

Unemployment Role Play Activity

Standards and Benchmarks (see page 14)

Activity Description

This activity is designed to demonstrate the impact that unemployment and reduced consumer and business spending have on people's lives. It is adapted from the lesson *Meet Kit: An American Girl* (<https://www.stlouisfed.org/education/meet-kit-an-american-girl>) by Jeannette Bennett, Federal Reserve Bank of St. Louis—Memphis Branch.

Concepts

Income
Recession
Unemployment

Materials

- *Visual 1: Cause-and-Effect Web Diagram*, one copy for the teacher
 - *Visual 2: Unemployment Graph*, one copy for the teacher
 - *Handout 1: Scene Signs*, one copy, cut apart
 - *Handout 2: Narrator*, one copy for student narrator
 - *Handout 3: Scene Cards*, one copy, cut apart
 - Masking tape
 - Chart paper and markers for each group of four to five students
 - Paper and pencil for each student for assessment
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Procedure

1. Explain to the students that when people don't have jobs and they want to work, we say that they are unemployed. **Unemployment** exists when people who are actively looking for work do not have jobs. Unemployment has many consequences for people and the communities in which they live.

2. Explain that people earn **income** for the work they do when they are employed. People use income to buy goods and services, including clothing, housing, medical care, and so on. This is often called consumer spending. When people are no longer employed, they no longer receive that income.
3. Explain to the students that they will participate in a skit that has several scenes. The participants in each scene represent a larger group of people without jobs, and the store owners and factory owners represent many other business owners.
4. Tape the “Unemployed Workers” sign from *Handout 1: Scene Signs* in one area of the room. Instruct two students to sit in that area. Tape the signs for “Car Dealership,” “Car Salesperson’s Home,” “Appliance Store,” “Delivery Company,” “Truck Factory,” and “Steel Mill” throughout the room.
5. Distribute a copy of *Handout 2: Narrator* to one student. Distribute the scene cards from *Handout 3: Scene Cards* and assign the roles noted below to the other students. (NOTE: If you have fewer students, adjust the number of workers on the scene cards.) Allow time for the groups to prepare their scenes as follows:
 - **Scene 1: Car Dealership**
Roles: Mr. Edsel, car salesperson (*will also appear in Scenes 2 and 3*), two or more additional car dealership workers
 - **Scene 2: Car Salesperson’s Home**
Roles: car salesperson (*from Scene 1*), car salesperson’s spouse
 - **Scene 3: Appliance Store**
Roles: car salesperson (*from Scenes 1 and 2*), appliance store owner, appliance store worker
 - **Scene 4: Delivery Company**
Roles: delivery company owner, two delivery truck drivers
 - **Scene 5: Truck Factory**
Roles: truck factory owner, four truck factory workers
 - **Scene 6: Steel Mill**
Roles: steel mill owner, six steel mill workers
6. Begin by asking the narrator to read the information on Handout 2 to the entire class. Have the students act out all six scenes. Afterward, discuss the following:
 - What will happen to the consumer spending (people buying goods and services) of the workers who became unemployed in the skit? (*Their consumer spending will decrease. They will buy fewer goods and services.*)

- Give examples of goods and services that people weren't buying in the skit. (*Cars, some groceries, a refrigerator, a delivery truck, and steel*)
 - Based on the skit, what happens when consumers spend much less (buy many fewer goods and services)? (*Other workers become unemployed and businesses might close. The number of unemployed people increases.*)
 - In general, as more people become unemployed, what happens to consumer spending? (*Consumer spending declines as more people become unemployed.*)
7. Explain that unemployment also has an impact on government budgets. When people are unemployed, they are not earning income, so they are no longer paying federal and state income taxes. This affects the federal and state governments' budgets. When people buy fewer goods and services, they pay less sales tax, which affects state and local governments' budgets. Governments may not be able to provide as many services, because they have less tax dollars to spend. So, unemployment has an impact on individuals and communities.
 8. Tell the students that they will work in groups to create a cause-and-effect web diagram of the sequence of events they witnessed during each scene of the skit. They will begin with Mr. Edsel's dealership closing. Display *Visual 1: Cause-and-Effect Web Diagram* and point out the two pieces of information on the diagram. Ask the students what happened as a result of the unemployment. (*Canceled orders and reduced spending on food*)
 9. Divide the class into groups of four to five students. Distribute chart paper and markers to each group. Instruct the students to start with the car dealership closing and draw cause-and-effect diagrams based on each scene in the skit. Allow time for the students to work.
 10. Display the diagrams on the board and have each group explain its diagram.
 11. Display *Visual 2: Unemployment Graph*. Explain that the vertical axis shows the unemployment rate and the horizontal axis shows time. Explain that this graph shows the unemployment rate in the United States from 1948 through 2018. Point out the gray bars on the graph. Explain that the gray bars represent **recessions**. A recession is a period of declining real income and rising unemployment; a significant decline in general economic activity extending over a period of time. A recession is similar to, but much less significant than, the Great Depression. Discuss the following:
 - What happens to the unemployment rate during recessions? (*It goes up.*)
 - What is the highest unemployment rate shown on this graph? (*Almost 11 percent*)

