

Economic Game Changers: Adam Smith | Lesson Plan



How do economic choices and human flourishing work together?

Students will understand that free markets promote widespread efficiency and human flourishing when supported by a limited, well-ordered government.

Learning Objectives:

- Analyze how the division of labor increases productivity
- Explain how prices emerge from supply and demand
- Evaluate the role of self-interest in economic systems
- Assess the proper role of government in a market economy

Key Vocabulary:

- **Mercantilism:** An economic system where governments control trade to increase national wealth.
- **Division of Labor:** Breaking production into specialized tasks to increase efficiency.
- **Supply and Demand:** The interaction between buyers and sellers that determines price.
- **Invisible Hand:** The idea that self-interested actions can benefit society as a whole.
- **Self-Interest:** Acting in one's own benefit.
- **Free Market:** An economy with minimal government intervention.

Educational Standards: CCRA.R.7, CCRA.R.10, CCRA.W.2, CCRA.W.4, CCRA.W.7, CCRA.SL.1, CCRA.SL.2, CCRA.L.6

Academic Subject Areas: Economics, U.S. History, Civics, Political Philosophy

What You'll Need

- Video: *Ca\$h Cour\$e: Economic Game Changers: Adam Smith* (Watch [Here](#))
- Worksheet: *Ca\$h Cour\$e: Economic Game Changers: Adam Smith* (Link [Here](#))
- Whiteboard for writing and a TV / Monitor to show video
- Play money (optional for simulation)

Lesson Plan (45 mins.)

Warm-Up: (10 mins.)

1. As students, consider whether society would work better if the government controlled all prices or if people were free to decide that for themselves. Take a quick vote and write responses on the board.
2. Have students do a quick Think-Pair-Share with this topic: If everyone acts in their own self-interest, does society get better or worse? Allow students to briefly wrestle with ideas and opinions. Allow a couple to share their response with the class. Keep this brief.



3. Write each Key Vocabulary term and its definition on the board. Ask students to take notes.
4. Introduce today's Cash Course video by explaining that students are going to meet the man who argued that self-interest isn't the problem, it's the solution.

Watch and Apply: (25 mins.)

1. Watch the video "Ca\$h Cour\$e: Economic Game Changers: Adam Smith " as a class.
2. After the video, discuss the following questions:
 - What problem did Adam Smith see in mercantilism?
 - What is the division of labor, and why does it increase productivity?
 - Why does specialization make goods cheaper for consumers?
 - Why is it difficult for a government to set accurate prices?
 - Where do you see the "invisible hand" operating in your daily life?
3. Talk through these concepts introduced in the Adam Smith episode. Emphasize that Smith challenged the idea that economic order must be directed or controlled. Instead, he argued that through voluntary exchange and individual choices, order can emerge naturally in the marketplace.
 - **Division of Labor** → **Increased production through specialization**
 - **Supply & Demand** → **Prices emerge through voluntary exchange**
 - **Invisible Hand** → **The spontaneous coordination of the market**
4. Hand out the worksheet. Students can work independently or in pairs, depending on class needs.

Wrap-Up: (10 mins.)

1. Recap the lesson objectives. Go over the worksheet as a class. Review response.
2. Connect relevant concepts to students' lives. Ask students to explain what would likely happen if the government tried to set prices for everyday goods like sneakers or food.
3. Exit Ticket (Door Check): Ask students to respond to this question on the back of their worksheets before handing in:
 - What is the key economic principle Adam Smith teaches?
 - Give one real-world example of it in action.
4. Collect the worksheet and door check as formative assessments.

Don't have time for the full lesson? Quick Activity (10-15 mins.)

Distribute the worksheet and have students complete it as they follow along with the video. Or, have students watch the video at home and use the worksheet as a quick quiz the next day in class.