The following instructional plan is part of a GaDOE collection of Unit Frameworks, Performance Tasks, examples of Student Work, and Teacher Commentary for the Economics course.

Economics Unit 4 - “Government and the Economy: Superhero or Villain”

Elaborated Unit Focus
In this unit, students will demonstrate their knowledge of macroeconomic concepts as they assume the role of the President’s Council of Economic Advisors and develop a comprehensive national economic policy designed to combat current economic conditions. Incorporating the theme of Incentives, students will analyze how various tools of fiscal and monetary policy can be used to improve economic performance. Applying the theme of Interdependency, students will discuss the impact of fiscal and monetary policies, the trade-offs policy makers must consider, and how different policy options increase or reduce the national deficit/debt. Using the theme of Scarcity, the students discuss how a nation’s economic system and its prioritization of social economic goals will influence policy options as well as the type of and distribution methods for public goods and services.

Standards/Elements

SSEF4 The student will compare and contrast different economic systems and explain how they answer the three basic economic questions of what to produce, how to produce, and for whom to produce.
   a. Compare command, market, and mixed economic systems with regard to private ownership, profit motive, consumer sovereignty, competition, and government regulation.
   b. Evaluate how well each type of system answers the three economic questions and meets the broad social and economic goals of freedom, security, equity, growth, efficiency, and stability.

SSEF5 The student will describe the roles of government in a market economy.
   a. Explain why government provides public goods and services, redistributes income, protects property rights, and resolves market failures.
   b. Give examples of government regulation and deregulation and their effects on consumers and producers.

SSEMA1 The student will illustrate the means by which economic activity is measured.
   a. Explain that overall levels of income, employment, and prices are determined by the spending and production decisions of households, businesses, government, and net exports.
   b. Define Gross Domestic Product (GDP), economic growth, unemployment, Consumer Price Index (CPI), inflation, stagflation, and aggregate supply and aggregate demand.
   c. Explain how economic growth, inflation, and unemployment are calculated.
   d. Identify structural, cyclical, and frictional unemployment.
   e. Define the stages of the business cycle, as well as recession and depression.
   f. Describe the difference between the national debt and government deficits.

SSEMA2 The student will explain the role and functions of the Federal Reserve System.
   a. Describe the organization of the Federal Reserve System.
   b. Define monetary policy.
   c. Describe how the Federal Reserve uses the tools of monetary policy to promote price stability, full employment, and economic growth.

SSEMA3 The student will explain how the government uses fiscal policy to promote price stability, full employment, and economic growth.
   a. Define fiscal policy.
   b. Explain the government’s taxing and spending decisions.

SSEP3 The student will explain how changes in monetary and fiscal policy can have an impact on an individual’s spending and saving choices.
   a. Give examples of who benefits and who loses from inflation.
   b. Define progressive, regressive, and proportional taxes.
   c. Explain how an increase in sales tax affects different income groups.
**Enduring Understandings/Essential Questions**

<table>
<thead>
<tr>
<th>Interdependency: The student will understand that, because of interdependency, a decision made by one party has intended and unintended consequences on other parties.</th>
</tr>
</thead>
<tbody>
<tr>
<td>• How does monetary policy, through interest rates, contribute to price stability, employment and economic growth?</td>
</tr>
<tr>
<td>• How do fiscal policy decisions affect the nation’s economy?</td>
</tr>
<tr>
<td>• How are banks and financial institutions important to the economy?</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Scarcity: The student will understand that scarcity of all resources forces parties to make choices and that these choices always incur a cost.</th>
</tr>
</thead>
<tbody>
<tr>
<td>• How does a nation’s government choose which public goods and services to produce?</td>
</tr>
<tr>
<td>• What trade-offs are made when a nation chooses a market, mixed, or command economic system?</td>
</tr>
<tr>
<td>• How do the types of unemployment experienced by a nation reflect scarcity in the market for labor?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Incentives: The student will understand that parties respond predictably to positive and negative incentives.</th>
</tr>
</thead>
<tbody>
<tr>
<td>• How do changes in the government’s tax policies affect consumer spending and employment decisions?</td>
</tr>
<tr>
<td>• What impact do changes in interest rates have on consumer purchasing and saving behaviors?</td>
</tr>
<tr>
<td>• Why does the private sector lack incentives to produce certain types of goods and services? (free-rider problem)</td>
</tr>
</tbody>
</table>
*NOTE: The balanced assessment plan included in this unit is presented as a series of suggested activities. It is not expected that the teacher complete all assessments for a successful unit.

