

PUBLIC POLICY AND THE MEDIA (9a)

The media informs policymakers and influences public policy by...

➤ Focusing public attention on selected _____

➤ Offering a forum in which opposing _____ are communicated

➤ Holding government officials accountable to the _____

Government officials use the media to _____ with the public.

PUBLIC POLICY INFLUENCES (9b)

Term to know:

Lobbying: Seeking to influence _____ to introduce or vote for or against a bill

Individuals and interest groups influence public policy.

Ways individuals influence public policy

- Participating in politics (voting, _____, seeking _____)
- Expressing opinions (_____, demonstrating, writing _____)
- Joining _____ groups

Ways interest groups influence public policy

- Identifying _____
- Making political _____
- Lobbying _____ officials

PUBLIC POLICY AND LOCAL GOVERNMENTS (9c)

Local governments may be required to formulate, adopt, and implement public policies in response to international issues and events. International issues and events that would require policy decisions by local government officials could include the following...

- Public _____ concerns in the event of a pandemic
- Public safety in the event of an act of _____
- Economic development policies in response to the emerging _____ economy
- Policies to protect the _____ (e.g., wildlife protection)

To better understand how the local and the international issues merge, imagine if you heard on the news about an out-break of "bird flu"—or an incident of poisoning in your neighborhood from lead paint on toys made in another country. It could be that your issue is global warming, terrorism, or losing jobs in your community to an overseas company. All of these issues might be better served with local policies, community planning, and cooperation among agencies.

THE JUDICIAL SYSTEMS (10a)

The judicial function is exercised in a _____ court system, which consists of state courts and federal courts.

- The United States has a separate court system whose organization and jurisdiction are derived from the _____ and _____.
- Virginia, like each of the other forty-nine states, has its own court system whose organization and jurisdiction are derived from _____ and _____.

UNITED STATES COURT SYSTEM	VIRGINIA COURT SYSTEM
U.S. Supreme Court <ul style="list-style-type: none"> ▪ Justices, no jury ▪ Appellate jurisdiction ▪ Limited original jurisdiction 	Virginia Supreme Court <ul style="list-style-type: none"> ▪ Justices, no jury ▪ Appellate jurisdiction ▪ Limited original jurisdiction
U.S. Court of Appeals <ul style="list-style-type: none"> ▪ Justices, no jury ▪ Appellate jurisdiction 	Court of Appeals of Virginia <ul style="list-style-type: none"> ▪ Judges, no jury ▪ Appellate jurisdiction to review decisions of circuit courts
U.S. District Court <ul style="list-style-type: none"> ▪ Judge, with or without jury ▪ Original jurisdiction 	Circuit Court <ul style="list-style-type: none"> ▪ Judge, with or without jury ▪ Original jurisdiction for felony criminal cases and for certain civil cases ▪ Appellate jurisdiction from district courts
Expansion: <ul style="list-style-type: none"> ▪ If you start at the bottom of these charts and work your way up, the seriousness of the crimes generally increases. ▪ For each of the <u>federal</u> (United States) courts, note that "U.S." precedes the name of each court. 	General District Court and Juvenile and Domestic Relations District Court <ul style="list-style-type: none"> ▪ Judge, no jury ▪ Original jurisdiction of misdemeanors in civil cases generally involving lower dollar amounts and original jurisdiction in juvenile and family cases



TERMINOLOGY TO HELP YOU UNDERSTAND:

- Appellate...** having the authority to review—and sometimes overturn—a prior court decision
- Circuit...** moving around—Circuit Court judges may move from county to county to hear cases. Virginia is divided into circuits composed of several counties, towns, or cities.



The SOL HOME CONNECTION

CIVICS & ECONOMICS



What's in Chapter 9?

*Making Sense of Dollars and Cents:
America and Its Resources*

This chapter explores the structure and operation of the United States economy and how economic decisions are made in the marketplace.

Enhancing the Learning

Visiting a local bank, business, or open market provides opportunities for you and your child to discuss and evaluate your observations as they relate to the economic concepts being studied in this chapter.

Dinner Discussions

Tie what your child is learning in school to your home by engaging in conversation.

- Discuss any experience you, a friend, or a family member have with owning or operating a small business.
- The next time you are at a store together, discuss consumer sovereignty and how it is affected by supply, demand, and price.
- Share how you spend, save, and invest for the future.
- Point out competition you see affecting prices and quality of products in your life as a consumer.



Chapter 9 Essential Knowledge

CE.12 b

Price

- Price is determined by the interaction of supply and demand.
- Price is the amount of money exchanged for a good or service.

Demand

- Demand is the amount of a good or service that consumers are willing and able to buy at different prices during a given time period.
- Law of demand: Consumers will buy more of a good or service at lower prices and less at higher prices.
- Higher prices for a good or service provide incentives for buyers to purchase less of that good or service.
- Lower prices for a good or service provide incentives for buyers to purchase more of that good or service.

Supply

- Supply is the amount of a good or service that producers are willing and able to offer for sale at each possible price during a given period of time.
- Law of supply: Producers will produce more when they can sell at a high price and will produce less when they can sell at a low price.
- Higher prices for a good or service provide incentives for producers to make or sell more of a good or service.
- Lower prices for a good or service provide incentives for producers to make or sell less of a good or service.

Equilibrium price

- Equilibrium price is the point where supply and demand meet.
- Everyone who wants to sell at that price can sell.
- Everyone who wants to buy at that price can buy.

CE.12 c

Basic types of business ownership

- **Proprietorship:** A form of business organization with one owner who takes all the risks and all the profits.
- **Partnership:** A form of business organization with two or more owners who share the risks and the profits.
- **Corporation:** A form of business organization that is authorized by law to act as a legal entity regardless of the number of owners. Owners share the profits. Owner liability is limited to the amount of their investment.

Entrepreneur

- A person who takes a risk to produce and sell goods and services in search of profit.
- May establish a business according to any of the three types of organizational structures. Entrepreneurs increase competition by bringing new goods and services to market or by delivering products in innovative ways. They often foster technological progress and economic growth.

CE.12 d

The circular flow diagram is a way of visualizing and categorizing activity within an economy. Goods, services, and resources flow in one direction. Money flows in the opposite direction.

Economic flow (circular flow)

- Households own the resources used in production, sell the resources, and use the income to purchase products.
- Businesses buy resources; make products that are sold to individuals, other businesses, and the government; and use the profits to buy more resources.
- When households and businesses spend money, the income is used by households to purchase goods and services and by businesses to purchase resources.
- Governments use tax revenue from households and businesses to provide public goods and services.

CE.12 e

Private financial institutions

- Include banks and credit unions
- Receive deposits and make loans
- Encourage savings and investing by paying interest on deposits
- Help provide financial capital (money) to people/businesses to start or grow businesses

CE.12 f

Term to know

- **Global economy:** Worldwide markets in which the buying and selling of goods and services by all individuals, nations, and businesses takes place.

Reasons that states and nations trade

- To obtain goods and services they cannot produce or cannot produce efficiently themselves
- To buy goods and services at a lower cost or a lower opportunity cost
- To sell goods and services to other countries
- To create jobs

Virginia and the United States specialize in the production of certain goods and services which promote efficiency and growth.

Impact of technological innovations

- Innovations in technology (e.g., the Internet) contribute to the global flow of information, capital, goods, and services.
- The use of such technology also lowers the cost of production.

Chapter 9 Essential Knowledge

CE.11 a

The problem of scarcity faces all individuals and organizations, including businesses and governments:

- We have unlimited wants, but our resources are limited.
- The goods and services we want exceed our ability to produce them.
- Scarcity forces consumers, producers, and governments to make difficult choices.

Scarcity is the inability to satisfy all wants at the same time. All resources and goods are limited. This requires that choices be made.

Resources are factors of production that are used in the production of goods and services. Types of resources are natural, human, capital, and entrepreneurship.

Choice is selection of an item or action from a set of possible alternatives. Individuals must choose or make decisions about desired goods and services because these goods and services are limited.

Opportunity cost is what is given up when a choice is made—the second-best alternative. Individuals must consider the value of what is given up when making a choice.

Production is the combining of human, natural, capital, and entrepreneurship resources to make goods or provide services. Available resources and consumer preferences determine what is produced.

Consumption is the using of goods and services. Consumer preferences and price determine what is purchased and consumed.

CE.11 b

The basic questions of economics

- What will be produced?
- How will it be produced?
- For whom will it be produced?
- Each type of economy answers the three basic questions differently.

