Recent studies have revealed an appalling lack of knowledge on the part of our nation's youth about government and economics and the important relationship between the two. This guide offers the teacher of grades 7, 8, and 9 ideas on how to teach economics. Teaching units of any length as well as daily lesson plans can be constructed from the guide's suggested class activities, most of which are from the Calvin K. Kazanjian Foundation's Awards Program for the Teaching of Economics. The unit's major goal is to help students understand the vital role that government at all levels plays in the economy, how their various governmental units function, and what economic principles apply in important issues. Teaching strategies suggested include use of audiovisuals, questioning techniques, classroom discussion, community studies, field studies, field trips, simulations, and games. The guide contains the following: (1) 10 initiatory activities with which to arouse pupil interests, (2) 40 developmental activities to be used to develop the ideas introduced during the initiatory phase, (3) five culminating activities with which to conclude the unit, (4) evaluation techniques, and (5) a bibliography of print and nonprint student resource and reference materials. (Author/RM)
GOVERNMENT AND THE ECONOMY

A Resource Unit for Grades 7, 8 and 9

Joint Council on Economic Education
Preface

How we develop and provide education in our society is a reflection of the temperament, style and faith of the American people in most of their endeavours. We believe there is much to be gained by having diversity and flexibility rather than only one way or one standard.

The rationale for the Kazanjian Awards Program for the Teaching of Economics has been consistent with this approach and the results have validated it. For over ten years, teachers at all grade levels have been stimulated to explore, create and share diverse experiences for teaching economics. There are now descriptions of an abundance of "good" ways to teach economics from which other teachers can develop techniques that may be even better for their purposes. These are contained in the eleven annual volumes of Economic Education Experiences of Enterprise Teachers which have been published up to this time.

Recognizing that a search through eleven volumes may be costly in time and money for teachers, we have decided to publish a series of publications which would exemplify the "economizing process" in the use of the storehouse of valuable materials. An examination of the outstanding entries through the years indicates that while there are diversity and flexibility in what and how economics is taught, teachers have identified core interests of various grades which are suited to the developmental learning level of students. Thus, this series of publications will be organized around cores or themes which have been found to be generally most appropriate at various grade levels, and the various teachers' experiences related to or within them will be presented.

This resource unit is the second of the series to be produced. It is appropriate and fortunate that it is edited by Dr. George G. Dawson, Director of Publications for the Joint Council on Economic Education, since he has provided an outstanding service in editing the annual volumes since 1966 and has a masterful grasp of the best that has been done. We are also very grateful for the initiative and support of Mr. John J. Schramm, Managing Director of The Kazanjian Foundation, and of the Trustees of the Foundation. This unit, containing the essence of the work done by junior high school teachers in promoting economic literacy through studies of government and the economy, is made possible through a grant from the Calvin K. Kazanjian Foundation.

George L. Fersh, Associate Director Joint Council on Economic Education and Coordinator, Kazanjian Foundation Awards Program for the Teaching of Economics

Spring 1974
# Table of Contents

Introduction—How to Use this Unit .................................................. 1
Initiatory Activities ........................................................................ 3
Developmental Activities ................................................................. 5
Culminating Activities ...................................................................... 14
Evaluation ....................................................................................... 15

Materials for Pupil Use
  Readings for Pupils ........................................................................ 18
  Audiovisual Materials .................................................................... 21
  Games and Simulations .................................................................. 22

Reference Materials .......................................................................... 24
Additional Guides and Aids for the Teacher ....................................... 26
Every individual is affected both by government and by economics. We all reside in political jurisdictions which govern our behavior, levy taxes upon us and in other ways affect our everyday lives. As consumers, we all play a role in our economic system from the very moment our lives begin. Yet, recent studies have revealed an appalling lack of knowledge about government and economics, not to mention the vitally important relationships between these two subjects. Less than half of the nation's 17-year-olds understand that presidential candidates are nominated at a national convention (in spite of the widespread television and newspaper coverage of conventions). Sixty-five percent of our 13-year-olds do not know that it is the U.S. Supreme Court that has the power to declare an act of Congress unconstitutional. 1 In a recent study sponsored by the Joint Council on Economic Education, an economics test was administered to a national sample of junior high school pupils. Half were unable to tell the difference between the U.S. and Soviet economic systems. Only 29 percent correctly identified a simple description of capitalism (39 percent thought it was socialism!), and 48 percent did not know that in this country most goods and services are produced by private, profit-making businesses. Because these results were obtained from young people who will be voting, working, entering businesses, saving, spending, investing, and perhaps even running for public office in the not-too-distant future, one cannot help but be concerned.

Although approximately 70 percent of all major legislation has something to do with economics, many secondary textbooks on civics and government either ignore economics altogether or treat it in a superficial fashion. In some, the economics content is erroneous or misleading. 2 As voters, Americans are called upon to do such things as evaluate candidates and platforms on the basis of economic promises and programs, and to decide whether or not to support a local bond issue. To make intelligent choices, citizens should understand the vital role that government at all levels plays in the economy, how their various governmental units function, and what economic principles apply in important issues. Should we support or oppose the property tax? Should the new school be paid for with a bond issue or through taxation? How can we pay the costs of pollution abatement and control? What should government do to meet the "energy crisis"? To what extent should government take action to deal with the high rate of unemployment among young people? And what sort of action should be taken? How can inflation be controlled? All of these questions refer to problems affecting everyone—teenagers as well as adults. To prepare citizens to cope with these situations, teachers must introduce basic economic concepts and principles into their government and civics courses. Economics is not taught for its own sake, but because it offers analytical tools and a systematic approach that have practical value in dealing with real-life problems.

This guide will not tell you exactly how to teach economics to your pupils. It simply offers a collection of ideas and sources from which you can select those best suited for your own classroom. The teacher establishes the goals (both general and specific), decides how much time to devote to economics, determines whether economic concepts are to be integrated with other subjects or taught in separate units, and tailors the ideas and activities to fit a particular class, pupil group or individual. Teaching units of any length as well as daily lesson plans can be constructed on the basis of this resource unit.**

Most of the activities suggested here have actually been tried by teachers and have been found to be effective. This does not imply that everything listed will apply to all other classes. Ideas that work with one group will not necessarily work with another. Indeed, an activity that succeeded with a given class at one point in time may fail with the same class at another time. Thus, a variety of projects is included here.

Most of the activities are based upon those reported in entries in The Calvin K. Kazanjian Foundation's Awards Program for the Teaching of Economics. For the benefit of those desiring further information, we have indicated the volume and pages of the annual publication Economic Education Experiences of Enterprising Teachers which contain the details. These booklets are available from the Joint Council on Economic Education at $1.50 per copy for volumes 1 through 5, and $1.75 for volumes 6-10. Many of the original entries have been deposited with the Vernon R. Alden Library of Ohio University, Athens, Ohio. Thus we have also included the teachers' names so that those desiring to see the original reports can request them from Ohio University, or they can write the teachers for more information.

The suggested activities are categorized as initiation, developmental or culminating. Initiatory activities are

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*Gerald T. Matzner and Robert Cramer, Political Knowledge and Attitudes: Results of the NAEP Study from the National Assessment of Educational Progress. Denver: National Center on Education Information, 1974.

those which might be used to arouse pupil interest in economics and to launch the unit or project in which economic concepts will be stressed. They should be exciting, and they should clearly show the class why economics is an important subject. Obviously, they must be related to the goals which the teacher has established for the unit or project. Once the unit is in progress, the teacher may select several of the developmental activities. These are techniques, strategies and projects that can be used to develop the ideas introduced during the initiatory phase, to bring new concepts and understandings into the unit, and to help to achieve general or specific goals. Because class abilities, interests and situations will vary widely throughout the country, teachers might find that some of the activities listed in this section can better be used as initiatory or culminating activities.

Culminating activities are those which summarize and conclude the unit or project. Good culminating activities not only call for a repetition of the concepts learned during the unit, but require the pupils to apply their learning in somewhat new and different ways. For example, if the class prepares an assembly program about the problem of pollution, they must not only recall the facts and concepts they learned, but they must put them into a meaningful context in order to make them comprehensible to a new audience. This can also be part of the teacher's evaluation of the unit or project, for it will help to show how well the material was learned.

As veteran teachers know, a complete teaching unit will include initiatory, developmental and culminating activities that flow naturally from one phase to another. This publication does not present a teaching unit in such a sequence, but rather a variety of suggestions are offered in each category so that teachers can choose and can put together whatever is most natural and appropriate for their situations. In some cases a teacher may select one of the initiatory activities and then go on to create his or her own developmental activities, and perhaps then draw ideas for a culminating activity from one of those suggested in this book. A variety of combinations and approaches can emerge. Our hope is that this publication will stimulate teachers and assure a bounty of ideas from which to choose.

