**VCEE Certified Economics Educator:  Civics & Economics**a program of ****

“Education is not the learning of facts, but the training of the mind to think.”

*~ Albert Einstein*

“Whenever the people are well-informed, they can be trusted with their own government.”

*~ Thomas Jefferson*

The study of economics goes hand in hand with the study of civics in developing students into responsible and knowledgeable citizens and voters. As civic discourse becomes increasingly politicized, students need a balanced understanding of the foundations of government and the limited but crucial role government plays in supporting our economic system. Moreover, economics at its heart is about decision making: making choices about the best use of our limited resources. In middle school, students need to learn about making good decisions as a prelude to a successful future. As they head into high school and post-secondary education, their decisions about saving and spending, and about staying in school to develop the skills and knowledge that will make them productive citizens, are critical.

The Virginia Council on Economic Education and its affiliated university-based centers for economic education offer Civics & Economics (CE) teachers the following professional development to:

1. master the learning objectives (see below) which include a basic understanding of economic concepts and the economic way of thinking,
2. teach the economics in Civics & Economic in a manner that is engaging and relevant for their students, and
3. be leaders of economic education in their districts.

As summarized below, this Institute is designed to assist CE teachers with the content envisioned by Virginia’s Standards of Learning (SOL) adopted in March 2015 as well as creative lessons and resources to use with students. Teachers who

1. Attend and satisfactorily participate in the eight modules (24 hours in class);
2. Satisfactorily complete 6 hours of assignments outside of class, and
3. Satisfactorily complete a post-test of economic literacy

will be recognized as a VCEE Certified Economic Educator: Civics & Economics. All participants will be eligible to earn up to 30 recertification points from their school division.

Below is a summary of each module and the March 2015 SOL they cover. The SOL and curriculum framework will become effective for the 2017-18 school year.

**Module 1: Economics is About Making Choices**

Economics is the study of how individuals, producers, governments and other groups make decisions when faced with a scarcity of resources. Helping students make rational decisions based on facts rather than emotion is an important life skill. This module will provide teachers with decision-making models and cost-benefit analyses as they apply to everyday life. In making rational decisions, people weigh costs and benefits and respond to incentives. Since every choice has an opportunity cost (that is, the choice that is given up), this cost also must be considered, as well as likely consequences, and recognizing that the consequences of each choice lie in the future.

**CE.1** The student will demonstrate skills for historical thinking, geographical analysis, economic decision making, and responsible citizenship by

 h) using a decision-making model to analyze and explain the costs and benefits of a specific choice

**CE.4** The student will demonstrate personal character traits that facilitate thoughtful and effective participation in civic life by

 f) practicing thoughtful decision-making

**CE.11** The student will apply social science skills to understand how economic decisions are made in the marketplace by

1. explaining that because of scarcity, consumers, producers, and governments must make choices understanding that everyone’s choice has an opportunity cost

Module 2: Why Do We Need an Economic System?

The problem of scarcity forces every society to make difficult choices about how to use its resources. In trying to decide how to allocate those scarce resources, each society must answer three critical questions: (1) What goods and services will be produced? (2) How will these goods and services be produced? and (3) Who will consume them? How those questions are answered determines the type of economic system (market, command, traditional, mixed) that is present. The key factor in determining the type of economy a country has is the extent of government involvement in determining the answer to these questions.

This module will also focus on the characteristics of the United States economy, which include limited government, private property, profit motive, markets, consumer sovereignty and competition.

**CE.11** The student will apply social science skills to understand how economic decisions are made in the marketplace by

b) comparing and contrasting how traditional, free-market, command, and mixed economies decide how to allocate their limited resources.

CE.12 The student will apply social science skills to understand the United States economy by

1. describing the characteristics of the United States economy, including limited government, private property, profit, markets, consumer sovereignty, and competition.

**Module 3: How Our Economy Flows**

When one person spends money, it becomes someone else’s income. A country’s overall levels of income, employment and prices are determined by the interaction of spending and production decisions made by all households, firms, and government agencies. When consumers make purchases, goods and services are transferred from businesses to households in exchange for money payments. That money is used in turn by businesses to pay for natural resources, human resources, capital goods, and taxes. The circular flow model illustrates these exchanges as a flow of economic activity.

Entrepreneurs and innovation help to stimulate economic growth, increasing the amount of income, goods and services flowing through an economy. The nation's economy will increasingly rely on entrepreneurs and innovation to stimulate economic growth. The skill set needed to succeed in the 21st century workforce—one that values opportunity, creativity, and agility—is quite different from the skill set needed during the last century.

In understanding how individuals (as consumers, workers and entrepreneurs), other producers, and governments interact in the economy, students can be more thoughtful about their role in the overall scheme. This module also sets the stage for understanding how markets work.

CE.12 The student will apply social science skills to understand the United States economy by

1. describing the types of business organizations and the role of entrepreneurship.
2. explaining the circular flow that shows how consumers (households), businesses (producers), and markets interact.