Closure

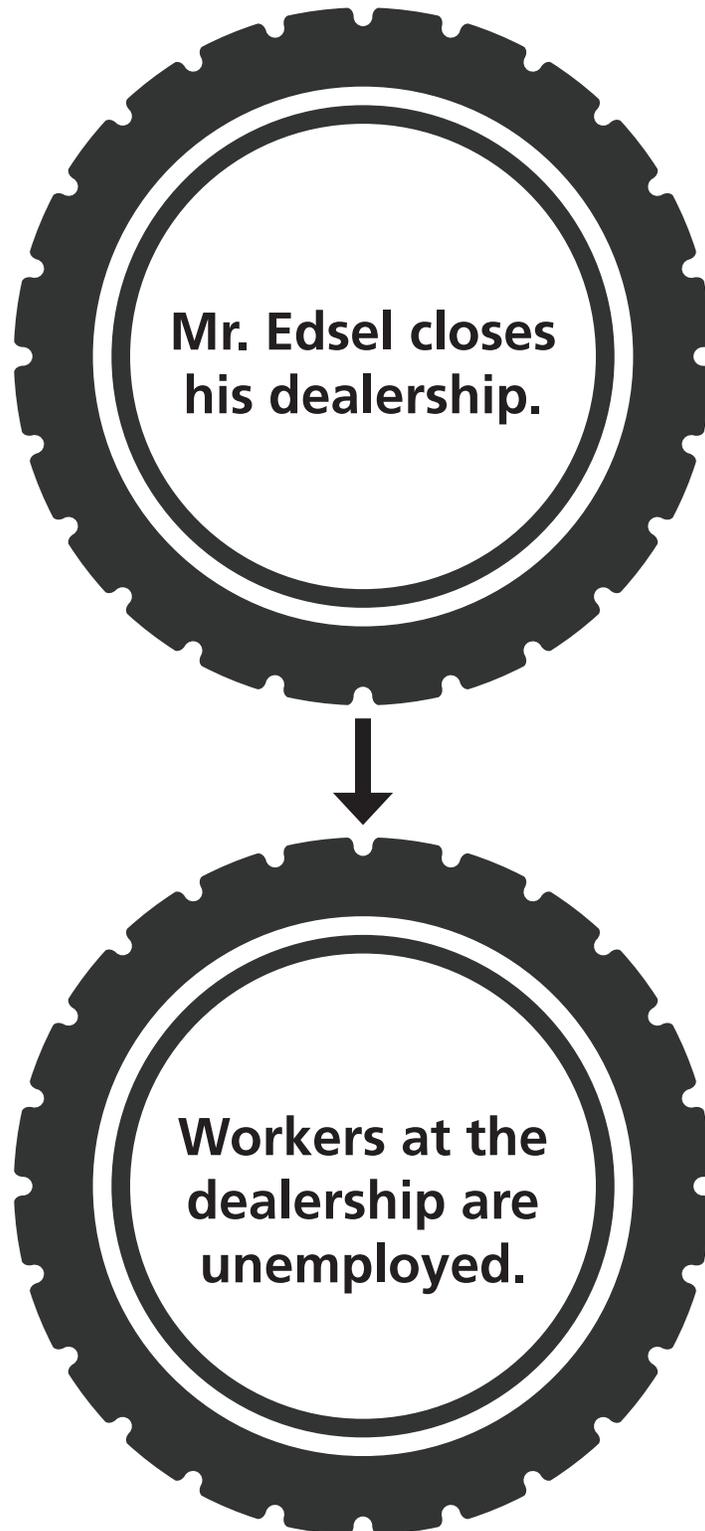
12. Review the content of the activity by discussing the following:

- Define unemployment. (*Unemployment is when people who are actively looking for work do not have jobs.*)
- What are some costs that unemployment imposes on individuals? (*When people are unemployed, they have less or no income to spend on goods and services. They aren't able to have the things they want. They may be forced to give up things like houses or appliances because they are unable to pay for them.*)
- What are some costs that unemployment imposes on society/communities? (*When people earn less income, they pay less income tax. When people buy fewer goods and services, they pay less sales tax. This affects governments' budgets, which affects the services that governments can provide in communities.*)

