

Concept Connection

Description:

Prepare students for their visit to The Fed Experience with this pre-visit activity designed to engage them in making connections between the concepts in the exhibit and the real world.

Age Level:

Middle and high school students

Content Standards:

The Fed Experience is designed to complement Virginia Standards of Learning for Civics and Economics and Economics and Personal Finance. For detailed information on specific standards, please see www.thefedexperience.org.

The Fed Experience also correlates to CEE National Standards in Economics

Standard 10: Institutions

Benchmark 1, Grade 8: Banks and other financial institutions channel funds from savers to borrowers and investors.

Concepts:

Economy
Federal Reserve System
Fifth District
Functions of the Federal Reserve
Gross Domestic Product
Growth of Living Standards
Innovation
Market
Prices

Objectives:

Students will be able to construct economic concepts when given clues related to that concept.

Time Required:

Approximately 45 minutes.

Materials:

- Handout 1: The Fed Experience Concepts – one for each student or group of students, or displayed overhead.
- Small whiteboards and dry erase markers. One per student.
- Handout 2: Memory Cards. One copy. Students will be matching concepts with definitions. Cut cards apart and affix tape to the side with words. Place on blackboard with blank side facing out. Position concepts on one side of board and definition on the other. Cards may also be laminated with magnets affixed to the side with words.
- Handout 3: Connection Cards. One copy for teacher use.

Procedure:

*Teacher note - the following activity has three components:

- Introduction
- Memory Match: match concepts with definitions
- Concept Connection: analyze clues to generate the correctly defined concept

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Procedure Continued:

Introduction

1. Distribute Handout 1: The Fed Experience Concepts to each student/group of students or display for the class.
2. Allow students 5-7 minutes to read and study the concepts. Inform students they will play a memory game after they study the concepts and the team with the most matches will earn a teacher chosen incentive.

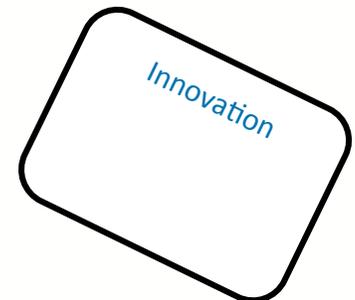
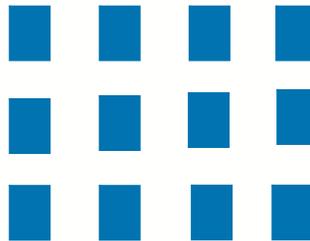
Memory Match

3. Split the class into two teams.
4. Use Handout 2: Memory Cards to play the game of memory. Cards should be set up as suggested in the Materials section.
5. One student from each team comes to the board to select 2 cards and flips the cards over. If the cards match (definition matches the concept), the team earns a point and the cards are taken out of play. If the cards do not match the cards are turned back over and kept in play.
6. Once all cards have been used, the team with the most points is awarded a teacher chosen incentive.

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7. Give students the following directions for playing:
 - Listen to the three clues.
 - You will have 5 seconds to record the connection on your whiteboards.
 - At the prompt raise your whiteboards to show your response.
 - I will read the correct response and the explanation.
8. Using Handout 3: Connection Cards read “Clues” to the students and give students 5 seconds to record the connection.
9. Ask for students to show their whiteboard response after 5 seconds.
10. Read “Connection and Definition.”

Concept	Explanation
Economy	The interaction of production and consumption in their use of scarce resources to produce, to distribute, and to consume goods and services of the nation or of a region.
Federal Reserve System	The Federal Reserve System is the central bank of the United States. It is composed of the Federal Reserve Board and the Federal Reserve Banks. The Federal Reserve System is responsible for the nation's money supply and for the nation's financial stability.
Fish Contract	The Fish Contract is a contract between the United States and the United Kingdom. It is a contract that allows the United States to purchase fish from the United Kingdom.
Functions of the Fed	The Federal Reserve System has several functions, including: to regulate the money supply, to supervise and regulate the operations of financial institutions, to maintain the stability of the financial system, and to provide financial services to the public.
Levels of Living Standards	The level of living standards is a measure of the quality of life in a country. It is determined by the amount of goods and services that a country can produce and consume.
Innovation	Innovation is the process of developing new products, services, or processes. It is a key driver of economic growth and development.
Markets	A market is a place where buyers and sellers meet to trade goods and services. It is a mechanism for determining the price of goods and services.
Prices	A price is the amount of money that a buyer is willing to pay for a good or service. It is determined by the interaction of supply and demand.



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Handout 1: The Fed Experience Concepts

Concept	Definition
Economy	The interaction of producers and consumers in the use of scarce resources in production, trade and consumption.
Federal Reserve System	The central bank of the USA which consists of the Board of Governors in Washington, D.C., the Federal Open Market Committee, and 12 regional Reserve Banks and their branches across the country.
Fifth District	The geographic area that is served by the Federal Reserve Bank of Richmond; includes Maryland, Virginia, North Carolina, South Carolina, the District of Columbia and most of West Virginia.
Functions of the Fed	The Fed's three traditional, well-known responsibilities: conducting monetary policy, supervising and regulating financial institutions, and providing financial services to financial institutions.
Gross Domestic Product (GDP)	The total market value of all final goods and services produced in a country within a year. GDP is often used as an indicator of economic growth. When GDP increases, standard of living also tends to increase.
Growth of Living Standards	The increasing ability of people to produce and consume more of what they want, enjoy greater leisure time, better working conditions, a cleaner environment and healthier and longer lives.
Innovation	Invention of new products and better ways to do things. Key to the growth of living standards.
Market	A physical or virtual place where buyers and sellers exchange goods or services.
Prices	Set by forces of supply and demand. Influences the choices made by consumers and quantity of products supplied by producers.