**Balanced Assessment Plan**

<table>
<thead>
<tr>
<th>Description of Assessment</th>
<th>Standard/Element</th>
<th>Type of Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Virtual Economics V.3 is a GPS-correlated CD-Rom published by the National Council on Economic Education. In Georgia, teachers may enroll in a training session through <a href="http://www.gece.org">www.gece.org</a> and receive this resource at no charge.)</td>
<td>SSEF4 a and b</td>
<td>Constructed response</td>
</tr>
<tr>
<td>Students create a children’s book using an economic system assigned by the teacher: market or command. The book should use simple language to illustrate the five main characteristic of the assigned economic system and how it would prioritize the six social economic goals: stability, efficiency, growth, equity, freedom, and security. For a market economy, this will include: the price system, voluntary exchange, private property rights, freedom of enterprise, and limited government involvement in the economy. For a command system, the government or central planner makes production decisions, sets prices, owns the productive resources, determines income distribution, and provides most goods and services for society. Additionally, the book should clearly evaluate how well the assigned system would answer the three economic questions: what will be produced?, how will it be produced?, and who will share in what is produced?.</td>
<td>SSEF4 a and b</td>
<td>*Constructed response</td>
</tr>
<tr>
<td>Focus: Economic Systems, Lesson 1 Broad Social Goals of the Economy) Students create their own utopian society by rating five broad social goals. They learn characteristics of command economies and market economies and make judgments about the goals that are most valued in each type of system. Finally, using data that measure various kinds of national economic performance, they evaluate the economic systems of different countries using the five social goals.</td>
<td>SSEF4 a and b</td>
<td>*Discussion and dialogue * Constructed response</td>
</tr>
<tr>
<td>Following appropriate copyright policies, students view a clip(s) of a film or television show that illustrates various roles of the government in a market economy. During the clips, students will cite examples of public goods and services, redistribution of income, protection of private property rights, resolution of market failures and of government regulation / deregulation. Some video clip examples include: <em>Erin Brockovitch</em>, <em>The Simpsons: Two Cars in Every Garage, Three Eyes on Every Fish</em>, etc. See graphic organizer below.</td>
<td>SSEF5 a and b</td>
<td>*Discussion and dialogue * Constructed response</td>
</tr>
</tbody>
</table>

Students examine and discuss visuals to identify an economic mystery regarding the failure of the Endangered Species Act. They are introduced to the concepts of market failure and government failure. Using the Guide to Economic Reasoning, they focus on positive and negative externalities in analyzing the Endangered Species Act as an example of government failure.

<table>
<thead>
<tr>
<th>SSEF5</th>
<th>a and b</th>
<th>* Discussion and dialogue * Constructed response</th>
</tr>
</thead>
</table>

V.3 Focus: High School Economics. Lesson 20: Aggregate Supply and Demand: The Sum of Their Parts, and More. After an introductory lecture and discussion, students participate in two activities. In the first, competing in quiz show formats, students identify different components of aggregate supply and demand and determine whether the immediate impact of that component is to increase the level of a nation’s aggregate supply or aggregate demand. In the second activity, individual students or small teams compete to identify the effects of various changes in the economy on the position of the aggregate supply curve or the aggregate demand curve.

<table>
<thead>
<tr>
<th>SSEMA1</th>
<th>a &amp; b</th>
<th>*Discussion and dialogue *Informal observation</th>
</tr>
</thead>
</table>

Using a free curriculum from the Federal Reserve Bank called *The Fed Today*, students view a video about the structure and function of the Federal Reserve Bank, learn about the tools of monetary policy, and participate in a simulation acting as a member of the Federal Open Market Committee. The simulation has four different economic situations that the students must try to solve using monetary policy and/or the Fed Funds Rate. See resources for Fed web site.