It is impossible to list all the materials that can be used to help young people to learn about economics in general and the role of government in the economy in particular. The list appearing in this unit is far from complete, and it has not been possible for us personally to examine each item. Teachers are urged to preview items before adopting them. The materials which we have listed have been recommended by classroom teachers or other educators, but this does not imply that the Joint Council on Economic Education or The Calvin K. Kazanjian Foundation necessarily endorse them or that they express the viewpoints of these organizations. In short, we are simply apprising teachers of their existence and indicating that others have found them useful. The individual teacher must decide which, if any, will be instrumental in achieving classroom goals.

Since this unit is not intended to serve as a textbook on economics or government, teachers are urged to have on hand at least one basic textbook in principles of economics (any standard introductory college text should suffice), one on American government, and perhaps a dictionary of economic terms. Even those who feel comfortable in their knowledge and understanding of basic economics should find these useful as reference works.

The Evaluation section offers some ideas for determining how well the goals were met. Ideally, evaluation is an ongoing process and not simply a test administered at the end of the unit or semester. It can include subjective observations and judgments as well as formal and objective testing. The pupils can evaluate their own work and the efforts of one another. Evaluation schemes might also include attempts to measure teacher or course effectiveness as well as the extent to which pupils have learned. If some sort of continuing evaluation is undertaken throughout the unit, the teacher will be in a good position to change tactics if a given idea does not seem to be working well. It is better to select only those evaluation items in this unit or in a standardized test which will help to measure the success of the actual classroom experiences than to formulate plans designed to prepare the pupils to "pass" the test items included in a standardized instrument. In short, instead of "teaching to the test," construct an evaluation scheme that will help to measure the impact of what really happened during the unit.
**Initiatory Activities**

One or more of the following activities might be used to initiate a study of government and the economy. Ideally, the initiatory activity should arouse pupil interest and show the students that they are personally affected by the problems and issues to be studied. If none of the following appears to be suitable for your class, examine the list of Developmental Activities in the next section for ideas that might be used to start the unit. Note, also, that some of the approaches suggested here can be used in the developmental phase of the study. The Developmental Activities you choose should follow logically from whatever technique you utilized in initiating the unit.

1. **Identify one or more economic problems which are of interest to young people in your area or in the United States as a whole.** These might include pollution, wildlife conservation, inadequate wages for the school, poor public transportation, slum housing, and the like. Select those which arouse the greatest response from the students and examine those problems in all their dimensions. Note how government is involved in the selected problems. Raise a number of challenging questions. Did government help to cause the problem in any way? Is government doing anything to help to solve it? How effective is the government action? From this, you can branch out into the many other ways in which government (at all levels) is involved in the economy. For example, if pollution has been discussed, note that one proposal is to have higher taxes placed on polluters. Thus, the topic of **taxation** in general can be developed. If youth unemployment was used to initiate the unit, one can then proceed to an examination of the unemployment insurance system, the role of public education in preparing people for the world of work, government attempts to stimulate a lagging economy, and so on. At every step, value questions can be raised. What is the proper role of government in this issue, and in the economy generally? Is government interfering too much with the free market economy? Should government be doing more?  

2. **Conservation** is a popular topic with young people today. The problem of wildlife conservation often strikes a responsive chord, as does the problem of environmental pollution. Use films, filmstrips, dramatic accounts of pollution or the depletion of our wildlife and natural resources to arouse interest. Then develop a unit on conservation, land use, pollution, and related issues, stressing government's role in dealing with the problem. Be sure to include economic principles which are relevant. For example, there will be "trade-offs" in any proposed solution. The preservation of a wildlife preserve may help to cause higher land prices. Pollution control devices on cars may make them more expensive to own and operate. One of the real costs of shutting down a plant that is causing water or air pollution may be the loss of jobs and the loss to society of the firm's output. (See Gregory T. Pierce, Alfred I. DuPont School, Wilmington, Delaware, "Land Use Changes and Conflicts in the United States Economy," *Economic Education Experiences of Enterprising Teachers*, Volume 6, pp. 31-33.) (Hereafter, when referring to this publication, the volume number will be given but the title will be omitted.)

3. We all help to pay for government and its economic activities because, in one way or another, we are all taxpayers. Have pupils keep records for a week or so of all they spend, and for what purpose, noting the taxes included in the price. (Remember that there are hidden taxes in addition to those which are overt.) Also have them record any tolls, income tax payments made by parents, and so on. At the end of the week (or whatever period selected), have each pupil compute the amount that was paid in taxes. Because of hidden taxes, this will probably be only a fraction of the amount actually paid. Now ask: "What are you getting for your tax money?" The students should note the various services they get from government—schools, police protection, public health facilities, parks, fire protection, streets and the like. Use this to launch a study of government in our economy, considering all governmental levels.

4. Ask the pupils to write down all the ways they can think of in which they (or someone they know) have benefited from government services. Stress dramatic incidents that will arouse interest, such as a police investigation after a robbery, a Coast Guard rescue mission, the fire department responding to a call, and similar occurrences. Then discuss the reasons why government provides these services, and how we pay for them. Raise value questions. Should any of these services be provided by private enterprise? If so, why? If not, why not? To what extent should people be expected to rely upon themselves in emergencies? To what extent should they rely upon some agency of government? For a variation on this theme, have the students pretend that very suddenly all government services are terminated. Ask them to write a story on what life would be like in your town or city if all government services suddenly stopped. (For an excellent example of one pupil's response to such an assignment, see J. Pope Dover, Central High School, Chattanooga, Tennessee, "City Without Taxes," Volume 3, p. 44.)

5. Go on a "photographic field trip" of your area. Have
pupils with cameras take pictures of things which represent some sort of economic activity or institution—factories, stores, housing developments, public transportation facilities, and so on. Groups can be formed, so that those without cameras can accompany those who do have them and help by identifying objects to be photographed, taking notes, etc. Arrange a display of the pictures in the classroom, identifying those which are private and those which are public. Note also any object which might represent a mixture of public and private enterprise. For example, a private housing development might have been built with government assistance. Discuss why some things are private and some are public. How are they financed? What role do they play in the economy? Should some of the things that are publicly owned be private enterprise? Should some of the private activities or property be public? Which of the things are privately owned but under government regulation (such as public utilities)? Why? Then proceed to a thorough examination of government’s role in the economy.

6. Take the class to a nearby government office. Arrange in advance to visit the mayor’s office, the office of a county executive, some unit of the Federal government, or whatever is feasible. Be sure to let the hosts know what it is you are trying to accomplish through the visit. Have the pupils prepare questions in advance on what the government agency does and how it is financed. Emphasize its economic functions.
Developmental Activities

Select one or more of the following activities for a unit on economics and government, or for ways of integrating economics with other subjects. Choose those which will best help you to achieve the goals you have established for your course or unit. We have given only general ideas rather than detailed "how to do it" descriptions. Some may be suitable for your particular class and situation; others may not be. In any event, you will want to tailor the suggestions to meet the needs and interests of your pupils. Some of these ideas might also be used as initiators or culminating activities.

1. Identify the goals of the American economy, such as efficiency, growth, security, justice, stability and freedom. Discuss these with the class as a whole, making certain that the pupils understand how they are personally affected by each goal. For example, if the economy fails to grow there may not be enough jobs for young people leaving the secondary schools. Divide the class into groups to study each of the goals and to try to find out how successfully we have been in meeting them. They should also learn how government has attempted to achieve each of the goals. Have each group report its findings to the class. Then have another all-class discussion of how well we have met the goals, and what they think the proper role of government is in achieving the goals. Be sure to note that some of the goals may conflict. For example, to have greater economic stability and security we might sacrifice some economic freedom. (See Estelle Parham, Magnolia Junior High School, Magnolia, Arkansas, "Goals of an Economy," Volume 5, pp. 45-46.)

2. Make a study of the economic provisions in the United States Constitution. Divide the class into groups to study each of these, to explain why each economic provision was included, and to indicate the impact that each provision has had upon the economy. Be sure to include Article I, Sections 8 and 9, the Fifth Amendment (property rights), and the Sixteenth Amendment (income tax). Also study important court cases, such as McCulloch v. Maryland (1819), Gibbons v. Ogden (1824), Martin v. Hunter's Lessee (1816), Santa Clara v. Southern Pacific R. R. Co. (1886), and Consolidated Edison v. N.E.R.B. (1938). Note how these and other cases have interpreted the economic role of government. Cases currently before the Supreme Court are bound to include some with economic themes. Find out what these are and note how they relate to the Constitution and why they are important to the economy.

3. Make a list of major bills currently being considered by the United States Congress, your state legislature, or your county or city government. Identify those which are economic in nature or have important economic implications. Divide the class into groups and have each group select one or more bills for study and analysis. They should examine the arguments for and against the bills, consider what effects they would have on the economy, and tell whether they would support or oppose the bills, and why. The pupils might write to the legislators working on the bills to obtain information and opinions. (Some legislators, such as Wilbur Mills of Arkansas, have actually visited classrooms in response to letters from students.)

4. Plan a simulation in which pupils play the roles of Congressmen, Senators, Cabinet members, and other high government officials concerned with the problems of recession or with inflation. After doing the necessary research, they can discuss proposals to deal with unemployment, taxes, government spending, Federal Reserve actions, and so forth. Value questions should be included. To what extent should government be responsible for dealing with these economic problems? To what extent do we sacrifice some of our economic freedoms when we turn to government to solve such problems?

