

Fourth Grade Social Studies



Unit 4: Exploring Economics

Student Name:

Big Picture Graphic

Overarching Question:

How are geographers, economists, and political scientists similar and different in how they study places and people?

Previous Unit:

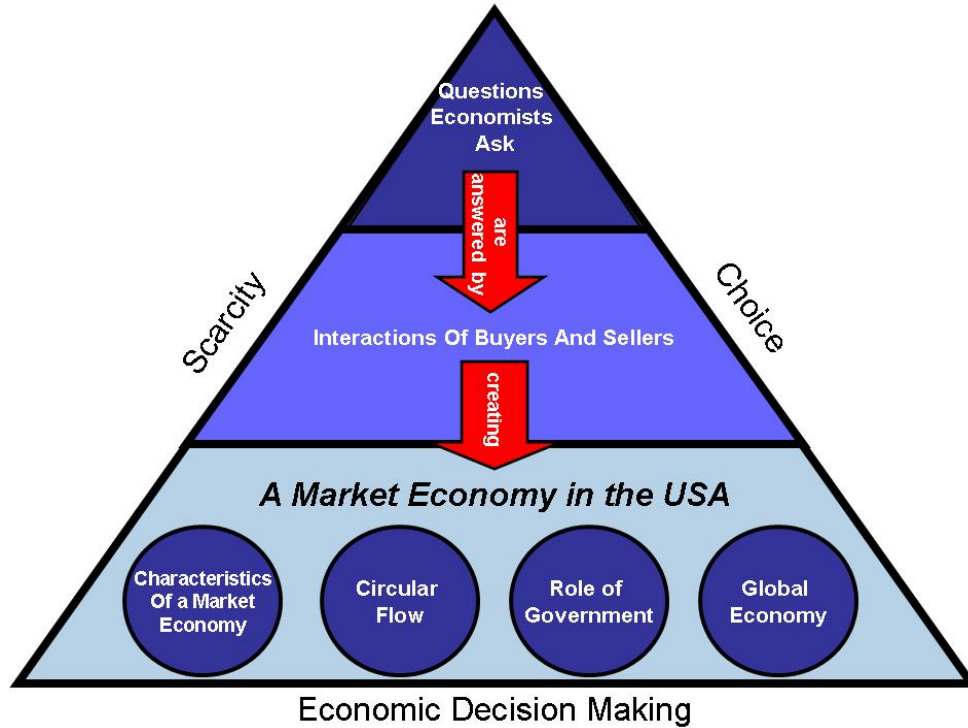
Human Geography in the United States

This Unit:

Exploring Economics

Next Unit:

Our Federal Government



Questions To Focus Assessment and Instruction:

1. What questions do economists ask and how do their answers describe the United States?
2. How do the characteristics of a market economy influence economic decision making?
3. How does competition affect the economy in the United States?

Types of Thinking

Cause and Effect
 Classification
 Description
 Using nonlinguistic representations

Questions for Students

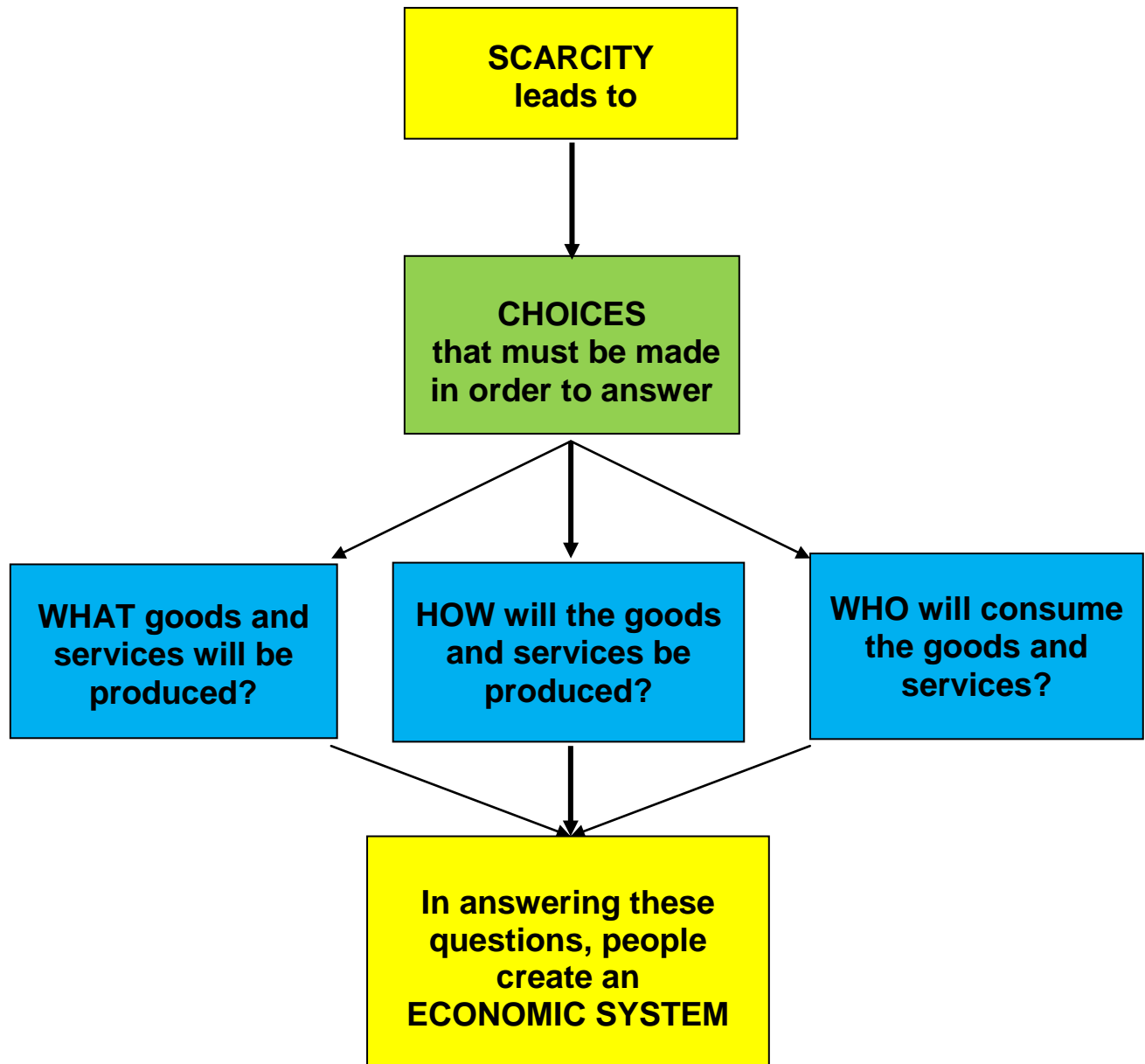
In this unit, we are going to be learning about exploring economics. Think about the focus questions:

1. What questions do economists ask and how do their answers describe the United States?
2. How do the characteristics of a market economy influence economic decision making?
3. How does competition affect the economy in the United States?

Use the chart below to write or draw about these questions.

Things I Know	Questions I Have






Lesson 1 Graphic Organizer



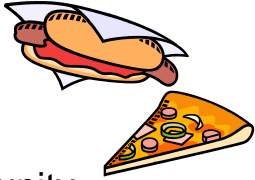


Big Ideas of Lesson 1, Unit 4

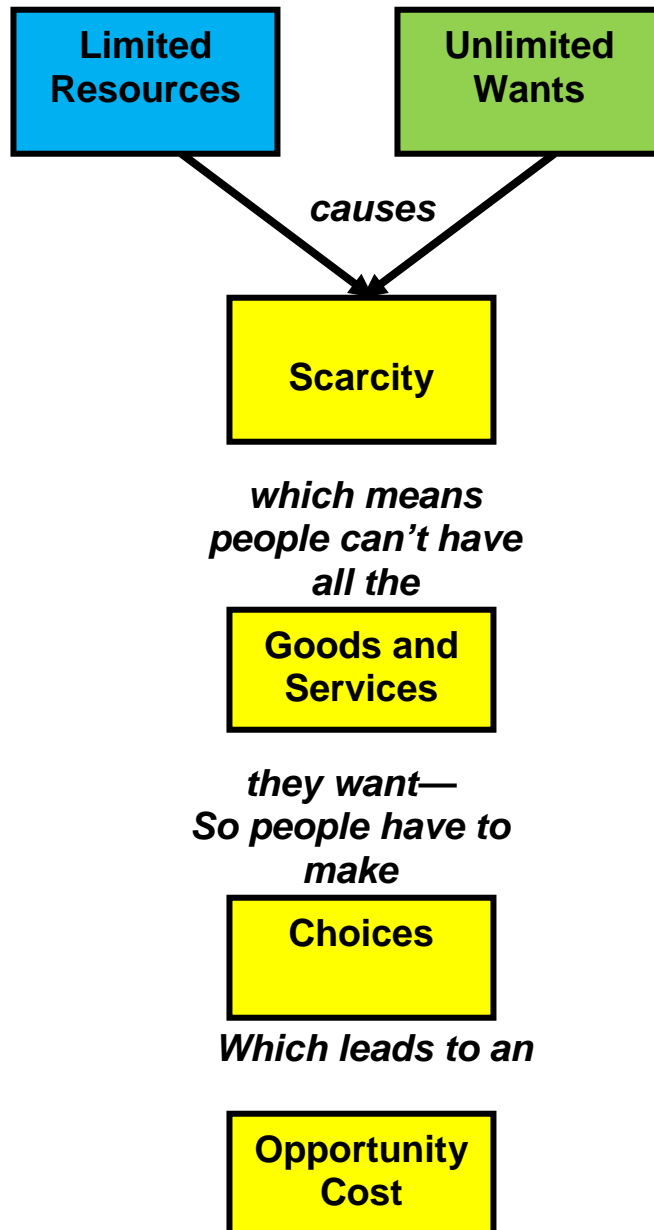
- People use resources to produce goods and services.
- Scarcity results because resources are limited and human wants are unlimited.
- Because of scarcity, people make choices about what goods and services to produce, how goods and services will be produced and who will get the goods and services.
- In answering the questions about what to produce, how to produce it, and who gets it, people create an economic system.

Word Cards

<p>1 scarcity</p> <p>not enough</p>  <p>Example: Sometimes families have a scarcity of money.</p>	<p>2 limited resources</p>   <p>There are only certain amounts of resources.</p> <p>Example: Water and oil are limited resources.</p>
<p>3 unlimited wants</p> <p>There is no end to the number of things people want and need.</p> <p>Example: People have unlimited wants.</p>	<p>4 human resources</p>   <p>workers and their skills</p> <p>Example: Truck drivers, doctors, and teachers are human resources.</p>

<p>5 natural resources</p>  <p>things in nature that people see as useful</p> <p>Example: Water, trees, and soil are natural resources.</p>	<p>6 capital resources</p>  <p>things that are used to produce more goods and services</p> <p>Example: Factories and tools are capital resources.</p>
<p>7 opportunity cost</p>  <p>When you make a choice, your opportunity cost is the second thing you wanted most.</p> <p>Example: Mary chose pizza for lunch. Her second choice was a hot dog. The hot dog was her opportunity cost.</p>	<p>8 economics</p> <p>the study of how individuals and societies use their scarce resources to get goods and services</p> <p>Example: In economics you study topics such as economic systems, trade, and production.</p>
<p>9 economic system</p> <p>a system a society uses to answer the basic economic questions such as what to produce</p> <p>Example: The United States has an economic system known as a market system.</p>	

Connecting Back



EXAMPLES OF ECONOMIC PROBLEMS

Barb wants a new I-Pod Shuffle that costs \$70.00. She anxiously opens the birthday card from her grandparents and finds \$50.00 inside.

The Martin family has been renting a small apartment for several years. They want to buy a house of their own but cannot find a satisfactory one that they can afford.

Tom's family has a small restaurant that has become very popular. At dinner time people are lined up waiting to get in. Sometimes his family even has to turn customers away.

The town of Maplegrove needs a new police car and a new fire truck. After checking community funds the town council discovers they only have enough money for one vehicle, not both.

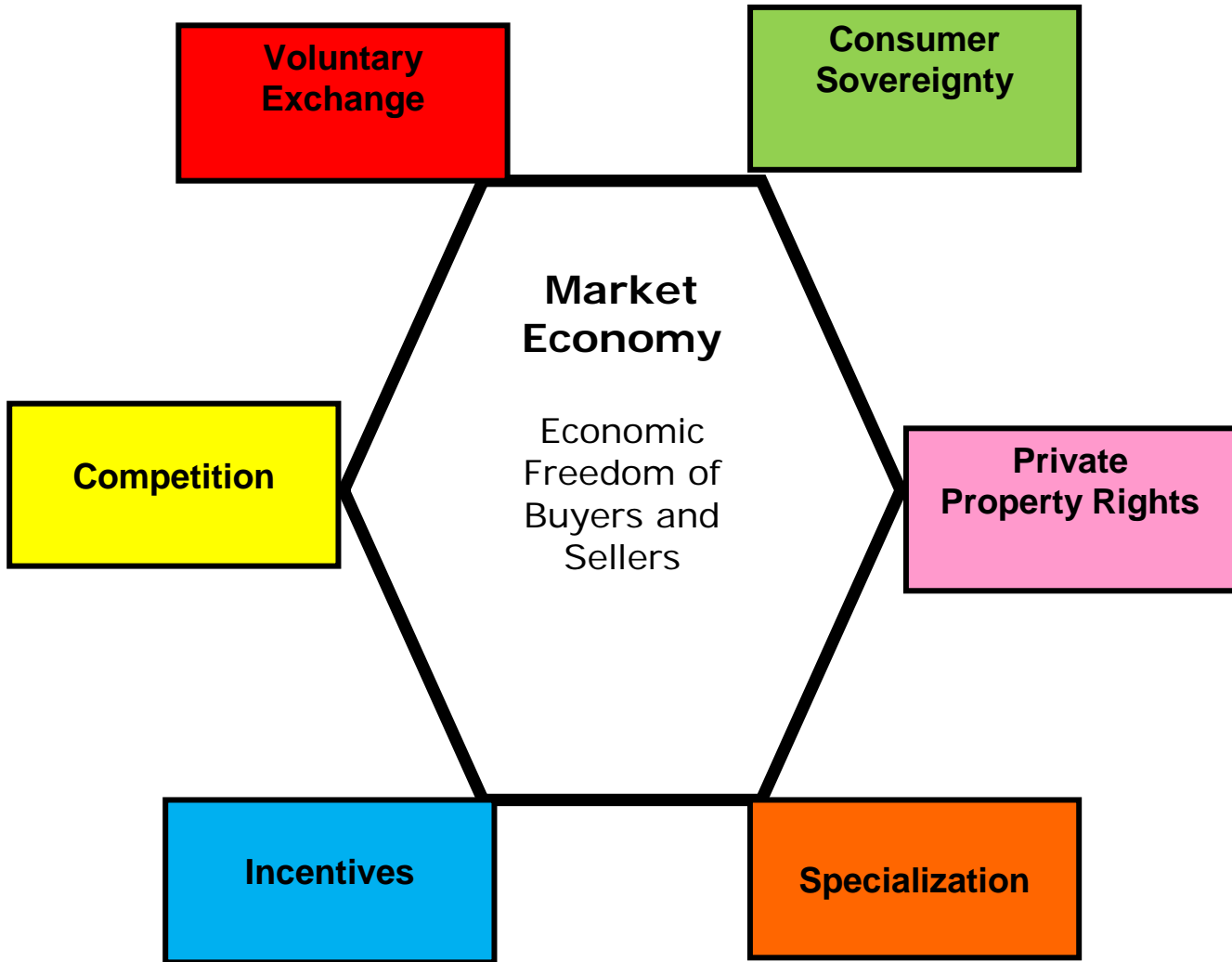
Many bridges in Michigan need fixing but the state government cannot afford to fix them all.

