



Time  
Required:  
45 minutes

Grade Level:  
9-12th grades

Skills for the 21<sup>st</sup> Century Marketplace Activity

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## “I’ll Trade You” Activity

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

- **THEME: COSTS**
  - **Keystone Economic Principle™ #2: TANSTAAFL™** (There Ain't No Such Thing As A Free Lunch)
- **THEME: RESOURCES**
  - **Keystone Economic Principle™ #4: Economic systems influence choices**
  - **Skills:** 17. Communication and Interpersonal Skills; d. Dealing with Conflict; d.i-vli

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

### Overview:

The I’ll Trade You activity is an exercise on trading and negotiation. The teacher will have the class participate in one frenzied trading exercise. The students will then hear the story of one man who traded his way from a paperclip to a house.

### Objectives:

In this activity, the students will experience first-hand an activity on trading and will hear the story of someone who traded successfully. These experiences should get the students thinking about why people trade goods and the meaning of relative value.

### Materials and Handouts:

A small snack food for each student to trade with others (E.g., candy bar, potato chips, peanuts, gum)

### Pre-Activity Introduction (Optional):

- Start by showing this clip of open outcry on the Minneapolis Grain Exchange (MGEX) to show the students an example of real-world trading: <http://www.youtube.com/watch?v=S43zvtdJcxl>

### Activity:

- Tell the students that you are going to give them a chance to practice their negotiation skills through an in-class exercise. Give each of the students one of the snacks and tell them that you are going to give them 5 minutes to trade with their fellow classmates for the snack that they like the best.
- The rules of the game: No coercing and no adding in additional objects/favors (the students must trade the snack and the snack only).
- Time the students for 5 minutes as they trade. Monitor the classroom to make sure that the students are following the rules.

### Writing Prompt or Class Discussion:

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

- Questions on the exercise:
  - Have around three students share what snack they started with, which one they wanted, and what they ended with.
  - Was that difficult or easy? Why? [The answers will vary depending on how “good” the item is that the student started with, how many people wanted certain items, etc.]

### Post-Discussion Activity: One Red Paper Clip Story

- Before class, go to <http://www.oneredpaperclip.com> to read about how one man started with a red paper clip and traded his way to a house in one year. Make yourself familiar with his story. Note teachable lessons from the story, such as:
  - In Trade #3 (Fish Pen for a Doorknob), the woman was a potter and likely had many sculpted doorknobs that she had created.  
Lesson: Because she probably had multiple (or could make another), she was willing to give it up for something seemingly less valuable.
  - In Trade #4, #5, and #10, the individuals were willing to trade something seemingly more valuable for something that they had a personal need/want for.  
Lesson: An item’s relative value to a person is often more important than its actual value.
  - In Trade #6 (a generator for “one instant party”), the author notes that though the generator has more cash value, he believes that the party is “better” because it is more fun.  
Lesson: Value is not always solely monetary. Value can be in terms of “fun” or “tradability” also. (See the author’s points on One Red Paperclip 1.0 and 2.0 online under Trade #6).
  - In Trade #12, the author traded a snow globe for one afternoon with famous singer. This swap seemed like a very poor trade to most of the author’s followers. However, the author felt that this motorized snow globe could be very valuable in its specific niche market. He was able to trade it to a man who collected snow globes for a paid role in a film.  
Lesson: A specific item may not be valuable to most people, but there are often niche markets in which the item is very valuable.
- Either A) Explain the story to the class (with or without the website) or B) Show this 20/20 video in class (<http://www.youtube.com/watch?v=BE8b02EdZvw>).

### Class Discussion:

Discuss with the class the One Red Paperclip story. Bring up a few of the teachable lessons mentioned about or ones that you found while reading through the story.

- Why someone might be willing to trade someone for something of seemingly lesser value? (Example: An afternoon with a famous artist for a snow globe.)
- What is relative value? How might relative value allow for exchanges that are mutually beneficial?
- How does the internet make it easier for us to make mutually beneficial exchanges?

- Questions on how this exercise applies to real life:
  - In what ways do we negotiate with people every day?
  - What is an example of a mutually beneficial trade that you have made in your life?

## Additional Standards and Content References

### Voluntary National Content Standards in Economics:

- Standard #5 : Trade; Barriers to Trade, Barter, Voluntary Exchange
- Standard #7 : Markets and Prices
- Standard #11 : Money and Inflation; Currency, Definition of Money, Characteristics of Money

### Partnership for 21st Century Life Skills Concept:

- Life and Career Skills > Flexibility and Adaptability > Be Flexible
- Learning and Innovation Skills > Communication and Collaboration

### National Content Standards for Entrepreneurship Education:

- Ready Skills; D. Communications and Interpersonal Skills; Fundamentals of Communication
- Ready Skills; D. Communications and Interpersonal Skills; Dealing with Conflict ; D.30 Demonstrates negotiation skills

### Economics Vocabulary:

- Barter** - Trading a good or service directly for another good or service, without using money or credit.
- Characteristics of Money** - Characteristics of money include it being durable (both physically and socially), divisible (money can be divided into increments appropriate for the cost of an item), transportable (literally meaning that money must be easy to move), and the ability to regulate the amount of money in a market by making it uncounterfeitable.
- Trade Barriers** - Restrictions that prevent free trade among nations. Examples include tariffs, import and export quotas, and nontariff restrictions such as licensing requirements and bureaucratic red tape.
- Transaction Costs** - Costs associated with buying or selling goods and services that are not included in the money prices of those goods and services. Examples include obtaining information on prices and product quality, searching for sellers, and bargaining costs.
- Utility** - An abstract measure of the satisfaction consumers derive from consuming goods and services.
- Value of Money** - The ability of money to buy goods and services. A wide variety of items has been used as money. Money need not have any intrinsic value. It is people's willingness to accept it that gives it value.
- Voluntary Exchange** - Trading goods and services with other people because both parties expect to benefit from the trade.
- 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](http://infusionomics.com/wp-content/uploads/2010/06/Keystone_Cheat.pdf)