Economics and Personal Finance
Curriculum Guide

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Center for Economic Education

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This guide provides the teacher with the curriculum that is necessary for the required instruction for the course of study. It outlines the content and skills to be taught.

The Virginia Standards of Learning for Economics and Personal Finance have been incorporated into each unit of the guide. The Virginia Department of Education has posted a detailed curricular framework that includes objectives, essential understandings, questions, content and skills; this framework is available on the VDOE website and on the APS Social Studies Online Blackboard site.

The course description gives an overview of the content. The theme for the course of study suggests a universal idea that transcends people, time, and place and brings coherence to varied key concepts in the course of study. Units of study are ways in which the content has been organized.

Enduring understandings are broad generalizations that are related to unit content but applicable to new situations beyond this content. Conceptual Unit questions engage students in uncovering important ideas at the heart of the unit. Preview activities are preliminary exercises that set the stage for learning new content and assessing prior knowledge.

Lists of key terms and people highlight important vocabulary.

Sample lessons provide examples of a ways to instruct segments of the unit.

An alignment chart cross-references textbook chapters to unit content.

Approximate timeframes for completion of units are suggested in the pacing guide.

Suggested teacher resources are available on the VODE website, Virginia Council for Economic Education (vcee.org) website and varied other sites emphasizing this content.

This guide can be accessed on the Arlington Public Schools website at www.apsva.us, under the Instruction link.
# Economics and Personal Finance

**COURSE DESCRIPTION:** This course of study for students in grades 10-12 explores the general scope of economics and personal finance. Students will explore the American enterprise system including such concepts as supply and demand, labor and industry, government fiscal policies, finance and investment, the role of the consumer, global trade, and budgeting. Students will learn the impact of people’s choices on American and global economies.

**THEME:** The organizing theme for this course is **CHOICE**

**KEY CONCEPTS:** Students will learn that

- people make choices in every facet of life
- people’s choices involve cost
- people respond to incentives in predictable ways
- people create economic systems which influence individual choices and incentives
- people gain when they trade voluntarily
- people’s choices have consequences which impact global economies
- people’s choices have consequences which lie in the future

**UNITS and UNIT SECTIONS:** These concepts are taught through thirteen units of study. These are:

I. **I Choose and Pay the Cost**
   - basic economic principles
   - opportunity cost
   - producers and consumers
   - sole proprietorship, partnership, corporation, franchise and cooperative
   - credit, debt, loans

II. **My Choices have Consequences that Lie in the Future; I can Manage my Risks**
   - unintended consequences
   - conspicuous consumption
   - financial planning
   - economic decision-making
   - banking
   - risk management: insurance
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III. I am a Valuable Human Resource: I can Take a Job or Make a Job
- production
- human capital
- income factors
- production costs
- entrepreneurs

IV. I Choose to be a Consumer
- market, command, traditional, and mixed economies
- Adam Smith
- regulation
- contracts, financial records, identity, consumer rights and responsibilities
- incentives

V. I Choose to Participate in the Market
- circular flow
- consumer sovereignty
- prices and spending
- investment and savings

VI. Businesses Make Choices, too
- costs and benefits of business organizations
- financial institutions
- impact of cost and revenue on profit and supply
- impact of productivity on production and standard of living
- living and leisure; discretionary spending

VII. Business Respond to the Incentive of Profit and so should I
- improved productivity
- completion
- monopolies/collusion
- comparison shopping
### VIII. Supply and I Demand
- pricing
- advertising and marketing
- equilibrium price
- elasticity of supply and demand
- wages and prices
- price ceilings and floors
- renting vs. purchasing

### IX. Our Government Makes Economic Choices
- impact of monetary and fiscal policy
- nation’s economic goals
- GDP, CPI
- unemployment and inflation
- business cycle
- influence of historical events on banking
- factors for economic growth

### X. We Choose to Use Money
- role of money
- financial markets and institutions
- Federal Reserve system

### XI. I am Part of the National Economy
- government revenue
- taxes
- balanced budget, deficit, national debt
- financial planning
- benefits to society
- Social Security system
- retirement plans
- property rights
- contract enforcement
XII. My Taxes Help All Americans
- wealth redistribution
- consequences of government actions
- government provided goods and services

XIII. I am Part of the Global Economy
- voluntary trade
- absolute and comparative advantage
- trade deficit and surplus
- exchange rates
- trade barriers
- international trade agreements
- WTO
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## UNIT I: I Choose and Pay the Cost

| STANDARDS OF LEARNING: This unit will address the following objectives. |
| STANDARD EPF.1a |
| The student will demonstrate knowledge of basic economics concepts and structures by describing how consumers, businesses, and government decision-makers face **scarcity of resources** and must make **trade-offs** and incur **opportunity costs**. |
| STANDARD EPF.2d |
| The student will demonstrate knowledge of the role of producers and consumers in a market economy by comparing the costs and benefits of different **forms of business organization**, including sole proprietorship, partnership, corporation, franchise, and cooperative. |
| STANDARD EPF.13 |
| The student will demonstrate knowledge of credit and loan functions by: |
|   a) analyzing **credit card features** and their impact on personal financial planning; |
|   b) identifying **qualifications needed to obtain credit**; |
|   c) identifying **basic provisions of credit and loan laws**; |
|   d) comparing **terms and conditions of various sources of consumer credit**; |
|   e) identifying strategies for **effective debt management**, including sources of assistance; |
|   f) explaining the **need for a good credit rating**; |
|   g) comparing the costs and conditions of secured and unsecured loans; and |
|   h) comparing the types of **voluntary and involuntary bankruptcy** and the implications of each. |

### ENDURING UNDERSTANDING:

Resources are scarce and wants are infinite; therefore, people must choose how to use and distribute these scarce resources. Each choice involves a cost; this opportunity cost is the value of the second choice.

