

Selling School – Putting It All Together

SUBMITTED BY: Michael Ryan Moore, University of Pennsylvania, GSE

SUBJECT(S): Economics, Personal Finance

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

≡ OVERVIEW:

In this lesson, students will demonstrate their knowledge of scarcity, utility, and opportunity costs by thinking about the cost of college enrollment. Students will look at real data on educational attainment and income in order to calculate the opportunity cost of attending a four-year college.

≡ NBEA STANDARD(S):

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

≡ RELATED ARTICLES:

- [“Zina Kumok’s Guide to Smart Student-loan Liftoff”](#)
- [“The Rising Costs of a U.S. College Education”](#)

Common Core Standard(s):

- Mathematics (A-CED), “Create equations that describe numbers or relationships”
- Mathematics (S-IC), “Make inferences and justify conclusions from sample surveys, experiments, and observational studies”

Objectives/Purposes: The purpose of this lesson is to get students thinking holistically about economic decision-making from an individual's perspective.

- Students will demonstrate their knowledge of *utility* and *opportunity costs*.
- Students will be able to calculate and compare mutually exclusive economic choices.

Other Resources/Materials:

For Teachers:

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

For Students:

- Copies of Fact Sheet
- Pen and Paper

Activity:

The lesson is divided into three parts: (1) Introduction, (2) Exploration Activity and (3) Closing Discussion

1. Introduction (5-10 mins)

If students have been working through previous lessons in this unit, then they will already have experience thinking about *scarcity* and *utility* from the perspective of a small business (i.e. a cupcake shop).

Today students will look at these same topics from the perspective of individual consumers. In particular, students will look at the *opportunity costs* of attending a four-year college by looking at actual data on educational attainment and income.

Before students start on this exercise, start a brief discussion about college attendance. Ask students to draw on their own experiences. Do they know people who have made the choice to attend? To not attend? What influenced their decisions?

Ask students what they think the benefit or *utility* of college might be. Ask them what the alternatives might be.

2. Exploration Activity (25-30 mins)

Once students are thinking critically about the college application process, have students break into small groups. For this final lesson, I would encourage students to stay in the same groups as the previous lessons — though instructors are welcome to form new groups.

Provide each group with a copy of the [Fact Sheet](#) included below. Based on the given data, when does a college degree pay off? In other words, if a person chooses to work straight out of high school, he or she will be making a lot of income. Another person who chooses to attend school full time will be losing a lot of income (i.e. they pay tuition). That said, once you graduate from college, you will likely earn more money than someone with a high school degree. How long will it take someone with a college degree to “catch up” to his or her high school counterpart who works full time?

Some groups might struggle with the open-ended nature of the problem. Be sure to walk around the classroom, and provide encouragement and hints to students. Teachers looking for more concrete steps should look at the lesson “Opportunity Costs” in the “Intro to Econ” unit in the Teachers’ Room on Wharton Global Youth Program (<http://kwhs.wharton.upenn.edu/>).

3. Closing (5-10 mins)

After students have spent some time working through the problem, open up a class discussion. What did students find? Did the statistics about income and tuition surprise them? Why or why not?

Do they think college is worthwhile? Why or why not?

Practice Outside of the Classroom:

Encourage students to talk with their friends and family about the college decision. What kinds of benefits and costs do they see?

What Worked and What I Would Do Differently:

Depending on your students’ math backgrounds, it might be useful to walk them through the problem step-by-step. Encourage students to calculate yearly income for both high school and college graduates. Next, ask students how much money a high school graduate earns in four

years of working. How much money does a college student pay in tuition over four years? These two numbers tell us the total amount that the college student will have to “make up.”

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