#### FEDERAL RESERVE BANK OF ST. LOUIS | **ECONOMIC EDUCATION**

# Mr. Cookie Baker

By Monica Wellington / ISBN: 978-0-525-47763-1

#### **Lesson Authors**

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### Standards and Benchmarks (see page 10)

## **Lesson Description**

In this lesson, students follow the story of Mr. Cookie Baker to identify economic resources. Students should have basic knowledge of the following economic concepts prior to this lesson: consumer, producer, goods, and services.

#### **Grade Level**

K-2

# Concepts

Capital resources

Human resources

Intermediate goods

Natural resources

# **Objectives**

Students will be able to

- identify capital resources, human resources, intermediate goods, and natural resources;
- categorize resources as either capital, human, or natural; and
- distinguish when goods are intermediate.

### **Essential Question**

How are resources used to make the goods we want?

### **Time Required**

60 minutes

### **Materials**

- *Mr. Cookie Baker* by Monica Wellington (ISBN: 978-0-525-47763-1)
- Handout 1: Resources, one copy for each student
- Handout 1: Answer Key, one copy for the teacher
- Handout 2: Assessment, one copy for each student
- Materials to make playdough:
  - o Bowl
  - Measuring cups and measuring spoons
  - 1 cup cold water
  - o 1 cup salt
  - o 2 teaspoons vegetable oil
  - Food coloring
  - o 3 cups flour
  - o 2 tablespoons cornstarch
- Buttons or beads in a variety of colors and sizes to decorate playdough cookies
- Optional: Rolling pin, cookie cutters, apron, gloves (for students), and baker's hat

#### **Procedure**

- To begin the lesson, ask the students if they have ever helped an adult make cookies. Call on a few students to describe the process. Prompt the discussion by asking questions such as the following:
  - What ingredients did you use?
  - Did you use any tools to make the cookies?
  - Who helped you make the cookies?
- 2. Tell the students they are going to listen a story called *Mr. Cookie Baker*. As you read the story, ask them to listen to how cookies are made in Mr. Cookie Baker's bakery.

# econlowdown

- 3. Display and read pages 1-2, which start with "Early in the morning...." Explain that these are ingredients Mr. Cookie Baker uses to make cookies. Ask the students to name the ingredients in the picture. (Sugar, eggs, flour, milk, salt, vanilla, butter, and baking powder) Explain that ingredients are things that become part of the cookies. All the ingredients are mixed together and then baked. When the cookies are eaten, all the ingredients are eaten too.
- 4. Explain that ingredients are called **intermediate goods**. They are goods that are used up when making other goods or services. For example, butter is a good that can become an ingredient in cookies. Once it is used in the cookies, that same butter cannot be used to make something else.
- 5. Display and read pages 3-4, which start with "He counts and measures...." Explain that these are tools Mr. Cookie Baker uses to make cookies. These tools were made by people so that Mr. Cookie Baker could bake cookies. Ask the students to name the tools in the picture (Bowl, spoon, spatula, measuring cups, measuring spoons, recipe book, hat, apron, and paper and pencil)
- 6. Explain that tools, equipment, and buildings are called **capital resources**. These are things that can be used over and over again to make goods and services. For example, the bowl can be used for making bread, cakes, cookies, and other things.
- 7. Display and read pages 5-6, which start with "He mixes...." Explain that there is another resource on these pages. Mr. Cookie Baker is a **human resource**. He is a person doing mental and physical work. He knows how to mix the ingredients and what tools to use, and he mixes his cookie dough. Teachers, artists, and doctors are also examples of human resources. Discuss the following:
  - What are the capital resources on these pages? (Bowls, spatula, whisk, measuring cup, measuring spoons, strainer, spoon, hat, and apron)
  - Who is the human resource on these pages? (*Mr. Cookie Baker*)
- 8. Display and read pages 7-8, which start with "Then he rolls out...." Discuss the following:
  - What are the capital resources on these pages? (Cookie cutters, rolling pin, bowl, table, hat, apron, and cookie sheets)
  - Who is the human resource on these pages? (*Mr. Cookie Baker*)
- 9. Display and read pages 9-10, which start with "The cookies bake...." Discuss the following:
  - What are the intermediate goods on these pages? (Flour and sugar)
  - What are the capital resources on these pages? (Cookie cutters, rolling pin, bowl, table, cookie sheets, clock, cooling racks, oven, hat, and apron)
  - Who is the human resource on these pages? (*Mr. Cookie Baker*)