<table>
<thead>
<tr>
<th>SSEMA1</th>
<th>b</th>
<th>SSEMA2 b and c</th>
<th>*Constructed response *Informal observation *Dialogue and Discussion</th>
</tr>
</thead>
</table>

V.3 Focus: High School Economics. Lesson 19: Money, Interest, and Monetary Policy. Students participate in two simulations. In the first, they discover the effects of excessive money creation on product prices. In the second simulation, they learn how the Federal Reserve System uses different tools of monetary policy to adjust the amount of money in the economy. Then they learn how monetary policies affect the economy as a whole.

<table>
<thead>
<tr>
<th>SSEMA1</th>
<th>b</th>
<th>SSEMA2 b and c</th>
<th>*Constructed response *Informal observation *Dialogue and Discussion</th>
</tr>
</thead>
</table>

After defining the three types of unemployment, students will brainstorm a list of five examples of each category. Each group would then send a representative to the board to list their respective example under the appropriate category.

<table>
<thead>
<tr>
<th>SSEMA1</th>
<th>d</th>
<th>*Constructed response *Informal observation *Self-assessment</th>
</tr>
</thead>
</table>

*Georgia Department of Education*
*Kathy Cox, State Superintendent of Schools*
*ECONOMICS FRAMEWORK UNIT 4*
*Updated 9/17/2007 • Page 4 of 14*
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<p>| V.3 Advanced Placement Economics. Macroeconomics Unit 2: Lesson 4 – Unemployment Activity 16 | SSEMA1d | *Constructed response *Informal observation *Self-assessment |
| Business Cycle Super Heroes | SSEMA1e | *Constructed response |
| Students will research and debate the pros and cons of Federal deficits and debts. Students will complete their research via the internet or school media center being sure to share all data with the opposing side in the debate. | SSEMA1f | *discussion and dialogue *constructed response |
| V.3 Capstone: Exemplary Lessons for High School Economics. Unit 6: Lesson 36 – Should we Worry About the National Debt? Students discuss the size of the current national debt and what this means. A class discussion covers the causes of the debt, how it is financed, definitions of a budget deficit and budget surplus, and the difference between a budget deficit and a trade deficit. Students then participate in an activity presenting different perspectives on whether the national debt is a problem of major concern. | SSEMA1f | *discussion and dialogue *constructed response |
| Federal Reserve Bank of Atlanta pamphlet: Structure and Functions of the Federal Reserve System | SSEMA2a | *Constructed response |
| This appreciation guide takes students through the pamphlet emphasizing the various functions and structures of the Federal Reserve System (Pamphlet appreciation guide located in resources.) Also, see page 14. |  |  |
| In groups, students generate economic data on changes from year to year on GDP, unemployment and inflation using data presented on a handout. Groups then exchange the data and compute the changes using the formulas listed on the handout. See Economic Growth handout below on page 12. Also, for a similar activity see V.3 disk Advanced Placement Macroeconomics: Macroeconomics Unit 2: Lesson 2 – Macroeconomic Goals and GDP | SSEMA1c | *Constructed response * dialogue and discussion |
| Students will research the tax policy and spending agendas outlined on the party platforms for both the Democrats (<a href="http://www.democrats.org/pdfs/2004platform.pdf">http://www.democrats.org/pdfs/2004platform.pdf</a>) and Republicans (<a href="http://www.gop.com/media/2004platform.pdf">http://www.gop.com/media/2004platform.pdf</a>). | SSEMA3a and b | *Constructed response *Informal observation |</p>
<table>
<thead>
<tr>
<th>The students will use this information to create a cost benefit analysis of how each platform will affect price stability, full employment, and economic growth.</th>
<th>*Dialogue and discussion</th>
</tr>
</thead>
<tbody>
<tr>
<td>V.3 United States History: Eyes on the Economy – Through the 20th Century. Unit 7: Lesson 4 – The New Deal Using a “bathtub” model where the water line of the tub is representative of the economy at full employment, the teacher explains that government spending raises aggregate demand and that taxes lower aggregate demand. Working in groups, students complete one worksheet about New Deal policies and another about other forces affecting aggregate demand.</td>
<td>SSEMA3 a and b *Constructed response *Informal observation *Dialogue and discussion</td>
</tr>
<tr>
<td>Students will research the tax policy and spending agendas outlined on the party platforms for both the Democrats and Republicans. The students will use this information to create a cost benefit analysis of how each platform will affect price stability, full employment, and economic growth.</td>
<td>SSEMA3 a and b *Constructed response *Informal observation *Dialogue and discussion</td>
</tr>
<tr>
<td>Teacher can generate a list of examples where individuals are affected by inflation. The students will have to decide whether the individuals gain or lose after the unanticipated inflation. If the teacher is looking for a previously constructed activity check V.3 disk Advanced Placement Macroeconomics Unit 2: Lesson 3 – Price Indexes and Inflation: Activity 15.</td>
<td>SSEPF3 a *Constructed response *Dialogue and discussion</td>
</tr>
<tr>
<td>Teacher can ask for a student’s pay stub or generate one of her own. With this, the teacher can demonstrate a progressive tax (Federal Income Tax) and a proportional tax (F.I.C.A. Social Security and Medicare). Additionally, to demonstrate a regressive tax the teacher could ask who has been retail shopping lately. Then, selecting an identical item that two people of different incomes purchased compare how they are affected by the sales tax on the item.</td>
<td>SSEPF3 b and c *Informal observation *Discussion and Dialogue</td>
</tr>
</tbody>
</table>
Performance Task for Unit #4 “Government and the Economy: Superhero or Villain”

