

D. ECONOMICS: PRODUCTION, DISTRIBUTION, EXCHANGE, CONSUMPTION

CONTENT STANDARD

Students in Wisconsin will learn about production, distribution, exchange, and consumption so that they can make informed economic decisions.

Rationale: Individuals, families, businesses, and governments must make complex economic choices as they decide what goods and services to provide and how to allocate limited resources for distribution and consumption. In a global economy marked by rapid technological change, students must learn how to be better producers, consumers, and economic citizens. In Wisconsin schools, the content, concepts, and skills related to economics may be taught in units and courses including economics, history, government, global studies, and current events.

Additional information for developing a curriculum is available in:

A Guide to Curriculum Planning in Social Studies, Wisconsin Department of Public Instruction (1-800-243-8782)

Curriculum Standards for Social Studies. National Council for the Social Studies Publications, P.O. Box 79078, Baltimore, MD 21279-0078 (1-800-683-0812)

National Content Standards in Economics. National Council on Economic Education, 1140 Avenue of the Americas, New York, NY 10036 (1-800-338-1192)

PERFORMANCE STANDARDS

► BY THE END OF GRADE 4 STUDENTS WILL:

- D.4.1 Describe and explain of the role of money, banking, and savings in everyday life
- D.4.2 Identify situations requiring an allocation of limited economic resources and appraise the opportunity cost (for example, spending one's allowance on a movie will mean less money saved for a new video game)
- D.4.3 Identify local goods and services that are part of the global economy and explain their use in Wisconsin
- D.4.4 Give examples to explain how businesses and industry depend upon workers with specialized skills to make production more efficient
- D.4.5 Distinguish between private goods and services (for example, the family car or a local restaurant) and public goods and services (for example, the interstate highway system or the United States Postal Service)
- D.4.6 Identify the economic roles of various institutions, including households, businesses, and government
- D.4.7 Describe how personal economic decisions, such as deciding what to buy, what to recycle, or how much to contribute to people in need, can affect the lives of people in Wisconsin, the United States, and the world

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**► BY THE END OF GRADE 8
STUDENTS WILL:**

- D.8.1 Describe and explain how money makes it easier to trade, borrow, save, invest, and compare the value of goods and services
- D.8.2 Identify and explain basic economic concepts: supply, demand, production, exchange, and consumption; labor, wages, and capital; inflation and deflation; market economy and command economy; public and private goods and services
- D.8.3 Describe Wisconsin's role in national and global economies and give examples of local economic activity in national and global markets
- D.8.4 Describe how investments in human and physical capital, including new technology, affect standard of living and quality of life
- D.8.5 Give examples to show how government provides for national defense; health, safety, and environmental protection; defense of property rights; and the maintenance of free and fair market activity
- D.8.6 Identify and explain various points of view concerning economic issues, such as taxation, unemployment, inflation, the national debt, and distribution of income
- D.8.7 Identify the location of concentrations of selected natural resources and describe how their acquisition and distribution generates trade and shapes economic patterns
- D.8.8 Explain how and why people who start new businesses take risks to provide goods and services, considering profits as an incentive
- D.8.9 Explain why the earning power of workers depends on their productivity and the market value of what they produce
- D.8.10 Identify the economic roles of institutions such as corporations and businesses, banks, labor unions, and the Federal Reserve System
- D.8.11 Describe how personal decisions can have a global impact on issues such as trade agreements, recycling, and conserving the environment

**► BY THE END OF GRADE 12
STUDENTS WILL:**

- D.12.1 Explain how decisions about spending and production made by households, businesses, and governments determine the nation's levels of income, employment, and prices
- D.12.2 Use basic economic concepts (such as supply and demand; production, distribution, and consumption; labor, wages, and capital; inflation and deflation; market economy and command economy) to compare and contrast local, regional, and national economies across time and at the present time
- D.12.3 Analyze and evaluate the role of Wisconsin and the United States in the world economy
- D.12.4 Explain and evaluate the effects of new technology, global economic interdependence, and competition on the development of national policies and on the lives of individuals and families in the United States and the world
- D.12.5 Explain how federal budgetary policy and the Federal Reserve System's monetary policies influence overall levels of employment, interest rates, production, and prices
- D.12.6 Use economic concepts to analyze historical and contemporary questions about economic development in the United States and the world
- D.12.7 Compare, contrast, and evaluate different types of economies (traditional, command, market, and mixed) and analyze how they have been affected in the past by specific social and political systems and important historical events
- D.12.8 Explain the basic characteristics of international trade, including absolute and comparative advantage, barriers to trade, exchange rates, and balance of trade
- D.12.9 Explain the operations of common financial instruments (such as stocks and bonds) and financial institutions (such as credit companies, banks, and insurance companies)
- D.12.10 Analyze the ways in which supply and demand, competition, prices, incentives, and profits influence what is produced and distributed in a competitive market system
- D.12.11 Explain how interest rates are determined by market forces that influence the amount of borrowing and saving done by investors, consumers, and government officials
- D.12.12 Compare and contrast how values and beliefs, such as economic freedom, economic efficiency, equity, full employment, price stability, security, and growth, influence decisions in different economic systems
- D.12.13 Describe and explain global economic interdependence and competition, using examples to illustrate their influence on national and international policies
- D.12.14 Analyze the economic roles of institutions, such as corporations and businesses, banks, labor unions, and the Federal Reserve System