### CONCEPTUAL UNIT QUESTION:

Identify a choice you have made. What were your alternatives? What was your choice? What was your opportunity cost?

### PREVIEW ACTIVITY:

Offer students 5 different snacks, books, or activities. Guide them in a discussion comparing the alternatives and in making a choice. Be sure to ask students to identify their opportunity cost.
SUMMARY OF KEY TERMS/PEOPLE: The following list of terms reflects some of the important vocabulary and individuals students should know to successfully understand course content.

* indicates words not included in text and/or would need supplemental materials/additional discussion

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<tr>
<td>scarcity</td>
<td>credit score</td>
<td>sole proprietorship</td>
<td>partnership</td>
<td>corporation (private/public)</td>
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<tr>
<td>resources</td>
<td>debt</td>
<td>franchise</td>
<td>cooperative</td>
<td>bankruptcy</td>
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<tr>
<td>trade-offs</td>
<td>debt management</td>
<td>opportunity cost</td>
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</tbody>
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SUGGESTED LESSONS:

http://www.fte.org/teacher-resources/lesson-plans/rslessons/the-economic-way-of-thinking/

“The Economic Way of Thinking”, Foundation for Teaching Economics

“Choosing Sides: Which Driver Would You Insure?”, Lesson 4, Risky Business: What Every Teenage Needs to Know About Living Smart, Virtual Economics

“Why Insurance and How Does it Work?”, Lesson 1, National Council on Economic Education, Virtual Economics
UNIT II: My Choices have Consequences that Lie in My Future; I can Manage My Risks

STANDARDS OF LEARNING: This unit will address the following objectives.

STANDARD EPF.1b
The student will demonstrate knowledge of basic economics concepts and structures by explaining that choices often have long-run unintended consequences.

STANDARD EPF.10d
The student will develop consumer skills by determining the consequences of conspicuous consumption.

STANDARD EPF.17a/b
The student will demonstrate knowledge of personal financial planning by:
   a) identifying short-term and long-term personal financial goals;
   b) identifying anticipated and unanticipated income and expenses;

STANDARD EPF.1c
The student will demonstrate knowledge of basic economics concepts and structures by describing how effective decision-making requires comparing the additional costs (marginal costs) and additional benefits (marginal benefits).

STANDARD EPF.10c/f
The student will develop consumer skills by:
   c) describing the steps in making a purchase decision, including the roles of marginal benefit and marginal cost;
   f) demonstrating comparison-shopping skills.

STANDARD EPF.11
The student will demonstrate knowledge of planning for living and leisure expenses by:
   a) comparing the costs and benefits of purchasing vs. leasing a vehicle;
   b) comparing the advantages and disadvantages of renting vs. purchasing a home
   c) describing the process of renting housing;
   d) describing the process of purchasing a home;
   e) calculating the cost of utilities, services, maintenance, and other housing expenses;

STANDARD EPF.12g
The student will demonstrate knowledge of banking transactions by comparing costs and benefits of online and traditional banking.

STANDARD EPF.13
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The student will demonstrate knowledge of the role of insurance in risk management by
a) evaluating insurance as a risk management strategy;
b) distinguishing among the types, costs, and benefits of insurance coverage, including automobile, life, property, health, and professional liability; and
c) explaining the roles of insurance in financial planning.

ENDURING UNDERSTANDING:
While the future is never certain, we can anticipate the consequences of our choices. Risk can be shared and managed through insurance.

CONCEPTUAL UNIT QUESTION:
Describe a situation in which you have been at risk. How did you lessen or manage the risk?

PREVIEW ACTIVITY:
Using stories from history or current events, examine the choices made by people. Ask students to predict the consequences. Guide students to an understanding that all choices have consequences—good and bad.

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<table>
<thead>
<tr>
<th>choice</th>
<th>banking</th>
<th>unbanked</th>
<th>banks</th>
<th>comparison-shopping</th>
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</thead>
<tbody>
<tr>
<td>income</td>
<td>risk management</td>
<td>marginal costs/benefits</td>
<td>expenses</td>
<td>insurance</td>
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<tr>
<td>financial planning</td>
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SUGGESTED LESSONS:
“Utility”, EconEdWeb, Council for Economic Education

Credit: Your Best Friend or Your Worst Enemy?”, Lesson 14, Learning, Earning, and Investing, on Virtual Economics

“The Millionaire Game,” Lesson 1, Financial Fitness for Life: Grades 9-12, on Virtual Economics
UNIT III: I am a Valuable Human Resource; I can Take a Job or Make a Job

STANDARDS OF LEARNING: This unit will address the following objectives.