Enduring understanding:

- **Interdependency**: The student will understand that, because of interdependency, a decision made by one party has intended and unintended consequences on other parties.
- **Scarcity**: The student will understand that scarcity of all resources forces parties to make choices and that these choices always incur a cost. *(Economics)*
- **Incentives**: The student will understand that parties respond predictably to positive and negative incentives. *(Economics)*

Performance Task
(Note to teachers: An all inclusive, free teaching unit can be downloaded from the Buck Institute website found at [www.bie.org](http://www.bie.org). This unit, called *The President's Dilemma*, provides a similar task to the one described below. The Buck unit specifically gives economic statistics which connote a stagflationary situation.)

You are a member of the President’s Council of Economic Advisors. After a status report on the current economic indicators for the nation, the President believes the economy is headed for trouble. The President is concerned that certain key constituents will not vote for him/her if this trend continues. Your team must use historical data and current economic indicators to recommend a comprehensive economic policy. After the White House delivers the most recent economic report to your office, you and your team members are expected to research and consider both fiscal and monetary policy solutions. The report will include statistics for current GDP, the GDP growth rate, the unemployment rate, the consumer price index, and the inflation rate (teacher will hand out four different situational economic data cards). The President and several important contributors to the President’s reelection campaign will hear your recommendations at a meeting next week. The President’s agenda is quite full, so you must adhere to a ten minute time slot combined with two minutes for questions and answers. The presentation of your plan must include:

- An analysis of the current strengths and weaknesses in the economy as described by the indicators in the report.
- A definition of GDP, GDP growth, unemployment, consumer price index, and inflation.
- An explanation of how to calculate economic growth, inflation, and unemployment.
- A graphic display of the economy’s current position on the business cycle (for higher level analysis, consider using the AD/AS model).
- A review of the fiscal and monetary policy tools available.
- A policy recommending fiscal and/or monetary policy actions which will promote price stability, full employment, and economic growth given the current conditions.
- A prediction about the effect of the policy on the current federal budget and the national debt.

