

ECONOMIC RELATED SOLS

2008 SOLs (Includes July 17th 2008 final changes to Curriculum Framework)

Prepared by the Virginia Council on Economic Education

September 2009

VCEE's affiliated university-based Centers for Economic Education have identified sample lessons and resources for each SOL; some are from publications and others are on-line. Teachers who attend Center workshops often receive these resources at no cost. Check www.vcee.org to see what professional development programs are scheduled in your area or contact the Center closest to you if you have questions about a lesson or would like to schedule a workshop.

Civics & Economics

Essential Skill CE.1f

***CE.1f The student will develop the social studies skills responsible citizenship requires, including the ability to f) identify a problem, weigh the expected costs and benefits and possible consequences of proposed solutions and recommend solutions using a decision making model.**

*Standard CE.1f is to be applied throughout this curriculum in specified locations. Following are the basic economic concepts to be covered by this overarching standard. Our goal was to give basic knowledge of the economic concepts included in this standard which could then be applied to specific Civics & Economics content.

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Economic Way of Thinking	Concept Understanding*	Lessons/Activities/Resources
Expected Costs and Benefits and possible consequences of proposed solutions	<p>Cost/benefit analysis... is a technique for deciding whether an action should be taken by comparing its benefits and costs.</p> <p>Cost... The effort, loss or sacrifice necessary to achieve or obtain something.</p> <p>Benefits... Monetary or non-monetary gain received because of an action taken or a decision made.</p> <p>Consequences... The outcome of your decision.</p>	<ul style="list-style-type: none"> ▪ “Decision Making: Scarcity, Opportunity Cost, & You,” Lesson 1, <u>Personal Decision Making: FOCUS Economics</u> (CEE* Leet, Charkins, Lang, Lopus, Tamaribuchi 1998) ▪ “Give and Take,” Unit 1: Lesson 2, <u>Focus: Middle School Economics</u> (CEE Suiter, Dempsey, Pettit, Reiser 2004)
Decision Making Model	<p>Method for reaching a conclusion after considering alternatives and their results.</p> <p>Students will understand that: Effective decision making requires comparing the additional costs of alternatives with the additional benefits. Most choices involve doing a little more or a little less of something; few choices are all-or-nothing decisions.</p>	<ul style="list-style-type: none"> ▪ “Economic Decision Making,” Lesson 2, <u>Economics in Action</u> (CEE Lopus, Willis 2003) ▪ “Planning and Goal Setting: Can You Get There from Here?” Lesson 3, <u>Personal Decision Making: FOCUS Economics</u> (CEE Leet, Charkins, Lang, Lopus, Tamaribuchi 1998) ▪ “Consumer Decision Making,” Theme 1: Lesson 2, <u>Shaping Up Your Financial Future (6-8), Financial Fitness for Life</u> (CEE Flowers and Gallaher 2001) ▪ “The Economic Way of Thinking: 3 Activities to Demonstrate Marginal Analysis,” Lesson 6, <u>Economics in Action</u> (CEE Lopus, Willis 2003) <p>* Council for Economic Education Publication http://www.councilforeconed.org/</p>

*Concept Understanding is taken from the National Content Standards...

SOLs expressly identified as topics where CE.1f is applied

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SOL	Language	Examples of Application (VCEE)
CE.3a, 3c, 3d, 3e	<p>The student will demonstrate knowledge of the political process at the local, state, and national levels of government by</p> <ul style="list-style-type: none"> a) describing the processes by which an individual becomes a citizen of the United States; c) describing the duties of citizenship, including obeying the laws, paying taxes, defending the nation, and serving in court; d) examining the responsibilities of citizenship, including registering and voting, communicating with government officials, participating in political campaigns, keeping informed about current issues, and respecting differing opinions in a diverse society; e) evaluating how civic and social duties address community needs and serve the public good. 	<ul style="list-style-type: none"> • Using cost/benefit analysis to determine whether an individual would a) benefit from gaining U.S. citizenship and b) benefit from obeying laws, paying taxes, and serving in court. • Using a decision making grid to determine which means of contacting government officials may be most efficient and which ways of participating in a political campaign may be most to the individual's liking.
CE.5b, 5c, 5d, 5e, 5f	<p>The student will demonstrate knowledge of the political process at the local, state, and national levels of government by</p> <ul style="list-style-type: none"> b) comparing the similarities and differences of political parties; c) analyzing campaigns for elective office, with emphasis on the role of the media; d) examining the role of campaign contributions and costs; e) describing voter registration and participation; f) describing the role of the Electoral College in the election of the president and vice president; 	<ul style="list-style-type: none"> • Using decision making models to compare the platforms of political parties. • Using cost/benefit analysis to determine whether campaign contributions from various sources are beneficial to society and whether the costs of campaigns outweigh the benefits. • Assessing the costs and benefits of registering and voting. Use a decision making model to compare direct election of political leaders and the electoral college system.

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CE.6c, 6d	<p>The student will demonstrate knowledge of the American constitutional government at the national level by</p> <p>c) <u>explaining and/or simulating the lawmaking process;</u> d) <u>describing the roles and powers of the executive branch.</u></p>	<ul style="list-style-type: none"> • If a bill passed in both houses of Congress, what might be the unintended consequences of the U.S. President vetoing the legislation. • Using a decision making model, determine which of the current president’s proposed legislation will have the greatest impact on the daily lives of U.S. citizens.
CE 7b, 7c, 7d	<p>The student will demonstrate knowledge of the American constitutional government at the state level by</p> <p>b) <u>explaining the relationship of state governments to the national government in the federal system;</u> c) <u>explaining and/or simulating the lawmaking process;</u> d) <u>describing the roles and powers of the executive branch and regulatory boards.</u></p>	<ul style="list-style-type: none"> • Weigh the costs and benefits of the state government taking on the responsibilities of the federal government such as conducting foreign policy and providing for foreign defense. • Assuming an increase in state revenues via of taxes is necessary, use a decision-making model to determine which state taxes to increase (sales tax, gas tax, cigarette tax, income tax, etc.). • What would be the costs and benefits of “deregulating” Virginia’s health professions (nursing, dentistry, counseling, veterinary medicine, etc.)?
CE.9a	<p>The student will demonstrate knowledge of how public policy is made at the local, state, and national levels of government by</p> <p>a) <u>examining the impact of the media on public opinion and public policy;</u></p>	<ul style="list-style-type: none"> ▪ Using a decision making model, weigh the costs and benefits of “Sunshine Laws” which put limits on the extent to which governing bodies can hold their deliberations in private.
CE.9c	<p>The student will demonstrate knowledge of how public policy is made at the local, state, and national levels of government by</p> <p>c) <u>describing the impact of international issues and events on local decision making.</u></p>	<ul style="list-style-type: none"> ▪ Assume that governments at all three levels must act to protect the public from a potential epidemic spreading from abroad. What are some possible actions that might be taken by local, state, and national governments? What are the intended consequences of the actions? What are some possible unintended consequences? ▪ Use a decision making model to weigh the costs and benefits of some possible government actions.

