



Louisiana Social Studies Content Standards

What Citizens Need to Know About Economics

addresses Louisiana Social Studies Content Standards for the economics component of the social studies curriculum grades 9-12.



ECONOMICS: Interdependence and Decision Making

FOCUS

Effective economic education in our schools is the key to preparing young people for economic decisions in their personal lives and as citizens in a democratic society. An economically literate work force is critical to the well-being of our state and nation. Students need to understand and apply basic economic concepts in order to make reasoned judgments in a complex and changing world. With economic knowledge and decision-making skills, students will be ready to live and work productively in the 21st century. The standards and benchmarks contained in this strand should be applied throughout the social studies curriculum.

STANDARD

Students develop an understanding of fundamental economic concepts as they apply to the interdependence and decision making of individuals, households, businesses, and governments in the United States and the world.

BENCHMARKS 9-12

As students in Grades 9-12 extend and refine their knowledge, what they know and are able to do includes:

A. Fundamental Economic Concepts

E-1A-H1 analyzing the impact of the scarcity of productive resources and examining the choices and opportunity cost that result;

(1, 2, 3, 4, 5)

E-1A-H2 analyzing the roles that production, distribution, and consumption play in economic decisions;

(1, 2, 3, 4)

- *Chapter 2 describes the factors of production (productive resources) as being land, labor, management and capital. The impact of the scarcity of productive resources is examined and the impact of economic choices is identified. Concepts, such as opportunity cost and production possibilities curve, are defined. The interactions of production, distribution and consumption are described and illustrated with a graphic.*

- ***Chapter 4 explains how consumer choices impact the production, distribution and consumption of goods and services. Concepts like diminishing utility and caveat emptor are defined. Links to articles and Web sites are included for further research.***

E-1A-H3 applying the skills and knowledge necessary in making decisions about career options;
(2, 3, 4, 5)

- ***Chapter 10 examines the role of labor in an economic system. The criteria for selecting a career are explored and a Web link is included to the Department of Labor's Occupational Outlook Handbook, which provides current information on different career options, such as requirements, training and future prospects in that field. An activity for this chapter in the Educator's Guide includes researching a career and listing the necessary requirements to pursue that career.***

E-1A-H4 comparing and evaluating economic systems;
(1, 2, 3, 4)

- ***Chapter 3 identifies different economic systems, including traditional, command and market economies. A comparison/contrast of capitalism, socialism and communism is provided and examples are cited. Web links are included to the biographies of influential philosophers, such as Adam Smith and Karl Marx, and the complete texts of their most important works.***

E-1A-H5 explaining the basic features of market structures and exchanges;
(1, 3, 4)

- ***Chapter 7 identifies the basic features of market structures and exchanges. Different types of business structures are identified, such as sole proprietorships, partnerships and corporations. The roles of stock and commodity exchanges are described and Web links are included to stock and commodity exchanges around the world, including the New York Stock Exchange, the London Stock Exchange, the Tokyo Stock Exchange and the Chicago Mercantile Exchange.***

E-1A-H6 analyzing the roles of economic institutions, such as corporations and labor unions, that compose economic systems;
(1, 2, 4)

- *Chapter 7 describes the roles of economic institutions, such as corporations and exchanges. The interactions of these components of the economic system are described. Links to related articles and Web sites are included for further research.*
- *Chapter 10 explores the role of labor unions in an economic system. The interactions between labor unions, corporations and the government are discussed. Government regulations of labor/management relationships are explored and links are included to the complete texts of important government legislation, such as the National Labor Relations Act and the Taft-Hartley Act. Web links are included to major U.S. labor unions, including the AFL-CIO and the Teamsters.*

E-1A-H7 analyzing the roles of money and banking in an economic system;
(1, 2, 3, 4)

- *Chapter 11 explores the roles of money and banking in an economic system. A history of money from barter to electronic funds transfers is provided and different types of banks are identified. The way banks create money is described and illustrated with a graphic. The role of the Federal Reserve System is examined and Web links are included to all branches of the Federal Reserve.*

E-1A-H8 applying economic concepts to understand and evaluate historical and contemporary issues;
(1, 2, 3, 4)

- *The Educator's Guide includes suggested activities for every chapter. Most require students to apply knowledge of economic concepts in evaluating historical issues, policies and events.*
- *Related articles and Web sites in each chapter provide students with the resources necessary to apply the knowledge they have learned. Related articles and Web sites include historical and contemporary examples of pertinent events related to the topics described in the chapters.*
- *Learning Tools linked to each chapter can be used for chapters, related articles, graphics or Web sites to apply knowledge of economic concepts.*

B. Individuals, Households, Businesses, and Governments

E-1B-H1 identifying factors that cause changes in supply and demand;
(1, 2, 3, 4)

E-1B-H2 analyzing how changes in supply and demand, price, incentives, and profit influence production and distribution in a competitive market system;
(1, 2, 4)

- *Chapter 7 describes how prices, incentives and profits influence production and distribution in a competitive market system. Links to related articles and Web sites are included for further information.*
- *Chapter 8 identifies factors that cause changes in supply and demand. The way changes in supply and demand influence prices, production and distribution in a competitive market system is also explored. Graphics are included to help illustrate these concepts.*
- *Chapter 9 explores competition in the marketplace. Key concepts and terms, such as pure competition, monopoly and oligopoly, are defined. The government's role in maintaining competition is explored and links are included to the complete texts of major government legislation, such as the Sherman Antitrust Act and the Robinson-Patman Act.*

E-1B-H3 analyzing the impact of governmental taxation, spending, and regulation on different groups in a market economy;
(1, 2, 3, 4, 5)

