



BIZ KID\$

Episode 208: "Economic Cycles (What Goes Up Must Come Down)"

Day Two Introduction

Play part of the theme music for "Biz Kid\$" from the episode intro to motivate and engage the students. Then stop the music, welcome the students/youth to today's session, and introduce yourself. If needed, ask students to please use their nametags.

Review and Connect with the Previous Session

The phrase "timing is everything" is especially true with regard to economic cycles.

Economic cycles are like waves in the ocean. It was said that, "the wave never stays down forever." The economy doesn't stay down forever either; it goes in cycles of expansion and prosperity, into contraction and recession, and then rises again.

Biz Kid John wanted to start his own business, "Running Wild Paintball." He found it was harder than he thought it would be, and the business wasn't making the profit they had projected. The economy was the reason they made adjustments such as changing their prices, giving big discounts, and waiving fees on certain nights. As a result, they have more customers now. John was willing to listen to good advice from others, which helped his business survive. His advice to you is, "A Biz Kid always finds a way to make a downturn into an upturn."





Mary, of the “Gold Creek Equestrian Center” in Woodinville, Washington, compared the economy with riding a horse. You can fall off, or be prepared in case you fall, and be ready to do well. Be ready for the downturns so you can get back up and win! Her advice to younger kids is to save your money.

Conner owns the “Country Boy Gold Mine” in Colorado. We learned from his segment that the price of gold changes over time, but that gold has always been valued in good economic times and bad. At the moment, gold is very expensive or worth a lot.

Katy is the Biz Kid known as a car “wheeler-dealer.” She explained how the economy affects the car business. During a recession, people want more fuel-efficient cars, smaller cars, and fewer options on the cars. They splurge on bigger cars with more options when the economy is good.

Then there was the “Attack of the Giant Inflation Chicken”...

Nineteen-year-old Artin got into the business world when he was 13. He started with vending machines, and then took his business online so people wouldn't discount him because of his age. He now owns a limo company, warehouses, a stone business, and a restaurant. Did I mention that he's only 19??? His advice included the following:

- Anticipate what the future holds
- Be aware of the world's economy
- Be patient
- Adapt to the economic cycle
- Keep your eyes open for opportunities





He reminded us that bad times happen, but understand that there are always ups and downs.

Display an OHP Transparency of the following ACTIVITY and read it aloud to students as they read along silently.

ACTIVITY

Bull Market or Bear Market?

The terms "Bull Market" and "Bear Market" refer to a Market trend, or the direction in which a financial market is moving.

The term "Bull Market" describes an upward movement, and "Bear Market" describes a downward movement.

The terms "bullish" and "bearish" can also mean "optimistic" and "pessimistic" respectively.

In a Bull Market, investment prices rise faster than average. Bull Markets can happen as a result of an economic recovery, an economic boom, or investor psychology.

In a Bear Market, investment prices fall. This usually happens when the economy is in a recession, when unemployment is high, and when inflation rises quickly.





In Episode 208 of Biz Kid\$, specific words were used to describe whether the Market trend was bullish or bearish.

As a class, you are going to look at a list of words from the episode, and decide if they refer to a Bull Market or a Bear Market. Please raise your hand if you'd like to volunteer an answer.

Display an OHP Transparency of the "Bull Market or Bear Market Word List." Using an OHP pen, write "Bull" or "Bear" next to each word in the list. Students may need to discuss a difference of opinion about the correct classification of a word. Guide the discussion in the correct direction, as you want them to get the right answer.

Bull Market or Bear Market Word List

Recession

Surge

Economic contraction

Depression





Buy and invest

Wages are down

Prosperity

Stock prices rise

More people get better jobs

Corporate profits go lower

Financial portfolio is devalued

Inflation

Money is tight

Once the students, with your guidance, have correctly identified the words as relating to a Bull or Bear Market, explain that they are going to create a poster that reflects this information.

Each student will need a large sheet of construction or drawing paper, and colored markers or colored pencils.

They may design the poster their way.





Some students may wish to fold the paper in half and label one side "Bull" and the other side "Bear". Using words and pictures, they are to accurately describe both directions of the Market trend. Other students may prefer to use a circle or a wave shape for their posters.

The goal of this activity is for students to become comfortable and familiar with using and understanding these economic terms, and to share their knowledge with others through their posters.

Students will need to see the terms on the word list, so please continue to display the OHP Transparency of the Word List with correct answers.

Teachers may wish to allow additional time for students to complete these posters. Posters could be displayed on a bulletin board during April, Financial Literacy Month; shared during a "Back to School Night"; or shared with other classes.

Distribute the "Family Activity Sheet" and the "Biz Terms" Sheet for Episode 208 to all students to share with their families.

Thank students for their attention and participation in today's session!

