**Business Portfolio Components:** Specialization, design process, market knowledge, producers and consumers

**Why Do Most People Have a Job Where They Only Make One Good or Service?**

 This part of the classroom business project draws on the fable of the Tortoise and the Hare and a classroom simulation to introduce the concept of *specialization*. Specialization is when people concentrate on producing one or just a few goods and services. This allows them to *produce* more of them at a higher level of quality than if they would have divided their time and talents among many different tasks. However, people need to *consume* many different things—what if they are only producing one thing because of specialization? What to do? The answer is: *trade* the thing they produce for the things they consume (people do this using money).

**Questions for inquiry:**

Compelling (driving) question:

* Why do most people have a job where they only produce one good or service?

Supporting questions:

* What is specialization?
* Why do people specialize in certain products or services?
* How can people produce just one (or a few) things, but consume many different things?
* Can whole countries—not just people and companies—specialize, too?

**Economic concepts:**

History and Social Studies SOLs

SOL 3.8

The student will recognize that because people and regions cannot produce everything they want, they specialize in what they do best and trade for the rest.

SOL 3.7 The student will explain how producer in ancient Greece, Rome, and West African empire of Mali used natural resources, human resources, and capital resources in the production of good and service.

**Using evidence and sources:**

Use this link to introduce: <http://www.econedlink.org/lessons/index.php?lid=284&type=student>

Read the Story the “Tortoise and the Hare!”

Ask pre-reading questions from online lesson plan.

Have a discussion, read the story, and discuss the extension activity questions from the lesson plan.

The extension activity using the *Playful Economics* hamburger assembly line involves a classroom simulation. Simulations such as this one are a powerful and authentic data source for students to analyze.

**Communicating conclusions and taking informed action:**

Extension option 1: Use “Why Do Different Countries Produce Different Things?” from the Mini-Economy Business Plan website. In this case study, students create an example of what someone in ancient China might produce, focusing on the resources unique to China. They also explain how China differs from Rome in its areas of specialization.

Extension option 2: Use “What Should I Specialize In?” from the Mini-Economy Business Plan website. Students explain their personal areas of specialization within their classroom business. They also map out their production processes focusing on natural, human, and capital resources.

**Procedure:**

1. Read the Story the “Tortoise and the Hare!” Ask pre-reading questions.

Have a discussion, read the story, and discuss the extension activity questions from the lesson plan.

1. Now think about the products you have been making in class. How have you specialized in making a product? Why do you think you did specialized in one product? *[Maybe students have unusual skills that help them make a scarce good or service (e.g. hair braiding or duct tape wallet-making). Other times people specialize in things for which they don’t have particularly unusual abilities, but that others don’t have time to do (e.g. cleaning up desks)].*
2. How and why do businesses specialize in producing one product? *[Businesses specialization for the same reasons that individuals do: they can produce more when they specialize, and can often produce better-quality things, too.]*

Extension Option 1:

Ask: “Can whole countries—not just people and companies—specialize, too?”

Explain that ancient Greece had very little land to farm on, but was right next to the sea.

Ask: “What might a country like ancient Greece specialized in?” *[Fishing, and services such as ship-building and pottery-making. Sometimes countries that have poor natural resources can become rich by becoming skilled at making services]*

Explain that ancient Mali was in the middle of a large continent, but had access to gold mines.

 Ask: “Is gold a natural, human, or capital resource?”

 Ask: “What might Mali have specialized in?” *[Gold. Also, their location in the middle of a continent meant that people needed to travel through their country and buy their other goods and services.]*

Explain that Rome had both good farmland and was located next to a river.

 Ask what Rome may have specialized in. *[Both services such as fishing and ship-building, and farming, too. Sometimes countries are successful for concentrating on several things rather than just one thing.]*

 Categorize the things these countries produced into natural, human, and capital resources: *[Fish, farmland, and gold are natural resources. The people who produce things and their talents are human resources. For instance, the ability to make ships requires special human resources. Ships and pottery are capital resources, since they are goods that help produce other goods and services.]*

On a black line world map, show/draw goods produced by different countries. Write a paragraph entitled, "Why Countries Specialize in the Goods and Services They Produce," or "Why Specialization and Trade Make Countries Interdependent."

Extension Option 2: Make and assembly line to demonstrate specialization. Half the class will use play dough to design a hamburger in an assembly line fashion, while the other half of the class would create their own individual hamburger. (You can also do this activity for almost any other product, for instance paper hats or construction-paper flowers.) Each group would work for seven minutes and count the number of products they created to compare assembly line production to individual production. See Lesson 8 from *Playful Economics.*

 Before the simulation, ask: “What can we predict about number and quality of the products the two groups create?”

 After the simulation, ask: “Was our prediction about the assembly line correct?”

“Which group made more items?”

“How does the quality of the items compare?”

 “Are there any other differences between the items the groups made?” *[Oftentimes the group with the individual craftspeople has more diverse products]*

“Did we learn anything different about specialization as a result of this game?” *[Sometimes specialization doesn’t work perfectly for every good or service. That’s OK—let students know that specialization is one option they can use to improve their classroom businesses. Also, specialization doesn’t always involve an assembly line; some tasks require a diversity of talents—like being a teacher!]*