



Tennessee Social Studies Curriculum Standards—Economics

What Citizens Need to Know About Economics
addresses Tennessee Social Studies Curriculum Standards for the economics
component of the social studies curriculum grades 9-12.



ECONOMICS HIGH SCHOOL **Standards, Learning Expectations, and Performance Indicators**

Course Description: In Economics High School, students study the study of how people, businesses, and governments choose to use resources. Integrate the six social studies standards of essential content knowledge and four process skills for instructional purposes.

Standard Number: 1.0 Culture

Standard: Culture encompasses similarities and differences among people, including their beliefs, knowledge, changes, values, and tradition. Students will explore these elements of society to develop an appreciation and respect for the variety of human cultures.

Learning Expectations: The student will

Performance Indicators:

1.1 understand how values and beliefs influence economic decisions in different societies.

At Level 1, the student is able to

- describe the American concept of private property and wealth.

At Level 2, the student is able to

- compare and contrast the attitudes of ownership of property and wealth in major world cultures;
- illustrate how cultural factors affect socioeconomic classes.

At Level 3, the student is able to

- differentiate between the methods of production and exchange in pre-industrial, industrial, and post-industrial societies.

- *Chapter 3 explains how values and beliefs influence economic decisions in different societies. Different economic systems—traditional, command, market and mixed—are identified and a comparison of capitalism, socialism and communism is presented. Concepts of private property and wealth are compared across different economic systems. Pre-industrial and post-industrial societies are explored and examples are given. Related articles and Web sites include biographies of economic philosophers, like Adam Smith and Karl Marx, and the complete texts of their most influential works. The impact of culture on socioeconomic classes is also explored and the Indian caste system is cited as an example.*
- *Chapter 18 explains how culture is a factor that affects socioeconomic class. Key concepts and terms, such as middle class and working poor, are defined. The distribution of income in the United States is explored and related articles and Web sites include current statistics on the U.S. class structure.*

1.2 describe how the world economies are connected.

At Level 1, the student is able to

- o consider how globalization altered the cultures of select societies.

At Level 2, the student is able to

- o illustrate how telecommunications affected the world society;
- o differentiate between accommodation and assimilation.

At Level 3, the student is able to

- o evaluate the affects of globalization of consumers' demands in various cultures.

- *Chapter 23 describes how globalization has altered cultures around the world and has led to an interdependent global economy. The impact of changes in one country on the entire system is explained and the 1997 Asian financial crisis is cited as an example. The impact of globalization on consumers and producers is discussed. Factors that led to globalization, such as telecommunications, technological innovation and foreign trade, are identified. Web links are included to supranational organizations that operate in the global economy, like the World Trade Organization and the International Monetary Fund.*

Standard Number: 2.0 Economics

Standard: Globalization of the economy, the explosion of population growth, technological changes and international competition compel students to understand, both personally and globally, production, distribution, and consumption of goods and services. Students will examine and analyze economic concepts such as basic needs versus wants, using versus saving money, and policy-making versus decision-making.

Learning Expectations: The student will

Performance Indicators:

2.1 understand contemporary and historical data relevant to the field of economics.

At Level 1, the student is able to

- o use data from charts, maps, and statistical tables.

At Level 2, the student is able to

- analyze charts, maps, and statistical tables to understand economic attitudes;
- interpret stock market quotations and reports.

At Level 3, the student is able to

- play roles in stock market simulations.

- ***Chapter 1 identifies the major economic indicators that the government calculates to determine the overall health of the economy, such as gross domestic product, consumer price index and unemployment. Graphics are provided for every economic indicator to show long-term trends and related articles and Web sites include the most current statistics on all the major economic indicators.***
- ***Chapter 7 discusses the role of the stock market in the economy. A graphic is included that illustrates fluctuations in the stock market. Links are included to all major stock exchanges around the world including, the New York Stock Exchange, the London Stock Exchange and the Tokyo Stock Exchange. An activity for this chapter in the Educator's Guide suggests students invest an imaginary sum of money in the stock market and chart its progress over a designated period of time.***
- ***Informative graphics are included in every chapter to illustrate important concepts and provide examples. Graphics include photos, charts, graphs, maps and statistical tables.***
- ***Related articles and Web sites are linked to every chapter to provide more information on topics covered in the chapter. Related articles and Web sites include the most current statistics on important economic issues presented in the chapters. Many related articles and Web sites also include graphics to further illustrate those concepts.***
- ***Learning tools linked to every chapter provide students with worksheets that can be used to understand contemporary and historical data relevant to the field of economics. Learning tools include: Analyzing Graphs and Charts, Problem Solving, Understanding Basic Knowledge and Map Skills. These tools can be used in conjunction with the text, related articles, Web sites or other textbooks to help students understand the concepts presented.***

