

I. Essay

To describe my teaching philosophy as it relates to economics, I first have to admit that I hated economics in high school. And in college. I pretty much hated economics until I met a lady by the name of Pam Smith, president of the Mississippi Council on Economic Education. Since I was the Social Studies Specialist for the State of Mississippi, she wanted to partner with me on promoting financial literacy throughout the state. At first I was hesitant because of my preconceived notions. Then, as my apprehension of the subject eased, I began to fall in love. First, for just regular economics, then as time went by, I wanted to go deeper into Advanced Placement Economics. Something I hated had morphed into something I loved. In a nut shell, my teaching philosophy is to teach economics with a passionate voice so that students will be exposed to the excitement of economics and not the dull boring economics in Ferris Beuller's day.

My seniors laugh at my excitement at times, but they also know that I'm not going to drown them in endless worksheets that will teach them nothing of economics. No, I want them to experience economics. My creative approach is to provide meaningful projects whereby students are actively engaged in economics instead of just reading about it. I want them to live economic concepts out and realize that throughout their day, economics is occurring all around them. Since seniors are about to graduate, it is imperative for the projects to be centered around topics that are near and dear to them today as well as the tomorrow that they are about to step into.

I remember the days of coming into class and listening to nothing but lecture. I didn't like it then and my students don't like it now. To avoid that pitfall, I supplement my projects with activities from materials that the Mississippi Council on Economic Education has given me throughout the years. As long as I'm willing to look through the materials, I can always find

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something new and useful to use in class that will bring home a point. I attend as many trainings as I can every year—mainly these include Mississippi Council on Economic Education’s trainings, but I also attend Federal Reserve trainings. Most recently, I was awarded a fellowship to attend EuroNext’s New York Stock Exchange training in New York City this past summer. It was at this fellowship that I realized just how much the Council has invested in me personally over the years—from the Stock Market trainings and challenges, to the Focus on the Economy Conferences, to the Master Teacher of Economics training, and so much more. This investment is proving useful in my teaching, but more importantly, in my students’ learning.

As of this year, I’m teaching Advanced Placement Macro and Micro Economics and I love it! I’m hoping to one day be able to teach regular Economics classes again as more real life projects can be utilized and experienced. I truly am blessed to be able to teach at St. Martin High School, a part of Jackson County School District. We are dedicated to providing meaningful education to our students, and my administrators give me leeway in using projects, simulations, and contests in the classroom. We are a Title 1 school with a high percentage of free and reduced lunch. Our student population is extremely diverse as we serve a variety of ethnicities and races on our campus.

II. Documented Success in the Classroom

As I mentioned in my essay, I love real life projects that help students experience economic concepts. Last Spring, I ran across an assignment on Edmodo that spoke to personal finance as it relates to seniors preparing for college and/or career. After tweaking the lesson a bit and making it my own, I’m proud to say that this is one of the most important projects that I have ever had the privilege to lead in class. Students were amazed by what they learned and one student even changed the focus of her major to suit the current demand in her field. It was a teacher’s dream outcome! Students saw how much college really cost and what careers were really paying. Most did not think

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about the amenities of college life and how every decision would involve trade-offs and opportunity costs. Eyes wide open, they were ready to tackle scholarship applications and summer jobs with zeal and the expectation of saving money instead of living high on the hog before college began. Those outcomes are priceless. The outcomes can be measured by standards and objectives as laid out by the state and Common Core, but they are most measurable by the current and future financial effects it had/will have on my students.

Since this particular lesson is taught in my AP Economics course as a project, I do not have a specific list of lessons and activities related to it. I have a strong personal stance that no matter if the course I am teaching is solely economic in nature, I want my students exposed to personal finance in a way that is relatable to them. So when I assign the lesson, I give a very brief explanation of what personal finance is, introduce the project and then converse with students over the next several weeks if questions arise. We do this in class, during break or on Edmodo. Steps to the projects are given so that I can monitor that students are staying on track and are meeting expectations. To make those steps important, I assign quiz grades to them.

The objectives met in this project are:

Personal Finance

1. Using Technology to apply budgeting techniques that involve planning for transportation, housing, insurance, and leisure expenses.
2. Developing basic consumer-awareness skills.

Economics

1. Understand that resources are limited and therefore choices must be made.

Common Core Standards

1. [CCSS.ELA-Literacy.RH.11-12.1](#)

Cite specific textual evidence to support analysis of primary and secondary sources, connecting insights gained from specific details to an understanding of the text as a whole.

2. [CCSS.ELA-Literacy.RH.11-12.7](#)

Integrate and evaluate multiple sources of information presented in diverse formats and media (e.g., visually, quantitatively, as well as in words) in order to address a question or solve a problem.

This project takes about 3-4 weeks to complete, but only two 90 minute block periods are used to facilitate. The first class period is used to briefly describe personal finance and how it relates to them and the assignment. Then, I give a detailed description of the assignment and what I expect from each student as the assignment progresses. Once the assignment is complete and projects are turned in, we take a whole class period to discuss findings, compare/contrast what they thought about their future before and after the assignment, and what their takeaways are. This assignment has proven very beneficial to my students and I'm amazed at the learning, application and awareness that flows from it.

The three innovative lesson plans that I am choosing to include in this application are: 1.) The Personal Finance Project; 2.) Entrepreneur Research Project; and 3.) Opportunity Costs.

Personal Finance Project

Lesson Description: Students will evaluate the personal finance aspect of a college education, military service or a career ready option. Then, they will evaluate entry level employment options for where they want to live as well as create a monthly budget within those guidelines. The final step will be to complete a digital presentation of all the material and give feedback on what was discovered during the process.

Grade Level: Senior

Economic Content Strands:

4. Understand that resources are limited and therefore choices must be made. (a,b,c)
6. Understand the personal economic consequences of spending and investment decisions made by individuals, businesses, and governments. (a,b)

Personal Finance Strands:

1. Developing basic consumer-awareness skills. (a,d)
3. Using Technology to apply budgeting techniques that involve planning for transportation, housing, insurance, and leisure expenses. (c)

Common Core Standards

1. [CCSS.ELA-Literacy.RH.11-12.1](#): Cite specific textual evidence to support analysis of primary and secondary sources, connecting insights gained from specific details to an understanding of the text as a whole.
2. [CCSS.ELA-Literacy.RH.11-12.7](#): Integrate and evaluate multiple sources of information presented in diverse formats and media (e.g., visually, quantitatively, as well as in words) in order to address a question or solve a problem.

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Student Objectives:

Students will learn how to correlate educational and career goals with realistic income and expenses that are associated with them.

Time Required: 2 class periods (90 minute blocks); outside research and compilation required

Materials: Varies according to educational and career goals; Project Rubric

Procedure: Besides the introduction and the debriefing after the project is due, this is a student led project. However, I am available every step of the way to encourage, answer questions and guide as needed.

Closure: Students will debrief about what they have learned, any changes that were made in their educational and career goals, any eye opening moments that occurred during research, etc.

Assessment: Along the way, I will have two checkpoints that will count as quiz grades. This can be handwritten or printed off information. The point of these checkpoints is to maintain the timeline and flow of the assignment as well as allow me an opportunity to guide and direct as needed. In addition, the final project will count as a test grade. As we wrap up our debriefing session, students will be informally assessed on discoveries made during the project.

Student Outcomes: Students are evaluated on how well they learn from the process and how they convey that information in the work they submit. The work they turn in is graded on completing all tasks of the assignment in an appropriate manner. Students must turn in all references and information used in completing the project. In order for this project to be successful, students must take it seriously and dig deep.

**This idea was shared with me through a teacher on Edmodo by a teacher names Joyce Pevler from Harnett Schools in North Carolina. I used her project as a guide, tweaked it some, and it has become a bedrock lesson for my classroom.

Entrepreneur Research Project

Lesson Description: Students will be required to research a successful entrepreneur that they admire and/or find interesting. Students can pick from an attached list or come up with their own entrepreneur to be approved by the teacher. The final result of this project will be an essay that includes pictures and all notes related to the essay.

Grade Level: Senior

Entrepreneurship Strands:

1. Identify characteristics of a successful entrepreneurship. (C, CO, EN, IB, M, MK)

Common Core Standards

1. [CCSS.ELA-Literacy.RH.11-12.1](#): Cite specific textual evidence to support analysis of primary and secondary sources, connecting insights gained from specific details to an understanding of the text as a whole.
2. [CCSS.ELA-Literacy.RH.11-12.7](#): Integrate and evaluate multiple sources of information presented in diverse formats and media (e.g., visually, quantitatively, as well as in words) in order to address a question or solve a problem.

Student Objectives:

Students will learn how famous entrepreneurs have built up their businesses and the costs associated with success. Students will identify the entrepreneur's product, how it was produced and for whom it was produced.

Time Required: 3 class periods (90 minute blocks); outside research and compilation required

Materials: Varies according to entrepreneur; Project Rubric

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Procedure: Students will be allowed research time in class on Thursday and Friday. Students will then be expected to compile an essay on the research completed. Students can turn in a hard copy of the assignment or they can submit an electronic copy via Edmodo.

Closure: Students will give a small presentation of their entrepreneurial choice whereby they will share with the class interesting facts, characteristics associated with their entrepreneur, and what made them pick that person for their paper.

Assessment: Students are informally assessed on how they conduct their research on our two library days. This next year, they will be assessed on how they conduct their research in class with the new Chromebooks I received in my classroom through an AP Economics grant. Another informal assessment will come at the end of the project when we have the open debriefing/presentations on each entrepreneur. A test grade will be given for the essay based on quality of the work and how well the directions were followed.

Student Outcomes: Coming out of this lesson, students should have a full understanding of what an entrepreneur is and if they are right for pursuing a career where they are taking a risk on something new. Before this project is assigned, students will be exposed to lessons on entrepreneurship, selecting a franchise, innovation and creative destruction, and accidental inventions. The best outcome is when a student understands that they can become an entrepreneur in today's society and possibly effect change for the nation and/or world.

**This idea came from a web search of entrepreneurial projects. I fell in love, tweaked it for my classroom and it's been a success ever since! I do not have a name in which to give credit.

Scarcity, Opportunity Costs, Production Possibilities and Comparative Advantage

Lesson Description: Students will learn about scarcity and opportunity costs and how it relates to production possibilities curves and comparative advantages. Through the Macroeconomics Unit from the AP Economics Teacher Resource Manual, students are guided through the fundamental concept of opportunity costs and how it's a foundational base for all of economics.

Grade Level: Senior

Economic Strands:

2. Understand that there is an increasing economic interdependence among nations in the global economy.
4. Understand that resources are limited and therefore choices must be made.

Common Core Standards

1. [CCSS.ELA-Literacy.RH.11-12.1](#): Cite specific textual evidence to support analysis of primary and secondary sources, connecting insights gained from specific details to an understanding of the text as a whole.
2. [CCSS.ELA-Literacy.RH.11-12.7](#): Integrate and evaluate multiple sources of information presented in diverse formats and media (e.g., visually, quantitatively, as well as in words) in order to address a question or solve a problem.

Student Objectives:

Students will learn concepts of trade-offs and opportunity costs through various activities and problem sets. Students will then apply opportunity costs to production possibilities curves and illustrate how and why nations specialize and trade goods and services.

Time Required: 2-3 class periods (90 minute blocks); outside homework on problem sets required

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Materials: Handouts on Scarcity, Opportunity Costs, Production Possibilities and Comparative Advantage; Page One Economics Handout

Procedure:

Day 1: Students will learn via lecture about scarcity and opportunity costs and then apply it to their everyday lives whereby they come up with examples of opportunity costs. I also play a candy game with them by having them pick a candy and identifying their opportunity costs. FUN!

Day 2: Students will learn about opportunity costs as it relates to comparative advantage via a lecture. Then, students apply the new knowledge to see how comparative advantage relates to them which will help them see how they can use it to their best advantage with everyday tasks.

Day 3: If needed, the lessons can run over into this day. If time permits, students will be asked to read an article from Page One Economics entitled “Choices Are Everywhere: Why Can’t We Just Have it All?” and complete the activities associated with it.

Closure: Students will complete a packet that will further enhance their knowledge on the topics at hand as well as give them graphing practice.

Assessment: Students will be informally assessed by the examples they provide on opportunity costs, production possibilities and comparative advantage. Students will also be tested formally with a Unit Test to ensure that the material is understood.

Student Outcomes: I want students to walk away from this unit knowing that economics touches every single aspect of their lives. Learning economics is wonderful, but applying it to your life is beyond fabulous. Seeing the foundational aspects of economics touch their lives with the dawning of understanding and appreciation is key.

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Student Outcomes with Assessments

Students in my economics courses are given a pre-test to see what their general knowledge of economics is. Most students fail this test miserably, which is understandable since economics is not a focus at any other time in K-12 curriculum. It's a strand for sure, but not an intense focus like it is your senior year in economics class.

At the conclusion of my class, I'm happy to report that I have very few, if any, failures per semester. I am a tough teacher so failing could be easy for someone who doesn't work; however, I believe my passion for the material and my high expectations of students help them get involved in the coursework on a greater level. Students are expected to participate in the Stock Market Game, the Economics Challenge, and a variety of projects that will get students involved in economics and not just learning about it. Students are expected to read insightful articles, keep up with current events, write many essays and think outside of the box on projects.

My hope with the three examples of lessons that I've provided, you will see the variety of work that my classes engage in during the semester. The majority of my students walk away with economics as a part of who they are, not just something they learned.

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Bibliography

- Page One Economics “Choices Are Everywhere: Why Can’t We Just Have It All?”
- Advanced Placement Economics Teacher Resource Manual from the National Council on Economics Education “Macroeconomics: Scarcity, Opportunity Cost, Production Possibilities and Comparative Advantage”
- Entrepreneurial Project
- Personal Finance Project
- Selecting a Franchise from Council for Economic Education
- Innovation and Creative Destruction and Going, Going, Gone worksheets from a Cloudy With a Chance of Meatballs training held by Clair Loupe with the Federal Reserve
- Student Samples of Personal Finance Project

Rebecca Tyndall

Biographical Essay

Rebecca Tyndall has been teaching with St. Martin High School since 2011 and has been teaching as an adjunct professor at Hinds Community College and Mississippi Gulf Coast Community College since 1998 and 2006, respectively. Her passion for education has been evident since joining the Mississippi Secretary of State's Office in 1998 and working her way up to Education Director. Furthering her love for education, she joined the Mississippi Department of Education as the Social Studies Specialist. It was during this time that she found her love for economics and has continually pursued that passion ever since. She graduated in 1992 from Florence High School in Florence, MS, then received her Associates Degree in history and political science from Hinds Community College in 1994, and then went on to Mississippi College to obtain her Bachelor of Science and Master's degrees in 1996 and 1999 in history and political science. She currently resides with her husband, Brian, and two children, Nora Grace and Zachariah, in Vancleave, MS.

