

Teacher's Guide

greed



Stossel in the Classroom

is a project of Center for Independent Thought.

Visit us online at stosselintheclassroom.org

Thanks to izzit.org (formerly In The Classroom Media),
the original creators of this text material.

Introduction

This Video Kit is presented in three segments. For each segment, this Teacher's Guide provides:

- *Sample Worksheets (for easy photocopying)*
- *Additional Discussion Questions (follow-up questions to those presented in the Worksheets)*
- *Answers to Student Study Guide Exercises*
- *Extra Credit Ideas*

A suggested lesson plan progression...

- *Use the introduction from the Student Study Guide to help introduce the topic. Assign the Introductory Worksheet. Collect and discuss.*
- *View Segment 1 and have students complete the 'Provocative Statements' worksheet found in the Student Study Guide. Discuss. Assign as homework Segment 1 reading material, exercises, keywords and concepts, and Worksheet #1.*
- *Repeat the above for Segments 2 and 3.*
- *Assign the Final Worksheet. Collect and discuss. Optional: Review the students' answers as provided on the Introductory Worksheet. Does anyone want to update their responses?*

We're very interested to learn how you use the material.

Please find our contact information on the back of this guide.

Introductory Worksheet
(Discuss before watching video.)

1. What is your definition of greed?

2. If someone described you as greedy, would you generally consider the description:
Honest and/or accurate?
Derogatory?
Complimentary?
Explain:

3. Some people say there is a difference between “real needs” and “mere wants.” If values are personally subjective, is it possible to prove the difference between needs and wants?

4. Is self interest the same thing as greed?
Why?

Why not?

Give an example.

The Pervasiveness of Human Greed

Video Segment 1

Video Segment 1 is approximately 13 minutes and is covered on pages 3-9 in the Student Study Guide.



Additional Discussion Questions

(follow-up questions to those presented in Worksheet #1)

- 2a. Relate this to John Stossel's discussion of the Vanderbilts. Is it conceivable that such channeling or directing could be consistently achieved on a voluntary basis, or if it could be done at all, do you expect that it would have to be required or forced?
- 3a. Why would you choose to spend a dollar when the drinking fountain was available at no direct cost to you?
- 3b. Is it fair to suggest that on a hot August afternoon you would voluntarily exchange the dollar in your pocket for the soft drink because you thought that the soft drink would make you a little happier or a little better off than the sweaty dollar bill?
- 3c. Would it be correct to suggest that this same logic probably applies any time a consumer enters into a voluntary market exchange? If it does not, then why would you, a consumer, ever voluntarily part with your money? Who is the loser in this exchange? You? The soft-drink vendor? Nobody? Both you and the vendor?
- 3d. Is the coolness and refreshment that you enjoy from the soft drink (that is the pleasure utility – the improvement in your immediate circumstance) at all diminished by the fact that the soft-drink vendor made \$75,000 in August by selling a lot of \$1 drinks?
- 3e. What result would you expect if the soft-drink vendor increased the price to \$10 a drink?
- 4a. Do private property rights channel greed into socially beneficial outcomes?
- 4b. In a free market, can greed prevent monopoly? Explain.
- 5a. Why is predatory pricing not a rational way to acquire a monopoly position in the market?
- 5b. Some claim economic freedom and political freedom are inseparable. Explain.

Answers to Student Study Guide Exercises

Found on Page 9

Exercise 2

All of the items represent activities that can be described using economic theory as applied to markets.

Exercise 4

It was thought the people would vote themselves so many government benefits that the city-state would be bankrupted.

Extra Credit Ideas

1. Before showing the video to the class, conduct your own money-bowl experiment.
2. Ask the students to keep a list of persons Stossel talks with or about in the videos and to rank each one from “most greedy” to “least greedy.” Ask them to add others to their list.
3. Have the students maintain a list of all of the market activities they see in the videos.
4. Ask the students to create a list of people who are very wealthy. Include their skills and source of wealth (gifts, coercion or trade?). How do they feel about their wealth?

greed

Worksheet #1

(Discuss after watching Segment 1 – The Pervasiveness of Human Greed.)

1. Identify the market activities presented in the video.
2. If greed in some measure seems to be a rather universal human characteristic, is it possible to channel it or direct it to achieve good results or socially acceptable/desirable ends? Explain.
3. It's an August afternoon and 85° outside. You leave the tennis court, walk past the drinking fountain and spend a dollar on a soft drink. Is this a market transaction? (Yes/No) Would it be fair to describe it as voluntary? (Yes/No) Who wins in this exchange?
4. Why does James Madison believe constitutions are necessary? Explain.
5. Should the government have prevented Thomas Edison from selling the electric light bulb because it unfairly put candle makers out of business?

Greed and Civilization

Video Segment 2

Video Segment 2 is approximately 14 minutes and is covered on pages 10-13 in the Student Study Guide.

Additional Discussion Questions

(follow-up questions to those presented in Worksheet #2)

- 1a. If profit motive can result in better life guards in Orlando, Florida, then why doesn't it eliminate tenement housing in New York City?
- 1b. We often trust complete strangers with our lives because of greed, not love. Explain.
 - 2a. How would this effect your personal health?
 - 2b. Would you likely have greater or fewer luxuries?
 - 2c. If you conclude that you would be better off as "a piece of the continent," how do you motivate others to provide you with the assortment of foods and services you desire?
- 3a. How does trying to erase greed from civic culture often destroy meaningful social bonds?
- 4a. What role does reputation play in keeping individuals honest?

