How do 3rd grade teachers use the physical classroom environment as they implement a balanced literacy program in order to improve their students' literacy? Balanced literacy is a method of teaching reading and writing that encourage students to work independently and to develop lifelong habits of reading and writing for pleasure, understanding, and knowledge. Through interviews with third grade teachers and students, it was discovered that both teachers and students used their classroom environment as a tool to help them in their work, and as a setting. One of the key elements was the need for comfort - comfortable furniture, the freedom to move when necessary, and in the environment, in lighting, climate control, and acoustics. Findings show that teachers and students use the physical environment as a tool and a setting for balanced literacy, and as such, it may positively impact literacy outcomes.