STANDARD EPF.1d
The student will demonstrate knowledge of basic economics concepts and structures by identifying factors of production.

STANDARD EPF.4a
The student will demonstrate knowledge that many factors affect income by examining the market value of a worker’s skills and knowledge.

STANDARD EPF.15
The student will demonstrate knowledge of income earning and reporting by:
   a) examining how personal choices about education, training, skill development, and careers impact earnings;
   b) differentiating among sources of income;
   c) calculating net pay;
   d) investigating employee benefits and incentives; and
   e) completing a standard W-4 form.

STANDARD EPF.4b
The student will demonstrate knowledge that many factors affect income by identifying the impact of human capital on production costs.

STANDARD EPF.4c
The student will demonstrate knowledge that many factors affect income by explaining the relationship between a person’s own human capital and the resulting income potential.

STANDARD EPF.2c
The student will demonstrate knowledge of the role of producers and consumers in a market economy by identifying the role of entrepreneurs.

STANDARD EPF.4d
The student will demonstrate knowledge that many factors affect income by describing how changes in supply and demand for goods and services affect income.

ENDURING UNDERSTANDING:
All workers are human resources who can increase their value through investment in themselves. As a human resource, people can sell their skills and abilities in the resource market to businesses, or they can market themselves and their abilities as entrepreneurs.
CONCEPTUAL UNIT QUESTION:
What might you be doing for work in ten years? How would you prepare for this job? What do you need to learn to do?

PREVIEW ACTIVITY:
Ask students to decide what work they might like to do when they are 10 years older. Ask them to investigate the educational requirements for the job and the starting salary.

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<table>
<thead>
<tr>
<th>Terms</th>
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<td>value</td>
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<tr>
<td>entrepreneurship</td>
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<td>incentives</td>
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<td>production</td>
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<td>productivity/efficiency</td>
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<tr>
<td>human resources/capital</td>
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<td>employee benefits</td>
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<tr>
<td>income potential</td>
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<tr>
<td>investment in resources</td>
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<tr>
<td>supply/demand</td>
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*S indicates words not included in text and/or would need supplemental materials/additional discussion

SUGGESTED LESSONS:
http://www.teachingeconomics.org/content/index.php?topic=tenchairs

“The Ten Chairs”, TeachingEconomics

### UNIT IV: I Choose to be a Consumer

**STANDARDS OF LEARNING:** This unit will address the following objectives.

**STANDARD EPF.1e**  
The student will demonstrate knowledge of basic economics concepts and structures by comparing the characteristics of market, command, traditional, and mixed economies.

**STANDARD EPF.1f**  
The student will demonstrate knowledge of basic economics concepts and structures by identifying Adam Smith and describing the characteristics of a market economy.

**STANDARD EPF.8c**  
The student will demonstrate knowledge of the role of government in a market economy by providing examples of government regulation of the market.

**STANDARD EPF.10e/g/j/k**  
The student will develop consumer skills by:
- e) describing common types of contracts and the implications of each.
- g) maintaining a filing system for personal financial records;
- j) explaining consumer rights, responsibilities, remedies, and the importance of consumer vigilance
- k) examining precautions for protecting identity and other personal information.

**STANDARD EPF.2a**  
The student will demonstrate knowledge of the role of producers and consumers in a market economy by describing how consumers, producers, workers, savers, investors, and citizens respond to incentives.

**ENDURING UNDERSTANDING:**  
In a market economy, consumers have the right and responsibility to choose for themselves what to consume.

**CONCEPTUAL UNIT QUESTION:**  
How do you prioritize your purchases and expenditures? What do you feel you cannot do without?

**PREVIEW ACTIVITY:**  
Ask students to name their favorite brand of: jeans, shoes, cheese, and hamburgers. Explain that we are consumers when we engage in trade. As consumers, students have choices; the availability of substitutes benefits consumers by giving them more alternatives from which to choose.
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<table>
<thead>
<tr>
<th>markets</th>
<th>investors</th>
<th>Adam Smith</th>
<th>government regulation</th>
<th>contracts</th>
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</thead>
<tbody>
<tr>
<td>economic systems</td>
<td>incentives</td>
<td>consumer rights and responsibilities</td>
<td>consumer vigilance</td>
<td>consumers/ producers</td>
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<tr>
<td>savers</td>
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SUGGESTED LESSONS:

“You Can Bank on It: The Basics of Banking”, Federal Reserve Bank Atlanta

“Entrepreneurship Case Study: Adam Smith,” Unit 5, Lesson 4, United States History: Eyes on the Economy, on Virtual Economics

“Why Did Communism Collapse?” Unit 2, Lesson 6, Capstone: Exemplary Lessons for High School Economics
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### UNIT V: I Choose to Participate in the Market

**STANDARDS OF LEARNING:** This unit will address the following objectives.

**STANDARD EPF.2j**
The student will demonstrate knowledge of the role of producers and consumers in a market economy by illustrating the circular flow of economic activity.

**STANDARD EPF.2b**
The student will demonstrate knowledge of the role of producers and consumers in a market economy by explaining how businesses respond to consumer sovereignty.

**STANDARD EPF.10a**
The student will develop consumer skills by examining basic economic concepts and their relation to product prices and consumer spending.