The United States is trying to expand its high tech industries. It takes many highly skilled workers to do this. Often companies cannot find enough workers.

Scarcity Chart

	SCARCITY ISSUE	EXAMPLE OF A CHOICE
BARB		
THE MARTIN FAMILY		
TOM'S FAMILY		
MAPLEGROVE		
THE STATE OF MICHIGAN		
THE UNITED STATES		

Lesson 2 Graphic Organizer




Big Ideas of Lesson 2, Unit 4



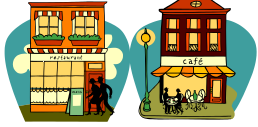
- There are different types of economic systems in the world.
- The answers to economic questions such as what goods and services to produce, how to produce them, and who gets them determine the type of economic system.
- The economic system in the U.S. is called a market economy.
- A market economy is based on the interactions of buyers and sellers.
- Important characteristics of a market economy include private property rights, voluntary exchange, competition, consumer sovereignty, incentives, and specialization.

Word Cards

Word Cards from previous lessons needed for this lesson:

- Economic System – Word Card #9 from Lesson 1

<p>10 market economy</p> <p>the kind of economic system we have in our country</p> <p>Example: In a market economy, producers and consumers are both very important.</p>	<p>11 producer</p>  <p>someone who makes goods or provides services.</p> <p>Example: Factory workers and teachers are producers.</p>
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<p>12 consumer</p> <p>someone who buys goods or services</p> <p><i>Example:</i> When you buy something at a store, you are a consumer.</p> 	<p>13 profit</p> <p>money or value gained</p> <p><i>Example:</i> When a business makes more money than it takes to run the business.</p> 
<p>14 demand</p> <p>consumers' willingness and ability to purchase a good or service</p> <p><i>Example:</i> There was a high demand for the toy.</p> 	<p>15 supply</p> <p>the amount of a product or service that is available for consumers to buy</p> <p><i>Example:</i> There was only a small supply of the toy.</p> 
<p>16 competition</p> <p>when businesses sell the same good or service</p> <p><i>Example:</i> Restaurants are often in competition.</p> 	<p>17 consumer sovereignty</p> <p>the consumer is king since consumer decisions determine what is produced</p> <p><i>Example:</i> In a market economy, consumer choices drive production.</p>

What is a Market Economy?

The United States has a market economy. This is a type of economic system that is based on the interactions of buyers and sellers. Buyers or consumers decide what to consume, or buy in a market economy. Consumer desire for a product is called demand. Consumer demand for a product influences the goods and services businesses make and sell. For example, many people in our country use computers so there is a demand for computers and large amounts are produced. Very few people use typewriters, so the demand is low and the production of just a few typewriters meets that demand. Thus, the interaction of buyers and sellers in the marketplace determine what is produced in a market economy. There are several other important characteristics of a market economy.

Private Property Rights

In a market economy almost everything is owned by individuals or private businesses, not by the government. Natural resources like minerals and capital resources like machines and factories are not government-owned. Private property rights allow individuals and business to control the productive resources (natural, human, and capital). Private ownership enables people to get and use resources they choose. Private property rights also results in a wide variety of stores and businesses.

Voluntary Exchange

Buyers and sellers exchange freely. Buyers use their income to exchange for goods and services provided by sellers. Buyers are free to buy what they want and sellers are free to sell what they want. Both buyers and sellers want to benefit from the exchange. Buyers will get the goods and services they want and sellers want to make a profit. If buyers or sellers do not see a benefit in making an exchange or trade, they are free not to trade.

Competition

Sellers have the freedom to produce the products they think will be the most profitable. They also compete to attract buyers. Competition between businesses helps to keep prices low. For example, think about two toy stores selling the same popular toy. To attract buyers, one store may put the toy on sale. The other toy store may decide to lower its price also in order to compete for buyers.

Consumer Sovereignty

In a market economy, the consumer is king. Consumer choices (or demand) drive what goods and services are available. If nobody is willing to buy a good or service, businesses will stop offering that product or service.

Incentives

Buyers respond to incentives in predictable ways. Incentives are actions, awards or rewards that influence the choices people make. Some examples of incentive are sales and fines.

Specialization

In a market economy people specialize. People specialize when they produce only some of the goods and service they consume. They then trade with others to get the rest of the things they want. Specialization increases the amount of goods and services people produce and consume. For example, farmers grow crops for food, while doctors help sick people get better. Since they are busy with their jobs, both rely on trade to get what need or want. Another type of specialization happens when a large task is broken down into many separate jobs, like on an assembly line.

You are Important in a Market Economy!

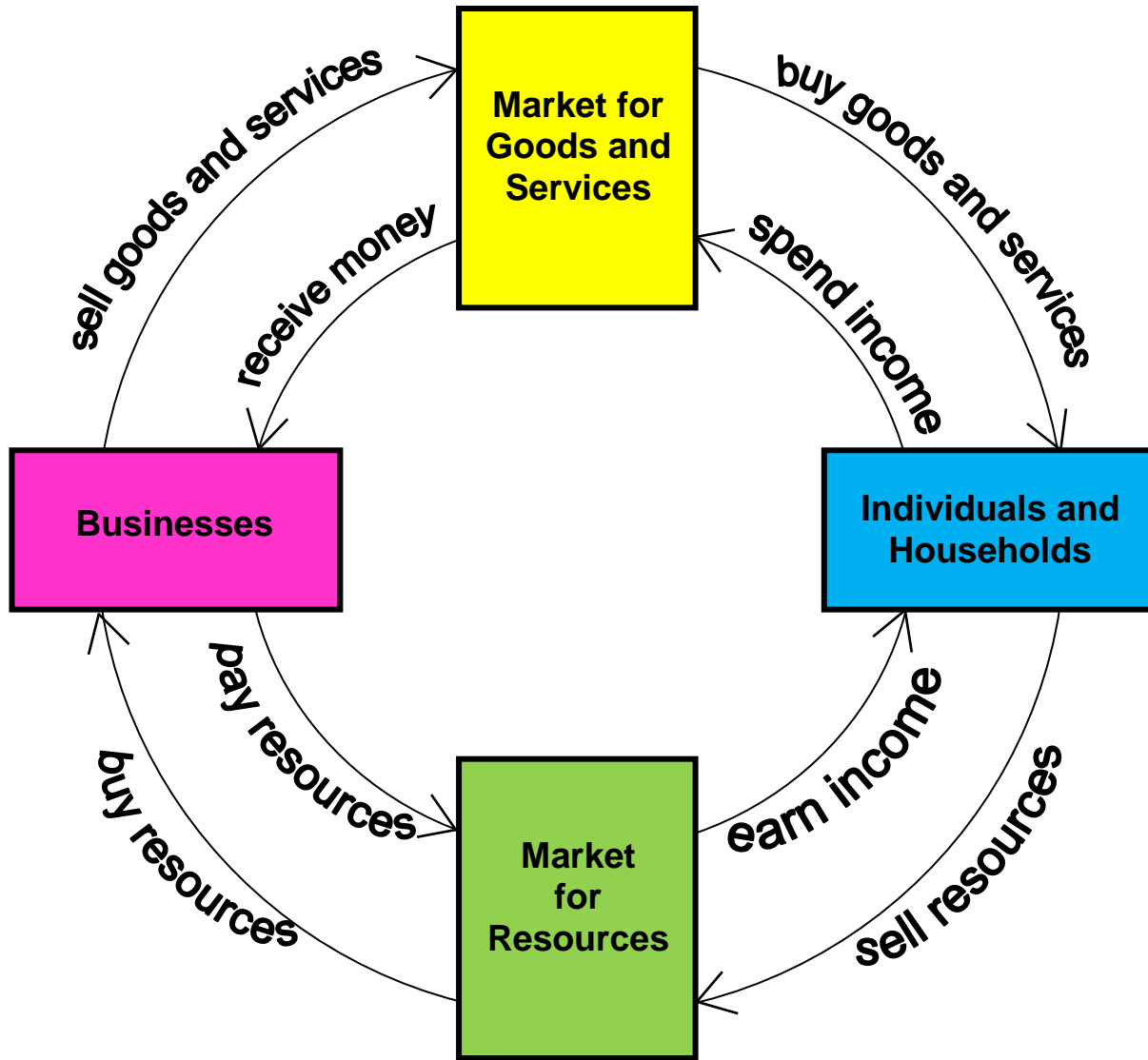
Individuals and businesses enjoy economic freedom in a market economy. People can choose what job they want to have (specialization) and their employer. They can choose to have their own business or work for someone else. Businesses are free to choose what goods and services they want to produce. They are also free to sell them anywhere they want. Businesses can also charge whatever price they feel will bring a profit.

As a consumer you are very important in a market economy. Every time you buy something, you are helping balance supply and demand. When millions of people do this, the supply of goods adjusts to the demand of the consumers. When you buy things you are also helping to decide what goods and services will be produced.

Prediction Chart

Consumer Fact	Predict how this will affect what is produced
Most people would not like to eat chocolate spiders.	
Many people love to wear jeans.	
Many children own a lot of Hot Wheels cars.	
Many people want to own a digital camera but they think they are too expensive.	
Because of labor saving devices, people in our country often have time for recreation.	

Lesson 3 Graphic Organizer



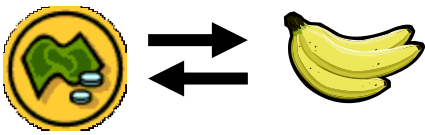

Big Ideas of Lesson 3, Unit 4

- Interactions in a market economy can be described with a circular flow model.
- Circular flow describes the pattern in which goods and services and resources flow in the marketplace.
- Circular flow includes a market for resources and a market for goods and services.
- Individuals sell their labor, human resources, to businesses in exchange for money, or income. This is done in the resource market.
- Individuals use their income to buy goods and services from businesses. This creates the market for goods and services.

Word Cards

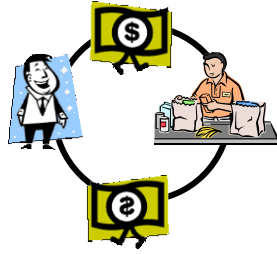
Word Cards from previous lessons needed for this lesson:

- Market Economy – Word Card #1 from Lesson 2
- Producer – Word Card #11 from Lesson 2
- Consumer – Word Card #12 from Lesson 2

<p>18 exchange</p>  <p>trading goods and services with others for other goods and services or for money</p> <p>Example: Voluntary exchange is an important part of a market economy.</p>	<p>19 income</p>  <p>money people earn by working</p> <p>Example: By providing human resources people earn income.</p>
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20 circular flow

the pattern in which goods and services and resources flow in the marketplace

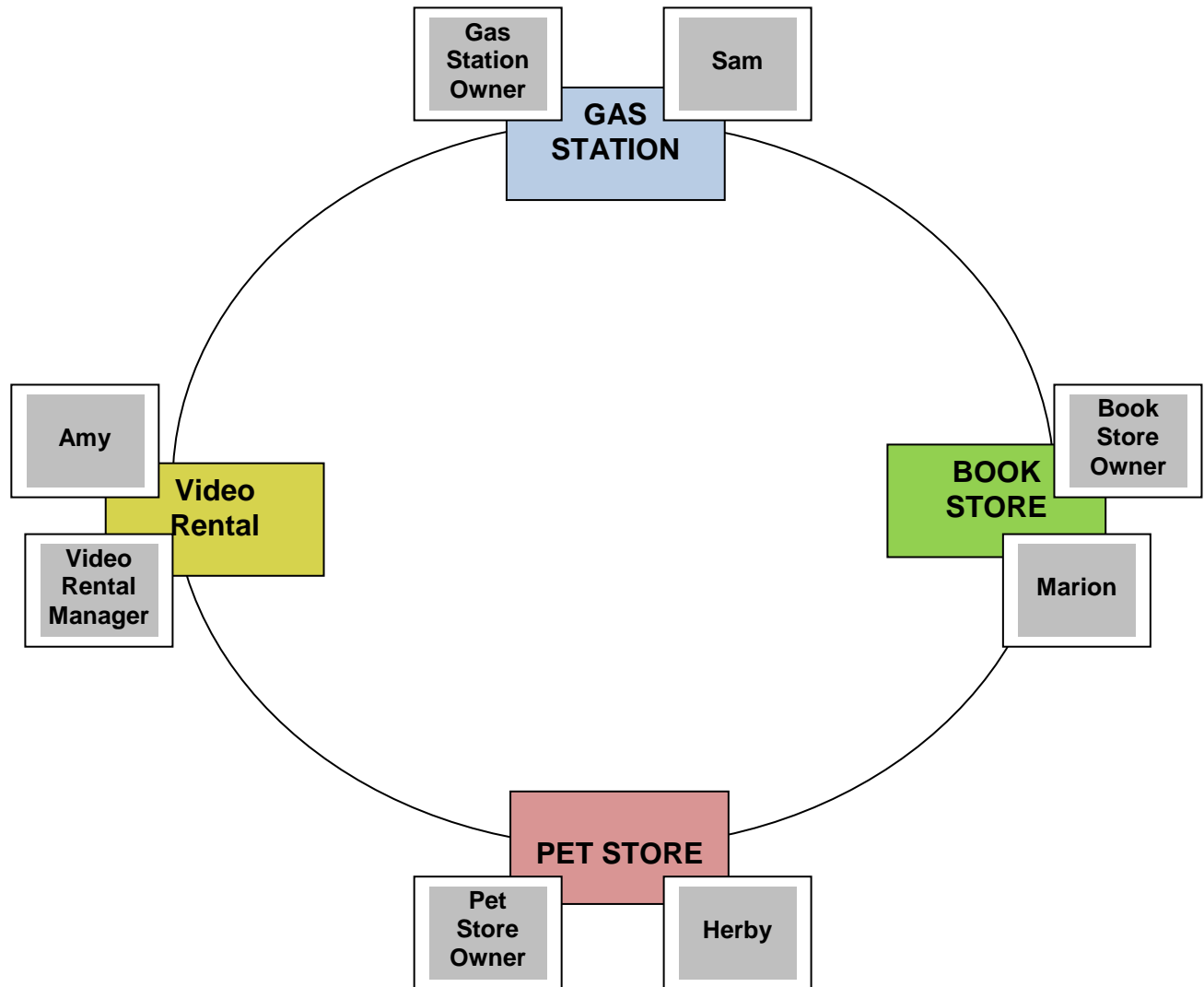


Example: Money travels from people to businesses and back to people again.