Traditional economy

- Economic decisions are based on custom and historical precedent.
- People often perform the same type of work as their parents and grandparents, regardless of ability or potential.

Free market economy

- Private ownership of property/resources
- Profit motive • Competition • Consumer sovereignty
- Individual choice
- Minimal government involvement in the economy

Command economy

- Central ownership (usually by government) of property/resources
- Centrally planned economy • Lack of consumer choice

Mixed economy

- Individuals and businesses are owners and decision makers for the private sector.
- Government is owner and decision maker for the public sector.
- Government's role is greater than in a free market economy and less than in a command economy.
- Most economies today, including the United States economy, are mixed economies.

CE.12a

The United States economy has characteristics of a free market economy, but because it has some aspects of command and traditional economies it is characterized as a mixed economy. Government intervenes in a market economy when the perceived benefits of a government policy outweigh the anticipated costs.

Characteristics of the United States economy

- A market exists whenever buyers and sellers exchange goods and services.
- Free enterprise: Markets are generally allowed to operate without undue interference from the government. Prices are determined by supply and demand as buyers and sellers interact in the marketplace.
- Private property: Individuals and businesses have the right to own real and personal property, as well as the means of production, without undue interference from the government. The government provides a structure to define and enforce such property rights.
- Profit motive: Profit consists of earnings after all expenses have been paid. Individuals have the opportunity to create a business and earn profits.
- Competition: Rivalry between producers and/or between sellers of a good or service usually results in better quality goods and services at lower prices.
- Consumer sovereignty: Consumers determine through purchases what goods and services will be produced.
- Government involvement in the economy is limited. Most decisions regarding the production of goods and services are made in the private sector.

Chapter 9 Study Guide

Because of scarcity, consumers, producers, and government decision-makers are forced to make choices. Whenever you make a choice, you are actually making two choices. This is because whenever you choose to do one thing, you are also choosing *not* to do something else. What you choose not to do is your **opportunity cost**. All choices have opportunity costs.




You will be expected to explain that because of scarcity, consumers, producers, and governments must make choices, understanding that everyone's choice has an opportunity cost.

The problem of SCARCITY faces all individuals and organizations, including businesses and governments.

- We have unlimited wants but our resources are limited.
- The goods and services we want exceed our ability to produce them.
- Scarcity forces consumers, producers, and governments to make difficult choices.

Scarcity	<ul style="list-style-type: none"> • Inability to satisfy all wants at the same time—all resources and goods are limited • Limited goods and resources require that choices be made
Resources	<ul style="list-style-type: none"> • Factors of production that are used in the production of goods and services • Types of resources are natural, human, capital, and entrepreneurship
Choice	<ul style="list-style-type: none"> • Selection of items or action from a set of possible alternatives • Individuals must choose or make decisions about desired goods and services because these goods and services are limited
Opportunity Cost	<ul style="list-style-type: none"> • What is given up when a choice is made (second-best alternative) • Individuals must consider the value of what is given up when making a choice
Production	<ul style="list-style-type: none"> • The combining of human, capital, and entrepreneurship resources to make goods or provide services • Available resources and consumer preferences determine production
Consumption	<ul style="list-style-type: none"> • Using of goods and services • Consumer preferences and price determine what is purchased and consumed

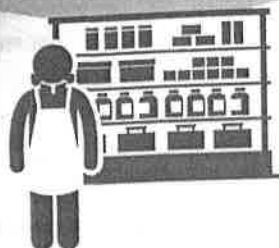
Every country must develop an economic system to determine how to use its limited productive resources. The key factor in determining the type of economy a country has is the extent of government involvement. The greater the amount of decision making that is left to the individual, the closer a system is to a free market system. The greater the amount of decision making that is left to a centralized authority, the closer the system is to a command system. *You will be expected to compare and contrast how traditional, free market, command, and mixed economies decide how to allocate their limited resources.*

<p>3 BASIC QUESTIONS OF ECONOMICS</p>  <p>What will be produced?</p>  <p>How will it be produced?</p>  <p>For whom will it be produced?</p> <p><i>Each type of economy answers the basic questions differently. There are four different types of economy.</i></p>	<p>TRADITIONAL ECONOMY</p>	<ul style="list-style-type: none"> • Economic decisions are based on custom and historical precedent. • People often perform the same type of work as their parents and grandparents, regardless of ability or potential.
	<p>FREE MARKET ECONOMY</p>	<ul style="list-style-type: none"> • Private ownership of property/resources • Profit motive • Competition • Consumer sovereignty • Individual choice • Minimal government involvement
	<p>COMMAND ECONOMY</p>	<ul style="list-style-type: none"> • Central ownership, usually by government, of property/resources • Centrally planned economy • Lack of consumer choice
	<p>MIXED ECONOMY</p>	<ul style="list-style-type: none"> • Individuals and businesses are owners and decision makers for the private sector. • Government is owner and decision maker for public sector. • Government's role is greater than in a free market economy and less than in a command economy. • Most economies today, including the United States economy, are mixed economies.

There are three basic ways that businesses organize to earn profits. Entrepreneurs play an important role in all three types of business organizations. You will be expected to describe the types of business organizations and the role of entrepreneurship.

PROPRIETORSHIP

One owner who takes all the risks and all the profits.



PARTNERSHIP

Two or more owners who share the risks and the profits.



CORPORATION

Authorized by law to act as a legal entity regardless of the number of owners. Owners share profits. Owner liability is limited to the amount of the investment.

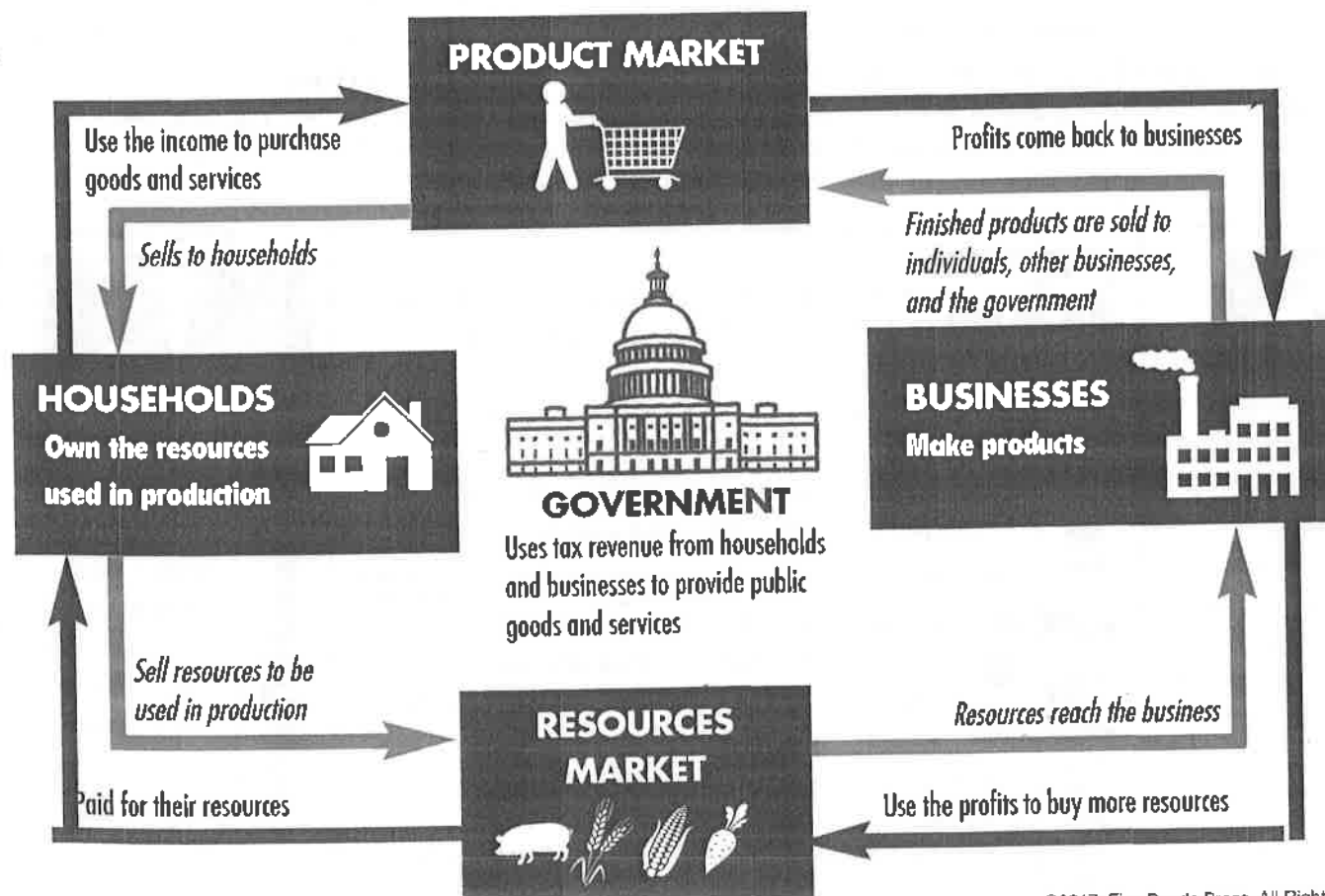


ENTREPRENEUR:

A person who takes a risk to produce and sell goods and services in search of profit

- May establish a business according to any of the three types of organizational structures.
- Increase competition by bringing new goods and services to market or by delivering products in innovative ways.
- Often fosters technological progress and economic growth.

