



## Ohio Academic Content Standards Social Studies

*What Citizens Need to Know About Economics*  
addresses Ohio Social Studies Academic Content Standards and Benchmarks for  
the economics component of the social studies curriculum grades 9-12.



### Economics Standard

Students use economic reasoning skills and knowledge of major economic concepts, issues and systems in order to make informed choices as producers, consumers, savers, investors, workers and citizens in an independent world.

### Grade 9

### Markets

1. Describe costs and benefits of trade with regard to
  - a. standard of living
  - b. productive capacity
  - c. usage of productive resources
  - d. infrastructure

- *Chapter 23 explores issues associated with foreign trade. Concepts, such as how trade improves the standard of living and the use of resources, are discussed. The impact of infrastructure and productive capacity on foreign trade are also discussed. Web links are available to major international trade associations, like the North American Free Trade Agreement and the European Union.*

2. Explain how changing methods of production and a country's productive resources affect how it answers the fundamental economic questions of what to produce, how to produce and for whom to produce.

- *Chapter 2 identifies the main economic questions as: What to produce? How to produce? And, for whom to produce?*  
- *Chapter 3 explains how different economic theories have been developed to answer these questions. Web links provide biographies of influential philosophers, such as Adam Smith and Karl Marx, and the complete texts of their most famous works.*

3. Analyze characteristics of traditional, market, command and mixed economies with regard to

- a. private property
- b. freedom of enterprise
- c. competition and consumer choice
- d. the role of government

*- Chapter 3 provides a detailed comparison of traditional, market, command and mixed economies. An examination of capitalism, socialism and communism is also included and Web sites are available to the biographies of influential philosophers and the complete texts of their most famous works.*

### **Government and the Economy**

4. Analyze the economic costs and benefits of protectionism, tariffs, quotas and blockades on international trade.

*- Chapter 22 explores issues associated with foreign trade. The debate between free trade and protectionism is discussed and terms, such as protectionism, tariff and quotas, are defined. Links to related articles and Web sites explore the debate over free trade versus protectionism.*

### **Grade 10 Markets**

1. Evaluate the effects of specialization, trade and interdependence on the economic system of the United States.

*- Chapter 22 explores issues associated with international trade. A history of U.S. trade policy is provided and the effects of specialization and interdependence on the U.S. economic system are discussed. Links to related articles and Web sites are available for current examples.*

*- Chapter 23 explains how the interdependence of the global economy affects the United States. The 1997 Asian financial crisis is cited as an example and Web sites are available to major international organizations, such as the World Bank and International Monetary Fund.*

2. Analyze the development and impacts of labor unions, farm organizations and business organizations on the United States economy.

*- Chapter 7 explains how business organizations have impacted the U.S. economy. Different types of businesses are identified and the roles of entrepreneurs are discussed. Web links include biographies of influential entrepreneurs, such as Ray Kroc, the founder of McDonald's, and Bill Gates, the founder of Microsoft.*

- *Chapter 10 includes a history of labor in the United States and explores the development and impact of labor unions. Web links are provided to major labor unions in the U.S., such as the Teamsters and the AFL-CIO.*
- *Chapter 21 explores the role of farm organizations in the United States. The role of the government to maintain stable agricultural prices is discussed and Web links are available to major organizations, such as the U.S. Department of Agriculture.*

## **Government and the Economy**

3. Demonstrate how United States governmental policies, including taxes, antitrust legislation and environmental regulations affect individuals and businesses.

- *Chapter 9 explores competition in the marketplace. The role of the government to prevent monopolies is discussed and links are available to the complete texts of major antitrust legislations, such as the Sherman Antitrust Act and the Robinson-Patman Act.*
- *Chapter 12 identifies the role of government in an economic system. The impact of governmental legislation and environmental regulations on individuals and businesses is described. Web links are available to major governmental regulatory agencies, such as the Environmental Protection Agency and the Federal Trade Commission.*
- *Chapter 13 examines how governments use the power to tax to help pay for economic services of the government. The impact of taxes on individuals and businesses is discussed and Web links are available to governmental organizations, such as the Internal Revenue Service.*

4. Explain the reasons for the creation of the Federal Reserve System and its importance to the economy.

- *Chapter 11 explains the reasons for the creation of the Federal Reserve System. Its role in the economy is discussed and Web links are available to all branches of the Federal Reserve.*
- *Chapter 17 describes how the Federal Reserve System helps maintain a stable economy through monetary policies. Links to related articles and Web sites provide current examples of monetary policies.*

5. Analyze the impact of the Great Depression and World War II on the economy of the United States and the resulting expansion of the role of the federal government.