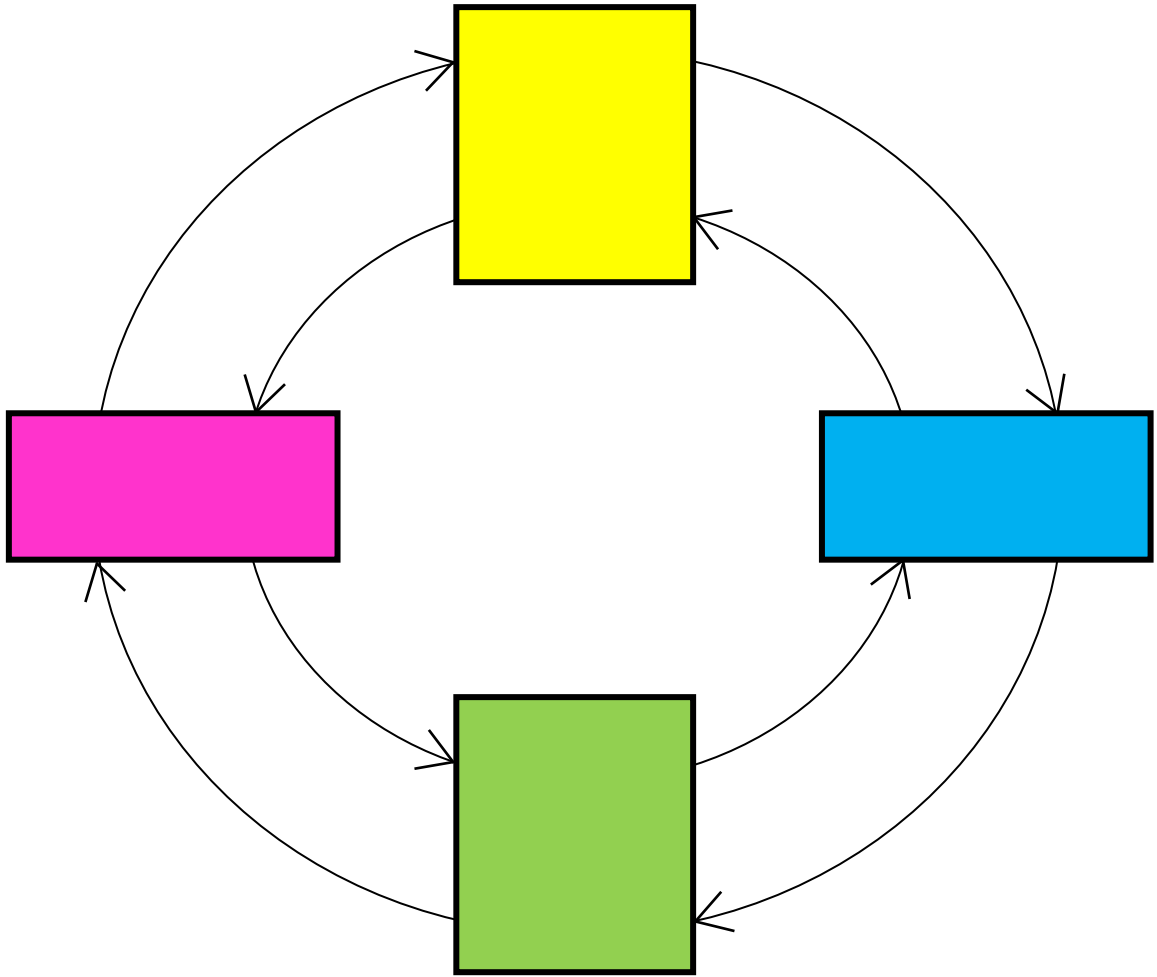
“The Go-Around Dollar” Chart

Person	What happened to the dollar?
Matt and Eric	
Matt	
Eric	
Jennifer	
Jennifer	
Rob	
Kathy	

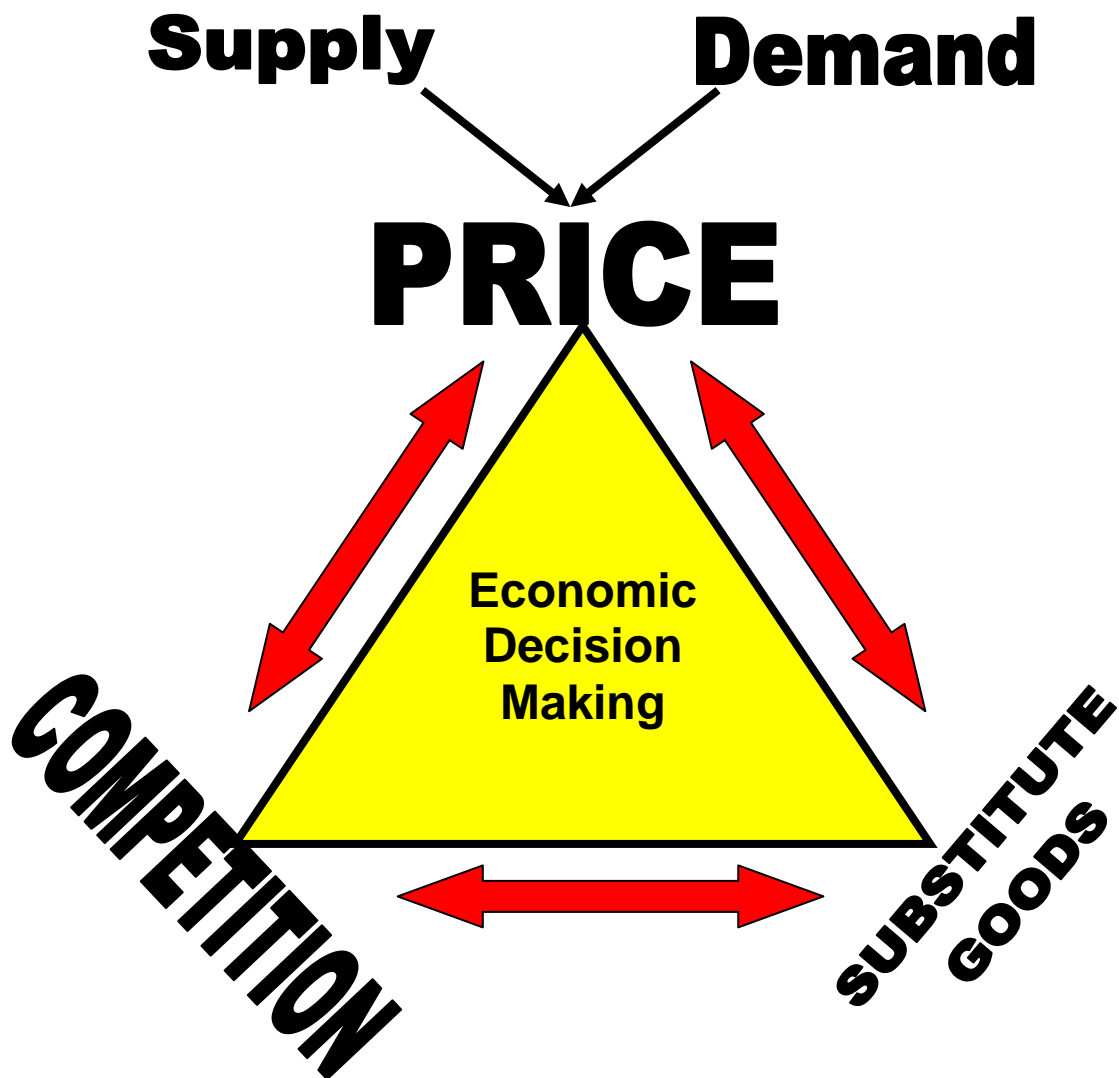
Set-up Diagram for Simulation



Circular Flow Diagram



Lesson 4 Graphic Organizer




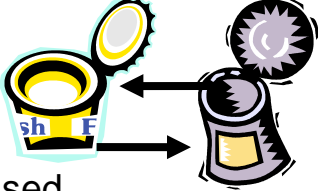
Big Ideas of Lesson 4, Unit 4

- Economic decision making is influenced by the interaction of price, competition, and substitute goods.
 - When prices decrease, demand for that good or service increases.
 - When prices increase, demand for a good or service decreases and consumers may choose substitute goods or services.
- Competition can lead to a decrease in prices.

Word Cards

Word Cards from previous lessons needed for this lesson:

- Scarcity – Word Card #1 from Lesson 1
- Opportunity Cost – Word Card #7 from Lesson 1
- Demand – Word Card #14 from Lesson 2
- Supply – Word Card #15 from Lesson 2
- Competition – World Card #16 from Lesson 2

<p>21 price</p> <p>what people pay when they buy a good or service</p>  <p>Example: The price of goods goes up and down.</p>	<p>22 substitute goods</p>  <p>a good that can be used in place of another good</p> <p>Example: Increases in prices often leads people to buy substitute goods.</p>
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Cause and Effect

A late frost kills many strawberry plants in Michigan.



_____ strawberries to _____



Price of Michigan strawberries _____



POSSIBLE EFFECT
Stores _____ strawberries from other states.

POSSIBLE EFFECT
People buy _____ strawberries.

POSSIBLE EFFECT
People buy more _____ strawberries.



POSSIBLE EFFECT
The price of strawberries goes _____ a little.



POSSIBLE EFFECT
The _____ of strawberries goes up and the price goes down.



POSSIBLE EFFECT
The price of _____ strawberries goes _____.

Gas wars erupt in Houston; \$2.08 a gallon

12:08 AM CDT ON WEDNESDAY, AUGUST 13, 2008

A pair of northwest Harris County gas stations launched a war on Tuesday afternoon. There was no collateral damage in the battle, just plenty of happy drivers who lined up their cars for hours on end as the price of gas dropped by more than a \$1 gallon in less than four hours.

The battle started when the Chevron station on FM 529 at North Eldridge started lowering its gas prices as part of its grand opening. What started out as \$3.50 a gallon at 5 a.m. on Tuesday quickly dropped to almost \$2 some 15 hours later.

Not to be outdone, the Shell station across the street answered the call and also started lowering the price of unleaded.

At 1:23 p.m., the price of a gallon of gas at the Chevron was \$3.05 while the Shell was selling fuel for \$2.99 a gallon.

The price war did not stop there as the price of a gallon of gas kept dropping hour by hour.

As of 5:50 p.m., the Chevron was selling gas for \$2.38 a gallon, but ran out of fuel. The store managers at Chevron said they had more gas being trucked in.

Meanwhile, the Shell was offering up gas at \$2.47 a gallon with its tanks full of fuel.

The long lines caused traffic headaches. Harris County deputies were called in to direct traffic. There were a few hot heads as well as those waiting in line displayed their frustration, hollering at those who cut in line.

By 8:30 p.m., the gas truck had arrived at the Chevron and the price war continued. Shell dropped its gas prices to \$2.29 a gallon while Chevron countered with gas for \$2.29 a gallon.

Just before 10 p.m. on Tuesday night the prices dropped to \$2.08 at the Chevron and at the Shell station the sign was blank as managers were trying to determine just how low prices would go.

The average price of gas in Houston is \$3.62 a gallon according to AAA.

Source: *Gas Wars Erupt in Houston*. *Gas Wars Erupt in Houston*. KHOU.com. 13 August 2008. 23 April 2009
http://www.khou.com/topstories/stories/khou080812_tj_gas_war_Houston.3e519226.html

Nintendo vs. Sony: Will Wii Shortages be PS3's Gain?

Analysts Says Shoppers May Turn to PS3, Xbox 360 for Gaming Fix

By ASHLEY PHILLIPS

Nov. 20, 2007

As the holiday shopping season heats up this week, the hopes of many video-game-greedy kids may be dashed as shortages of Nintendo's Wii force parents to turn to other gaming consoles, such as the PlayStation 3 or the Xbox 360, to fill the gap, analysts say. Sony CEO Howard Stringer is counting on impatient consumers who won't be able to wait for their gaming fix. Along with the chronic shortage of its competitors' stock, the PlayStation 3's recent \$100 price cut has made Sony's console more competitive with the Wii, Stringer told The Associated Press last week.

Shortages of the Wii, Nintendo's latest video game juggernaut and currently the best-selling console in the nation, are nothing new. When the game debuted in 2006, many early adopters of the console were greeted with empty store shelves. This year, leadership at Nintendo, including Nintendo of America President Reggie Fils-Aime, has told reporters repeatedly that once again it's unlikely the company will be able to meet demand for the Wii this shopping season. The company has ramped up production to try to stem the shortfall, according to Perrin Kaplan, vice president of marketing and corporate affairs at Nintendo of America.

"Since [Fils-Aime] made that statement, we have raised our production yet again," Kaplan told ABCNEWS.com in a recent interview. "I've been at Nintendo a long time, and I have never seen us ramp our numbers up so many times, nor have we ever produced so much of any console. ... But the demand has just so far exceeded our expectations. It's fabulous. We want consumers to know that we're completely aware, love them for it."

Kaplan urged customers to wait for extra consoles to hit the retail shelves. Those who haven't been able to find it -- just hang in there. We're moving stuff into retail as fast as we can."

Most Will Decide to Buy Something

Although analysts didn't predict what consumers would buy, they did say that parents who want to put a gaming console under the tree this holiday season will do so, whether it's a Wii, an Xbox 360 or a PS3.

"On one hand shortages create a certain amount of demand in and of itself. People are always wanting things that they can't get," said Michael Gartenberg, vice president and research director of Jupiter Research. "On the other hand, shortages create consumer frustration. The real question is how much will we see the Wii in demand. Will it be spot shortages? Ultimately, if you look hard enough, will you be able to find it? Or is it the type of shortage that will increase customer frustration?"