2.2 understand the concepts and impact of the American financial structure, including banking and monetary policy.

At Level 1, the student is able to

- identify components of the American financial system.

At Level 2, the student is able to

- describe the structure of the Federal Reserve System and the role it plays in the American economic system.

At Level 3, the student is able to

- compare and contrast the roles of credit unions, commercial banks, saving and loans associations, finance companies, and consumer finance companies in the American economy;

- analyze the major causes and the major events associated with the saving and loan crisis in the 1980's.

- Chapter 11 explores the role of money and banking in the economic system. Different types of financial institutions, like credit unions, commercial banks and savings and loan associations, are identified. The causes, events and impact of the 1980s savings and loan crisis are explored. The role of the Federal Reserve System is described and Web links are included to all branches of the Federal Reserve for more information.

2.3 understand the different major economic systems.

At Level 1, the student is able to

- explain how scarcity of economic resources (human, capital, technological, and natural) requires each form of government to make decisions about how goods and services are to be produced and distributed.

At Level 2, the student is able to

- identify the important characteristics of the capitalistic system;
- identify the characteristics of major socialistic systems.

At Level 3, the student is able to

- compare the characteristics of capitalist and socialist systems in terms of their strengths and weaknesses;
- evaluate the economic factors behind the collapse of communism in the Soviet Union and Eastern Europe in the 1980's.

- Chapter 2 explains how scarcity of economic resources requires governments to make decisions about how goods and services are to be produced and distributed. Key concepts and terms like scarcity and factors of production are defined. Related articles and Web sites are included for more information and specific examples.

- Chapter 3 describes the different economic systems created to address issues of scarcity, such as traditional, command, market and mixed economies. A comparison and contrast of capitalism, socialism and communism is also presented and the strengths and weaknesses of each are identified. Examples are cited and the collapse of communism in the Soviet Union and Eastern Europe is explored in depth.

2.4 understand key economic concepts and economists.

At Level 1, the student is able to

- explain the factors affecting consumer choices;
- define the concepts of supply and demand, profit and loss, and analyze factors affecting each.
- define the concept of goods and services and their relationship to utility;

At Level 2, the student is able to

- identify the major elements of both microeconomics and macroeconomics;
- identify major world economists and their contributions including but not limited to Smith, Malthus, Marx, Keynes, and Galbraith.

At Level 3, the student is able to

- interpret data related to macroeconomic concepts including gross national product, gross domestic product, and the national budget.

- *Chapter 1 explains the differences between goods and services, and the differences between microeconomic and macroeconomics. Graphics are included to illustrate these concepts and examples are cited. Related articles and Web sites provide more information and more examples.*
- *Chapter 3 highlights important economists, such as Adam Smith, Thomas Malthus, Karl Marx and John Maynard Keynes. Their contributions are cited and links to related articles and Web sites include their biographies and the complete texts of their most influential works, such as The Wealth of Nations and Das Kapital.*
- *Chapter 4 identifies factors that influence consumer choice. The concepts of caveat emptor and utility are defined and the law of diminishing utility is explained and illustrated with a graphic. The contributions of such economists as John Kenneth Galbraith and Thorstein Veblen are presented and links are included to their biographies and the complete texts of their most influential works.*
- *Chapter 7 describes how profit and loss impact businesses. Incentives, such as profit and property rights, are explored. The role of the entrepreneur is highlighted and links are included to biographies of successful entrepreneurs, like Ray Kroc, the founder of McDonald's, and Bill Gates, the founder of Microsoft.*
- *Chapter 8 defines the laws of supply and demand and explains how supply and demand influences prices. Examples are cited and graphics are included throughout the chapter to illustrate the impact of changes to supply, demand and prices. Related articles and Web sites provide more examples.*
- *Chapter 12 explains how the national budget is created and its impact on the economy is discussed. A graphic is included to demonstrate the budget-making process and terms like externalities and cost/benefit ratios are highlighted. Web links are included to all government agencies involved in the budget process, such as the Office of Management and Budget and the Congressional Budget Office.*
- *Chapter 14 examines how gross domestic product (GDP) is calculated. The transition from calculating gross national product to calculating gross domestic product is explored and the difference between the two is explained. The accuracy of GDP is debated and alternatives to GDP, such as the human development index (HDI), are presented. Related articles and Web sites include the most current GDP and HDI statistics for the United States and other countries.*