Resources, goods and services, and money flow continuously among households, businesses, and markets in the United States economy. You will be expected to explain the circular flow that shows how consumers (households), businesses (producers), and markets interact.



The United States economy is primarily a free market, but is characterized as a mixed economy. You will be expected to describe the characteristics of the United States economy, including limited government, private property, profit markets, consumer sovereignty, and competition.



FREE ENTERPRISE

- Markets are generally allowed to operate without undue interference from the government.
- Prices are determined by supply and demand, as buyers and sellers interact in the marketplace.

THE UNITED STATES ECONOMY



PRIVATE PROPERTY

- Individuals and businesses have the right to own real and personal property as well as the means of production without undue interference from the government.
- The government provides a structure to define and enforce such property rights.



COMPETITION

- Rivalry between producers and/or between sellers of a good or service can result in better-quality goods and services at lower prices.
- A market exists whenever buyers and sellers exchange goods and services.
- Government involvement in the economy is limited.
- Most decisions regarding the production of goods and services are made in the private sector.



PROFIT MOTIVE

- Profit consists of earnings after all expenses have been paid. Individuals can create businesses and earn profits.



CONSUMER SOVEREIGNTY

- Consumers' purchases determine what goods and services are produced.

Both buyers and sellers respond to price changes. When prices change, buyers change the quantity they are willing and able to buy, and sellers change the quantity they are willing and able to bring to market. Neither supply nor demand alone can set the price. You will be expected to describe how in a market economy supply and demand determine prices.



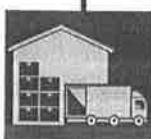
PRICE

- Determined by the interaction of supply and demand
- The amount of money exchanged for a good or service



DEMAND

- Amount of good or service consumers are willing and able to buy at different prices during a given time period
- **LAW OF DEMAND:** Consumers will buy more of a good or service at lower prices and less at higher prices.
- Higher prices for a good or service lead buyers to purchase LESS.
- Lower prices for a good or service lead buyers to purchase MORE.



SUPPLY

- Amount of good or service that producers can offer for sale at each possible price during a given period of time.
- **LAW OF SUPPLY:** producers will produce more when they sell at a high price and produce less when they sell at a low price.
- Higher prices for a good or service provide incentives for producers to make or sell more.
- Lower prices for a good or service provide incentives for producers to make or sell less.



EQUILIBRIUM PRICE

- The point where supply and demand meet
- Everyone who wants to sell at that price can sell
- Everyone who wants to buy at that price can buy

Major Economic Systems

Unlimited wants and limited resources present real issues for countries. Every country must make choices about how to deal with **scarcity**. No country relies entirely on markets to deal with this economic problem. Therefore, there are **three basic economic questions** all societies must answer. These questions are: *What will be produced? Who will produce it? For whom will it be produced?* Each of the four major economic systems will answer these questions differently.

Every country must develop an **economic system** in order to use its limited productive resources. The key factor in deciding the type of economic system to use is determined by the amount of government involvement. There are four major economic systems in the world today. They include **traditional economy, free market economy, command economy, and mixed economy**.

A **traditional economy** is characterized by economic decisions that are based on established customs or practice. In this type of economy, it is not uncommon for people to do the same kind of work as their parents and grandparents did, regardless of their ability or their potential. This economy provides less of a demand on resources than any other economic system.

A **free market economy** is characterized by *minimal* government involvement in the economy. The following are examples of a free market economic system:

- **private ownership of property and resources** – property and resources are owned by individuals or businesses, *not* the government;
- **profit motive** – *profit* is the earnings that remain after all expenses have been paid;
- **competition** – *competition* is the rivalry between the producers of similar products or services. It can also be the rivalry between people selling similar products and services. Competition often results in better quality products and services as well as lower prices.
- **consumer sovereignty** – it is the consumers rather than the producers which determine what is produced;
- **individual choice** – choices rewarded by a free market economic system are entrepreneurial boldness, the willingness to speculate and take a chance, and the ability to seize or make new opportunities.

Major Economic Systems (cont'd)

A **command economy** means that property and/or resources are centrally owned, usually by government. This central administration or government controls, plans, and makes all economic decisions. That means that government planners decide which goods and services are produced and how they are distributed. As a result, there is a lack of consumer choice in a command economy. A command economic system is also called a *centrally-planned economy*.

In a **mixed economy**, the role of government is greater than in a free market economy and less than in a command economic system. A mixed economy is an economic system that includes the **private sector and government control**. Whereas individuals and businesses operate as owners and decision-makers for the *private sector*, the government operates as owner and decision-maker for the *public sector*. The United States, as with most economies in the world today, is a mixed economy.

Major Economic Systems

Directions: Answer in complete sentences on separate lined paper by restating question in answer. Use Interactive notes and thinking skills to answer fully.

1. What is scarcity?
2. What are the three basic economic questions every society must answer?
3. Why do societies answer these questions differently?
4. How is the economy of a country determined?
5. What are the characteristics of a traditional economy?
6. What are the characteristics of a market economy (5)?
7. Why does competition result in lower prices and better quality goods and services?
8. What are the characteristics of a command economy?
9. What does the central administration (authority) do in a command economy?
10. Who makes the decisions in a mixed economy?
11. What is the role of government in a mixed economy?
12. What is the most common economic system in the world today?
13. Why is it better for the government to be responsible for delivering some public goods and services?
14. Which public goods and services is your local government responsible for delivering?
15. Should we have more government control over our economy, or less?
Explain the advantages and disadvantages of either change.

The American Free Market System: The U.S. Economy

The United States has a **mixed economic system**. This means that private individuals, businesses, and the government share in the economic decision-making process. One characteristic of the U.S. economy is the presence of **free markets**. Free markets are markets that are allowed to operate without a lot of government interference or meddling. Another characteristic of the U.S. economy is **private property**. In the United States individuals and businesses have the right to own private property and the resources necessary to produce goods and services without governmental interference. Other characteristics of the U.S. economic system include **profits, competition, and consumer sovereignty**.

In the United States economy, **businesses are allowed to organize in three basic ways** to earn profits. These three profit-seeking business organizations or structures include **proprietorships, partnerships, and corporations**. In a proprietorship, one owner takes all the risks and receives all of the profits. In a partnership, two or more owners share the risks and the profits. In a corporation, the organization itself acts as a legal person regardless of the number of owners involved. All of the owners share the profits but owner liability is limited to investment. This means that if the business fails, the owners are not required to repay the corporation's debts. Instead the assets of the corporation such as property, buildings, and equipment are sold to pay off debts.

In all three business organizations, **entrepreneurs play an important role**. An entrepreneur is a person who takes the **financial risks necessary to run and operate a business with the hope of producing goods and services for a profit**. Entrepreneurs may establish a business using any one of the three organizational structures.

Virginia & the United States in the Global Economy

The state of Virginia and the United States engage in international trade in order to increase wealth. States and nations engage in international trade for a number of important reasons.

International trade allows states and nations to **obtain goods and services they cannot produce efficiently or make themselves**. It also allows states and nations to **buy goods and services at a lower cost or a lower *opportunity cost***. Third, it allows states and nations to **sell goods and services to other countries**. Finally, this increase in production leads to the **creation of new jobs for American citizens**.

Virginia and the United States specialize in the production of certain goods and services for the global economy or the worldwide market. The results promote **efficiency and growth**.

Advances or progress in the field of technology have had an impact on the growth of international trade. Such innovations as the Internet have encouraged the flow of information, capital, and goods and services on a global scale. The use of technology also lowers the cost of production.

The U.S. Economy

Answer questions in complete sentences by restating question, on separate paper.