- *Chapter 2 provides a timeline of major events that have shaped the economy of the United States. The impact of the Great Depression and World War II are identified and Web links are available for more information.*
- *Chapter 16 includes first-hand accounts of the Great Depression. The impact of the depression on society and the response of the government are discussed. Links to related articles and Web sites provide more information.*

## **Benchmarks**

**By the end of the 9-10 program:**

- A. Compare how different economic systems answer the fundamental economic questions of what goods and services to produce, how to produce them and who will consume them.

- *Chapter 3 provides a detailed comparison of different economic systems. Traditional, command, market and mixed economies are defined and a comparison of capitalism, socialism and communism is provided. Web links are available to biographies of famous economic philosophers and the complete texts of their most influential works.*

- B. Explain how the United States government provides public services, redistributes income, regulates economic activity and promotes economic growth and stability.

- *Chapter 1 explains how the government provides goods and services that the public sector is unable or unwilling to provide. Links to related articles and Web sites are available for further research.*
- *Chapter 12 describes the functions of government in an economic system. The regulatory functions of government are discussed and Web links are available to major regulatory agencies, such as the Federal Communications Commission and the Food and Drug Administration.*
- *Chapter 17 explains how the government promotes economic growth and stability through monetary and fiscal policies. Links to related articles and Web sites provide current examples of monetary and fiscal policies.*
- *Chapter 20 explains how the government redistributes income through federal subsidies. Links to major governmental organizations that perform these functions, such as the Social Security Administration, are provided.*

## Grade 11 Scarcity and Resource Allocation

1. Explain the effects of shortages, surpluses and government-enforced controls on prices.

- *Chapter 8 explains how shortages and surpluses affect prices using the laws of supply and demand. Graphics are provided to help illustrate these concepts.*
- *Chapter 21 explains how government-enforced controls impact prices using American agriculture as an example. Links to related articles and Web sites are included for further research.*

2. Explain ways that people respond to incentives when allocating their scarce resources in their roles as producers, consumers, savers, workers and investors.

- *Chapter 2 explains the way people respond to incentives when allocating their scarce resources. Graphics are provided to better illustrate this concept.*
- *Chapter 4 describes how consumers respond to incentives. Web links are available to major consumer protection agencies maintained by the government and consumer watchdog groups.*
- *Chapter 7 identifies the way that producers and investors respond to incentives. The role of entrepreneurs is discussed and Web links include biographies of influential businesspersons, such as Ray Kroc, the founder of McDonald's, and Bill Gates, the founder of Microsoft.*
- *Chapter 10 explores how workers respond to incentives. Web links are available to major labor organizations, such as the AFL-CIO and the Teamsters.*

3. Explain the impact of inflation on economic behavior.

- *Chapter 5 explains how inflation influences economic behavior. A Web link is available to a program that calculates the value of a dollar during different time periods.*
- *Chapter 6 describes how inflation impacts purchases on credit and in turn economic behavior. Links to related articles and Web sites are provided for further research.*
- *Chapter 16 examines the impact of inflation and recession on economic behavior. Links to related articles and Web sites are available for more information.*

## Production, Distribution and Consumption

4. Describe the functions of the components that make up an economic system and describe the relationships among them including
  - a. business
  - b. productive resources
  - c. financial institutions
  - d. government
  - e. consumers

- *Chapter 2 identifies the factors of production as land, labor, capital and management. Web links provide current statistics on U.S. economic resources.*
- *Chapter 4 describes the functions of consumers in an economic system. Concepts such as consumer protection are discussed. Links are available to major consumer protection Web sites maintained by the government and consumer watchdog groups.*
- *Chapter 7 explores the role of businesses in an economic system. Different types of businesses are defined and the role of entrepreneurs is discussed. Web links provide biographies of influential businesspersons, such as Ray Kroc, the founder of McDonald's, and Bill Gates, the founder of Microsoft.*
- *Chapter 8 explains how the laws of supply and demand influence the relationships among businesses, productive resources and consumers. Graphics are included to help illustrate this concept.*
- *Chapter 11 explains the functions of financial institutions in an economic system. Different types of banks are identified and the role of the Federal Reserve System is described. Web links are provided to all branches of the Federal Reserve.*
- *Chapter 12 identifies the functions of government in an economic system. Web links are available to major governmental organizations, including the Securities and Exchange Commission and the Office of Management and Budget.*

5. Identify factors that cause changes in economic growth including the effects of supply and demand on the labor market.

