

Economics

Economics addresses the production, distribution, and consumption of goods and services. The concept of scarcity is understood to mean that available resources are insufficient to satisfy the wants and needs of everyone. Economics is therefore founded upon the alternative use of available resources and the study of choices.

High School (9 – 12) Details and Example**Essential Concept and/or Skill: *Understand the function of common financial instruments. (SS.9-12.E.1)***

- Understand the cost of borrowing money over long periods of time.
- Understand the concept of insurance.
- Understand credit cards.
- Understand the role of personal taxes in society.
- Understand different financial investments, such as mutual funds, stocks and bonds.
- Understand saving for retirement.

Illustration of <i>Understand the function of common financial instruments</i> in the ICLE's Rigor and Relevance Framework	
Quadrant C Students participate in a debate arguing for or against personal investment in the stock market as a retirement strategy.	Quadrant D Students create a retirement portfolio for three individuals representing varying family circumstances and income levels.
Quadrant A Students read an informative passage on the nature and function of the stock market. They subsequently write a one page summary of their findings.	Quadrant B Using the Internet, students research the price of selected Dow Jones Industrial Average companies over the past five years. Students then make a virtual \$5000 investment in those companies and track profits and/or losses for the semester.

Essential Concept and/or Skill: *Understand the role of scarcity and economic trade-offs and how economic conditions impact people's lives. (SS.9-12.E.2)*

- Understand the concepts of marginal benefit and marginal cost in connection to economic actions.
- Understand increases and decreases in productivity are influenced by positive and negative incentives.
- Understand production possibilities curves.
- Understand the impact of increases in wages or a change in government policy (new taxes, interest rate, subsidies) on consumers, producers, workers, savers and investors.
- Understand the role of business plans.
- Understand long-term unintended consequences of economic choices made by individuals, businesses, and governments.
- Understand the unemployment rate.

Essential Concept and/or Skill: Understand the functions of economic institutions. (SS.9-12.E.3)

- Understand the basic functions of money.
- Understand the composition of the money supply.
- Understand that economic institutions have different goals, rules, and constraints.
- Understand banks and other financial institutions affect the economy.
- Understand government policies affect economic institutions.
- Understand the role of non-profit organizations.

Essential Concept and/or Skill: Understand how governments throughout the world influence economic behavior. (SS.9-12.E.4)

- Understand the role of fiscal and monetary policies in governments.
- Understand government regulation of industries.
- Understand the economic trade-offs of government assistance programs.
- Understand the impact of the federal budget on the economy at the individual, household, and business levels.
- Understand changes in spending and taxation affect national deficits, surpluses, and debt.
- Understand the role of the Federal Reserve.

Essential Concept and/or Skill: Understand how universal economic concepts present themselves in various types of economies throughout the world. (SS.9-12.E.5)

- Understand the law of supply and demand affects the price of products.
- Understand major world economic systems.
- Understand factors that influence Gross Domestic Product for specific countries.
- Understand different policies and actions that combat inflation, deflation, and recession.
- Understand economic self-interest influences economic decisions.

Essential Concept and/or Skill: *Understand the local, state, regional, national, and international factors that create patterns of interdependence in the global economy. (SS.9-12.E.6)*

- Understand the difference between domestic and global economic systems and how the two interact.
- Understand absolute and comparative advantage.
- Understand the costs and benefits of free trade among countries.
- Understand trade barriers imposed by the United States from a historical perspective and the impact of those actions.
- Understand the role of exchange rates between countries and their effect on purchasing power.
- Understand government subsidies to industries and the effect on global trade.

Essential Concept and/or Skill: *Understand the impact of advancing technologies on the global economy. (SS.9-12.E.7)*

- Understand the role of technologies that interlock the global economy.
- Understand the role of investment and government support in advancing technologies.
- Understand the impact of green technologies in the global economy.

Middle (6 – 8) Details and Example

Essential Concept and/or Skill: *Understand the role of scarcity and economic trade-offs and how economic conditions impact people's lives. (SS.6-8.E.1)*

- Understand the cost and benefits of economic trade-offs and how scarcity of resources affects costs and benefits.
- Understand economic trade-offs at different levels (personal, business, local government).
- Understand the short term and long term impact of economic trade-offs on society.

Essential Concept and/or Skill: *Understand the functions of economic institutions. (SS.6-8.E.2)*

- Understand the services that are available at banks and credit unions.
- Understand the process of interests and payments for goods.
- Understand the role banks play among savers, borrowers, and investors.
- Understand the types of specialized economic institutions found in market economies (corporations, partnerships, cooperatives, labor unions, banks, and nonprofit organizations).

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Essential Concept and/or Skill: Understand how governments throughout the world influence economic behavior. (SS.6-8.E.3)

- Understand goods and services that the government provides.
- Understand the government's purpose in preventing monopolies.
- Understand how taxes are used at the local, state, and national levels.
- Understand revenues and expenditures in the federal budget.
- Understand the concepts of balanced budget, budget deficit, budget surplus, and national debt.
- Understand the role of the Federal Reserve on the economy.
- Understand the process of filing personal tax returns.