REBECCA A. TYNDALL

13500 Ware Lake Road, Vancleave, Mississippi 39565
(228) 218-7659 (cell); rebeccatyndall@bellsouth.net

- SUMMARY:**
- Experience in teaching, facilitating, research, analysis and training
 - Fluent in various computer software including Microsoft and Adobe
 - Able to work productively and efficiently with time constraints
 - Hardworking, dependable, detail-oriented, multi-task efficient
 - Effective communication skills, excellent organizational abilities
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- EDUCATION:**
- MISSISSIPPI COLLEGE, Clinton, Mississippi
- Obtained Master of Social Science, History and Political Science, 1999; cum laude
 - Obtained Bachelor of Science, History and Political Science, 1996

- HINDS COMMUNITY COLLEGE, Pearl, Mississippi
- Obtained Associates Degree, 1994

EXPERIENCE:

August 2011—present **JACKSON COUNTY SCHOOL DISTRICT**, Vancleave, Mississippi
Teacher: My duties include teaching regular education courses, AP Macro and Micro Economics in the Social Studies Department as well as any other duties as assigned.

August 2006 – present **MISSISSIPPI GULF COAST COMMUNITY COLLEGE**, Gulfport, Mississippi
Adjunct Instructor: Social Sciences Department. My duties include teaching traditional and online courses (through MSVCC) in history and political science and the responsibilities included therein.

June 1998 – present **HINDS COMMUNITY COLLEGE**, Pearl, Mississippi
Adjunct Instructor: Social Sciences Department. My duties include teaching traditional and online courses (through MSVCC) in history and political science and the responsibilities included therein.

February 2007- 2010 **ENTERPRISE CORPORATION OF THE DELTA (ECD)**, Biloxi, Mississippi
Financial Counselor: My duties included a variety of functions including foreclosure prevention counseling, preparing tax returns, delivering orientation in a group and/or individual setting; providing homeowner counseling that includes assistance with mediation/resolution with construction issues, contractor selection, bid management, contract review, foreclosure prevention, property tax liens, identifying gap financing product, building code/elevation compliance, fair housing, insurance, delinquency resolution, appeals/resolution, budget, credit, debt and savings counseling, health and environmental issues, and referrals for help with basic food/clothing/shelter needs; case management; helping to create and troubleshoot the current database for receiving and inputting client information; assisting in the training of sub-contractors; performing any other duties as assigned by supervisor.

October 2006 – 2007 **HOME OF GRACE**, Vancleave, Mississippi
Marketing and Communications Director: My duties include a variety of functions including marketing, writing articles, designing newsletters, development, working with television and radio to promote our vision and mission; it is my duty to promote the Home of Grace in churches, the community, and in schools in Mississippi and around the United States.

February – October 2006 **ECD/HOPE**, Biloxi, Mississippi
Program Officer: My duties included a variety of functions including marketing and membership outreach to community organizations, churches, and employers; developing partnerships with groups that can provide credit counseling and homebuyer training to HOPE customers; handling new member orientation at partner organizations, the ongoing management of partner relationships, and participation in community efforts (e.g., Volunteer Income Tax Assistance site, Individual Development Account programs, etc) with key partner organizations.

August 2005 – 2006 **MISSISSIPPI DEPARTMENT OF EDUCATION**, Jackson, Mississippi

Social Studies Specialist: Division of Curriculum and Instruction. My duties include coordinating professional development for teachers and administrators on the 2004 Mississippi Social Studies Framework, conducting seminars on a range of topics including economics and the Holocaust, helping teachers and administrators with any questions they might have regarding K-12 social studies, state testing, creating new curriculum, lesson plans, and/or seminar opportunities for teachers, participating in social studies related conferences and conventions, creating and maintaining an informative website full of resources and links of interests, and being a liaison between K-12 teachers/administrators and social studies related groups both in-state and out, i.e. Mississippi Council on Economic Education, Mississippi Council for the Social Studies, the Mississippi Jump\$tart Coalition, etc.

February 1998 – 2005 **SECRETARY OF STATE'S OFFICE**, Jackson, Mississippi

Education and Constituent Services Director: Education and Publications Division (2003-2005). My duties included creating/designing/marketing education material for our civic and financial literacy programs, coordinating professional development opportunities, speaking to groups of all ages and sizes on civic awareness and financial literacy, heading up the Special Projects Committee in our agency, helping constituents on a variety of matters, and drafting numerous letters/memorandums on an assortment of topics.

Publications Director: Publications Division (2001-2003). My duties included supervising 2-3 persons on different projects, proofreading all printed publications from our office, creating/designing/marketing statutory and non-statutory books, pamphlets, brochures, and educational programs, participating in the state bid process for all publications, and maintaining historical account of all publications.

Special Projects Officer: Elections Division (1998-2001). My duties included supervising 2-4 persons on pertinent projects, lobbying registration and reporting, analysis of lobbying reports, performing election certifications, declaring winners of special elections, coordinating the PROMOTE THE VOTE campaign, working with initiatives, working with Campaign Finance, researching the MS Code, speaking to groups on election topics, and assisting the public with election questions.

Intern: Policy/Publication and Executive Suite (1996-1998). My duties included performing general clerical work, researching the MS Code, tracking legislation, researching General Laws (past and present), researching and assisting in the development of various publications, proof-reading publications and certifying various documents.

PROFESSIONAL ACTIVITIES:

- Co-founder of the Mississippi Scholars Scholarship Program
- Former Mississippi Jump\$tart Coalition member and trainer
- Former Big Brothers Big Sisters mentor
- Member of the Leadership Mississippi Class of 2004-2005
- Master Teacher of Economics Graduate
- EuroNext Teacher Workshop Fellowship Recipient
- BLT Leader at St. Martin High School (liason between teachers and administration)
- Amplifi Sponsor
- Debate Club Sponsor

CERTIFICATION: Educator ID: 218822

Certified in: Social Studies
English
Master Teacher of Economics
AP Macro/Micro Economics

REFERENCES:

MRS. ELEANOR LONG
HINDS COMMUNITY COLLEGE
SOCIAL SCIENCES DEPARTMENT CHAIR
3805 HIGHWAY 80 EAST
PEARL, MISSISSIPPI 39208
(601) 936-5574 (WORK)
eglong@hindscc.edu

MS. KARLA SMITH
MISSISSIPPI GULF COAST COMMUNITY COLLEGE
SOCIAL SCIENCES DEPARTMENT CHAIR
2226 SWITZER ROAD, G-124
GULFPORT, MISSISSIPPI 39507
(228) 897-3760 (WORK)
Karla.smith@mgccc.edu

MRS. ELIZABETH ERIKSEN
ST. MARTIN HIGH SCHOOL
DEPARTMENT CHAIR
11300 YELLOW JACKET BOULEVARD
OCEAN SPRINGS, MISSISSIPPI 39564
(228) 875-8418 (WORK)
eeriksen@jcsd.k12.ms.us

REV. BRAD HOLT
YOUTH FOR CHRIST
EXECUTIVE DIRECTOR
1501 24th AVENUE
GULFPORT, MISSISSIPPI 39501
(228) 864-0788 (WORK)
bholt@coastyfc.com

Dina Holland
PRINCIPAL

JACKSON COUNTY SCHOOL DISTRICT

St. Martin High School

Home of the Yellow Jackets
11300 YELLOW JACKET BLVD. OCEAN SPRINGS, MS 39564
PHONE - (228) 875-8418
FAX - (228) 875-8426

Mary Miller
ASSISTANT PRINCIPAL

Shea Scarborough
ASSISTANT PRINCIPAL

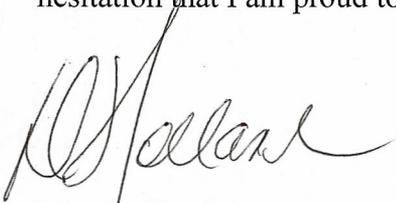
Shane Trosclair
ASSISTANT PRINCIPAL

*One School...One Team...
One Dream...GRADUATION*

August 29, 2014

To Whom It May Concern:

Rebecca Tyndall, an economics teacher at St. Martin High School, has asked me to write this letter of recommendation for her, and it is with great pleasure that I do so. Although Mrs. Tyndall has only been at St. Martin High School for a few years, she has certainly made an impact. Before Mrs. Tyndall came to St. Martin little interest in economics other than the required course was experienced on part of the students. Rebecca has ignited an interest among the students as evidenced by the maxed out enrollment in her AP Macro and AP Micro Economics courses. Courses that students have generally shied away from are now at record enrollment with students engaged in not only learning the curriculum but also becoming active participants in the world of economics. Through Mrs. Tyndall's encouragement and guidance, SMHS students have become avid stock market analyzers. This past spring, Mrs. Tyndall inspired a group of students to compete on behalf of St. Martin High School in the annual Economic Challenge. Mrs. Tyndall and the students spent many outside the school day hours preparing for this event. Yes, students who once dreaded the thought of even taking an economics class now were spending extra time learning as much as possible about the subject. This team not only competed but made a name for St. Martin High School as this team placed in the top 5 for the state. This feat was due to the passion that Mrs. Tyndall has for the study of economics and also for the ability that she has to bring out the passion for economics in our students. It is without hesitation that I am proud to nominate Rebecca Tyndall as the Economics Teacher of the Year.



Dina Holland
SMHS Principal

Dina Holland
PRINCIPAL

JACKSON COUNTY SCHOOL DISTRICT
St. Martin High School
11300 YELLOW JACKET BLVD. OCEAN SPRINGS, MS 39564
PHONE - (228) 875-8418
FAX - (228) 875-8426

Mary Miller
ASSISTANT PRINCIPAL

Shea Scarborough
ASSISTANT PRINCIPAL

Shane Trosclair
ASSISTANT PRINCIPAL

Home of the Yellow Jackets

August 29, 2014

To Whom It May Concern:

Rebecca Tyndall is a teacher at St. Martin High School. She is in her fourth year as a Yellow Jacket, and with each year, she has brought new and exciting opportunities to the students to impact their learning. She teaches the state tested area class U.S. History, she sponsors the Amplify Club (student lead Christian Ministry Club), she coaches the debate team, and she teaches the AP Macro Economics and AP Micro Economics. It seems that each year she adds something new and dynamic. This school year the new and dynamic component is the use of technology – Chrome Books – in her Economics classes.

She has taught everything from electives like Debate to core classes such as U.S. History. She even challenges the upper level students by teaching the AP Economics classes. The school provided Mrs. Tyndall with a task, and she completes that task with such flair and unexpected outcomes as she strives to take the students learning experience as far as she can. For example, the school offered a debate class. Mrs. Tyndall turned that class into a debate team, which competed at a state competition for Promote the Vote. With the newly created non-experienced team, Mrs. Tyndall was able to coach the students to a degree higher than expected with a placement of fourth in the state on in the competition. Many of the students in the debate class were there only to fill their schedule, yet she coached them into champions.

The success of the debate team is the easiest presentation of the ability of Rebecca Tyndall to turn a simple class into an intense learning experience. If she perceives any educational advantages from a program, she fully embraces that program for the good of her students. This past summer, Mrs. Tyndall had an opportunity to receive special instruction related to the Stock Market to aide her in the Economics classes. She also applied for grants that provided equipment and supplies for her students. She donated personal time to write the grants and attend the conference for her students. Her position was that anything she could learn about the Stock Market would improve her abilities to teach the materials. In my opinion, Mrs. Rebecca Tyndall is separated from other educators, placing her in a position of dedication that deserves to be recognized. For the reasons listed, and the many unmentioned actions that Mrs. Rebecca Tyndall regularly takes to help her students, I believe she would be a great representation of the Economics Teacher of the Year.

Thank you for the consideration of Mrs. Rebecca Tyndall as the recipient of the honorable recognition of Economics Teacher of the Year.

Mary Miller



Assistant Principal



August 28, 2014

To Whom It May Concern:

I am writing to give my highest recommendation to my co-worker, Rebecca Tyndall, for Economics Teacher of the Year award. I have worked closely with Mrs. Tyndall for three years and can attest to her outstanding character and work ethic.

Mrs. Tyndall is an excellent teacher and is extremely knowledgeable in the Social Studies fields. She is particularly well versed in economics and has a real aptitude for it. She began teaching AP Micro and Macro Economics this school year for the first time. Several of her AP Micro/Macro students competed recently in a state-wide economics competition and placed fourth in the state of Mississippi. Mrs. Tyndall is a team player who could always be counted on to put in more than her share of the work. She is always ready to volunteer to help with after-school and early morning tutoring for her students. After normal school hours, Mrs. Tyndall could often be found in her room searching for ideas on the internet to add to her existing lessons or new methods to use in her classroom. She is always willing to share any lessons or relevant workshops with her co-workers. She is an extremely giving and sharing person.

Mrs. Tyndall is an intelligent and reliable team player. If I can answer any questions for you, please feel free to contact me at (228) 875-8418 or eeriksen@jcsd.k12.ms.us.

Very respectfully,



Elizabeth Eriksen
Social Studies Department Chair
NBCT

Personal Finance Project

Career Goal: _____

Step 1-1: Education (If your career goal requires any type of schooling you must have two school options: **First choice & Backup**). You need to provide **proof** that you meet the standards of the institution for acceptance (SAT/ACT scores, grade point average, high school course load . . .).

Where do you plan to attend? Where/how will you live (at home, on campus)?

- Tuition
- Room/Board
- Books

What is the program you intend to complete? Are there any special fees associated with this program?

Total cost of initial education (remember to plan for each year of your schooling):

How will tuition be paid?

- Loans
- Grants
- Scholarships (If using ROTC scholarship, must complete military section)
- Payment plan

Estimated amount owed on education at graduation (include the current interest rate for student loans & calculate interest on the full amount):

If your goal requires an examination for certification what is the fee for the exam? (Medical, education, mechanics, skilled trades ALL require certification exams – find out what you need to be certified to work in your field.) If your goal requires additional education (medical school, law school) complete step 1 for the next level of education using one school choice – don't forget to include entrance exam fees in your total education bill.

Step 1-2: Military

How do you plan on entering the military: enlisted or officer corps?

**If officer corps, MUST complete Step 1-1 for education.

Have you taken the ASVAB? Do you know your score? What options does this provide you?

Planned branch of enlistment:

Have you visited a Military Enlistment Processing Station (MEPS) site?

If yes, when and where?

