

## Classroom Economy



2019-2020

Greetings,

This school year your child will participate in a classroom economy. The purpose of this activity is to expose students to a wide variety of real-world economics and personal finance.

Using classroom “money”, students will learn how to:

- make wise spending and savings choices
- experience online banking
- learn about credit cards and debit cards
- participate in a simulated stock market
- write detailed persuasive essays
- purchase insurance
- pay taxes
- pay rent
- have the opportunity to become a property owner
- understand interest rates
- become innovative entrepreneurs
- understand the risk associated the lottery and investment opportunities
- make charitable donations
- keep proper records
- apply for a job, ask for a letter of recommendation, and more!

### Employment

Students have the opportunity to work for Chenier Inc. Employment cycles run September-November, December-February, March-May. Students may reapply for the same job or a new job each cycle. In addition to working for Chenier Inc., they may also be a business owner and/or work for a classmate.

### Pay

- Payday is the first day of each month.
- Checks will be automatically deposited into your account.

### Rent

- Each resident of the classroom must pay rent for the use of his/her desk and chair.
- Rent is due from each resident on the first day of each month starting October 1<sup>st</sup>.
- The monthly rent is \$450.00.
- If rent is not paid by the 7<sup>th</sup> day of the month there will be a \$50 late fee.
- They also have the opportunity to become a property owner and save 10%. See Mrs. Chenier for details.

## Classroom Jobs

### Chief Financial Officer (CFO) (1) \$660

**\*\* Additional Requirement:** Needs a **Letter of Recommendation** from another teacher or adult to show that applicant is dependable, has a high level of integrity, and can handle this position.

§ The CFO is responsible for handling credit/debit card charges and payments.

§ The CFO will electronically apply weekly fees, bonuses, and monthly pay checks.

### Bank Teller (2) \$650

**\*\* Additional Requirement:** Needs a **Letter of Recommendation** from another teacher or adult to show that applicant is dependable, has a high level of integrity, and can handle this position.

§ A banker keeps records for all students using the electronic account system. This person must be good at mathematical algorithms and a person of the highest integrity.

§ The banker handles deposits and withdraws from bank customers and coordinates accounts with the other bankers and teacher.

### Supply Director (1) \$540

§ A supply director keeps all supply areas of the classroom spotless, organized, and freshly stocked.

### Librarian (1) \$540

§ The librarian is in charge of our classroom library and makes sure all book shelves are clean and in order.

§ This student will be responsible for book repairs needed.

### Teacher's Assistant (2) \$610

**\*\* Additional Requirement:** Needs a **Letter of Recommendation** from another teacher or adult to show that applicant is dependable, has a high level of integrity, and can handle this position.

§ The teacher's assistant will assist the teacher with a variety of classroom tasks.

### Lunch Monitor (2) \$600

§ This position is responsible for getting and returning Main Dish hot lunch and milk.

### Postmaster (1) \$575

§ They are responsible for assisting with the distribution of papers and monitoring mailboxes.

**Public Relations (1-2) \$575**

- § This position will approve all advertisements displayed in the room for student businesses.
- § This position is responsible for greeting classroom visitors.
- § The Public Relations specialist helps with the creative design and the implementation of classroom displays and bulletin boards.

**Technology Monitor (2) \$600**

- § The technology monitor makes sure that classroom technology is kept organized and fully charged.
- § This student will be responsible for reporting any laptop problems first to the teacher and then to Technology Department if needed. General laptop assistance may be required as well.

**Substitute (1) \$520**

- § The substitute performs jobs for absent students. If no one is absent they assist other students.

**Property Manager (1) \$550**

- § The student helps ensure the boards are clean, chairs stacked, and areas are tidy.

**Classroom Custodian (1) \$550**

- This person sweeps the floor, ensures areas are neat and works with the Property Manager.

**Better Business Bureau (1-2) \$600**

- § This person monitors businesses and ensures they are following regulations. They inspect businesses during Open Market Days and give a class business report after each Open Market Day. If a business owner needs assistance the BBB is there to help. BBB personnel will not own their own business during the trimester they are employed as BBB administrators as it could be construed as a conflict of interest.

Unemployment benefits are \$400 per month.



**Classroom Job Application**

Name \_\_\_\_\_

Date \_\_\_\_\_

Name your top **3** job choices:

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

Tell what experiences and strengths you have that would help you succeed at these jobs:

**My Signature** \_\_\_\_\_

Do you need a letter of recommendation for this position? If so, please get one from a teacher or adult and return with this completed application to the teacher no later than \_\_\_\_\_. Interviews will be held \_\_\_\_\_.

**Deposits:** In the real-world you can receive bonus money for a job well done. You can work multiple jobs, have a garage sale, or earn extra income through a variety of other means. The same is true in our classroom economy.

**Earn extra income by...**

- \$Varies Check the “Odd job” board for odd jobs
- \$200 (CS) Community Service -Monthly good deed for your community, get a signed/dated brief written note describing the good deed or act
- \$100 (T) Clean up the playground
- \$100 (SUB) Having a good report from a substitute teacher
- \$100 (P) Having your planner signed every week for the entire month
- \$50 (PB) Personal Best Bonus, earn \$50 for excellent classwork, i.e. growth on tests, evidence of best work on projects and assignments, etc.
- \$5+ (B) Outstanding citizenship, good choices, etc.
- \$10 (FF) Find It – Fix It
- \$ ??? Have an idea? Put it in writing and present it to the teacher

-----

**Withdrawals:** In the real world you have to pay fees or charges and make payments or purchases. You may get a parking ticket, have to pay a service repairman, or pay a processing fee for an online order. The same is true in our classroom economy.