1. What kind of economic system does the United States have?
2. What is a mixed economic system?
3. What is a free market?
4. What does the right to own private property mean?
5. *(Summarize)* What are the characteristics of the U.S. economy?
6. How are businesses allowed to organize in the U.S. economy?
7. What are the three kinds of organizations or structures?
- 8-10. Explain how each of the types of business structures operate.
11. What do all three types of business structures have in common?
12. What is an entrepreneur?
13. What kinds of business structures can entrepreneurs establish?
14. Give five reasons Virginia and the U.S. engage in trade?
15. How does international trade promote competition?
16. What results from specialization?
17. How has the internet encouraged a global flow of goods and services?

The American Free Market System: Economic Flow

Individuals (households), businesses (producers), and markets interact in a circular flow or pattern. Let's investigate how resources, goods and services, and money flow continuously between individuals, businesses, and government in the United States economy.

Individuals (households) in the United States own the many different kinds of resources that are used in production. They sell these resources to businesses and use the money they make (income) to purchase products made by businesses.

Businesses (producers) buy the resources owned by individuals. They then use these resources to make products which they sell to individuals, other businesses, and the government. The profits made by the businesses are then used to buy more resources.

In addition, individuals and businesses use their savings and financial investments to produce financial capital. This financial capital can then be borrowed by business owners to help businesses expand and grow. It can also be borrowed and used by individuals and businesses to increase the consumption of resources, goods, and services. Financial institutions such as banks, savings and loans, credit unions, and securities brokerages encourage saving and investing by paying interest on deposits made by individuals and businesses. In addition to receiving deposits, these financial institutions also make loans.

Governments also play a role in this economic cycle by taxing individuals and businesses. They then use this tax revenue to provide public goods and services.

Economic Flow

Answer all questions in complete sentences on separate paper.

1. How do consumers, businesses and markets interact?
2. What flows continuously between individuals, businesses and government in the U.S. economy?
3. Who owns the resources that are used in production?
4. What do the owners of the resources do with them?
5. What do individuals do with their income?
6. What do businesses buy?
7. What do businesses make with the resources?
8. What do businesses do with their products?
9. How do businesses use their profits?
10. What do individuals and businesses use to produce financial capital?
11. In what ways can this financial capital be used?
12. What are financial institutions?
13. How do they encourage saving and investing?
14. What two additional things do financial institutions do?
15. How do governments play a role in this economic cycle?
16. How is tax revenue used?

Competition and Consumer Rights

Competition is an important part of the United States economy. How does the government promote and regulate competition in the marketplace?

The United States government promotes and regulates marketplace competition in several ways. One of these ways is through the enforcement of **antitrust legislation**. Antitrust laws were passed to discourage the development of monopolies. A *monopoly* occurs when one company has total control of a particular service or good. Since the 1800s, antitrust laws have made monopolies illegal. Antitrust laws promote *free enterprise* which means private businesses have the freedom to compete in the marketplace for profit.

Supporting business start-ups is another way the government can promote competition. It does this by making low interest loans and grants available to *entrepreneurs*. New businesses usually bring new ideas and increased competition to the marketplace.

The United States government also promotes competition by engaging in **global trade**. The global economy opens the U.S. economy to foreign trade and increases consumer choices. It is made up of worldwide markets. Therefore, the buying and selling of goods and services involves *all nations*.

In addition to promoting competition, the government also regulates the activities of businesses in the marketplace. This regulation is carried out by many **federal agencies** that oversee the way individuals and companies do business. These agencies are part of the executive branch of government and help to enforce the laws.

FCC or Federal Communications Commission: The FCC's job is to regulate interstate and international communications by TV, radio, cable, satellite, telephone, and telegraph.

EPA, or Environmental Protection Agency: The EPA's job is to protect human health and the environment. It controls the activities of businesses in areas such as air and water pollution, chemical hazards, and solid waste disposal.

FTC or Federal Trade Commission: The FTC's job is to oversee how businesses advertise and protect consumers from false or misleading advertisements. The FTC has the power to prosecute businesses that violate laws concerning truth in advertising.

SEC or Security and Exchange Commission – The SEC oversees the stock and bond markets to protect investors and monitor aspects of big business.

Consumer Rights

A property right is a legal claim of ownership. Government helps define and enforce property rights. Property ownership is protected by negotiated contracts that are enforceable by law. This process helps beneficial exchanges take place. Government agencies establish regulations that protect public health and safety and promote competition. Consumers may take legal action against violations of consumer rights.

Some government agencies that protect consumers and individuals:

CPSC – Consumer Product Safety Commission – Investigates public complaints about products, warns the public of hazardous products and publicizes recalls of products.

FDA – Food and Drug Administration – Protects our health and well-being by making sure food and medicines are safe.

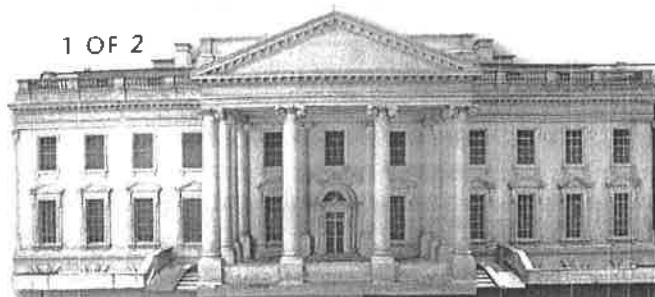
OSHA – Occupational Safety and Health Administration – Deals with making sure your workplace is safe and accident free.

EEOC – Equal Employment Opportunity Commission – Fights job discrimination

EPA – Environmental Protection Agency – This agency keeps a watchful eye on our nation's resources

Answer in complete sentences (by restating question) on a separate sheet of paper.

1. What is an important component of the U.S. economy?
2. Who promotes or regulates this rivalry?
3. (Summarize) Describe the ways the U.S. government promotes marketplace competition?
4. Why were antitrust laws passed?
5. (Hypothesize) How do monopolies affect competition?
6. (Hypothesize) How do businesses increase competition in the marketplace?
7. What makes up the global economy?
8. What does the U.S. government regulate?
9. Who carries out this regulation?
10. What is the FCC? What is its job?
11. What is the EPA? What is its job?
12. How does the EPA impact the Eastern Shore communities?
13. What is the FTC? What is its job?
14. How does the FTC protect you and your family?
15. How else does the U.S. protect consumers?
16. What branch of government do federal agencies belong to?
17. What are these agencies given the power to do?
18. What rights do individuals have in the U.S.?
19. How is private ownership protected?
20. What can individuals do if their consumer rights are violated?



The SOL HOME CONNECTION

CIVICS & ECONOMICS



What's in Chapter 10?

The Government and Our Economy: A Helping Hand

This chapter explores the important role of government in the United States economy.

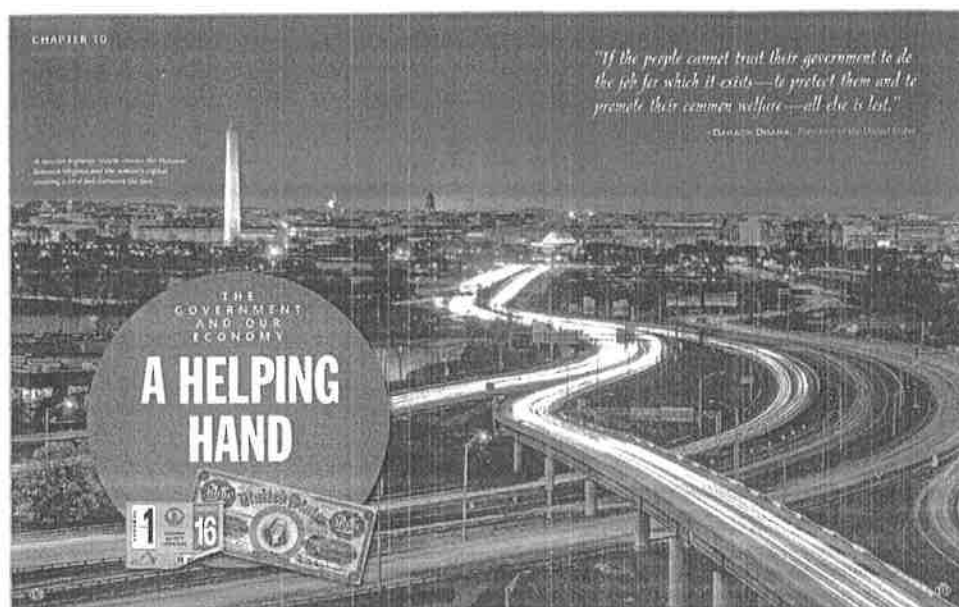
Enhancing the Learning

Going through the daily mail together with your child is just one way to provide an opportunity to make the economic concepts studied in this chapter come alive. Tax notices or bank statements provide real world exposure to the concepts being learned.