The individuals hearing your presentation will include representatives from organized labor, the U.S. Chamber of Commerce, and the American Association of Retired Persons. Each of these individuals have specific concerns about the current economic conditions and would like your plan to reflect their interests. Although you are not required to please everyone, the President expects you to thoughtfully address each point raised by the audience. During the question and answer period, consider supporting your recommendations by connecting your plan to one or more of the following:

- the broad social economic goals of the nation
- the characteristics of a market/mixed economy
- the effects of regulation/deregulation on business
- the connection between taxes, public goods/services, and income redistribution
- the effect of interest rates on saving and business investment
*Note concerning rubrics: Each performance task is accompanied by two rubrics. The first (with bolded borders) is designed to address content and understanding of the standards in terms of the enduring understandings. The second rubric focuses on the product of the performance task. This is where students are scored on items involving grammar, punctuation, spelling, creativity, presentation, etc. It is NOT intended that each rubric counts for 50% of the assessment. Teachers should weigh each section of the rubric according to the areas they wish to emphasize.

### Content Rubric for Unit # Task:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Scale 1 (Below Standard)</th>
<th>Scale 2 (Needs Improvement)</th>
<th>Scale 3 (Meets Standard)</th>
<th>Scale 4 (Exceeds Standard)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Describe the role positive and negative incentives play in the development of and results of fiscal and monetary policy.</strong></td>
<td>Identifies one benefit and one cost for one appropriate policy recommendation, gives at least one interested party OR explains at least one danger associated with rejecting the policy.</td>
<td>Identifies one benefit and one cost for one appropriate policy recommendation, gives at least one interested party AND explains at least one danger associated with rejecting the policy.</td>
<td>Correctly identifies at least one benefit and one cost associated with each appropriate policy recommendation proposed, acknowledges at least one well documented reason why each interested party (i.e. the president and citizens attending presentation) should support the proposal, AND at least two dangers of rejecting the policy.</td>
<td>In addition to everything in Scale 3, the proposal includes a complex mix of at least three complementary policy options AND articulates significant benefits to all interested parties.</td>
</tr>
<tr>
<td><strong>Explain the interdependent relationship between government fiscal policies, Fed monetary policies, changes in the business cycle, changes in economic indicators, and changes in the federal government deficit/debt.</strong></td>
<td>Correctly illustrates how the proposed changes in monetary and/or fiscal policies advocated by the Council will most likely affect at least one of the measures of economic performance outlined in level 3.</td>
<td>Correctly explains how the proposed changes in monetary and/or fiscal policies advocated by the Council will most likely affect at least two of the measures of economic performance outlined in level 3.</td>
<td>Correctly illustrates how the proposed changes in monetary and/or fiscal policies advocated by the Council will most likely affect at least two of the measures of economic performance, AND the federal deficit/national Debt.</td>
<td>In addition to everything in Scale 3, historical examples of a similar policy and its effect on the measures of economic performance in the U.S. economy during that time period.</td>
</tr>
<tr>
<td><strong>Analyze how the condition of scarcity influences: the way nations answer the basic economic questions and the priority placed on the social economic goals.</strong></td>
<td>Correctly connects the proposed policy to at least one of the areas listed in level 3.</td>
<td>Correctly connects the proposed policy to at least three of the areas listed in level 3.</td>
<td>Correctly connects the proposed policy to efficient allocation of scarce resources within a mixed economic system including how the policy reflects answers to the basic economic questions and the priority of the nation’s social economic goals.</td>
<td>In addition to everything in Scale 3, includes real life examples of similar policy choices and the way these reflected each of the areas outlined in level 3.</td>
</tr>
<tr>
<td><strong>Analyze how the condition of scarcity influences: the measurement of the economy and the approaches to dealing with unemployment in the economy.</strong></td>
<td>Correctly connects the proposed policy to at least one of the areas listed in level 3.</td>
<td>Correctly connects the proposed policy to at least three of the areas listed in level 3.</td>
<td>Correctly connects the proposed policy to efficient allocation of scarce resources within a mixed economic system including the trade-offs illustrated by various measures of economic performance and the way the policy addresses different types of unemployment within the economy.</td>
<td>In addition to everything in Scale 3, includes real life examples of similar policy choices and the way these reflected each of the areas outlined in level 3.</td>
</tr>
<tr>
<td>Criteria</td>
<td>Scale 1 (Below Expectations)</td>
<td>Scale 2 (Needs Improvement)</td>
<td>Scale 3 (Meets Expectations)</td>
<td>Scale 4 (Exceeds Expectations)</td>
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<td>------------------------------------------</td>
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<tr>
<td>Clarity of economic terminology</td>
<td>Presenters make no attempt to explain economics terms and concepts in a way that the audience members will understand.</td>
<td>Presenters regularly slip into pure economic language at the expense of the audience members’ understanding of the policy and its effects.</td>
<td>Presenters acknowledge that most audience members have limited knowledge of economic concepts without talking down to stakeholders and adequately explain key terms within the context of current economic conditions.</td>
<td>In addition to everything in 3, presenters consistently use language that explains the economics of the policy in lay terms.</td>
</tr>
<tr>
<td>Presentation Skills</td>
<td>Presenters lack two or more of the components outlined in level 3.</td>
<td>Presenters lack one of the components outlined in level 3.</td>
<td>Presenters are dressed in business attire. All group members speak clearly using appropriate professional language. All group members participate equally in the presentation. The presentation includes at least three quality visual aids.</td>
<td>In addition to everything in 3, a formal electronic presentation of the proposal outlining each of the required elements from the content rubric.</td>
</tr>
<tr>
<td>Q&amp;A Protocol</td>
<td>Presenters lack two or more of the components outlined in level 3.</td>
<td>Presenters lack one of the components outlined in level 3.</td>
<td>Multiple members of the group address questions posed by the audience, answers to questions are concise and address the question directly, responses for which the group has no credible reply should be tabled for follow-up, AND the group members should not engage in conflict with audience members.</td>
<td>In addition to everything in 3, group members go beyond the scope of their prepared presentation to formulate creative solutions to the problems raised by audience members.</td>
</tr>
</tbody>
</table>