**STANDARD EPF.18**
The student will demonstrate knowledge of investment and savings planning by
   a) comparing the impact of simple interest vs. compound interest on savings;
   b) comparing and contrasting investment and savings options;
   c) explaining costs and income sources for investments;
   d) examining the fundamental workings of Social Security and the system’s effects on retirement planning;
   e) contrasting alternative retirement plans; and describing how the stock market works.

**ENDURING UNDERSTANDING:**
People participate in the market, as both producers and consumers.

**CONCEPTUAL UNIT QUESTION:**
Have you done any work in the past week—even work for which you were not paid? Describe the work you did? Did you produce a good or a service? What was your incentive to work? What incentive motivates most people to work?

**PREVIEW ACTIVITY:**
Draw a circular flow chart diagram for then class. Place student workers/producers and student consumers in the flow.
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<table>
<thead>
<tr>
<th>Term</th>
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<tbody>
<tr>
<td>circular flow of economic activity</td>
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<td>interdependence</td>
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<td>markets</td>
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<td>savings</td>
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<td>investment</td>
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<td>price ceilings/price floors</td>
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<td>price</td>
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<td>consumer sovereignty</td>
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SUGGESTED LESSONS:


“TO BUY OR NOT TO BUY”, ECONEDLINK, COUNCIL FOR ECONOMIC EDUCATION

“Circular Flow(s),” Lesson 16, Focus: High School Economics, on Virtual Economics

“Price Controls—Too High or Too Low,” Lesson 6, Focus: High School Economics, on Virtual Economics
## Economics and Personal Finance

### UNIT VI: Businesses Make Choices, too

<table>
<thead>
<tr>
<th>STANDARDS OF LEARNING: This unit will address the following objectives.</th>
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</table>
| **STANDARD EPF.2d**  
The student will demonstrate knowledge of the role of producers and consumers in a market economy by comparing the costs and benefits of different forms of business organization, including sole proprietorship, partnership, corporation, franchise, and cooperative. |
| **STANDARD EPF.12a**  
The student will demonstrate knowledge of banking transactions by: **comparing the types of financial institutions**. |
| **STANDARD EPF.2e**  
The student will demonstrate knowledge of the role of producers and consumers in a market economy by describing **how costs and revenues affect profit and supply**. |
| **STANDARD EPF.2f**  
The student will demonstrate knowledge of the role of producers and consumers in a market economy by describing **how increased productivity affects costs of production and standard of living**. |
| **STANDARD EPF.11f**  
The student will demonstrate knowledge of planning for living and leisure expenses by **evaluating discretionary spending decisions**. |

### ENDURING UNDERSTANDING:

Businesses, responding to the incentive of profit, choose how to organize and how to finance their operations. By increasing productivity, businesses reduce costs of production and increase profits. Consumers benefit through reduced costs and increased standard of living.

### CONCEPTUAL UNIT QUESTION:

How does the propensity of business to strive for efficiency benefit the consumer as well as the business?
PREVIEW ACTIVITY:
Ask students to cut as many 3” hearts as they can out of a single piece of paper. Determine who cut out the most hearts. Ask students how careful they might be if they had to pay a dollar for a sheet of paper. Explain to students that they are attempting to be efficient and so do businesses. Efficiency means making the most goods and services possible from the available resources.

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| Profit       | Discretionary Spending | Standard of Living | Financial Institutions | Supply |

SUGGESTED LESSONS:
“THE AMERICAN STANDARD OF LIVING - FOR BETTER OR FOR WORSE”, ECONEDLINK, COUNCIL FOR ECONOMIC EDUCATION

http://www.woodrowwilson.org/education/for-teachers/123-the-federal-reserve-whose-idea-was-it-anyway
### UNIT VII: Businesses Respond to the Incentive of Profit and so should I

#### STANDARDS OF LEARNING:

This unit will address the following objectives.

**STANDARD EPF.2g**
The student will demonstrate knowledge of the role of producers and consumers in a market economy by examining how investment in human capital, capital goods, and technology can improve productivity.

**STANDARD EPF.2h**
The student will demonstrate knowledge of the role of producers and consumers in a market economy by describing the effects of competition on producers, sellers, and consumers.

**STANDARD EPF.2i**
The student will demonstrate knowledge of the role of producers and consumers in a market economy by explaining why monopolies or collusion among sellers reduces competition and raises prices.

**STANDARD EPF.10f**
The student will develop consumer skills by demonstrating comparison-shopping skills.

#### ENDURING UNDERSTANDING:

When making choices, people choose that which benefits them the most. For producers, profit is the incentive offered to them to produce. For investors, increasing wealth is the incentive. For workers, investment in themselves through training and education increases their value in the marketplace.

#### CONCEPTUAL UNIT QUESTION:

How can you increase your value as a human resource?

#### PREVIEW ACTIVITY:

Use answers to Unit 3 C.U.Q.—ask students to compare their future job titles to how much education or training is required for that job.