If no, when and where do you plan to attend?

What is your planned specialization in the military?

What training programs do you need to participate in this Military Occupation Specialty (MOS)?

Where will you go for this training & how long does it last?

What type of unit do you plan on enlisting with (artillery, intelligence, medical, etc...)?

Step 1-3: Career Ready

What training/certifications have you received while in high school that enables you to directly enter the workforce?

How did you earn the item(s) from above?

Could you take your training higher to have better employment opportunities?

If yes, what are those options & how would they be attained?

Step 2: Entry Level Employment (Must have 2 . . . Dream employer for your training & an alternative)

1. Where will you work?
2. Where do you plan to live (city, & state)?
3. What are things that you will need to perform your job? (This includes uniforms, tools, eyewear, etc.)
4. How will you get around?
5. What human capital will you have to perform this job?
6. What is the average salary for an entry-level employee in your chosen field and the area you are selecting to live?
7. What would be the withholdings from your paycheck at the current rates (taxes, FICA, Medicare)? (For a free paycheck calculator use www.paycheckcity.com)
8. What is your expected take-home pay?
9. What type of housing can you afford?
10. Create a monthly budget for entry-level employment, MUST include:
 - Housing
 - Utilities (List all utilities . . . Internet access & cell phones are utilities)
 - Transportation costs (plan on gas costing \$3/gallon)
 - Food (Create a menu for one week - 3 meals a day – research the price of those items & multiply by four)
 - Personal Care (Deodorant, Soap, Shampoo, Razors, etc...)
 - Home Care (Washing powder, Dish Soap, Cleaning products, etc...)
 - Entertainment (Describe)
 - **At least** 5% of earnings to save
 - Health Insurance – Due to Affordable Health Care Act this is a FEDERAL REQUIREMENT
 - Student Loan Debt (if any)
 - Any other Debt (car loan, credit cards)

Optional Inclusions for Budget:

- Retirement Plan (Employer-sponsored must be included)
- Additional Insurance (Dental, Vision)
- Medication (if needed)

Budget needs to be presented in a chart and a graphical depiction of the budget would be awesome.

How to complete this: Create a digital presentation (Google Docs, PowerPoint, Prezi, etc) for **online submission**. Project **MUST** include a list of references on final slide. References do not need to be formatted, just list sites, people consulted, and/or places visited to complete project.

DUE DATES:

- Checkpoint 1: **Wednesday, March 26, 2014** - A detailed explanation of Step 1 items. You should have ALL of your schooling/training information gathered by this point. This does not have to be in a digital format. Student conferences will be held to review information.
- Checkpoint 2: **Wednesday, April 2, 2014** – A detailed explanation of Step 2 items. You should have Items 1-9 for your entry-level employment information gathered by this point. Item 10 (Monthly Budget) does not have to be completed at this point. This does not have to be in a digital format. Student conferences will be held to review information.
- Completed Project is due on **Monday, April 7, 2014**. I **MUST** have your project by the start of your class.

GRADING:

- **Checkpoints:** Two quiz grades
- **Project:** Test grade

Mrs. Tyndall
Economics
Entrepreneur Project

ENTREPRENEUR RESEARCH ASSIGNMENT

Directions: You are to research ONE successful entrepreneur that you admire and find interesting. You may choose from one of the following if you would like, or you can find your own entrepreneur to research. This essay must be typed, double spaced, and 12 point font in Times New Roman or Cambria. Please provide information on the lives, accomplishments, and traits of the chosen entrepreneur.

1. Format:

- a) Introduction - hook or attention getter, or thesis
- b) Background information - what they did before they became an entrepreneur
birth and death, education, family history, early accomplishments
- c) What good or service did this entrepreneur start, where and when?
- d) Why was it successful? What was produced? How was it produced? Who was it produced?
- e) Explain the characteristics of the entrepreneur that helped them to be successful.
Risk taker, independent, confident, assertive, ambitious
- f) Final thoughts or conclusion

2. Length: Two to Four Pages

3. Readability: Make certain that you have complete sentences and thought patterns throughout the paper.

Things to be turned in:

1. All notes related to this research project.
2. Bibliography with all of the sources listed. (Minimum of five: 3 primary, 2 secondary)
3. Cover page with title, your name, assignment, and any additional pictures
4. Picture page at least 3 to 5 different pictures of good, service, or person

This Research Project is due _____.

This assignment was created for you to complete some research on a specific entrepreneur. Please turn in all related materials for the most possible credit. Please work on this alone and cite all sources. You will have two days in the library to work on this assignment.

ENTREPRENEUR LIST

1. Henry Ford - Ford Motor Company
2. Bill Gates – Microsoft
3. Sean Combs – Bad Boy Entertainment
4. Oprah Winfrey – Harpo Productions
5. Walt Disney – Walt Disney Company
6. John Rockefeller – Standard Oil
7. Sam Walton – WalMart
8. Michael Dell – Dell Computer
9. Philip H. Knight – Nike
10. Russell Simmons – Rush Communications
11. Richard Branson – Virgin Group
12. Simon Cowell – American Idol
13. Ray Kroc – McDonalds
14. Dave Thomas – Wendy’s
15. Glen Bell – Taco Bell
16. Ben Cohen & Jerry Greenfield – Ben and Jerry’s Ice Cream
17. Steve Jobs – Apple Computer
18. Steve Case – America Online (AOL)
19. Sergey Brin & Larry Page – Google
20. Anita Roddick – The Body Shop
21. Howard Schultz – Starbucks
22. Martha Stewart – MLSO
23. Mary Kay Ash – Mary Kay Cosmetics
24. Calvin Klein – Calvin Klein
25. Fred Smith – FedEx

Scarcity, Opportunity Cost and Production Possibilities Curves

Introduction and Description

This lesson deals with *opportunity cost*, one of the most important concepts in economics. Start with a lecture on scarcity and *production possibilities curves*. Then reinforce the lecture by using Activity 2, which develops the central economic problem of scarcity.

Opportunity costs include not only out-of-pocket expenses (*explicit costs*) but also the value of resources that could be used elsewhere (*implicit costs*). Understanding explicit and implicit costs will be essential as the students analyze product markets. Explicit and implicit costs are the focus of Activity 3.

In all societies, people must organize to deal with the basic problems raised by scarcity and opportunity cost. A society must decide which goods and services to produce, how to produce them and how to distribute them. Societies use three systems — tradition, command or market — to solve the basic problems. This is the focus of Activity 4. It is easier to analyze campus parking than a complex economic system.

Finally, the United States has a mixed market system. The circular flow diagram (Activity 5) describes in a nontechnical way the major flows of goods, services, resources and money in a market economy.

Objectives

1. Define *scarcity*, *opportunity cost* and *trade-offs*.
2. Identify the conditions that give rise to the economic problem of scarcity.
3. Identify the opportunity costs of various courses of action involving a hypothetical problem.
4. Construct production possibilities curves from sets of hypothetical data.
5. Apply the concept of opportunity cost to a production possibilities curve.
6. Analyze the significance of different locations on, above and below a production possibilities curve.
7. Identify the three questions every economic system must answer.
8. Analyze the advantages and disadvantages of each of the three economic systems (market, command and tradition).
9. Describe and analyze the different economic goals of different economies.
10. Determine the mix of tradition, command and market in different economies.
11. Analyze a market economy using the circular flow of income.

Time Required

Four class periods or 180 minutes

Materials

1. Activities 2, 3, 4 and 5
2. Visuals 1.2 and 1.3

Procedure

1. Give a lecture on scarcity.
 - (A) Wants are unlimited.
 - (B) Resources are limited and fall into four categories: land, labor, capital and entrepreneurship.
 - (C) There is a need to make decisions. The cost of choosing one good is giving up another. This is called opportunity cost.
2. Use Visual 1.2 of a production possibilities curve (PPC) and make points such as these:
 - (A) What trade-offs are involved?
 - (B) Why is the PPC concave, or bowed out, from the origin?
 - (C) What does a point inside the PPC illustrate?

- (D) What is an historical example of a point inside the PPC? *The Great Depression of the 1930s*
- (E) What is the significance of a point outside the PPC? *It is a point that cannot be achieved with current resources and technology.*
- (F) Under what conditions can a point outside the PPC be reached? *With more resources and improved technology*
- Have the students complete Activity 2 as homework.
 - Go over Activity 2. When discussing the answers, consider these points:
 - The law of increasing opportunity cost is hard for students to grasp. If opportunity cost is constant or increasing for one of the goods, it is constant or increasing respectively for both goods.
 - The free-good case is an exercise in graphic interpretation, which can be used to emphasize that there are very few free goods in the world. A free good has zero opportunity cost.
 - Discuss with the students the difference between explicit costs and implicit costs. Give some examples of each.
 - Have the students complete Activity 3 and go over the answers.
 - Give a lecture on scarcity as the fundamental economic problem and explain how a combination of tradition, command and market solutions is used to deal with this problem. Every economic system uses some combination of tradition, command and market to answer the questions of what to produce, how to produce and for whom to produce.
 - Have the students read Activity 4, “Campus Parking.” This case study helps the students apply tradition, command and market systems to an issue that is concrete to them. Students should answer the questions at the end of the case study.
 - Discuss the case study. In the discussion, you may want to bring up how parking spaces are distributed at your high school. As in all case studies, encourage the students to differ. Some questions have specific answers, while others have no “right” answer.
 - Use Visual 1.3 to introduce the circular flow diagram. To make the diagram more concrete, trace a single product through the circular flow.
 - Reinforce the circular flow diagram by having the students complete Activity 5.
 - Go over the answers to Activity 5.

Scarcity, Opportunity Cost and Production Possibilities Curves

Scarcity necessitates choice. Consuming or producing more of one thing means consuming or producing less of something else. The opportunity cost of using scarce resources for one thing instead of something else is often represented in graphical form as a *production possibilities curve*.

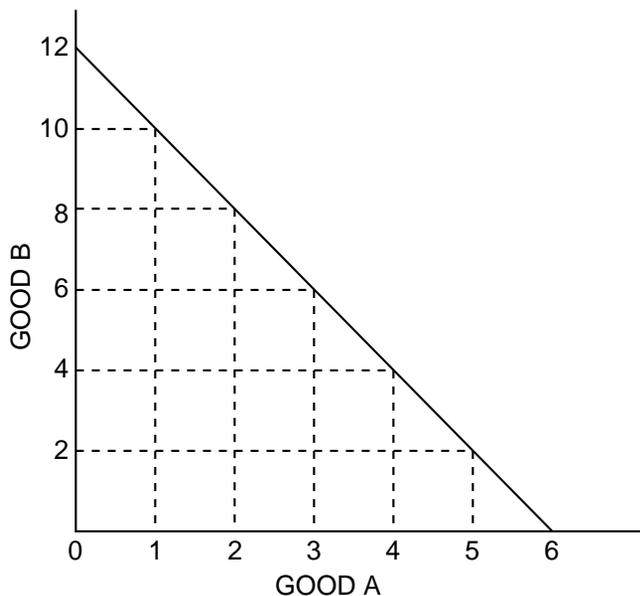
Part A

Use Figures 2.1 and 2.2 to answer these questions. Write the correct answer on the answer blanks, or underline the correct answer in parentheses.



Figure 2.1

Production Possibilities Curve 1

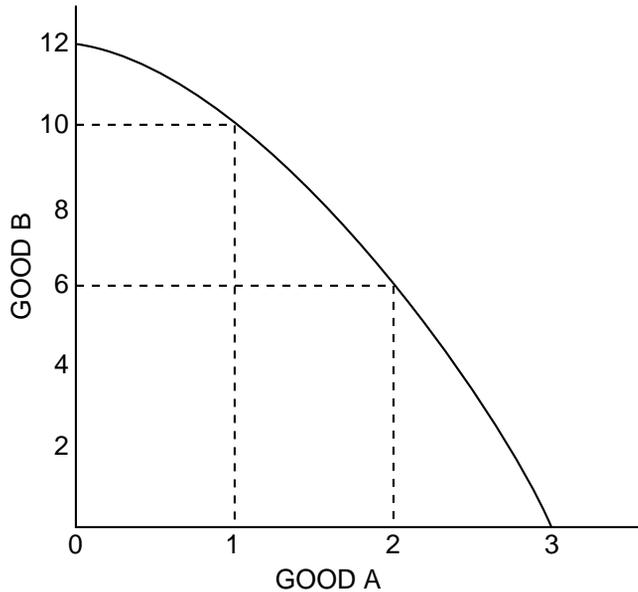


1. If the economy represented by Figure 2.1 is presently producing 12 units of Good B and zero units of Good A:
 - (A) The opportunity cost of increasing production of Good A from zero units to one unit is the loss of two unit(s) of Good B.
 - (B) The opportunity cost of increasing production of Good A from one unit to two units is the loss of two unit(s) of Good B.
 - (C) The opportunity cost of increasing production of Good A from two units to three units is the loss of two unit(s) of Good B.
 - (D) This is an example of (constant / increasing / decreasing / zero) opportunity cost per unit for Good A.



Figure 2.2

Production Possibilities Curve 2



2. If the economy represented in Figure 2.2 is presently producing 12 units of Good B and zero units of Good A:
- (A) The opportunity cost of increasing production of Good A from zero units to one unit is the loss of two unit(s) of Good B.
 - (B) The opportunity cost of increasing production of Good A from one unit to two units is the loss of four unit(s) of Good B.
 - (C) The opportunity cost of increasing production of Good A from two units to three units is the loss of six unit(s) of Good B.
 - (D) This is an example of (constant / *increasing* / decreasing / zero) opportunity cost per unit for Good A.

Part B

Use the axes in Figures 2.3, 2.4 and 2.5 to draw the type of curve that illustrates the label above each axis.