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CE.11a	<p>The student will demonstrate knowledge of how economic decisions are made in the marketplace by</p> <p>a) applying the concepts of scarcity, resources, choice, opportunity cost, price, incentives, supply and demand, production, and consumption;</p>	<ul style="list-style-type: none"> • Use decision making models to a) assess choices made by producers to produce given goods and services using scarce resources and b) determine which goods and services to consume and the opportunity cost for choosing each.
CE.12a	<p>The student will demonstrate knowledge of the structure and operation of the United States economy by</p> <p>a) describing the types of business organizations and the role of entrepreneurship;</p>	<ul style="list-style-type: none"> • Using cost/benefit analysis and a decision making model to assess each of the business organizations—sole proprietorship, partnership, private corporation, and public corporation. • Using decision making models to determine which goods and services (ideas) entrepreneurs might choose to produce.
CE.12d	<p>The student will demonstrate knowledge of the structure and operation of the United States economy by</p> <p>d) examining the relationship of Virginia and the United States to the global economy, with emphasis on the impact of technological innovations.</p>	<ul style="list-style-type: none"> • Using cost/benefit analysis to assess the value of investment in new technologies. • Using decision making models to determine the best geographic locations in which to produce goods and services.
CE.13a	<p>The student will demonstrate knowledge of the role of government in the United States economy by</p> <p>a) examining competition in the marketplace;</p>	<ul style="list-style-type: none"> ▪ Using decision making models to compare producers of substitute goods and service in the marketplace.
CE.13b	<p>The student will demonstrate knowledge of the role of government in the United States economy by</p> <p>b) explaining the creation of public <u>how government provides certain</u> goods and services;</p>	<ul style="list-style-type: none"> • Using cost/benefit analysis to determine whether the government and the society benefit from a given public good or service.
CE.13c	<p>The student will demonstrate knowledge of the role of government in the United States economy by</p> <p>c) describing the impact of taxation, including an understanding of the reasons for the 16th Amendment, spending, and borrowing;</p>	<ul style="list-style-type: none"> • Using cost/benefit analysis to determine whether or not the government (federal, state, local) should tax citizens in our time or at any time in the past. ▪ Using cost/benefit analysis to determine the choices to spend or borrow.

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CE.13d	The student will demonstrate knowledge of the role of government in the United States economy by d) explaining how the Federal Reserve System regulates the money supply <u>acts as our nation's central bank</u> ;	<ul style="list-style-type: none"> ▪ Using a decision making model to determine which system of bank regulation is best for the U.S. economy.
CE.13e	The student will demonstrate knowledge of the role of government in the United States economy by e) describing the protection of consumer rights and property rights;	<ul style="list-style-type: none"> ▪ Using cost/benefit analysis to determine the value of establishing (and enforcing) property rights and consumer rights.
CE.14c	c) <u>identifying abilities, skills, and education and the changing supply and demand for them in the economy that careers require</u> ;	<ul style="list-style-type: none"> • Using a decision making model to assess the need (demand) for skills and education in obtaining certain jobs. • Using a decision making model to assess the demand for certain jobs in the economy.
CE.14d	d) examining the impact of technological change <u>and globalization</u> on career opportunities.;	<ul style="list-style-type: none"> • Using cost/benefit analysis to determine the value of technology skills to the global economy
CE.14e	e) <u>describing the importance of education to lifelong personal finances</u> ;	<ul style="list-style-type: none"> • Using a decision making model to determine the amount of education required and potential income of given careers and professions
CE.14f	f) <u>examining the financial responsibilities of citizenship including evaluating common forms of credit, savings, investments, purchases, contractual agreements, warranties, and guarantees</u> .	<ul style="list-style-type: none"> ▪ Using decision making models to compare payment options for purchases including credit and savings. ▪ Using decision making models to assess use of financial <u>assets</u> including saving, spending, and investing. ▪ Using cost/benefit analysis in choosing to purchase warranties and guarantees.

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Economic related SOLs

SOL #	Summary of Language	Lessons/Activities/Resources
CE.2b*	<p>The student will demonstrate knowledge of the foundations of American constitutional government by</p> <ul style="list-style-type: none"> ▪ explaining the significance of the charters of the Virginia Company of London, the Virginia Declaration of Rights, the Declaration of Independence, the Articles of Confederation, the Virginia Statute for Religious Freedom, and the Constitution of the United States of America, including the Bill of Rights; <p>Essential Knowledge Identified Influence of earlier documents on the Constitution of the United States of America</p> <ul style="list-style-type: none"> • Weakness of central government (e.g., no power to tax and enforce laws)—Led to the writing of the Constitution of the United States of America 	<ul style="list-style-type: none"> • “The Constitution: Ground Rules for the Economy,” <u>United States History: Eyes on the Economy, Volume I</u> (CEE Shug, Caldwell, Wentworth, Kraig, Highsmith, 1998)

* In order to focus solely on economic content, we have omitted non-economic content from this SOL

