

At The Margins: What Is Something Worth to You?

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SUBJECT(S): Economics, Personal Finance

GRADE LEVEL(S): 9, 10, 11, 12

≡ OVERVIEW:

In this lesson, we will introduce students to several fundamental concepts, including: utility, choice, marginal cost and marginal benefit. Using the article “Christopher Bolden-Newsome: The Fight for Food Justice,” we will look at how economists understand individual choices. In particular, students will think about costs and benefits from the perspective of a local farmer’s market.

≡ NBEA STANDARD(S):

- Economics, I. Allocation of Resources
- Personal Finance, I. Personal Decision Making

≡ WHARTON GLOBAL YOUTH PROGRAM ARTICLE:

- [“Christopher Bolden-Newsome: The Fight for Food Justice”](#)

Objectives/Purposes: The purpose of this lesson is to get students thinking about decision making at the margin. Although everyone has experience making choices, we rarely think about our decisions in economic terms. By introducing students to the concept of utility, this lesson will

encourage students to think deeply about the relative nature of individual preference, and how easily value changes over time

- Students will be able to define *utility*
- Students will be able to explain how *utility* relates to *relative preferences*
- Students will be able to define *marginal cost* and *marginal benefit*

Other Resources/Materials:

For Teachers:

- Internet Access (Outside of the Classroom)
- Printer/Copier

Tying it all Together:

The lesson is divided into five parts: (1) Introduction, (2) Guided Reading, (3) Class Discussion, (4) Exploration Activity, and finally (5) Closing

Introduction (5-10 mins)

At the beginning of the lesson, ask students, “What was the last thing you bought in a store?” After a few responses, ask a few follow-up questions, “Why did you buy it?” “Were there any alternatives?” For example, if a student says she bought a slice of pizza for lunch, ask her what other options she had. Why choose the pizza over those alternatives? Often, students will think of immediate substitutes (e.g. another meal or snack). Encourage students to think of other things they could have bought with the same amount of money. Why did the students choose their item over something completely unrelated, say, subway tokens or songs on iTunes?

Once several students have answered, introduce the concept of *utility*. Economists use *utility* to refer to “satisfaction,” or “happiness.” An item with high utility brings a lot of satisfaction. An item with low utility brings relatively little satisfaction. Students can think of *utility* as synonymous with “benefits.” Ask students to think of examples of products or services with high and low utility.

Guided Reading (5-10 mins)

After this short class discussion, students should read through the article “[Christopher Bolden-Newsome: The Fight for Food Justice](#).” Before handing out copies of the article, give students a few guiding questions: (1) What are the costs involved in running a local food market? (2) What are the benefits? (3) What are the costs of *shopping* at a local food market? (4) What are the benefits?

Class Discussion (5-10 mins)

Once students have finished reading the article, encourage students to briefly summarize the article. Feel free to repeat the guiding question, asking students about the costs and benefits of a local food market. Encourage students to think about costs and benefits from multiple perspectives and multiple levels. For example, from the perspective of

1. a shopper,
2. a business owner,
3. a farm owner,
4. a local neighborhood resident,
5. a nearby grocery store.

Make sure students think broadly about the multiple stakeholders involved, and each of their attitudes towards a farmer’s market.

Exploration Activity (15-20 mins)

After the discussion, have the students break into small groups. If you have already worked through the first lesson in this unit (What Is Economics?), have students return to their groups from the previous lesson. Once again, each group will act as owners of a newly opened cupcake store. Provide each group with a copy of [Worksheet 2: Just One More Bite](#).

After students finish the worksheet, have groups report back with their strategies.

Closing (1-5 mins)

Remind students of key takeaways: utility is a measure of individual preferences. Preferences, however, are always relative. The same object can have different costs and benefits to different people—or even to the same person at different times.

Assessment & Extension

Use the Exploration Activity above as an assessment for this lesson. Within their small groups, students should demonstrate knowledge of *relative* utility—the idea that the same person can value products differently, depending on circumstances. The more students can differentiate between varying levels of utility, the better.

Practice Outside of the Classroom:

Ask students to find examples of relative utility in their daily lives. What is something that they value that others do not? What is something their friends value, but they themselves do not?

What worked and what I would do differently next time:

After students finished the worksheet, I encouraged them to draw their graph on the board. With several graphs on the board at once, it was easy to talk about marginal benefit, and decreasing returns.

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