Figure 2.3
Production Possibilities Curve 3
Increasing opportunity cost per unit of Good B

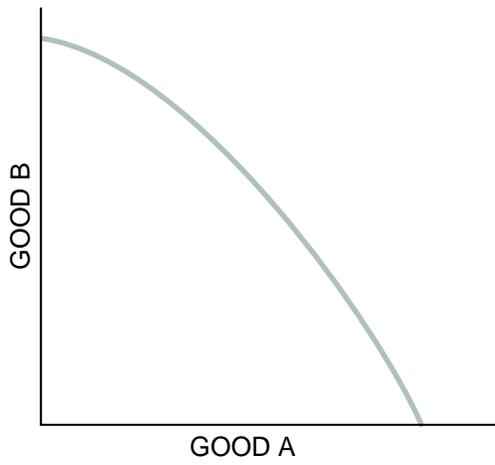


Figure 2.4
Production Possibilities Curve 4
Zero opportunity cost per unit of Good B

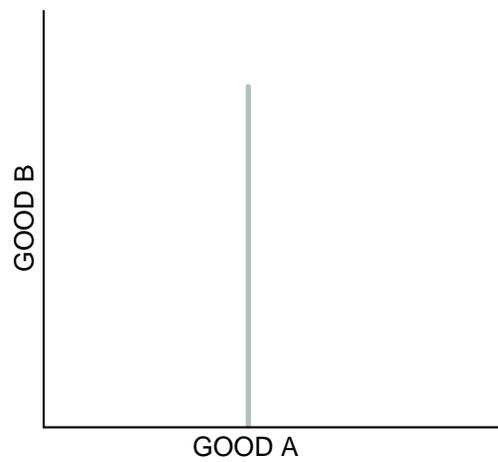
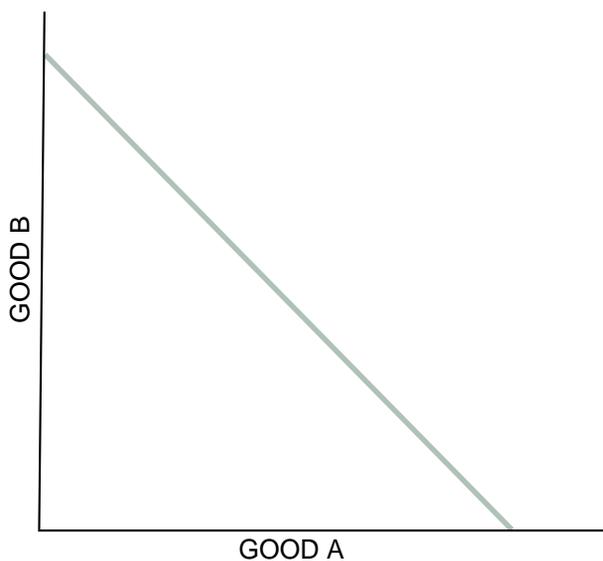


Figure 2.5
Production Possibilities Curve 5
Constant opportunity cost per unit of Good B



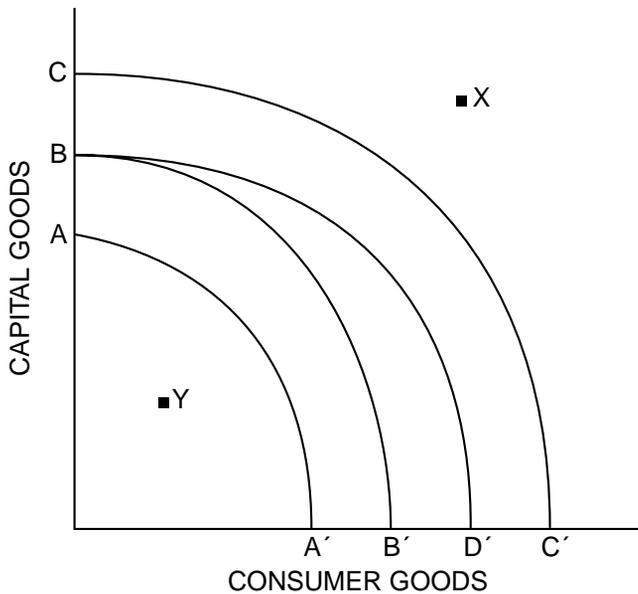
Part C

Use Figure 2.6 to answer the next five questions. Each question starts with Curve BB' as a country's production possibilities curve.



Figure 2.6

Production Possibilities Curve: Capital Goods and Consumer Goods



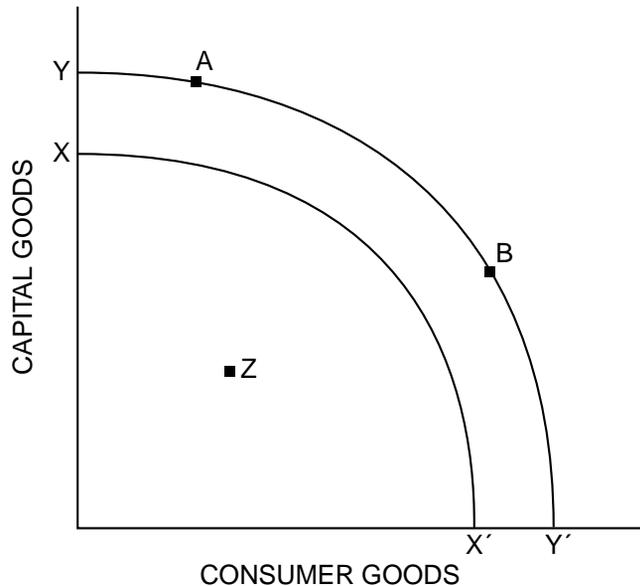
3. Suppose there is a major technological breakthrough in the consumer-goods industry, and the new technology is widely adopted. Which curve in the diagram would represent the new production possibilities curve? (Indicate the curve you choose with two letters.) BD'
4. Suppose a new government comes into power and forbids the use of automated machinery and modern production techniques in all industries. Which curve in the diagram would represent the new production possibilities curve? (Indicate the curve you choose with two letters.) AA'
5. Suppose massive new sources of oil and coal are found within the economy, and there are major technological innovations in both industries. Which curve in the diagram would represent the new production possibilities curve? (Indicate the curve you choose with two letters.) CC'
6. If BB' represents a country's current production possibilities curve, what can you say about a point like X? (Write a brief statement.) *It is impossible for a country by itself to attain with existing resources and technology.*
7. If BB' represents a country's current production possibilities curve, what can you say about a point like Y? (Write a brief statement.) *The economy is not fully using existing resources and technology. An example of Point Y is the Great Depression of the 1930s.*

Part D

Use Figure 2.7 to answer the next three questions.



Figure 2.7

Production Possibilities Curve: Capital Goods and Consumer Goods

8. What change could cause the production possibilities curve to shift from the original curve (XX') to the new curve (YY')? *New resources are discovered. New technologies are developed.*

9. Under what conditions might an economy be operating at Point Z? *Resources are not being fully employed.*

10. Why might a government implement policy to move the economy from Point B to Point A? *The government might want to emphasize the production of capital goods so the economy would grow more in the future. This would shift the PPC outward in the future.*

You Don't Have to Spend a Buck to Have a Cost

1. For each of the following situations, list at least two explicit costs and two implicit costs. Place them in the correct column.

	Explicit	Implicit
(A) You decide to go to college.	<u>Tuition, books, travel</u> _____	<u>Income not earned,</u> <u>less job experience</u>
(B) You take a job after school.	<u>Work clothes, meals,</u> <u>transportation</u>	<u>Less study and social</u> <u>time</u>
(C) You study for and take an AP Economics Examination.	<u>Cost of AP Economics</u> <u>books, cost of AP</u> <u>Economics Exam</u> _____	<u>Money earned from</u> <u>part-time job, less</u> <u>social time, less study</u> <u>time for other courses</u>
(D) A stay-at-home dad returns to work.	<u>Work clothes, taxes,</u> <u>child-care expenses</u>	<u>Less time with family,</u> <u>less time for recreation</u>
(E) Family members work in their parents' restaurant.		
Child's (employee) viewpoint	<u>Taxes, work clothes</u> _____ _____	<u>Lower pay than elsewhere,</u> <u>less time for study,</u> <u>less time for recreation</u>
Parents' (employer) viewpoint	<u>Payroll taxes, wages</u> <u>for child</u> _____	<u>Less flexibility in hiring</u> <u>and firing, more complex</u> <u>relationship with child</u>

2. Pick one of the situations in Question 1, and explain why the decision maker must have decided that the benefits he or she received exceeded, equaled or fell short of the opportunity costs to engage in the activity.

(A) *You decide to go to college: Consider the benefits of a college education to be your expected extra future income, growth in knowledge and social development. A decision to attend college occurs when the expected explicit and implicit costs are less than expected benefits. If income were the only criterion, individuals who drop out of college to become star professional athletes may have concluded that the costs of missing a professional sports career exceeded the anticipated future income from becoming a better educated, but nonstarring, individual in a career outside of sports.*

- (B) *You take a job after school: Working after school may supplement family income, but it normally increases the disposable income of the high school student. More disposable income benefits the income earner. Choice of hours, however, can make the benefits exceed the costs. Total benefits may exceed total costs, even when the cost of an additional hour of work per week exceeds the benefit of the additional hour of work. But the economic way of thinking causes the person to adjust work so the extra benefit from the extra hour just matches the extra cost. If this extra hour of work causes the worker to earn a lower grade in a class, total benefits of work may exceed total costs of work; but the marginal costs of that extra hour of work greatly exceed the marginal benefits of the extra income.*
- (C) *You study for and take an AP Economics Examination: While the benefits of studying for an AP Economics Examination are self-evident, there are costs that most students can list in a minute. AP Economics students may take other AP tests, so the management of study time becomes a crucial factor in mastery of all the tests. Marginal decisions determine time allocation among the subject areas: When an extra hour spent on economics adds more expected score points than an hour spent on chemistry, the student spends the hour studying economics.*
- (D) *A stay-at-home dad returns to work: Stay-at-home parents sacrifice money income. This stay-at-home dad concluded that the benefits of working for a living exceeded the lost benefits of staying at home. Lost benefits could be explicit in the form of lower or no public-assistance payments. Implicit lost benefits involve control over use of time, ability to bond with and teach children, and the ability to have household chores done without paying someone else. Explicit new costs will include payroll taxes, possibly income taxes, commuting costs, child-care expenses and the costs of work clothes.*
- (E) *Family members work in their parents' restaurant: This is the toughest scenario of all. Family decision making frequently follows tradition rather than market criteria. A student may work in a family business that is not the best fit for either the family or the student "just because" other generations worked there. At the other extreme, knowing the business and feeling a sense of ownership in it may bring out the finest service possible from a young worker. Either scenario carries costs and benefits. A student's voluntary work for a family business may generate few perceived benefits. The student works to earn family approval, and this approval is worth more than the perceived costs. Adult members of the family business may want their high school children to sharpen their work ethic. The business may absolutely need the family members to assist as part of family tradition or because a family member has higher productivity than a stranger. Some family restaurants hold secret recipes that are not entrusted to anyone beyond the family. Both parties — the employee and employer — must conclude that the benefits of working exceed the costs, or family labor services will not be purchased.*

Campus Parking Activity

1. What central problem does Stanford face in parking spaces? *Because the supply of parking spaces is limited, the scarce good must be allocated among people who want parking spaces.*

2. What are the three ways societies deal with scarcity? *Tradition, command and the market*

3. Categorize the five methods Stanford could use to allocate parking spaces. Which use tradition? Command? The market?

Leave things as they have been: tradition

First-come, first-served: tradition and command

Markets and a price system: the market

Democracy: a political solution, which is command

Random choice: command with some market because of reselling

4. For each proposed method, explain what behaviors are encouraged or discouraged by different groups.

Leave things as they have been: Faculty are rewarded; student parking is discouraged.

First-come, first-served: People with low opportunity costs for time are rewarded; those who have high opportunity costs for time and many productive activities are penalized. For example, a professor might spend time for research on hunting for a parking space.

Markets and a price system: People with higher incomes and more important time alternatives are rewarded; those with low opportunity costs for time or with lower incomes are penalized.

Democracy: People with political clout are rewarded.

Random choice: People with luck, regardless of cost, are rewarded; the unlucky are penalized.

5. If the goal is equity, which system would you adopt and why? *It is impossible to say because equality or fairness depends on each individual's perspective. Many students will choose first-come, first-served or random choice because everyone has an "equal chance." This could lead to a discussion about what is fair.*

6. If the goal is efficiency, which system would you adopt and why? *The market system leads to the greatest efficiency because every choice has an opportunity cost. There is an incentive to make choices that minimize opportunity cost. Each person makes choices based on his or her costs and benefits.*

7. Which system of allocating parking spaces do you recommend? Why? *Answers will vary. However, students should use equity or efficiency as the basis for their answers.*

Circular Flow Activity

1. Give three examples of resource owners. *Answers will vary because resource owners are anyone who has land, labor, capital or entrepreneurship to sell in the factor market.*
2. Define a business firm. *A business firm buys resources and, in turn, sells goods and services to resource owners.*
3. What is the product market? *A market where finished goods and services are bought and sold*
4. Give three examples of transactions you made this week in the product market. *Answers will vary. Any purchase of a good or service will do.*
5. What is a factor market? *A market where the factors of production (land, labor, capital, entrepreneurship) are bought and sold*
6. Give an example of a transaction you or your family made this month in a factor market. *It probably would be wages for labor, although many other transactions are possible.*
7. How are businesses connected to factor and product markets? *They buy in the factor markets and sell in the product markets.*
8. What determines the prices of land, labor, capital and entrepreneurship in a factor market? *Supply and demand*
9. Where do resource owners get the money to buy goods and services in the product market? *From selling their resources in the factor markets*
10. Where do business firms get the money to pay resource owners for their land, labor, capital and entrepreneurship in factor markets? *From selling the goods and services they produce with the factors of production*
11. Why is it important to know that a market economy is characterized by interdependence? *Interdependence is important because people specialize and trade their production in markets for other products they need. The circular flow of income shows the interdependence of the economy.*

Opportunity Cost and Comparative Advantage

People who don't know much about economics often dismiss economics as being little more than cost/benefit analysis. While it is true that this is a very important concept, economics is not that simple. In fact, one of the most difficult concepts in economics is understanding the opportunity cost of choosing a particular action.

We have seen that economic entities such as countries often face *increasing* opportunity costs as they try to increase production. For instance, when a country finds itself at war and needs to increase its production of armaments, at first it finds that increasing military production comes at a relatively low opportunity cost, as the first factories converted to military use are generally well-suited for such an event.