CE.3c*	<p>The student will demonstrate knowledge of citizenship and the rights, duties, and responsibilities of citizens by</p> <p>c) describing the duties of citizenship, including obeying the laws, paying taxes, defending the nation, and serving in court;</p> <p>Essential Knowledge Identified Duties of responsible citizens</p> <ul style="list-style-type: none"> • Pay taxes 	<ul style="list-style-type: none"> • “Uncle Sam Takes A Bite,” Lesson 7, <u>Financial Fitness for Life: Bringing Home the Gold (9-12)</u> (CEE Morton and Shug, 2001) • “What Are the Costs and Benefits of Voting?” Unit 1, Lesson 3, <u>Civics and Government: Focus on Economics</u> (CEE Dick, Blais, Moore 1998)
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CE. 4f*	<p>The student will demonstrate knowledge of personal character traits that facilitate thoughtful and effective participation in civic life by f) <u>practicing decision-making</u>;</p> <p>Essential Knowledge Identified <u>Effective participation in civic life can include:</u></p> <ul style="list-style-type: none"> ▪ <u>Practicing thoughtful decision-making in personal, financial and civic matters (e.g. voting and civic issues)</u> 	<ul style="list-style-type: none"> ▪ See lessons and applications for CE.1f
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CE. 5d	<p>The student will demonstrate knowledge of the political process at the local, state, and national levels of government by d) <u>examining the role of campaign contributions and costs</u>;</p> <p>Essential Understandings Identified Running for political office is expensive.</p> <p>Essential Questions Identified How has the high cost of getting elected changed campaigning for public office</p> <p>Essential Knowledge Identified Rising campaign costs</p> <ul style="list-style-type: none"> • Require candidates to conduct extensive fund-raising activities • Limit opportunities to run for public office • Give an advantage to wealthy individuals who run for office • Encourage the development of political action committees (PACs) • Give issue-oriented special interest groups increased influence <p>Campaign finance reform</p> <ul style="list-style-type: none"> • Rising campaign costs have led to efforts to reform campaign finance laws. • Limits exist on the amount individuals may contribute to political candidates and campaigns 	<ul style="list-style-type: none"> • “The Electoral College Mystery,” Chapter 4: Lesson 1, <u>The Great Economic Mystery Book: A Guide to Teaching Economic Reasoning (Grades 9-12)</u> (CEE Shug and Western 2000) <p>Suggested (may be too advanced)</p> <ul style="list-style-type: none"> • “Campaign Finance Reform,” NOW with Bill Moyers www.pbs.org/now/classroom/campaignfinance.html • “Funding a Way to the Top: Investigating Presidential Campaign Finance,” EconEdLink http://www.nytimes.com/learning/teachers/lessons/20040419monday.html
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CE.6a*	<p><u>The student will demonstrate knowledge of the American constitutional government at the national level by</u> a) <u>describing the structure and powers of the national government;</u></p> <p>Essential Knowledge Identified <u>The Legislative branch:</u></p> <ul style="list-style-type: none"> • <u>Approves the annual budget</u> • <u>Raises revenue through taxes and other levies</u> • <u>Regulates interstate and foreign trade</u> 	<ul style="list-style-type: none"> • “National Budget Simulation,” EconEdLink http://www.econedlink.org/lessons/index.php?lesson=EM306&page=teacher
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CE.6b*	<p><u>The student will demonstrate knowledge of the American constitutional government at the national level by</u> b) <u>explaining the principle of separation of powers and the operation of checks and balances;</u></p> <p>Essential Knowledge Identified <u>Executive Branch</u> <u>The President checks Congress when the President</u></p> <ul style="list-style-type: none"> • <u>Prepares an annual budget for Congress to approve</u> 	<ul style="list-style-type: none"> • “Should We Worry About the National Debt?” Unit 6, Lesson 36, <u>Capstone Exemplary Lessons for High School Economics</u> (CEE Lopus, Morton, Reinke, Shug, Wentworth 2003) • “Why Does the Federal Government Overspend It’s Budget?” Unit 9, Lesson 2, <u>US History: Eyes on the Economy Through 20th Century</u> (CEE Shug, Caldwell, Wentworth, Kraig, Highsmith 1993) • “Charting a Budget,” Lesson 12, <u>Mathematics & Economics Connections for Life (6-8)</u> (CEE Hoff, McCorkle, Suiter, Bettendorf, Breidenbach, Cornwell 2002)
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CE.7c*	<p><u>The student will demonstrate knowledge of the American constitutional government at the state level by</u> c) <u>explaining and/or simulating the lawmaking process;</u></p> <p>Essential Knowledge Identified <u>The primary issues in the legislative process at the state level concern:</u></p> <ul style="list-style-type: none"> • <u>State Budget - to approve a biennial (two year) budget prepared by the Governor</u> • <u>Levying and collecting taxes</u> 	<ul style="list-style-type: none"> • “Balancing the Budget,” The Center on Congress at Indiana University http://www.centeroncongress.org/lesson_plans/fba_balancing_budget.php?statecriteria=47%2CVirginia