Concept Connection

Handout 2: Memory Cards

Concept	Explanation
Economy	The interaction of producers and consumers in their use of scarce resources in production, trade and consumption.
Federal Reserve System	The central bank of the USA. Consists of the Board of Governors in Washington, D.C., the Federal Open Market Committee, and 12 regional Reserve Banks and their branches across the country.
Fifth District	The geographic area that is served by the Federal Reserve Bank of Richmond; includes Maryland, Virginia, North Carolina, South Carolina, the District of Columbia and most of West Virginia.

Concept Connection

Handout 2: Memory Cards

Concept	Explanation
<p>Functions of the Fed</p>	<p>The Fed’s three traditional, well-known responsibilities: conducting monetary policy, supervising and regulating financial institutions, and providing financial services to financial institutions.</p>
<p>Gross Domestic Product</p>	<p>A measure of a nation’s economic output. Takes into account the total market value of all final goods and services produced in a country within one year. When this increases, standard of living also tends to increase.</p>
<p>Growth of Living Standards</p>	<p>The increasing ability of people to produce and consume more of what they want, enjoy greater leisure time, better working conditions, a cleaner environment and healthier and longer lives.</p>

Concept Connection

Handout 2: Memory Cards

Concept	Explanation
Innovation	Invention of new products and better ways to do things. Key to the growth of living standards.
Market	A physical or virtual place where buyers and sellers exchange goods or services.
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Concept Connection

Handout 3: Connection Cards

Clues	Connection and Definition
<p>Businesses People Jobs Products & Services</p>	<p>Economy The interactions of producers and consumers (businesses & people). You are part of the economy whenever you buy something (products & services) or sell something (like a video game).</p>
<p>Board of Governor's FOMC Reserve Banks</p>	<p>Federal Reserve System These three elements make up the Federal Reserve System, the central bank of the USA. The Board of Governor's provides leadership to and exercises general supervisory power over Reserve Banks. The Federal Open Market Committee (FOMC) is responsible for monetary policy. Reserve Banks supervise, regulate and provide financial services to financial institutions and Reserve Bank presidents serve on the FOMC.</p>
<p>VA MD NC SC DC and most of WV</p>	<p>The 5th District The geographic area that is served by the Federal Reserve Bank of Richmond. Headquartered in Richmond, VA with branches in Baltimore, MD and Charlotte, NC, the Federal Reserve Bank of Richmond, is part of the Federal Reserve System, our nation's central bank. Reserve Banks store regional banks' excess currency and coin, process checks and electronic payments, supervise member banks, and research and analyze the regional economy.</p>



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Handout 3: Connection Cards

Clues	Connection and Definition
<p>Monetary Policy Financial Services Supervision & Regulation</p>	<p>Functions of the Fed Monetary policy is the Fed's actions to manage the money supply to keep inflation low and stable. The Fed processes checks and provides electronic payment services and other financial services to financial institutions and banks. The Fed supervises and regulates banks and financial institutions to promote the safety of deposits and soundness of the banking system.</p>
<p>A Nation's Output Final Goods and Services Economic Growth Tool</p>	<p>Gross Domestic Product Gross Domestic Product (GDP) is a measure of a nation's economic output. It takes into account the total market value of all final goods and services produced in one year. An increase in GDP indicates growth in the economy.</p>
<p>More Leisure Time More Products Access to Health Care</p>	<p>Growth of Living Standards Living standards are the necessities, comforts, and luxuries available to us in our daily lives. In many societies living standards have increased over time. Improvements and advancements can lead to an increase in the consumption of goods and services, more leisure time, better health, and longer life. Living standards refer to the level of wealth, comfort, material goods and necessities people enjoy.</p>

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Handout 3: Connection Cards

Clues	Connection and Definition
<p>From Candlestick to Oil Lamp to LED Light</p>	<p>Innovation</p> <p>Throughout history human creativity has led to innovation in many aspects of life. Original inventions and new ways to do things create more choices for people. Sources of light, such as candles, oil lamps and LED lights, have evolved over the past 3,000 years. The ability to have light after sunset gives us more choices about what we do with that time.</p>
<p>Walmart Yard Sales Ebay</p>	<p>Markets</p> <p>A physical (a store or yard sale) or virtual place (online auction) where buyers and sellers exchange goods or services. Consumers decide what to buy and suppliers try to produce what consumers want. This interplay of supply and demand in a market helps determine which goods and services are produced.</p>
<p>Can Increase or Decrease How Much? Indicated on a Label or Tag</p>	<p>Price</p> <p>Part of the information used by consumers in determining what goods and services to buy. Prices are set by the forces of supply and demand. Prices can increase and decrease as supply and demand fluctuate. Influences the choices made by consumers and quantity of products supplied by producers.</p>