#### SUMMARY OF KEY TERMS/PEOPLE:

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### Economics and Personal Finance

<table>
<thead>
<tr>
<th>Investment in resources</th>
<th>productivity</th>
<th>competition in the market</th>
<th>prices</th>
</tr>
</thead>
</table>

**SUGGESTED LESSONS:**

“Productivity,” Financial Fitness for Life: Grades 6-8”, Theme 2, Lesson 6, Council on Economic Education, available on Virtual Economics
**Economics and Personal Finance**

**UNIT VIII: I Supply and I Demand**

<table>
<thead>
<tr>
<th>STANDARDS OF LEARNING:</th>
<th>This unit will address the following objectives.</th>
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<tbody>
<tr>
<td>STANDARD EPF.3a</td>
<td>The student will demonstrate knowledge of the price system by examining the laws of supply and demand and the determinants of each.</td>
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<tr>
<td>STANDARD EPF.10h</td>
<td>The student will develop consumer skills by examining the impact of advertising and marketing on consumer demand and decision making in the global marketplace.</td>
</tr>
<tr>
<td>STANDARD EPF.3b</td>
<td>The student will demonstrate knowledge of the price system by explaining how the interaction of supply and demand determines equilibrium price.</td>
</tr>
<tr>
<td>STANDARD EPF.3c</td>
<td>The student will demonstrate knowledge of the price system by describing the elasticity of supply and demand.</td>
</tr>
<tr>
<td>STANDARD EPF.10b</td>
<td>The student will develop consumer skills by examining the effect of supply and demand on wages and prices.</td>
</tr>
<tr>
<td>STANDARD EPF.3d</td>
<td>The student will demonstrate knowledge of the price system by examining the purposes and implications of price ceilings and price floors.</td>
</tr>
<tr>
<td>STANDARD EPF.11b</td>
<td>The student will demonstrate knowledge of planning for living and leisure expenses by comparing the advantages and disadvantages of renting vs. purchasing a home.</td>
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</tbody>
</table>

**ENDURING UNDERSTANDING:** Each person participates in the economy as both a consumer who demands goods and services and a producer who offers goods and/or services for sale in the market.

**CONCEPTUAL UNIT QUESTION:** How do your activities in the market fit into the greater Circular Flow of Economic Activity, and how does this movement of money in the economy impact you?
PREVIEW ACTIVITY:
Ask students to make a list of all the goods and services they have bought in the last month and where they acquired these items. Use their answers to draw a circular flow chart of your global community. Extend the discussion by asking students to tell why they bought each item at that particular market. Explain that specialization allows producers to be more efficient and profitable. Each possible shop where the item can be purchased is a substitute for any other. This competition is good for consumers. Ask students how they benefit from plentiful substitutes and market competition.

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<table>
<thead>
<tr>
<th>Term</th>
<th>Meaning</th>
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<tbody>
<tr>
<td>supply and demand</td>
<td>The process of matching the quantity of a good or service supplied with the quantity demanded.</td>
</tr>
<tr>
<td>advertising</td>
<td>The act of promoting goods and services, often by paid announcements in media.</td>
</tr>
<tr>
<td>globalization</td>
<td>The process of interacting with people from other countries.</td>
</tr>
</tbody>
</table>

SUGGESTED LESSONS:

“CROSSING BORDERS: THE GLOBALIZATION DEBATE”, FEDERAL RESERVE BANK ST. LOUIS

“Mind Your P’s and Q’s,” Lesson 13, Master Curriculum Guides: Grades 5-6, on Virtual Economics

“How Markets Allocate Resources,” Unit 2, Lesson 13, Capstone: Exemplary Lesson for High School Economics, on Virtual Economics
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**UNIT IX: Our Government Makes Economic Choices**

**STANDARDS OF LEARNING:** This unit will address the following objectives.

STANDARD EPF.7b
The student will demonstrate knowledge of how monetary and fiscal policy influence employment, output, and prices by describing government’s role in stabilizing the economy.

STANDARD EPF.5a
The student will demonstrate knowledge of a nation’s economic goals, including full employment, stable prices, and economic growth, by: describing economic indicators, such as gross domestic product (GDP), consumer price index (CPI), and unemployment rate.

STANDARD EPF.5b
The student will demonstrate knowledge of a nation’s economic goals, including full employment, stable prices, and economic growth, by: describing the causes and effects of unemployment, inflation, and reduced economic growth.

STANDARD EPF.5c
The student will demonstrate knowledge of a nation’s economic goals, including full employment, stable prices, and economic growth, by describing the fluctuations of the business cycle.

STANDARD EPF.12h
The student will demonstrate knowledge of banking transactions by explaining how certain historical events have influenced the banking system and other financial institutions.

STANDARD EPF.5d
The student will demonstrate knowledge of a nation’s economic goals, including full employment, stable prices, and economic growth, by describing strategies for achieving national economic goals.

**ENDURING UNDERSTANDING:**

The role of government in the economy is controversial. Government collects revenue as taxes which it uses to provide public goods and services. The government also regulates some industries to assure a safe environment and to protect workers health, safety, and rights.
CONCEPTUAL UNIT QUESTION:
How does the government (federal, state, and local) participate in the circular flow of economic activity?

PREVIEW ACTIVITY:
Ask students to make a list of school rules designed to protect their safety. Make a second list of laws (federal, state, local) that are intended to do the same thing.

SUMMARY OF KEY TERMS/PEOPLE: The following list of terms reflects some of the important vocabulary and individuals students should know to successfully understand course content.