- 2.5 understand that scarcity of productive resources requires choices that generate opportunity costs.

At Level 1, the student is able to

- explain how marginal benefits is the change in total benefit resulting from an action, and marginal cost is the change in total cost resulting from action.

At Level 2, the student is able to

- describe optimal levels of output and how they are determined by comparing the marginal benefits and costs of producing a little more against the marginal benefits and costs of producing a little less.

At Level 3, the student is able to

- identify how increases in productivity are affected by incentives that reward successful innovation and investments and in physical and human capital.

- *Chapter 2 explains how scarcity requires choices that generate opportunity costs. The term opportunity cost is defined and the use of the production possibilities curve to calculate opportunity costs is described. A graphic of the production possibilities curve is included to illustrate this concept. Related articles and Web sites are available for specific examples.*
- *Chapter 7 explains how entrepreneurs must calculate marginal costs and marginal benefits to determine optimal levels of output. The law of diminishing returns is defined and a graphic is included to illustrate the impact of producing a little more or a little less. Incentives that reward successful innovation and investments are described and the role of the stock market in providing investment capital is discussed. Links are included to many stock and commodity exchanges around the world, such as the New York Stock Exchange, the Chicago Mercantile Exchange and the London Stock Exchange.*

Standard Number: 3.0 Geography

Standard: Geography enables the students to see, understand and appreciate the web of relationships between people, places, and environments. Students will use the knowledge, skills, and understanding of concepts within the six essential elements of geography: world in spatial terms, places and regions, physical systems, human systems, environment and society, and the use of geography.

Learning Expectations: The student will

Performance Indicators:

- 3.1 understand the importance of natural resources in modern economic decision-making.

At Level 1, the student is able to

- explain the problem of scarcity and the importance of making economic decisions.

At Level 2, the student is able to

- identify the locations of key natural resources and the impact of these locations on modern economic systems.

At Level 3, the student is able to

- analyze how inventions and technological advances change the value of key natural resources at certain points in history and is able to predict future changes in value.

- ***Chapter 2 examines the problem of scarcity and the importance of making economic decisions. The impact of scarce natural resources is discussed and the choices involved in energy consumption are cited as examples. Related articles and Web sites include statistics on the distribution of natural resources in the United States and abroad.***
- ***Chapter 15 describes the importance of inventions and technological advances for a growing economy. Ways the government encourage inventions and technological advances are explored and a Web link is included to the U.S. Patent and Trademark Office for examples. Related articles and Web sites provide more information and more examples.***
- ***Chapter 24 explores issues associated with economic development. The impact of natural resources and technological advances on development is highlighted and the plight of developing countries is examined. The role of developed countries to assist developing countries is debated and Web links are included to international aid agencies like the Grameen Bank and the U.S. Agency for International Development.***

3.2 understand the impact of world demographics on economic systems.

At Level 1, the student is able to

- interpret the impact of population change on an economic system.

At Level 2, the student is able to

- describe the standard of living in overpopulated countries and predict future events when there is a more even balance of trade;
- study the results of major population change.

At Level 3, the student is able to

- predict the relationship between densely populated countries and future world trade relationships;
- predict the outcome of future human rights issues in overpopulated countries.

- ***Chapter 24 explores the impact of population on economic development in the context of developing countries. The impact of overpopulation and human rights on economic development is explored. The effects of trade barriers on developing countries are also discussed. Key concepts and terms, like standard of living and brain drain, are defined. Related articles and Web sites are included for more information and specific examples.***

3.3 understand the alternative policies and processes used in making decisions about the use of land and other physical resources in communities, regions, nations and the world.