According to Gartenberg, this holiday season is an extremely important one for console sales. It's no longer the early adopters who are waiting all night in line for the Wii, the PS3 or the Xbox 360. The reviews are in, and now the regular consumers -- families, teens, kids -- will determine gaming companies' success or failure.

"The real question is what is the main consumer going to vote [for] with their wallet?" he said. "[But] Nintendo has won a lot of hearts and minds with what it has done with the Wii."

Price Cuts and Sales Swings

With or without the Wii shortage, Sony's price cut will probably mean sales boost for the PS3 this season, said Anita Frasier, a research analyst who works in video games at the NPD Group.

"Our purchase intent studies do show that there are quite a number of consumers that are indeed price sensitive, and indicated they would wait for a price cut to make a purchase," Frasier said. "The combination of the price cut and entering the all-important holiday season should result in a substantial increase in sales of PS3 hardware."

Source: *Nintendo Vs. Sony*. ABC News.com. 20 Nov. 2007. 23 April 2009
<<http://abcnews.go.com/Technology/GadgetGuide/Story?id=3887235&page=1>>.

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competition

scarcity

substitute goods

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price

scarcity

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demand

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demand

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supply

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substitute goods

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scarcity

demand

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choice

Price Cuts and Sales Swings

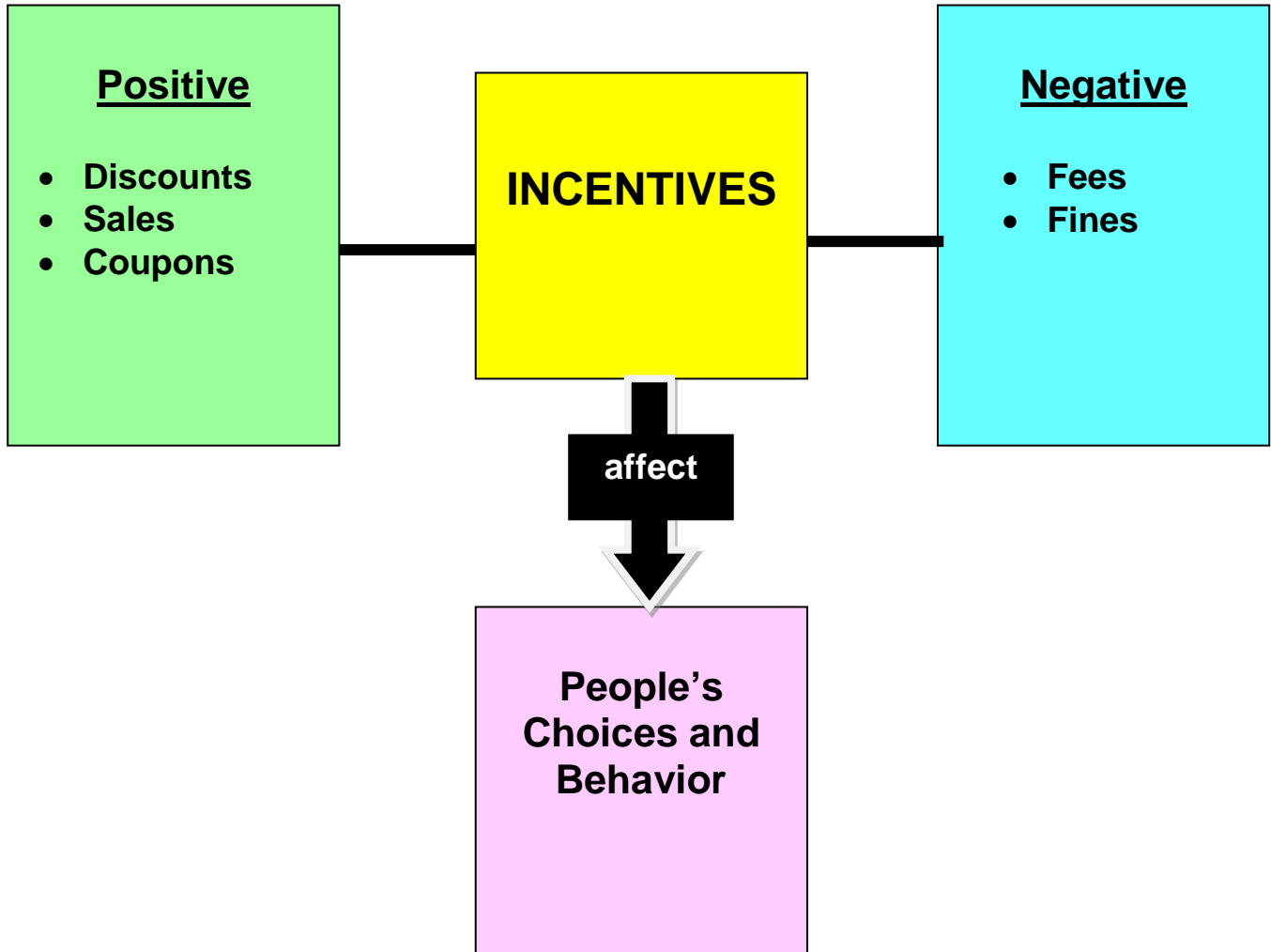
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price

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Source: *Nintendo Vs. Sony*. ABC News.com. 20 Nov. 2007. 23 April 2009
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Lesson 5 Graphic Organizer



Big Ideas of Lesson 5, Unit 4

- Incentives are rewards or penalties used to encourage people to behave in certain ways.
- Rewards are positive incentives that make people better off.
- Penalties are negative incentives that make people worse off.
- Incentives affect people's choices and behavior in predictable ways.
- Economic incentives usually involve money.
- Positive economic incentives include sales, coupons, and discounts.
- Negative economic incentives include fees and fines.

Word Cards**Word Cards from previous lessons needed for this lesson:**

- Price – Word Card #22 from Lesson 4

**23
incentive**

rewards or penalties
used to encourage
people to behave in predictable ways



Example: A sale is an example of a positive incentive.

Incentives and You

	Examples of Positive Incentives	Examples of Negative Incentives
Home		
School		

Identifying Positive Incentives



Ad #1



Ad #3



Ad #2

DAVEGA 30 Store RADIO SALE



Trade in your old Radio

\$30⁰⁰ OFF!

Limited Quantity New 1942

Combination RADIO PHONOGRAPHS

- Automatic Record Changer
- Plays and Changes 10" and 12" Records
- American Programs
- Foreign Programs
- New 1942 Belmont
- Full Vision Dial
- Full Size Console
- Superb Tone on Radio and Records
- Beautiful Cabinet

OUR \$99⁹⁵ VALUE

69⁹⁵

52 WEEKS TO PAY
Small Credit Charge



\$20⁰⁰ OFF

NEW 1941 GENERAL ELECTRIC

AUTOMATIC TUNING RADIOS

Formerly 59.95

39⁹⁵

With prices on the increase this beautiful General Electric radio is a wonderful value at \$39.95—\$20 less than its original price! Gets superb reception on American and foreign stations because it has a host of important features including built-in Beam-a-Scope, 12" Dyna-power Speaker, Automatic Tuning and many others. Come in—see and hear it. Get one while the opportunity lasts!

\$1 WEEKLY
Small Credit Charge



Limited Quantity

AC-DC RADIOS

Hurry—if you want one of these good-looking little radios at a smashing low price! Plays on AC and DC—has Dynamic Speaker, Built-in Aerial and other features for excellent performance.

VALUE \$12⁹⁵

7⁹⁵

25¢ WEEKLY
Small Credit Charge

Downtown.....19 Cortlandt St.	Yorkville.....148 E. 86th St.	Brooklyn.....380 Fulton St.	Astoria.....31-55 Steinway St.
Downtown.....83 Cortlandt St.	86th St.....2569 Broadway	(Boro Hall)	Flushing.....38-11 Main Street
Near 137th St.....51 Broadway	Harlem.....125 W. 125th St.	Brooklyn.....524 Flatbush Ave.	Hempstead.....45 Main St.
Horn Commodore 111 E. 42nd St.	160th St., 1393 St. Nicholas Ave.	Brooklyn.....1304 Kings Highway	White Plains.....175 Main St.
Times Square.....152 W. 42nd St.	Cor. 183rd St. 945 Southern Blvd.	Bay Ridge.....3108 Fifth Ave.	Newark.....60 Park Place
Empire State Bldg. 18 W. 34th St.	Brook.....11 E. Fordham Rd.	Bensonhurst.....2033 89th St.	(Military Park Bldg.)
Madison Square Garden	149th St.....2860 Third Ave.	Bronxville.....1705 Pitkin Ave.	Jersey City.....50 Journal Square
825 Eighth Ave.		Jamaica.....163-24 Jamaica Ave.	Paterson.....183 Main St.

ALL STORES OPEN EVENINGS

DAVEGA

CITY RADIO

MAIL COUPON TO DAVEGA
76 Ninth Ave., N. Y. C.
for further information about these grand radio bargains. Or phone CHelsea 3-5256. No obligation.

Name _____
Address _____

8-10-34

Ad #4

Identifying Negative Incentives



#1

Sovisville Public Library Payment Receipt		
10/31/07		
Date Due	Book	Amount
05/31/07	Super Cats	\$3.50
05/31/07	Swamp Monster	\$3.50
07/22/07	Baseball Greats	\$1.75
	Total Paid	\$8.75

#2

Meadville Fines	
Double Parking	\$115
No standing	\$115
Fire Hydrant	\$115
No parking	\$65
No parking, street cleaning	\$65
Overtime parking, time limit posted	\$65
Expired meter	\$65

#3



#4

Scenario

Mr. Jones left his house for work one sunny morning. He stopped for gas at a station that offered a free cup of coffee when you buy ten or more gallons of gas. He put in ten gallons of gas and picked up his free coffee. Next, he stopped at his favorite bakery. He started to order a cinnamon roll. Then, he remembered he had a “buy one doughnut – get one free” coupon in his pocket. He took his two doughnuts and headed for his car. He noticed two library books in the back seat which he had checked out the week before. Wanting to avoid the late fee he drove to the library and turned them in. From the library he headed to the hardware store which was offering a 20% discount on paint. He bought two gallons of paint and headed home. He suddenly realized he was driving over the speed limit. He quickly slowed down so he wouldn't get the \$50 dollar speeding ticket!

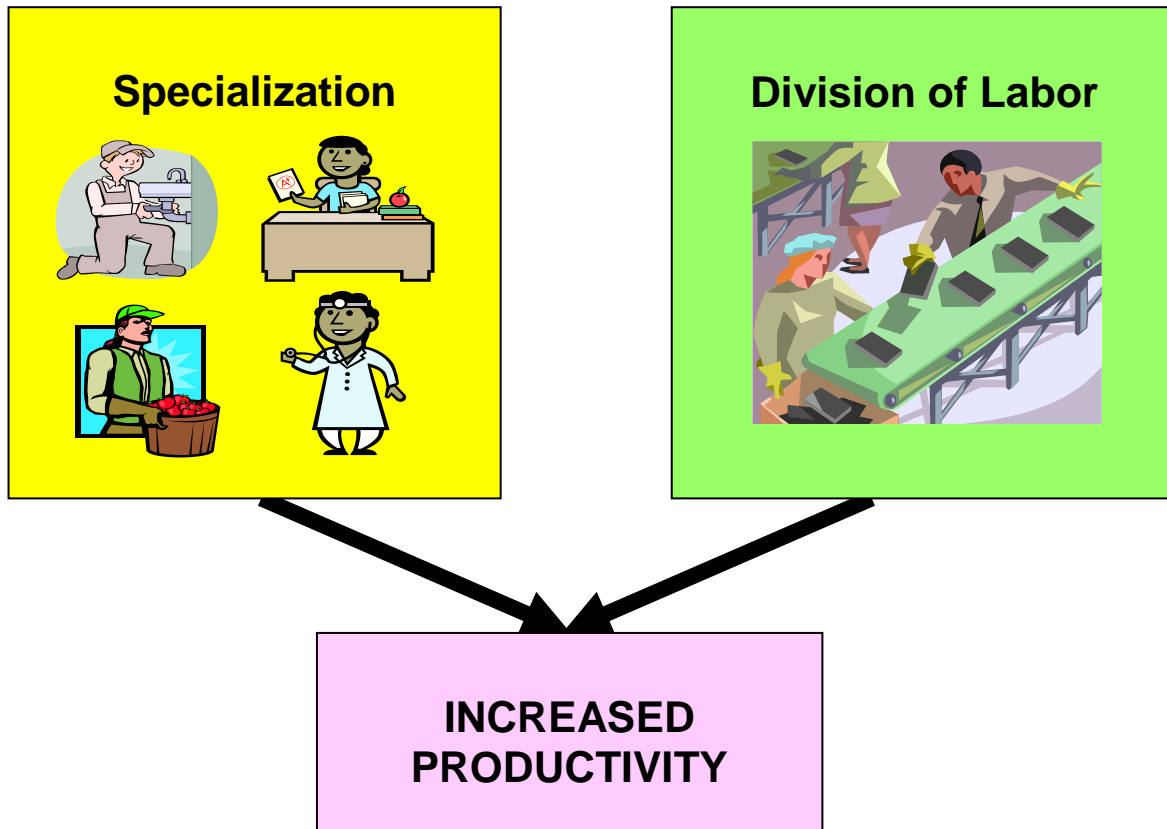
Identifying Incentives

What is the economic incentive?	It is positive or negative?	How did it influence Mr. Jones' behavior?

Incentives Search

What is the incentive	Who is offering it?	Positive or negative?	What is its purpose?

Lesson 6 Graphic Organizer



Big Ideas of Lesson 6, Unit 4

- People usually specialize in a job a skill they are good at or like to do.
- When people specialize they cannot produce everything they want or need.
- Specialization leads to interdependence and trade. Because people cannot produce all the good or services they consume, they need to trade with others to fulfill their needs and wants.
- When individuals, regions, or countries specialize, they must trade with others for what they do not produce.
- When the production of a good or service is broken down into different steps with different workers performing each step, it is called division of labor.
- Specialization and division of labor usually increases the productivity of workers and businesses.

Word Cards

Word Cards from previous lessons needed for this lesson:

- Human Resources – Word Card #4 from Lesson 1
- Natural Resources – Word Card #5 from Lesson 1
- Capital Resources – Word Card #6 from Lesson 1

24 specialization

when individuals, regions, and countries produce certain kinds of goods or services

Example: Specialization results in people producing fewer goods and services than they consume.