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CE. 7d*	<p><u>The student will demonstrate knowledge of the American constitutional government at the state level by</u></p> <ul style="list-style-type: none"> ▪ <u>describing the roles and powers of the executive branch and regulatory boards.</u> <p>Essential Knowledge Identified <u>Cabinet secretaries and departments, agencies, commissions, and regulatory boards:</u></p> <ul style="list-style-type: none"> • <u>Regulate aspects of business and the economy</u> • <u>Provide services</u> 	<ul style="list-style-type: none"> • “Regulation Rigmarole,” Lesson 15, <u>Master Curriculum Guides in Economics: Teaching Strategies-- 5-6</u> (CEE Coulson and McCorckle 1994) • Bureau of Labor Statistics for information on dangerous jobs: http://www.bls.gov/ • Occupation and Safety Administration for regulations; http://www.osha.gov/
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CE. 8a*	<p><u>The student will demonstrate knowledge of the American constitutional government at the local level by</u> a) <u>describing the structure and powers of the local government;</u></p> <p>Essential Knowledge Identified <u>Virginia local governments exercise defined and limited powers, including the power to</u></p> <ul style="list-style-type: none"> • <u>levy and collect taxes</u> 	<ul style="list-style-type: none"> • “The Fairfax County Budget – A Look at Spending,” Fairfax County Program of Studies: "Closest To The People" http://www.fairfaxcounty.gov/dmb/fcpos/Middle_School/14_1.pdf
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<p><u>CE.9c</u></p>	<p>The student will demonstrate knowledge of how public policy is made at the local, state, and national levels of government by</p> <ul style="list-style-type: none"> ▪ <u>describing the impact of international issues and events on local decision making.</u> <p>Essential Understandings Identified <u>Local governments may be required to formulate, adopt, and implement public policies in response to international issues and events.</u></p> <p>Essential Questions Identified <u>Which international issues and events would require local government officials to act?</u></p> <p>Essential Knowledge Identified <u>International issues and events that would require policy decisions by local government officials could include the following</u></p> <ul style="list-style-type: none"> ▪ <u>Responding to public health concerns</u> ▪ <u>Planning for the public safety in the event of an act of terrorism</u> ▪ <u>Preparing economic development policies in response to the emerging global economy</u> ▪ <u>Implementing policies to protect the environment, e.g., wildlife conservation.</u> 	<ul style="list-style-type: none"> ▪ “Globalization and the Environment,” Lesson Seven, <u>Focus Globalization</u> (CEE Bosshardt, Hummels, Meszaros, Odorzynski, VanFossen, Watts 2006) ▪ “Third Party Costs & Benefits,” Lesson Thirteen, <u>Focus High School Economics</u> (CEE Watts, McCorkle, Meszaros, Smith, Highsmith, 1998) ▪ “Public Goods and Services”, Lesson 6, <u>Old McDonald to Uncle Sam: Lesson Plans from Writers around the World</u> (CEE McCorkle, Mezaros, Suiter 2002) ▪ “Making Clothes and Houses out of Wheat,” Lesson 2, <u>World History: Focus on Economics</u> (CEE Caldwell, Clark, Herscher, 2001) ▪ “Can Incentives Protect Endangered Species?” Lesson 7, <u>Economics and the Environment: Econdetectives</u> (CEE Shug, Morton, Wentworth 1999) ▪ Katrina in the Classroom, Atlanta FED http://www.frbatlanta.org/atlantafed/katrina.cfm
<p><u>CE.9a</u> <u>CE.11a</u></p>	<p>The student will demonstrate knowledge of how economic decisions are made in the marketplace by</p> <ul style="list-style-type: none"> ▪ applying the concepts of scarcity, resources, choice, opportunity cost, price, incentives, supply and demand, production, and consumption; <p>Essential Understandings Identified People make choices about how to use limited resources, decide the ownership of resources, and structure markets for the distribution of goods and services.</p> <p>Essential Questions Identified How do people deal with scarcity, resources, choice, opportunity cost, price, incentives, supply and demand, production, and consumption?</p> <p>Essential Knowledge Identified</p>	<ul style="list-style-type: none"> ▪ There’s Never Enough,” Lesson 1, <u>the Wide World of Trade</u> (CEE McCorkle, Meszaros, Suiter, Watts 2003) ▪ “How Many Will You Buy?” Unit 2: Lesson 4, <u>Focus: Middle School Economics</u> (CEE (CEE Suiter, Dempsey, Pettit, Reiser 2004) ▪ “Demand Shifters,” Unit 2: Lesson 5, <u>Focus: Middle School Economics</u> (CEE Suiter, Dempsey, Pettit, Reiser 2004) ▪ “How Many Should We Sell?” Unit 3, Lesson 8, <u>Focus: Middle School Economics</u> (CEE Suiter, Dempsey, Pettit, Reiser 2004) • “Doughnut Dreaming,” Lesson 8, <u>Math & Economics: Connections for Life (Grades 3-5)</u> (CEE, Suiter, Wright,