<table>
<thead>
<tr>
<th>role of Government</th>
<th>fiscal policy</th>
<th>economic goals</th>
<th>business cycles</th>
<th>contraction</th>
</tr>
</thead>
<tbody>
<tr>
<td>economic indicators</td>
<td>expansion</td>
<td>economic growth</td>
<td>inflation</td>
<td>unemployment</td>
</tr>
</tbody>
</table>

*S indicates words not included in text and/or would need supplemental materials/additional discussion

SUGGESTED LESSONS:
“CONSTITUTION COSTS,” ECONEDLINK, COUNCIL FOR ECONOMIC EDUCATION


“Gross Domestic Product (GDP) and How to Measure It,” Unit 6, Lesson 33, Capstone: Exemplary Lessons for High School Economics
**UNIT X: We Choose to Use Money**

**STANDARDS OF LEARNING:** This unit will address the following objectives.

**STANDARD EPF.6a**  
The student will demonstrate knowledge of the nation’s financial system by defining the role of money.

**STANDARD EPF.12b/c/d/e/f**  
The student will demonstrate knowledge of banking transactions by
- b) examining how financial institutions affect personal financial planning;
- c) evaluating services and related costs associated with personal banking;
- d) differentiating among types of electronic monetary transactions;
- e) preparing all forms necessary for opening and maintaining a checking and a savings account;
- f) reconciling bank statements

**STANDARD EPF.6b**  
The student will demonstrate knowledge of the nation’s financial system by explaining the role of financial markets and financial institutions.

**STANDARD EPF.7a**  
The student will demonstrate knowledge of how monetary and fiscal policy influence employment, output, and prices by describing the purpose, structure, and function of the Federal Reserve System.

**ENDURING UNDERSTANDING:**
Money has evolved to be our most efficient means of transferring value from one person to another. Financial institutions, including the Federal Reserve Bank System, are an integral part of the circular flow of economic activity.

**CONCEPTUAL UNIT QUESTION:**
What are the qualities or characteristics of money and how is each important to the economy?

**PREVIEW ACTIVITY:**
Ask students to imagine their world without money. How would they get the things they need and want?

**SUMMARY OF KEY TERMS/PEOPLE:** The following list of terms reflects some of the important vocabulary and individuals students should know to successfully understand course content.

* indicates words not included in text and/or would need supplemental materials/additional discussion
### Economics and Personal Finance

<table>
<thead>
<tr>
<th>role of money</th>
<th>monetary policy</th>
<th>Federal Reserve System</th>
<th>role of financial markets</th>
<th>reconciling bank statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>financial planning</td>
<td>electronic money transfers</td>
<td>trade</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SUGGESTED LESSONS:**


“MONEY IS WHAT MONEY DOES,” ECONEDLINK, COUNCIL FOR ECONOMIC EDUCATION
UNIT XI: I am Part of the National Economy

STANDARDS OF LEARNING: This unit will address the following objectives.

STANDARD EPF.7c
The student will demonstrate knowledge of how monetary and fiscal policy influence employment, output, and prices by describing sources of government revenue.

STANDARD EPF.16
The student will demonstrate knowledge of taxes by
   a) describing the types and purposes of local, state, and federal taxes and the way each is levied and used;
   b) exploring how tax structures affect consumers, producers, and business owners differently;
   c) computing local taxes on products and services;
   d) examining potential tax deductions and credits on a tax return;
   e) explaining the content and purpose of a standard W-2 form; and
   f) explaining the similarities and differences between state and federal taxation of inheritances.

STANDARD EPF.7d
The student will demonstrate knowledge of how monetary and fiscal policy influence employment, output, and prices by explaining balanced budget, deficit, and national debt.

STANDARD EPF.17a/b/c/d
The student will demonstrate knowledge of personal financial planning by
   a) identifying short-term and long-term personal financial goals;
   b) identifying anticipated and unanticipated income and expenses;
   c) examining components and purposes of a personal net worth statement;
   d) developing a personal budget.

STANDARD EPF.8a
The student will demonstrate knowledge of the role of government in a market economy by identifying goods and services provided by government to benefit society.

STANDARD EPF.18d/e
The student will demonstrate knowledge of investment and savings planning by
   d) examining the fundamental workings of Social Security and the system's effects on retirement planning;
   e) contrasting alternative retirement plans

STANDARD EPF.8b
The student will demonstrate knowledge of the role of government in a market economy by identifying the role the
government plays in providing a legal structure to protect property rights and enforce contracts.

STANDARD EPF.10e
The student will develop consumer skills by describing common types of contracts and the implications of each

ENDURING UNDERSTANDING:
The federal, state, and local tax dollars of U.S. citizens and businesses provide needed public goods and services. The government must use the scarce revenue it collects to keep government functioning and to provide public goods and services.

CONCEPTUAL UNIT QUESTION:
How do personal property rights allow a market economy to prosper? How do government goods and services benefit all members of society?

PREVIEW ACTIVITY:
Ask students to tell who pays for their education and why people who have never met them are willing to pay for their schools. How do these people make payments for schools?

SUMMARY OF KEY TERMS/PEOPLE: The following list of terms reflects some of the important vocabulary and individuals students should know to successfully understand course content.

