

Creating a Classroom Economy

Classroom economies are simulations of real world economic activity that range from simple to complex. Money Masters' classroom economy is an example of a simple classroom economy that teaches students the not so simple concepts of saving, spending, budgeting and earning an income. Best of all, it can be used in any classroom no matter what the subject matter.

How to implement Money Masters' classroom economy:

1. Grade students' work on a point scale to determine their wages. For example, if a student receives 80 points on an assignment that could equal \$0.80, \$80.00, or any monetary equivalent of points for dollars you choose. Since most teachers already use a point scale for grading, this part of the classroom economy is easy to implement.
2. Prepare weekly, bi-monthly, or monthly pay statements for students. Money Masters has a pay statement you can use or you can design your own.
3. On "pay day" give students their pay statements and pay in classroom money. Money Masters has money you can use or you can design your own.
4. As often as desired, open the classroom store where students can purchase items using their classroom money. Prior to opening the store for the first time you will need to set prices. You may wish to get student input when setting prices or you may wish to set prices on your own.
5. Reward students who save their classroom money with interest. Money Masters has a savings account worksheet you can use or you can design your own.

To access Money Masters' pay statement, money, and savings account worksheet and example, go to the curriculum page at www.money-masters.org.

Additional classroom economy information:

- Give students responsibility for handling many of the classroom economy details and pay them for their work. Remember, if students can do the work, save yourself the effort and let them do it.
- Most, if not all, of the items in the classroom store can be privileges versus consumer goods. For example, cost-free items students typically desire include homework passes, bathroom passes, library passes, dropping low grades, the ability to eat and/or drink in class, extra computer time, and choosing where they sit, to name a few. You are the best judge of what will work in your classroom and at your school.
- Inexpensive items you can purchase include food in bulk from warehouse stores (the hands down favorite in pilot programs) and school supplies.
- Other methods for stocking your classroom store are asking colleagues to give you things they no longer want, shopping at yard sales, asking your PTA for funding, asking parents for funding, and asking local businesses to donate goods.

Preventing Abuses:

It's extremely important that students behave honestly and ethically when participating in a classroom economy. Additionally, it's another important life lesson.

Money Masters' curriculum states...

"The classroom economy is run on the honor system. This means you are responsible for not stealing from others or the store, paying the correct amount for your purchases, and computing your interest correctly. If you violate the honor system you will be fined.

Fines are:

1st offense – You forfeit that week's earnings.

2nd offense – You forfeit all previous earnings.

3rd offense – You forfeit all previous earnings and receive a 50% pay cut for future earnings.

4th offense – You may no longer participate in the classroom economy."

Use this "as is" or modify it as you wish.