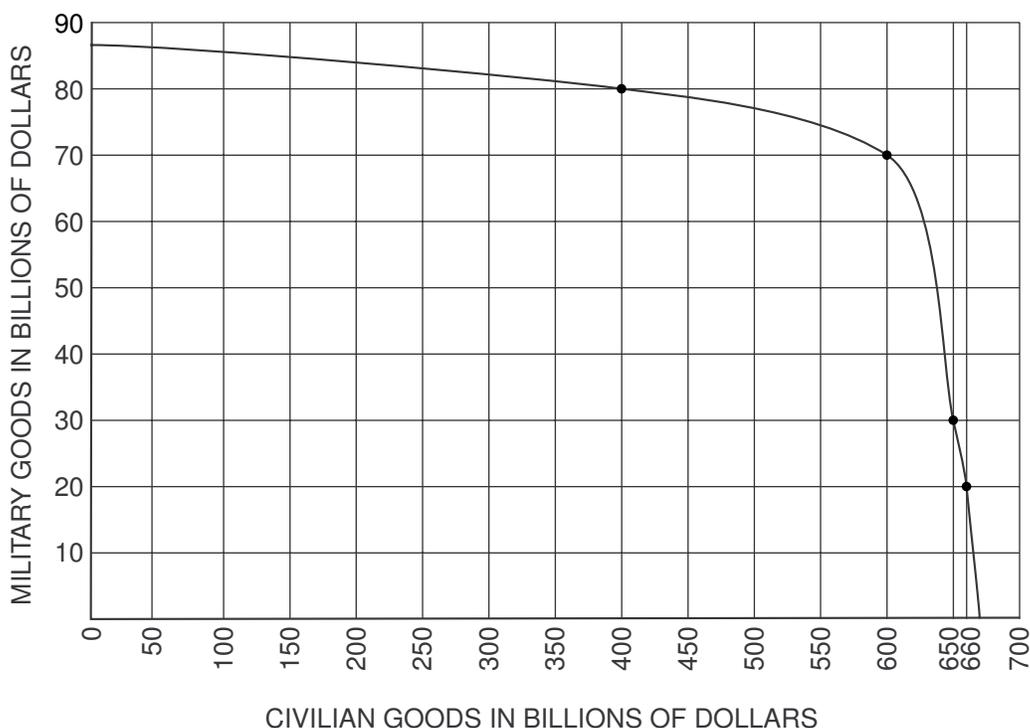
As the war goes on, however, we see factories that are not at all well-suited to producing weapons being converted to military use, at a very high opportunity cost. Little is added to the output of armaments, and a great deal is sacrificed in terms of civilian goods.

The notion of increasing opportunity costs is manifested in a production possibilities curve that is concave towards the origin. In Figure 2.1, we can see that as we increase the production of military goods, each additional unit of output costs more in terms of civilian goods. When the government initially



Figure 2.1

Production Possibilities Curve: Military and Civilian Goods



Activity written by Ike Brannon, Joint Economic Committee, U.S. Senate, Washington, D.C.

increases the output of military goods from \$20 billion to \$30 billion, the opportunity cost (in terms of civilian goods forgone) is small: only \$10 billion of military goods (\$660 billion minus \$650 billion).

However, when the country is already producing a lot of military goods and wants to produce even more, the cost is much higher. If the country is producing \$70 billion and wants to produce \$80 billion, the opportunity cost is now \$200 billion, or \$600 billion minus \$400 billion.

Opportunity cost also explains the incredible amount of trade that goes on among individuals, firms and countries. Today, of course, few of us produce our own goods and services; we rely on others to do this while we use our time earning money at a job. Instead of making our goods, we buy them. Computer manufacturers actually produce few of their own parts, but instead buy parts from suppliers.

Countries tend to specialize in the production of goods and services as well; for instance, there aren't any firms in the United States currently making television sets, and we make very few consumer electronics of any sort. Instead, our businesses concentrate on making other goods and services, and we import the televisions we need.

As we will see, we benefit from trade with other countries even if we are better at producing *everything* than the other country. Trade will benefit both countries as long as we each specialize in doing the task for which we have a lower opportunity cost. This is called *comparative advantage*.

Part A: Examples

Let's begin with a simple example. One summer two friends, Ty and Jessica, each started a business, making money by providing lawn-care services. Although they earned decent money working alone, they wondered if they could make more money by working together. The table below shows how many minutes it takes for each to complete the two tasks involved in doing one lawn: mowing and trimming, which includes the sweeping, edging and cleanup.

	Mow	Trim
Ty	60 minutes	40 minutes
Jessica	75 minutes	90 minutes

Someone who can do an activity using fewer resources is said to have an *absolute advantage*. Ty has an absolute advantage at both activities. Does this mean he should continue working alone?

If your instinct is to say that Ty should not partner with Jessica, you are wrong, but you are in good company: Adam Smith, whom many regard as the founder of modern economics, thought the same thing. It wasn't until David Ricardo came along in the early 1800s that people realized specialization and trade *can* benefit everyone *even if one of the parties has an absolute advantage at both activities!*

If Ty and Jessica are going to specialize, who should do what? Now, absolute advantage does not tell us anything, since Ty is better at both things. Instead, we have to look at *comparative advantage*.

We say someone has a comparative advantage at a task if this person can do the task at a *lower opportunity cost* than the other person.

Here, the opportunity cost of Ty mowing a lawn is how much of a lawn he could have trimmed in the same time. In this case, Ty could have used the 60 minutes it takes him to mow one lawn and he could have trimmed $1\frac{1}{2}$ lawns, or $\frac{3}{2}$ lawns.

For Jessica, the opportunity cost of mowing one lawn is what she could have trimmed during the 75 minutes she needed to mow that lawn. Jessica could have trimmed only $\frac{5}{6}$ (or $\frac{75}{90}$) of a lawn. Thus, we can see that Jessica has a comparative advantage in mowing lawns because Jessica's opportunity cost of mowing a lawn is lower than Ty's: Five-sixths of a lawn trimmed is less than $\frac{3}{2}$ lawns trimmed.

Now, we can calculate their opportunity cost to *trim* lawns. It takes Ty 40 minutes to trim one lawn, and with these 40 minutes he could instead have mowed $\frac{2}{3}$ of a lawn (or $\frac{40}{60}$). For Jessica, instead of using 90 minutes to trim one lawn, she could have spent these 90 minutes mowing one lawn and $\frac{1}{5}$ of another lawn ($\frac{90}{75}$). Thus, Ty has a comparative advantage in trimming lawns. The table below shows the relative opportunity costs.

	Opportunity cost of mowing one lawn	Opportunity cost of trimming one lawn
Ty	$\frac{3}{2}$ lawn trimmed	$\frac{2}{3}$ lawn mowed
Jessica	$\frac{5}{6}$ lawn trimmed	$\frac{6}{5}$ lawn mowed

Notice two things about our calculation of opportunity cost: First, Ty's opportunity cost of mowing one lawn ($\frac{3}{2}$ lawns trimmed) is the reciprocal of his opportunity cost of trimming one lawn ($\frac{2}{3}$). This will always be true, so in this example we did twice as much math as we would normally have to.

Second, notice that each person has a comparative advantage in precisely one activity. Unless a person is equally able at both activities, this will always be true as well.

Next, let's see whether this specialization actually increases their productivity. Before specializing, it would take Jessica 165 minutes ($90 + 75$) to mow and trim one lawn and Ty 100 minutes ($60 + 40$) to mow and trim one lawn, for a total of 265 minutes. If Jessica mows two lawns and Ty trims two lawns, then the total time needed to do two lawns would be 150 (75×2) + 80 (40×2) minutes or 230 minutes.

Thus, they save 35 minutes, or 13 percent of the total time necessary to do the lawns without specializing. Together, they can do more lawns in a week, and they can split the additional income so both are richer.

Let's look at one more example. Here, we will express the relative productivity of each person not in the number of minutes they need to do the activity but instead in *how many activities they can do in an hour*.

A few years ago Mark and Doreen were earning extra money installing car stereos for a local electronics store when they decided to go into business for themselves. After they rented a garage, they had to decide who should do what activity. The table below describes their productivity in the number of stereos and speakers installed per hour.

	Mark	Doreen
Radios installed	6	10
Speakers installed	2	5

The table below contains the breakdown of the opportunity cost for each person to do each activity.

	Mark	Doreen
Installing 1 radio	$\frac{1}{3}$ speaker	$\frac{1}{2}$ speaker
Installing 1 speaker	3 radios	2 radios

Mark has the comparative advantage in installing radios, and Doreen has the comparative advantage in installing speakers. By specializing, their total output increases.

Part B: Questions

1. What is the difference between comparative advantage and absolute advantage?

2. You're given the following information about a newlywed couple and the time it takes each of them to do two different chores: vacuuming a room or washing a load of dishes.

	Mike	Debbie
Vacuum a room	60 minutes	45 minutes
Wash a load of dishes	30 minutes	45 minutes

(A) What is Mike's opportunity cost of vacuuming in terms of washing dishes?

(B) What is Mike's opportunity cost of washing dishes in terms of vacuuming?

(C) What is Debbie's opportunity cost of vacuuming in terms of washing dishes?

(D) What is Debbie's opportunity cost of washing dishes in terms of vacuuming?

(E) Who has the *absolute* advantage in vacuuming? _____

(F) Who has the *absolute* advantage in washing dishes? _____

(G) Who has the *comparative* advantage in vacuuming? _____

(H) Who has the *comparative* advantage in washing dishes? _____

(I) Who should do which chore and why? Base your answer only on the information above and on comparative advantage considerations.

3. Now, you're given the following information about Andy and Hannah and the time it takes each of them to clean an office and clean a jail cell:

	Andy	Hannah
Cleaning offices	60 minutes	20 minutes
Cleaning jail cells	30 minutes	15 minutes

- (A) What is Andy's opportunity cost of cleaning offices in terms of cleaning jail cells?
- (B) What is Hannah's opportunity cost of cleaning offices in terms of cleaning jail cells?
- (C) What is Andy's opportunity cost of cleaning jail cells in terms of cleaning offices?
- (D) What is Hannah's opportunity cost of cleaning jail cells in terms of cleaning offices?
- (E) Who has the *absolute* advantage in cleaning offices? _____
- (F) Who has the *absolute* advantage in cleaning jail cells? _____
- (G) Who has the *comparative* advantage in cleaning offices? _____
- (H) Who has the *comparative* advantage in cleaning jail cells? _____
- (I) Who should do which chore and why? Base your answer only on the information above and on comparative advantage considerations.

4. Consider the following two countries. Assume they produce only these two goods. *Note that productivity is now measured in how many goods can be produced per hour, the opposite of how we measured it in Questions 2 and 3.*

	United States	Japan
Cars	12	10
Computers	4	6

- (A) What is the United States' opportunity cost of making cars?

- (B) What is Japan's opportunity cost of making cars?
- (C) What is the United States' opportunity cost of making computers?
- (D) What is Japan's opportunity cost of making computers?
- (E) Which country has the *absolute* advantage in cars? _____
- (F) Which country has the *absolute* advantage in computers? _____
- (G) Which country has the *comparative* advantage in cars? _____
- (H) Which country has the *comparative* advantage in computers? _____
- (I) Which country should produce which good and why? Base your answer only on the information above and on comparative advantage considerations.
5. Use the law of comparative advantage to explain why self-sufficiency leads to a lower standard of living.

**“Choices Are Everywhere:
Why Can’t We Just Have It All?”**

January 2013

Classroom Edition

An informative and accessible economic essay with a classroom application.

*Includes the full version of the Page One Economics Newsletter,
plus questions for students and an answer key for classroom use.*

Common Core Standards (see page 10)

econlowdown

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Prepared by Scott A. Wolla

Economic Education Group of the Federal Reserve Bank of St. Louis

PAGE ONE Economics

the back story on front page economics

NEWSLETTER

January ■ 2013

Choices Are Everywhere: Why Can't We Just Have It All?

Scott A. Wolla, *Senior Economic Education Specialist*

"You can't always get what you want."—The Rolling Stones

The public debate about the best way to reduce the level of **government debt** highlights our difficult situation: Our wants greatly exceed our ability to pay for them. In the case of government, purchases require current revenue through taxation or borrowing; the fiscal cliff arose from a level of debt caused by wanting more (and purchasing more) than we can pay for.

If we wish to reduce debt, we must make difficult choices. One choice is to cut government spending on goods and services—but which spending priorities should be cut? The other choice is to raise taxes—but who should pay more?

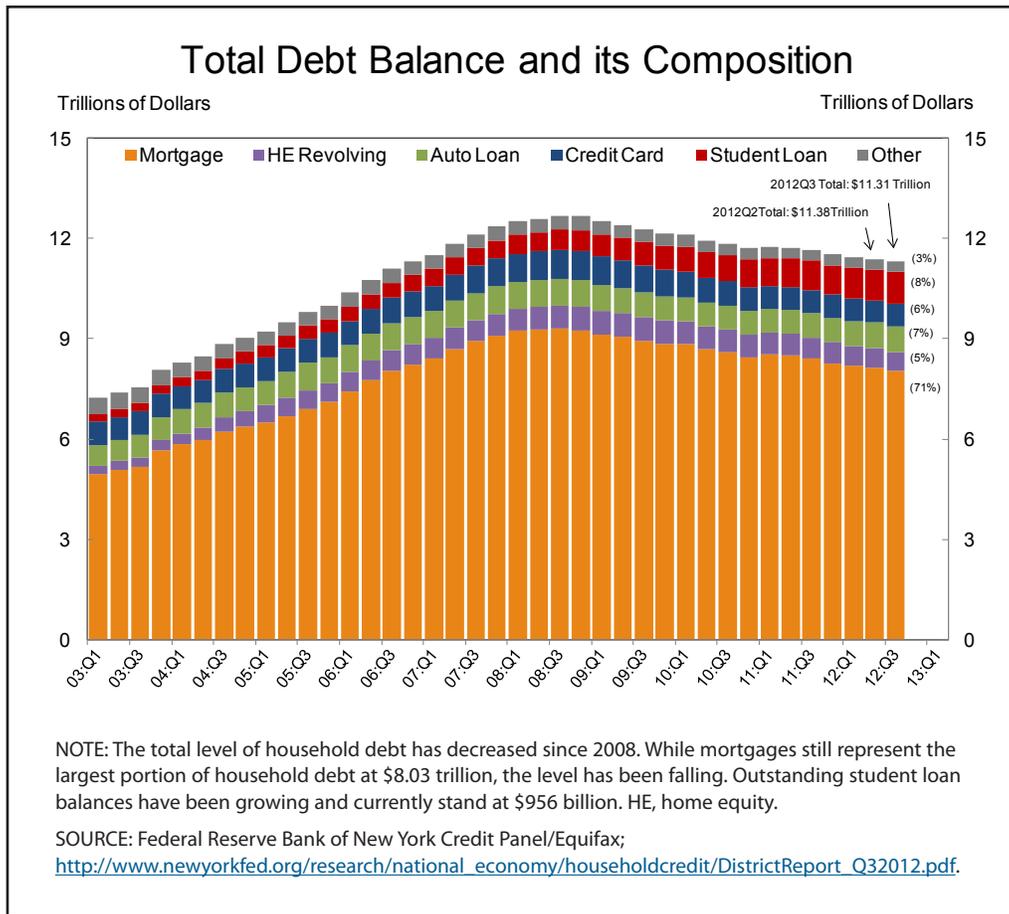
You might prefer one choice or the other or a combination of both. In fact, you may have very similar thoughts about your personal or family budget. These issues are based on understanding the economic concepts of *scarcity* and *opportunity cost*.

