
FOCUS:

UNDERSTANDING ECONOMICS IN CIVICS AND GOVERNMENT

*This publication was made possible through funding from
the U.S. Department of Education.*

AUTHORS

William Bosshardt

*Associate Professor of Economics and
Director of the Center for Economic Education*
Florida Atlantic University
Boca Raton, FL

Steven Miller

Associate Professor of Social Studies and Global Education
The Ohio State University
Columbus, OH

Mark C. Schug

Professor of Curriculum & Instruction, Emeritus
The University of Wisconsin-Milwaukee
Milwaukee, WI

Phillip J. VanFossen

*James F. Ackerman Professor of Social Studies Education and
Associate Director of the Center for Economic Education*
Purdue University
West Lafayette, IN

Funding

The Council for Economic Education gratefully acknowledges the funding of this publication by the United States Department of Education, Office of Innovation and Improvement, Excellence in Economic Education: Advancing K-12 Economic & Financial Education Nationwide grant award U215B050005-07. Opinions, findings, conclusions, or recommendations expressed in the publication are those of the authors and do not necessarily reflect the view of the U.S. Department of Education.

Copyright © 2009, Council for Economic Education, 122 East 42 Street, Suite 2600, New York, NY 10168. All rights reserved. The visuals and student activities may be duplicated for classroom use, the number not to exceed the number of students in each class. Notice of copyright must appear on all pages. With the exception of the visuals and student activities, no part of this book may be reproduced in any form by any means without written permission from the publisher. Printed in the United States of America.

ISBN: 978-1-56183-662-8

CONTENTS

Foreword	iv
Acknowledgments	v
Correlation of Lessons 1-10 to the National Content Standards in Economics, from the Council for Economic Education	vi
Correlation of Lessons 11-20 to the National Content Standards in Economics, from the Council for Economic Education	vii
Correlation of Lessons 1-10 to the National Standards for Civics and Government (Grades 9-12), from the Center for Civic Education	viii
Correlation of Lessons 11-20 to the National Standards for Civics and Government (Grades 9-12), from the Center for Civic Education	ix
Downloading Visuals, Activities, and Related Materials	x
Lessons	
1 How Do Constitutions Shape Economic Systems?	1
2 The Relationship Between Economic Freedom and Political Freedom	21
3 Voters and Elections	35
4 What Are the Economic Functions of Government?	45
5 Government Spending	55
6 Can Election Futures Markets Be More Accurate Than Polls?	69
7 Taxes Change Behavior	81
8 Economic Misery and Presidential Elections	99
9 The Market Goes to Court: Key Economic Cases and the U.S. Supreme Court	113
10 An Economic Analysis of Health Care Policy	129
11 How Should Governments Structure the Tax System?	143
12 Federalism	167
13 Government Failure: Using Public Choice Theory to Analyze Political Decisions	179
14 Economic Sanctions and U.S. Foreign Policy	201
15 The Judiciary and Eminent Domain: The Case of <i>Kelo v. City of New London</i>	221
16 Economic Freedom in China and India	231
17 Making Trade-Offs in Policy Decisions: The Patriot Act	247
18 Economic Indicators for Informed Citizens	267
19 Immigration	287
20 Economic Freedom and Rights	299

FOREWORD

Focus: Understanding Economics in Civics and Government is a core publication of the Council for Economic Education. This valuable instructional resource will help high school teachers actively engage their students in using the economic way of thinking to analyze many of the key topics addressed in high school economics and civics/government classrooms. Thoughtful consideration of the institutions and incentives that operate in modern market economic systems is central to citizens' ability to make informed decisions. While market systems generally provide well for organizing the production and distribution of scarce resources, there are many circumstances in which governments can help improve economic outcomes and advance societal goals. Lessons and activities that address the economic role of government, as well as the costs and benefits of alternative public policy options, can be found throughout this publication.

The Council for Economic Education believes that students can and should learn economics throughout the K-12 curriculum. The *Focus* series is designed to help teachers enhance student learning in a variety of subjects and at all grade levels. As with all Council instructional resources, activities in this publication are interactive, reflecting the belief that students learn best through active, highly personalized experiences with economics. The application of economic understanding to real-world situations and contexts dominates the lessons. In addition, the lessons explicitly teach the Council's widely adopted National Content Standards in Economics as well as the National Standards for Civics and Government, published by the Center for Civic Education.

The Council for Economic Education gratefully acknowledges funding provided for this publication by the United States Department of Education, Office of Innovation and Improvement, Excellence in Economic Education: Advancing K-12 Economic & Financial Education Nationwide grant award U215B050005-07.

The Council also gratefully acknowledges the efforts of the project director, Rich MacDonald, and the authors, drawn from the Council's talented network of affiliated Councils and Centers: William Bosshardt, Steven Miller, Mark Schug, and Phillip VanFossen.

Joseph A. Peri
Acting President and
Chief Executive Officer
Council for Economic Education

ACKNOWLEDGMENTS

PROJECT DIRECTOR:

Rich MacDonald

Council for Economic Education and
St. Cloud State University

EDITOR:

Richard Western

FIELD TEST TEACHERS:

