

ECONOMIC FLOW ACTIVITY

Instructions and Script

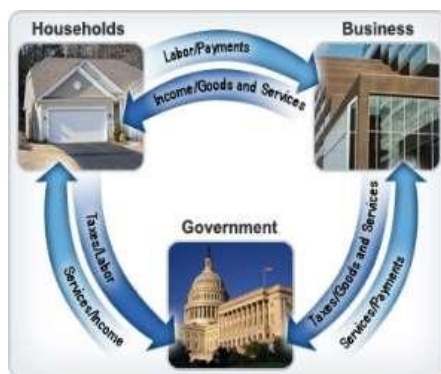
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This is a classroom tested activity that I have used for ten years to allow students to engage in the practical application of the economic, or circular flow.

Economic Flow Activity

1. **Pick three volunteers**
 - a. **Give one sign to each (individual, business or government) (Signs are attached)**
 - b. **Give some fake money to each student. I usually give each student the same amount of money (from a board game or printed and cut out).**
2. **Read the first economic flow example to the class (attached) but let the students figure out how the money changes hand.**
3. **Pick new volunteers for each of the other examples and possibly let a student read the examples.**
4. **Generally students will understand after using the examples provided.**
5. **If they understand, allow them to create their own examples for candy or extra credit. I have also had them write an example out as a required assignment.**



ECONOMIC FLOW SCRIPT

As mentioned above, students should act these out and figure out how money exchanges hands on their own.

#1 –

- Individual goes to Target and buys a video game (Individual to business)
- Target has to pay taxes to the government (Business to gov't)
- The government hires a new employee (Gov't to Individual)
- The new employee can go to KMart and buy a Blu-ray (Individual to business)

#2 –

- The government needs to build a new interstate and hires a paving company (Government to business)
- The business hires employees (business to individual)
- The employee pays taxes to the government on his wages (individual to government)
- The government starts a building project (government to business)

#3 –

- A business pays his quarterly taxes (business to government)
- The government gives a \$600 tax refund to all individual taxpayers (government to individual)
- The taxpayers buy laptops at Walmart (individuals to business)
- Walmart pays taxes on the laptops (business to government)

BUSINESS

INDIVIDUAL

GOVERNMENT

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