5. If an election is in progress or will be held in the near future, examine the candidates' economic platforms and promises. What promises are being made that have to do with economics? What positions are they taking on various economic issues? Keep a record of the statements being made by the candidates and compare them for similarities and differences regarding economic matters. The students can also prepare "position papers" of their own on these issues. Individuals can decide which candidate they would support and explain their reasons to the class. Debates and discussions should follow spontaneously, but sound economic reasoning and analysis should be used rather than emotionalism.

6. Hold one or more mock elections in the classroom. Have the students form "political parties" and nominate candidates for the Presidency, for the House of Representatives, for the Senate, state governor, mayor, and so on. Each candidate should prepare for the campaign by examining the issues that exist in real life many of which are economic in nature, and preparing a platform. After the candidates have examined the issues and decided upon a platform, they can make speeches, have debates.
write political advertisements, and in other ways publicize their views on the issues. Each candidate should be subjected to rigorous questioning by the "constituents." Each should be expected to use sound economic reasoning in presenting and defending economic programs. (For example, if the candidate for mayor promises to build a new school, he or she should be asked how this will be financed, and why that means of financing was chosen over some other possible alternative.)

7. Present the class with "problem cases" and ask them to develop solutions. For example, the pupil pretends to be mayor of a city faced with planned expenditures (these can be enumerated totaling $225,000, but has only $200,000 in the budget. How might the mayor obtain more money? Should taxes be raised? Should new taxes be levied? If so, what kind of taxes? Who would pay the new taxes? Would the new taxes be progressive, regressive, or proportional? Should the money be borrowed through bond issues? Why? Why not? Can expenditures be cut in any way? If something has to be cut, how would you decide what to eliminate or reduce? Who would be affected? How would those people react? For a variation on this, have the students pretend to be the city council, considering a controversial proposal that a new supermarket be built near the school. They must take into account such things as the possible effects on traffic in the area, how the tax base would be affected, and possible alternative uses for the area in question. (Suggested by Mary Dunn of Blessed Sacrament School, and Joseph Hurst of Florida State University in Tallahassee, in the Appendix to Chapter 3, Volume 8, p. 56.)

8. Study the problem of poverty, obtaining statistics for the nation as a whole and for your own area. Use the problem-solving approach. Identify the problem, trace it, historical background, try to determine its causes and effects, consider alternative courses of action, and attempt to arrive at a feasible solution. Examine the various government programs (state and local as well as Federal) which deal with the problem, and evaluate each. Have students debate such controversial issues as the proposal for a federally guaranteed annual income for all families. **(See Jerry I. Dudden, East Ladue Junior High School, St. Louis, Missouri, "Poverty, American Style," Volume 8, pp. 48-52.)

9. Pretend that the President of the United States has turned to your class for economic advice and guidance. The President wants to know what the administration should do about the economic problems now facing the nation. The class will first have to identify the current problems, then decide on priorities which are most important, and devise various ways of approaching these problems, and decide on what courses of action to suggest. They can break up into groups to deal with the various problem areas such as inflation, unemployment, and pollution. Each group should be prepared to defend the solutions they propose. Some sound economic facts and figures should be available to each student, or the teacher should supply these as needed. The scheme might be used in regard to your state and local problems, with the class developing advice for the governor or mayor.

10. Ask the pupils to pretend that they are legislators considering some actual economic proposal. For example, suppose that the Congress is considering raising the minimum wage from its current level to a level 50 cents higher. Taking into account present economic conditions in the United States (such as the unemployment rate, inflation and the relationship between wages and the cost of living), if you were a Congressman would you support or oppose this proposal? Why? Students should consider the effects of their actions on employment, the current rate of inflation, how the higher wage might interact with the government's taxing and spending policies, the impact on business costs, current distribution of income, and the like. (See Patricia S. Ferrick, Logan Junior High School, Logan, Ohio, "Teaching Economics through Eighth-Grade Mathematics," Volume 10, pp. 51-54.)

11. Study important Federal laws and actions which have an effect upon the local economy. Interview businessmen to find out how they are affected by Federal laws, and labor leaders to see how unions and workers are affected by Federal legislation. Confer with local government officials to find out whether or not Federal funds are used for local purposes, and how Federal activities affect the local economy. Some Federal laws that might have an effect on your area are the Housing Authority Act and the Public Works and Economic Development Act. Bankers might help you to see how Federal policies in the area of money, credit and banking involve the local area. (See Estelle Parham, Magnolia Junior High School, Magnolia, Arkansas, "Standing in the President's Shoes," Volume 7, pp. 42-45.)

12. Crime is a problem which interests everyone, but few people realize how much crime costs the average person. For example, shoplifting and vandalism add to the costs of retailers, and these costs help to raise the prices of the products we buy. Make a study of crime in the nation and in your area, and obtain data on how much people pay toward crime prevention.

* A progressive tax is one in which the tax rates on the tax base such as the property owner's taxes. Thus, the tax rate would be higher for the poor person. The Federal income tax is an example of a progressive tax. With a regressive tax, the rate goes down as the tax base goes up. Thus, the rich person would pay a lower rate than the poor person. Local property taxes are usually considered to be regressive, and they often have a greater percentage of their tax base than do the Federal taxes. In a proportional tax, the rate is the same regardless of the tax base. In effect, taxes are of a constant percentage of the base.

** See Lester Braxton, Poverty and Rural Deterioration. This pamphlet, published by the National Council on Economic Education in 1971, is available from Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. It is appropriate reading for high school students and others interested in learning about poverty problems. The pamphlet, which is subtitled Poverty and Rural Deterioration, is part of a series of pamphlets by the National Council on Economic Education. These pamphlets are listed in the "Pamphlets" section of the Teacher's Manual. (Back to first page of Teacher's Manual.)
and taxes. Everyone agrees that crime control is a proper function of government, but there is disagreement on the extent to which the federal government should become involved in local crime problems. Examine this issue from the economic point of view. How would we get the best and most efficient control of crime?

13. We are all consumers. Plan a unit in which a study is made of how government at all levels tries to help the consumer. What goods and services are provided directly to the consumer by some agencies of government? (Public schools, roads and public parks are some examples.) What do these things cost the taxpayer? Would it be better to have some of them under private ownership and control? How does government protect the consumer from such things as injure food, harmful drugs and shoddy products? How does government try to prevent monopolistic practices that might raise prices and lower quality? Have individual students or groups study important legislation, such as the Truth in Lending Law and the Food, Drug, and Cosmetic Act. What cities or state agencies try to protect the consumer? How do they work? Are they effective? Also note that many nongovernment institutions help the consumer, such as the Better Business Bureaus, various consumer cooperatives, the American Council on Consumer Interests, Consumers' Union, The Mail Order Action Line, and the like.

14. Conduct a thorough study of the economy of your town, city, or county. Take field trips to see at first hand the economic activities of the area, evidence of growth, and existing economic problems. Interview city planners and other officials. Take photographs that can be used for bulletin board displays. Have the pupils make large maps of the area, noting the major industries, roads, communications facilities, etc. Divide the class into groups to study various aspects of the local economy—natural resources, industries, transportation, the employment situation, labor unions, banks, the tax system. Prepare a preliminary report on the status of the local economy based upon the work of these groups. Have an all-class session in which the economy is evaluated. Is the economy growing? Is it so, is it growing fast enough? Are there enough jobs for everyone? Should local government do more to promote industrial development, improve transportation, build more housing, create additional jobs, clear pollution, or whatever is needed? Finally, plan an open forum for the economic development of the area and present this to your local government officials. (See Dora O. Smith, Clarke Junior High School, Athens, Georgia, "A Model of Inquiry," Volume 7, pp. 45-47; and Antone Galle, Seneca Junior High School, Louisville, Kentucky, "Economic Foundations of Citizenship: The Economics of Our Community for Seventh Graders," Volume 2, pp. 73-76.)

15. As part of the study described in number 14 above, or as a separate activity, examine the economy of your own state. Write it stand in competition with other states in terms of per capita income, industrialization, per capita taxes, and so on. How do you explain your state's ranking in these areas? What are the economic needs of your state? What is the role of the government in promoting the state's economy? (The same might be done for your town, city, or county.)

16. Arrange for your class to correspond with students of similar ages in other countries, states, or cities. (Correspondence can be arranged through World Tapes for Education, P.O. Box 15703, Dallas, Texas 75215. Write them for information and prices.) Exchange information on government's role in the respective economies. Compare government's role in our economy with that of the other country or area. Discuss the reasons for the similarities and differences.

17. Engage in an intensive study of a single government enterprise in your area, preferably one often used by the pupils themselves. An example might be a public transportation system. Trace the history of the enterprise, what services it performs, how its costs are determined, how it is financed and controlled. What are its plans for the future? If it is supported by taxes, are those taxes "fair"? If it is supported by user charges, are the charges adequate? Do the charges fall too heavily on lower income groups? How does the enterprise serve business in the area? Would it be better to have it in private hands? What effect does it have on the economy of the area? Visit the enterprise, and obtain information from officials running it, from government reports, and the like. (See Mary Beth Marshall, Thaddeus Stevens School, Elliott, Pennsylvania, "Transportation: A Major Economic Problem Concerning Our City," Volume 6, pp. 29-31.)

