



Nebraska Academic Standards—Social Studies

What Citizens Need to Know About Economics

addresses select Nebraska Academic Standards for the economics component of the social studies curriculum grade 12.



12.3 The Governments and Economies of the United States and Nebraska

Twelfth Grade (By the end of twelfth grade...)

12.3.10 Students will compare the United States political and economic systems with those of major democratic and authoritarian nations.

Example Indicators:

- Compare the structures, functions, and powers of political and economic systems.
- Describe the rights, responsibilities, and powers of the governed, e.g., grass roots citizens' movements.
- Compare the relationship between economic and political freedom.
- Explain the allocation of resources and its impact on productivity.
- Describe the development and implementation of personal economic decision-making skills in a democratic society

- *Chapter 1 explains how economics is the study of the allocation of scarce resources. Key concepts and terms like scarcity and economic goods are defined. Links to related articles and Web sites are included for further research.*
- *Chapter 3 explores the structure, functions and powers of political and economic systems. Different economic systems, such as traditional, command, market and mixed economies are defined. Political economic systems like capitalism, socialism and communism are compared and examples of each are provided. The relationship between economic and political freedom is discussed. Famous economic philosophers like Adam Smith and Karl Marx are identified and Web links include biographies and the complete texts of their most influential works.*
- *Chapter 4 examines the economic rights, responsibilities and power of the governed in the context of consumerism. Key concepts and terms, such as caveat emptor and conspicuous consumption, are defined. The power of consumers to determine what is produced and how it is distributed is explained and illustrated with a graphic. The rights and responsibilities of consumers are discussed in the context of consumer protection. The grass roots consumer protection movement is explored and leaders in the movement like Ralph Nader are identified. Links are included to Ralph Nader's organization Public Citizen and other consumer protection Web sites maintained by consumer watchdog groups and the government.*

- *Chapter 6 discusses the development and implementation of personal economic decision-making. The impact of poor economic decision-making is described and terms, such as debt and bankruptcy, are defined. The concept of using a household budget to implement personal economic decisions is explored and a graphic of a household budget is included and can be used as a worksheet to create a personal budget. An activity for this chapter in the Educator's Guide includes creating a personal budget to achieve an economic goal.*
- *Chapter 7 explains how the allocation of resources impacts productivity. The law of diminishing returns is defined and illustrated with a graphic. Key terms, such as marginal cost and marginal benefit, are addressed. Links to related articles and Web sites are available for further research and specific examples.*

12.3.11 Students will analyze characteristics of the United States free market economy.

Example Indicators:

- Define labor, capital resources, and natural resources.

- *Chapter 2 describes the factors of production as being land (natural resources), labor, capital and management. The interaction of these factors to produce goods and services is explained and illustrated with a graphic. Links to related articles and Web sites present current statistics on the availability of natural resources, labor and capital in the United States.*

- Describe the role of private ownership, private enterprise, profits, and entrepreneurship.

- *Chapter 7 discusses the role of private enterprise in economic systems. The role of the entrepreneur is described and incentives, such as private ownership and profits, are identified. Web links are included to biographies of successful entrepreneurs, such as Ray Kroc, the founder of McDonald's, and Bill Gates, the founder of Microsoft. An activity for this chapter in the Educator's Guide suggests students interview an entrepreneur in the community and report to the class on their findings.*

- Compare the relationship between households, firms, and government.

- *Chapter 4 discusses the relationship between households, firms and government in the context of consumerism. The role of the consumer household in the marketplace is explored and the influence consumers have on business decisions is explained. The influence of business firms on consumers is also described. The role of government in consumer protection is explored and links are included to government organizations involved in consumer protection, such as the Consumer Product Safety Commission and the Food and Drug Administration.*

- *Chapter 7 describes the role of business firms in the economy. Different types of businesses—sole proprietorships, partnerships and corporations—are identified. The relationship between firms and the stock market is explained and illustrated with a graphic. Web links are available to stock exchanges around the world, including the New York Stock Exchange, the London Stock Exchange and the Tokyo Stock Exchange.*
- *Chapter 9 explores the relationship between business firms and the government in the context of economic competition. Key concepts and terms, such as pure competition, monopoly and oligopoly, are defined. The role of government to regulate competition is discussed and links are available to the complete texts of important government legislation like the Sherman Antitrust Act and the Robinson-Patman Act.*
- *Chapter 12 examines the role of government in an economic system. The relationship between households, businesses and government is explained and the impact of government regulations is explored. Web links are included to various government regulatory agencies, such as the Federal Trade Commission and the Occupational Safety and Health Administration.*

- Explain the labor and management relationships.