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<p>Scarcity is the inability to satisfy all wants at the same time. All resources and goods are limited. This requires that choices be made.</p> <p>Resources are factors of production that are used in the production of goods and services. Types of resources are natural, human, capital, and entrepreneurship.</p> <p>Choice is selecting an item or action from a set of possible alternatives. Individuals must choose/make decisions about desired goods and services because these goods and services are limited.</p> <p>Opportunity cost is what is given up when a choice is made—the highest valued alternative forgone. Individuals must consider the value of what is given up when making a choice.</p> <p>Price is the amount of money exchanged for a good or service. Interaction of supply and demand determines price. Price determines who acquires goods and services.</p> <p>Incentives Incentives are things that incite or motivate. Incentives are used to change economic behavior.</p> <p>Supply and demand Interaction of supply and demand determines price. Demand is the amount of a good or service that consumers are willing and able to buy at a certain price. Supply is the amount of a good or service that producers are willing and able to sell at a certain price.</p> <p>Production Production is the combining of human, natural, capital, and entrepreneurship resources to make goods or provide services. Resources available and consumer preferences determine what is produced.</p> <p>Consumption Consumption is using goods and services. Consumer preferences and price determine what is purchased.</p>	<p>Hinchik , Masters, Wulff 2005)</p> <ul style="list-style-type: none"> ▪ “Where Do Pizza Prices Come From (Part 1, 2),” Lesson 10 & 11, <u>Math & Economics: Connections for Life (Grades 6-8)</u> (CEE Hoff, McCorkle, Suiter, Bettendorf, Breidenbach, Cornwell 2002) ▪ “Minding Your P’s & Q’s,” Lesson 13, <u>Master Curriculum Guide (5-6)</u> (CEE Coulson, McCorkle 1994) ▪ “A Parking Lots Full of Incentives,” Lesson1, <u>Economies in Transition</u> (CEE Anderson, Burke, Dick, Holley, Keay, Prager, Rothweiler, Stivers, Tepe, Ware 2002) ▪ “Children in the Marketplace,” Lesson 8 (game), <u>Children in the Marketplace</u> (CEE Reinke 1986) ▪ “People Use Resources to Produce What Others Want,” Lesson 2, <u>Children in the Marketplace</u> (CEE Reinke 1986)
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<p>CE.9b CE.11b</p>	<p>The student will demonstrate knowledge of how economic decisions are made in the marketplace by b) comparing the differences among, <u>traditional</u>, free market, command, and mixed economies.</p> <p>Essential Understandings Identified <u>Every country must develop an economic system to determine how to use its limited productive resources.</u></p> <p><u>The key factor in determining the type of economy is the extent of government involvement. in economic decision-making.</u></p> <p>Essential Questions Identified <u>What are the basic economic questions all societies must answer?</u></p> <p>What are the basic characteristics of <u>traditional</u>, free market, command, and mixed economies?</p> <p><u>How does each type of economy answer the three basic questions?</u></p> <p>Essential Knowledge <u>The Three Basic Questions of Economics</u> <u>Each type of economy answers the three basic questions differently.</u></p> <ul style="list-style-type: none"> • <u>What will be produced?</u> • <u>Who will produce it?</u> • <u>For whom will it be produced?</u> <p>Characteristics of major economic systems <u>No country relies exclusively on markets to deal with the economic problem of scarcity.</u></p> <ul style="list-style-type: none"> • <u>Traditional economy</u> <ul style="list-style-type: none"> - <u>Economic decisions are based on custom and historical precedent</u> - <u>People often perform the same type of work as their parents and grandparents, regardless of ability or potential.</u> 	<ul style="list-style-type: none"> • “Who Decides?” Lesson Two, <u>Focus Economic Systems</u> (CEE McCorkle, Meszaros, Odorynski, Schug, Watts, Horwich 2002) ▪ “Resources & Trade,” Lesson 4, <u>the Wide World of Trade</u> (CEE McCorkle, Meszaros, Suiter, Watts 2003) • “Hatmaker, Hatmaker, Make Me a Hat, Chapter 6, Activity 1, <u>Around the World the Econ Way</u> (Moore and Marks 2003) • “Broad Social Goals of Economic Systems,” Lesson One, <u>Focus Economic Systems</u> (CEE McCorkle, Meszaros, Odorynski, Schug, Watts, Horwich 2002) • “Anything Planners Do, Markets Do....” Lesson Five, <u>Focus Economic Systems</u> (CEE McCorkle, Meszaros, Odorynski, Schug, Watts, Horwich 2002) • “Is Capitalism Good for the Poor?”; Foundation for Teaching Economics, http://www.fte.org/capitalism/activities/ultimatum/
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	<ul style="list-style-type: none"> • Free market <ul style="list-style-type: none"> - Private ownership of property/resources - Profit <u>motive</u> - Competition - Consumer sovereignty - Individual choice - <u>Minimal government involvement in the economy</u> • Command economy <ul style="list-style-type: none"> - Central ownership (<u>usually by government</u>) of property/resources - Centrally-planned economy - Lack of consumer choice • Mixed economy <ul style="list-style-type: none"> - Individuals and businesses <u>as owners</u> and decision makers for the private sector - Government as <u>owner and</u> decision maker for the public sector - <u>Government role is greater than in a free market economy and less than in a command economy.</u> - <u>Most economies today (including the United States) are mixed economies.</u> — A greater government role than in a free market economy — Most common economic system today 	
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<p>CE.9e CE.11c</p>	<p>The student will demonstrate knowledge of how economic decisions are made in the marketplace by</p> <p>c) describing the characteristics of the United States economy, including <u>free markets</u>, <u>limited government</u>, private property, profit, and competition.</p> <p>Essential Understandings Identified The United States economy <u>is primarily a free market economy; but because there is some government involvement it is characterized as a mixed economy.</u></p> <p><u>Government intervenes in a market economy when the perceived benefits of a government policy outweigh the anticipated costs.</u></p> <p>Essential Questions Identified What are the essential characteristics of the United States economy?</p> <p>Essential Knowledge Identified In the United States private individuals, businesses, and government share economic decision making.</p> <p>Characteristics of the United States economy</p> <ul style="list-style-type: none"> • Free markets Markets are <u>generally</u> allowed to operate without undue interference from the government. <u>Prices are determined by supply and demand as individual buyers and sellers interact in the marketplace.