Map and Globe Skills: 1, 3, 4, 5, 6, 8, 9, 11, 12, 14, 15, 16

Information Processing Skills: 1, 3, 4, 5, 6, 8, 9, 11, 12, 14, 15, 16
Resources for Unit

- "Federal Reserve Bank of Atlanta (www.frbatlanta.org) Federal Reserve Structure and Functions pamphlet is located in the publications link, under Books and Brochures"

- www.FederalReserveEducation.org
  - Day in the Life of the FOMC
  - Federal Reserve, Monetary Policy and the Economy

-Business Cycle Super Heroes directions attached below

-Economic growth data/formula sheet attached below

-V.3 Virtual Economics

*This unit was created by Mark DeCourcy and Sherilyn Narker with additional input from Dr. Bill Cranshaw, Chris Cannon, Marlo Mong, Sarah Brown and the Social Studies Advisory Council. It was updated 9/17/2007.
**Task:** To highlight key elements of the business cycle through creation of a metaphorical superhero and his/her nemesis.

- Look at the information below for a traditional superhero. You will create a profile for your business cycle superhero using the same format.
- The expansion/recovery phase of the business cycle is the basis for your superhero and the contraction/recession phase will be the basis for your nemesis.
- With your group members, list characteristics of and factors contributing to an economic expansion. Repeat the same process for a contraction. Some elements for consideration include performance of key economic indicators during the phase, monetary/fiscal policy decisions affecting the phase, and changes in the aggregate demand or aggregate supply components that coincide with the phase.
- Using the characteristics and factors from your list, you must develop a profile for your hero and nemesis that follows the one for the traditional hero described below. The elements in your profile must illustrate key concepts associated with the phases. You should be able to explain all profile elements within the context of the business cycle. Profiles should be clever, humorous, and content-based.
- After creating the profiles for your hero and nemesis, you will illustrate your superhero on a large piece of paper.
- The illustrated superhero should be labeled with words and/or short phrases (like an anatomy diagram).