Essential Concept and/or Skill: Understand factors that create patterns of interdependence in the world economy. (SS.6-8.E.4)

- Understand the impact of imported and exported goods and services in the local community.
- Understand the concepts of free trade and trade barriers.
- Understand trade barriers imposed by the United States from a historical perspective and the impact of those actions.
- Understand the interdependence of America and other regions of the world in terms of imports and exports.
- Understand balance of trade and trade deficits and their impact on the price of goods.
- Understand that the increased interdependence of the world market causes economic conditions in one country to affect others.

Essential Concept and/or Skill: Understand the impact of advancing technologies on the global economy. (SS.6-8.E.5)

- Understand the evolution of technology over time.
- Understand the role of technologies that interlock the global economy.
- Understand the role of investment and government support in advancing technologies.

<p>Illustration of <i>Understand the impact of advancing technologies on the global economy</i> in the ICLE’s Rigor and Relevance Framework</p>	
<p>Quadrant C In groups students research the country a product came from to find out the impact of that industry on the country’s economy. The students then compare that country’s economy of today with its economy of an earlier time. Students make hypothesis regarding the growth of the industry and the impact of that growth on the country today.</p>	<p>Quadrant D Students create an economic technology fair. In groups students create a presentation that demonstrates the economic impact of technology produced by a given country. The students invite other classes, parents and community members to attend the fair.</p>
<p>Quadrant A Students do research to identify countries that manufacture products. The students make a list of items and where the item was manufactured. The list is shared with the class.</p>	<p>Quadrant B Using the data gathered by students from their list of countries that manufacture devices, the data is placed into like groupings (e.g. TV, computer, phone, kitchen devices etc.). Students then choose a grouping (e.g. TV, computer, phone, kitchen devices etc.) to research the economic impact of that industry on the country or countries where it is manufactured.</p>

Essential Concept and/or Skill: Understand how universal economic concepts present themselves in various types of economies throughout the world. (SS.6-8.E.6)

- Understand the different types of economies and universal economic concepts (supply and demand, production, consumption, labor, capital, etc.) and their influence on each other.
- Understand how the laws of supply and demand affect price and consumers’ responses to prices.
- Understand how the change of price for one good or service can affect the price for other goods and services.
- Understand causes of inflation, deflation, and recessions and who gains or loses from them.
- Understand the relation between gross domestic products and standards of living among countries.
- Understand unemployment.
- Understand the role of profit in motivating entrepreneurs in starting new businesses.

Essential Concept and/or Skill: Understand the function of common financial instruments. (SS.6-8.E.7)

- Understand checking accounts.
- Understand that bank accounts, loans and other services vary from one bank to another.

Intermediate (3 – 5) Details and Example

Essential Concept and/or Skill: Understand the role of scarcity and economic trade-offs and how economic conditions impact people’s lives. (SS.3-5.E.1)

- Understand that goods and services are scarce because there are not enough resources to satisfy all of the wants of individuals, governments, and societies
- Understand that consumers buy less of products and services when prices go up and buy more when prices go down.
- Understand that businesses are willing to sell more products and services when prices go up and less when the price goes down.
- Understand the concept of unemployment.
- Understand the importance of work.
- Understand how competition among sellers results in lowers costs and higher product quality.

<p>Illustration of Understand the role of scarcity and economic trade-offs and how economic conditions impact people’s lives in the ICLE’s Rigor and Relevance Framework</p> <p>Quadrant C Students are placed in small groups. Each group will be provided with a family profile of a family receiving food stamps. The profile includes a number of family members in a family, their ages and the family budget (including income and expenses). From a given list of grocery items the students will decide which items to purchase. The students use a chart to list their food selections, the dollar amounts and the reasons for their choices.</p>	<p>Quadrant D The teacher asks the students to create a list of outside-of-school activities they like to do. The students share their list with the class and the teacher creates a master list. Once the list is complete the teacher tells the students that every activity will cost something. No activity will cost less than \$1 and some activities may already have a real cost associated with them (e.g. going to a movie, bowling, swimming etc.). Once all of the costs are determined the teacher tells the students that they have \$15 (or an amount determined by the teacher and class) to spend on the activities for the week. The students then choose the activities they would like to do and eliminate those they can’t afford. Students will create a T-chart that lists the impact of scarcity in their decisions and the impact of economic tradeoffs (what they received for their money).</p>
<p>Quadrant A The teacher leads a class discussion about the term “scarcity” listing students’ examples.</p>	<p>Quadrant B The teacher brings in a bag of popcorn. The teacher distributes the popcorn so there is not enough for everyone. The teacher explains that this is an example of scarcity. The teacher facilitates a class discussion about scarcity. In groups students create webs to identify ways to lessen the impact of popcorn scarcity in the class that day. Each group shares their web ideas with the class...followed by a popcorn party for everyone.</p>

Essential Concept and/or Skill: Understand the functions of economic institutions. (SS.3-5.E.2)

- Understand that banks provide money to consumers and serve as the intermediary between savers and borrowers.

