

ECONOMICS

High School Economics is a required course.

Students should be able to:

- Explain that the practice of economic decision making is an evaluation process that measures additional benefits versus additional costs
- Explain why the productive resources of land, labor, and capital are limited
- Apply the concept that people respond to positive and negative incentives to past and current economic decisions
- Illustrate how markets are created when voluntary exchanges occur between buyers and sellers
- Explain how efficient markets allocate goods, services, and the factors of production in a market-based economy
- Illustrate how competition among sellers lowers costs and prices
- Illustrate how an economically efficient market allocates goods and services to the buyers who are willing to pay for them
- Explain how business cycles, market conditions, government policies, and inequalities affect the living standards of individuals and other economic entities
- Explain how market power enables some market structures to affect their situations to varying degrees and to use this market power to increase prices and reduce output
- Explain that institutions in a market economy help individuals and groups accomplish their goals
- Illustrate how money and the consequent banking system facilitate trade, historically and currently
- Explain how real interest rates adjust savings with borrowing, thus affecting the allocation of scarce resources between present and future users
- Use a circular flow diagram to explain how changes in economic activity affect households and businesses
- Explain how the federal government regulates the American economy in order to provide economic security, full employment, and economic equity
- Explain how economic indicators are used to evaluate changes in economic activity
- Illustrate the relationships among business cycles and unemployment, growth, price levels, wage rates, and investment
- Explain how the Federal Reserve regulates the amount of cash that banks can acquire and retain and therefore helps to provide a foundation for economic stability
- Exemplify how government, in a market economy, provides for services that private markets fail to provide and thus the costs of government policies often exceed benefits
- Summarize how differing factor endowments—such as geography, the development of technology, and the abundance of labor—affect the goods and services in which a nation specializes
- explain how the United States specializes in the production of those goods and services in which it has a comparative advantage
- Explain how the rise of a global marketplace contributes to the well-being of all societies but the benefits derived from globalization are unequal
- Explain how a global marketplace influences domestic labor markets, wage rates, unemployment levels, and disparities in earning potentials
- Explain how individuals make personal economic decisions and how

current spending and acquisition of debt can impact future income

- explain that income for most people is determined by the market value of the productive resources they sell
- explain how wage rates for most workers depend upon the market value of what the workers produce for the marketplace

Activities

Have your child:

- Watch/listen to the nightly news on television with your child. Identify and talk about economics related topics.
- Subscribe to a local newspaper, online news service, or news magazine (*Time*, *Newsweek*, *U.S. News and World Report*) and review the daily or weekly news with your child. Identify any economics topics and relate them to topics being studied in your child's classes.
- Take your child shopping. Talk about why some items are on sale and others are not.
- Compare the wages of people in several different occupations. Discuss why the wages depend on the value of what the workers produce for the marketplace.
- Help your child develop a budget and talk about personal economic decision-making
- Drive around your community or city. Talk about how the factors of geography, technology, and the availability of a labor force helped determine what types of businesses are located in the area.
- Take your child to your local bank. Talk about the role of the bank as it relates to the economic activity in your community.
- Take your child to a city council meeting when budgets are being discussed. Talk about the role of government in promoting entrepreneurial activity.

Books

- Galbraith, John Kenneth. *The Affluent Society*
- Gladwell, Malcom. *Outliers: The Story of Success*
- Gladwell, Malcom. *The Tipping Point: How Little Things Can Make a Big Difference*
- Friedman, Thomas L. *The World is Flat: A Brief History of the Twenty-First Century*
- Levitt, Steven D. *Freakonomics: A Rogue Economist Explores the Hidden Side of Everything*
- Smith, Adam. *The Wealth of Nations*
- Sowell, Thomas. *Basic Economics: A Citizen's Guide to the Economy*
- Tapscott, Don and Anthony D. Williams. *Wikinomics*

Web Sites

- Economics Library – www.econlib.org
- Economics Resources – www.econedlink.org
- Economics Web Sites – www.spartacus.schoolnet.co.uk
- Federal Reserve – www.federalreserve.gov
- Financial News – www.thestreet.com
- Foundation for Teaching Economics – www.fte.org
- International Monetary Fund – www.imf.org
- The Economist – www.economist.com
- U.S. Department of Labor – www.bls.gov/eag
- Wall Street Journal – <http://online.wsj.com/home-page>