



Time
Required:
30 minutes

Grade Level:
6-8th grades

Skills for the 21st Century Marketplace Activity

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“Blindfold Risk” Activity

Infusionomics Themes, Keystone Economic Principles, and Skills for the 21st Century Marketplace:

•**THEME: CHOICES**

- Skills:** 1. Personal Management; a. Time Management and Organization; i. Assess risks
- Skills:** 1. Personal Management; c. Initiative and Self-Direction

•**THEME: COSTS**

- Skills:** 8. Contextual Learning - knowing how to apply the "rules" of a given context; a. Adaptability; ii. Work effectively in a climate of ambiguity and changing priorities
- Skills:** 9. Leadership Development; a. Lead by Example (self-leadership); i. Exhibit passion for goal attainment

•**THEME: RESOURCES**

- Keystone Economic Principle™ #4:** Economic systems influence choices

•**THEME: INCENTIVES**

- Keystone Economic Principle™ #5:** Incentives produce “predictable” responses
- Skills:** 20. Motivation and Personal Traits; a. Risk Taking
- Skills:** 22. Entrepreneurial Process; b. Concept Development; i. Assess start-up requirements and risks associated with venture

** For additional standards and content references, please see the [end of document](#).

Overview:

Throughout the Blindfold Risk activity, students take note of the role of risk and incentives as factors found in all entrepreneurial pursuits. They will analyze, compare and evaluate personal characteristics of entrepreneurs, specifically that of risk-taking. They will also develop a greater self-understanding as they determine if they have the traits found in successful entrepreneurs. Finally, students set goals, which will help them to become more entrepreneurial.

Objectives:

Students will define the role of risk and incentives, analyze and evaluate personal characteristics of entrepreneurs, and develop self-understanding of personal entrepreneur traits. Students will also set goals to become more entrepreneurial.

Materials and Handouts:

Blindfolds

Candy (Or other objects used for incentive – e.g., homework passes, coins, etc.)

Activity:

- Write the quote "Big Wins Require Big Risks" from Bill Gates on the board or overhead. (Quote from *Business @ the Speed of Thought*: Grand Central Publishing, 1999.)
- Without explaining the game, ask for several student volunteers to come to the front of the classroom. (If you have very eager students who will jump at the chance to volunteer for an activity, do something before you ask for volunteers that might make students more hesitant to volunteer – e.g., tell them that the students in this exercise will be graded on their work, even though that is not the case – the point is to have students have to take a *risk* to volunteer.)
- Place blindfolds on each volunteer student. After they are blindfolded, give one or several students in the audience pieces of candy (or other).
- Explain to the blindfolded students that they will have to go into the audience unassisted to find the student with the candy (or other). The rules are no running and when you come to a desk with a student you must ask, "Do you have the candy?" The student must then respond, "I do not have the candy," or "Yes, and you may have the candy."

Writing Prompt or Class Discussion:

Here are some optional questions for writing prompts and/or class discussion.

- Questions on the activity:
 - Ask the student volunteers: Was it difficult to volunteer for something when you did not know the purpose or outcome?
 - Ask the student audience: When observing the various students wearing the blindfolds, how did they differ in how they moved to pursue the extra credit points?
 - Ask the entire class:
 - What were the risks taken by the blindfolded students?
 - What happened to the blindfolded students when they were given an incentive?
 - Did some students behave more aggressively than others pursuing the incentives? What was the result of this behavior?
- Questions on the Bill Gates quote:
 - Who is Bill Gates?
 - Bring the attention of the students to the quote from Bill Gates you have written on the board or overhead. "Big Wins Require Big Risks." Discuss what the word "risk" means. Ask your students "what correlation they draw between the blindfold activity and the Bill Gates quote about risk. [If you are willing to be a leader and do something more than those around you, risking more embarrassment, money, time...and your idea works, the reward is greater than those who practice caution.]
 - What kind of risks do you think Bill Gates has had to take?
 - Did Bill Gates "win big"?
 - What kind of impact did his "big win" have on the world?
 - What are some typical risks that entrepreneurs have to take
 - What can entrepreneurs do to lessen the impact of taking risks? [market analysis, surveys, insurance, diversification, expert consultants]
- Questions on how this exercise applies to real life:
 - In what ways do you take risks to earn something?
 - Are there things that are worth risking for and things that are not?

- Are there situations where the chance for success is so small that it is not worth risking? [e.g., the lottery]
- In what worth-while areas can you be more of a risk-taker?

Additional Standards and Content References

Voluntary National Content Standards in Economics:

- Standard #4 : Incentives
- Standard #14 : Entrepreneurship; Taxation, Risk
- Standard #16 : Role of Government and Market Failure; Subsidies, Maintaining Competition

Partnership for 21st Century Life Skills Concept:

- Learning and Innovation Skills > Communication and Collaboration
- Learning and Innovation Skills > Creativity and Innovation > Think Creatively, Work Creatively with Others
- Learning and Innovation Skills > Creativity and Innovation > Critical Thinking and Problem Solving
- Life and Career Skills > Flexibility and Adaptability

National Content Standards for Entrepreneurship Education:

- Business Functions; N. Risk Management
- Entrepreneurial Skills; A. Entrepreneurial Process; Concept Development; A.12 Assess risks associated with venture
- Entrepreneurial Skills; B. Entrepreneurial Traits/Behaviors; Personal Management; B.03 Demonstrate Initiative
- Entrepreneurial Skills; B. Entrepreneurial Traits/Behaviors; Personal Management; B.25 Develop tolerance for ambiguity

Economics Vocabulary:

- Incentive** - Any reward or benefit, such as money, advantage or good feeling, that motivates people to do something.
- Profit** - Income received for entrepreneurial skills and risk taking, calculated by subtracting all of a firm's explicit and implicit costs from its total revenues.
- Risk** - The chance of losing money.
- Risk/Reward Ratio** - As applied to investments: the greater the risk, the greater the potential reward.
- Role of Government** - Government activity in establishing a framework or rules of the game in economic life.
- Subsidy** - Financial assistance paid to a business or economic sector, generally made by the government.
- Take-Home Pay** - The amount of money a person receives within a pay period after taxes and other deductions are taken out of his or her paycheck.
- Taxation** - Taxation is the process in which a charge is imposed upon a taxpayer by a state or a legal equivalent of a state.
- Source: *EconEdLink.org* by the Council for Economic Education

Keystone Economic Principles™:

- For more information: http://infusionomics.com/wp-content/uploads/2010/06/Keystone_Cheat.pdf