Personal and Household Spending

Let's use a specific example to get a better grasp of these ideas. Suppose you receive a \$20 gift card during the holidays. The \$20 limit acts like a budget that constrains your spending. In other words, your resources are limited. How about your wants? Are they limited? If you are like most people, they are not—you would like to have much more than you can afford. This condition of limited resources and unlimited wants is called **scarcity**. The \$20 limit means that you can't have all the CDs, movies, or games you want; you must choose the one you want the most. Deciding between the recently released CD from your favorite band and the newest hit movie requires a choice, which involves an **opportunity cost**—the value of the next-best alternative when a decision is made. The opportunity cost is what is given up. So, choosing the CD from your favorite band means giving up the movie.

People make such decisions all the time. Managing a family budget is also an exercise in managing scarcity and opportunity costs. Household income determines the amount of money a family has to spend; that is, it constrains spending. And, unlike our gift card example, household wants are not limited to CDs, movies, and games. Rather, they include basics such as housing, medical care, education, food, and clothing. But, just like the gift card example, because our wants exceed our ability to spend, we must make choices, which involve opportunity costs. So, more money spent by a family on food might require less spent on clothing.

Credit cards and other forms of credit make it possible (and quite tempting) to exceed spending limits. Does debt negate scarcity? Does it permit you to buy more than your income would allow? It might seem so, but you still have a limit. Using debt means that you are borrowing your future income to buy goods today. As you repay the debt (plus interest) over time, you will have less income in the future to buy goods and services then. And remember that credit cards have limits, and

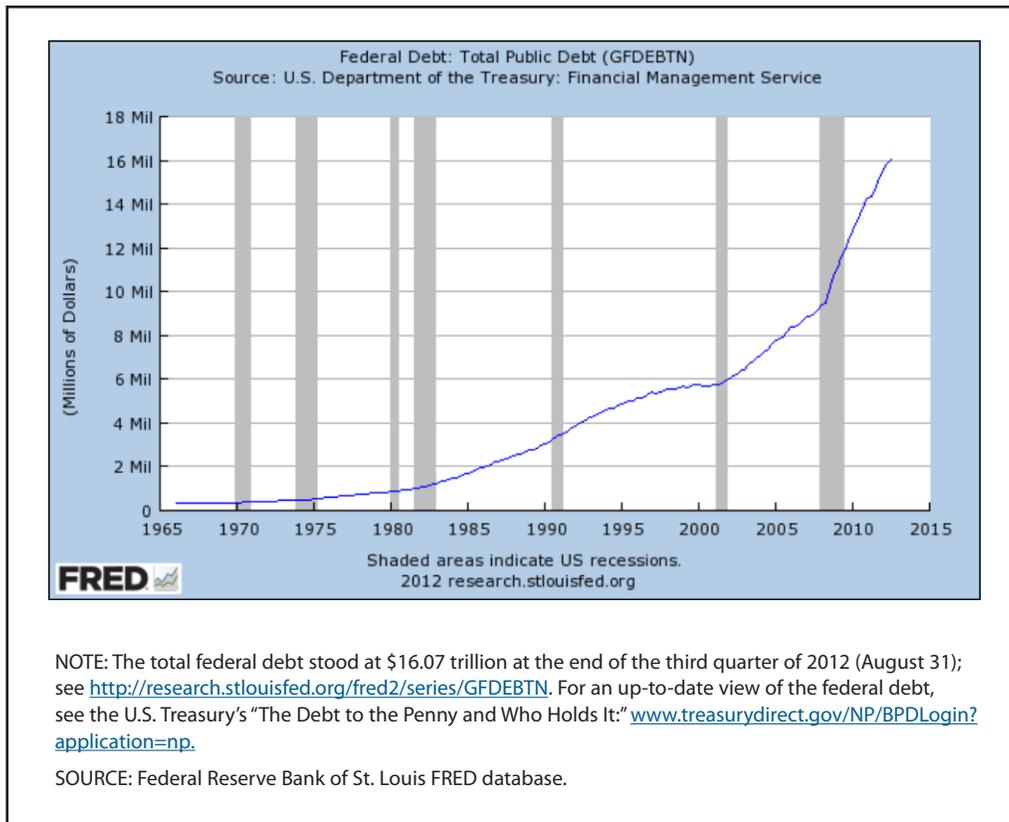


lenders avoid lending beyond the borrower’s ability to repay the loan. At the end of the third quarter of 2012 (August 31), total consumer debt stood at \$11.31 trillion (see first chart).

Government Spending

In many ways, the government faces these same choices. Citizens have collective wants and the government attempts to satisfy these wants through its spending. Social Security, health care programs such as Medicare and Medicaid, and national defense are among the top federal spending categories. But the ability to satisfy our society’s wants is constrained by the level of government income, which is generated primarily by taxing workers and companies. Just like individuals who make spending choices, when the government chooses, there is an opportunity cost. If more money is spent on national security, the result might be less spending on health care. It is possible to raise taxes to provide additional income for the government to allocate, but that imposes further budget constraints on workers and companies who pay taxes—so, this policy choice also has opportunity costs. Of course, the government’s spending is not limited to tax revenue. Just as families can, the government can use debt to pay for some of its goods and services. At the end of the third quarter of 2012 (August 31), total federal debt stood at \$16.07 trillion (see second chart).

What is the downside of government debt? Using debt to buy goods and services today means the government is borrowing future income (that is, tax revenue)—which means less income in the future for buying goods and services then. In addition, there is a limit to how much credit lenders



(or investors) will extend to a country; they will avoid lending beyond the government’s ability or willingness to repay the loan or will do so only at very high interest rates.

Conclusion

An understanding of scarcity and opportunity cost is crucial to making good economic decisions. Remember that scarcity describes the condition in which our wants exceed the resources necessary to satisfy those wants. Scarcity requires us to make choices and choosing involves an opportunity cost—the value of the item given up when a choice is made. So, making wise (and sometimes difficult) choices requires considering the opportunity costs. ■

GLOSSARY

Government debt: The sum of accumulated budget deficits. Also known as national debt.

Opportunity cost: The value of the next-best alternative when a decision is made; it’s what is given up.

Scarcity: The condition that exists because there are not enough resources to produce everyone’s wants.

Page One Economics Newsletter from the Federal Reserve Bank of St. Louis provides an informative, accessible economic essay written by our economic education specialists, who also write the accompanying classroom edition and lesson plan. The newsletter and lesson plans are published 9 times per year, January through May and August through November.

Please visit our website and archives <http://research.stlouisfed.org/pageone-economics/> for more information and resources.

Views expressed do not necessarily reflect official positions of the Federal Reserve System.

Federal Reserve Bank of St. Louis *Page One Economics Newsletter*:
"Choices Are Everywhere: Why Can't We Just Have It All?"

After reading the article, answer the following questions.

1. State the difficult choices that government leaders face in solving our long-term budget problems:

1)

2)

2. Why does scarcity mean that people must choose?

3. Explain why choices involve opportunity costs.

4. How is a family budget an exercise in managing scarcity? What role does income play?

5. Why is it tempting to think that credit cards, and other forms of credit, negate scarcity?

6. What are the downsides of government debt?

Teacher's Guide

Federal Reserve Bank of St. Louis *Page One Economics Newsletter*: "Choices Are Everywhere: Why Can't We Just Have It All?"

After reading the article, answer the following questions.

1. State the difficult choices that government leaders face in solving our long-term budget problems:

- 1) Cutting spending on goods and services. If this option is chosen, which spending priorities should be cut?
- 2) Raising taxes. If this option is chosen, who should pay more?

2. Why does scarcity mean that people must choose?

Scarcity describes the situation in which people have limited resources but nearly unlimited wants. In other words, people cannot satisfy all their wants with their limited resources. They must choose which goods and services to buy.

3. Explain why choices involve opportunity costs.

When a person makes a choice, there is always an option not chosen. The value of the next-best alternative is the opportunity cost.

4. How is a family budget an exercise in managing scarcity? What role does income play?

A family budget is a plan for managing income and spending. Families have wants that exceed the resources necessary to satisfy them all. As a result, choices must be made, which involves opportunity costs. Income determines the amount of money a family has available to spend; that is, it constrains spending.

5. Why is it tempting to think that credit cards, and other forms of credit, negate scarcity?

Credit allows people to spend more money than their income alone would determine, but it does not negate scarcity because the money must be paid back, which reduces future spending. In addition, credit cards have limits, and lenders avoid lending beyond the borrower's ability to repay the loan.

6. What are the downsides of government debt?

Using debt to buy goods and services today means government is borrowing future income (that is, tax revenue)—which means less income in the future for buying goods and services then. In addition, there is a limit to how much credit that lenders (or investors) will extend to a country; they will avoid lending beyond the government's ability or willingness to repay the loan or will do so only at very high interest rates.

For Further Discussion

Read the following or distribute the handout to your students; then lead a classroom discussion on scarcity and opportunity cost.

Consider the Opportunity Cost

Opportunity cost is a foundational concept in economics. It is also a key thinking skill in the practical art of daily decisionmaking. Unfortunately, people often fail to consider opportunity cost until they learn to use it as a thinking skill. Once you have mastered the idea of opportunity cost, you will think differently about all sorts of routine choices. The table shows a few examples.

This:	Becomes this:
I'm tired. I think I will sleep in this morning.	If I sleep in this morning, then I give up the opportunity to go to chemistry class.
This new video game is awesome, and it's only \$40.	This new video game is awesome, but if I spend \$40 on it, I give up the opportunity to spend it on _____ or save it for _____.

In the end, you might still decide to sleep in and buy the new video game, but recognizing the opportunity costs will increase your chances of making a rational decision.

Free Lunch?

Economists are fond of saying "There is no such thing as a free lunch." Of course, they are not talking about lunches literally. In fact, many people miss the point of this phrase. Imagine Fred is walking to school when he notices a sign on the front lawn of the high school: "Free lunch here today at noon." Fred is a little skeptical, but later that day he looks out the window and, sure enough, he sees a table with pizza and soda and a big sign that reads "Free." But Fred remembers his teacher saying "There is no such thing as a free lunch." Fred decides to ask his best friend, Frank, why the lunch is not free. Frank shrugs and responds, "Someone had to pay for it." While this is true, the real question is this: Why is the lunch not free for Fred?

What do you think?

While Fred might not have to pay money for the lunch, the lunch is not free for Fred; by choosing to attend the free lunch on the front lawn of the high school, he gives up the opportunity to pursue another option—perhaps eating in the cafeteria. Or maybe Fred intended to study at lunch. By attending the free lunch, he gives up study time. The "free" lunch might be Fred's best option, but he should recognize that there is a cost.

Consider this scenario:

You received \$50 from your grandmother for your birthday. You decide to buy some new clothes. Because the money was a gift, you believe your new clothes are free. You could have, however, used the \$50 to buy the new calculator required for your math class next semester. So, are the clothes you bought really free?

No. You chose to buy the clothing, but you gave up the opportunity to buy the calculator, which is your opportunity cost.

You Decide: Opportunity Cost or Consequence?

The difference between opportunity costs and consequences can be confusing. Remember that the *opportunity cost* is the value of the next-best alternative when a decision is made; it's what is given up. A *consequence* is a result or effect of an action or decision, and consequences may be positive or negative. While opportunity cost and consequences sound like similar ideas, they are not the same. One way to think about the difference is to remember that the opportunity cost occurs when the decision is made, while the consequences lie in the future.

Imagine you decide to go to college after you graduate from high school. If you choose to go to college, you give up the opportunity to get a full-time job—this is part of the opportunity cost of attending college. The consequences of your decision lie in the future, such as the higher income you will likely receive with a college degree.

- Choice: Go to college
- Opportunity cost: Full-time employment
- Consequence: Higher income in the future

Identify the opportunity cost and the consequence in this scenario: You have one dollar, which you have decided to use to buy a candy bar. Your favorite candy bar is GooneyNut followed closely by LuvChoc. Your dentist has warned you about your candy habits; he is fond of saying “Forget the Alamo, remember the Enamel.”

In this scenario, you are likely to choose the GooneyNut candy bar. If so, the opportunity cost of your choice is LuvChoc. The consequence is the potential for cavities in your future.

- Choice: **GooneyNut**
- Opportunity cost: **LuvChoc**
- Consequence: **Potential for cavities in the future**

Handout

Name _____ Period _____

Read the following or distribute the handout to your students; then lead a classroom discussion on scarcity and opportunity cost.

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- Choice: _____
- Opportunity cost: _____
- Consequence: _____

Common Core State Standards

Grades 6-12 Literacy in History/Social Studies and Technical Subjects

- **Key Ideas and Details**

RH.11-12.1: Cite specific textual evidence to support analysis of primary and secondary sources, connecting insights gained from specific details to an understanding of the text as a whole.

RH.11-12.2: Determine the central ideas or information of a primary or secondary source; provide an accurate summary that makes clear the relationships among the key details and ideas.

- **Craft and Structure**

RH.11-12.4: Determine the meaning of words and phrases as they are used in a text, including analyzing how an author uses and refines the meaning of a key term over the course of a text (e.g., how Madison defines *faction* in *Federalist* No. 10).

Your Name _____

Selecting a Franchise



Select two franchise opportunities that you would consider starting in your community. Research and record information about each business below. Use a colored marker to highlight features of each franchise that give it an advantage over the other.