At Level 1, the student is able to

- explain property rights and regulations of land use by the government.

At Level 2, the student is able to

- understand the concepts of zoning, residential and commercial;
- recognize the factors involved in decision-making about local and community land usage.

At Level 3, the student is able to

- select and develop a land-use plan that will meet local, state, national and international regulations.

- ***Chapter 3 explains how property rights are a key component of a capitalist based economic system. Property rights in a capitalist system are compared to property rights in socialist and communist systems. Related articles and Web sites include specific examples.***
- ***Chapter 12 describes the role of government regulation in protecting consumers and the environment. Regulations that impact land use are explored and Web links are included to many government regulatory agencies, such as the Environmental Protection Agency and the Bureau of Land Management. Links are also included to state and local government Web sites for more information on state and local land use policies.***
- ***Chapter 19 defines the term enterprise zones and explains how they are used to revitalize depressed urban and rural areas. Related articles and Web sites are included for more information and specific examples.***

- 3.4 understand the search for a balance between effective usage of land and other natural resources and environment concerns.

At Level 1, the student is able to

- identify land use differences between the United States and select other foreign countries;
- explain the connection between population growth and misuse of natural resources.

At Level 2, the student is able to

- compare recent and historical examples of conflicts between environmental and economic concerns.

At Level 3, the student is able to

- analyze the impact of interest groups that affect decisions between environmental and economic concerns.

- ***Chapter 12 explores the decision-making process of the federal government and identifies factors that influence economic decisions. Key concepts like externalities and cost/benefit ratios are identified. The role of the federal government in creating regulations to protect the environment is explained and links are included to such agencies as the Environmental Protection Agency and the Mine Safety and Health Administration.***
- ***Chapter 15 discusses the impact of economic growth on the environment. The effects of pollution and forced obsolescence on the environment are explained. Related articles and Web sites include recent and historical examples of conflicts between environmental and economic concerns.***

- *Chapter 22 explains how environmental and economic concerns impact foreign trade. The U.S. dependency on foreign oil is cited as an example and the role of cartels like the Organization of Petroleum Exporting Countries are explored. The debate over drilling in the Arctic National Wildlife Refuge is highlighted and related articles and Web sites present opposing views of this debate.*

Standard Number: 4.0 Governance and Civics

Standard: Governance establishes structures of power and authority in order to provide order and stability. Civic efficacy requires understanding rights and responsibilities, ethical behavior, and the role of citizens within their community, nation, and world.

Learning Expectations: The student will

Performance Indicators:

4.1 understand the economic roles and responsibilities of citizens living in a democratic society.

At Level 1, the student is able to

- o recognize the skills necessary to make a citizen employable and productive.

At Level 2, the student is able to

- o analyze the need to relate national economic events and trends to the local economic picture;
- o evaluate those factors which would make an industry more or less likely to locate in certain community.

At Level 3, the student is able to

- o evaluate the changing roles of citizens in a technological advancing economy.

- *Chapter 10 explores the role of labor in the U.S. economic system. Skills necessary to make a citizen employable and productive are identified. An activity for this chapter in the Educator's Guide involves students researching possible job opportunities and determining requirements, such as education and skills, for that occupation and identifying other trends in that field. A Web link is included to the Occupational Outlook Handbook to assist students in researching this activity.*
- *Chapter 12 discusses the role of government in an economic system, the role of state and local governments are explored, as is the way national economic events impact the local economic picture. Related articles provide specific examples and links are available to all state and local government Web sites.*
- *Chapter 19 explains how national economic trends impact the local economic picture in the context of unemployment. Key concepts and terms like structural unemployment and displaced workers are defined. Related articles and Web sites present current statistics on unemployment at the federal, state and local levels. An activity for this chapter in the Educator's Guide requires students to interview people at the local unemployment office and evaluate the current unemployment situation in their community.*

- *Related articles and Web sites linked to every chapter presents information on international, federal, state and local trends on the topics presented in the respective chapters.*
- *Interactive Citizenship is designed to educate the citizenry and encourage their involvement in the community. Activities in the Educator's Guide encourage students to get more involved in their community and identify the impact of national trends on the local economy. Activities include interviewing successful entrepreneurs and researching unemployment trends in their community.*

4.2 understand how governmental policies have economic consequences at the national, state, and local levels.