18. Have each pupil select a business in your area in which he or she is interested—a sporting goods store, a factory, a public utility or even a hamburger stand. Have them study their chosen business firms and answer such questions as: What does this firm produce? Why? (What gave rise to the demand for its goods or services?) How is it organized—as a proprietorship, partnership or corporation? Why is it organized in this way? How does it relate to government? What taxes does it pay? Is it under any sort of government regulation or control? Why? Should there be more or less government control of this firm? Why? (See Blanche L. Katz, Martin Kellogg Junior High School, Newington, Connecticut, "Impact of a Large Industrial Plant on the Local Economy," Volume 4, pp. 29-30. Also see Clarence Killmer, Wilbur Wright Junior High School, Cleveland, Ohio, "The Economics of Wheat to Bread," Volume 3, pp. 33-35; and Dora O. Smith, Clarke County Junior High School, Athens, Georgia, "The Case Method Approach to Economics," Volume 3, pp. 31-33.)

19. The school itself is a community that has a government and that illustrates many economic principles, such as specialization and division of labor. Public schools are, of course, government enterprises providing a service paid for through taxation. Make a study of the way in which
which your school is governed. How are rules made and enforced? How are the school authorities chosen? To what extent is the public's voice effective in running the school? To what extent are the pupils involved in school governance? How is the school financed? What principles of government and economics are represented by the school situation? What economic function does the school perform? What does it contribute to the community and its economy? How is it affected by the economies of the area in general? (For example, schools in depressed areas often find that they have to curtail services and get by on less money.) How does the governing and financing of the school compare with the governing and financing of the village, town, county, state, or nation? What accounts for the similarities and differences?

20. In most cases, school cafeterias are public rather than private enterprises. Make a study of your school cafeteria and the economics of its operation. Attempt to answer the following questions: What gave rise to the need for a school cafeteria? Who operates it? What are its fixed and variable costs? Why is it publicly owned and operated? How is it like a privately run cafeteria? How does it differ? Would it be more efficient if it were a private profit-making enterprise? Is there any relationship between the cafeteria and such legislation as the National School Lunch Act of 1946? (See John Prokop and Virgina Lawson, Jefferson Junior High School, Oceanside, California, "Economic Aspects of Operating a School Cafeteria." Volume 3, pp. 27-31.)

21. Let the class establish a corporation to operate a store in the school, selling school supplies, snacks or whatever is feasible and in demand. First, however, have the students find out from the state government what laws apply to incorporation in the state, pertain to the issue and get by on less money. How does the governing and financing of the school compare with the governing and financing of the village, town, county, state, or nation? What accounts for the similarities and differences?

22. Every legislative body is faced with many economic problems and proposals. Select a bill currently being considered in your state legislature, city council, or county government. preferably one of interest to the students and conduct a detailed study of it. What problems arise from this bill? What caused the problems? How are we personally affected by the problems? Students are affected by inflation, for example, because many of the things that they or their families buy are priced in stores. How would the bill affect the problems? How are you economically affected by the bill? Be sure to act in the roles of the issues. Follow the debates and discussions that take place in the legislative body considering the bill and in the press. Issues that might be of interest to the student include the proposal that there be a separate (and lower) minimum wage for young people, a proposed new tax (or tax increase) on some goods or services the students often buy, plans for a new school, playground, or park, and pollution controls.

23. For individual or group work, have the students study the economic policies of our most influential presidents. What did each president think about the proper role of government in the economy? Which did each president do while in office that had an effect on the economy? For example, Theodore Roosevelt promoted conservation and tried to control monopolies; Woodrow Wilson set up the Federal Reserve System and the Federal Trade Commission; Franklin Roosevelt encouraged labor unions and took many actions to end the Great Depression; Harry Truman approved of economic aid to other countries; John F. Kennedy started negotiations for lower barriers with the Common Market; and Richard Nixon tried to control inflation with his "New Economic Policy." Pupils may then write reports or give oral presentations of their findings. They can also use their creative imaginations by composing fictional debates between presidents whose philosophies disagreed. (See D. Stelle Parham, Magnolia Junior High School, Magnolia, Arkansas, "Standing in the President's Shoes," Volume 7, pp. 42-45.)

24. To teach about government's role in labor-management relations, prepare a simulation in which some pupils play the roles of union officials, while others represent management and a third group serves as the Federal Mediation and Conciliation Service. In preparation, the students should do research on the functions they are to perform. Several actual labor disputes should be studied to get a realistic picture of what occurs in such situations. The economic issues should be clearly identified, with wage rates, the company's profit position, general economic trends, cost of living, and the like, being considered. Summarize the simulation with a discussion of how and why government became involved. (See Richard B. Bransky, Shenley High School, Pittsburgh, Pennsylvania, in the Appendix to Chapter 3, Volume 7, p. 48.) For ideas on more general studies of labor, see Homer F. Swartz, Maplewood-Richmond Heights High School, Maplewood, Missouri, "American Economic System..."
25. In a unit on The World of Work* (or Preparing for the World of Work) include a study of "Careers in Government." Be sure the pupils understand that people working for government include teachers, police officers, firemen, public health nurses, conservationists, sanitation workers, and the like, as well as elected or appointed officials. Make a study of government jobs, how each contributes toward the economy, and what wages or salaries they command. The students can interview people in the area who hold these kinds of jobs and/or write to government agencies for information. (See Bonnie Mullins, Van Devender Junior High School, Parkersburg, West Virginia "You Live Economics," Volume 9, p. 46.)

26. Establish a “model nation” in the classroom. First have a plenary session in which the pupils discuss the idea, decide what sort of government and economic system they will have, and set up a “constitutional convention.” Write a constitution that sets forth the “nation’s” goals and establishes both the governmental and economic systems. This activity can become as complex as you wish to make it. Among the various things that can be done are the following:

- Establish a monetary unit. Invent a catchy name for it, decide how it relates to the U.S. dollar (such as “ten crowns equal one dollar”), and design and reproduce the money on a duplicating machine. Each pupil may receive an equal sum at the start, but as time goes on the distribution will become unequal as they buy goods and services from one another, and as some are more successful in their enterprises than others.
- Decide how much is to be paid to elected officials, such as the president, treasurer and secretary. Establish a tax system to finance government operations. (This should lead to a study of various kinds of taxes and tax rates.)
- Let the pupils set up various businesses to produce goods and services. You might also pay them out of the “government” treasury for such things as washing the chalkboard, keeping the class library in order, and so on.
- Have someone keep a record of business transactions and the prices involved. Set up a simple price index so that you can tell whether inflation or deflation is occurring. At the end of the unit you might want to see which pupil ends up with the most “money” and try to find out the reasons for his or her success.
- Charter a bank to accept deposits and make loans. This will require an understanding of the various types of banks and their functions. Use checks as well as cash. Be sure that the bank pays interest on savings deposits and charges interest for loans. Interest rates should rise if the demand for loans is great, and drop if demand lags in relation to the amount of loanable funds available.) A reserve ratio should be established so that the pupils acquire at least a minimum understanding of the fractional reserve system. Keep careful records of the bank’s transactions, with the balance sheet showing assets and liabilities.
- Be alert for the development of monopolies, price fixing and the like. (These things sometimes arise spontaneously during such role-playing situations.) When they occur, have the class legislature discuss the problem and decide what the “government” should do about it.
- All the “business firms” should keep records of their costs and incomes. The businesses may take various forms—proprietorships, partnerships or corporations. (In the latter case, they should obtain charters, issue and sell stock, and pay dividends if they make profits.) Some will do better than others. Have all-class discussions to find out why, considering such things as demand for the product or service, supply problems, production costs, efficiency, competition and the like.
- Instead of owning their own firms, some pupils may be employed by others. If so, they might consider forming a union and engaging in collective bargaining sessions with “management.” Strikes and/or lockouts may occur. This should lead to a study of labor legislation and possibly the passage of labor laws by the class “government.”
- Let a student who is good at mathematics be the class "statistician." He or she should keep records of what is being produced, what prices are being charged, how much money is in circulation, what is happening to wage rates and interest rates, how many people are employed, etc. You might even develop a class “GNP.” See if the economy is growing, standing still or regressing. Analyze the reasons for any trend in the model nation’s economy.
- If other classes also set up model nations, have “international trade” develop. This can involve you in the principles of international trade, exchange rates, balance of payments problems, and the like.

