Lesson Plan: "Coalition Bonds and Investment: Trust, Risk, and Returns"

Objective:
Students will explore the concept of coalition bonds as a metaphor for trust-based investments, analyzing how trust, risk, and the cost of broken promises influence financial and economic outcomes.

Materials Needed:

- *Game of Thrones* clip or summary of Robb Stark's agreement with Walder Frey.
- Handouts defining bonds and their economic purpose, including coalition bonds as a metaphor.
- Examples of modern investments reliant on trust, such as government bonds or corporate partnerships.

Lesson Steps:

1. Introduction (10 minutes):

- Define **bonds**: A financial instrument where an issuer borrows money from investors and promises repayment with interest.
- Introduce **coalition bonds** as a metaphor: Trust-based agreements that require stakeholders to uphold their commitments for mutual benefit.
- Highlight parallels to modern investments, where trust and reputation significantly affect risk and returns.

2. Viewing Clip (5 minutes):

- Show the clip between Robb and Catelyn demonstrating the need to form a coalition with Walder Frey.
- Show or summarize the *Game of Thrones* scenario where Robb Stark promises to marry Walder Frey's daughter in exchange for military support in his campaign against the Lannisters.
- Set the context: Relate the agreement to the concept of a bond, where each party must fulfill their obligations for mutual benefit.

3. Group Discussion (15 minutes):

- Divide students into small groups to discuss:
    - How is Robb Stark’s promise to Walder Frey similar to a financial bond?
    - What risks arise when one party fails to fulfill their obligation in a coalition or financial agreement?
    - What could Robb have done to strengthen the agreement and ensure its success?
    - How do these ideas relate to modern investments like government or corporate bonds?

4. Concept Application (20 minutes):

- **Case Study Analysis:**
    - Provide examples of trust-based investments:
        - Government bonds and the importance of maintaining credibility to secure low interest rates.
        - Corporate partnerships reliant on mutual commitments.
        - Spouses make a trust-based investment when they enter a marriage.
    - Ask students to analyze:
        - What ensures trust in these agreements?
        - How does breaking promises (e.g., defaulting on bonds) impact stakeholders? How might it impact markets?
        - What mechanisms (e.g., legal contracts, collateral) help reduce risk?
- Discuss the parallels between Robb Stark’s broken promise and the consequences of default in financial markets, such as damaged reputation and increased future costs.

5. Wrap-Up and Reflection (10 minutes):

- Summarize the importance of trust in financial and coalition-based agreements:
    - Trust reduces risk and increases cooperation.
    - Breaking promises damages reputation and raises future costs.
- Pose a reflective question: How does trust influence financial decisions in your life or future career?

6. Activity or Homework (45 minutes):

- **Explore the Origins of the Great Recession**

- Students research the origins, depth, and scope of the Great Recession.
- Students then relate those factors to the collapse of trust-based commitments.
- Ask them to discuss the Great Recession, including the roles of:
  - Subprime mortgage lending
  - Speculative investment in housing
  - Government bailouts of failing financial institutions.