Dinner Discussions

Tie what your child is learning in school to your home by engaging in conversation.

- When in Richmond, schedule a free tour of the Federal Reserve Bank of Richmond to learn the structure and functions of the Fed.
- When in Washington, D.C., visit the Bureau of Engraving and Imprinting or the United States Mint headquarters to learn more about U.S. coins and currency.
- When in the community, discuss goods and services provided by the government, such as parks, schools, and courts. Discuss examples of how the government pays for these goods and services, such as sales tax on items purchased, library fines incurred by returning books late, or park entrance fees.
- Start teaching your child how to responsibly use checks and debit cards. It is an important life skill to understand how these are types of money used in the U.S. and how checks and debit cards are used to access deposits in bank accounts.



Chapter 10 Essential Knowledge

CE.13 a

Ways the government promotes marketplace competition

- Establishing and enforcing antitrust legislation to discourage the development of monopolies
- Enacting policies that encourage global trade
- Supporting business start-ups

Government agencies that regulate and promote competition in the marketplace

- FCC (Federal Communications Commission)
- SEC (Securities and Exchange Commission)
- FTC (Federal Trade Commission)

These agencies oversee the way individuals and companies do business.

CE.13 b

Characteristics of most goods and services provided by government

- Provide benefits to many simultaneously
- Would not likely be available if individuals had to provide them
- Include such things as interstate highways, public schools, and national defense

Most economic decisions in the United States are made in the marketplace, but government also has a role in the economy by providing goods and services that markets cannot provide efficiently.

Ways governments pay for public goods and services

- Through tax revenue • Through borrowed funds
- Through fees (e.g., park entrance fees)
- Through fines

CE.13 c

In the United States, governments collect several different types of revenue or taxes from individuals and businesses.

- The income tax is a main source of revenue for the federal government.
- Income taxes and sales tax are key sources of revenue for state governments.
- Property and sales taxes are key sources of revenue for most local governments.

Income tax: Payments made by individuals and corporations based on income received

Sales tax: A tax consumers pay on many items they purchase. It is a percentage of the sale price.

Property tax: A tax levied on land and buildings

Property tax may also be levied on personal property, such as boats or cars.

Federal government revenue pays for services, such as national defense and homeland security, some medical expenditures (such as Medicare), payments to Social Security recipients, and interest payments on the national debt.

Most state and local government revenue is spent on education, public health and welfare, road construction and repair, and public safety—including police and fire departments.

CE.13 d

As the central bank of the United States, the Federal Reserve System

- Regulates banks to help ensure the soundness of the banking system and the safety of deposits
 - Influences the money supply and interest rates in the economy to keep inflation low and stable
 - Provides financial services to banks and the federal government
- The Federal Reserve System consists of a Board of Governors and 12 federal reserve banks.

The chairperson is appointed by the president and approved by the Senate.

CE.13 e

A property right is a legal claim of ownership. Government helps define and enforce property rights. Property ownership is protected by negotiated contracts that are enforceable by law. This process helps beneficial exchanges take place.

Government agencies establish regulations that protect public health and safety and promote competition.

Consumers may take legal action against violations of consumer rights.

Some government agencies that protect consumers, labor, or the environment include the following:

Consumers:

- CPSC- Consumer Product Safety Commission
- FDA- Food and Drug Administration

Labor:

- OSHA- Occupational Safety and Health Administration
- EEOC- Equal Employment Opportunity Commission

Environment:

- EPA- Environmental Protection Agency

CE.13 f

When the United States government issues coins and currency, people accept it in exchange for goods and services because they have confidence in the government.

Money acts as a medium of exchange, making trade easier.

Money acts as a store of value, making it easier to save and invest.

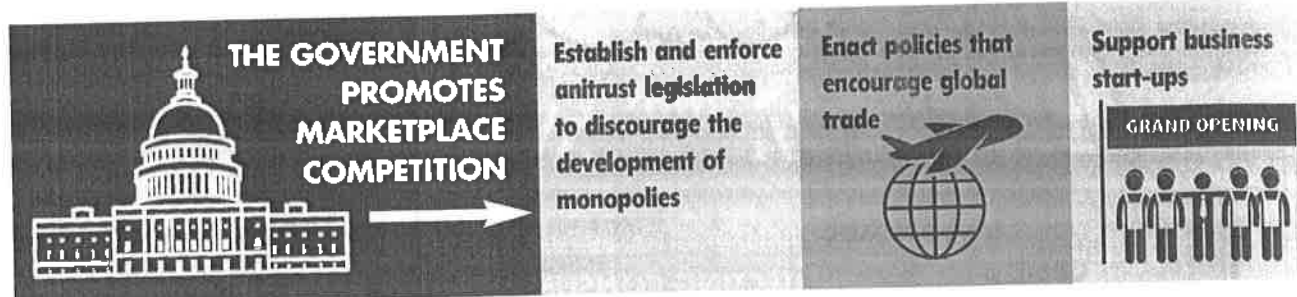
Money acts as a measure of value, making it easier to compare the value of goods and services.

The three types of money generally used in the United States are

- Coins
- Federal Reserve notes (currency)
- Deposits in bank accounts that can be accessed by checks and debit cards.

Chapter 10 Study Guide

The government promotes and regulates marketplace competition.
You will be expected to examine competition in the marketplace.



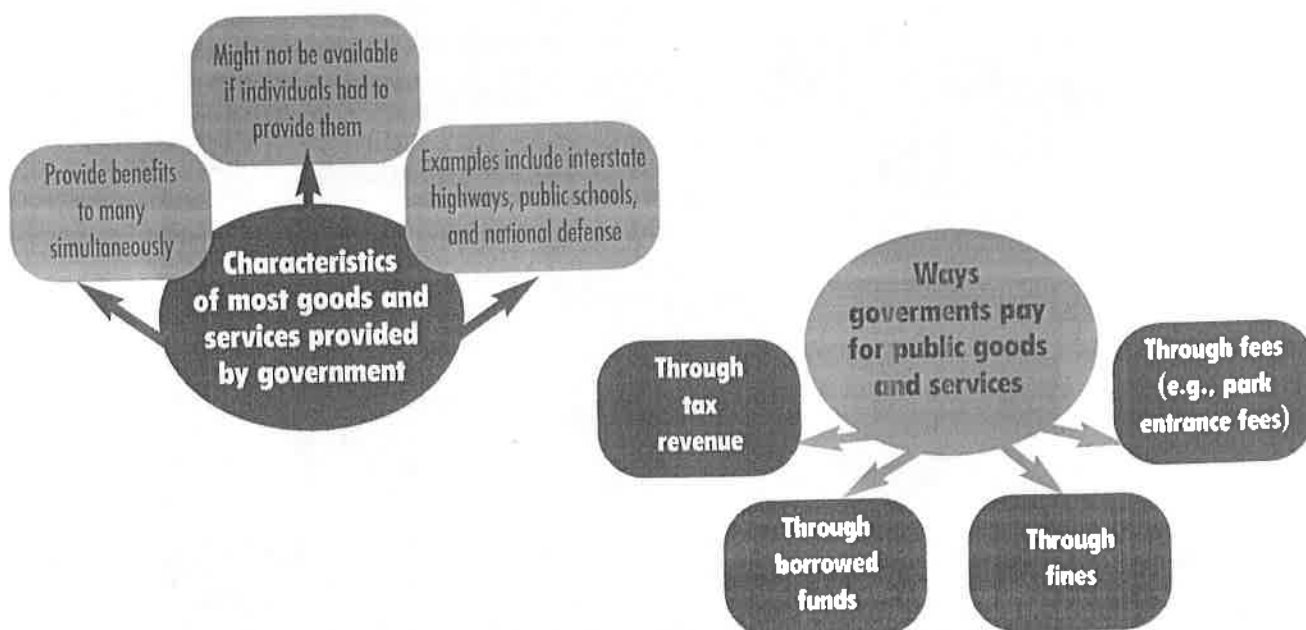
Government agencies that regulate and promote competition in the marketplace:

- **FCC** (Federal Communications Commission)
- **SEC** (Securities and Exchange Commission)
- **FTC** (Federal Trade Commission)

These agencies oversee the way individuals and companies do business.

Government provides certain goods and services that individuals and businesses alone cannot provide efficiently. You will be expected to explain how and why the government provides certain goods and services.