</u> • Private property - Individuals and businesses have the right to own <u>real or personal property</u> as well as the means of production without undue interference from the government. • Profit - Profit consists of earnings after all expenses have been paid. Entrepreneurs accept the risks in organizing resources to produce goods and services because they hope to earn profits. • Competition - Rivalry between producers/sellers of a good or service results in better quality goods and services at a lower price. <p>Consumer sovereignty - Consumers determine through purchases, what goods and services will be produced. <u>Government involvement in the economy is limited. Most decisions regarding the production of goods and services are made in the private sector.</u></p>	<ul style="list-style-type: none"> • “Role of Government in a Market Economy,” Lesson 5, <u>Economics in Action</u> (CEE Lopus, Willis 2003) • “What (and How Much) Should Government Do?” Lesson 6, <u>Focus Economic Systems</u> (CEE McCorkle, Meszaros, Odorynski, Schug, Watts, Horwich 2002) • “What are the Economic Functions of Government?” Unit II, Lesson 4, <u>Focus Civics & Government</u> (CEE Dick, Blais, Moore 1998) • “Is Government Too Big? Clip 12, <u>John Stossel MACRO DVD</u> 2006 ABC News • “Property Rights in a Market Economy,” Lesson 4, <u>Economics in Action</u> (CEE Lopus, Willis 2003) ▪ See CE.11a for supply and demand lessons
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<p><u>CE.10a</u> <u>CE.12a</u></p>	<p>The student will demonstrate knowledge of the structure and operation of the United States economy by</p> <p>a) describing the types of business organizations and the role of entrepreneurship;</p> <p>Essential Understandings Identified There are three basic ways that businesses organize to earn profits.</p> <p>Entrepreneurs play an important role in all three business organizations.</p> <p>Essential Questions Identified What are the basic types of profit-seeking business structures? What is an entrepreneur?</p> <p>Essential Knowledge Identified Basic types of business ownership</p> <ul style="list-style-type: none"> ▪ Proprietorship—A form of business organization with one owner who takes all the risks and all the profits. (Continued next page) ▪ Partnership—A form of business organization with two or more owners who share the risks and the profits. ▪ Corporation—A form of business organization that is authorized by law to act as a legal person regardless of the number of owners. Owners share the profits. Owner liability is limited to investment. <p>Entrepreneur</p> <ul style="list-style-type: none"> • A person who takes a risk to produce goods and services in search of profit • May establish a business according to any of the three types of organizational structures 	<ul style="list-style-type: none"> ▪ “Entrepreneurship in our Market System,” Lesson 7, <u>Entrepreneurship in the U.S. Economy</u> (CEE Stafford, Allen, Clow 1994) ▪ “Business Ownership,” Lesson 13, <u>The International News Journal, Inc.</u> (CEE) ▪ “Business Organizations,” Lesson 3, <u>Focus: Institutions and Markets</u> (Leet, Odorzynski, Suiter, VanFossen, Watts 2003) ▪ “Poverty & Entrepreneurship,” Clip 10, <u>John Stossel MICRO DVD</u> (2006 ABC News)
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<p>CE.10b <u>CE.12b</u></p>	<p>The student will demonstrate knowledge of the structure and operation of the United States economy by</p> <p>b) explaining the circular flow that shows how consumers (households), businesses (producers), and markets interact;</p> <p>Essential Understandings Identified Resources, goods and services, and money flow continuously among households, businesses, and markets in the United States economy.</p> <p>Essential Questions Identified How do resources, goods and services, and money flow among individuals, businesses, and governments in a market economy?</p> <p>Essential Knowledge Identified Economic flow (<u>Circular flow</u>)</p> <ul style="list-style-type: none"> • Individual and business saving and investment provide financial capital that can be borrowed for business expansion and increased consumption. • Individuals (households) own the resources used in production, sell the resources, and use the income to purchase products. • Businesses (producers) buy resources; make products that are sold to individuals, other businesses, and the government; and use the profits to buy more resources. <p>Governments use tax revenue from individuals and businesses to provide public goods and services.</p>	<ul style="list-style-type: none"> • “Dandy Dollars Takes a Trip,” Lesson 3, <u>Master Curriculum Guide (5-6)</u> CEE Coulson and McCorckle 1994) ▪ “To Buy or Not To Buy,” EconEdLink http://www.econedlink.org/lessons/index.php?lesson=552&page=teacher ▪ “Circles Within Circles,” Lesson 6, <u>Master Curriculum Guide: 3-4</u> (CEE Samuel and Stout 1996) ▪ “The Circular Flow of Economic Activity,” Lesson 10 , <u>Economics in Action</u> (CEE Lopus, Willis 2003)
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<p>CE.10d <u>CE.12d</u></p>	<p>The student will demonstrate knowledge of the structure and operation of the United States economy by</p> <ul style="list-style-type: none"> ▪ examining the relationship of Virginia and the United States to the global economy, with emphasis on the impact of technological innovations. <p>Essential Understandings Identified Virginia and the United States pursue international trade in order to increase wealth.</p> <p>Essential Questions Identified Why do Virginia and the United States trade with other nations? What is the impact of technological innovation on world trade?</p> <p>Essential Knowledge Identified Global Economy—Worldwide markets in which the buying and selling of goods and services by all nations takes place</p> <p>Reasons that states and nations trade</p> <ul style="list-style-type: none"> • To obtain goods and services they cannot produce or produce efficiently themselves • To buy goods and services at a lower cost or a lower opportunity cost • To sell goods and services to other countries • To create jobs • Virginia and the United States specialize in the production of certain goods and services which promotes efficiency and growth. <p>Impact of technological innovations</p> <ul style="list-style-type: none"> • Innovations in technology (e.g., the Internet) contribute to the global flow of information, capital, goods, and services. • The use of such technology also lowers the cost of production. 	<ul style="list-style-type: none"> ▪ “Globalization and the U.S. Economy,” Lesson 4, <u>Focus: Globalization</u> (CEE Bosshardt, Hummels, Meszaros, Odorzynski, VanFossen, Watts 2006) ▪ “The United States and the Global Economy,” Unit 1, Lesson 2, <u>United States History: Eyes on the Economy; Volume 2</u> (CEE Shug, Caldwell, Wentworth, Kraig, Highsmith 1993) ▪ “Productivity Raises Output,” Unit 6, Lesson , <u>United States History: Eyes on the Economy; Volume 1</u> (CEE Shug, Caldwell, Wentworth, Kraig, Highsmith 1998) ▪ “What is Investment?” Unit 6, Lesson 6, <u>United States History: Eyes on the Economy; Volume 1</u> (CEE Shug, Caldwell, Wentworth, Kraig, Highsmith 1998)
