



Vermont's Framework of Standards and Learning Opportunities History and Social Science Standards—Economics

What Citizens Need to Know About Economics

addresses Vermont's Framework of Standards and Learning Opportunities for the economics component of the history and social science curriculum grades 9-12.



6 History and Social Sciences Standards

Economics

6.15 Knowledge of Economic Systems

Students use the basic principals of economics to interpret local, state, national, and international economic activity. This is evident when students:

9-12

Evidence 5-8 applies, plus —

- g. Use formal economic terms (e.g., Gross Domestic Product, Consumer Price Index, inflation, deflation, balance of payments, supply and demand, consumer expectations, pricing, etc.) as they analyze and interpret local, state, national, and international economic activity;

- *Chapter 1 provides an introduction to the study of economics and identifies key economic indicators, such as gross domestic product and consumer price index, which economists use to determine the health of the economy. Graphics are available for every economic indicator to illustrate long-term trends and links to related articles and Web sites include the most current data on all economic indicators.*
- *Chapter 5 explores the impact of inflation and deflation on individuals and the economy as a whole. The terms, inflation and deflation, are defined. Graphics are included to illustrate the impact of inflation on households and links to related articles and Web sites are provided for further research and specific examples.*
- *Chapter 8 defines the laws of supply and demand. Graphics are included throughout the chapter to demonstrate how changes in supply and demand impact pricing and economic choices. The terms supply and demand are defined. Links to related articles and Web sites are included for more information.*
- *Chapter 23 discusses interdependence in the global economy and the term balance of payments is defined. Links to related articles and Web sites include current statistics on the U.S. balance of payments and its impact on the economy.*

- A Glossary of Key Concepts and Terms is available from a link in the Table of Contents and a link from every chapter. The glossary includes definitions of formal economic terms that can be used for analysis and interpretation of local, state, national, and international economic activity. A link is also included to an online dictionary and thesaurus.

- h. Identify how technology is changing production and employment patterns and redefining how goods and services are produced and distributed (e.g., ondemand production or assembly of goods, Internet based commerce); and

- Chapter 10 explains how technology has changed employment patterns. A graphic is included to illustrate how the transition from a goods-producing economy to an information-based economy has impacted employment. Links to related articles include more information on this topic and other topics associated with labor.

- Chapter 15 identifies the contributions of technology to the unprecedented growth of the U.S. economy. The impact that technology has had on production is discussed and problems associated with technology and economic growth, such as pollution and forced obsolescence, are identified. Links to related articles and Web sites include more information on the economic impact of technology.

- Chapter 19 described how technology has impacted employment patterns. Terms like displaced workers and underemployed workers are defined. A graphic is included that identifies occupations that have declined or accelerated due to technological innovations and changing production. Links to related articles and Web sites include more information and specific examples.

- i. Understand the relationship between interest rates and borrowing money through such activities as monitoring the changes in the interest rates (e.g. for mortgages, personal loans, car loans), and demonstrate how savings, investment, and interest rates interact to shape the well being of an economy.

- Chapter 6 explores the relationship between interest rates and borrowing money in the context of consumer credit. The differences in interest rates among lenders and types of loans (e.g., mortgage, credit cards, loan sharks) are explained. An activity for this chapter in the Educator's Guide involves comparing interest rates and other fees charged by various credit card companies to determine the best economic choice.

- Chapter 7 discusses the role of investment in providing capital to businesses and shaping the well being of an economy. The roles of the stock and commodity markets are explored and Web links are included to stock and commodity exchanges around the world, including the New York Stock Exchange, the Chicago Mercantile Exchange and the London Stock Exchange.

- *Chapter 11 describes the relationship between interest rates and borrowing money and explains how savings, investment and interest rates interact to shape the well being of an economy. The way saving and borrowing increases the money supply is described and illustrated with a graphic. The method by which interest rates are manipulated through actions of the Federal Reserve System is explained and key terms, such as discount rate and reserve requirement, are defined. Web links are included to all branches of the Federal Reserve for more information.*

6.16 Impact of Economic Systems

Students evaluate the impact of economic systems on the needs and wants of all people and on the environment in various times in their local community, in Vermont, in the United States, and in various locations world wide. This is evident when students:

9-12

Evidence PreK-8 applies, plus —

- bb. Explain the interrelated roles of households, businesses, and government in the economy;

- *Chapter 4 describes the role of consumer households in an economic system. The interrelated roles of households, businesses and government are discussed. The way consumer households influence business decisions and the way businesses influence consumer choices through advertising and other means are explored. The role of government to protect consumer households from unsafe products is explained and Web links are included to government agencies involved in consumer protection, such as the Consumer Product Safety Commission and the Food and Drug Administration.*
- *Chapter 7 discusses the role of businesses in an economic system. Different types of businesses—sole proprietorship, partnership and corporation—are defined. The role of the entrepreneur is explained and Web links are included to biographies of successful entrepreneurs like Ray Kroc, the founder of McDonald's, and Bill Gates, the founder of Microsoft.*
- *Chapter 12 explores the role of government in the economy. The impact of government legislation on households and businesses is discussed and the effects of government regulations are debated. Concepts, such as cost/benefit analysis and externalities, are examined. Web links are provided to many government regulatory agencies, including the Environmental Protection Agency and the Occupational Safety and Health Administration. Links are also available to all state and local government Web pages for more information on the role of local and state governments in the economy.*