- 10. Display and read pages 11-12, which start with "Out they come...." Explain that Mr. Cookie Baker has used capital resources to mix the intermediate goods together to make cookies.
- 11. Display and read pages 13-14, which start with "Mr. Baker decorates...." Explain that Mr. Cookie Baker is adding other intermediate goods to the cookies. Ask the students to identify the new intermediate goods. (*Icing and sprinkles*)
- 12. Display and read pages 15-16, which start with "Now he is ready...." Point out that customers are coming to the store. Explain that another word for customers is consumers. Consumers are people who buy and use goods and services. Discuss the following:
  - Who are the consumers on these pages? (Children)
  - Who are the human resources on these pages? (The crossing guard and Mr. Cookie Baker)
- 13. Display and read pages 17-18, which start with "Mr. Baker shows...." Explain that Mr. Cookie Baker is showing children the goods he produced. Explain that goods are objects that satisfy people's wants. Goods are things people buy and use to make themselves happy.
- 14. Display and read pages 19-20, which start with "Mrs. Baker sells...." Discuss the following:
  - What are the goods on these pages? (*Milk and cookies*)
  - What are the capital resources? (Store, counter, cooling racks, table, cash register, cookie jars, cups, hat, apron, and pitcher)
  - Who are the human resources? (Mr. Cookie Baker and Mrs. Cookie Baker)
  - Who are the consumers? (*Children*)
- 15. Display and read pages 21-22, which start with "The cookies are...." Explain that there is one more kind of resource. **Natural resources** are "gifts of nature" used to make goods and services. The land where Mr. Cookie Baker's store is built is a natural resource. Trees, water, land, air, and minerals are other examples of natural resources.
- 16. Display and read pages 23-24, which start with "At last...." Then distribute a copy of *Handout 1:* Resources to each student. Tell the students you will read the story again. Allow time for the students to complete the handout and then review the answers using *Handout 1: Answer Key*.
- 17. Now tell the students they are going to make pretend cookies out of playdough and pretend to be Mr. Cookie Baker.
- 18. Call on a few students to help make the playdough as follows:
  - a. In a bowl, mix 1 cup water, 1 cup salt, 2 teaspoons vegetable oil, and enough food coloring to make a bright color.

- b. Gradually add 3 cups flour and 2 tablespoons cornstarch, mixing along the way. Knead with hands until the mixture reaches the consistency of bread dough.
- c. When done, store the dough in a covered container.
- 19. Ask the students what natural, capital, and human resources were used to make the playdough. (*Natural: water; Capital: bowl, measuring cups, and measuring spoons; Human: teacher and students*) Ask the students what intermediate goods were used to make the playdough. (*Salt, vegetable oil, flour, cornstarch and food coloring*)
- 20. Distribute a small amount of the dough to each student, or have them take turns helping you make cookies. Each student should get a chance to roll, cut out, and decorate a few playdough cookies.
- 21. Ask the students what natural, capital, and human resources they used to make the cookies. (Natural: none; Capital: rolling pin, cookie cutters, hat and apron [if applicable], and table; Human: students) Ask the students what intermediate goods were used to make the cookies. (The dough and beads or buttons that represent the sprinkles)
- 22. Review the important points of the lesson by discussing the following:
  - If you were a firefighter, what kind of resource would you be? (Human resource)
  - If you were a firefighter, what capital resources would you use? (Answers will vary but may include hose, firetruck, ladder, hat, or jacket.)
  - If you were a teacher, what kind of resource would you be? (*Human resource*)
  - If you were a teacher, what capital resources would you use? (Answers will vary but may include desk, whiteboard, or whiteboard erasers.)
  - If you were a teacher, what intermediate goods would you use in your classroom? (Answers will vary but may include paper, glue, or tissues.)
  - If you were a zookeeper taking care of penguins, what kind of resource would you be? (Human resource)
  - If you were a zookeeper taking care of penguins, what capital resources would you use? (Answers will vary but may include cage or tank.)
  - If you were a zookeeper taking care of penguins, what natural resources would you use? (Answers will vary but may include water, ice, or rocks.)
  - If you were a zookeeper taking care of penguins, what intermediate goods would you use? (Answers will vary but may include fish.)