Most economic decisions in the United States are made in the marketplace, but government also plays a role in the economy by providing goods and services that markets cannot provide efficiently.



Every level of government—federal, state, and local—requires revenue to pay for goods and services provided by the government. Taxes and fees levied on individuals and businesses are the major source of this revenue. Local, state, and federal governments determine how best to use and allocate the money they collect. You will be expected to describe how local, state, and federal governments allocate their budgets and collect taxes to pay for goods and services they provide.

Income tax: payments made by individuals and corporations based on income received.

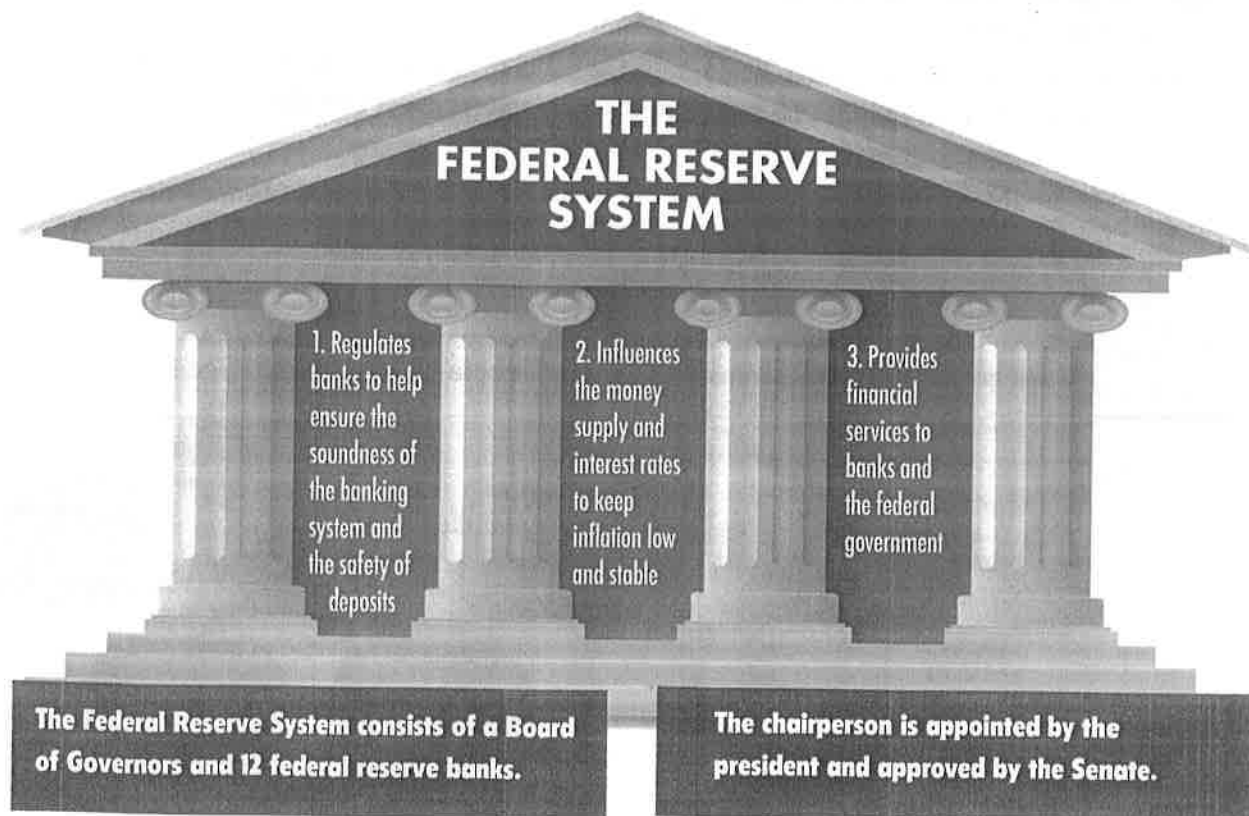
Sales tax: a tax consumers pay on many items they purchase. It is a percentage of the sale price.

Property tax: a tax levied on lands and buildings.

Property tax may also be levied on personal property, such as boats or cars.

	Federal Government	State Government	Local Government
<i>Main source of revenue</i>	Income tax	Income tax and sales tax	Property tax and sales tax
<i>Examples of services that revenue is spent on</i>	<ul style="list-style-type: none"> • National defense and homeland security • Medical programs, such as Medicare • Payments to Social Security recipients • Interest payments on the national debt 	<ul style="list-style-type: none"> • Education • Public health and welfare • Road construction and repair • Public safety, including police and fire departments 	

The Federal Reserve System is our nation's central bank. You will be expected to explain the structure and main function of the Federal Reserve System and how it acts as the nation's central bank.



The United States government passes laws and creates agencies to protect consumer rights and property rights, competition in the marketplace, labor, and the environment. You will be expected to describe how governments regulate to protect consumers, labor, the environment, competition in the marketplace, and property rights.

CONSUMER RIGHTS

Consumers may take legal action against violations of consumer rights.

PROPERTY RIGHT

A legal claim of ownership.

Government helps define and enforce property rights. Property ownership is protected by contracts that are enforceable by law. This process helps beneficial exchanges take place.

Government agencies establish regulations that protect public health and safety and promote competition.

CONSUMERS



- CPSC (Consumer Product Safety Commission)
- FDA (Food and Drug Administration)

LABOR



- OSHA (Occupational Safety and Health Administration)
- EEOC (Equal Employment Opportunity Commission)

ENVIRONMENT



- EPA (Environmental Protection Agency)

Money is anything that is generally accepted as a method of payment for goods and services. Money makes it easier to trade, borrow, save, and invest, and to compare the value of goods and services. You will be expected to explain the role of government currency and analyze the purpose of a money economy.

When the United States government issues coins and currency, people accept it in exchange for goods and services because they have confidence in the government.

Money Acts As...



MEDIUM OF EXCHANGE
making trade easier



STORE OF VALUE
making it easier to save and invest



MEASURE OF VALUE
making it easier to compare the value of goods and services

Three types of money generally used in the United States:

Coins • Currency • Deposits in bank accounts that can be accessed by checks and debit cards



The SOL HOME CONNECTION

CIVICS & ECONOMICS



What's in Chapter 11?

What Lies Ahead?

What does your future hold?

This chapter explores career opportunities and personal finances.

Enhancing the Learning

Through self-assessment, your child will become aware of his or her personal talents, interests, and aspirations, which will help when selecting a career.

CE.14 a-f

Human capital refers to the combination of a person's education, knowledge, skill, experience, health, training, and talent. People develop their human capital through formal and informal education. People who have invested in their own human capital have the potential to produce more, earn more, and choose a career that is satisfying to them.

- Career planning starts with self-assessment.
- Employers seek employees who demonstrate the attitudes and behaviors of a strong work ethic.
- Higher skill and/or education levels generally lead to higher incomes.
- Supply and demand also influence job income.
- Employers seek individuals who have kept pace with technological changes by updating their skills.
- Technological advancements create new jobs in the workplace.
- Technology and information flows permit people to work across international borders. This creates competition from foreign workers for United States jobs but also may create opportunities for United States workers to work for companies based in other countries.
- Being fiscally responsible includes making careful spending decisions, saving and investing for the future, having insurance, keeping to a budget, using credit wisely, as well as understanding how contracts, warranties, and guarantees can protect the individual.

Dinner Discussions

Tie what your child is learning in school to your home by engaging in conversation.

- Discuss examples of a strong work ethic, such as respect for others and punctuality. Point out examples in places of business. Reinforce how strong work ethics enhance success.
- Together, research careers that interest your child. Learn what is needed to be successful in that career. Find the median income. Compare and contrast multiple careers to see if your child can make a correlation among skills, education, and income levels.
- When watching TV, share how technology has changed since you were very young. Share jobs your grandparents may have had and compare how that job is done today. Discuss how updated skills and education are needed to keep up with changes in technology. Together, brainstorm careers that may exist for future generations and the skills and education that will be needed to be successful.
- As a family, discuss fiscal responsibility. Emphasize the importance of a budget and options for saving and investing money. It is important for your child to evaluate purchases and learn how to use credit wisely.

Government and the Economy

The **federal government** plays a number of important roles in the United States economy. One of these roles is to provide certain **public goods and services**. These public goods and services are available to many citizens simultaneously, or at the same time. Therefore, they would not likely be available if individuals or businesses were responsible for developing and distributing them. Some of these public goods and services include interstate highways, the postal service, and providing for the national defense.