In bringing the unit to a close, have discussions of what happened and why. Did government’s role increase or decrease? Why? Was this desirable? What economic problems emerged? How were they similar to (or different from) real-life economic problems? (See three articles by C. Baxter Twiddy of Josephus Daniels School in Raleigh, North Carolina—The European Economic Community: Simulation and Role-Playing or Games Approach,” Volume 1, pp. 60-63; “Congress, the Constitution, and the Economy: Ninth Graders Establish an Economy for Muleadia,” Volume 2, pp. 46-48; and “Twindzania—An Emerging Nation,” Volume 5, pp. 57-59. Also see Walter J. Blanchard, Henry Barnard School, Rhode Island College, Providence, Rhode Island, “Magic—A Model Nation,” Volume 4, pp. 35-37.)

27. There can be many variations of the model nation simulation described above. Some of these are as follows:

- **Break the class into groups and have each group represent a different nation.** This is particularly good for teaching about the *Common Market* and other such groupings of nations. Each group might have one section of the room in which it can arrange displays of its products and services, and maps showing GNP, population, resources, etc. The pupils can enact the trade and exchange situation as it existed before the Common Market was established, and then show how things have changed as a result of the Market's existence. There can be debates and discussions of such issues as the relationship between the United States and the Common Market.

- **Divide the class into two groups, one to represent the United States and the other to represent an underdeveloped nation.** The first will do research on United States economic history and growth (and government's role in our development); the second will do the same for the underdeveloped nation. (Be sure to pick a country for which plenty of data are available and, if possible, one for which resource people are available. Among the resource people might be former Peace Corps Volunteers who were assigned to that country and students from that nation who are studying in a nearby college.) The first group will dramatize the development of the United States economy; the second will dramatize the economic situation and developmental problems of the poorer nation. Conclude this activity by having a discussion in which the two nations are compared and contrasted in terms of their resources, governmental and economic systems, economic problems, and so on. (See Priscilla A. Bradley of Michael J. Whalen Junior High School in Hamden, Connecticut, "Factors Influencing A Nation's Capacity for Economic Growth: A Comparative Approach with Role Playing in Junior High," Volume 3, pp. 62-66.)

- **Set up a model community patterned after the community in which you live. Find out what form of government exists locally, and let the students elect a mayor (or whatever is appropriate) and other officials.** Perhaps the pupils can interview their real-life counterparts to find out how the local government works, how it is financed, what economic problems it has, etc. The students should establish a tax system, discuss ways of dealing with economic issues, and consider means of financing needed developments. (See Edward S. Feldman, Pennwood Junior High School, Yardley, Pennsylvania, "A Seventh-Grade Study of Prices, Wages, and the Cost of Living," Volume 7, pp. 40-42.)

28. **Government plays a vital role in creating a portion of our money supply and in controlling the growth of the nation's money supply.** (Through the creation of bank credit and demand deposits, our commercial banking system creates most of our money supply. See a standard textbook in principles of economics for an explanation of this.) Illustrate the importance of money by having the pupils bring in items that they would like to swap. The bartering session should bring out the problems associated with barter and should show the importance of money as a medium of exchange. Also be sure that the students understand how money is used as a standard of value, a store of value and a means of deferred payment. This can be done through further role-playing situations or through reading stories on the history of money and banking. Note the various forms that money can take, and that commercial bank credit constitutes the major portion of our money supply. The importance of money in the economy should be clearly understood, along with the problems associated with money (inflation and deflation). The class should also know that control over money and credit is one device by which we attempt to control the business cycle. (When the economy becomes "overheated" and inflation is a major problem, the Federal Reserve may attempt to slow down the growth of money and credit; when recession and unemployment threaten, the Fed may try to stimulate the economy by encouraging the growth of money and credit.) (See Louise Jackson, Clovedale Junior High School, Little Rock, Arkansas, "A Seventh Grade Unit on the Nature and Origin of Money," Volume 4, pp. 82-84; John F. Wheeler, Buckman Grade School, Portland, Oregon, "A Seventh Grade Project in Business and Banking," Volume 4, pp. 85-87; and Zara T. Burkey, Shroder Junior High School, Cincinnati, Ohio, "Money and the Banking System," Volume 2, pp. 55-58.)

29. **Introduce the class to the role of the Federal Reserve System by having them list goods and services they want to buy which have been going up in price.** This should serve to illustrate the problem of inflation. Compute the percentage increase in prices over a particular period of time and compare this with the increases (if any) in family income. Show that if the prices of the things the family buys have increased by a given amount (say ten percent) but the family's income has increased by a lesser amount (say only five percent), the family's real income (what they can buy with their money income) has actually dropped. Now examine the possible causes of the price increases and the means by which inflation might be controlled. Consider the Federal Reserve's monetary policies, and the government's fiscal (taxing and spending) policies. Which policies should we support? How can we, as individuals or families, take action to protect ourselves from rising prices? (For a good idea for teaching about the Consumer Price Index, see Arthur T. Blake of Wheeler High School in North Stonington, Connecticut, in the Appendix to Chapter 3, Volume 8, p. 55.)

30. **Ask pupils who have bank accounts to find out whether or not their deposits are insured by the Federal Deposit Insurance Corporation (FDIC) or a similar agency.** Have them prepare a brief report on how the agency works, why it was established, and what its impact has been. This can also lead to a study of the history of banking in the United States and how the Federal government and state governments charter and control banking institutions.

31. **Taxes are used not only to raise revenue for govern-**
32. After the class has been involved in one or more simulations, ask the pupils to form groups and create games or simulations of their own. The games should illustrate the role of government in the economy, or in other economic systems. Some may deal with government’s role in a broad sense; others may wish to concentrate on something specific, such as antitrust policy or government and labor disputes. Insist that each group state the objectives of the game, identify the economic concepts it is supposed to convey, prepare clear directions for the players, provide all the necessary materials (such as play money), provide for maximum participation by the class, show originality, and be interesting. (These games might also be evaluated as part of the evaluation of the unit or course.) (See Kopolow and Matter, loc. cit.)

33. Make tape recordings (or have the pupils do so) of important statements by public officials which relate to the economy. For example, tape the President’s State of the Union message. Play the tape in class and have the pupils note the economic topics included. Have a discussion of the ways in which each economic issue affects you personally and why it is important to the economy as a whole. (See Frances Watkins, Fouke High School, Fouke, Arkansas, “Who Am I Becoming?” Volume 9, p. 43.)

34. Make a study of the way in which government has attempted to protect children and young people from economic exploitation. Trace the development of the child labor laws. Note working conditions of children in early mines and mills, wages paid to child workers, and similar topics. Find out what the laws are of your state and the Federal government have done to change these conditions. The class might also be interested in other government programs for the benefit of young people, such as the New Deal’s National Youth Administration and more recent government educational programs.

35. Study government’s role in economic systems different from our own, such as in the command economy of the Soviet Union. (For a good text on this subject, see John R. Coleman, Comparative Economic Systems: An Inquiry Approach. New York: Holt, Rinehart, and Winston, 1968.) The students might simulate economic planning in the U.S.S.R. After doing research on economic planning in Russia, they can form groups to play the roles of various government officials, plant managers, workers and others. Given data on available resources, they can attempt to form feasible goals and draw up plans for allocating their resources to achieve those goals. From time to time, introduce unexpected problems such as crop failures, and international crises. The results can be open-ended, for there is no telling how these activities will come out. It is probable that the students will begin to see how difficult it is to plan an economy. A discussion can then be held in which the class contrasts the role of government in the command economy with that in the market economy. (See Kopolow and Matter, loc. cit.; and Bonnie Mullins, op. cit., p. 45. For a suggested outline of a lesson on economic systems.)

36. Have individuals or groups select underdeveloped areas for study. The pupils should examine the existing economic status of the areas, finding out about the GNP, population, educational status, resources, growth rate, what is being done to promote economic development, and what role government plays in the economy. Examine these questions: Is government doing too much? Too little? Is it encouraging or discouraging private enterprise? What would be a good plan for the area’s economic development? The findings can be presented through panel discussions, individual oral reports, films, filmsstrips, skits and the like. (See Nancy Fortnay, Millard Leffler Junior High School, Lincoln, Nebraska, “World History and Economics in Ninth Grade,” Volume 4, pp. 54-56.)

37. If you are integrating economics into the American history course, have the pupils note the various ways throughout our history that government has been involved in the economy. Have them prepare a time line which identifies the most important examples of government’s role in the economy and which establishes any trends. Discuss the reasons for government’s increasing role and whether or not this is desirable. (See Teaching Economics in American History. New York: Joint Council on Economic Education, 1973. This manual contains many ideas for incorporating the study of economics in the history course. The price is $4.00 per copy.)
38. Examine the regulatory agencies in your state, such as the state's power commission. Have the pupils determine why these were established, what they do, and how effective they are. Discuss and or debate the question: Should there be more or less of this kind of interference in the market economy?

39. Throughout the course or the unit, have the pupils clip articles from newspapers and magazines that deal with government and the economy. Establish categories, such as Taxation, Government Regulation of Business, Welfare, Environmental Problems, the Energy Problem and so on. Create a resource file with these materials. These items can also be used for bulletin board displays and for posters illustrating government's role in the economy.