Essential Concept and/or Skill: Understand how governments throughout the world influence economic behavior. (SS.3-5.E.3)

- Understand that the government pays for goods and services it provides by taxing and borrowing.
- Understand that all societies have developed economic systems and there are advantages and disadvantages to each type of system.
- Understand when consumers buy goods some of the money that goes to the business is used to pay for resources and taxes.

Essential Concept and/or Skill: Understand factors that create patterns of interdependence in the world economy. (SS.3-5.E.4)

- Understand that when countries specialize they become more interdependent.
- Understand the impact of increasing economic interdependence in different regions of the world.
- Understand that local goods and services are part of the global economy.
- Understand the concepts of exports and imports.

Essential Concept and/or Skill: Understand that advancing technologies impact the global economy. (SS.3-5.E.5)

- Understand that technologies have costs and benefits associated with them.
- Understand that new inventions reflect people's needs and wants; and when these change, technology changes to reflect the new needs and wants.
- Understand that the design process is a series of methodical steps for turning ideas into useful products and systems.
- Understand that the manufacturing process includes designing product, gathering the resources, and producing a finished product.

Essential Concept and/or Skill: Understand that all economies throughout the world rely upon universal concepts. (SS.3-5.E.6)

- Understand that there are producers and consumers in all economies.
- Understand supply and demand in various types of economies.
- Understand that production, distribution, exchange, and consumption of goods and services are economic decisions with which all societies and nations must deal.
- Understand how nations throughout the world have joined with one another to promote economic development and growth.
- Understand barriers to trade among people across nations.

Primary (K – 2) Details and Example

Essential Concept and/or Skill: *Understand the role of scarcity and economic trade-offs and how economic conditions impact people's lives. (SS.K-2.E.1)*

- Understand people are both consumers and producers.
- Understand that a cost is what you give up when you decide to do something, and a benefit is something that satisfies your wants.
- Understand that since people cannot have everything they want, they must make choices about using goods and services to satisfy wants.

Essential Concept and/or Skill: *Understand that the basic nature of economics is an exchange of resources. (SS.K-2.E.2)*

- Understand the role of money in everyday life.
- Understand that a price is the amount of money people pay for a good or service.
- Understand that people sell resources to businesses to earn income.
- Understand that in an exchange people trade goods and services for other goods and services or for money.
- Understand that money is a good that can be used to buy all other goods and services.
- Understand that barter is trading goods and services for other goods and services without using money.
- Understand natural resources are from nature; capital resources are made by humans; human resources (labor) are the efforts of people who produce goods and services.

Essential Concept and/or Skill: *Understand how governments throughout the world influence economic behavior. (SS.K-2.E.3)*

- Understand that some goods and services are provided by governments.
- Understand the purpose of taxes.
- Understand the concept of capitalism.

Essential Concept and/or Skill: *Understand people in all parts of the world trade with one another. (SS.K-2.E.4)*

- Understand the basic concept of trading.
- Understand that different currencies are used throughout the world.

Essential Concept and/or Skill: *Understand that changes in technology impact individuals, the economy and society. (SS.K-2.E.5)*

- Understand that the types of jobs and goods and services change over time.
- Understand that technological developments that influenced changes in communication and transportation.
- Understand that people are always inventing new ways to solve problems and accomplish work.
- Understand that manufacturing technology creates a design of a product and then produces the product in quantity.

Essential Concept and/or Skill: *Understand the universal economic concept of needs and wants. (SS.K-2.E.6)*

- Understand the difference between needs and wants.
- Understand the concepts of consumers and producers.
- Understand that people make choices because they cannot have everything they want.

Illustration of <i>Understand the universal economic concepts of needs and wants</i> in the ICLE’s Rigor and Relevance Framework	
<p>Quadrant C The teacher shows students cards that have pictures of everyday objects (e.g. food, TV, car, etc.) As a class the students identify the objects as wants or needs. Then students look at pictures of people living in various cultures. They analyze the picture to determine the associated needs and wants of those persons pictured.</p>	<p>Quadrant D As a class students plan a 30-minute party for another class to celebrate a success. Placed in groups, students become responsible for certain aspects of the celebration (e.g. food, activities, theme etc.) and interview the other class investigating what they want in a party. The groups make their plans then decide what they need for their plan to work. The party takes place. At the conclusion the students determine the successes of the party by conducting interviews with the other class focused on what the other class wanted. The students take their responses and report back to their home class to identify wants and needs in the activity.</p>
<p>Quadrant A The teacher defines “needs” and “wants.” Students brainstorm a list of needs and wants.</p>	<p>Quadrant B Teacher generates a list of people and activities in the school that meet the students’ needs and wants. The name of each person or activity is written on a slip of paper and placed in a container. Each day a slip of paper is drawn from the container. Students decide whether a want or a need is reflected in the activity or provided by the person.</p>