

# **Active Learning With The Circular Flow Model**

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# Econoland Game!

The Econoland activity is the **BEST** activity for demonstrating the circular flow model.

We are going to explore the activity as it is meant to be used, then we are going to discuss ways to adapt the activity to fit additional macro topics.

# Econoland

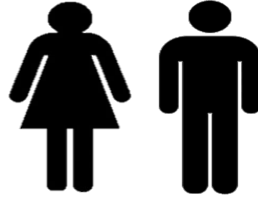
In the Econoland simulation students are divided into households and businesses.

When setting up the activity, place a “**Resource Market**” (factor market) sign on one wall and an “**Econo Market**” (product market) sign on the opposite wall. Tape an “**Econo Factory**” sign on another wall (you will either want to be in charge of this one or have a student run it).

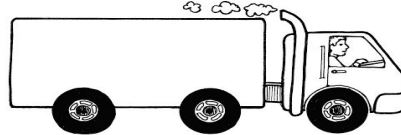
You will need **productive resource** slips for the households (divide half of the students into households).

# FOP cards

**Human Resources**



**Capital Resources**



**Natural Resources**



# Econoland

Each household starts with a set of **resource cards** (randomly assigned).

Households want to end up with **Econos**.

Each business starts with \$100.

Businesses want to end up with as much money as possible.

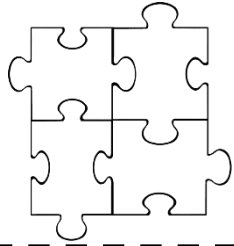
Households need to sell their FOPs to businesses at the **Resource** (factor) **Market**.

# Econoland

Business need to take a complete set of FOP cards (one land, one labor, one natural) to the **Econo Factory** to trade them for an **Econo Card**.

Households need to buy **Econos** from businesses at the **Econo Market**.

# Econo and Money Cards



**One Econo**





# Econoland

Let's play a round or two of the game to get a real feel for how it works!

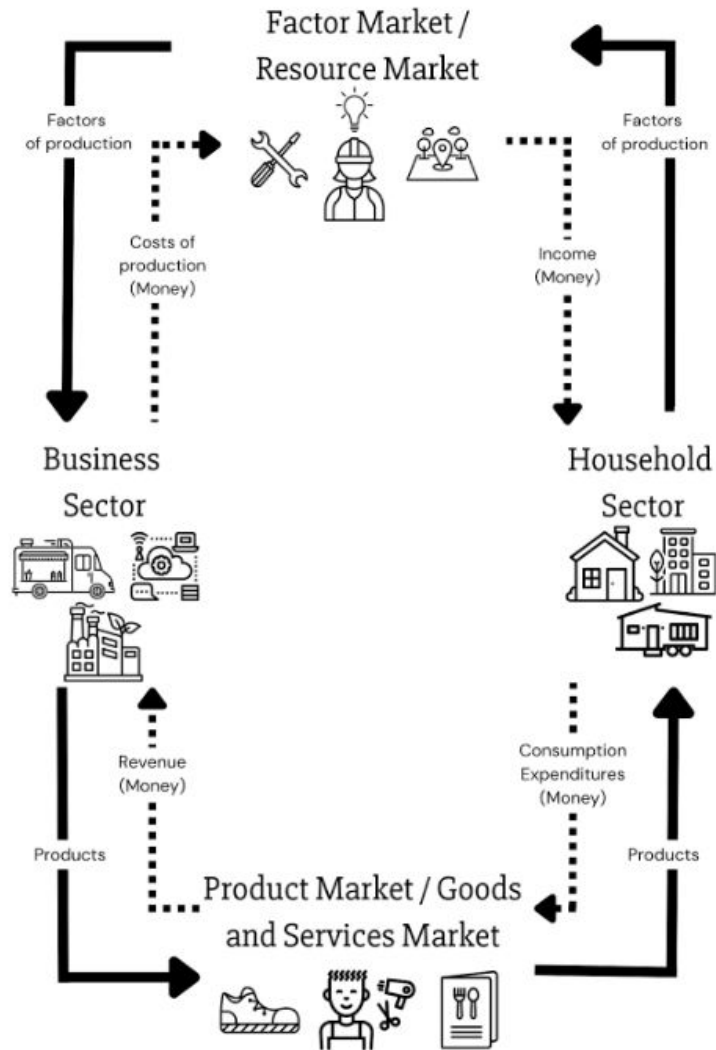


# Adapting Econoland

- 1) Give some households more capital resource cards than others to simulate a country with a comparative advantage in producing capital goods. (same with natural resource cards or labor cards).
- 2) Make fewer businesses to represent monopolistic competition if teaching micro.
- 3) Introduce government subsidies to some businesses by giving them \$200 to start the game.
- 4) Introduce inflation and raise prices for everyone.
- 5) Add fiscal policy/taxes.

# Econiful's Circular Flow

<https://econiful.org/curriculum/unit-3-macroeconomics>



# Adapting Econoland

Thank you for your time!

Please feel free to reach out if you have any question at all!