40. Encourage the students to make charts, graphs, cartoons, posters and drawings that will help to illustrate economic facts and principles. For example, "pie charts" of the GNP (see Figure 1) can show the percentage accounted for by government. Line graphs may show the growth in government employment or in taxes. Bar graphs can show such things as the income tax rate at various levels of personal income (see Figure 2). Some of these can be displayed on the bulletin board or on the classroom walls and can be used for reference during discussions. For some outstanding examples of posters which creatively illustrate economic concepts, see Dennis W. Cambier, Lincoln High School, Midland, Pennsylvania, in the Appendix to Chapter 4, Volume 8, p. 75.

Figure 1. The Gross National Product (GNP) is the money value of the nation's output of goods and services during a particular period of time (usually one year). This chart is for a typical year (1972). Personal consumer expenditures account for the largest portion, government spending for the second largest, and investment (such as business spending for factories, machinery, tools and inventories) for the rest. Source: U.S. Dept of Commerce.

Figure 2. The federal personal income tax—A progressive tax. (As income rises, the tax rate rises.)

41. For individual or small group work, develop a set of "student learning contracts." These contracts enable students to work individually at their own pace. They may be written in many different ways. The following format is but one possible example.

Learning Contract No.

Concept: Inflation
Purpose: This lesson will help you to understand the meaning of inflation.
Performance Criterion: In previous lessons you have learned about the Consumer Price Index (CPI). Using some of the sources listed below, or others which you are able to locate yourself, find the Consumer Price Index for every year from 1967 to the present. Draw a bar graph which shows the CPI for each year. Your figures must be correct within five percent. Then write a paragraph explaining what your graph shows about inflation. Include a definition of inflation and tell how it affects us. Tell what the government is trying to do to control inflation.

Gross National Product

Consumer spending 62%
Government purchases 22%
Investment 16%

*For married couples with 2 dependents.
\(\text{filing joint returns and taking standard deductions in 1971.} \)
Key Terms and Concepts

- Inflation
- Deflation
- Prices
- Price controls
- Consumer Price Index
- Money supply

Sample Test Situation: Display your graph to the class and explain what it shows. Also explain the Consumer Price Index and tell the students how they are personally affected by inflation. Be prepared to give definitions of all terms you use and to answer questions raised by the pupils or the teacher.

Sources

- Perles and Sullivan, Economics for Everyone Information Please Almanac (latest edition)
- Statistical Abstract of the United States (latest edition)
- Finance Facts (See recent issues of this monthly publication)

Federal Reserve Bank of Minneapolis, Your Money and the Federal Reserve System
Neal, Money

* * *

In the Sources section be sure to list only those books, pamphlets, filmstrips, or other materials that you know are available in the school or in nearby libraries. In selecting this contract the student might be asked to adhere to a time schedule. Note that the Sample Test Situation gives the pupil an idea of how his or her work might be evaluated, but it should be made clear that the teacher reserves the right to use other means of evaluation instead. (See “Special Report: Behavioral Objectives and Student Learning Contracts in the Teaching of Economics,” The Journal of Economic Education, 3 (Fall 1972), 46-49.)
Culminating Activities

Culminating activities are those with which the unit is brought to a close. Ideally, they should be more than a mere review or repetition of the content of the unit. They should provide for a review of the facts and concepts included in the unit, but in such a way that the students must apply their learnings to new situations. Thus, the culminating activities should sustain interest in economics and government, help to show the extent to which the students mastered the material they were supposed to have learned, and perhaps set the stage for subsequent units. One or more of the following might be used to terminate your study of government and our economy, or you might select an activity from the previous section.

1. Arrange to have an "open house" so that parents, students from other classes and the public can visit the classroom to examine the posters, charts, graphs and art work of your class. Prepare oral reports, panel discussions and skits in which the pupils explain some of the concepts studied. For example, a skit on inflation might show how various people (such as debtors, creditors and those living on fixed pensions) are affected by it, the possible causes, and what might be done to control it.

2. Plan to hold an "Econologue" on the topic of government's role in the economy. An Econologue is a discussion of some current economic issue designed to open communications among the various participants. Invite businessmen, labor leaders, government officials, academic economists, political scientists, other faculty members, and students from other classes. Various formats can be employed, including panels, brief individual talks, round tables, seminars, open discussions and debates. The topic might be on some particular issue involving government and the economy (such as pollution control) or on the general question of the extent to which government should be involved in our economic life. Be sure that all views are given a fair chance to be heard, that procedural rules are established in advance, and that all participants are apprised of these rules.

3. Using material collected throughout the unit (such as cartoons, pupil essays, newspaper clippings and glossaries of economic terms) prepare a book on Government and Our Economy. A large looseleaf notebook might be best for this, so that it can be changed and brought up to date in the future. Divide it into chapters or sections, such as Government and Labor, Taxation, Government and the Farmer, Government and Business, and so on. This book can become a useful resource document for other classes. In discussing what to include in the book, how to organize it and how to use it, the class will have to apply many of the things they learned throughout the unit.

4. Prepare an assembly program in which some important phase of your unit is dramatized for the benefit of other students in the school. Select a topic, problem or issue that will be of interest to all young people.

5. Refer to Initiatory Activity No. 5. If you took this field trip to start the unit, try to make the same trip again. Ask the pupils to reevaluate the results of the first trip. Do they now see anything relating to economics that they missed the first time? Are they now better able to distinguish between economic activities and institutions that are in the private as opposed to the public sector? Are they now more capable of identifying things which appear to be private enterprise but which actually represent a mixture of public and private enterprise? (This can also be part of your evaluation of the unit and of pupil learnings.)

Note: Some culminating activities are suggested in the Developmental Activities themselves. For example, see Developmental Activity No. 14. If you have selected this as the major means of teaching economics (making a study of the economy of your area), the culminating activity could be the development of a plan for the area's economic growth. If games and simulations have been widely used, then Developmental Activity No. 32 (having the students create their own games and simulations) could be the means by which you summarize and terminate the unit's work.
Evaluation

1. At the end of each day (or lesson) during which economics is covered, jot down a few questions on index cards or small pieces of paper. Thus, when you wish to give weekly quizzes or unit tests you will have your own "question bank" from which to draw items, and you will be certain that you have covered each topic involved. Select the items that will best help you to determine whether or not your objectives were met. Multiple-choice items are often considered by test specialists to be the best kind of objective question. Be sure that there is only one alternative which indeed best answers the question or completes the statement in the stem. An example follows:

   a. Profits usually go to which factor of production?
      1) Natural resources
      2) Labor
      3) Capital
      4) Enterprise

   The correct answer is "d." The pupils should receive clear instructions on precisely how to respond. Indicate whether you want them to circle the answer, check it off or whatever. One or two sample practice questions that will not count in the grading might be given before the real test begins.

   True-false items are often criticized because the pupil has a 50-50 chance of getting them right by guessing. Some teachers combine true-false items with short essay questions by asking the pupil to explain their answers, at least in the case of an item marked "false." For example, suppose an item reads "Opportunity cost means the highest cost." The pupil might be expected to write "false" and then the real meaning of opportunity cost.

   Completion-type items must be very carefully worded. For instance, suppose that the most important business in the community is "Begley Enterprises." The teacher wants to know if the pupils have learned this fact, and writes a completion item reading: "The most important business in our community is _____________________."

   A great many responses could be written in the blank space that the teacher would have to consider correct—"located on Main Street," "a profit-making firm," "a corporation," "a company employing many workers," and so on. This could be avoided by wording the item: "The name of the most important business in our community is _____________________."

   If matching questions are to be used, avoid constructing them in such a way that the pupils can get some items right by the process of elimination. One column should contain more items than the other. For example, the left-hand column might contain ten economic terms, and the right-hand column might be a list of twelve definitions. The pupil selects the number or letter of the definition which best fits the term in the left-hand column. There will be two definitions left over. If there were only nine of the terms would get the tenth right by the process of elimination. Also avoid mixing things of a different nature in matching questions. For example, do not use people's names along with animate objects or abstract terms if doing so gives the pupil a clue to the answer. After all, you are trying to find out how much the pupil learned, not how good he is at discovering clues which "tip him off" to the correct answers.

   Some short essay-type questions of the "identify and define" type might be used. Here you list a term, concept or principle and ask the pupils to do two things—tell what it is and how or why it is significant. If "profit" is listed, the pupil should write: "Profit is the share going to the owners of a business. It is important because it is the hope of making profits that causes the businessman to produce goods and services wanted by consumers." Then read each pupil's response again and assign a score on the basis of the individual's deviation from the average.

   Long essay questions allow the pupils to express themselves and to show how much they have learned about a topic without rigid constraints, but they are difficult to grade. Such a question might be: "Explain why government's role in our economy has grown during the past 50 years." The teacher should have in mind an "ideal" answer to the question, but should also be prepared to give credit for unexpected responses that are accurate and show thoughtful analysis. Although it involves much time and work, a good way to grade essay questions is to read all the pupils' answers once before grading to get a picture of the average, above-average and below-average response. Then read each pupil's response again and assign a score on the basis of the individual's deviation from the average.

