

LESSON SEVENTEEN

Core Learning Goal: 4

The student will demonstrate an understanding of the historical development and current status of economic principles, institutions, and processes needed to be effective citizens, consumers, and workers.

Expectation: 1

The student will demonstrate an understanding of economic principles, institutions, and processes required to formulate government policy.

Indicator 4.1.2

The student will utilize the principles of economic cost and benefits and opportunity cost to analyze the effectiveness of government policy in achieving socio-economic goals.

Assessment Limits:

? *Competing socio-economic goals such as equity, security, productivity, national defense, environmental protection, and educational quality that cause governments to make choices about how to allocate resources.*

Overview:

In this lesson students examine socio-economic goals and examples of government actions. They also consider the importance of competing goals.

Lesson Objectives:

Students will analyze evidence of society's socio-economic goals.
Students will prioritize goals and identify the opportunity costs of limited government funding.

Materials:

Teacher Resource: ***Economic Goals of the United States***

Overhead Transparency: ***EVIDENCE – Inflation***

Student Handouts:

EVIDENCE - Minimum Wage

EVIDENCE - Unemployment Compensation

EVIDENCE - Welfare to Work

EVIDENCE - Henry Ford's Assembly Line

EVIDENCE - Superfund

EVIDENCE - Empowerment Zones

Procedures:

1. Ask students to brainstorm some socio-economic goals of the government and society. List their responses on the chalkboard, and have students copy this list. See the **Teacher Resource** sheet for sample responses.
2. Model how students should evaluate evidence about economic goals. Show a transparency of **EVIDENCE – Inflation**. Explain that this description can be used as evidence to tell us something about society's goals. In order to analyze this evidence, have students briefly summarize what they read about inflation. Ask the class if the evidence supports any goals on their “Socio-economic Goals” list. Add price stability if necessary.
3. Inform students that they will work in small groups to examine other evidence of socio-economic goals. Explain that each group will be given a written description of an event or government action. The groups will:
 - Describe how the event/action relates to a socio-economic goal.
 - Decide how important that goal is to society.Ask students if they have any questions before dividing them into groups.
4. Distribute one **Evidence** handout to each group. Give the groups about 10 minutes to read their evidence. Call on each group to describe their evidence and explain how it relates to a socio-economic goal. Add to the “Socio-economic Goals” list if necessary as each group reports.
5. Have students rank the revised goals in order of importance. Ask:
 - Why does the government have to prioritize these goals?
 - How does the government decide which goals to fund?Lead the discussion into the government’s budgetary process.

Assessment of Indicator:

Have students answer this Brief Constructed Response item:

- ? What are the opportunity costs of funding only your #1 goal?
- ? Explain how the benefits of your choice outweigh the opportunity costs.
- ? Include examples and details to support your answer.

Use the Social Studies Rubric to score student responses.

This lesson was adapted from a Montgomery County social studies unit.

Socio-economic Goals of the Government

Students should identify these goals from the evidence:

Equity
Increased productivity
Price stability
Environmental protection
Decreased poverty

Students may identify other goals like these during brainstorming:

full employment
improved education
universal healthcare
new technologies
higher standard of living
increased home ownership
economic growth
public safety
national security

EVIDENCE 1 - Minimum Wage

In response to concerns about the exploitation of workers, Congress passed the Fair Labor Standards Act of 1938. The Act established a minimum wage of \$0.25 per hour, maximum work hours for certain laborers, and banned the use of child labor in interstate commerce.

Since 1938, the minimum wage has increased, but not always as much as inflation. As of September 1, 1999 the minimum wage stood at \$5.15 per hour. Though the minimum wage still provides a floor for wages, many have argued that it is not high enough to ensure a basic standard of living for those who earn it. Many Democrats in Congress have advocated raising the minimum wage to ensure that it provides an adequate standard of living, but many Republicans argue that the minimum wage interferes with the rights of employers and employees to negotiate wages.

1) Summarize your evidence for the class and explain how it indicates a socio-economic goal for society.

2) How important is this goal to society? Explain.

EVIDENCE 6 - Empowerment Zones

Government grants and tax credits given to designated communities.

The Empowerment Zones and Enterprise Communities (EZ/EC) is a Presidential initiative designed to give communities real opportunities for growth and revitalization. Its mission is to create self-sustaining, long-term economic development in areas of pervasive poverty, unemployment, and general distress, and to demonstrate how distressed communities can achieve self-sufficiency through innovative and comprehensive. Strategic plans are developed and implemented by alliances among private, public, and nonprofit entities. The rural portion of the program is administered through the Office of Community Development, part of USDA's Rural Development mission area.

The framework of the EZ/EC program is embodied in four key principles:

1. Economic Opportunity, including job creation within the community and throughout the region, entrepreneurial initiatives, small business expansion, and training for jobs that offer upward mobility
2. Sustainable Community Development, to advance the creation of livable and vibrant communities through comprehensive approaches that coordinate economic, physical, environmental, community, and human development
3. Community-Based Partnerships, involving participation of all segments of the community, including the political and governmental leadership, community groups, health and social service groups, environmental groups, religious organizations, the private and non-profit sectors, centers of learning, other community institutions, and individual citizens
4. Strategic Vision for Change, which identifies what the community will become and a strategic map for revitalization.

1) Summarize your evidence for the class and explain how it indicates a socio-economic goal for society.

2) How important is this goal to society? Explain.

EVIDENCE – Inflation

In the mid-1970's the price of energy began to increase rapidly due in large part to an oil embargo against the United States by OPEC (Organization of Petroleum Exporting Countries). This rise in energy prices caused prices to rise generally throughout the economy. It has been estimated that from 1967 to the end of 1978, the cost of living doubled. During this time the economy was experiencing inflation, or a sustained increase in the general level of prices. Prices were rising faster than many people's incomes, so many saw the value of their wages decreasing. This was especially true for people on fixed incomes. The problem was so serious that the President used government-mandated wage and price controls on the economy in 1971. These controls worked to halt price increases, but ultimately did not fix the root problem of rising prices. Recently, the inflation rate has been much more moderate, hovering around 0.2% for 1998.