



Post- Trip Lesson Plan Economy and Bartering

- I. Grade level: grades 1-2
- II. Objectives:
 - a. To discuss why bartering was the main exchange system used in Florida in 1898.
 - b. To examine the different kinds of goods that were bought and traded in 1898.
 - c. To explore how purchasing items in 1898 was different from purchasing items today.
- III. Standards:
 - a. Sunshine State Standards(2006):
 - 1) Social Studies: Time, Continuity, and Change: Standard 1: Compares everyday life in different places and times and understands that people, places, and things change over time.
 - 2) Social Studies: Time, Continuity, and Change: Standard 5: Understands changes in community life over time.
 - 3) Social Studies: Economics: Standard 2: understands the characteristics of different economic systems and institutions.
- IV. Vocabulary:
 - a. Barter: exchanging a good for another good, instead of exchanging goods for money.
 - b. Market or Fair: a public gathering for disposing and buying various products.
 - c. Grocer: formerly spelled as Grosser, is someone who sells deals by wholesale.
 - d. Staple: a commercial term given to the most important articles of purchase
 - e. Speculation: to attempt to foretell the future on how many goods you will need in the future.
 - f. Banknote: this is the name given to currency/money, it derives from the fact that prior to 1913 each bank was allowed to make their own currency.
 - g. Dry goods: items that are not food, such as hardware and dishes.
 - h. Groceries: spices that came from far away.
 - i. Produce: fruit, vegetables, eggs and other foods from nearby farms.
- V. History:
 - a. Federal Reserve System: National banking systems were created during the civil war to help fund the war. With America's system of checks and balances, many were afraid that a central banking system would have too much power. So the 1st National Bank was created on a 20 year charter in 1863. After 20 years, this system was eradicated. And another unsuccessful central bank, the 2nd National Bank was created with a 20 year charter. During this time each bank was allowed to print their own money. Those who deposited their money in a bank were given the banknote from the bank. However, with the high amount of bank failures this monetary policy was unsuccessful. For example, if given a banknote of \$1 from a bank, and this bank was thought to fail in the near future, this banknote may now be only worth 75 cents. With uncertainty in the bank system, the use of banknotes was risky until the Federal Reserve System was created in 1913.
 - b. Florida: In 1898 there was not a large amount of banks in Florida. Furthermore, the banking system was unsuccessful with numerous bank failures and recessions. Therefore, many living in Florida during this time period used bartering as a main means of trade.



Activity 1: Bartering at the General Store

- VI. Materials:
 - a. Two large sheet of paper
 - b. Writing Utensil
- VII. Procedures: Begin by reading the history of bartering (below) to the class. Then create two lists, one on each large sheet of paper. List one items to be traded *with*, and list two items to be traded *for*.
- VIII. History: There were two different kinds of goods to be found at the general store: goods to be traded *with* and goods to be traded *for*. Items that were traded *with* were mostly farm goods, and items to be traded *for* were commercial goods, or goods that could not be found in the community.
- IX. Sample List:
 - a. Items to be traded with: flour, beef, eggs, butter, syrup, hides, animals, fruit.
 - b. Items to be traded for: spices, rum, drugs, china, fabric (silk, satin), rice, tea, coffee, fruit.
- X. Assessment: This is a group activity and can be graded based on participation.
- XI. Open-Ended Questions:
 - a. How do we get special items today (specific toys, clothing ect.)
 - b. How do you think people got special items in 1898? (Ordering from a store or catalogue)
 - c. Fruit can fall into both categories, why do you think this is?

Activity 2: Bartering

- XII. Materials:
 - a. Construction paper
 - b. Crayons, colored pencils, markers
 - c. Glue/tape
 - d. scissors
- XIII. Procedures: Tell each student to make an item from one of the lists that the class has created out of construction paper. Once all of the students have completed their items tell them to trade amongst each other. After this is complete explain the definition of bartering (below) and discuss the Open-Ended Questions (below).
- XIV. Assessment: This assignment is based on participation.
- XV. Definition: Bartering is when people trade goods or services without money. Bartering was more popular in 1898 then it is today because of the current banking system and the government securing banknotes.



BARTER. Dealing by an exchange of goods. This was the original mode of dealing before the use of money and is still very common wherever money and banking facilities are scarce. Country dealers are often obliged to take eggs, butter, etc., as pay for sugar, starch and soap, and when they can move the produce quickly and well, and are not paying too much for it, the barter seems to have a double profit, because they make something on the sale of the groceries and something on the sale of the produce. But it is often a great snare because of the following reasons: First, the produce may move slowly and so tie up capital, deteriorate in quality and demand much time and attention. Second: the feeling that there is a double profit in barter, leads dealers to pay the fullest price for goods taken in trade, relying on the grocery profit alone. But there is really no double profit. For keeping, handling, and selling groceries, one profit is realized: for receiving, shipping and selling the produce, another profit *should* be earned, and the dealer who does both for a single profit, is doing half his work for nothing. Third, it requires a good deal of sense to make a successful grocer, and many men who try to combine the business of buying and shipping produce, and its freights, account sales, drafts, returns and commissions, with that of keeping a grocery store, find out that they are not masters of both, but that one of them eats up all the profits of the other. Barter leads to a competition in buying which is worse than that which "cuts" in selling, because the dealer who

cuts the prices of his groceries, generally stops before he gets to cost, because he knows just where that point comes, but the buyer who competes on produce does not know the price at which the goods will sell in the city and is often and easily led to pay more than he can realize after all the charges are paid. No dealer can do two transactions for one profit; few are capable of managing a double business, and when goods are sold below their value or bought above it, it is well to let others control the market.

XVIII. Open-Ended Questions:

- a. What types of items do we find at a grocery store today?
- b. Are these items similar/different from items found at a general store in 1898?
- c. What is the difference between bartering and paying with money?
- d. Would you rather barter for goods or pay with money?

Activity 3: Worksheet: The Economy

XIX. Materials:

- a. Worksheet: The Economy
- b. Writing Utensil
- c. Crayons, Colored Pencils

XX. Procedures: Hand out worksheet to class and read over the instructions with the class. Allow time for the students to complete the worksheet.

XXI. Assessment: This activity can be graded based on completion.

XXII. Open-Ended Questions:

- a. How do we purchase items today?
- b. Where do we go to purchase these items?
- c. Do we still have the categories Dry Goods and Produce?
- d. What would you label as a Dry Good?
- e. What would you label as Produce?