- *Chapter 10 explores issues associated with labor. The effects of supply and demand on the labor market are discussed. Links to related articles and Web sites are provided for more information.*
- *Chapter 15 identifies factors that cause changes in economic growth including the relationship between gross domestic product and full employment. The positive and negative impact of economic growth is also discussed.*

6. Identify indicators that provide information to consumers on the current value or purchasing power of money with a focus on the
  - a. Consumer Price Index
  - b. unemployment rate
  - c. Gross Domestic Product (GDP)

***- Chapter 1 identifies major economic indicators, including the consumer price index, the unemployment rate and the gross domestic product. Web links are provided to governmental agencies, such as the White House's Economics Statistics Briefing Room, that maintains statistics on economic indicators.***

## **Markets**

7. Explain how countries use their comparative advantage to produce goods and services for trade with other countries.
8. Explain the effects of specialization, interdependence and trade on the United States and other countries.
9. Explain how changes in exchange rates affect consumers and producers.

***- Chapter 22 explores issues associated with foreign trade. Concepts such as comparative advantage and specialization are defined. Web links are available to major regional trade associations, like the North American Free Trade Agreement and the European Union.***

***- Chapter 23 explains how the interdependence of the global economy impacts the U.S. economy and foreign economies. The impact of the currency exchange rate on consumers and producers is identified. A Web link is available to a program that provides current exchange rates for the U.S. dollar and other currencies.***

## **Government and the Economy**

10. Analyze issues related to the use of different types of taxes to fund public goods and services including
  - a. proportional tax
  - b. progressive tax
  - c. regressive tax

***- Chapter 13 analyzes issues related to taxation. The terms proportional tax, progressive tax and regressive tax are defined and the concept of a fair tax is explored. Web links are available to the Internal Revenue Service and other tax related sites.***

## Personal Finance

11. Explain why incomes will differ in the labor market depending on supply and demand for skills, abilities and education levels.

- *Chapter 10 explores the role of labor in an economic system. The influence of supply and demand on the labor market is discussed. Links are included to Web sites maintained by the government that provide information on current employment statistics, including skill and educational requirements for different occupations.*
- *Chapter 18 explains how income is a factor that determines economic class. The economic disparities of minorities and women are discussed and the relationships between income and skills, abilities and education levels are discussed. Links to Web sites provide current statistics on U.S. income levels.*

12. Explain the role of individuals in the economy as producers, consumers, savers, workers and investors.

- *Chapter 4 explores the role of individuals in the economy as consumers. Web links are available to consumer protection sites maintained by the government and consumer watchdog groups.*
- *Chapter 7 explains the role of individuals in the economy as producers and investors. Web links provide biographies of influential entrepreneurs, such as Ray Kroc, the founder of McDonald's, and Bill Gates, the founder of Microsoft.*
- *Chapter 10 describes the role of individuals in the economy as workers. Web links are given to major labor organizations in the U.S., including the AFL-CIO and the Teamsters.*
- *Chapter 11 explores the role of individuals in the economy as savers and investors. The impact that saving and investing have on the money supply is also discussed.*

13. Explain the consequences of the economic choices made by individuals and the tools which they use to manage their financial resources including
- a. budgets
  - b. savings
  - c. investments
  - d. credit
  - e. philanthropy

- *Chapter 2 explains the consequences of economic choices made by individuals. Graphics are included to help illustrate this concept.*

- *Chapter 6 explores consumer credit. Concepts, such as budgeting, saving, investing and credit are described. The wise use of credit is stressed and an activity for this chapter in the Educator's Guide includes creating a budget.*
- *Chapter 11 describes the economic consequences of savings and investing on individuals and the money supply. A description of how saving and investing makes money is included and graphics are provided to help illustrate this concept.*
- *Chapter 20 explores federal subsidies and explains how philanthropy provides aid to the needy. Links to related articles and Web sites are included for further research.*

14. Describe how interest rates affect savers and borrowers.

- *Chapter 11 describes how interest rates affect savers and borrowers. The way the Federal Reserve System sets interest rates is discussed and Web links are provided to all branches of the Federal Reserve.*
- *Chapter 17 describes how interest rates affect savers and borrowers, and how interest rates are used to maintain a stable money supply and stable economy. Links to related articles and Web sites are available for current information on interest rates.*

## **Grade 12**

### **Scarcity and Resource Allocation**

1. Compare how values and beliefs influence economic decisions in different communities.

- *Chapter 3 explores how values and beliefs influence economic decisions. The traditional caste system in India and the command system of ancient Egypt and the former Soviet Union are compared to the economic values and beliefs of the United States.*

2. Explain the impact of marginal cost/marginal benefit analysis on decision-making.

3. Select a current issue; identify the costs and benefits of various choices to determine the impact of personal and social economic decisions on the allocation of productive resources.

