

Topic: Making economic decisions

Lesson: Introduction to the UK economy	KS or Year Group: KS 3
Resources: <ol style="list-style-type: none">1. Resource 1 – Matching activity2. Resource 2 – Teacher’s cheat sheet	Outcomes: <ul style="list-style-type: none">• Students become familiar with key vocabulary and concepts about the UK economy.• Students know main areas of government spending and ways money is raised.

National Curriculum

Range and Content: 3h

Lesson

The lesson introduces students to the fundamental components of the UK economy.

Starter

- Introduce the topic by getting the class to brainstorm and writing their suggestions on the board. Put “economy” in the centre of the board and ask students what ideas or phrases they would link to this keyword. This will help to establish their prior knowledge base and can be used to introduce relevant vocabulary.
- Ideas or phrases that will probably come up might include people working and buying things, government taxing and spending (e.g. education, health, roads, defence, etc.), businesses making products and services, etc.
- At this stage, do not ask students to copy this brainstorming activity into their books (see assessment).

Main activity

Activity 1:

Students to do a sorting task, using **Resource 1 – Matching activity**. If possible, this should be made bigger as this makes it easier to cut up and use (it could be laminated for ease of future use). It could also be done as an ICT matching activity.

Introduction to the UK economy

- The students match words to their descriptions. This could be done in pairs or individually.
- Teacher moves around the room discussing the answers students are creating and pointing out errors or correct responses. Finally go through the correct version as a class so students have a chance to check their own work.

Activity 2:

- Ask students to come up with a list of what the government spends money on (answers on **Resource 2 – Teacher’s cheat sheet**). This could be done by adding to their brainstorm on the board or as a stand-alone piece of writing.
- Go through the answers, removing or adding answers as required.
- Ask students to put their (now correct) areas of spending into order – biggest spend to smallest spend. This could also be done as an ICT ranking activity. They could then use the matching activity to match the government spending to the relevant department.

Plenary

Ask students to write up what they have learnt this lesson. This should involve things that surprised them as well as things they have learnt.

Aim high

As a government department, they must write a plea to the Prime Minister that outlines reasons why they should get more money in the budget.

For example, as the Minister for Transport, they might argue that our public transport has been underfunded for too long, that we must mount a publicity campaign to encourage greater use of trains and buses to meet environmental targets, that we need the money to improve bus stock and railway tracks, etc.

Assessment

The students should individually produce an organised version of the brainstorm with “economy” at the centre. It should include areas of spending, the ways in which the government raises funds and other information learnt.

Check the web

http://news.bbc.co.uk/cbbcnews/hi/teachers/citizenship_11_14/subject_areas/government_local/newsid_1782000/1782313.stm

On spending public money.

<http://www.geographyteachingtoday.org.uk/ks3-resources/resource/who-wants-to-be-a-billionaire/what-do-billionaires-do/>

Good for background information, including terminology and key concepts.

Summary of key learning

- Students will learn where public money comes from
- Students will find out how public money is spent

Resource 1 – Matching activity



Tax	This is the main way a government raises money.
Services	Schools, hospitals, police forces, maintenance of roads & lots more.
Indirect tax	Tax raised through the sale of goods, e.g. VAT & duty.
Direct tax	Tax taken straight from a person's earnings.
The budget	Set by the Chancellor of the Exchequer, it details tax and spending amounts.
Income tax	Is about 26% of Government income and is based on a person's earnings.
National Insurance	Paying this entitles people to certain benefits, such as state pensions.
VAT	Basically this is a tax on spending, but it isn't on food, books & children's clothing.
Corporation tax	Charged according to the amount of profit a company makes.

Resource 2 – Teacher’s cheat sheet

What does the Government spend money on?

- Transport (£10 billion)
- Defence (£24 billion)
- Law & Order (£23 billion)
- Education (£50 billion)
- Social Security (£109 billion)
- Industry / Agriculture / Employment (£16 billion)
- Health (£72 billion)
- Debt interest & repayment (£23 billion)
- Housing / Environment (£18 billion)
- Other = culture, media & sport, overseas aid, foreign office & smaller areas (£49 billion)

Numbers in brackets are the 2001/2002 spending figures so you can ask students to order departments according to spending power. The Flash ranking activity is useful here too – there is no ‘correct’ order so students can discuss their decisions among themselves. You could finish with the matching activity where students can match the areas of spending to the 2001/2002 figures.