The government pays for these services in three ways: **tax revenue**, **borrowed funds** or money, and through **fees paid**. A **tax** is a fee that citizens and businesses are required to pay to the government. **Tax revenue** is income that is made by the government from taxing its citizens. It is used to finance or support the operation of the government and pay for public goods and services. **Borrowed funds** can be government bonds or bond issues. Examples of **fees paid** would be park entrance fees, bridge fees, stamps, etc.

Another role of the government in the U.S. economy is to **influence economic activity** through taxing, borrowing, and spending. The government can:

- **decrease government borrowing** which increases the money available for borrowing by individuals and businesses. When individuals and businesses can borrow more money they tend to spend more. This causes the economy to grow.
- **increase government spending** which increases the demand for goods and services and can result in an increase in employment and production of goods. When employment goes up, more people have money to spend. This causes businesses to produce more goods and services to meet the high demand and the economy grows. However, in some cases an increase in government spending can result in higher taxes. Higher taxes tend to slow the economy instead of stimulating it.
- **decrease taxes** which can increase the money available for private and business spending. When individuals and businesses pay lower taxes, they have more money to spend on goods and services. This causes the economy to grow.

When the government wants to slow the growth of the economy, it can:

- increase government borrowing which reduces the money available for borrowing by individuals and businesses. When individuals and business cannot borrow as much money, they do not expand their businesses or spend as much money on goods and services. This causes the economy to slow down.
- decrease government spending which reduces demand and may result in less hiring by businesses and lower production levels. When fewer individuals have jobs they have less money to spend on goods and services. When the demand for goods and services goes down, businesses slow down their production and their hiring. This causes the economy to slow down. In some cases, a decrease in government spending can result in lower taxes. Lower taxes tend to stimulate the economy instead of slowing it.
- increase taxes, which reduce the funds available for private and business spending. When individuals and businesses pay higher taxes, they have less money for spending on goods and services or for expanding their businesses.

The 16th Amendment to the Constitution, which was ratified in 1913, authorized or permitted Congress to tax the incomes of Americans. This authorization also included the taxing of businesses as well as individual citizens.

As the central bank of the United States, the Federal Reserve System, or "the Fed" as it is often called, has four duties or responsibilities. They are:

- maintaining the value of our currency (dollar);
- regulating banks to ensure the soundness of the banking system and the safety of deposits;
- managing the amount of money in the economy to try to keep inflation low and stable;
- acting as the federal government's bank

The United States Treasury issues coins and currency for the government. People use coins and currency in exchange for goods and services. This exchange shows people have confidence in government. The three types of money generally used in the United States are coins, Federal Reserve notes (currency), and deposits in bank accounts that can be accessed by checks and debit cards. The term money refers to anything that is generally accepted as a method of payment.

The Government and the Economy

Answer in complete sentences (by restating question) on separate paper:

What is one role of the federal government in the U.S. economy?

1. What is one role of the federal government in the U.S. economy?
2. What are public goods and services?
3. What are some examples of public goods and services?
4. How does the government pay for public goods and services?
5. What did the Sixteenth Amendment authorize?
6. What is another role of the government in the U.S. economy?
7. How does the government influence economic activity?
8. In what three ways can the government stimulate the growth of the economy?
9. How does increased government spending stimulate the growth of the economy?
10. In what three ways can the government slow the growth of the economy?
11. What is the result of decreased government spending?
12. What is another role of the government in the U.S. Economy?
13. What is the Federal Reserve System?
14. Why are Federal Reserve Banks called banker's banks?
15. Why was the Federal Reserve System created by Congress?
16. What are the responsibilities of the FED?
17. What is money?
18. What are the three types of accepted money?

Career Opportunities

Wise **career planning** begins with self-assessment. Self-assessment means you look at your individual talents, interests, and aspirations or desires. Career planning also requires that you look at your abilities, the education and skills that are required by the career, as well as the changing supply and demand for these careers in the economy. Careers that call for higher levels of education or skill usually offer higher incomes. Careers that are in high demand also offer higher incomes.

How successful you are at your chosen career will depend on your attitude and your work ethic. Employers seek employees who have **good interpersonal skills** with those around them and have a positive attitude about their job. They also seek those who take pride in their work, and are dependable, hard working, productive, and responsible.

As the world continues to advance in the **field of technology**, new jobs will be created which will require different abilities, skills, and education. **Globalization** also impacts career opportunities. Technology and the flow of information allow people to work across borders. That means there will be more competition from foreign workers for jobs in the United States. On the other hand, it creates opportunities for American workers to work abroad, or in other countries. Being aware of these changes is important because employers are always seeking employees who keep pace with new and current technologies. So . . . what do you want to be when you grow up?

Along with focusing on a career that you can and want to pursue, it is also important to learn how to be **fiscally or financially responsible**. The economy today requires you to think about how you spend your money; every day can be an opportunity to practice making good decisions about your money. It is essential to learn how to stick to a budget, use credit wisely, and plan for the future by saving and investing your money. Being fiscally responsible also means you have insurance and that you know how every contract, warranty, or guarantee you sign or purchase will protect you. So . . . how do you plan to do that?

Career Planning

1. How does wise career planning begin?
2. How is education and income connected?
3. What do employers want from their employees?
4. Explain why.
5. How is work ethic and attitude related?
6. Describe your work ethic at school.
7. How does globalization impact career opportunities?
8. What new jobs and skills have been created by advances in technology?
9. What does the fiscally responsible do? (summarize)
10. Identify a career path you may be interested in and describe the skills and education you will need.

Decisions! Decisions! People make choices about how to use _____, decide the _____ of resources, and structure markets for the distribution of _____.

Match the following terms with their definitions:

_____ the inability to satisfy all wants at the same time. All resources and goods are limited. This requires that choices be made.

_____ the amount of money exchanged for a good or service. Interaction of supply and demand determines price. Price determines who acquires goods and services.

_____ selection of an item or action from a set of possible alternatives. Individuals must choose/make decisions about desired goods and services because these goods and services are limited.

_____ determines price. Demand is the amount of a good or service that consumers are willing and able to buy at a certain price. Supply is the amount of a good or service that producers are willing and able to sell at a certain price.

_____ factors of production that are used in the production of goods and services. Types of resources are natural, human, capital, and entrepreneurship.

_____ using goods and services. Consumer preferences and price determine what is purchased and consumed.

_____ things that incite or motivate. These are used to change economic behavior.

_____ what is given up when a choice is made—the highest valued alternative forgone. Individuals must consider the value of what is given up when making a choice.

_____ the combining of human, natural, capital, and entrepreneurship resources to make goods or provide services. Resources available and consumer preferences determine what is produced.

- A. Choice
- B. Consumption
- C. Goods and services
- D. Incentives
- E. Opportunity cost
- F. Price
- G. Production
- H. Resources
- I. Scarcity
- J. Supply and demand

Note: You will not use one of the choices from this list.



COMPARING THE DIFFERENCES (11b)

Every country must develop an economic system to determine how to use its limited productive resources. The key factor in determining the type of economy is the extent of government involvement.

Each type of economy answers three basic questions differently.

- What will be produced? • Who will produce it? • For whom will it be produced?

CHARACTERISTICS OF MAJOR ECONOMIC SYSTEMS

(No country relies exclusively on markets to deal with the economic problem of scarcity.)

<u>Traditional economy</u>	<u>Free market</u>	<u>Command economy</u>	<u>Mixed economy</u>
<ul style="list-style-type: none"> ▪ Economic decisions are based on custom and _____ precedent ▪ People often perform the same type of _____ as their parents and grandparents, regardless of ability or potential. 	<ul style="list-style-type: none"> ▪ Private ownership of property/resources ▪ _____ motive ▪ _____ ▪ Consumer sovereignty* (see below) ▪ Individual choice ▪ Minimal _____ involvement in the economy 	<ul style="list-style-type: none"> ▪ Central ownership (usually by _____) of property/resources ▪ Centrally-planned economy ▪ Lack of _____ choice 	<ul style="list-style-type: none"> ▪ Individuals and businesses are owners and decision makers for the _____ sector ▪ Government is owner and decision maker for the _____ sector ▪ Government's role is greater than in a free market economy and less than in a _____ economy. ▪ Most economies today (including the United States) are mixed economies.

THE UNITED STATES—A MIXED ECONOMY

The United States economy is primarily a free market economy; but because there is some government involvement it is characterized as a mixed economy. Government intervenes in a market economy when the perceived benefits of a government policy outweigh the anticipated costs.