	#1	#2
Franchise name		
Product or service		
\$ Needed to start		
Annual royalty and advertising fees		
Number of existing franchises		
Years franchiser has been in operation		
Location of franchise headquarters		
Abilities and Interests		
➤ Is this a business that you think you would enjoy over time?		
➤ Do current franchise owners have any prior technical backgrounds or special training that helps them succeed? What is it?		
➤ Do you have a similar background?		
➤ Do you have any other skills or abilities that can help this franchise succeed?		

www.entrepreneur.com/franchises/index.html

<p>Consumer Demand</p> <ul style="list-style-type: none"> ➤ Is there a demand for the franchiser's products or services in your community? ➤ Is the demand seasonal? For example, lawn and garden care or swimming pool maintenance may be profitable only in the spring or summer. ➤ Is there likely to be a continuing demand for the products or services in the future? ➤ Does the product or service generate repeat business? 		
<p>Market Competition</p> <ul style="list-style-type: none"> ➤ What is the level of competition for the product or service, nationally? ➤ What is the level of competition in your community? ➤ How many franchised and company-owned outlets does the franchiser have in your area? ➤ How many competing companies sell the same or similar products or services in your area? ➤ Are these competing companies well established, with wide name recognition in your community? ➤ Do they offer the same goods and services at the same or lower price? 		
<p>Name Recognition</p> <ul style="list-style-type: none"> ➤ Is the company's name widely recognized? ➤ Does the company have a reputation for quality products or services? 		
<p>Training and Support Services</p> <ul style="list-style-type: none"> ➤ What support does the franchiser provide? <ul style="list-style-type: none"> π Site selection π Building design and construction π Financing π Training π Ongoing supervision and management help π Advertising and other marketing π Bulk purchasing 		

<ul style="list-style-type: none">• Other➤ Does the franchiser has sufficient financial assets and staff to support the franchisees?		
---	--	--

Which of these franchises would you choose to start near where you live or go to school? On a separate sheet of paper, write one or two paragraphs telling your choice. Cite at least three reasons for your decision. *(or in the space below)*

Questions adapted from the Federal Trade Commission publication, **A Consumer Guide to Buying a Franchise** [<http://www.ftc.gov/bcp/online/pubs/invest/buyfran.htm>][®]

Innovation and Creative Destruction

On the chart below, list several products that are now obsolete or nearly obsolete. Identify a replacement product or innovation of the product and explain some related impact to jobs and/or other products or services as a result of the original product's demise.

Obsolete (or nearly obsolete) Product	Innovation or replacement item	Impact to related products (or services) and Labor from innovation
Typewriter	Wordprocessing software	Reduced demand for ribbon, correction tape, repair people, paper, carbon paper, etc. Technology requires new training for service people, trainers, secretaries, other users. Increased demand for printers, toners, specialty papers, new software improvements, desktop publishing, etc.

“It’s strange how, just as soon as an article becomes successful, somebody starts to think that it would be more successful if only it were different.” Henry Ford, 1926

Going, Going... Gone!

Listed below are several products or services that have become obsolete (or are on the verge of becoming obsolete) since the year 2000

1. Answering machine
2. Lickable stamp
3. Foldable road map
4. Cathode ray tube television (CRT)
5. Incandescent light bulb
6. Fax machine
7. Floppy disk
8. Phone Book
9. Rolodex / address book
10. Watches
11. Travel agents
12. Landline phones
13. Bookstores
14. VCR and VHS tapes
15. Classified ads in the newspaper
16. Dial-up internet
17. Film and film cameras
18. Encyclopedias
19. CDs
20. Landline phones
21. Catalogs
22. Handwritten letters
23. Bank deposit slip
24. Polaroid photos
25. Film and film cameras

Chalkboards
Handwriting

Sources:

Rust in Peace: A catalogue of everyday stuff rendered obsolete in the aughts.
<http://nymag.com/arts/all/aughts/62508/>

You're Out: 20 Things That Became Obsolete This Decade
<http://www.huffingtonpost.com/news/obsolete-things-this-decade>

Personal Finance



ANGELA VO
AP MICRO ECONOMICS

Education



University of Southern Mississippi

-Hattiesburg, Mississippi

-School of Mass Communication & Journalism

Career Goal: News Anchor/anything in Journalism field

Admission to V&M

Admission Requirements

- All students completing the College Preparatory Curriculum (CPC) with a minimum of a 3.2 high school GPA on the CPC and a submitted ACT (composite) or SAT score
- All students completing the College Preparatory Curriculum (CPC) with a minimum of a 2.5 high school GPA on the CPC or a class rank in the top 50 percent, as well as a score of 16 or higher on the ACT (composite) or a combined SAT score of 760
- All students completing the College Preparatory Curriculum (CPC) with a minimum of 2.0 high school GPA on the CPC and a score of 18 or higher on the ACT (composite) or a combined SAT score of 860

My Qualifications

- ACT composite of 25
- High school GPA of 3.6
- Application submitted and accepted
- CPC completed

Cost of Attendance



- Cost of Tuition: \$3,934.00
 - Average Cost of Books: \$500.00
 - Room: \$2,949.00
 - Meal Plan (Students living on campus must purchase a meal plan): \$1,463.00
 - Parking Decal: \$135.00
- Total Cost Per Semester: \$8,981.00**

Form of Expected Payment

- **Scholarship Received:**

Leadership Scholarship

- 3.0 high school GPA or higher
- Proven record of leadership in high school and community activities
- \$20,400 (\$5,100 annually for four years)



DREAM EMPLOYER: Cable News Network (CNN)

- Training i.e. odd jobs like apprenticeship, learning how to write scripts under a certain time period, getting to know the odds and ends of working at a news station)
- Human capital: Nice business wear (i.e. dress suits, heels, stockings, notepad, pen, etc)



Skills Needed for Dream Employer



- Quick on my feet,
- Creative mind (to write scripts, etc)
- Good multi-tasker
- Able to function under pressure
- Good pronunciation
- Able to take critiques well
- Great voice that carries across the room, etc

Alternative Careers

Server @ restaurant

- Newk's
 - running food
 - working the cash register
 - ringing up customers
 - folding napkins
 - making salad
 - etc
- Human Capital: Newk's shirts (they give each employee three shirts), blue jeans, and non-slip shoes

Work in retail

- Eve Marie's Boutique
 - folding clothes
 - setting up clothes displays
 - modeling clothes
 - helping customers with purchasing
 - running the cash register
 - etc
- Human Capital: (will wear whatever they have at the store to showcase the clothes there)

Skills Needed for Alternative Careers

- **Newks & Eve Marie's Boutique**

- good multitasker
- well under pressure
- friendliness is key
- smile a lot
- be a people's person



Entry-Level Employment

- **Reporter 1**

- researches a variety of news stories throughout interviews observation and library and/or online resources

- Determines tone and intended audience of story, etc)

- **Level of Salary**

- VARIES which depends on industry, company size, location, years of experience and level of education.

- Hourly rate - \$15 (www1.salary.com)

- Starts off at minimum wage (\$7.25)

- Federal withholding: \$603.41
- Social Security: \$165.36
- Medicare: \$38.67
- Mississippi: \$128
- Yearly: \$32, 406 (with bonus)
- Weekly: \$615
- Hourly: \$15

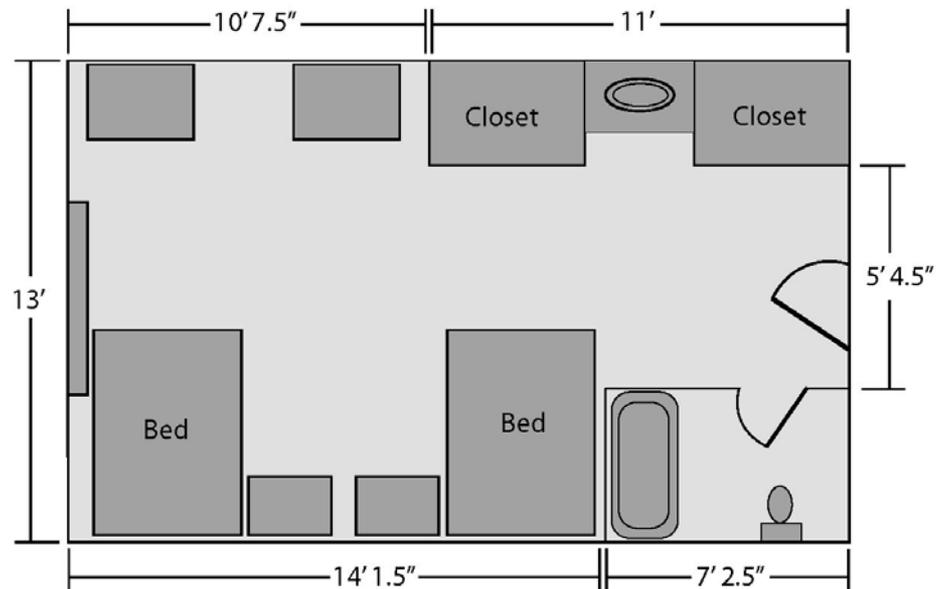
Housing Situation



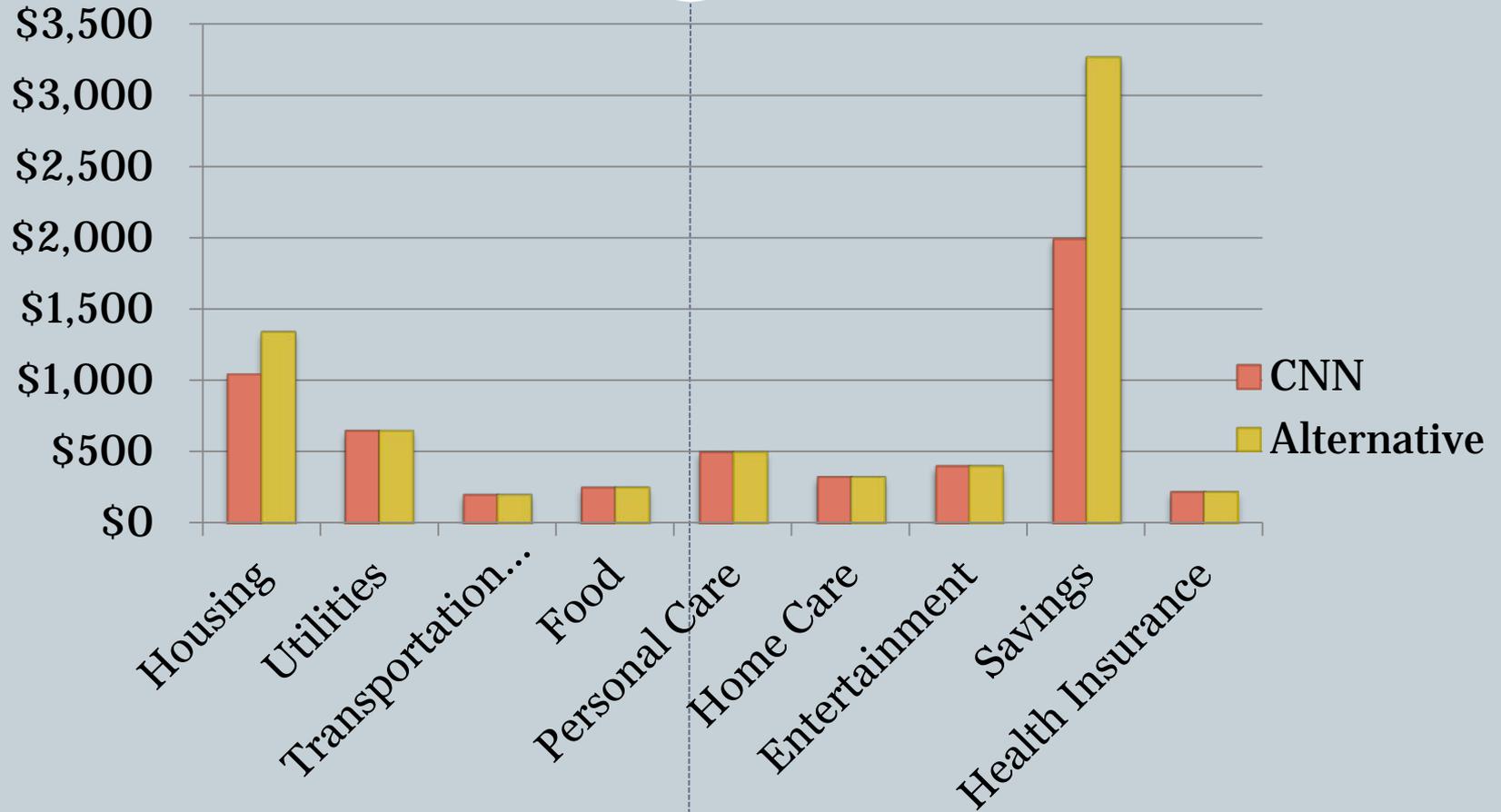
- ❖ City and State: Hattiesburg, Mississippi
- ❖ Will live in residence hall for my first year of college
- ❖ Dorm I will be living in: Century Park North, building 2 (Freshman Females and also Leadership Scholars)

Each room contains:

- Two single, bunkable beds
- Two desks
- Two desk chairs
- Two chests of drawers
- A bookcase
- Two closets
- A sink
- Mini blinds
- Microfridge



Monthly Budget



Resources



<http://apps.usm.edu/admissions/tuitionCalculator/index.php>

<Http://www.usm.edu/admissions/freshman-scholarships>

<http://www.usm.edu/admissions/freshman-requirements>

<http://www.usm.edu/conferencehousing/century-park>

<http://swz.salary.com/SalaryWizard/Reporter-I-Job-Description.aspx>

Places visited for information: D'iberville Walmart,
D'iberville Newk's, Eve Marie's Boutique

PERSONAL FINANCE PROJECT



1.1 EDUCATION, OPTION 1

School: University of South Alabama

Proof of acceptance: 30 on ACT, 4.11 GPA

Tuition: \$40,000 to be paid by Presidential scholarship, Honors College scholarship, Band scholarship, MPACT, parents, and possibly a loan.

Living: I will be living on campus in the Honors College dorm.

Books: approximately \$700 per semester

Double Major: Electrical Engineering and Computer Engineering



1.1 EDUCATION, OPTION 2

School: Mississippi State University

Proof of acceptance: 30 on ACT, 4.11 GPA

Tuition: \$40,000 to be paid by Presidential scholarship, Honors College scholarship, Band scholarship, College of Engineering

Scholarship, MTAG, MESG, MPACT, parents, and possibly a loan.

Living: I will be living on campus in the Honors College dorm.

Books: approximately \$700 per semester

Double Major: Electrical Engineering and Computer Engineering



1.2 MILITARY

I have no plans to join the military now or in the future.



1.3 CAREER READY

The training that I have received during high school has been in basic core classes, with an emphasis on higher level mathematics and science. I have taken courses that will make college courses easier, and have used my study time wisely.

I will attend college to get my Bachelor's degree to further myself in my chosen field – Engineering.



2 ENTRY LEVEL EMPLOYMENT, OPTION 1

1. My dream job is to work for Chevron.
2. I will live in Mobile, Alabama.
3. I will need a set of drafting tools, a light board, an engineering calculator, a laptop with specific programs, and resource books.
4. I will have a basic car to get from place to place.
5. I will have the education and an internship as part of my education to fulfill this job. There is also on the job training and classes available to those who get hired.