- g. Demonstrate understanding of the patterns and networks of economic interdependence that exist locally, nationally, and globally (e.g., currencies, stock markets, commodities); and

- *Chapter 7 discusses the role of stock and commodity markets in an economic system. The interdependence of businesses and the stock market is explored. Web links are included to stock and commodity exchanges around the world, including the New York Stock Exchange, the Chicago Mercantile Exchange, the Tokyo Stock Exchange and the London Stock Exchange.*
- *Chapter 23 explores the interdependence of the global economy. The impact of economic events on the local, national and global economy is discussed. The U.S. decision in 1971 to abandon the gold standard and the 1997 Asian financial crisis are cited as examples. Links to related articles and Web sites explore patterns of economic interdependence that exist locally, nationally and globally. The impact of changes in the value of currency is addressed and a Web link is included to a program that calculates the current exchange rate for the U.S. dollar and other currencies. Links to related articles and Web sites discuss the impact of changes in the value of currencies on local, national and global economies.*

- h. Analyze and compare how economic systems, (i.e. mixed, command, market) have fostered or discouraged individual liberties and the common good (e.g. the environment, national defense, consumer rights, poverty, basic human needs).

- *Chapter 2 explains how different economic systems have been developed to provide for basic human needs. Key concepts and terms, such as factors of production and standard of living, are defined. Links to related articles and Web sites are available for further research.*
- *Chapter 3 compares different economic systems—traditional, command, market and mixed economies—based on their ability to foster individual liberties and the common good. A comparison of capitalism, socialism and communism is also included and examples of different economic systems are cited. Important economic philosophers, such as Adam Smith and Karl Marx, are identified and Web links include biographies and the complete texts of their most influential works.*
- *Chapter 4 discusses consumer rights in a capitalist market economy. Key concepts and terms like caveat emptor are defined. The role of government to protect consumers from unsafe products is debated. Web links are included to government agencies involved in consumer protection, such as the Consumer Product Safety Commission and the Federal Trade Commission. Other consumer rights issues, such as the consumer right to privacy, are examined and links to related articles and Web sites are included for more information.*
- *Chapter 12 explores the role of government in a capitalist market economy. The role of government to provide for the common good (e.g., national defense, subsidies, basic human needs) is discussed. Web links are included to all state and local governments and to various federal government agencies, such as the Environmental Protection Agency and the Congressional Budget Office.*

- *Chapter 15 describes the impact of economic growth on the environment. Problems associated with economic growth, such as pollution and forced obsolescence, are discussed and links to related articles and Web sites provide more information.*
- *Chapter 18 examines how different economic systems address issues of poverty. Different economic classes are defined and links to related articles and Web sites include current information on the distribution of income in the United States. The disproportionate distribution of income among minorities and women is discussed and remedies to this disparity are presented. Links to related articles and Web sites provide more information and present opposing views regarding income distribution.*

6.17 Governments and Resources

Students understand how governments affect the flow of resources, goods, and services. This is evident when students:

- bb. Identify and analyze the role of government in regulating the economy as it applies to themselves, their communities, Vermont, and the United States (e.g., budget deficits and surpluses, free trade, embargoes, subsidies, balance of payments, monetary policies).

- *Chapter 12 discusses the role of government in regulating the economy at the local, state and national levels. The budget-making process is described and illustrated with a graphic. The concept of budget deficits and surpluses are explored. Links are provided to all state and local Web pages, including Vermont. Web links are also available to government agencies involved in the budget process, such as the Office of Management and Budget and the Congressional Budget Office.*
- *Chapter 17 describes the role of the government in maintaining a stable economy. Fiscal and monetary policy tools are identified, such as deficit financing and open market operations. The debate between Keynesian and supply-side economists is examined. Links to related articles and Web sites include information on current U.S. monetary and fiscal policies and opposing views on ways to stabilize the economy.*
- *Chapter 20 explores the government's role in providing subsidies to the needy. A history of federal subsidies from the Great Depression to the present day is included and the debate over the fairness of federal subsidies is presented. Web links are provided to government agencies that oversee such programs as Social Security, Medicare, Medicaid and Head Start.*
- *Chapter 22 examines the role of government in regulating foreign trade. The debate between free trade and protectionism is highlighted and barriers to trade, such as embargoes and tariffs, are identified. Links to related articles and Web sites discuss the impact of foreign trade on the local, state and national economy.*

- *Chapter 23 highlights the role of governments in the interdependent global economy. Key concepts and terms, such as balance of payments, are defined. The interaction between governments and supranational organizations is discussed and Web links are included to such agencies as the United Nations, the International Monetary Fund and the World Trade Organization. Links to related articles and Web sites also discuss the impact of globalization on local, state, national and international economies.*