25 division of labor



when the production of a good is broken down into many small jobs, each done by different workers

Example: Assembly lines are examples of a division of labor.

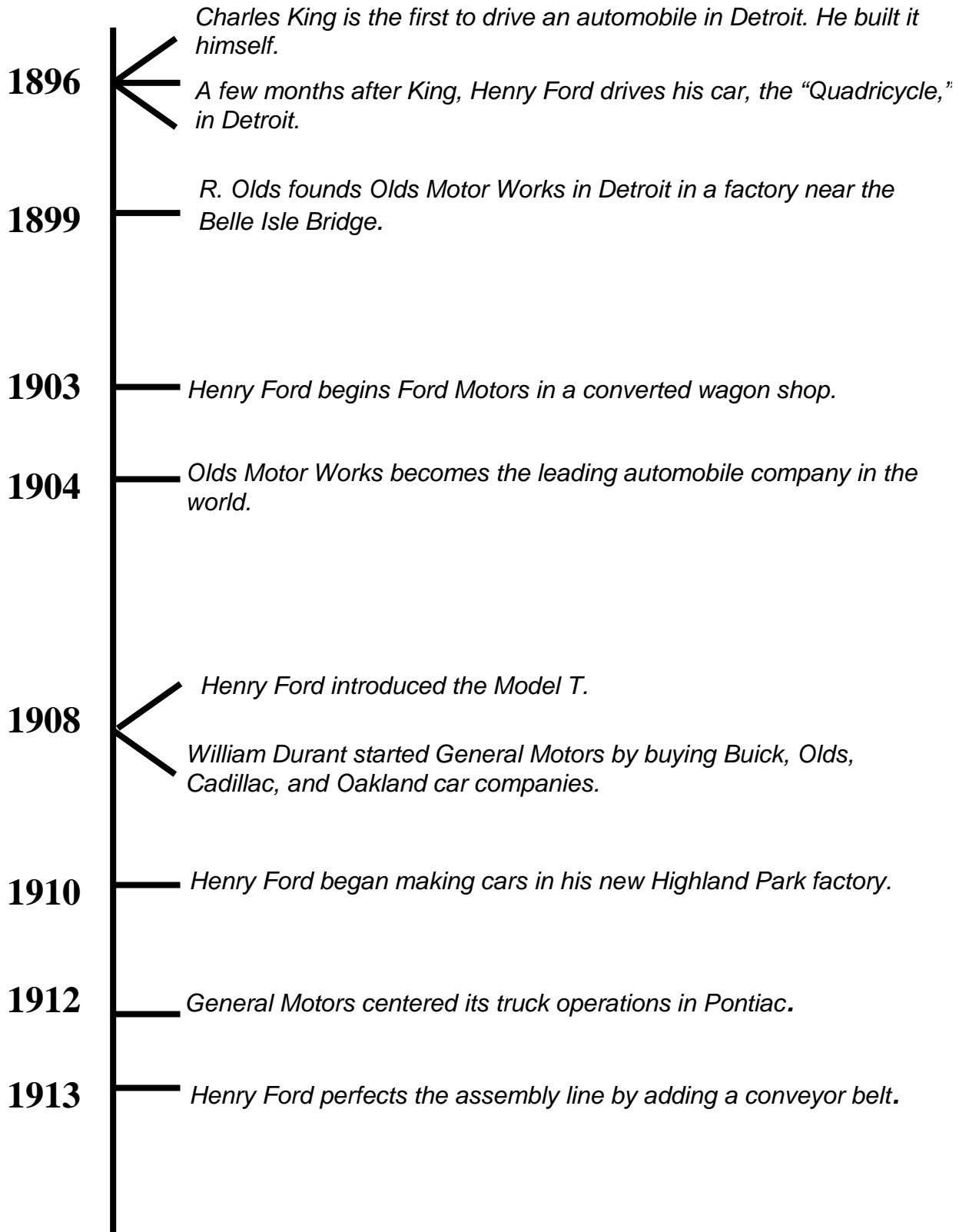
26 productivity

the amount of goods and services produced

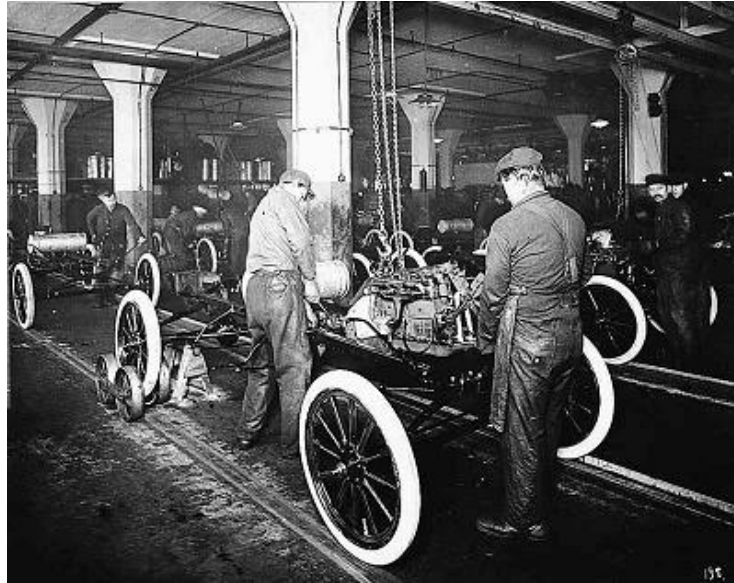


Example: Specialization and division of labor usually result in an increase in productivity.

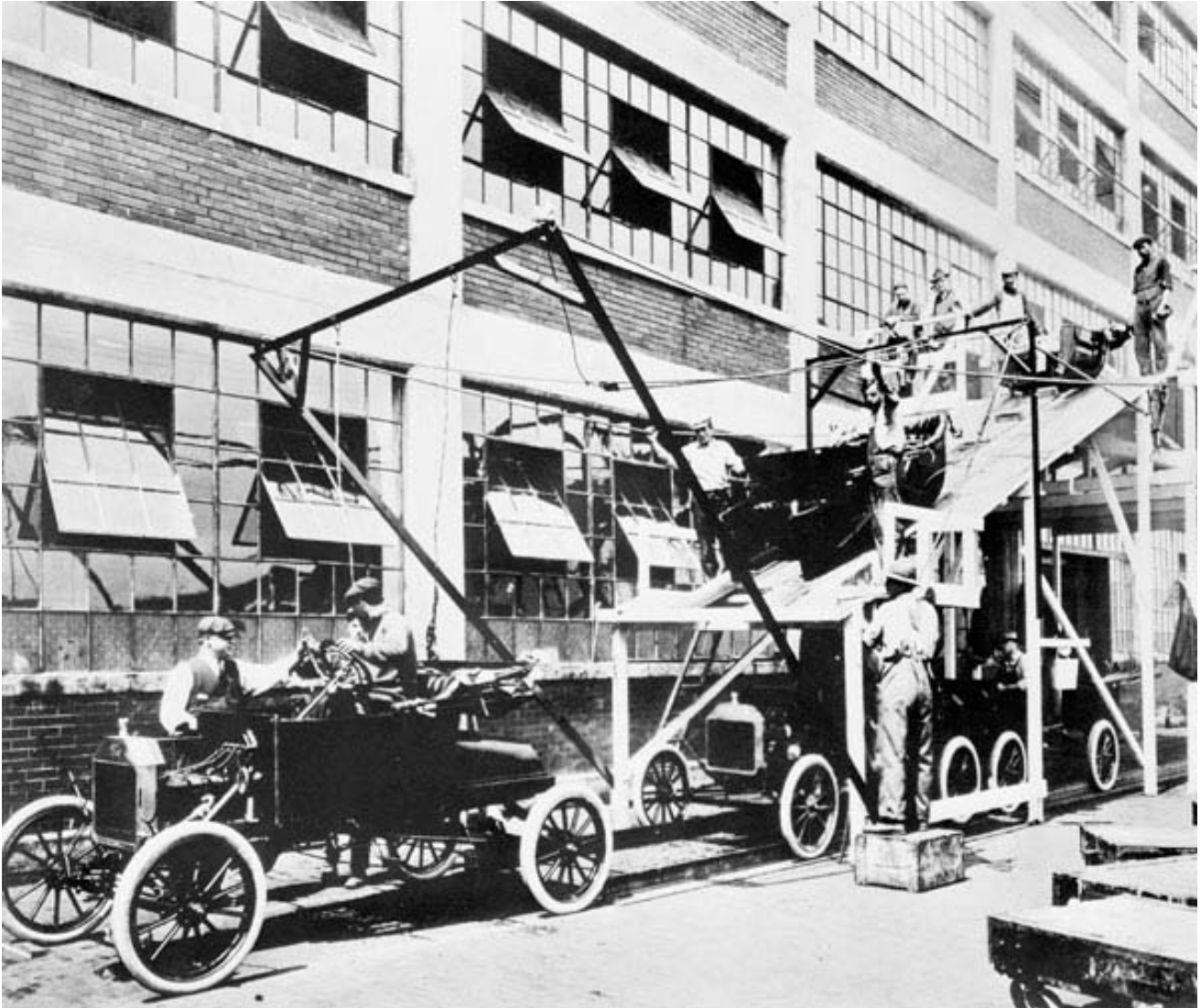
Early Automobile Timeline



Photographs #1 and #2



Photographs #3



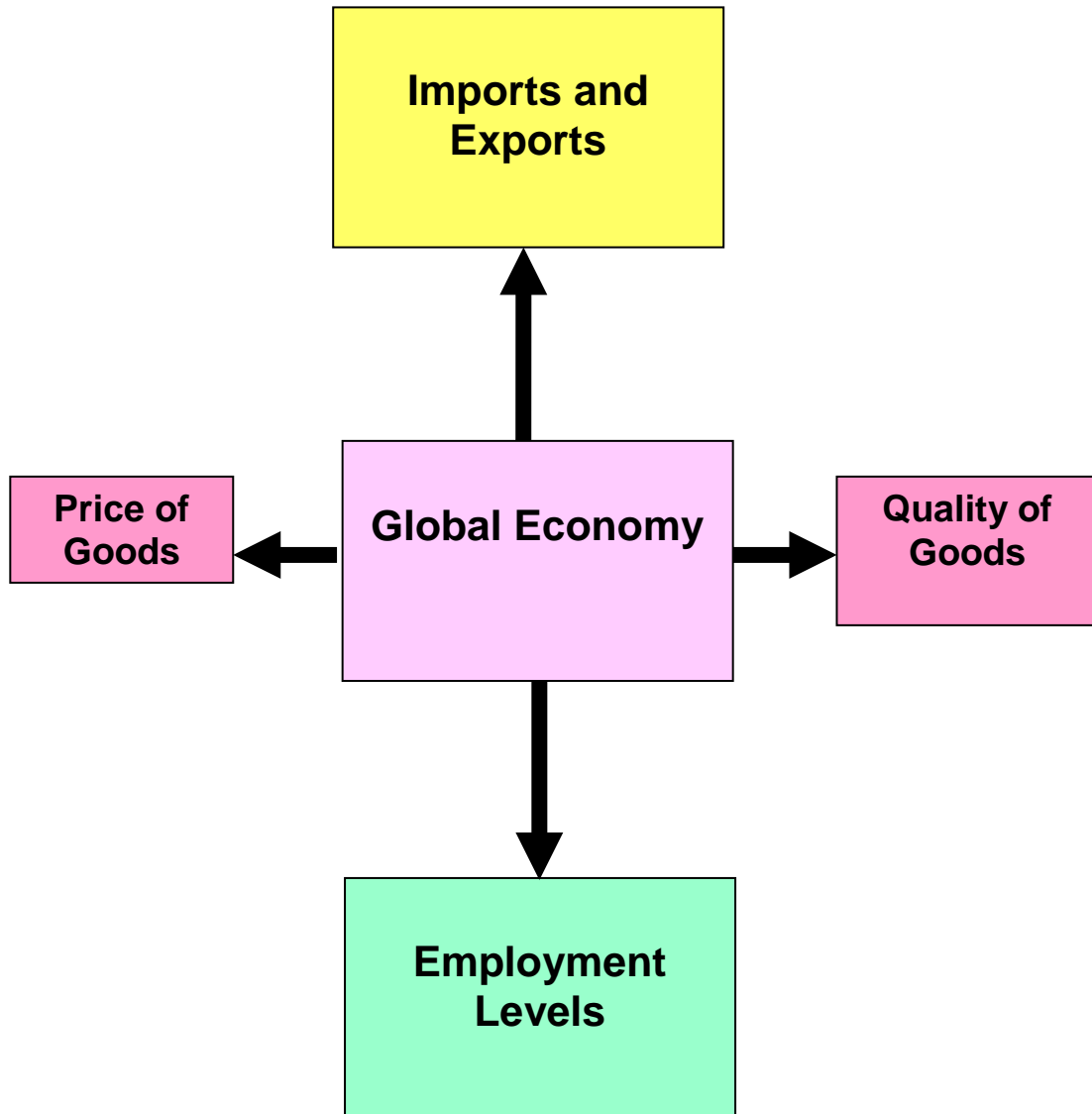
Source: First Ford Assembly Line 1913. 23 April 2009 <<http://www.aeragon.com/02/02-04.html>>

The Automobile Assembly Line Today



Source: Ford Assembly Line. 23 April 2009 <<http://image.motortrend.com/f/auto-news/ford-offers-hourly-employees-another-round-of-buyouts/10269871+cr1+re0+ar1/ford-assembly-line.jpg>>.

Lesson 7 Graphic Organizer



Big Ideas of Lesson 7, Unit 4

- Businesses compete for consumers with a goal of earning a profit.
- Businesses produce goods and services based on the human, natural, and capital resources available in their country.
- Lower costs of human, natural or capital resources (productive resources) result in higher profits for businesses.
- Global competition can affect jobs, prices of goods, and quality of goods in the United States.

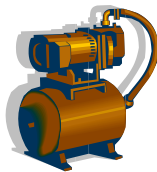
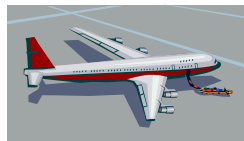
Word Cards

Word Cards from previous lessons needed for this lesson:

- Competition – Word Card #16 from Lesson 2
- Exchange – Word Card #18 from Lesson 3
- Price - Word Card #22 from Lesson 4
- Specialization – Word Card #25 from Lesson 6

**27
export**

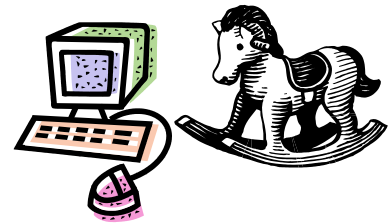
a good that people in one country sell to people in another country



Example: Machines and planes are important U.S. exports.