2 ENTRY LEVEL EMPLOYMENT, OPTION 1 CONTINUED

6. The average starting salary in the field of Electrical and Computer Engineering at Chevron is \$100,000.
7. The withholdings from my yearly pay are as follows:

Federal Taxes: \$5,136.44

Alabama State Taxes: \$939.43

FICA: \$1,550.00

Medicare: \$362.50



2 ENTRY LEVEL EMPLOYMENT, OPTION 1 CONTINUED

8. My yearly take home pay should be:
\$68,046.52
9. With this take home pay, my projected housing allowance would be about \$1,200 per month. This would allow me to purchase a home of my own valued at approximately \$150,000 with a thirty year mortgage.

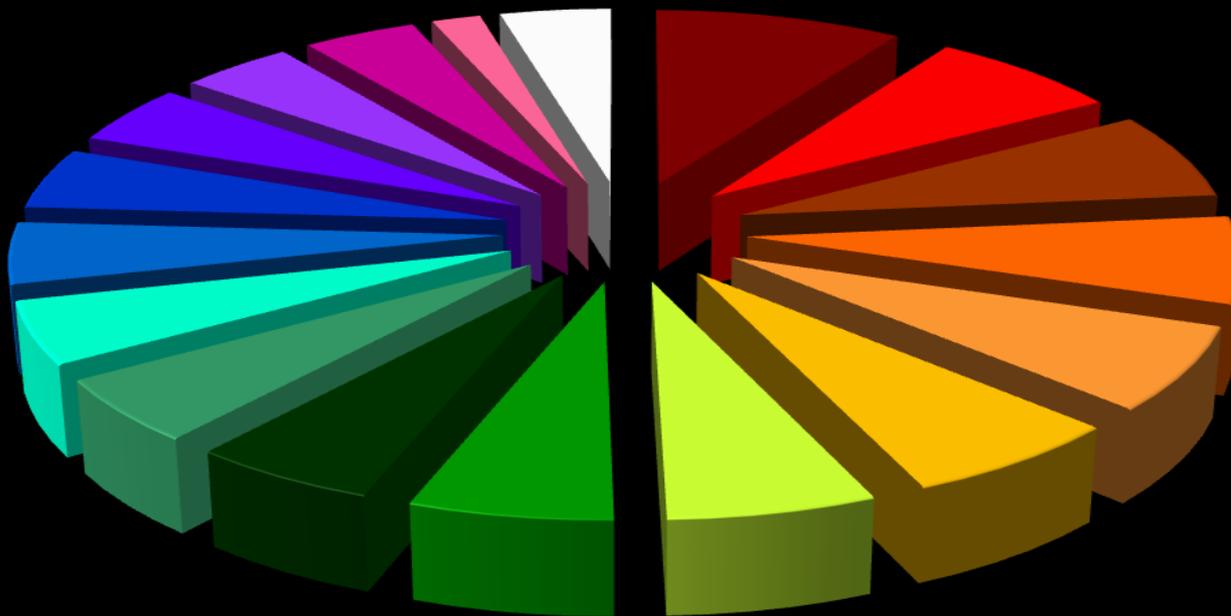


2 ENTRY LEVEL EMPLOYMENT MONTHLY BUDGET CHART (OPTION 1)

	Deposits	Withdrawals	Transfers
Monthly Budget:	5,670.54		
Housing:	4,470.54	1,200.00	
Electricity:	4,270.54	200.00	
Water, Sewer, Garbage:	4,245.54	25.00	
Cable, Internet, Landline Bundle:	4,125.54	120.00	
Cell Phone:	4,065.54	60.00	
Car Payment:	3,765.54	300.00	
Car Insurance:	3,665.54	100.00	
Home Insurance:	3,365.54	300.00	
Transportation Costs:	3,165.54	200.00	
Food:	3,068.38	97.16	
Personal Care:	2,999.88	68.50	
Home Care:	2,981.38	18.50	
Entertainment	2,906.38	75.00	
Health Insurance:	2,606.38	300.00	
Student Loan Debt:	2,606.38	0.00	
Savings Account Transfer:			1,417.64
Checking Account:	1,125.70		
Balance at end of month:	2,543.34		
Percentage of earning to save:	25%		

2 ENTRY LEVEL EMPLOYMENT MONTHLY BUDGET GRAPHIC DEPICTION (OPTION 1)

Monthly Budget Spencer Massey



- Monthly Budget:
- Housing:
- Electricity:
- Water, Sewer, Garbage:
- Cable, Internet, Landline Bundle:
- Cell Phone:
- Car Payment:
- Car Insurance:
- Home Insurance:
- Transportation Costs:
- Food:
- Personal Care:
- Home Care:
- Entertainment
- Health Insurance:
- Student Loan Debt:
- Savings Account Transfer:
- Checking Account:
- Balance at end of month:
- Percentage of earning to save:

Spencer Massey

2 ENTRY LEVEL EMPLOYMENT, OPTION 2

1. My job is to work for an Engineering Firm.
2. I will live in Gulfport, Mississippi.
3. I will need a set of drafting tools, a light board, an engineering calculator, a laptop with specific programs, and resource books.
4. I will have a basic car to get from place to place.
5. I will have the education and an internship as part of my education to fulfill this job. There is also on the job training and classes available to those who get hired.



2 ENTRY LEVEL EMPLOYMENT, OPTION 2 CONTINUED

6. The average starting salary in the field of Electrical and Computer Engineering at an individual firm is between \$65,000 and \$85,000. I will use \$75,000 as my pay.
7. The withholdings from my paycheck are as follows:
 - Federal Taxes: \$3,510.44
 - Mississippi State Taxes: \$871.00
 - FICA: \$1,162.50
 - Medicare: \$271.88



2 ENTRY LEVEL EMPLOYMENT, OPTION 2 CONTINUED

8. My yearly take home pay should be:
\$51,734.72
9. With this take home pay, my projected housing allowance would be about \$900 per month. This would allow me to purchase a home of my own valued at approximately \$100,000 with a thirty year mortgage.

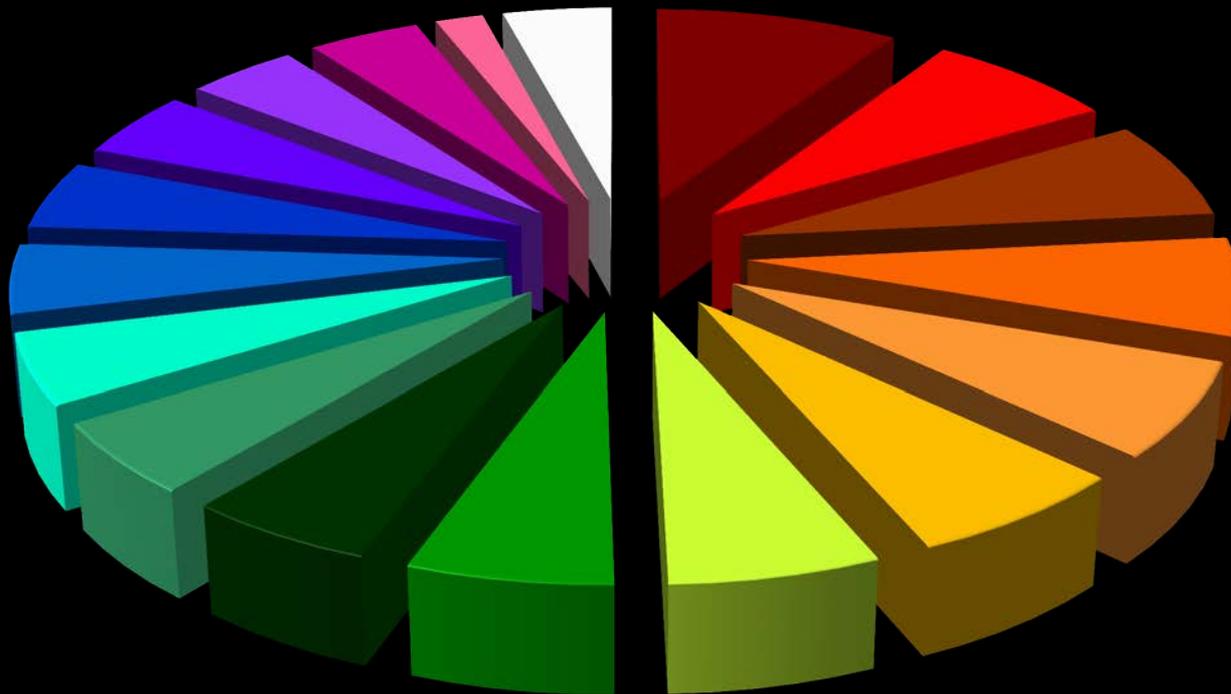


2 ENTRY LEVEL EMPLOYMENT MONTHLY BUDGET CHART (OPTION 2)

	Deposits	Withdrawals	Transfers
Monthly Budget:	4,311.00		
Housing:	3,411.00	900.00	
Electricity:	3,211.00	200.00	
Water, Sewer, Garbage:	3,186.00	25.00	
Cable, Internet, Landline Bundle:	3,066.00	120.00	
Cell Phone:	3,006.00	60.00	
Car Payment:	2,706.00	300.00	
Car Insurance:	2,606.00	100.00	
Home Insurance:	2,306.00	300.00	
Transportation Costs:	2,106.00	200.00	
Food:	2,008.84	97.16	
Personal Care:	1,940.34	68.50	
Home Care:	1,921.84	18.50	
Entertainment	1,846.84	75.00	
Health Insurance:	1,546.84	300.00	
Student Loan Debt:	1,546.84	0.00	
Savings Account Transfer:			646.68
Checking Account:	537.35		
Balance at end of month:	1,184.03		
Percentage of earning to save:	15%		

2 ENTRY LEVEL EMPLOYMENT MONTHLY BUDGET GRAPHIC DEPICTION (OPTION 2)

Monthly Budget Spencer Massey



- Monthly Budget:
- Housing:
- Electricity:
- Water, Sewer, Garbage:
- Cable, Internet, Landline Bundle:
- Cell Phone:
- Car Payment:
- Car Insurance:
- Home Insurance:
- Transportation Costs:
- Food:
- Personal Care:
- Home Care:
- Entertainment
- Health Insurance:
- Student Loan Debt:
- Savings Account Transfer:
- Checking Account:
- Balance at end of month:
- Percentage of earning to save:

Spencer Massey

REFERENCES

Julie Massey, mother

Kent Massey, father

Jobs.com

Wal-Mart

Target

Winn Dixie

Auto Trader

Allstate

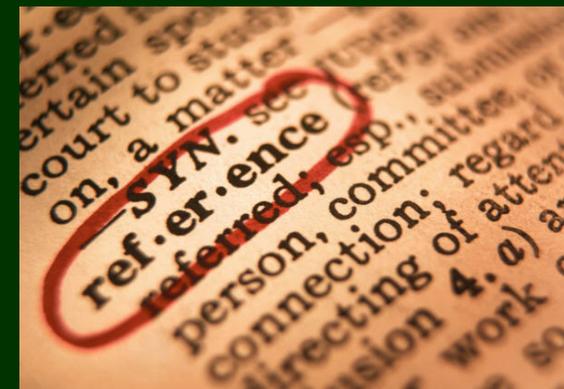
Netflix

Cableone

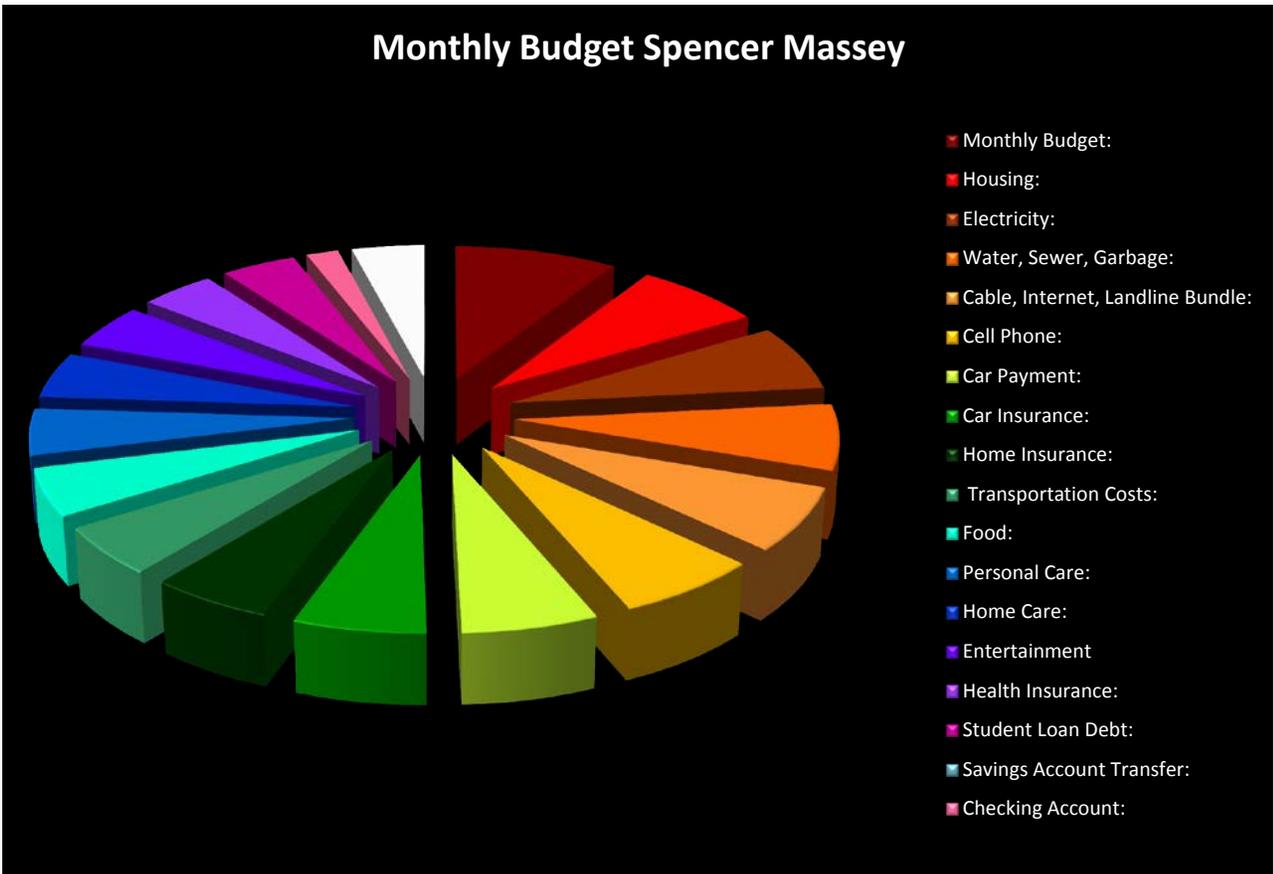
Superior Utilities

Coast Electric

Paycheckcity.com



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