- *Chapter 12 explores the role of government in a market economy. The impacts of government spending and regulations on different groups in the economy are described. The budget-making process is explored and terms like cost/benefit ratio are defined. Web links are included to major governmental organizations involved in the budget process, like the Office of Management and Budget and the Congressional Budget office. Web links are also provided to major governmental regulatory agencies, such as the Federal Communications Commission and the Environmental Protection Agency.*
- *Chapter 13 explains how government taxation impacts different groups in a market economy. The concept of a fair tax is explored and the criteria for determining a fair tax are described. Different types of taxation—progressive, regressive and proportional—are defined. A Web link is included to the Internal Revenue Service for information on current U.S. tax policy.*
- *Chapter 20 describes the impact of government spending on different groups of the economy in the context of federal subsidies. The costs versus the benefits of these programs are explored and Web links are included to the agencies that maintain such programs as Social Security, Medicare, Medicaid and Head Start.*

E-1B-H4 analyzing the causes and consequences of worldwide economic interdependence;
(1, 2, 3, 4)

- *Chapter 23 explores the causes and consequences of the interdependence of the global economy. The impact of the 1971 decision by the U.S. government to abandon the gold standard and the impact of the 1997 Asian financial crisis are cited as examples. Web links are included to major international organizations, such as the World Bank and the International Monetary Fund.*

E-1B-H5 evaluating the effects of domestic policies on international trade;
(1, 2, 3, 4)

- *Chapter 21 describes the effects of U.S. domestic policy decisions designed to aid American farms. The domestic and international impact of price supports and tariff duties are explained and the value of these programs are debated. Links to related articles and Web sites are included for further research.*
- *Chapter 22 explores the effects of trade barriers on domestic and international industries. The debate between free trade and protectionism is explored and links provide opposing views of the free trade debate.*
- *Chapter 23 explains the effects of domestic policies on international trade. The U.S. decision, in 1971, to abandon the gold standard is cited as an example. Links to related articles and Web sites provide other examples.*

E-1B-H6 analyzing Louisiana's role in the national and world economies;
(1, 2, 3, 4, 5)

- *Links to related articles and Web sites in many chapters explore Louisiana's and other states' roles in the national and world economies. For example links are provided in Chapter 12 to state and local government Web sites. In Chapter 13 a link is provided to the Census Bureau's Web page that provides information on state tax revenue. Related articles linked to Chapter 22 explore states' roles in international trade and foreign policy.*

C. The Economy as a Whole

E-1C-H1 explaining the meanings of such economic indicators as GDP, per capita GDP, real GDP, CPI, and unemployment rate;
(1, 3, 4)

- *Chapter 1 identifies the major economic indicators that determine the state of the economy. Key indicators, like gross domestic product, consumer price index and unemployment, are identified and illustrated with graphics. Web links are included to the governmental agencies that provide these statistics for the most current information.*

- *Chapter 5 explains how the consumer price index (CPI) calculates the current cost of living. Web links are included for current CPI statistics and a program that calculates the cost of living for different periods in U.S. history.*
- *Chapter 14 explains the meaning of gross domestic product (GDP). The way the government calculates GDP is described and the accuracy of GDP is debated. Alternatives to the GDP, such as the human development index (HDI), are explored and Web links are included for current GDP and HDI statistics.*
- *Chapter 15 explains in more detail how GDP calculates the growth of the economy. Concepts, such as real GDP and per capita GDP, are defined. Links to related articles and Web sites are included for further research.*
- *Chapter 19 explains the meaning of the unemployment rate. Terms, such as structural unemployment, displaced workers and discouraged workers, are defined. Web links are included for current unemployment statistics from the government.*

E-1C-H2 explaining how interest rates, investments, and inflation/deflation impact the economy;
(1, 3, 4)

- *Chapter 5 explains how interest rates, inflation and deflation impact the economy. The way inflation/deflation alters the cost of living is described and Web links are included for current consumer price index statistics that reflect the level of inflation or deflation in the economy.*
- *Chapter 7 explores how investment capital influences businesses and describes the role of the stock market in providing investment capital to corporations. A graphic is included to demonstrate the relationship between an investment in the stock market and corporate investment capital. Web links are included to stock markets around the world, including the New York Stock Exchange, the London Stock Exchange and the Tokyo Stock Exchange.*
- *Chapter 15 explains how inflation and deflation affect interest rates. The concept of a real interest rate is described and the way it impacts economic decisions is explored. Links to related articles and Web sites are included for further research.*
- *Chapter 16 describes how the business cycle impacts the economy. Concepts such as recession and depression are defined and the economic impacts of inflation and deflation are explored. An oral history of the Great Depression is included for examples of how changes in the economic cycle affect individuals.*

E-1C-H3 analyzing the causes and consequences of unemployment, underemployment, and income distribution in a market economy;
(1, 2, 3, 4)

- *Chapter 18 describes how income is distributed in America. Different economic classes are identified and Web links are included for current statistics on income distribution in America. Terms, such as middle class and working poor, are defined.*
- *Chapter 19 explores the causes and consequences of unemployment. Key concepts and terms, like underemployment, discouraged workers and displaced workers, are defined. Web links are included for current statistics on the U.S. unemployment rate.*

E-1C-H4 explaining the basic concepts of United States fiscal policy, monetary policy, and regulations and describing their effects on the economy. (1, 3, 4)

- *Chapter 17 explains the basic concepts of fiscal and monetary policies used to stabilize the economy. The debate between Keynesian and supply-side economists is described and terms, such as open market operations and deficit financing, are defined. Links to related articles and Web sites include information on current fiscal and monetary policy decisions and the consequences of those decisions.*