**28
import**

a good that people in one country buy from people in another country



Example: Computers and toys are important U.S. imports.

Examples of Imports



Import Search

Import	From

Top Michigan Exports in 2008

Rank	Description
1	PASSENGER VEHICLE ENGINES
2	PARTS & ACCESSORIES OF BODIES OF MOTOR VEHICLES
3	NATURAL GAS, GASEOUS
4	PARTS AND ACCESSORIES OF MOTOR VEHICLES,
5	PASSENGER VEHICLE ENGINES
6	MOTOR VEHICLE ENGINES
7	GEAR BOXES FOR MOTOR VEHICLES
8	RECIPROCATING PISTON ENGINES
9	SILICON CONTAINERS
10	PARTS OF SEATS (EX MEDICAL, BARBER, DENTAL ETC)
11	DRIVE AXLES WITH DIFFERENTIAL FOR MOTOR VEHICLES
12	REAR-VIEW MIRRORS FOR VEHICLES
13	AGGLOMERATED IRON ORES
14	TRUCKS WITH DIESEL ENGINES
15	SPARK-IGNITION COMBUSTION PISTON ENGINES
16	FILTER/PURIFY MACHINE & APPARATUS FOR GASES
17	SUSPENSION SHOCK ABSORBERS FOR MOTOR VEHICLES
18	INSTRUMENTS FOR MEDICAL SURGICAL DENTAL, VET
19	CRUDE OIL FROM PETROLEUM AND BITUMINOUS MINERALS
20	STEERING WHEELS, COLUMNS & BOXES F MOTOR VEHICLES
21	SILICONES, IN PRIMARY FORMS
22	FOOD PREPARATIONS
23	BRAKES AND SERVO-BREAKS; PARTS THEREOF
24	BEAUTY & SKIN CARE PREPARATION
25	COMPRESSION-IGNITION COMBUSTION PISTON ENGINES

Source: Michigan Trade Data. 24 April 2009 <<http://www.census.gov/foreign-trade/statistics/state/data/index.html>>.

Prediction Chart

Top 3 U.S. Trading Partners	
Top 3 U.S. Exports to _____	
Top 3 U.S. Imports from _____	

Top 15 Trading Partners of the U.S. in 2008

Country
Canada
China
Mexico
Japan
Federal Republic of Germany
United Kingdom
Korea, South
France
Saudi Arabia
Venezuela
Brazil
Taiwan
Netherlands
Italy
Belgium

Source: *2008 Trade Data*. U.S. Census Bureau. 24 April 2009 <<http://www.census.gov/foreign-trade/statistics/highlights/top/top0812yr.html>>.

U.S. Exports to China 2008

Export
Soybeans
Semiconductors
Civilian aircraft
Plastic materials
Industrial machines, other
Copper
Pulpwood and woodpulp
Aluminum and alumina
Steelmaking materials
Chemicals-organic
Cotton, raw
Measuring, testing, control instruments
Computer accessories
Telecommunications equipment
Electric apparatus
Chemicals-other
Industrial engines
Nonferrous metals, other
Passenger cars, new and used
Meat, poultry, etc.

Source: *U.S./China Trade Data*. U.S. Census Bureau. 24 April 2009 <<http://www.census.gov/foreign-trade/statistics/country/index.html>>.

U.S. Imports from China 2008

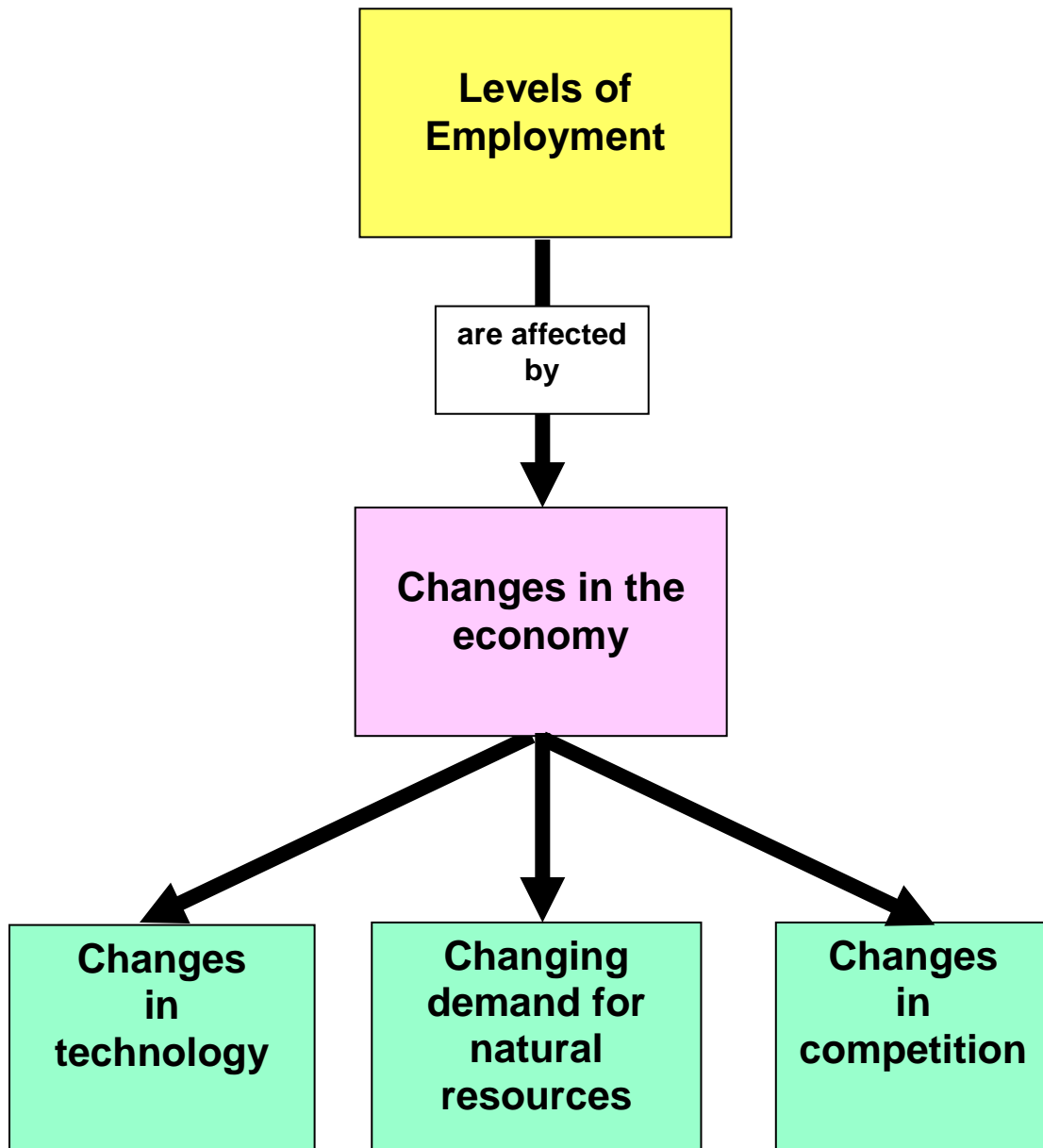
Import
Toys, shooting and sporting goods, and bicycles
Other (clocks, port typewriters, other household goods
Computer accessories, peripherals and parts
Computers
Apparel and household goods-other textiles
Television receivers, VCR's & other video equipment
Telecommunications equipment
Apparel and household goods-cotton
Furniture, household items, baskets
Footwear of leather, rubber, or other materials
Electric apparatus and parts
Household and kitchen appliances
Other parts and accessories
Non-textile apparel and household goods
Other (boxes, belting, glass, abrasives, etc.)
Photo and service industry machinery & trade tools
Sporting and camping apparel, footwear and gear
Other industrial machinery
Cookware, cutlery, house and garden wares, tools
Radios, phonographs, tape decks, and other stereo

Source: *U.S./China Trade Data*. U.S. Census Bureau. 24 April 2009 <<http://www.census.gov/foreign-trade/statistics/country/index.html>>.

Effects of Global Competition

	Possible Effects on the United States
<p>Country A has no government agency that inspects products. In order to produce goods cheaply, businesses in Country A often use cheap materials to produce goods. They sell many of their goods to the U.S.</p>	On U.S. jobs:
	On the quality of goods:
	On prices of goods:
<p>Country B has a huge population with many people who need jobs. Businesses that make goods pay very low wages. They can do this because there are plenty of people who need jobs.</p>	On U.S. jobs:
	On the quality of goods:
	On prices of goods:
<p>Country C has developed a battery-powered car that can go 1,000 miles before it needs to be recharged. It meets U.S. safety standards and is fairly inexpensive to produce.</p>	On U.S. jobs:
	On the quality of goods:
	On prices of goods:

Lesson 8 Graphic Organizer



Big Ideas of Lesson 8, Unit 4

- The labor force in the U.S. is made up of people who are working and those looking for work.
- Changes in the U.S. economy can affect levels of employment.
- Economic changes that affect employment can include changing demands for natural resources, changes in technology, and changes in competition.
- Global competition has affected levels of employment in the U.S. and the types of jobs available.

Word Cards

Word Cards from previous lessons needed for this lesson:

- Competition – Word Card #16 from Lesson 2

**29
employed**

a person with a job



Example: If you work for a family business, but are not paid you are still considered to be employed.

**30
unemployed**

a person who is jobless, looking for a job, and available for work



Example: Changes in the economy often lead to people being unemployed.

**31
labor force**

people who are working or looking for work

Example: People with jobs and people looking for jobs are all part of the U.S. labor force

Analyzing Historic Photographs



Source: *Photographs of Rhyolite*. 24 April 2009
<<http://www.rhyolite.com/sitemap.html>>.

Cause and Effect Chain

Copper is discovered in the Upper Peninsula.



People start mines in the area creating jobs for miners.



Towns grow up around the copper mines creating a variety of jobs including restaurant owners, cooks, wagon makers, and shopkeepers.



As the copper is mined, mine shafts have to go deeper and deeper. It gets harder to get the copper out.



In places like Arizona, copper mines are started. The copper in these mines is nearer the surface and easier to get. Jobs become available in and near these mines.



Copper mined in Arizona becomes cheaper than copper mined in Michigan.



Michigan copper mines begin to close. Miners lose their jobs. Many move to new places hoping to find new jobs.



People begin to lose their jobs in mining towns. Many move out hoping to find new jobs.

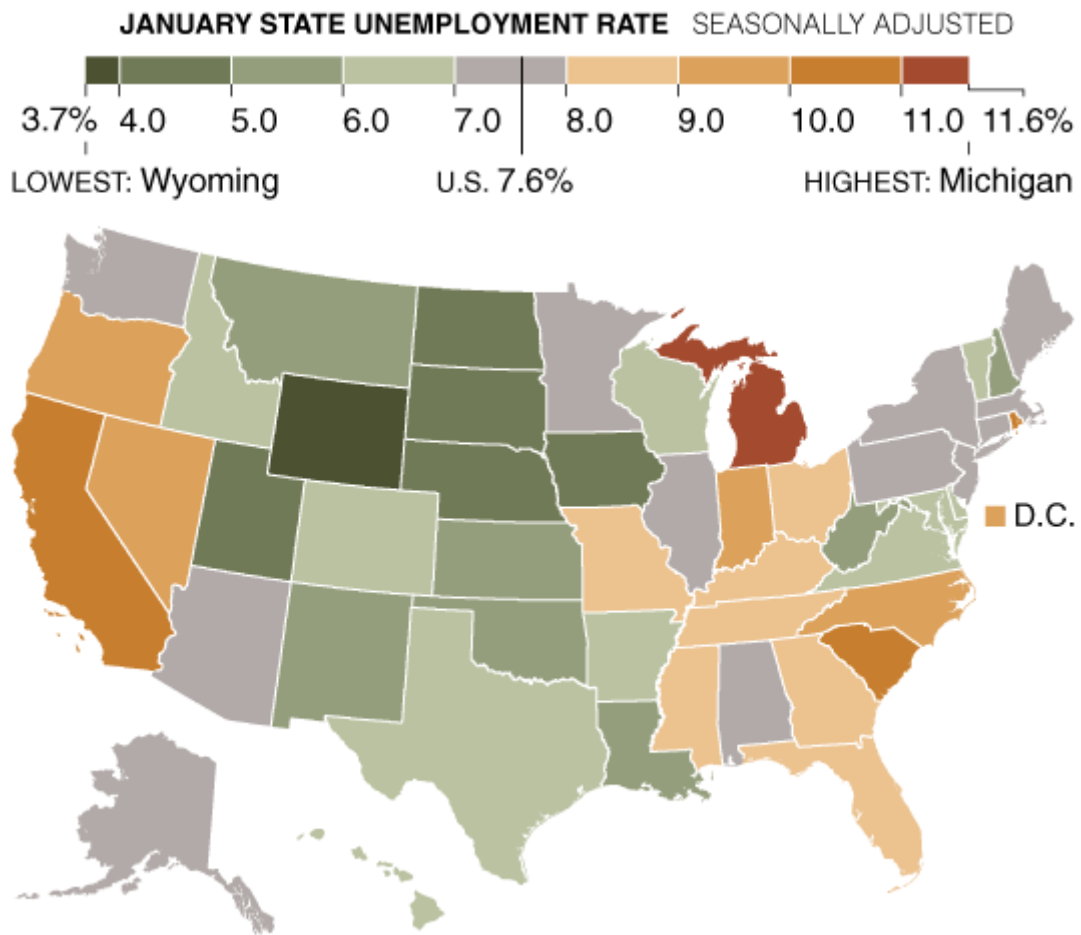


Many mining towns grow smaller and some disappear altogether.

Unemployment in Michigan



Source: *Michigan Unemployment Statistics*. US Bureau of Labor Statistics. 24 April 2009
<http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data_tool=latest_numbers&series_id=LASST26000003>.



Source: Bureau of Labor Statistics

THE NEW YORK TIMES

Source: *Unemployment Map for January, 2009*. 24 April 2009
http://www.creativeclass.com/creative_class/wordpress/wp-content/uploads/2009/03/unemployment-map.gif.

Exploring Employment Issues

Why does the Government collect statistics on the unemployed?

When workers are unemployed, they, their families, and the country as a whole lose. Workers and their families lose wages, and the country loses the goods or services that could have been produced. In addition, the purchasing power of these workers is lost, which can lead to unemployment for yet other workers.