- *Chapter 10 explores labor and management relations. A history of the labor movement in the United States is provided and tools of labor organizations, such as collective bargaining and strikes, are identified. The role of government in mediating labor/management disputes is examined and links are included to influential government legislation like the National Labor Relations Act and the Taft-Hartley Act. Web links are also provided to major labor unions in the United States, such as the AFL-CIO and the Teamsters.*

- Discuss opportunity costs, scarcity, and balancing unlimited wants versus limited resources.

- *Chapter 2 explains how scarcity requires individuals and the society as a whole to balance unlimited wants with limited resources. Key concepts and terms, such as opportunity costs and factors of production, are defined. The production possibilities curve is described and illustrated with a graphic to show how economic decisions are made with regard to scarcity and opportunity costs.*

- Explain supply and demand, and the formation of basic economic questions, including what to produce, how to produce, and for whom to produce.

- *Chapter 2 identifies the basic economic questions as being: what to produce, how to produce, and for whom to produce. A graphic is included to illustrate how these questions interact in an economic system. Links to related articles and Web sites are available for further research.*

- *Chapter 8 explains supply and demand and describes how they interact with prices. Graphics are included throughout the chapter to illustrate how changes in supply, demand or prices influence each other. Examples are cited and links to related articles and Web sites provide other examples of the impact of supply and demand on individuals and the economy as a whole.*

12.3.12 Students will analyze the role of the national, state, and local government in the United States economy.

Example Indicators:

- Compare interstate commerce and trade policies.

- *Chapter 9 describes how the government regulates competition in the marketplace. The importance of the Interstate Commerce Act in regulating trade in the late 19th and early 20th century is discussed and a link is included to the complete text of the act.*
- *Chapter 12 explains how it is the duty of the federal government to regulate interstate commerce. The role of the federal, state and local government is explored and Web links are available to all state and local governments and various agencies of the federal government.*
- *Chapter 22 explores issues associated with foreign trade and a history of U.S. trade policy is presented. Barriers to trade, such as tariffs and quotas, are discussed and the debate over free trade and protectionism is highlighted. Links to related articles and Web sites present opposing views of the free trade debate. Web links are also included to regional trade associations like the North American Free Trade Agreement and the European Union.*

- Discuss promoting economic growth by providing favorable conditions for markets.
- Compare providing public goods, services, and protection of the environment.

- *Chapter 12 explains how the federal government's role is to provide public goods and services, and regulate business practices to protect the environment, employees and consumers. Web links are included to various government regulatory agencies, such as the Environmental Protection Agency, the Equal Employment Opportunity Commission and the Securities and Exchange Commission.*
- *Chapter 15 identifies factors that contribute to economic growth. The responsibility of the government to promote economic growth and provide favorable conditions for markets is explained. The creation of patent and copyright law is cited as an example and a Web link is included to the U.S. Patent and Trademark Office for more information. The impact of economic growth on the environment is discussed and key terms like forced obsolescence are defined.*

- Explain the interrelationship of producers, consumers, and government in the United States economic system.

- *Chapter 4 discusses the interrelationship between consumers, producers and government in the context of consumerism. The role of the consumer in the marketplace is described and the influence consumers have on business decisions is explained. The influence of businesses on consumers is also described. The role of government in consumer protection is explored and links are included to government organizations involved in consumer protection, such as the Consumer Product Safety Commission and the Food and Drug Administration.*
- *Chapter 7 describes the role of business producers in the economy. Different types of businesses—sole proprietorships, partnerships and corporations—are identified. The relationship between firms and the stock market is explained and illustrated with a graphic. Web links are available to stock exchanges around the world, including the New York Stock Exchange, the London Stock Exchange and the Tokyo Stock Exchange.*
- *Chapter 12 examines the role of government in an economic system. The relationship between household consumers, businesses and government is explained and the impact of government regulations is explored. Web links are provided to various government regulatory agencies, such as the Federal Communications Commission and the Securities and Exchange Commission.*

- Discuss the impact of fiscal and monetary policy.