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<table>
<thead>
<tr>
<th>government revenue</th>
<th>Social Security</th>
<th>Federal Reserve Bank system</th>
<th>fiscal policy</th>
<th>monetary policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>taxes and taxation</td>
<td>retirement planning</td>
<td>anticipated and unanticipated expenditures</td>
<td>progress, regressive, and flat tax rates</td>
<td>tax return</td>
</tr>
<tr>
<td>tax structures</td>
<td>property rights</td>
<td>fixed and variable costs</td>
<td>common contracts</td>
<td>net worth</td>
</tr>
</tbody>
</table>
Economics and Personal Finance

SUGGESTED LESSONS:

“GREEN EGGS AND ...ECONOMICS?” ECONEDLINK, COUNCIL FOR ECONOMIC EDUCATION

“Property Rights in a Market Economy,” Lesson 4, Economics in Action, on Virtual Economics
## Economics and Personal Finance

### UNIT XII: My Taxes Help All Americans

<table>
<thead>
<tr>
<th>STANDARDS OF LEARNING:</th>
<th>This unit will address the following objectives.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STANDARD EPF.8d</strong></td>
<td>The student will demonstrate knowledge of the role of government in a market economy by explaining that governments <em>redistribute wealth</em>.</td>
</tr>
<tr>
<td><strong>STANDARD EPF.17e/f</strong></td>
<td>The student will demonstrate knowledge of personal financial planning by e) investigating the effects of government actions and economic conditions on personal financial planning; and f) explaining how economics influences a personal financial plan.</td>
</tr>
<tr>
<td><strong>STANDARD EPF.8e</strong></td>
<td>The student will demonstrate knowledge of the role of government in a market economy by explaining that <em>taxes and fees fund all government-provided goods and services</em>.</td>
</tr>
</tbody>
</table>

### ENDURING UNDERSTANDING:
Taxes collected by federal, state, and local governments are used, in part, to provide necessary public goods and services.

### CONCEPTUAL UNIT QUESTION:
How does taxation redistribute wealth in the US economy?

### PREVIEW ACTIVITY:
Hold a class auction for some small, desirable item (can of soda/bag of chips) or privilege—not easily shared. Distribute classroom currency unevenly demonstrating “the unequal distribution of wealth.” Once students with less currency begin to complain, “tax” those with more currency and redistribute the currency to those with less. Hold the auction and discuss.

### SUMMARY OF KEY TERMS/PEOPLE: The following list of terms reflects some of the important vocabulary and individuals students should know to successfully understand course content.

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Economics and Personal Finance

<table>
<thead>
<tr>
<th>redistribution of wealth</th>
<th>public goods and services</th>
<th>free-rider</th>
<th>taxes</th>
</tr>
</thead>
</table>

SUGGESTED LESSONS:
“What are the Economic Functions of Government?” Lesson 4,
Focus: *Understand Economics in Civics and Government*—available on Virtual Economics
## UNIT XIII: I am Part of the Global Economy

### STANDARDS OF LEARNING:
This unit will address the following objectives.

<table>
<thead>
<tr>
<th>STANDARD</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPF.9a</td>
<td>The student will demonstrate knowledge of the global economy by explaining that when parties trade voluntarily, all benefit.</td>
</tr>
<tr>
<td>EPF.9b</td>
<td>The student will demonstrate knowledge of the global economy by distinguishing between absolute advantage and comparative advantage.</td>
</tr>
<tr>
<td>EPF.9c</td>
<td>The student will demonstrate knowledge of the global economy by distinguishing between trade deficit and trade surplus.</td>
</tr>
<tr>
<td>EPF.9d</td>
<td>The student will demonstrate knowledge of the global economy by explaining exchange rates and the impact of a strong dollar and weak dollar on economic decisions.</td>
</tr>
<tr>
<td>EPF.9e</td>
<td>The student will demonstrate knowledge of the global economy by describing the costs and benefits of trade barriers.</td>
</tr>
<tr>
<td>EPF.9f</td>
<td>The student will demonstrate knowledge of the global economy by describing the effects of international trade agreements and the World Trade Organization.</td>
</tr>
<tr>
<td>EPF.9g</td>
<td>The student will demonstrate knowledge of the global economy by explaining growing economic interdependence.</td>
</tr>
</tbody>
</table>

### ENDURING UNDERSTANDING:
We live in a global economy in which goods and services are traded between nations. Voluntary trade benefits all parties involved.

### CONCEPTUAL UNIT QUESTION:
How do you engage in trade? How do gain or benefit from trade?

### PREVIEW ACTIVITY:
Ask students to look at the labels in their clothing—shirts and shoes—and determine in which country they were produced. Make a list on the board of all the nations mentioned. Guide students to an understanding that most clothing is made outside of the USA. In order to dress in the morning, our students must be global citizens.
### SUMMARY OF KEY TERMS/PEOPLE:
The following list of terms reflects some of the important vocabulary and individuals students should know to successfully understand course content.