To know about unemployment—the extent and nature of the problem—requires information. How many people are unemployed? How did they become unemployed? How long have they been unemployed? Are their numbers growing or declining? Are they men or women? Are they young or old? Are they white or black or of Hispanic ethnicity? Are they skilled or unskilled? Are they the sole support of their families, or do other family members have jobs? Are they more concentrated in one area of the country than another? After these statistics are obtained, they have to be interpreted properly so they can be used—together with other economic data—by policymakers in making decisions as to whether measures should be taken to influence the future course of the economy or to aid those affected by joblessness.

What are the basic concepts of employment and unemployment?

The basic concepts involved in identifying the employed and unemployed are quite simple:

- People with jobs are *employed*.
- People who are jobless, looking for jobs, and available for work are *unemployed*.
- People who are neither employed nor unemployed are *not in the labor force*.

The sum of the employed and the unemployed makes up the civilian labor force.

Source; *Information about Unemployment and Employment*. Bureau of Labor Statistics. 24 April 2009
<http://www.bls.gov/cps/cps_htgm.htm>.

Scenarios

	Unemployed	Employed	Not in the labor force
Elizabeth Lloyd worked 40 hours as a sales manager last week for the Western Beverage Company.			
Steve Hogan lost his job when the local plant of the Chariot Aircraft Manufacturing Company was closed down. Since then, he has been visiting personnel offices of other businesses in town trying to find a job.			
Linda Coleman is a homemaker. Last week, she was occupied with her normal household chores. She neither held a job nor looked for a job.			
Matthew Arnold, an 80-year-old father who lives with his daughter, has not worked or looked for work because of a disability.			
Lisa Fox spends most of her time taking care of her home and children, but she helps in her husband's computer software store all day Friday and Saturday.			
George Lewis is 16 years old, and he has no job from which he receives any pay or profit. However, George does help with the regular chores around his father's farm and spends about 20 hours each week doing so.			
Marcus Green was laid off from the Hotshot Motor Company when the firm began retooling to produce a new model car. Marcus knows he will be called back to work as soon as the model changeover is completed. He also knows it is unlikely that he would be able to find a job for the period he is laid off; so, although he is available to work, he is not seeking a job.			
Yvonne Bennett reported that 2 weeks ago she applied for a job as a receptionist at the Capitol Travel Agency and the Equity Mortgage Lending Company. She is awaiting the results of her applications.			
Mrs. Jenkins tells the interviewer that her daughter, Katherine Marie, was thinking about looking for work in the prior 4 weeks but knows of no specific efforts she has made.			

Analyzing Data

Manufacturing Jobs: Production Workers

Year	Jan
1999	12,607,000
2000	12,496,000
2001	12,236,000
2002	11,004,000
2003	10,483,000
2004	10,029,000
2005	10,050,000
2006	10,159,000
2007	10,047,000
2008	9,930,000
2009	8,946,000

Service Providing Jobs

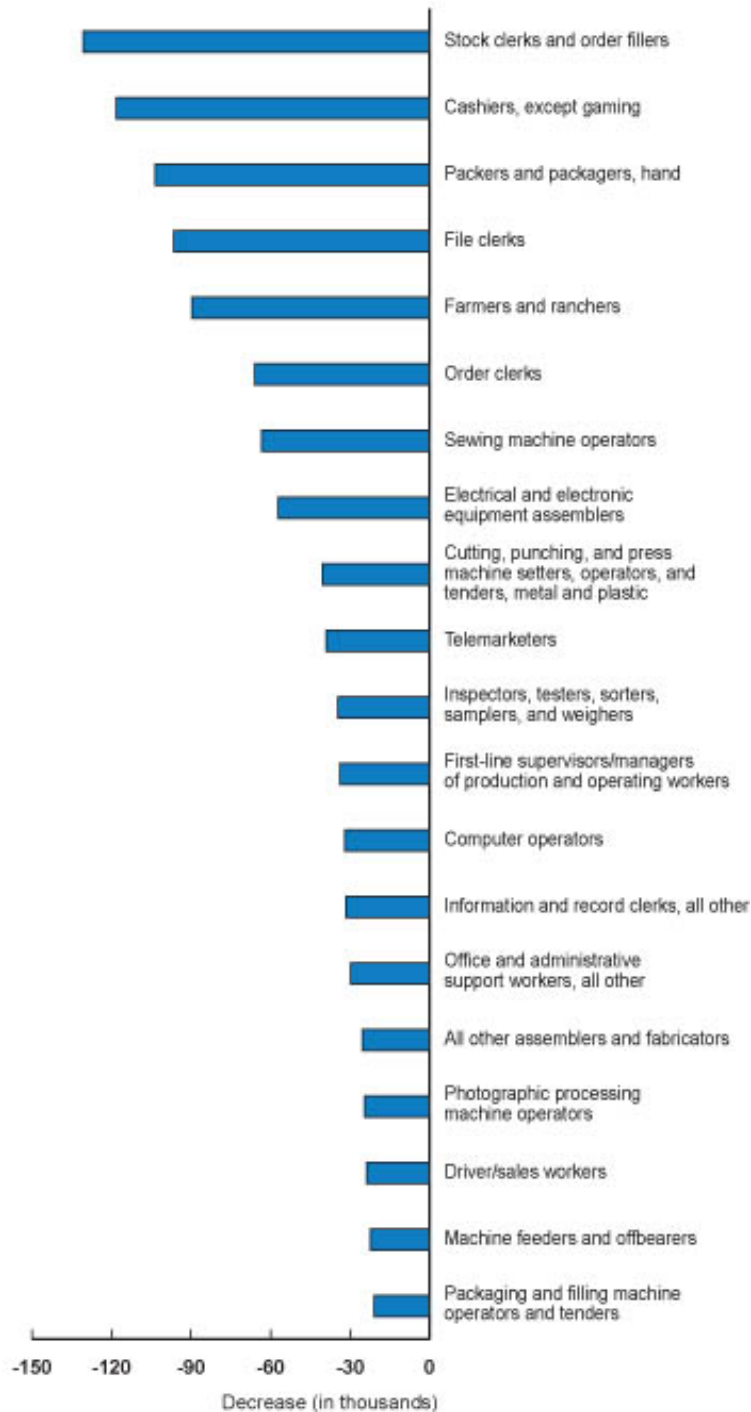
Year	Jan
1999	103,074,000
2000	106,145,000
2001	107,926,000
2002	107,619,000
2003	108,119,000
2004	108,703,000
2005	110,531,000
2006	112,665,000
2007	114,715,000
2008	116,099,000
2009	114,206,000

What is an important conclusion that can be drawn from the data above?

Source: *Job Data*. U.S. Bureau of Labor Statistics. 24 April 2009 <<http://data.bls.gov/>>.

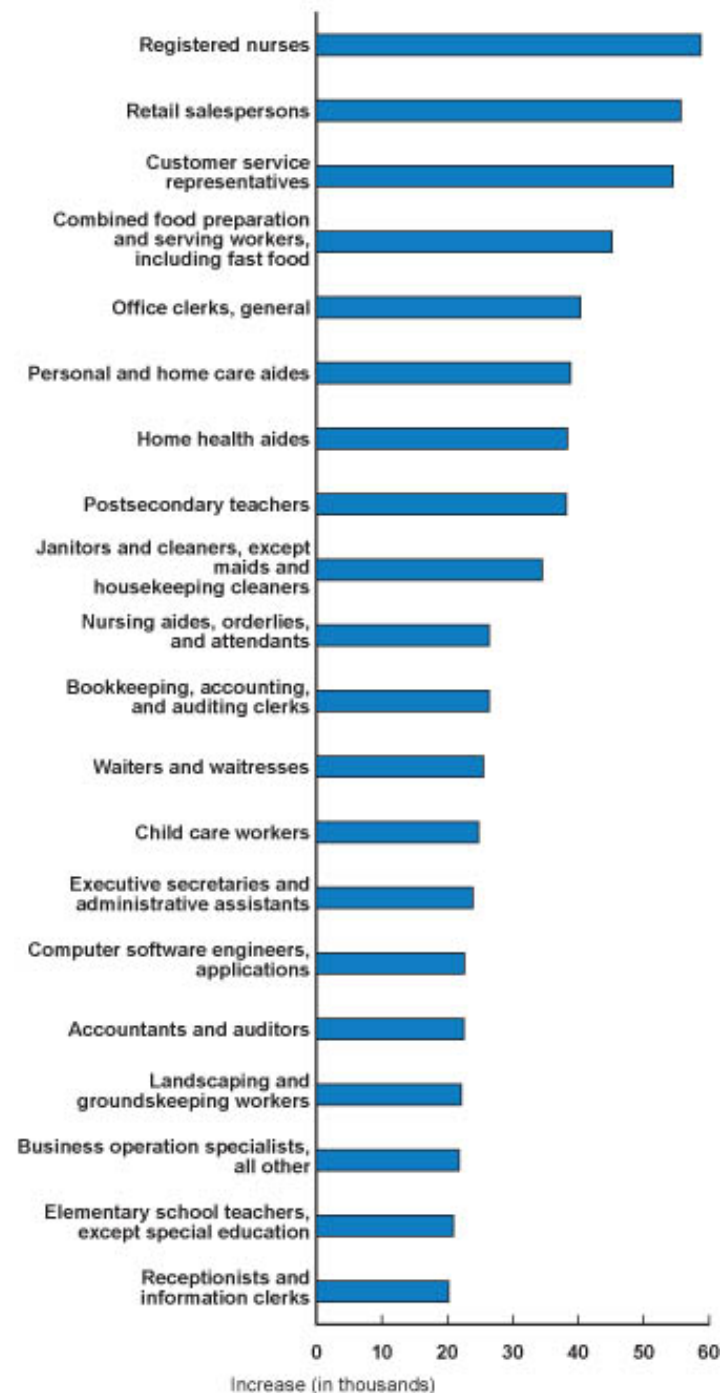
Jobs Likely to Decrease in Employment

Chart 9. Occupations with the largest numerical decreases in employment, projected 2006-16



Jobs Likely to Increase in Employment

Chart 8. Occupations with the largest numerical increases in employment, projected 2006-16



Source: *Tomorrow's Jobs*. U.S. Bureau of Labor Statistics. 24 April 2009 <<http://www.bls.gov/oco/oco2003.htm>>.

Analysis Chart

What is something in the data you found interesting?	
What is something in the data you found surprising?	
What is something in the data you found confusing?	
What are two questions you have relating to the data?	

Analyzing a Cartoon



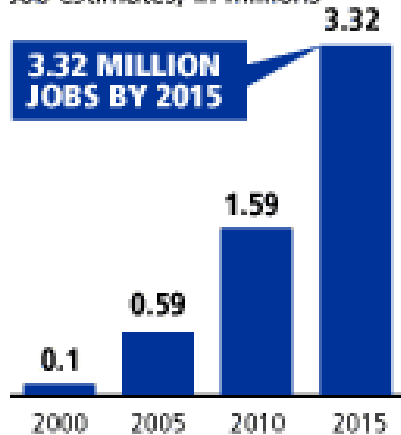
Source: Outsourcing. 24 April 2009 <<http://michaelaltendorf.wordpress.com/2008/04/04/outsourcing-to-india/>>.

OUTSOURCING: FIGURES AND FEELINGS

At least 40 percent of Fortune 1,000 companies are dabbling or fully engaged in sending U.S. jobs overseas. Cheaper labor in countries such as India is making doing business abroad attractive to companies' bottom lines. But what about the American workers left unemployed? More than 40 percent of U.S. executives surveyed said that outsourcing wouldn't be good for business. And with the majority of Americans doubting the concept benefits them, the issue is already being addressed by public officials up for election this year.

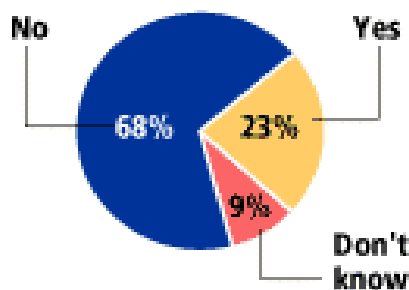
U.S. outsourcing trends

Job estimates, in millions



Is it good for Americans?

1,019 adults surveyed Feb. 4

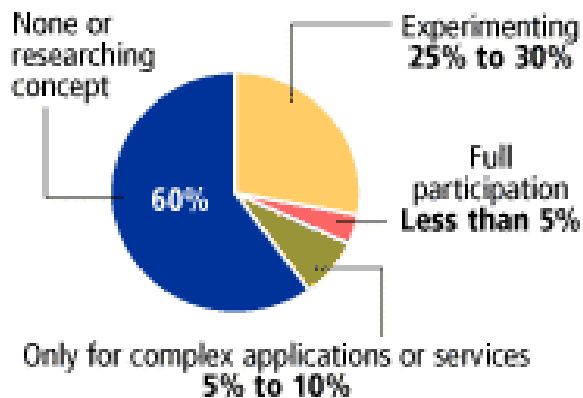


NOTE: Margin of error was plus/minus 3 percentage points.

Sources: Forrester Research, McKinsey & Co., Pollingreport.com

Company participation

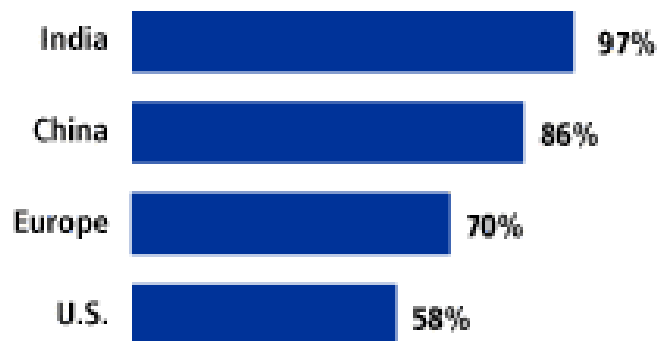
Percent of Fortune 1,000 companies



Is outsourcing good for business?

7,300 senior executives surveyed globally

Executives who say "Yes"



JEN MYSTKOWSKI/SEATTLE POST-INTELLIGENCER

Source: Outsourcing Figures and Feelings. Seattle Post-Intelligencer. 24 April 2009
http://www.seattlepi.com/business/164018_outsource10.asp.

Outsourcing: Looking at Both Sides of an Issue

THE BOEING CORPORATION

Perhaps no player in the local economy has sent more jobs overseas than Boeing.

The company makes no excuses for sending work to South Africa, Italy, China, Russia and other far-flung parts on the globe.