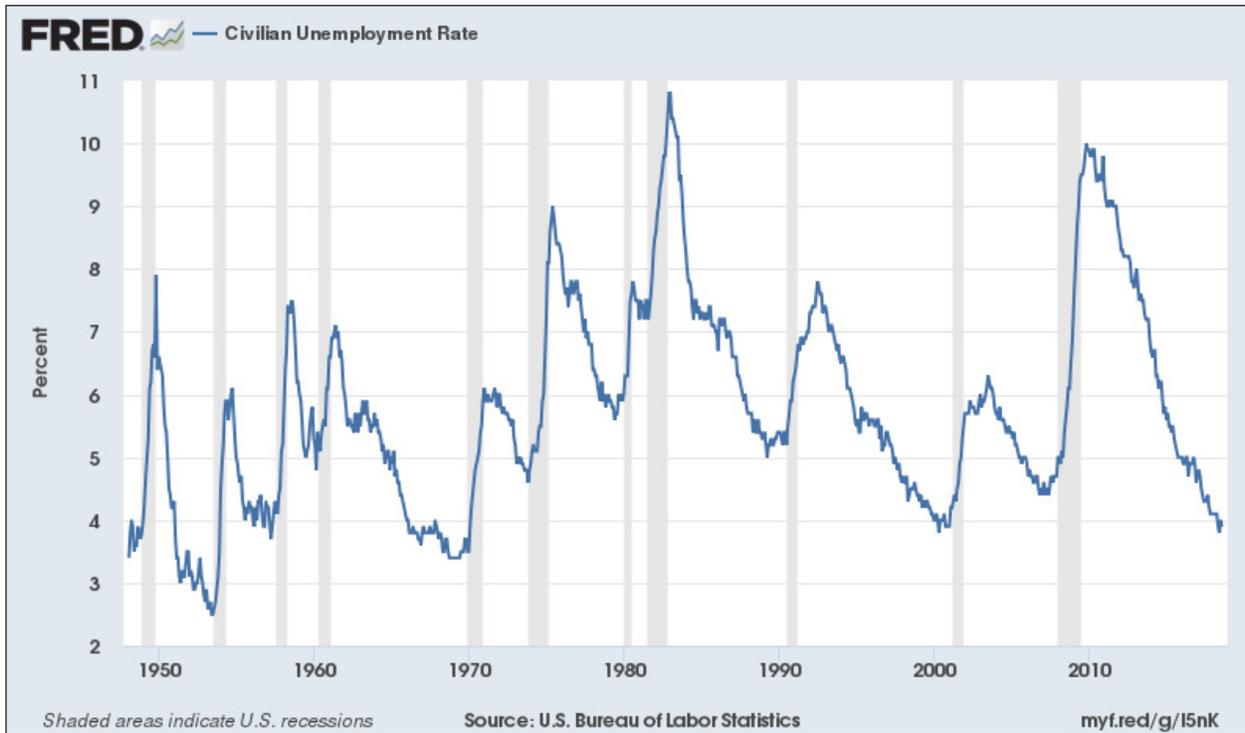
Assessment

13. Have the students write a blog post about unemployment and reduced consumer and business spending and its impact on people. Students may refer to the diagrams they created to recall details from the skit for their posts.

Visual 1: Cause-and-Effect Web Diagram



Visual 2: Unemployment Graph



SOURCE: <https://fred.stlouisfed.org/graph/?g=kMlz>

Handout 1: Scene Signs (page 1 of 4)

**Unemployed
Workers**

**Car
Dealership**

Handout 1: Scene Signs (page 2 of 4)

**Car
Salesperson's
Home**

**Appliance
Store**

Handout 1: Scene Signs (page 3 of 4)

**Delivery
Company**

**Truck
Factory**

Handout 1: Scene Signs (page 4 of 4)

Steel Mill

Handout 2: Narrator

We are about to go back in time to visit a small town in the United States in 1933. Our town is called Small Town. In Small Town, people work at local businesses such as the car dealership, truck factory, and steel mill; and people buy their groceries and other goods, such as appliances, at the local stores.

The people who work at these businesses earn income, which they spend on goods and services in their community. There was always some unemployment in the town—meaning there were always some people who were looking for jobs because they didn't have one. But unemployment was especially bad during the Great Depression.

The Great Depression was a time that many consider the worst economic disaster in our nation's history. The Great Depression began in the late 1920s and lasted until the end of the 1930s. During that time, many people did not have jobs. Unemployment was as high as 25 percent. That means that one out of every four workers who wanted a job couldn't find one.