**Sample Information for a Traditional Superhero:**

- **Name:** Superman
- **Powers:** Strength, Flight, X-ray vision, etc.
- **Weakness:** Kryptonite
- **Nemesis:** Lex Luther
- **Alias:** Clark Kent
- **Job:** Reporter
- **Family:** Adoptive parents
- **Hobbies:** Reading
- **Love Interest:** Lois Lane
- **Catchphrase:** "Up, up and away!"
- **Costume:** Blue tights, red cape
- **M.O.:** Changes in a phone booth
- **History:** Born on Krypton he was sent to Earth when his planet was destroyed. Our yellow sun is the source of his power.
Economic Growth, Inflation and Unemployment data and formula sheet

Commonly accepted norms or averages

Average long-run US economic growth is slightly over 3% yearly.

It is difficult to nail down an acceptable rate of inflation but generally speaking an inflation rate of between 1.5 and 2.5% would not feel threatening to policy makers.

The natural rate of unemployment (or full employment) is commonly accepted to be between 4 and 6%.

Formulas

Economic Growth (GDP): Gross domestic product is the total market value of all final goods and services produced domestically, within a given time. For the United States, this data is expressed in terms of dollars.

\[
\frac{\text{Year 2} - \text{Year 1}}{\text{Year 1}} \times 100 = \% 
\]

Inflation: These numbers are generally expressed as consumer price index numbers of a market basket of goods with a base year given an index number of 100. For instance, if 1990 is the base year and 1995 has an index number of 111 and 1996’s index number is 114, then using the formula listed below, the change in inflation will be 2.7%.

\[
\frac{\text{Change in CPI}}{\text{Beginning CPI}} \times 100 = \% 
\]

Unemployment: The unemployment rate is the percentage of civilian labor force that is not working and actively seeking employment. The civilian labor force includes the number of people employed and the number of people unemployed.

\[
\frac{\text{Number of unemployed}}{\text{Civilian labor force}} \times 100 = \% 
\]
### SSEF5 Government intervention in the market place graphic organizer

<table>
<thead>
<tr>
<th>Examples from videos</th>
<th>Hypothesize about the purpose of each government intervention and evaluate the effectiveness of each</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government provides public goods and services</td>
<td></td>
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<tr>
<td>Government redistributes income</td>
<td></td>
</tr>
<tr>
<td>Government protects private property rights</td>
<td></td>
</tr>
<tr>
<td>Government resolves market failures</td>
<td></td>
</tr>
<tr>
<td>Government regulates / deregulates</td>
<td></td>
</tr>
</tbody>
</table>
Dollars and Cents: Fundamental Facts about U.S. Money name__________________

Yes, the questions do go in order.
1) More than 99% of the total dollar amount of paper money in circulation in the U.S. is made up of ________
   ________ .
2) The largest denomination bill still printed and issued is the ________.
3) The most important form of collateral for the Federal Reserve Notes is ________.
4) The Federal Reserve issues its notes through ________.
5) Where is currency produced?
6) How could one tell which Federal Reserve issues a note?
7) A second printing facility was opened in __________, ________ in 1991.
8) List a few security features of U.S. currency to help deter counterfeitters.
9) The phrase “In God We Trust” was mandated on all currency and coin in ________.
10) Describe the symbolism of The Great Seal of the United States. In particular, check the face of the seal.
11) Define the following Latin terms:
   a. E. Pluribus Unum
   b. Annuit Coeptis
   c. Novus Ordo Seclorum

12) When and how did the dollar become the standard US monetary unit?
13) The total elimination of silver from the half-dollar coin first occurred in ________.
14) When was silver eliminated from dimes and quarters?
15) What are the various metals used to manufacture pennies, nickels, dimes and quarters?
16) The US Mint became an operating bureau of the ________ in ________.
17) How many different US mints exist? Where are they located? What role does each serve?
18) Commemorative coins and new designs of coins must be prescribed by ________.
19) Profits from the sale of commemorative coins must be used to …..?
20) Briefly describe the 50 States Quarter Act of 1997.
21) The 2004 and 2005 nickels depict images of commemorating…..?

22) How much cash was in circulation as of June 30, 2000?
23) How is money circulated?

24) What is the average lifespan of a $1, $5, $10, $20, $50 and $100? What generalization can be made regarding
   their lifespans?
25) How are old or torn bills taken out of circulation?
26) What are the penalties for those convicted of counterfeiting?