- *Chapter 15 explores the impact of cost/benefit analysis on decision-making. Links to related articles and Web sites are included for more information and current examples. A suggested activity for this chapter includes writing a research paper using cost/benefit analysis to show the impact of personal and social economic decisions.*

## **Production, Distribution and Consumption**

4. Use the circular flow model to explain the flow of money, goods, services and productive resources in the economy.

*- Chapter 14 explains the circular flow of money principle and graphics are provided to help illustrate this concept. Links to related articles and Web sites are also included for further research.*

## **Markets**

5. Identify reasons for and the impacts of multinational economic organizations
  - a. Organization of the Petroleum Exporting Countries (OPEC)
  - b. European Monetary Union
  - c. North American Free Trade Agreement (NAFTA)
  - d. World Trade Organization (WTO)
  - e. World Bank

*- Chapter 22 provides an overview of foreign trade and explains how multinational economic organizations formed to influence trade. Web links are provided to major international organizations, including the Organization of the Petroleum Exporting Countries, the European Union, the North American Free Trade Agreement and the World Trade Organization.*

*- Chapter 23 explores the interdependence of the global economy. The impact of multinational economic organizations is discussed and Web links are available to major international organizations, such as the World Bank and the United Nations.*

## **Government and the Economy**

6. Analyze economic policy decisions made by governments that have resulted in intended and unintended consequences.

*- Chapter 12 describes the role of government in an economic system. The consequences of economic policy decisions are discussed in the context of the budget-making process. Web links are available to major governmental organizations, such as the Office of Management and Budget and the Congressional Budget Office.*

*- Chapter 17 explores economic policy decisions made by governments in the context of stabilizing the economy. The debate between supply-side and Keynesian economists is discussed. Links to related articles and Web sites provide current examples.*

- *Chapter 23 discusses the consequences of economic policy decisions on the global economy. The interdependence of the global economy is described. The U.S. decision to abandon the gold standard in 1971 and the 1997 Asian financial crisis are cited as examples.*

7. Identify public policies that may cost more than the benefits they generate, assess who enjoys the benefits, who bears the cost and explain why the policies exist.

- *Chapter 12 explains how the government must determine the cost/benefit ratio of public policies while deciding which programs to fund with the national budget. Web links are provided to governmental organizations, such as the Office of Management and Budget and the Congressional Budget Office.*

- *Chapter 13 explains how taxes are used to fund public policies. The debate over who pays for these policies compared with who benefits from these policies is discussed. Links to related articles and Web sites are provided for further information.*

- *Chapter 20 identifies public policies that redistribute income through federal subsidies. The debate over the cost and benefit of these programs is discussed and links to related articles and Web sites include differing viewpoints on federal subsidies. Web links to governmental organizations that perform these functions, such as the Social Security Administration, are also included in this chapter.*

### **Benchmarks**

#### **By the end of the 11-12 program:**

- A. Analyze how scarcity of productive resources affects supply, demand, inflation and economic choices.

- *Chapter 2 explains how scarcity influences economic choices. This concept is illustrated with graphics.*

- *Chapter 8 provides an overview of the laws of supply and demand. Graphics are included to help illustrate these concepts.*

- B. Identify factors which inhibit or spur economic growth and cause expansions or recessions.

- *Chapter 15 identifies factors that inhibit or spur economic growth. Problems associated with economic growth, such as environmental degradation, are discussed.*

- *Chapter 16 examines the business cycle. Factors that inhibit or spur expansions or recessions are identified. Links to related articles and Web sites provide current examples.*

- C. Explain how voluntary worldwide trade, specialization and interdependence among countries affect standards of living and economic growth.

- *Chapter 22 examines global trade. The debate between free trade and protectionism is presented and links to related articles and Web sites include varying viewpoints on this topic.*
- *Chapter 23 explores the interdependence among countries in the global economy. The impact on the standard of living and economic growth are discussed. Web links are included to major international organizations, such as the International Monetary Fund and the World Bank.*
- *Chapter 24 explains how developing countries suffer in the global economy. A comparison of standards of living for developed and developing countries is included and the impact of trade and specialization are discussed. Web links are provided to major international aid organizations, such as the U.S. Agency for International Development and the Grameen Bank.*

- D. Analyze the role of fiscal and regulatory policies in a mixed economy.

- *Chapter 12 describes the role of government in a mixed economy. The impact of regulatory policies is discussed and Web links are available to major U.S. regulatory agencies, such as the Environmental Protection Agency and the Food and Drug Administration.*
- *Chapter 17 explains the role of fiscal and monetary policies to stabilize the economy. Links to related articles and Web sites provide current information on U.S. fiscal and monetary policies.*

- E. Explain the use of a budget in making personal economic decisions and planning for the future.

- *Chapter 6 examines the use of credit by individuals and the government. The wise use of credit is stressed and an explanation of how a budget is used to make personal economic decisions and plan for future goals is included. A suggested activity for this chapter in the Educator's Guide includes creating a personal budget to achieve a future goal.*