2. The sample test items included in No. 1 above are not intended to exemplify outstanding examination questions. Try to develop test items which require the students to think about and apply the economic facts and concepts they have studied. For example, list some real or imaginary situations and ask the pupils to indicate the economic principles that might apply to each. Some sample situations are as follows:

   • The government is planning to give aid to airlines threatened by bank ruptcies. This calls for a discussion of such things as government's role in support-
The President is asking Congress to approve a tax cut, even though the Federal budget is in deficit. The pupil must understand that a tax cut can stimulate a lagging economy, as people spend more of their marginal income— the additional after-tax income they have because of the tax cut.

- The Federal Reserve System is taking action to raise interest rates. This requires an understanding that interest rates are part of the cost of doing business, and that raising them can help to "cool off" an overheated economy and cut down on the growth of the money supply. A growing money supply is one possible cause of inflation.

(Suggested by Thomas M. Frieder, Woodrow Wilson Junior High School, Manitowoc, Wisconsin. See Appendix to Chapter 3, Volume 10, pp. 55-56.)

3. A standardized test, the Junior High School Test of Economics, was published by the Joint Council on Economic Education in 1974. The test manual contains norm data for grades seven, eight and nine, along with much other useful information. If your economics lessons contained the same basic content as this test you might wish to use it for evaluation purposes. It can also be used as a pretest to ascertain the strengths and weaknesses of your class, and again as a posttest to determine both individual and class progress. The manual contains data that will enable you to compare the performance of your class with that of similar classes in other parts of the country.

A simpler test, the Test of Elementary Economics, can be used with pupils who are less talented academically. Designed for use in grades five and six, this instrument is also available from the Joint Council on Economic Education, along with a manual containing norm data. For further information write the Joint Council on Economic Education, 1212 Avenue of the Americas, New York, N.Y. 10036.

4. Show a film or film strip that has economic terms, concepts or situations. Have the pupils list every term, concept, problem or economic situation they can find in it. Ask them to note implied as well as explicit content. For example, a filmstrip on poverty may imply that income is not fairly distributed in the U.S. without actually stating this to be a fact. Be sure to preview the film or filmstrip yourself and prepare a list of the items you think the pupils should list. Their lists can then be compared with yours and graded in terms of the extent to which they are complete and accurate. (Suggested by Mrs. B. L. Kohlin, Tenth Intermediate School, La Canada, California. See "Teaching Economic Topics in Eighth Grade," Volume 9, p. 33.)

5. Distribute copies of a newspaper that has good economic coverage. Have the pupils identify every article, column, cartoon or feature that deals with some economic topic, noting in particular those which illustrate government involvement in the economy, taxes, a government project, welfare, public housing, government action to deal with the energy problem, and the like. In grading the responses you might rank them in accordance with the number of items correctly identified and assign grades accordingly, or first go through the paper yourself and list everything you think should be included. Then compare pupil papers with your own and grade them on the basis of what percentage of items they correctly identified.

6. For an evaluation technique that the students may find enjoyable and may permit them to be creative as well as to demonstrate what they have learned about economics, ask them to pretend to be in situations calling for a knowledge of government's role in the economy. Some examples follow:

- Pretend you are writing a script for the TV program "All in the Family," in which Archie and Mike are discussing government's role in the economy. What facts about government's role might each character bring out? How would their viewpoints and values differ on the question of government's role?

- Pretend you are visiting the Soviet Union and a Russian teacher has invited you to speak to her class and explain the role of government in the American economy. What would you tell her class? Give reasons for your selection of various topics, facts and principles.

- Recently the Federal Trade Commission accused three cereal manufacturers of "monopolizing" the market for cereal. Assume that you are an executive in one of the companies. How would you respond to a reporter's question about your reaction to the FTC's charge? Now assume you are a member of the FTC. How would you react to a reporter's question asking you to justify the FTC's accusation?

- Pretend that you are a union member and that your union has reached an agreement with management giving you a ten-percent wage increase. The Federal government, however, says that this must be limited to 5.5 percent. How would you react to this? Explain your reactions.

(These items were suggested by Thomas M. Frieder, loc. cit.)

7. If you have studied the economic sections of the U.S. Constitution, and if you have also stressed recent and current economic events, distribute copies of the Constitution and ask the pupils to identify those parts which explicitly or implicitly deal with economics. Then have them give examples from recent or current events that illustrate the facts and concepts involved. (For example, the pupils might note that in Article I, Section 8, Congress is given the power to "lay and collect taxes" and then cite a recent proposal for a new tax, such as the value-added tax.)

8. Distribute graph paper with colored pencils, rulers and sheets containing data on government's role in the economy. (For example, provide figures on the growth in government employment, in the Federal, state and local levels; the growth of the national debt; or changes in government's share of the GNP.) Have the pupils draw graphs illustrating the statistical information you have provided, then write a short explanation of the reasons for and significance of the trends shown.
9. If the pupils have worked in groups or committees, have each group report its findings to the class. The teacher and the rest of the class can evaluate these reports in terms of completeness, accuracy, clarity of presentation, relevance, and the extent to which economic analysis is used. The reports can take many forms, such as written summaries duplicated for the entire class, panel discussions, skits, slide presentations or debates.

10. If tape recorders are available, record some of the class discussions, panel discussions, oral reports and the like. Play these back at the end of the unit and ask the class to evaluate them. You might also have other teachers and classes listen to them and give their comments and suggestions.

11. Grade individual student work, such as notebooks, research papers and material prepared for groups or committees. Grading should be done in accordance with criteria established in advance, and pupils should know what factors are to be taken into account in evaluating their work. They might also be given a voice in establishing the evaluation standards.

12. If “student learning contracts” are used (as in Developmental Activity No. 41) evaluate pupil performance on each individual or group project in accordance with the criteria established when the contract was made.

13. Keep anecdotal records of pupil behavior, recording incidents in which pupils show initiative, make constructive contributions in class, do extra work, or show unexpected progress. Also note negative behavior so that efforts can be made to correct an undesirable behavior pattern before it worsens, to induce nonparticipants to become actively involved, to help the pupil who is progressing too slowly, or to give aid to those having problems.

14. If time permits, have private evaluation sessions with each pupil. Ask the pupil to indicate where he or she made the greatest progress, did well, did not do as well as expected, failed to live up to established goals, and so on. The pupils should have the opportunity to evaluate themselves, to point out any strengths or weaknesses the teacher might have overlooked, and perhaps even to contest the teacher’s evaluation.
**Materials for Pupil Use**

**Readings for Pupils**

Most of the works listed in this section were written for junior high school students or are simple enough to be used by the average junior high school pupil. Those especially suited for poorer readers or which should be assigned only to superior students are so identified. Where appropriate, possible uses of the items, related activities, or questions that might be used with books are included.

**Basic Economics, Economic History, Economic Philosophy**


Hunter, Bertram L., *Economics for Young Adults*. New York: Sadlier, 1971. (Basic text or reference.)


**Basic Government and Government and Our Economy**


**Business and Businessmen**


**Comparative Economic Systems**


Conservation and Environmental Problems


Munzer, Martha E., The 1914 Years. New York: Knopf, 1969. (How has this government project aided conservation?)


Consumers


Warnke, Roman F., Eugene D. Wylie and Beulah E. Sellers, Consumer Decision Making: Guides to Better Living. Cincinnati; South-Western, 1972. (Basic high school text containing many economic principles.)

Depression


International Economics
Calderwood, James D., The World Economy. Bedford Hills, N.Y.: Teaching Resources Films, 1972. (A filmstrip is also available with this pamphlet.)

Calderwood, James D., and Hazel Jones, World Trade. Chicago: Scott, Foresman, 1961. (Good for poor and average readers.)


Labor Unions and the Worker
How does government try to protect children from exploitation? Is enough being done?


Grant, Madeleine P. *Alice Hamilton*. New York: Abelard-Schuman, 1968. (Why did this great woman doctor fight for better working conditions?)


Myers, Ethel and Madam Secretary: Frances Perkins. New York: Messner, 1972. (How did our first woman Secretary of Labor deal with workers’ problems?)


Selvin, David F. *Champions of Labor*. New York: Abelard-Schuman, 1967. (How did these labor leaders differ in their views toward government involvement in labor issues?)

Sims, Carolyn. *Labor Unions in the United States*. New York: Franklin Watts, 1970. (Good for poor readers. How has government’s role in labor relations changed over the years?)


Trattner, Walter I. *Crusade for the Children: A History of the National Child Labor Committee and Child Labor Reform in America: 1800-1970*. (For the better student. What has been government’s role in protecting children?)


*Money and Banking*


*Population*


*Poverty and Welfare*


Thurrow, Lester C. *The Economics of Poverty and Racial Discrimination*. New York: Joint Council on Economic Education, 1972. (Have the better students read this pamphlet and report on its contents. Teacher’s guide and filmstrip also available.)

*The Securities Markets*


Roberts, Edwin L. *The Stock Market*. New York:
Franklin Watts, 1965.

Taxation
Samuel, J. Woodrow, and Edith Stull. Taxation. New York: Franklin Watts, 1963. (What are the different kinds of taxes and how do they affect the individual and the economy?)

