



Syllabus

For _____ (Teacher's name)

In class this year you'll be a key member of an economic system, contributing as a producer, earner, investor, and consumer. You'll be earning and spending classroom dollars. This syllabus explains the program, and you'll have an opportunity to ask questions about it in class.

Part One: Earning and Spending Money

Overview

Starting now, you have bills to pay. You owe monthly rent for your desk, and you also have an electricity bill. Fortunately, you have several ways to earn enough classroom cash to pay these bills. You also have special investment opportunities, and you'll see some attractive ways to spend your earnings—assuming you can save up enough. Your bills always come first.

Earning money

- You will earn \$750 a month for being an exemplary student.
- You can earn more if you take on another classroom job (see the jobs list below). The teacher will explain how to apply for a job.
- You can earn bonus pay for achievements such as making good grades, doing extra projects, and participating in school activities.
- Finally, if you have a creative idea, you can start your own classroom business.

Spending money

- You must rent your desk for \$800 per month. However, if you save up enough, you can purchase your desk for a one-time payment of \$2,400 and never pay rent again.
- You must pay \$150 a month as your share of the classroom electricity bill. If the class Electrician finds ways to reduce our electricity usage, the bill may shrink.
- You will owe fines to the class when you do not follow the classroom rules and fall short of exemplary student requirements. The list of fines is below.
- You can use your extra money to buy items in the class auctions. (Feel free to give the Auctioneers suggestions for things to be bid on.)
- You may want to use some of your earnings for insurance or for investments. These are advanced topics that won't be covered in class for a while, although you can read about them in Part Two of this syllabus.

Classroom jobs

Jobs	Job Description	Monthly Salary
Exemplary Student Everyone in the class		\$
Attendance Monitor 1 per class		\$
Auctioneer 3–5 per class		\$
Auditor 1 for every 5 students		\$
Bonus/Fine Administrator 1–2 per class		\$
Clerk 2–3 per class		\$
Economist 1 per class		\$
Electrician 1–2 per class		\$
Insurance Agent 1–2 per class		\$
Investment Banker 1–2 per class		\$
Recyclist 2–3 per class		\$
Messenger 1–2 per class		\$
Tutor As needed		\$
Visual Display Artist 2–3 per class		\$
Webmaster 1 per class		\$

Part Two: Insurance and Investing

Starting next month, on Bill Day you will have two new options: to purchase insurance and to invest in certificates of deposit (CDs). You can decide to buy one, both, or neither.

Insurance

If you buy insurance, you'll be protected from the cost of repairs should your desk suffer "property damage." It's up to you to decide whether you want to buy the protection or simply hope that your desk will escape harm. If you choose to purchase insurance, you have two options:

- Pay \$1,200 for a full year of coverage.
- Pay \$200 for one month of coverage. You can pay for a month on each Bill Day.

Four times a month, our class will use an insurance simulator based on random number generation, to determine whether the class has suffered any "property damage." Depending on the numbers that come up, your desk may suffer no damage at all, or it may require \$100, \$150, or \$200 worth of repairs.

If you own insurance, you will not have to pay any repair bills.

If you don't buy insurance, what's the worst that could happen to you? Try calculating the maximum amount of damage you might have to pay in a month.

Investing

Certificates of deposit (CDs) are a way to make your money grow. If you buy a CD, after a while you will get back the money you invested, plus an additional amount. What's the catch? Your money is tied up—you can't spend it at the auction, for example—until the term of the CD has expired. In the classroom economy, you can buy CDs in \$100 increments, at terms of 1, 3, 6, or 8 months. The longer-term CDs pay you a higher rate of interest, but will cease to be available as the year goes on. For example, the 8-month CD can only be purchased on the first Bill Day. Here are the interest payments you'll receive for CDs with various terms:

\$100 Invested	1 month	3 months	6 months	8 months (or until just before the final auction of the year)
Earnings at the end of each term	\$15	\$50	\$120	\$200
Balance at maturity	\$115	\$150	\$220	\$300

Note: In the *real economy*, these earnings would be high for a typical CD. They are set at this level in the classroom economy to illustrate key concepts within the compressed time frame of a school year.