**Ways to spend money...**

- \$Varies Student Businesses
- \$Varies Chenier Shop
- \$Varies Insurance, personal and business “ChenierCare Network”
- \$500 (TV) Trustworthiness Violation Fee
- \$100 (RV) Respect Violation Fee
- \$100 (HC) Purchase of a No Homework Coupon (limit 2 per trimester)
- \$50 (U) Coming unprepared to class without essential required items
- \$50 (H) Homework Prolongation Fee (teacher must work overtime to correct late work)
- \$50 (OT) Off task behavior
- \$50 (MD) Organizational Services Charge
- \$10 (HK) Housekeeping Fee (Those who clean up after you are working overtime.)
- \$5 (MW) Microwave Charge \$5 per minute, rounded up to the nearest minute. BTW, my microwave is ancient, try to bring non-microwaveable lunches.

Bonuses and fees will be distributed and collected online with the assistance of the CFO and Bankers.

### **Student Businesses**

The best way to promote innovative entrepreneurship is to give students the opportunity to try it! Student businesses are optional, some students prefer not to be a business owner and enjoy being employees for the teacher and/or classmates.

If your child wants to have his/her own business he/she needs to put careful thought into the product or service that will be provided. The purpose of this activity is **NOT** to have parents go out and spend actual money on items for their child to sell in the classroom. If you do provide your child with materials for his/her business I encourage you to act in the capacity of supplier, and since very little in the world is free, your child should have a plan on how to repay his/her supplier (i.e. extra chores, etc.)

Some businesses are successful all year; some are successful for a short time, while others are not as successful. The key is market research! Students should see if the product/service is one that classmates are interested in purchasing.

Students must complete the attached business application that includes your signature to approve of the items/services being sold. Students may amend their business application at any time, but your signature and date will need to be updated each time. Some students like to run the same business all year while others like variety and try many businesses!

Business owners will need to decide if they want to purchase insurance for their business. They will also need to keep accurate and detailed records on sales and their employees.

\*One week will be a formalized economy lesson; the following week will be our Open Market, where students can open their businesses. There will be some months that we will have only one Open Market day due to fieldtrips or school events.

\*All items **must** be **homemade**. Please do not buy items to send in for your child to sell. I want to encourage resourcefulness and creativity with products and services!

\*Food Item Policy- Dependent on allergies, homemade food items may be permitted. Students will be encouraged to make healthy choices. The teacher will intervene, if needed by limiting food items or banning the sale of certain items. Businesses that choose to sell food products will have to pay a 10% food/beverage tax to Chenier, Inc.

\*Certain months will have themes that present challenges to student businesses. They will need to evolve and be creative to stay relevant in the Chenier Market.

Application for Class Business

Name of Business: \_\_\_\_\_

Owner: \_\_\_\_\_

Employees: \_\_\_\_\_

What is your product or service? \_\_\_\_\_

\_\_\_\_\_

Who is your supplier? \_\_\_\_\_

\_\_\_\_\_

What payment agreement do you have with your supplier? \_\_\_\_\_

\_\_\_\_\_

What is the price point/price range of your goods/services? \_\_\_\_\_

\_\_\_\_\_

How much will you pay your employees? \_\_\_\_\_

\_\_\_\_\_

How often do you pay your employees? \_\_\_\_\_

\_\_\_\_\_

Explain and attach your market research. \_\_\_\_\_

\_\_\_\_\_

Date of original application: \_\_\_\_\_

Parent Signature \_\_\_\_\_

Student Signature \_\_\_\_\_

Teacher Signature \_\_\_\_\_

**Optional- Credit Card Application**

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Class Number: \_\_\_\_\_

By signing below I agree to pay back the Chenier Savings and Loan for any and all credit card charges. I understand that not paying off my balance in full on each statement will result in a 25% interest rate. I understand that a \$35 late fee will be charged to my account if I am late paying my bill. I understand that paying only the minimum will result in a longer payoff time.

X \_\_\_\_\_  
Signature

X \_\_\_\_\_  
Printed Name



### **Insurance Information**

Each employment cycle students will have the option to purchase insurance. They will spin the “Wheel of Random Bad Luck”, that will determine if they need to file an insurance claim.

#### **Personal Insurance Options**

Option 1- Personal Insurance Basic Coverage

This policy covers the policy holder for 80% of any and all damages that occur. The policy holder is liable for the remainder of the 20% balance.

Monthly cost: \$50

Option 2- Personal Insurance Full Coverage

This policy covers the policy holder for 100% of any and all damages that occur.

Monthly cost: \$75

#### **Business Insurance Options**

Option 1- Business Insurance Basic Coverage

This policy covers the policy holder for 80% of any and all damages that occur. The policy holder is liable for the remainder of the 20% balance.

Monthly cost: \$50

Option 2- Business Insurance Full Coverage

This policy covers the policy holder for 100% of any and all damages that occur.

Monthly cost: \$75