At Level 1, the student is able to

- o list government agencies that control production of goods and services;
- o identify the major government regulatory agencies including OSHA, Federal Trade Commission, FDA, and FCC, ICC and EPA on economic activities.

At Level 2, the student is able to

- o describe the factors involved in making city, state, and national budgets, and impact of interest groups;
- o develop a business plan for starting a new company.

At Level 3, the student is able to

- o identify those agencies and regulations he/she will have to consider in starting a new company.

- *An activity in the Educator's Guide for Chapter 2 involves students working in groups to develop a business plan for starting a new company taking into consideration issues related to the factors of production.*
- *Chapter 12 identifies the roles of the federal, state and local governments in the U.S. economic system. The economic consequences of government policies at the national, state and local levels are explored. Concepts, such as externalities and cost/benefit ratios, are addressed. The budget process is explained and the national budget is described and illustrated with a graphic. Links are included to the Web sites of government agencies involved in the budget process, like the Office of Management and Budget and the Congressional Budget Office. The impact of government legislation on individuals, businesses and the economy as a whole at the federal, state and local levels is examined. Web links are included to major regulatory agencies, such as the Occupational Safety and Health Administration, the Federal Trade Commission, the Food and Drug Administration, the Federal Communications Commission and the Environmental Protection Agency.*

Standard Number: 5.0 History

Standard: History involves people, events, and issues. Students will evaluate evidence to develop comparative and causal analyses, and to interpret primary sources. They will construct sound historical arguments and perspectives on which informed decisions in contemporary life can be based.

Learning Expectations: The student will

Performance Indicators:

- 5.1 understand how historical events have influenced the economic development of the United States. Identify major historical events that affected the economic development of the United States.

At Level 1, the student is able to

- describe the major elements of United States land policy throughout U.S. history;
- describe the major events in the rise of the labor movement, including the national labor unions;
- describe the major events in the conflicts between labor and management since the Civil War, including tactics employed by both sides such as strikes, injunctions, black list, and boycotts.

At Level 2, the student is able to

- analyze how the Great Depression and the New Deal changed the economic relationship between the citizen and the government;
- analyze major elements of Reaganomics and supply-side economics;
- understand the impact of international organizations including, but not limited to, NAFTA, WTO, GATT and EEC, on the United States economic policy;
- understand the economic impact of African American migration, the recent northward migration of Hispanic Americans, and the development of the Sun Belt and Rust Belt in the 20th century;
- describe the major events in a select labor/management clash, such as the Homestead Strike, the railroad strikes, or the General Motors-UAW strike.

At Level 3, the student is able to

- select a New Deal program including, but not limited to, WPA, CCC, NRA, AAA, TVA, PWA, and appraise the program's impact on the economy of the time and trace its impact on the economy today.

- ***Chapter 2 includes a timeline of key events that have had an impact on the U.S. economy. Web links are included for more information on major events and to explore in more detail their impact on the U.S. economy. Land policy issues are explored and the impact of the Homestead Act and the completion of the transcontinental railroad are cited as examples.***
- ***Chapter 10 presents a history of the labor movement in the United States. The rise of labor unions is explored and Web links are included to such labor organizations as the Teamsters and the AFL-CIO. Major conflicts between labor and management since the Civil War are identified and tactics, like strikes and arbitration, are identified. Major events are cited, such as the Triangle Shirtwaist Factory fire, the Haymarket Square riots, and the PATCO strike of the 1980s, and Web links provide more detail on these and other major events. The changing role of the U.S. government in dealing with labor/management disputes is also discussed and links are included to the complete text of important government legislation like the National Labor Relations Act and the Taft-Hartley Act.***