Answers to Student Study Guide Exercises

Found on Page 13

Exercise 2

The Pilgrims came to America to gain religious freedom. Their plan was to share all work and property equally. Early in 1623, after three winters of hunger and misery and two years of meager harvests, William Bradford, Governor of the settlement, reports in his diary *Of Plimoth Plantation*. "At length after much debate, the Governor, with the advice of the chief among them, allowed each man to plant corn for his own household, and to trust to themselves for that...."

"This was very successful. It made all hands very industrious, so that much more corn was planted..."

"The failure of this experiment of communal living, which was tried for several years, and by good and honest men proves the emptiness of the theory of Plato and other ancients, applauded by some of later times - that the taking away of private property and the possession of it in community by a commonwealth would make a state happy and flourishing; as if they were wiser than God."

William Bradford, *Of Plimoth Plantation*,
(Roslyn, New York: Classics Club, 1948).

Extra Credit Ideas

1. Wages are the price of labor. Prices in general are determined through the market actions of demand and supply. Develop a generic-market graphic that illustrates this. Add a line to indicate government action to increase the minimal wage. Using the graphed data, who wins and loses when this is done?
2. Ask the students to write an analysis of why the American bison were nearly exterminated while domesticated cattle became very abundant. How might this analysis be applied to today's concern for the future of whales?

Worksheet #2

(Discuss after watching Segment 2 – Greed and Civilization.)

1. Why does competition inspire people to pursue excellence?

2. The Poet John Donne said, “No man is an island, entire of itself; every man is a piece of the continent, a part of the main...” As you remember Mr. Stossel’s steak dinner, explain what would undoubtedly happen to your personal standard of living if you were to live a completely self-sufficient life style. What would you spend most of your time doing?

What products that you now own could you create yourself?

3. Why do so many people believe societal problems are caused by greed?

4. The “junk-bond king,” Michael Milken, went to jail in the 1980’s. How was Milken a great social benefactor?

5. How does the economic logic of the money bowl and common ownership help explain why certain species are threatened with extinction?

Greed and the Economic Pie

Video Segment 3

Video Segment 3 is approximately 15 minutes and is covered on pages 14-18 in the Student Study Guide.

Additional Discussion Questions

(follow-up questions to those presented in Worksheet #3)

- 1a. Former Labor Secretary Robert Reich advocated limits on CEO pay. Is this a good idea?

- 2a. Does your employment for pay represent a market transaction?
- 2b. Would you continue working for very long if your employer stopped paying you?
- 2c. If the previous answer is “no,” then in principle how are you different from Rockefeller, Vanderbilt, or Bill Gates?

- 3a. Can you imagine turning down a pay raise being described as a greedy decision?
- 3b. What if turning down a pay raise got you equity in the company which became worth millions?
- 3c. What is marginal productivity? Does it affect how much workers get paid?

Answers to Student Study Guide Exercises

Found on Page 18

Exercise 1

1. Hong Kong
2. Singapore
3. Bahrain
4. New Zealand
5. United States (tied with Switzerland)

Exercise 2

Suggest that students use a different colored pencil to chart each job. After completing the chart, students should share their data in class and discuss its implications.

Extra Credit Ideas

1. The movie clip from "Wall Street" that Stossel shows us has Michael Douglas saying, "It's a zero-sum game." Philosopher David Kelley argues that it is not a zero-sum game; that in a free market wealth is created so all get more. What hard evidence would you need to see in order to be convinced? Find it and represent your findings to the class.
2. Research the background of T. J. Rodgers, Michael Eisner, Jack Welch and/or any other head of a large successful organization. What were their beginnings? What jobs/positions have they held? Track successes and failures.

Worksheet #3

(Discuss after watching Segment 3 – Greed and the Economic Pie)

1. What is it that T. J. Rodgers and other CEO's, like Michael Eisner at Disney or Jack Welch at General Electric, do to earn their pay?
2. As a student working a part-time job, do you deserve your minimum-wage pay level?
3. Would it ever be logical – be in your best interest – to turn down a pay raise?
4. What effect might progressive taxation, or increasingly higher tax rates, have for the incentives to create wealth?
5. If Bangladesh unionized its entire work force, would its standard of living change?

Key Words and Concepts

capital accumulation

capitalism

coercion

common ownership

comparative advantage

competition

cooperation

corporate raiders

distribution of income

economic freedom

exchange

greed

human capital

incentives

junk bonds

labor productivity

marginal productivity

opportunity costs

political entrepreneur

political freedom

predatory pricing

prisoner's dilemma

property rights

public-choice theory

public-interest theory

rational ignorance

robber baron

Rule of Law

scarcity

tragedy of the commons

transactions costs

unlimited desires

wealth-creating resources

zero-sum

Final Worksheet

(Discuss after watching all three Segments.)

1. Nature is the ultimate scrooge. Explain.
2. Identify any market activity from the video. Explain the activity using the Key Words and Concepts as presented in the Student Study Guide.
3. Is greed compatible with good citizenship? Explain.
4. List several factors that determine economic growth.

greed.

Stossel in the Classroom

a project of Center for Independent Thought
73 Spring Street, Suite 408
New York, NY 10012

Email: custsvc@stosselintheclassroom.org
Fax: 212-925-9083

For additional educational resources, educational activities, and information about us, visit us online at stosselintheclassroom.org