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<p>CE.11a CE.13a</p>	<p>The student will demonstrate knowledge of the role of government in the United States economy by</p> <p>a) examining competition in the marketplace;</p> <p>Essential Understandings Identified The government promotes and regulates competition.</p> <p>Essential Questions Identified How does the United States government promote and regulate competition?</p> <p>Essential Knowledge Identified Ways the government promotes marketplace competition</p> <ul style="list-style-type: none"> • Enforcing antitrust legislation to discourage the development of monopolies • Engaging in global trade • Supporting business start-ups <p>Government agencies that regulate business</p> <ul style="list-style-type: none"> • FCC (Federal Communications Commission) • EPA (Environmental Protection Agency) • FTC (Federal Trade Commission) <p>These agencies oversee the way individuals and companies do business</p>	<ul style="list-style-type: none"> ▪ “What are the Economic Functions of Government?” Unit 2, Lesson 4, <u>Civics and Government: Focus on Economics</u> (CEE Dick, Blais, Moore 1998) ▪ “Maintaining Competition,” Lesson 5, <u>Focus: Institutions and Markets</u> (CEE Leet, Odorynski, Suiter, VanFossen, Watts 2003)
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<p>CE.11b CE.13b</p>	<p>The student will demonstrate knowledge of the role of government in the United States economy by</p> <p>b) explaining the creation of public <u>how government provides certain goods and services;</u></p> <p>Essential Understandings Identified Government provides <u>certain public</u> goods and services that individuals and <u>businesses</u> acting alone could not provide efficiently.</p> <p>Essential Questions Identified What are public goods and services? <u>What types of goods and services do governments provide?</u></p> <p><u>How do governments pay for the produce public goods and services they provide?</u></p> <p>Essential Knowledge Identified Characteristics of <u>public-most</u> goods and services <u>provided by the government.</u></p> <ul style="list-style-type: none"> • Provide benefits to many simultaneously • Would not <u>likely</u> be available if individuals had to provide them • Include such items as interstate highways, postal service, and national defense <p>Ways governments produce <u>pay for</u> public goods and services</p> <ul style="list-style-type: none"> • Through tax revenue • Through borrowed funds • <u>Through fees (e.g., park entrance fees)</u> 	<ul style="list-style-type: none"> ▪ “Public Goods and Services,” Lesson 12, <u>Focus: High School Economics</u> (CEE Watts, McCorkle, Meszaros, Smith, Highsmith 1998) ▪ “What are the Economic Functions of Government?” Unit 2, Lesson 4, <u>Civics and Government: Focus on Economics</u> (CEE Dick, Blais, Moore 1998) ▪ “The Role of Government: Who Needs It?” Lesson 8, <u>Personal Decision Making: Focus on Economics</u> (CEE Leet, Charkins, Lang, Lopus, Tamaribuchi 1998) ▪ “Public Goods and Services,” Lesson 6, <u>Old McDonald to Uncle Sam: Lesson Plans from Writers around the World</u> (CEE McCorkle, Mezaros, Suiter 2002)
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<p>CE.14e CE.13c</p>	<p>The student will demonstrate knowledge of the role of government in the United States economy by</p> <p>c) describing the impact of taxation, including an understanding of the reasons for the 16th Amendment, spending, and borrowing;</p> <p>Essential Understandings Identified The government taxes, borrows, and spends to influence economic activity.</p> <p>Essential Questions Identified How does the government influence economic activity?</p> <p>Essential Knowledge Identified Government tax increases reduce the funds available for private and business spending; tax decreases increase funds for private and business spending.</p> <p>Increased government borrowing reduces funds available for borrowing by individuals and businesses; decreased government borrowing increases funds available for borrowing by individuals and businesses.</p> <p>Increased government spending increases demand, which may increase employment and production; decreased spending reduces demand, which may result in a slowing of the economy.</p> <p>Increased government spending may result in higher taxes; decreased government spending may result in lower taxes.</p> <p>The 16th Amendment to the Constitution of the United States of America authorizes Congress to tax incomes (personal and business).</p>	<ul style="list-style-type: none"> ▪ “Somebody Has to Pay for It: 16th Amendment and the Income Tax,” www.okbar.org/lre/lessonplans.htm ▪ “Uncle Sam’s Checkbook,” Lesson 4, <u>Old McDonald to Uncle Sam: Lesson Plans from Writers around the World</u> (CEE McCorkle, Mezaros, Suiter 2002)
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<p>CEE14d <u>CE.13d</u></p>	<p>The student will demonstrate knowledge of the role of government in the United States economy by</p> <p>d) explaining how the Federal Reserve System regulates the money supply <u>acts as our nation's central bank</u>;</p> <p>Essential Understandings Identified The Federal Reserve System, acting as the central bank, regulates the money supply. <u>is our nation's central bank.</u></p> <p>Essential Questions Identified What is the role of the Federal Reserve System in maintaining a stable economy?</p> <p>Essential Knowledge <u>As the central bank of the United States, the Federal Reserve System</u></p> <ul style="list-style-type: none"> • <u>Has the duty to maintain the value of our currency (dollar).</u> • <u>Regulates banks to ensure the soundness of the banking system and the safety of deposits.</u> • <u>Manages the amount of money in the economy to try to keep inflation low and stable.</u> • <u>Acts as the federal government's bank.</u> <p>The Federal Reserve System (Fed) is the central bank of the United States.</p> <p>Federal Reserve banks act as a banker's bank by issuing currency and regulating the amount of money in circulation.</p> <p>To slow the economy, the Federal Reserve Bank restricts the money supply, causing interest rates to rise; to stimulate the economy the Fed increases the money supply, causing interest rates to decline.</p> <p>Ways the Federal Reserve Bank slows the economy</p> <ul style="list-style-type: none"> • Increases the reserve requirement • Raises the discount rate • Sells government securities <p>Ways the Federal Reserve Bank stimulates the economy</p> <ul style="list-style-type: none"> • Lowers the reserve requirement • Lowers the discount rate • Purchases government securities 	<ul style="list-style-type: none"> ▪ “Who Should Control the Money Supply – the U.S. Congress or the Federal Reserve?” Lesson 7, <u>Civics & Economics: Focus on Economics</u> (CEE Dick, Blais, Moore 1998) ▪ “The Federal Reserve System Is Established,” Unit 6, Lesson 3, <u>United States History: Eyes on the Economy (Vol. 2)</u> (CEE Shug, Caldwell, Wentworth, Kraig, Highsmith 1993) ▪ “Money, Interest, and Monetary Policy,” Lesson 20, <u>Focus: High School Economics</u> (CEE Watts, McCorkle, Meszaros, Smith, Highsmith 1998)