Module 4: Markets and Prices

 In market economies, unlike in command economies, there is no central authority that decides what products get made or how they are priced. Instead, most prices in market economies are established by interaction between buyers and sellers. Understanding how prices are arrived at, and the problems inherent in government setting prices, will help students to make better choices as consumers and voters. It also helps students understand that as producers (workers or entrepreneurs,) the payment for their knowledge and skills (human capital) is also based on supply and demand. This can help them make better choices about how they choose to increase their human capital.

CE.12 The student will apply social science skills to understand the United States economy by

1. describing how in a market economy supply and demand determine prices

**Module 5: How does Government Relate to the Economy?**

Our government is inextricably bound up with our economic system. This is why an understanding of our economic system is an essential part of civic education. At the founding of our country, our constitution was created to foster the freedoms that support a capitalistic economy. One of the most important functions of our government - one that enables our market economy to operate smoothly in an imperfect world, and which has made our economy progress when those of other nations have failed in this regard - is the government’s enforcement of private property laws, through an effective legal system. While the proper role of government in a primarily market economy is limited, government nonetheless also plays a crucial role that private enterprise cannot fill in areas where markets are inefficient or where due to the nature of the goods and services, markets fail to provide the goods and services that people require and many want.

Governments provide for national defense, address environmental concerns, define and protect property rights, and attempt to make markets more competitive. Students who understand how to reason about the appropriate role of government in a market economy, and the various options to pay for government services, will be better informed citizens and voters.

**CE.3** The student will apply social science skills to understand citizenship and the rights, duties, and responsibilities of citizens by

 c) describing the duties of citizenship including…paying taxes

**CE.13** The student will apply social science skills to understand the role of government in the United States economy by

1. examining competition in the marketplace;
2. explaining how and why government provides certain goods and services;
3. describing how local, state and federal governments allocate their budgets and collect taxes to pay for goods and services they provide;

e) describing how governments regulate to protect consumers, labor, the environment, competition in the marketplace and property rights.

**Module 6: What is Globalization and How Does It Affect Me?**

Fueled in large part by technological innovations, we live in an increasingly global economy. As globalization increases and nations’ economies grow more integrated, there are costs and benefits. For example, we know that when people trade willingly (voluntarily), both are better off. We know that trade allows people and regions to do what they do best and trade for the rest. This increases global output of goods and services. Trade also gives consumers greater variety in what they consume. In the US for example, without trade we would have to give up coffee, chocolate, many spices, and imported oil.Globalization also presents challenges for some individuals as jobs and industries which were once prominent in this country are moved to other countries or eliminated through greater technology. Companies face greater competition from products and services produced less expensively in other countries.

**CE.12** The student will apply social science skills to understand the United States economy by

 f) analyzing the relationship of Virginia and the United States to the global economy, with

 emphasis on the impact of technological innovations.

**CE.14** The student will apply social science skills to understand personal finance and career opportunities by

1. examining the impact of technological change and globalization on career opportunities;

**Module 7: Banks and the Federal Reserve System**

The Federal Reserve System’s job is to work for the health and stability of the overall economy, safety of the banking system, and the soundness of the US currency. Understanding the structure and main functions of the Federal Reserve System will help students make sense of news reports about the Fed. It may also help one better decide the timing of certain personal financial decisions.

It is also helpful for students to understand that money is anything that is generally accepted as a method of payment for goods and services. Money serves as a medium of exchange, a store of value and a measure of value. It makes it easier to trade, borrow, save, invest, and compare the value of goods and services.

Private financial institutions, including banks, savings and loans, and credit unions, receive deposits and make loans. They encourage saving and investing by paying interest on deposits.

CE.12 The student will apply social science skills to understand the United States economy by

e) explaining how financial institutions channel funds from savers to borrowers

**CE.13** The student will apply social science skills to understand the role of government in the United States economy by

d) explaining the structure and main function of the Federal Reserve System and how it acts as the nation’s central bank.

 f) explaining the role of government currency and analyzing the purpose of a money economy.

**Module 8: How the Economy Affects You Financially**

Students need to understand how to be more productive and successful members of society, by recognizing, managing and improving their own resources and earning potential. Each one of us is our own most valuable resource, and an investment in our own knowledge and skills (human capital) is the best investment each of us can make. Understanding how the economy works leads to students understanding their importance in the economy as both consumers and producers, and the influence they have via their control over what they buy and how much they spend. Decisions they make in middle school that set them on a path to saving rather than spending money as soon as it is received, and to staying in school rather than dropping out, will have lifelong consequences.

**CE.14** The student will apply social science skills to understand personal finance and career opportunities by

a) identifying talents, interests, and aspirations that influence career choice;

b) identifying human capital such as attitudes and behaviors that strengthen the individual work ethic and promote career success;

c) identifying human capital such as abilities, skills, and education and the changing supply of and demand for them in the economy;

d) examining the impact of technological change and globalization on career opportunities;

e) describing the importance of education to lifelong personal finances;

f) analyzing the financial responsibilities of citizenship, including evaluating common forms of credit, savings, investments, purchases, contractual agreements, warranties, and guarantees.