But unlike the new breed of outsourcers, Boeing isn't only hunting for cheaper labor. Rather, it places work in countries where it is also trying to sell planes or spreads risks on new projects by farming out work to foreign suppliers. Officials are drawn to cheap labor, but sales are more important, a top Boeing executive said

And the company argues it has no choice. It must build planes with fewer and more productive workers to remain competitive.

"If we don't change, we die," the executive said last year.

TECHNOLOGY COMPANIES:

Technology companies say they need a global work force to compete and that the current wave of outsourcing follows a trend that began when international barriers started tumbling in the 1990s.

But don't tell that to Myra Bronstein, a Mercer Island resident who lost her software-testing job last year when her company shifted the work to India. Before she was laid off from Watchmark-Comnitel, Bronstein was making \$76,500 a year.

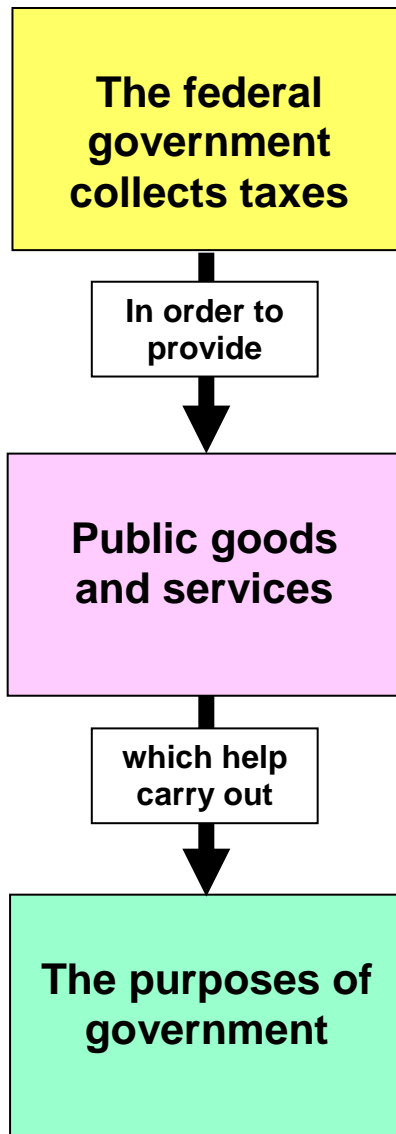
Now with her paycheck gone and unemployment benefits exhausted, Bronstein has resorted to selling furniture and collectibles on eBay.

She blames outsourcing.

"The fact that they not only outsourced my job, but my entire industry, makes me feel powerless and paralyzed," said Bronstein. "Frankly, this situation has created problems that are way too big for one person like me to solve."

Source: Outsourcing Figures and Feelings. 7 April 2009
<http://www.seattlepi.com/business/164018_outsource10.asp>.

Lesson 9 Graphic Organizer



Big Ideas of Lesson 9, Unit 4

- Governments provide certain kinds of goods and services in a market economy. These are called *public goods and services*.
- Public goods and services are goods and services that private businesses are either unwilling or unable to produce.
- Governments pay for the goods and services they provide by collecting taxes.
- Providing public goods and services helps government carry out its major purposes such as providing safety, providing security, and promoting the common good.

Word Cards

Word Cards from previous lessons needed for this lesson:

- Market Economy – Word Card #10 from Lesson 2

32 public goods and services



goods and services that are produced by a government

Example: Repairing roads and building schools are examples of public goods and services.

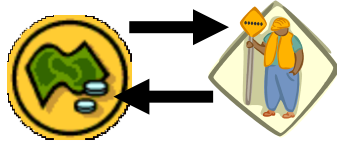
33 private goods and services



goods and services that are produced privately and sold to consumers

Example: Private goods include groceries, cars, computers and cell phones.

34 taxes



what people pay to a government in exchange for public goods and services

Example: People pay taxes to a government. Then, the government uses the tax money to provide public goods and services like bridges and parks.

Comparing Two Lighthouses



Big Bay Point Lighthouse Bed and Breakfast Inn



Fort Gratiot Lighthouse, Port Huron – operated and maintained by the U.S. Coast Guard

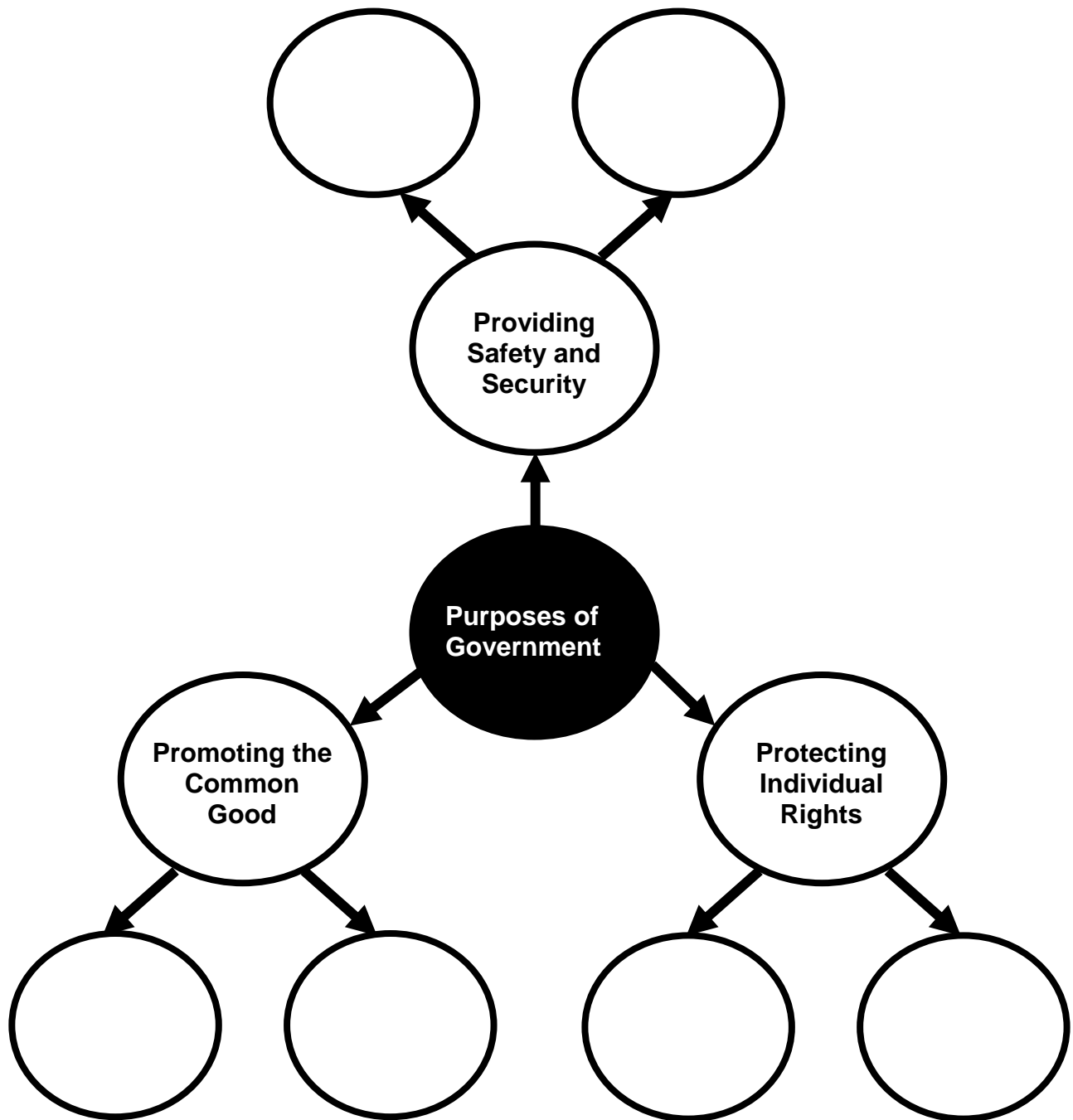
Investigating Public Goods and Services Provided by the Federal Government

Federal Agency or Department	Public Good or Service Provided

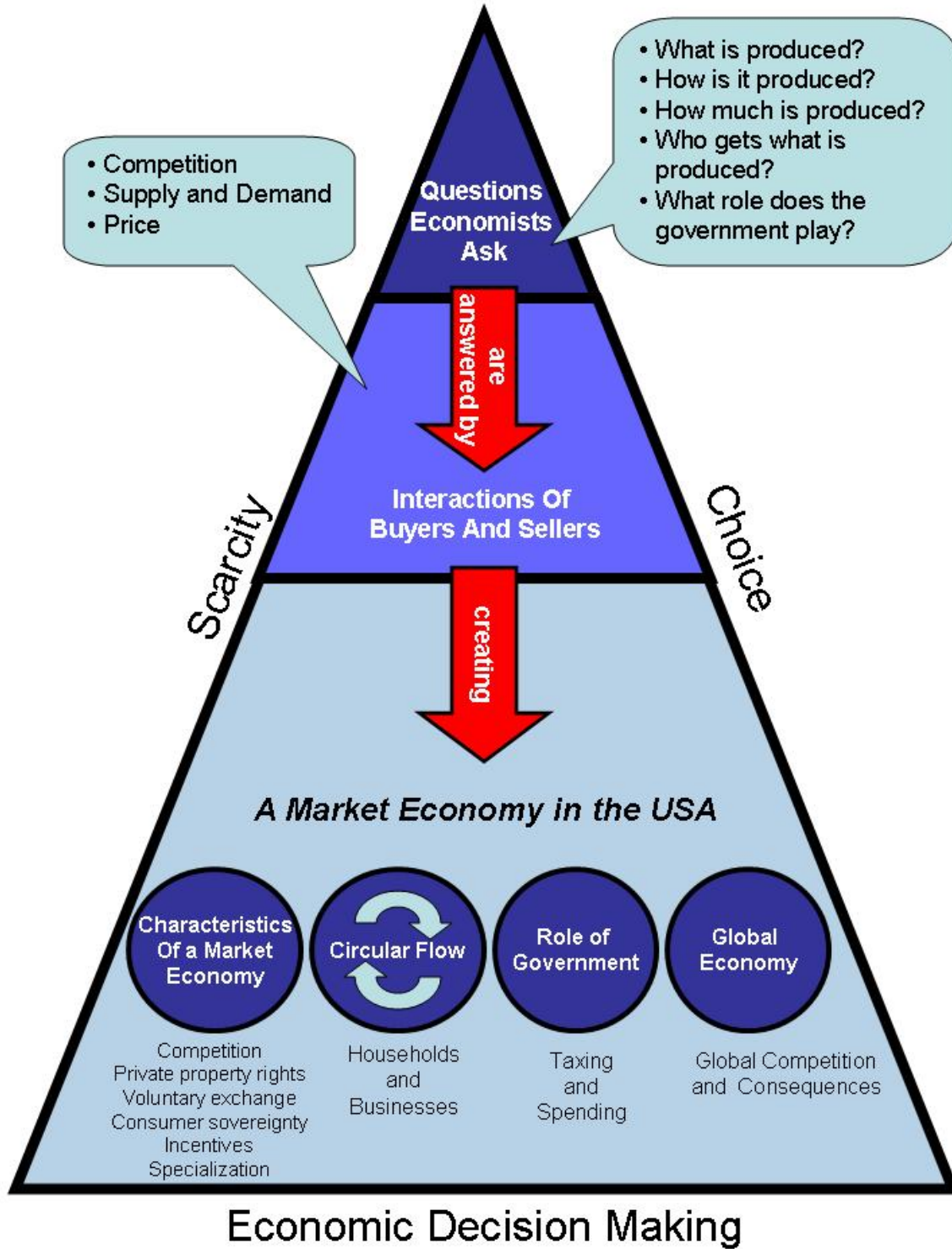
Federal Agencies

Agency	Mission
U.S. Army Corps of Engineers'	To provide vital public engineering services in peace and war to strengthen our Nation's security, energize the economy, and reduce risks from disasters.
Consumer Product Safety Commission	To protect the public from unreasonable risks of serious injury or death from thousands of types of consumer products under the agency's jurisdiction. The CPSC is committed to protecting consumers and families from products that pose a fire, electrical, chemical, or mechanical hazard or can injure children.
U.S Customs and Border Protection	The priority mission of the CBP is to keep terrorists and their weapons out of the U.S. It also has a responsibility for securing and facilitating trade and travel while enforcing hundreds of U.S. regulations, including immigration and drug laws.
Environmental Protection Agency	The mission of the Environmental Protection Agency is to protect human health and the environment. Since 1970, EPA has been working for a cleaner, healthier environment for the American people.
Federal Bureau of Investigation	To protect and defend the United States against terrorist and foreign intelligence threats and to enforce the criminal laws of the United States.
Food Safety and Inspection Service	The Food Safety and Inspection Service (FSIS) is the public health agency in the U.S. Department of Agriculture responsible for ensuring that the nation's commercial supply of meat, poultry, and egg products is safe, wholesome, and correctly labeled and packaged.
U.S. Forest Service	The mission of the USDA Forest Service is to sustain the health, diversity, and productivity of the Nation's forests and grasslands to meet the needs of present and future generations.
Housing and Urban Development	HUD's mission is to increase homeownership, support community development and increase access to affordable housing free from discrimination.
Library of Congress	The Library's mission is to make its resources available and useful to the Congress and the American people and to sustain and preserve a universal collection of knowledge and creativity for future generations.
National Institutes of Health	NIH is the steward of medical and behavioral research for the Nation. Its mission is science in pursuit of fundamental knowledge about the nature and behavior of living systems and the application of that knowledge to extend healthy life and reduce the burdens of illness and disability.
National Park Service	The National Park Service preserves unimpaired the natural and cultural resources and values of the national park system for the enjoyment, education, and inspiration of this and future generations. The Park Service cooperates with partners to extend the benefits of natural and cultural resource conservation and outdoor recreation throughout this country and the world.
National Weather Service	The National Weather Service (NWS) provides weather, hydrologic, and climate forecasts and warnings for the United States, its territories, adjacent waters and ocean areas, for the protection of life and property and the enhancement of the national economy.

Incomplete Web



Unit 4 Graphic Organizer



Unit 4 Vocabulary Words

capital resources	5
circular flow	17
competition.....	11
consumer	11
consumer sovereignty	11
demand.....	11
division of labor.....	39
economic system.....	5
economics	5
employed	55
exchange.....	16
export	45
human resources	4
import.....	45
incentive	30
income	16
labor force	55
limited resources	4
market economy	10
natural resources.....	5
opportunity cost	5

price	22
private goods and services.....	71
producer.....	10
productivity	39
profit.....	11
public goods and services	71
scarcity	4
specialization	39
substitute goods.....	22
supply	11
taxes.....	71
unemployed.....	55
unlimited wants.....	4