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<p>CE.11e CE.13e</p>	<p>The student will demonstrate knowledge of the role of government in the United States economy by</p> <p>e) describing the protection of consumer rights and property rights;</p> <p>Essential Understandings Identified The United States government passes laws and creates agencies to protect consumer rights and property rights.</p> <p>Essential Questions Identified What is the role of the United States government in protecting consumer rights and property rights?</p> <p>Essential Knowledge Identified Individuals have the right of private ownership, which is protected by negotiated contracts that are enforceable by law.</p> <p>Government agencies establish guidelines that protect public health and safety.</p> <p>Consumers may take legal action against violations of consumer rights.</p>	<ul style="list-style-type: none"> ▪ “Property Rights in a Market Economy,” Lesson 4, <u>Economics in Action</u> (CEE Lopus, Willis 2003) ▪ “The Buffalo Are Back,” Lesson 5, <u>United States History: Focus on Economics</u> (CEE Wentworth, Kraig, Shug 1996) ▪ “How to Privatize?” Lesson 4, <u>From Plan to Market: Teaching Ideas for Social Studies, Economics, and Business Classes</u> (CEE Shug, Lopus, Morton 1997) ▪ “Consumer Credit Protection,” Lesson 18, <u>Financial Fitness for Life: Going for the Gold (Grades 9-12)</u> (CEE Morton, Shug, 2001)
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<p><u>CE.13f</u></p>	<p>The student will demonstrate knowledge of the role of government in the United States economy by <u>f) recognizing that government creates currency and coins and that there are additional forms of money.</u></p> <p>Essential Understandings Identified <u>Money is defined as anything that is generally accepted as a method of payment.</u></p> <p>Essential Questions Identified <u>Why does the government create issue currency and coins?</u></p> <p><u>Which government agencies are responsible for creating money?</u></p> <p>Essential Knowledge Identified <u>When the United States government creates issues coins and currency, people accept it in exchange for goods and services because they have confidence in the government.</u></p> <p><u>Government creates issues money to facilitate this exchange.</u></p> <p><u>The three types of money generally used in the United States are:</u></p> <ul style="list-style-type: none"> • <u>Coins</u> • <u>Federal Reserve notes (bills currency)</u> • <u>Deposits in bank accounts that can be accessed by Cchecks and debit cards</u> 	<ul style="list-style-type: none"> • “The Fed Today,” video and lessons www.stlouisfed.org/education ▪ “Geography of the Fed,” Federal Reserve Bank of St. Louis, http://www.stlouisfed.org/education_resources/assets/lesson_plans/GeoFREDGeography.pdf • <u>The Story of Money</u> free publication from the Federal Reserve Bank of New York, http://www.newyorkfed.org/publications/result.cfm?comics=1
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<p>E.12 CE.14c, 14d,14e,14f</p>	<p>The student will demonstrate knowledge of career opportunities by</p> <p>c) <u>identifying abilities, skills, and education and the changing supply and demand for them in the economy that careers require;</u></p> <p>d) <u>examining the impact of technological change and globalization on career opportunities;</u></p> <p>e) <u>describing the importance of education to lifelong personal finances;</u></p> <p>f) <u>examining the financial responsibilities of citizenship including evaluating common forms of credit, savings, investments, purchases, contractual agreements, warranties, and guarantees.</u></p> <p>Essential Understandings Identified There is a correlation between skills, education, and income.</p> <p>Changes in technology influence the abilities, skills, and education needed in the marketplace.</p> <p>Essential Questions Identified What is the relationship between skills, education, and income? What influence do advances in technology have on the workplace?</p> <p>Essential Knowledge Identified Higher skill(s) and/or education level(s) generally lead to higher incomes. Supply and demand also influence job income. Employers seek individuals who have kept pace with technological change/skills. Technological advancements create new jobs in the workplace.</p> <p><u>Technology and information flows permit people to work across borders. This creates competition from foreign workers for United States jobs and may create opportunities for United States workers to work for companies in other countries.</u></p> <p><u>Being fiscally responsible includes making careful spending decisions, saving and investing for the future, having insurance, keeping to a budget, using credit wisely, as well as understanding how contracts, warranties, and guarantees can protect the individual.</u></p>	<ul style="list-style-type: none"> ▪ “A Student’s Potential in the Labor Market: It’s a Matter of Supply and Demand,” Lesson 4, <u>Personal Decision Making: Focus on Economics</u> (CEE Leet, Charkins, Lang, Lopus, Tamaribuchi 1998) ▪ “Using Economic Reasoning to Solve Mysteries,” Lesson 3, <u>Economics in Action</u> (CEE Lopus, Willis 2003) ▪ “Why Some Jobs Pay More Than Others,” Lesson 6, <u>Financial Fitness for Life: Bringing Home the Gold (Grades 9-12)</u> (CEE CEE Morton, Shug, 2001) ▪ “Finding A Comparative Advantage, Including Your Own,” Lesson 3, <u>Focus: Globalization</u> (CEE Bosshardt, Hummels, Meszaros, Odorzynski, VanFossen, Watts 2006) ▪ “Invest in Yourself,” Lesson 3, <u>Learning, Earning, and Investing (Middle School)</u> (CEE Caldwell, Davis, Gallagher, Lopus, Morton, Suiter, VanFossen, Wentworth, Wood 2004) ▪ “Why Stay in School?” Theme 2, Lesson 5, <u>Financial Fitness for Life: Shaping up your Financial Future—Grades 6-8</u> (CEE Flowers, Gallaher 2001) ▪ “Managing Credit,” Section 3, <u>Your Credit Counts Challenge</u> (CEE Shug, Wood 2004) ▪ “Establishing Credit,” Theme 4, Lesson 13, <u>Financial Fitness for Life: Shaping up your Financial Future—Grades 6-8</u> (CEE Flowers, Gallaher 2001) ▪ “Why Save?” Theme 3, Lesson 6, <u>Financial Fitness for Life: Shaping up your Financial Future—Grades 6-8</u> (CEE Flowers, Gallaher 2001) ▪ “Types of Savings Plans,” Theme 3, Lesson 7, <u>Financial Fitness for Life: Shaping up your Financial Future—Grades 6-8</u> (CEE Flowers, Gallaher 2001)
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