- 23. Have students pantomime using resources to make a good as follows:
  - Show me how you would use a saw to cut wood for a birdhouse. (Students should pretend to be sawing wood.) What kind of resource is the saw? (Capital)
  - Show me how you would use a spoon and a mixing bowl to make cookie dough. (*Students should pretend to be mixing dough.*) What kind of resource are the bowl and spoon? (*Capital*)
  - Show me how you would use a ladder to build a treehouse. (Students should pretend to climb a ladder.) What kind of resource is the ladder? (Capital)

#### **Assessment**

24. Distribute a copy of *Handout 2: Assessment* to each student and allow time for them to work. Review the answers as follows:

### **Answer Key:**

1. Hammer – green

Instructions – green

Saw – green

Sawhorse – green

Student - red

Teacher - red

Tree – blue

2. The paint cannot be used to paint something else because it is an intermediate good and would be used up when making the treehouse.

#### Extension

- 25. Compare and contrast other stories about resources using the following lessons:
  - The Tortilla Factory https://www.federalreserveeducation.org/teaching-resources/ economics/scarcity/tortilla-factory
- 26. Go for a "resource walk" around the school. Instruct students to identify the resources they see as they tour the playground and school kitchen.

#### **Handout 1: Resources**

Directions: Listed below are some of the resources and intermediate goods mentioned in the text of the story and shown in the pictures. For each one, color the box as follows:

Capital resource: green

Natural resource: blue

Human resource: red

Intermediate good: purple

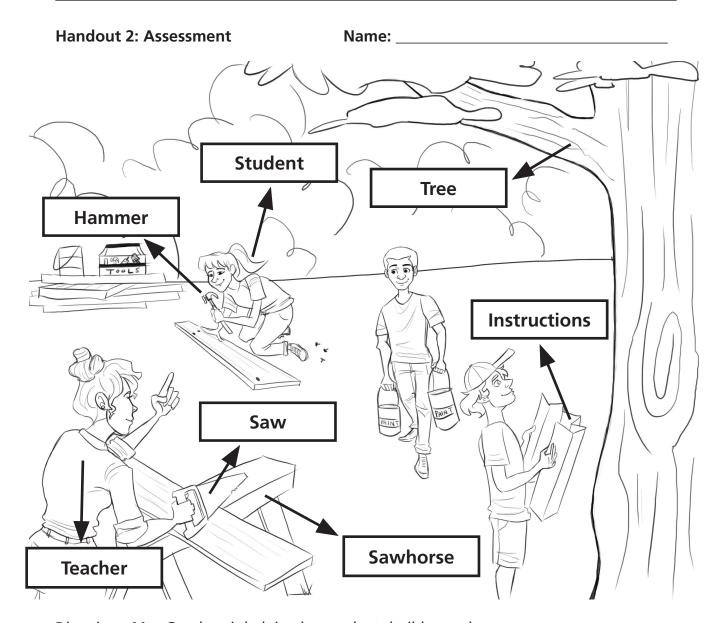


### **Handout 1: Answer Key**

Directions: Listed below are some of the resources and intermediate goods mentioned in the text of the story and shown in the pictures. For each one, color the box as follows:

Capital resource: Natural resource: Human resource: Intermediate good: green blue red purple





Directions: Mrs. Goodson is helping her students build a treehouse.

- The names of the resources used to build the treehouse are shown in the boxes by the picture. Color the capital resource boxes green, the natural resource boxes blue, and the human resource boxes red.
- When the students are done, they want to paint the treehouse blue. They will use one gallon of paint. Once this paint is on the treehouse, it cannot be used to paint something else. Why?

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#### **Standards and Benchmarks**

#### **National Standards in Economics**

#### **Standard 1: Scarcity**

- **Benchmark 6, Grade 4:** Productive resources are the natural resources, human resources, and capital goods available to make goods and services.
- **Benchmark 7, Grade 4:** Natural resources, such as land, are "gifts of nature;" they are present without human intervention.
- **Benchmark 8, Grade 4:** Human resources are the people who do the mental and physical work to produce goods and services.
- Benchmark 9, Grade 4: Capital goods are goods that are produced and used to make other goods and services.

#### Common Core State Standards: English Language Arts Standards, Grades 1-3

### **Reading: Literature**

#### Key Ideas and Details

RL.1.1, RL.2.1, RL.3.1: Ask and answer questions to demonstrate understanding of a text, referring explicitly to the text as the basis for the answers.

RL.2.3, RL.3.3: Describe characters in a story (e.g., their traits, motivations, or feelings) and explain how their actions contribute to the sequence of events.

#### • Integration of Knowledge and Ideas

RL.1.7, RL.2.7: Use information gained from the illustrations and words in a print or digital text to demonstrate understanding of its characters, setting, or plot.