Multiplier in Action: No Holiday Season…

Directives
In your group, choose parts and prepare a few lines to act out your role. To perform the play, you will line up next to each other and deliver your lines to the person standing next to you. Make sure you FOLLOW the ideas described!

Location: Warrington, PA
Time: In the near future, when you are ADULTS in the WORKFORCE!

Characters / Descriptions of Roles:

1. Narrators / 2 Economists: Open the play. Announces that the economy is in a deep recession. GDP has decreased steadily during the past year, along with consumer spending and business investment. This has resulted in increased unemployment nationwide. Businesses are expecting lower holiday sales and choosing not to increase their inventories in advance of the holiday season.

2. 4 Business Leaders’ Roundtable: Business owners discuss the current economic situation. Consumers are saving more, spending less—Why should they increase their holiday inventories if no one will buy their products? Business leaders choose to reduce investment by $100 billion dollars. They will not increase inventories. In addition, they will lay off additional workers because of decreased production needs.

3. 4 Person Family Dinner: One parent in the family has lost their job due to lay offs at the local factory. The family income has declined as a result. Mom and Dad must explain to the kids that the new ski equipment planned for the holidays will have to be postponed.

4. Buckman’s Ski Shop Holiday Meeting (4 ppl): The Buckman’s manager and employees gather to plan for the holiday season. Extra merchandise is sitting on the shelves because of recent layoffs—no one is shopping. Buckman’s must call major ski vendor and cut back orders for holiday sales, lower prices on existing merchandise to attempt to move it.

5. K2 Ski Factory Production Meeting (4 ppl): K2 has lost further orders for holiday skis. They must further slash planned investment. They expect consumer spending will continue to decline due to recession and layoffs across a variety of industries. More workers must be laid off at local plant while production halts for the winter. (Everyone goes skiing and hopes for the best?)

6. Ski Country Family Dinner (4ppl): A K2 employee must tell the family of his recent layoff. The big vacation planned for the Alps this March will have to wait. They’re incomes have declined further and they must focus on basic needs.

7. Economists Roundtable (4ppl): Discusses the current economic situation. How has a $100B decline in investment by business impacted the economy as a whole over time? Has the impact been greater or smaller than the original $100B reduction? Explain the multiplier effect in the context of what has transpired. What could be done at this point to help the troubled economy described?