- *Chapter 16 describes the business cycle and explores the impact of the Great Depression. Time periods in U.S. history when the nation experienced recession, depression, inflation or recovery are identified. The impact of important historical events on the economy, such as the Great Depression and the September 11, 2001 terrorist attacks, are explored. The differing government responses of the Hoover and Roosevelt administrations to the Great Depression are compared and New Deal legislation is highlighted. An oral history of the Great Depression is presented to illustrate the impact of the depression on individuals and families. Web links include histories of such programs as the Work Projects Administration, the Civilian Conservation Corps and the Tennessee Valley Authority.*
- *Chapter 17 explains the major elements of supply-side economics. The debate between supply-side economists and Keynesian economists is presented and related articles and Web sites include opposing views on the best way to stabilize the economy.*
- *Chapter 19 explores the relationship between migration and employment. The impact of changing economic trends, such as the transition from a goods-producing to a service- and information-providing economy, on employment is explained. Key concepts and terms like structural unemployment and displaced workers are defined. Related articles and Web sites are included for more information.*
- *Chapter 22 discusses the history of U.S. foreign trade policy. Key concepts and terms, such as tariff and quota, are defined. The rise of international trade organizations is explored and Web links are included to such trade organizations as the North American Free Trade Agreement and the European Union.*
- *Chapter 23 explains how historical events have led to globalization and interdependence of national economies. The impact of key events on the economies of the world are explored and the U.S. decision in 1971 to abandon the gold standard and the 1997 Asian financial crisis are cited as examples. The rise of supranational organizations like the World Trade Organization (a result of the General Agreement on Tariffs and Trade) and the International Monetary Fund is presented. Web links are included to these and other international organizations.*
- *Related articles and Web sites linked to every chapter include historical and current examples of events that have had an impact on the topics mentioned in the respective chapters.*

Standard Number: 6.0 Individuals, Groups, and Interactions

Standard: Personal development and identity are shaped by factors including culture, groups, and institutions. Central to this development are exploration, identification, and analysis of how individuals, and groups work independently and cooperatively.

Learning Expectations: The student will

Performance Indicators:

6.1 understand the elements of personal and fiscal responsibility.

At Level 1, the student is able to

- understand how world demographics affect their daily lives;
- understand how each economic choice they make involves an opportunity cost;
- explain their personal responsibilities in using the three basic buying principles;
- explain consumer rights and responsibilities.

At Level 2, the student is able to

- demonstrate skills needed for computing finance charges, safe debt loads, and personal budgets;
- describe their rights and responsibilities as a borrower;
- understand their investment choices and how a person determines the amount to save and invest;
- understand personal aspects of inflation, unemployment, and interest rates;
- understand that technological change and investments in capital goods and human capital may increase labor productivity but have significant opportunity costs and economic risks.

At Level 3, the student is able to

- create (in groups) examples of different business organizations and show advantages and disadvantages of each from an individual perspective;
- know that an interest rate is a price of money that is borrowed or saved and that the forces of supply and demand determine interest rates;
- know that the real interest rate is the nominal or current interest rate minus the expected rate of inflation;
- explain why riskier loans command higher interest rates than safer loans;
- describe why higher interest rates reduce business investment spending and consumer spending.

- *Chapter 2 explains how economic choice involves opportunity costs. The production possibilities curve is presented as a way of determining opportunity costs associated with specific economic choices. A graphic of the production possibilities curve is included to illustrate this concept and examples are given. Related articles and Web sites provide more examples.*
- *Chapter 4 discusses the role of the consumer in the economic system. Consumer rights and responsibilities are described and concepts like caveat emptor and conspicuous consumption are defined. The interaction between the consumer and business is explored and the way they influence each other is explained. Links are included to consumer protection Web sites maintained by the government and consumer watchdog groups.*
- *Chapter 5 describes the impact of inflation on individuals and the economy as a whole. A graphic is included that illustrates the personal aspects of inflation on a household budget. The use of the consumer price index to determine the level of inflation is explained and its accuracy is debated. Related articles and Web sites include statistics on the current inflation rate and the impact it has on individuals and the economy.*