- *Chapter 17 discusses the impact of fiscal and monetary policy on individuals and the economy as a whole. Fiscal and monetary policy tools, such as open market operations and deficit financing, are identified. Key concepts and terms like reserve requirement, discount rate and built-in stabilizers are defined. The debate between Keynesian and supply-side economists is explored. Links to related articles and Web sites identify current U.S. monetary and fiscal policies and present opposing views on ways to stabilize the economy.*

- Identify the basic economic goals in a free market system, including growth, stability, full employment, and efficiency versus equity and justice.

- *Chapter 3 identifies basic economic goals in a free market system and compares those to economic goals in traditional, command and mixed economic systems. The goals of equity and justice among capitalist, socialist and communist systems are compared, as are goals of stability, employment and growth. The successes of various economic systems to achieve these goals are explored and examples, such as the collapse of the Soviet Union, are cited.*

- *Chapter 15 explores economic goals of growth and efficiency. Problems associated with economic growth, like pollution, are addressed and factors that contribute to economic growth, such as stability and full employment, are identified. Economic efficiency is examined and key concepts and terms like multiplier effect and accelerator effect are defined and illustrated with graphics. Links to related articles and Web sites are available for further research.*

- *Chapter 17 discusses the economic goal of stability and explains how fiscal and monetary policy works to achieve this goal. Different fiscal and monetary policy tools, such as deficit financing and open market operations, are identified and terms like reserve requirement and built-in stabilizers are defined. Links to related articles and Web sites include current information on U.S. fiscal and monetary policy decisions and present opposing views on ways to stabilize the economy.*
- *Chapter 18 explains how economic equity relates to economic goals. Different economic classes, such as the middle class and working poor, are identified. The disproportionate number of minorities and women in lower economic classes is discussed and efforts to create a more just and equitable distribution of income are debated. Related articles and Web sites include current information on income distribution in the United States and present opposing views on ways to make the U.S. economy more equitable and just.*
- *Chapter 19 explains how employment is a major economic goal. Key concepts and terms, such as structural unemployment and displaced workers, are defined. The disproportionate number of unemployed women and minorities is addressed and illustrated with a graphic. Related articles and Web sites provide current information on U.S. employment statistics and analyses of their impact on the economy.*

12.3.13 Students will examine the basic economic indicators and fundamentals of international trade.

Example Indicators:

- Define Gross Domestic Product

- Chapter 14 defines gross domestic product (GDP) and explains how it is calculated. The accuracy of GDP is debated and alternatives to GDP, such as the human development index (HDI), are presented. Links to related articles and Web sites include current GDP and HDI statistics.

- Define Consumer Price Index, employment statistics, and other measure of economic conditions.

- Chapter 1 identifies economic indicators like gross domestic product, consumer price index and employment statistics that are used to measure the current condition of the economy. Graphics are included to illustrate long-term trends in every major economic indicator and related articles and Web sites present the most current statistics on all economic indicators.

- *Chapter 5 explains how the consumer price index (CPI) is used to calculate the level of inflation or deflation in the economy. The impact of inflation and deflation on individuals and the economy as a whole is explored and graphics are included to demonstrate how the price of goods and services are affected. Related articles and Web sites include current CPI statistics and a program that calculates the value of a dollar during different time periods in U.S. history based on CPI.*
- *Chapter 19 explains how employment statistics are calculated and discusses the impact of unemployment on the economy. Key concepts and terms, such as underemployed workers and discouraged workers, are defined. The accuracy of unemployment statistics is debated. Related articles and Web sites include current unemployment statistics from the government and assessments of its impact on individuals and the economy.*

- Explain comparative and absolute advantage.
- Discuss exchange rates.
- Explain international trade policies, and the United States relationship to the global economy.

- *Chapter 22 explores issues associated with international trade and presents a history of U.S. trade policies. Key concepts and terms like comparative advantage and balance of trade are defined. The debate between free trade and protectionism is presented and barriers to trade, such as tariffs and quotas, are identified. The relationship of the U.S. to the global economy is explored and Web links are provided to regional trade agreements, such as the North American Free Trade Agreement and the European Union.*
- *Chapter 23 discusses the interdependent global economy. The relationship of the United States to the global economy is explored. The impacts of the U.S. decision in 1971 to abandon the gold standard and the 1997 Asian financial crisis are cited as examples. The way exchange rates affect global economic trade is explained and a graphic is included to highlight the value of the U.S. dollar against other currencies. A Web link is included to a currency converter program that compares the current value of the U.S. dollar and other currencies. The role of the U.S. in supranational organizations, such as the United Nations, the International Monetary Fund and the World Bank, is described and Web links are included to these and other international economic institutions.*