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<table>
<thead>
<tr>
<th>voluntary trade</th>
<th>trade barriers</th>
<th>monetary exchange</th>
<th>trade surplus</th>
<th>trade deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>barter</td>
<td>WTO</td>
<td>absolute and</td>
<td>globalization</td>
<td>specialization</td>
</tr>
<tr>
<td>markets</td>
<td>interdependence</td>
<td>comparative</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>advantage</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SUGGESTED LESSONS:**

  “INTERNATIONAL TRADE CREATES MORE AND BETTER JOBS,” ECONEDLINK, COUNCIL ON ECONOMIC EDUCATION

- [http://ecedweb.unomaha.edu/lessons/NebraskaandWorld.htm](http://ecedweb.unomaha.edu/lessons/NebraskaandWorld.htm)
The following is a suggested pacing guide. Its use is dependent upon schools schedules, students’ leaning needs and the availability of shared resources.

<table>
<thead>
<tr>
<th>UNIT NUMBER and TITLE</th>
<th>TIMEFRAME</th>
<th>DATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit I: I Choose and Pay the Cost</td>
<td>4 weeks</td>
<td>September-October</td>
</tr>
<tr>
<td>Unit II: My Choices have Consequences that Lie in the Future; I can Manage my Risks</td>
<td>3 weeks</td>
<td>October</td>
</tr>
<tr>
<td>Unit III: I am a Valuable Human Resource; I can Take a Job or Make a Job</td>
<td>2 weeks</td>
<td>October-November</td>
</tr>
<tr>
<td>Unit IV: I Choose to be a Consumer</td>
<td>3 weeks</td>
<td>December</td>
</tr>
<tr>
<td>Unit V: I Choose to Participate in the Market</td>
<td>2 weeks</td>
<td>January</td>
</tr>
<tr>
<td>Unit VI: Business Make Choices, too</td>
<td>2 weeks</td>
<td>January</td>
</tr>
<tr>
<td>Unit VII: Business Respond to the Incentive of Profit and so should I</td>
<td>2 weeks</td>
<td>February</td>
</tr>
<tr>
<td>Unit VIII: I Supply and I Demand</td>
<td>3 weeks</td>
<td>February-March</td>
</tr>
<tr>
<td>Unit IX: Our Government Makes Economic Choices</td>
<td>3 weeks</td>
<td>March</td>
</tr>
<tr>
<td>Unit X: We Choose to Use Money</td>
<td>2 weeks</td>
<td>April</td>
</tr>
<tr>
<td>Unit XI: I am Part of the National Economy</td>
<td>3 weeks</td>
<td>April</td>
</tr>
<tr>
<td>Unit XII: My Taxes Help All Americans</td>
<td>2 weeks</td>
<td>May</td>
</tr>
<tr>
<td>Unit XIII: I am Part of the Global Economy</td>
<td>3 weeks</td>
<td>May-June</td>
</tr>
<tr>
<td>UNIT NUMBER</td>
<td>SOL: EPF OBJECTIVE NUMBER</td>
<td>CORRELATION TO STUDENT EDITION</td>
</tr>
<tr>
<td>-------------</td>
<td>---------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>I</td>
<td>1a, 2d, 13a-h</td>
<td>Chapters 1 and 2 Applying Economics: Personal Finance Toolkit – Section 1</td>
</tr>
<tr>
<td>II</td>
<td>1b, 10d, 17a,b, 1c, 10c,f, 11a-e, 12g, 13a-c</td>
<td>Chapter 8 Applying Economics: Personal Finance Toolkit – Section 2</td>
</tr>
<tr>
<td>III</td>
<td>1d, 4a, 15, 4b,c, 2c, 4d</td>
<td>Chapter 10 Applying Economics: Personal Finance Toolkit – Section 1</td>
</tr>
<tr>
<td>IV</td>
<td>1e,f, 8c, 10e,j,k, 2a</td>
<td>Chapter 3 Applying Economics: Personal Finance Toolkit – Section 2</td>
</tr>
<tr>
<td>V</td>
<td>2j,b, 10a, 18a-e</td>
<td>Chapter 6 Applying Economics: Personal Finance Toolkit – Section 4</td>
</tr>
<tr>
<td>VI</td>
<td>2d, 12a, 2e, 2f, 11f</td>
<td>Chapter 9</td>
</tr>
<tr>
<td>VII</td>
<td>2g-i, 10f</td>
<td>Chapter 7</td>
</tr>
<tr>
<td>VIII</td>
<td>3a, 10h, 3b,c, 10b, 3d, 11b</td>
<td>Chapter 5</td>
</tr>
<tr>
<td>IX</td>
<td>7b, 5a, 5b,c, 12h, 5d</td>
<td>Chapter 11</td>
</tr>
<tr>
<td>X</td>
<td>6a, 12b-f, 6b, 7a</td>
<td>Chapter 4 Applying Economics: Personal Finance Toolkit – Section 3</td>
</tr>
<tr>
<td>XI</td>
<td>7c, 16a-f, 7d, 17a-d, 8a, 8d,e, 8b, 10e</td>
<td>Chapters 13 and 14</td>
</tr>
<tr>
<td>XII</td>
<td>8d, 17e,f, 8e</td>
<td>Chapter 12</td>
</tr>
<tr>
<td>XII</td>
<td>9a-g</td>
<td>Chapters 15 and 16</td>
</tr>
</tbody>
</table>