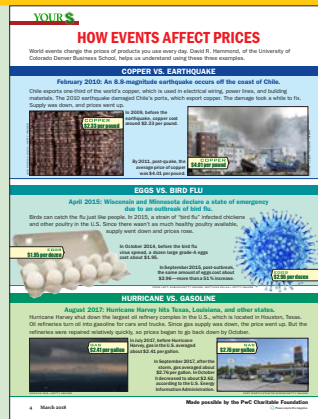
6. Let's say Florida farmers produce 700 million gallons of orange juice at the post-hurricane price of \$1.65 per gallon. How much money would they make in one year? _____

7. Do you think it's fair for Florida farmers to charge more per gallon of orange juice after the losses caused by the hurricane? Why or why not? _____

Try It! With a parent, make a list of five products you rely on. Now imagine a natural disaster causes the price of these products to rise. Which would you continue to buy? Why?

Common Core State Standards: RI.5.1; RI.6.1

Teaching the story EVENTS AFFECT PRICES



TEACHING TIPS

Use these tips to support close reading of the page 4 article "How Events Affect Prices."

Before Reading Make Connections

- Think about what you learned in the cover story, "The Price of Produce," on pages 2 and 3 of this month's student magazine. How do natural disasters influence the price of goods? What other world events might affect the price of products you use every day? Make a list.

Build Comprehension Make Inferences

- Read "Events Affect Prices," on page 4 of the student magazine. Stop to discuss important details along the way. Ask: Why did copper prices change after Chile's earthquake? Do you think the price of copper ever came down again? Why or why not? What caused the price of eggs to go up? Would you have paid the higher price? Why or why not? Why did the

price of gasoline increase and then decrease? How do you think the higher price affected consumers?

Extend Learning Chart Information

- Have students create line graphs or bar graphs showing the changes in the price of copper, eggs, and gasoline. Tell them to provide a short explanation for each change in price.

Paired Reading

- Have students compare and contrast the story "The Rise and Fall of a Hot Toy" (December 2017) with the content in this month's magazine. How are the events that caused the price changes in each of the articles the same? How are they different? Taken together, what do the articles teach you about how supply and demand affect prices?

School / Home CONNECTION



Share these tips with your students' families.

- Tell students to ask a parent or guardian about the cost of items they track regularly, such as gasoline, oil, or cell-phone or Internet service. Has the item or service increased in price recently? If so, why?
- Have students make a list of local businesses. Give them these questions to answer with a parent: Imagine opening a business that sells products or services that are already for sale in the community. What might this mean for the prices at these businesses? Now imagine opening a business that is not yet represented. Could you charge more for the products or services? Why?
- Encourage students to go grocery shopping with a parent and track the prices of items their family buys regularly. If the price of an item goes down, they might suggest the family stock up. If the price goes up, they should talk over what might have caused the increase.

ADDITIONAL RESOURCES

councilforeconed.org/standards

Visit for free teaching resources and to download the K-12 national standards for financial literacy.

primarygames.com/socstudies/lemonade

Have students run their own lemonade stands with this online game. They'll be challenged to balance supply and demand to serve the most customers and make the most money.

ANSWER KEY FOR WORKSHEETS

Price Wise, p. 3: 1. Underline *haircut* and *taxi ride*. Circle other words. Check *cocoa beans*, *oranges*, *wood*, and *wheat*. 2. Answers will vary. 3. Crop is destroyed. / Prices rise. 4. more oranges from Brazil / Customers won't pay higher price. / damage not as bad as expected 5. \$931 million 6. \$1.155 billion 7. Answers will vary. **Supply and Demand, p. 4:** I 1. There is an undersupply. 2. Price will go up. / Answers will vary. 3. Answers will vary. II. 1. There is an oversupply. 2. Price will drop. / Answers will vary. 3. Answers will vary. III. 1. There is an undersupply. 2. Price will go up. / Answers will vary. 3. Answers will vary.

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Grades K-12 II. Buying Goods and Services

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Grade 5 RI.5.1, RI.5.2, RI.5.6, RI.5.8, W.5.1, SL.5.1

Grade 6 RI.6.1, RI.6.2, RI.6.6, RI.6.8, W.6.1, SL.6.1

Made possible by the



Made possible by the



Your name

Date



SUPPLY AND DEMAND

Read the “The Price of Produce” to learn about the economic principle of supply and demand and how it affects prices. Use what you learn to answer the questions.

Scenario 1: Unexpected cold weather destroys much of Georgia’s peach crop.

1. How does this event affect the supply of peaches? _____

2. Do you think the price of peaches will go up or down? Explain. _____

3. Do you think demand for peaches will change? Why or why not? _____

Scenario 2: A grocery store has stocked up on a new brand of cereal, but customers aren’t buying it.

1. How does this affect the store’s cereal supply? _____

2. Do you think the price will go up or down? Explain. _____

3. Do you think demand for the cereal will change as a result? Why or why not? _____

Scenario 3: A new video game is so popular that stores sell out too quickly to keep the game in stock.

1. How does this affect stores’ supply of the video game? _____

2. Do you think the price will go up or down? Explain. _____

3. Do you think demand for the video game will change as a result? Why or why not? _____

Try It! Share this page with a parent or guardian. Does he or she agree with your ideas about how consumers will react to price changes?

Common Core State Standards: RI.5.1, RI.5.7; RI.6.1, RI.6.7