Characteristics of the United States Economy (11c)

- **Markets** are generally allowed to operate without undue interference from the _____. Prices are determined by supply and demand as individual buyers and sellers interact in the marketplace.
- **Private property**—Individuals and businesses have the right to own real or personal property as well as _____ without undue interference from the government.
- **Profit**—Profit consists of earnings after _____.
- **Competition**—Rivalry between producers and/or between sellers of a good or service usually results in better quality goods and services at a _____ price.
- **Consumer sovereignty**—Consumers determine through purchases, what goods and services will be produced. Government involvement in the economy is _____. Most decisions regarding the production of goods and services are made in the _____ sector.

INTERNATIONAL TRADE

Worldwide markets in which the buying and selling of goods and services by all nations takes place is called _____. (term to know)

WHAT ARE SOME OF THE REASONS THAT STATES AND NATIONS TRADE? (12d)

- To obtain goods and services they cannot produce or produce efficiently themselves
- To buy goods and services at a lower cost or a _____
- To sell goods and services to _____
- To create _____



Virginia and the United States specialize in the production of certain goods and services which promotes efficiency and growth. Virginia and the United States also pursue international trade in order to increase wealth.

RECENT TECHNOLOGICAL INNOVATIONS HAVE MADE A LARGE IMPACT ON THE ECONOMY (12d)

- Innovations in technology (e.g., _____) contribute to the global flow of information, capital, goods, and services.
- The use of such technology also lowers the cost of _____.

"NOT SO DIFFICULT" TRIVIA

1. What is the economic system for the United States called?
2. What is someone who takes a risk to produce and sell goods and services while hoping for a profit called?
3. What is given up when a choice is made? When making a choice individuals should consider this value.
4. What type of business has one owner who takes all the risks and all the profits?
5. When consumers determine through their purchases what goods and services will be produced, it is known as what?
6. When the government has central ownership of the property and resources, it is what kind of economy?
7. What is the inability to satisfy all the wants at the same time?

STRUCTURE AND OPERATION OF THE UNITED STATES ECONOMY

Basic Types of Business Ownership (12a)

- **Proprietorship**—A form of business organization with one owner who takes all the _____ and all the _____.
- **Partnership**—A form of business organization with _____ who share the risks and the profits.
- **Corporation**—A form of business organization that is authorized by law to act as a legal entity regardless of the _____. Owners share the _____. Owner liability is limited to the amount of their _____.

Entrepreneurs Play an Important Role in All Three Business Organizations

An Entrepreneur

- Is a person who takes a risk to produce and sell _____
- An entrepreneur may establish a business according to any of the three types of organizational structures (*see these structures in box above*)



Economic Flow or Circular Flow—a Continuous Flow (12b)

- Individual and business saving and investment provide financial capital that can be borrowed for _____ and increased consumption.
- Individuals (households) own the resources used in production, sell the resources, and use the income to purchase products.
- Businesses (producers) buy _____; businesses make products that are sold to individuals, other businesses, and the government; and use the profits to buy more _____.
- Governments use _____ from individuals and businesses to provide public goods and services.

Private Financial Institutions (12c)

(Private financial institutions act as intermediaries between savers and borrowers—and include households and business investors.)

- Include banks, _____, and credit _____
- Receive _____ and make _____
- Encourage saving and investing by _____

THE GOVERNMENT AND THE ECONOMY

THE GOVERNMENT PROMOTES AND REGULATES (13a)

Ways the Government Promotes Marketplace Competition (The government promotes and regulates competition.)	Government Agencies that Regulate Business (These agencies oversee the way individuals and companies do business.)
<ul style="list-style-type: none"> ➤ Enforcing antitrust legislation to discourage the development of _____ ➤ Engaging in _____ ➤ Supporting _____ 	<ul style="list-style-type: none"> ➤ FCC (_____) ➤ EPA (_____) ➤ FTC (_____)

PUBLIC GOODS AND SERVICES FROM THE GOVERNMENT (13b)

Characteristics of most goods and services provided by the government	Ways governments pay for public goods and services
<ul style="list-style-type: none"> ▪ Include such items as _____, _____, and _____ ▪ Provide benefits to many simultaneously ▪ Would not likely be available if individuals had to provide them 	<ul style="list-style-type: none"> ▪ Through _____ ▪ Through _____ ▪ Through fees (e.g. park entrance fees)

THE GOVERNMENT TAXES, BORROWS, AND SPENDS TO INFLUENCE ECONOMIC ACTIVITY (13c)

- Government tax increases reduce the funds available for individual and business spending; tax decreases _____ funds for individual and business spending.
- Increased government borrowing reduces funds available for borrowing by individuals and businesses; decreased government borrowing _____ funds available for borrowing by individuals and businesses.
- Increased government spending increases _____, which may increase employment and production; decreased government spending reduces demand, which may result in _____.
- Increased government spending may result in higher taxes; decreased government spending may result in _____.
- The 16th Amendment to the Constitution of the United States of America authorizes Congress to _____ (personal and business).

THE FEDERAL RESERVE SYSTEM ACTS AS OUR NATION'S CENTRAL BANK (13d)

The Federal Reserve System is our nation's central bank. As the central bank of the United States, the Federal Reserve System—

- has the duty to maintain the value of our national _____ (dollar).
- regulates banks to ensure the soundness of the banking system and the safety of _____.
- manages the amount of money in the economy to try to keep _____ low and stable.
- acts as the federal government's _____.

CONSUMER RIGHTS AND PROPERTY RIGHTS (13e)

- Individuals have the right of private ownership, which is protected by _____ that are enforceable by law.
- Consumers may take legal action against violations of _____.
- Government agencies establish guidelines that protect _____.

MONEY! MONEY! MONEY! (13f)

Money is defined as anything that is generally accepted as a method of payment. When the United States government issues coins and currency, people accept it in exchange for goods and services because they have _____ in the government. Government issues money to facilitate this exchange.



The three types of money generally used in the United States are:

Coins	_____ notes (known as currency)	Deposits in bank accounts that can be accessed by _____ and _____
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- How does the government get funds for paying the National Guard in your community, repairing the roads after a difficult winter, or building a new post office?
- What gives the government authority to tax individuals and businesses?
- Name some public goods and services from the national government:

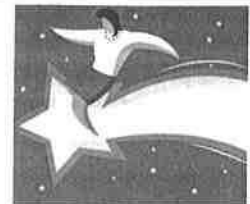
CAREER PLANNING (14)

- ❖ An awareness of personal talents, interests, and aspirations is needed to select a career. Career planning starts with _____.
- ❖ Attitudes and behaviors that support a strong _____ enhance career success. Employers seek employees who demonstrate the attitudes and behaviors of a strong work ethic.
- ❖ There is a correlation among skills, education, and income. Higher skill(s) and/or education level(s) generally lead to _____ incomes. Supply and demand also influence job income.
- ❖ Being _____ responsible includes making careful spending decisions, saving and investing for the future, having _____, keeping to a budget, using _____ wisely, as well as understanding how contracts, warranties, and guarantees can protect the individual.
- ❖ Changes in technology influence the abilities, skills, and education needed in the workforce. Employers seek individuals who have kept pace with _____ changes by updating their skills. Technological advancements create new jobs in the workplace. Technology and information flows permit people to work across international borders. This creates competition from _____ workers for United States jobs but also may create opportunities for United States workers to work for companies based in other countries.

AUTHOR'S NOTES:

WHAT ARE YOUR TALENTS? WHAT MAKES YOU EXCITED? WHAT DO YOU WANT TO DO WITH YOUR LIFE?

While you still have several years before you will need to make a final decision upon a career, this is a time to explore possibilities and dream about the life you'd like to have. This is a time when you are developing habits and using more complex decision-making habits than ever before. When I was your age, I knew that I wanted more for myself and for my family than what we had. No one in my family had ever gone to college. I didn't know how I would do it, but I knew I wanted to go to college because college would open up possibilities for my life. Not everyone is suited for college—but everyone who wants a career should have goals and dreams of how he or she wants life to be.



If you really want to do something, it's best to think about it, to dream about it. Try your dream "on for size" to see how it feels. I used to spend time daydreaming about where I wanted to live and what I wanted my life to be like. Those who dream are more likely to achieve their goals. The subconscious is a powerful tool. Once you know what you want, your habits may change. If you dream of going to college, you most likely will pay more attention in class and do your homework knowing that good grades and study habits are the means to get to college.

The world of opportunities is wide-open to you. What a wonderful array of choices you have for your life. But, if you don't have a dream, you'll get whatever comes along rather than what you dream for yourself. Take some time in this year of your life and dream. I hope you'll dream big!

bjc