You will now participate in a skit that demonstrates what happens in a community when the economy slows and many people lose their jobs.

Our story starts at Mr. Edsel's car dealership...

Handout 3: Scene Cards (page 1 of 2)

Scene 1: Car Dealership

Roles: Mr. Edsel, car salesperson, two or more additional car dealership workers

(Note: The car salesperson will rehearse Scene 2 but join Scene 1 when it begins.)

Mr. Edsel explains to the workers that because so many people have lost their jobs (*pointing to the area where the unemployed are sitting*), they aren't buying cars. He has used all of his savings to pay workers' salaries. Now his only choice is to close the car dealership.

Mr. Edsel and the extra workers go to the unemployed area of the room. The car salesperson goes home to talk with his spouse.

Scene 2: Car Salesperson's Home

Roles: Car salesperson (*from Scene 1*), car salesperson's spouse

Props: Paper and pencil

(Note to car salesperson: When the skit begins, you will start in Scene 1: Car Dealership and stand with the other workers. You will be laid off and then walk over to begin Scene 2.)

The car salesperson comes home and tells his spouse that Mr. Edsel closed the car dealership and that he has lost his job. He explains that the other workers from the dealership are unemployed, too. He and his spouse discuss how they can reduce expenses. His spouse looks at the grocery list and crosses many things off the list. They decide they can eat beans and bread several times during the week. The unemployed worker decides he must cancel his order for a new refrigerator at the appliance store.

The car salesperson walks to the appliance store to cancel his order for a new refrigerator.

Scene 3: Appliance Store

Roles: Car salesperson (*from Scenes 1 and 2*), appliance store owner, appliance store worker

(The car salesperson walks over from Scene 2 to the appliance store and cancels his order for a new refrigerator.)

The appliance store owner tells the worker that because sales have declined, he must let the worker go. The worker asks if the store owner could lower prices. The owner explains that people have to conserve their money for necessities, such as food and clothing. Right now, even if he lowered prices, new appliances aren't usually a necessity. *(The unemployed worker joins the unemployed group.)*

The appliance store owner then calls the delivery company and cancels the delivery of the refrigerator, explaining that because business is so slow, he's not sure he'll be able to keep the store open much longer.

Handout 3: Scene Cards (page 2 of 2)

Scene 4: Delivery Company

Roles: Delivery company owner, two delivery truck drivers

The delivery company owner tells the drivers that because orders for appliances are being canceled, he has to lay them off. He explains that if he needs to make deliveries, he will have to drive the truck himself. *(The two delivery truck drivers join the unemployed group.)*

The delivery company owner calls the truck factory to cancel his order for a new truck.

Scene 5: Truck Factory

Roles: Truck factory owner, four truck factory workers

The truck factory owner tells the workers that he has to reduce production of trucks because businesses aren't buying them. Reducing production means he needs fewer workers, so he has to lay off three of his four workers. *(The laid-off workers join the unemployed group.)*

The truck factory owner calls the steel company and says that he must reduce his order for steel because he isn't producing as many trucks.

Scene 6: Steel Mill

Roles: Steel mill owner, six steel mill workers

The steel mill owner tells four of his workers that because orders for steel are very low, he must let them go. *(These workers join the unemployed group.)*

Standards and Benchmarks

National Standards in Economics

Standard 18: Fluctuations in a nation’s overall levels of income, employment, and prices are determined by the interaction of spending and production decisions made by all households, firms, government agencies, and others in the economy. Recessions occur when overall levels of income and employment decline.

- **Benchmark 5, Grade 8:** When consumers make purchases, goods and services are transferred from businesses to households in exchange for money payments. That money is used by businesses to pay for productive resources (natural, human, and capital). Governments also provide goods and services that are paid for with tax receipts.
- **Benchmark 6, Grade 8:** One person’s spending is other people’s income. Consequently, an initial change in spending (consumption, investment, government, or net exports) usually results in a larger change in national levels of income, spending, and output.
- **Benchmark 7, Grade 8:** A recession occurs when overall levels of income and employment decline.

Standard 19: Unemployment imposes costs on individuals and the overall economy. Inflation, both expected and unexpected, also imposes costs on individuals and the overall economy. Unemployment increases during recessions and decreases during recoveries.

- **Benchmark 1, Grade 4:** Unemployment exists when adults can’t find jobs.

Common Core State Standards: English Language Arts, Grades 3-5

Speaking & Listening

- **Comprehension and Collaboration**

SL.3.1, SL.4.1, SL.5.1: Engage effectively in a range of collaborative discussions (one-on-one, in groups, and teacher-led) with diverse partners on grade 5 topics and texts, building on others’ ideas and expressing their own clearly.