**Trading Game: How does voluntary trade benefit the participants?**

You will be examining trading patterns and experiencing how it works. You will be reading Obama’s plan (from 2009) that discusses the President’s plan to increase U.S. exports (doubling by 2015).

In voluntary trade, both parties benefit. For example, when you buy a brownie from Kokopelli, you value the brownie more than your money. Kokopelli values your money more than the brownie. Both of you are better off because of the trade. This is called “Gains from Trade”. Both parties are better off after the trade than before it.

1. You are going to get into groups of about 6.
2. **Round 1**: Each person in your group will receive a gift certificate. Treat them as if they are real. Determine a value to your on a scale of 1 – 10 (1 = little; 10 = very valuable).
3. Write down all of the ratings in the group and add them up.
4. **Round 2**: You now have 5 minutes to trade you certificates within your group.
5. Rate the value of your new certificate
6. Again, write down all of the ratings in the group and add them up.
7. Discuss why the numbers increased. Why did you make the trades you did? Did all parties gain from the trading? How many times did you trade to get what you wanted?
8. **Round 3**: You have 5 minutes to trade with anyone in the classroom.
9. Rate the value of your new certificate
10. Get back into your group and add up your new values.
11. Discuss the new total. Did it go up? Why? Did everyone gain?

**\***You do not have to trade if you feel that your original certificate was what you valued the highest.

**\*\*** You can trade more than once

Assessment (15 points total for participation and essay):

Essay – You are going to write a short (1/2 to 3/4 page) reflection about your experience with the game. Explain what certificate you started with, what trades you made and why you made them. Write about whether or not your level of satisfaction increased or decreased due to the trade in the game. Answer the question: What do economists mean when they talk about the “gains from trade”?