



Time
Required:
15 minutes

Grade Level:
3rd -5th
grades

Skills for the 21st Century Marketplace Activity
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I'll Trade You

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

•**THEME: CHOICES**

- Keystone Economic Principle™ 1:** We All Make Choices

•**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
- Keystone Economic Principle™ 6:** Do What You Do Best, Trade for the Rest
- Skills:** 17. Communication and Interpersonal Skills; d. Dealing with Conflict, d. i-vii

** 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 wide variety of small snack foods; one for each student (fruit, piece of candy, bag of chips, etc.)

Optional:

- [One Fine Day](#) by Nonny Hogrogian
- Video or projection equipment to show a YouTube video <http://www.youtube.com/watch?v=BE8b02EdZvw>

Optional Opening Activity:

- Open the lesson by reading [One Fine Day](#) by Nonny Hogrogian

Activity:

- Begin by defining to trade as exchanging what you have that you are willing to give up for what someone else has that they are willing to give up.
- After the trade, you should both feel better off than you were before the trade.
- Explain the activity:
 - *“This activity will give you the chance to practice your negotiation skills.”*
 - *“You will have 3 minutes to trade with your classmates for the snack that you like best.”*
 - *“You can only trade the snack item itself; you may not add any additional items or favors to the snack being traded.”*
- Distribute one snack to each of the students.
- Begin the trading. Keep the time limit and 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.

- Have at least 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.]
- Ask students to raise their hand if they chose not to trade at all or if they traded their snack more than once.
- Determine if the class has a favorite snack (do a quick survey and tally the results on the board).
- Ask the students if they were happier before or after trading. Hopefully, the class as a whole will be *happier* (or “better off”) *after* the trading. This demonstrates the economic premise of the benefits of trade.

Optional 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. There are some very 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. This brings out the idea of Keystone Economic Principle™ 6 Do What You Do Best and Trade for the Rest.
 - 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 although 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 a 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.
 - You can choose one of two options.
 - Explain the story to the class (with or without the website)
 - Show this 20/20 video in class (<http://www.youtube.com/watch?v=BE8b02EdZvw>) and discuss. (Caution one of the trades involves a keg of beer – use your own discretion on this. You can stop the video at 2:44 and restart again at 3:15 and avoid any reference.)

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.

Keystone Economic Principles™:

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