Urban Problems
Munger, Martha I. Planning Our Town. An Introduction to City and Regional Planning. New York: Knopf, 1964. (What is government's role in urban planning?)

Audiovisual Materials
Because of the large number of films, filmstrips, recordings and transparencies available, this section will include only a very small sample. See Sidney J. Kromsch, Audiovisual Materials for Teaching Economics (New York: The Joint Council on Economic Education, 1972) for a more complete list. Also see the catalogues of various producers and distributors of such materials.

Area Redevelopment Administration. Film U.S. Dept. of Commerce or NT-10 Film Library. Washington, D.C.


Crisis in State and Local Government. Filmstrip with longplay record or cassette. Listening Library, Inc., Old Greenwich, Conn., 06870.


Economic Stabilization Policies. Filmstrip with longplay record or cassette. Joint Council on Economic Education. (Address above.)
The Economics of Taxation. Filmstrip with longplay record or cassette. Joint Council on Economic Education. (Address above.)
The Food and Drug Administration. Two filmstrips with two longplay records or cassettes. Guidance Associates, Pleasantville, N.Y. 10570.


Government and Our Economic System. Filmstrip with longplay record or cassette. Joint Council on Economic Education. (Address above.)
The Growth of the Labor Movement. Two filmstrips with two longplay records or cassettes. Guidance Associates. (Address above.)


The Isons. Twelve transparencies with 14 duplicating masters. Social Studies School Service, Culver City, Cal. 90230.

Key Supreme Court Decisions. Thirteen transparencies with 31 overlays. AEEC Inc., 1004 Park Avenue, Plainfield, N.J. 07060.

Measures Against the Depression. Filmstrip. Eye Gate House, 14001 Archer Avenue, Jamaica, N.Y. 11435.


Pollution—It's Up to You! Film. NBC Educational Enterprises, 30 Rockefeller Plaza, New York, N.Y. 10020.

Population. Filmstrip with longplay record. Eye Gate House, 14001 Archer Avenue, Jamaica, N.Y. 11435.

The Search for Stability. Film, Carousel Films, 1501 Broadway, New York, N.Y. 10036.


The Taft-Hartley Act and Franklin Roosevelt's First Inaugural Address. Recording (longplay). Enrichment Teaching Materials. (Address above.)

Taxes. Filmstrip with longplay record. Eye Gate House, 1401 Archer Avenue, Jamaica, N.Y. 11435.


Games and Simulations

Because of space limitations, it is not possible to list the many games and simulations available for teaching various economic facts and concepts at the junior high school level. This section presents only a representative sample. See Educational Games and Simulations in Economics (New York: The Joint Council on Economic Education, 1974) for additional suggestions.

Blacks and Whites. 1-2 hours; 4 to 20 players. $6.95. Dynamic Design Industries, 433 N. Central Park, Anaheim, Calif. 92802. (Welfare, housing, and other issues in a ghetto are dealt with by the participants.)

Blight. 3-8 hours; 20-40 players. $42.50. Instructional Simulations, Inc., 2147 University Avenue, St. Paul, Minn. 55104. (Problems relating to change and renewal in a community.)

Budget. 2-4 hours; 40 players. $10.00. Interact, Box 262, Lakeside, Calif. 92040. (Participants attempt to reach a consensus on a budget for the country.)

Budgets and Taxes. 4-6 hours; 6 to 20 players. $4.95. Education Ventures, Inc., 209 Court St., Middleton, Conn. 06457. (Participants play roles of public officials submitting annual budget requests and citizens affected by public services and taxes.)

Competition or Subsidy. 1 hour; up to 42 players. Part of set of five simulations, at $38.00 per set. SouthWestern Publishing Co., 5101 Madison Road, Cincinnati, Ohio 45227. (Participants are exposed to conditions of free competitive market and government involvement through subsidies.)

Consumer Redress. Time not fixed. up to 30 players. $64.50 for a consumer law kit which includes this game. Changing Times Education Service, 1272 H Street, Washington, D.C. 20006. (Consumer rights and responsibilities. Consumer law.)

Dirty Water. 1-3 hours. 2 to 4 players. $10.00. Damon Educational Division, 50 Wilson Way, Westwood, Mass. 02090. (Participants play roles of water pollution control officials.)

Economic System. 2-6 hours; 7 to 13 players. $25.00 Bobbs Merrill Co., 4300 West 62nd St., Indianapolis, Indiana 46268. (Mine owners, manufacturers, workers and farmers in a profit-oriented system. Problems relating to foreign trade, taxation and public goods are included.)

Enterprise. 2-4 hours; 20 to 30 players. $10.00. Interact, P.O. Box 262, Lakeside, Calif. 92040. (Interactions among bankers, businessmen, brokers, consumers, the welfare poor, lobbyists and politicians.)

Guns and Butter. 1-1 1/2 hours; 18 to 28 players. $25.00. Simile II, Box 1023, 1150 Silverado, La Jolla, Calif. 92037. (Participants are leaders of nations trying to increase their country's real wealth while making it secure from attack by others. They may trade, form common markets, establish alliances.)

Land Use Game. 1-2 hours; any number of players. $2.50. Education Ventures, Inc., 209 Court St., Middleton, Conn. 06457. (Participants decide where to locate roads, recreation areas, etc., to meet human needs and protect the environment.)

Micro-Community. Playing time is open; 20 to 40 players. $35.00. Classroom Dynamics Publishing Co., 231 O'Connor Drive, San Jose, Calif. 95129. (Participants face problems of earning money, paying rent, going into business, inflation, paying for welfare.)

Mr. Banker. 4 sessions of 40 minutes each; 6 to 30 players. $10.00. Federal Reserve Bank, 250 Marquette Avenue, Minneapolis, Minn. 55401. (Participants learn about our money and banking system and the need for a central bank.)

Mulberry. 2-4 hours; 20 to 35 players. $50.00. Paul S. Amidon, 5408 Chicago Avenue South, Minneapolis, Minn. 55417. (Participants play roles of citizens, officials, and professional planners in an urban renewal project.)

New Town. Up to 3 hours; 10 to 20 players. $16.00 for 10 players. $28.00 for 20. Harwell Associates, Box 95, Convent Station, N.J. 07961. (Participants bid on land, vote, and in other ways become involved in economic and political factors in building a new community.)

Pamphlets. 23 hours; 25 to 36 hours. $10.00. Interact, Box 262, Lakeside, Calif. 92040. (Players become economic pressure groups during the 1920-1940 period. Mock Congressional committees try to solve the economic crisis.)

Pressure. 2-4 hours; 6 to 36 players. $10.00. Interact, Box 262, Lakeside, Calif. 92040. (Players are citizens in a community beset by problems facing local governments, such as zoning.)

Sacrifice. 2-4 hours; 10 to 100 players. $4.95. Education Ventures, 209 Court St., Middleton, Conn. 06457. (Players become businessmen, public utility executives, public officials, voters and consumers in an environmental conflict situation.)

Settle or Strike. Playing time open; 24 to 32 players. $40.00. Games Central, c/o Abt Associates, 55 Wheeler St., Cambridge, Mass. 02138. (Labor and management bargain on wages, union security, seniority, vacations and contract duration.)

Tracts. 2-4 hours; 14 to 40 players. $42.50. Instructional Simulations, 2147 University Avenue, St. Paul, Minn. 55104. (Players become private land developers, public
housing officials, industrialists, and city planners facing problems of what to do with land in the core city.

*Transit* 4-10 hours, 20 to 40 players, $42.50. Instructional Simulations, 2147 University Avenue, St. Paul, Minn. 55104. (Local officials dealing with problems of mass transit, freeway development, parking, and safety.)
Reference Materials

Reference materials suitable for pupils at the junior high school level are scarce. Teachers should have on hand some reference materials for their own use, however, and for the use of those pupils who may be able to handle items intended for adults. Charts, graphs, statistical tables, etc., too difficult for the pupils may be simplified by the teacher and duplicated for distribution to the class. Material dealing with the local and state governments may be available at little or no cost. Write to your town, city, county and state governments, explain your unit, and ask for relevant material.

A few basic reference works should be in every classroom, if possible. An introductory economics textbook designed for college use will come in handy when you want to reinforce your own understanding of basic principles and concepts. Any of the standard principles of economics textbooks should suffice, and some of the newer high school textbooks will cover the bases in simpler fashion. One or two dictionaries might be useful. Among those available in paperback are the following:

- The annually published paperback almanac will be of use in many lessons, not only those dealing with economics. Two of these are:

A recent college textbook on American government will also serve as a useful reference work. The following items will provide up-to-date information on the federal government:


Some of the best statistical materials are available from the Federal Reserve Banks and from the federal government. Write to your district Federal Reserve Bank to find out what free or inexpensive material is available. Although not free, there are two government publications which belong in every school library. These are:


The teacher who wishes to learn more about government and the economy can refer to such books as the following:

Additional Guides and Aids for the Teacher


Dougherty, Robert L. *Teaching Industrial Relations in High School*. Ithaca, N.Y.: Cornell University, 1964, $2.00.