Chad Coolman

Rogers City High School
Rogers City, MI

Jack Couch

Brooklyn Technical High School
Brooklyn, New York

Rene Gochenour

Benson High School Magnet
Omaha, NE

Rebecca Griffith

Avery County High School
Newland, NC

Strait Herron

South Pointe High School
Rock Hill, SC

Jill Koebernik

Wauwatosa East High School
Wauwatosa, WI

Ruth Lewis

Richwoods High School
Peoria, IL

Jim McCarthy

Ursuline Academy
Cincinnati, OH

Matt McWenig

Central High School
Phoenix, AZ

Natalie Scavone

Cayuga-Onondaga BOCES New Visions
Teacher Education
Auburn, NY

Henry Stobbs

Mohawk High School
Sycamore, OH

Lem Wheelles

A.J. Dimond High School
Anchorage, AK

CORRELATION OF LESSONS 1-10 TO THE NATIONAL CONTENT STANDARDS IN ECONOMICS, FROM THE COUNCIL FOR ECONOMIC EDUCATION

Standard	Standard Topic	Lesson 1	Lesson 2	Lesson 3	Lesson 4	Lesson 5	Lesson 6	Lesson 7	Lesson 8	Lesson 9	Lesson 10
Standard 1	Scarcity										
Standard 2	Decision-Making										
Standard 3	Allocation										
Standard 4	Incentives		X				X	X			
Standard 5	Trade		X				X				
Standard 6	Specialization										
Standard 7	Markets & Prices						X				
Standard 8	Role of Prices										
Standard 9	Competition and Market Structure									X	
Standard 10	Institutions	X									
Standard 11	Money										
Standard 12	Interest Rates										
Standard 13	Income										
Standard 14	Entrepreneurship										
Standard 15	Economic Growth										
Standard 16	Market Failure	X			X	X		X	X	X	X
Standard 17	Government Failure			X				X		X	X
Standard 18	Measuring Overall Economic Performance										
Standard 19	Unemployment & Inflation								X		
Standard 20	Fiscal & Monetary Policy				X						

CORRELATION OF LESSONS 11-20 TO THE NATIONAL CONTENT STANDARDS IN ECONOMICS, FROM THE COUNCIL FOR ECONOMIC EDUCATION

Standard	Standard Topic	Lesson 11	Lesson 12	Lesson 13	Lesson 14	Lesson 15	Lesson 16	Lesson 17	Lesson 18	Lesson 19	Lesson 20
Standard 1	Scarcity										
Standard 2	Decision-Making							X			
Standard 3	Allocation										X
Standard 4	Incentives	X	X							X	
Standard 5	Trade					X					
Standard 6	Specialization										
Standard 7	Markets & Prices										
Standard 8	Role of Prices									X	
Standard 9	Competition and Market Structure										
Standard 10	Institutions					X	X				
Standard 11	Money										
Standard 12	Interest Rates										
Standard 13	Income										
Standard 14	Entrepreneurship										
Standard 15	Economic Growth										
Standard 16	Market Failure	X		X	X	X	X				X
Standard 17	Government Failure	X		X	X	X	X	X			
Standard 18	Measuring Overall Economic Performance								X		
Standard 19	Unemployment & Inflation								X		
Standard 20	Fiscal & Monetary Policy								X		

CORRELATION OF LESSONS 1-10 TO THE NATIONAL STANDARDS FOR CIVICS AND GOVERNMENT (GRADES 9-12), FROM THE CENTER FOR CIVIC EDUCATION

Standard	Standard Topic	Lesson 1	Lesson 2	Lesson 3	Lesson 4	Lesson 5	Lesson 6	Lesson 7	Lesson 8	Lesson 9	Lesson 10
Standard I.A	Civic Life, Politics, and Government										X
Standard I.B	Limited/Unlimited Government	X	X		X						
Standard I.C	Nature and Purpose of Constitutions	X									
Standard I.D	Alternative Constitutional Governments										
Standard II.A	American Constitutional Government										
Standard II.B	American Society										
Standard II.C	American Political Culture				X						
Standard II.D	Values/Principles American Democracy										X
Standard III.A	Power/Responsibility in the U.S. Constitution									X	
Standard III.B	National Government Organization				X	X		X		X	
Standard III.C	State/Local Government Organization					X					
Standard III.D	Law in the American Constitutional System									X	
Standard III.E	Choice/Participation in the American System			X				X	X		
Standard IV.A	World Political Organization										
Standard IV.B	U.S. World Relations										
Standard IV.C	U.S and World Influence on Each Other										
Standard V.A	Citizenship										
Standard V.B	Citizens' Rights										
Standard V.C	Citizens' Responsibilities						X				
Standard V.D	Public and Private Civic Traits										
Standard V.E	Citizens in Civic Life			X					X		

CORRELATION OF LESSONS 11-20 TO THE NATIONAL STANDARDS FOR CIVICS AND GOVERNMENT (GRADES 9-12), FROM THE CENTER FOR CIVIC EDUCATION

Standard	Standard Topic	Lesson 11	Lesson 12	Lesson 13	Lesson 14	Lesson 15	Lesson 16	Lesson 17	Lesson 18	Lesson 19	Lesson 20
Standard I.A	Civic Life, Politics, and Government									X	
Standard I.B	Limited/Unlimited Government					X	X				
Standard I.C	Nature and Purpose of Constitutions		X			X					
Standard I.D	Alternative Constitutional Governments		X								
Standard II.A	American Constitutional Government		X								
Standard II.B	American Society										
Standard II.C	American Political Culture										
Standard II.D	Values/Principles American Democracy							X			
Standard III.A	Power/Responsibility in the U.S. Constitution										
Standard III.B	National Government Organization	X		X					X		
Standard III.C	State/Local Government Organization										
Standard III.D	Law in the American Constitutional System			X							
Standard III.E	Choice/Participation in the American System										
Standard IV.A	World Political Organization										
Standard IV.B	U.S. World Relations				X						
Standard IV.C	U.S and World Influence on Each Other								X	X	
Standard V.A	Citizenship										
Standard V.B	Citizens' Rights										X
Standard V.C	Citizens' Responsibilities										
Standard V.D	Public and Private Civic Traits										
Standard V.E	Citizens in Civic Life										