- *Chapter 6 explores issues associated with personal budgets. The rights and responsibilities of borrowers are explained and terms, such as debt and bankruptcy, are defined. The concept of a personal budget is addressed and a graphic of a personal budget is included that can be downloaded and used as a worksheet to complete a personal budget. The impact of interest rates on individual borrowers and lenders is discussed. An activity for this chapter in the Educator's Guide involves students creating a personal budget to achieve a future goal.*
- *Chapter 7 describes the role of businesses in the economic system. Different types of business—sole proprietorships, partnerships and corporations—are identified. The costs and risks associated with increased production are explored and terms like diminishing utility and marginal cost are defined. The risks and rewards associated with investments are identified and an activity for this chapter in the Educator's Guide involves students investing an imaginary sum of money in the stock market and charting its progress over a specified period of time. Web links are included to stock and commodity exchanges around the world, including the New York Stock Exchange, the London Stock Exchange and the Tokyo Stock Exchange.*
- *Chapter 11 discusses the role of banking in the economy. Investment options, such as savings accounts and bonds, are identified. The impact of interest rates on lending and borrowing is explained. The way interest rates are determined and the impact of bad credit on individual interest rates are explained. The concept of redlining is defined. The role of the Federal Reserve System in maintaining stable interest rates is highlighted and Web links are included to all branches of the Federal Reserve for current information on interest rates.*
- *Chapter 15 differentiates between interest rates and real interest rates. The impact of technological change and investment capital on individual businesses and the economy as a whole is described. Key concepts and terms like multiplier effect and accelerator effect are defined. Related articles and Web sites provide specific examples.*
- *Chapter 19 explores the impact of unemployment on individuals and the economy as a whole. Key concepts and terms like discouraged workers and underemployed workers are defined. Related articles and Web sites present current statistics on national and state unemployment rates. An activity for this chapter in the Educator's Guide suggests students go to their local unemployment office and study the impact of unemployment on the local community.*

- 6.2 understand how socioeconomic status contributes to the development of sense of self. Identify values and standards associated economically on his/her lifestyle.
- At Level 1, the student is able to*
 - explain how values and beliefs influence goals and decisions in different cultures.
 - At Level 2, the student is able to*
 - analyze the values and standards of different culture groups from an individual perspective.

- *Chapter 3 explains how values and beliefs influence goals and decisions in different cultures. Different types of economic systems—traditional, command, market and mixed economies—that evolved from different cultures are identified. The traditional caste system of India is compared to the command systems of ancient Egypt and the former Soviet Union. Related articles and Web sites are included for more information and explore socioeconomic status from individual and societal perspectives.*
- *Chapter 18 describes the impact of socioeconomic status on the U.S. economy and culture. Key terms, such as working poor and middle class, are defined. Related articles and Web sites include current statistics on income distribution and class structure in the United States.*

6.3 understand the knowledge, skills, and attitudes necessary to function effectively in a technologically expanding global economy.

At Level 1, the student is able to

- o explain how countries are economically interdependent, and why this is important in the 21 century.

At Level 2, the student is able to

- o evaluate the business ethics of a given situation and defend that position.

At Level 3, the student is able to

- o appraise national income accounting concepts;
- o create web-quests on select international economic organizations.

- *Chapter 9 explores business ethics and the ramifications of poor business ethics on individuals and the society. The 2002 business scandals that forced Enron and WorldCom into bankruptcy are cited as examples. The response of the government is also presented. Related articles and Web sites include information on current business scandals and their impact on individuals and the economy.*
- *Chapter 11 identifies the skills necessary to function effectively in a technologically expanding global economy, in the context of labor trends. The transition from a goods-producing to service- and information-providing economy is explained and the impact on the labor market is explored. An activity for this chapter in the Educator's Guide suggests students research future career options and identify the necessary knowledge and skills required for that occupation.*
- *Chapter 14 discusses national income accounting concepts. The circular flow of money principle is explained and illustrated with graphics. Related articles and Web sites include current national income statistics.*
- *Chapter 23 explains how globalization has led to interdependent economies. The impact of changes in one country on other countries is examined. The U.S. decision in 1971 to abandon the gold standard and the 1997 Asian financial crisis are cited as examples. Related articles and Web sites present opposing views on the costs and benefits of globalization.*

- *Links to Web sites from every chapter can be used to create Web-quests. Web links are included to international economic organizations in Chapter 22 and Chapter 23. Web links are included to the North American Free Trade Agreement, the European Union, the World Trade Organization, the International Monetary Fund, the World Bank and many other international economic organizations.*