

**Illinois Learning Standards addressed by the University of Chicago
2009 Summer Teacher Institute**

Understanding the Global Economy: Bringing the World Market into Your Classroom

State Goal 15: Understand economic systems, with an emphasis on the United States.	Early Elementary	Late Elementary	Middle/Junior High School	Early High School	Late High School
<p>Standard A: Understand how different economic systems operate in the exchange, production, distribution and consumption of goods and services.</p>	<p>15.A.1a: Identify advantages and disadvantages of different ways to distribute goods and services.</p> <p>15.A.1b: Describe how wages/salaries can be earned in exchange for work.</p>	<p>15.A.2a: Explain how economic systems decide what goods and services are produced, how they are produced and who consumes them.</p> <p>15.A.2b: Describe how incomes reflect choices made about education and careers.</p> <p>15.A.2c: Describe unemployment.</p>	<p>15.A.3a: Explain how market prices signal producers about what, how and how much to produce.</p> <p>15.A.3b: Explain the relationship between productivity and wages.</p> <p>15.A.3c: Describe the relationship between consumer purchases and businesses paying for productive resources.</p> <p>15.A.3d: Describe the causes of unemployment (e.g., seasonal fluctuation in demand, changing jobs, changing skill requirements, national spending).</p>	<p>15.A.4a: Explain how national economies vary in the extent that government and private markets help allocate goods, services and resources.</p> <p>15.A.4b: Describe Gross Domestic Product (GDP).</p> <p>15.A.4c: Analyze the impact of inflation on an individual and the economy as a whole.</p> <p>15.A.4d: Explain the effects of unemployment on the economy.</p>	<p>15.A.5a: Explain the impact of various determinants of economic growth (e.g., investments in human/physical capital, research and development, technological change) on the economy.</p> <p>15.A.5b: Analyze the impact of economic growth.</p> <p>15.A.5c: Analyze the impact of various determinants on the levels of GDP (e.g., quantity/quality of natural/capital resources, size/skills of the labor force).</p>

					15.A.5d: Explain the comparative value of the Consumer Price Index (e.g., goods and services in one year with earlier or later periods).
Standard B: Understand that scarcity necessitates choices by consumers.	15.B.1: Explain why consumers must make choices.	15.B.2a: Identify factors that affect how consumers make their choices. 15.B.2b: Explain the relationship between the quantity of goods/services purchased and their price. 15.B.2c: Explain that when a choice is made, something else is given up.	15.B.3b: Explain the effects of choice and competition on individuals and the economy as a whole.	15.B.4a: Explain the costs and benefits of making consumer purchases through differing means (e.g., credit, cash). 15.B.4b: Analyze the impact of current events (e.g., weather/natural disasters, wars) on consumer prices.	15.B.5b: Analyze how inflation and interest rates affect consumer purchasing power. 15.B.5c: Analyze elasticity as it applies to supply and demand and consumer decisions.
Standard C: Understand that scarcity necessitates choices by producers.	15.C.1a: Describe how human, natural and capital resources are used to produce goods and services. 15.C.1b: Identify limitations in resources that force producers to make choices about what to produce.	15.C.2a: Describe the relationship between price and quantity supplied of a good or service. 15.C.2b: Identify and explain examples of competition in the economy.	15.C.3: Identify and explain the effects of various incentives to produce a good or service.	15.C.4a: Analyze the impact of political actions and natural phenomena (e.g., wars, legislation, natural disaster) on producers and production decisions.	15.C.5a: Explain how competition is maintained in the United States economy and how the level of competition varies in differing market structures (e.g., monopoly, oligopoly, monopolistic and perfect competition).

				<p>15.C.4b: Explain the importance of research, development, invention, technology and entrepreneurship to the United States economy.</p>	<p>15.C.5b: Explain how changes in non-price determinants of supply (e.g., number of producers) affect producer decisions.</p> <p>15.C.5c: Explain how government intervention with market prices can cause shortages or surpluses of a good or service (e.g., minimum wage policies, rent freezes, farm subsidies).</p>
<p>Standard D: Understand trade as an exchange of goods or services.</p>		<p>15.D.2a: Explain why people and countries voluntarily exchange goods and services.</p>	<p>15.D.3a: Explain the effects of increasing and declining imports and exports to an individual and to the nation's economy as a whole.</p>	<p>15.D.4a: Explain the meaning and importance of "balance of trade" and how trade surpluses and deficits between nations are determined.</p> <p>15.D.4b: Describe the relationships between the availability and price of a nation's resources and its comparative advantage in relation to other nations.</p>	<p>15.D.5a: Explain how transaction costs affect decisions to produce or consume.</p> <p>15.D.5b: Analyze why trade barriers and exchange rates affect the flow of goods and services among nations.</p> <p>15.D.5c: Explain how technology has affected trade in the areas of transportation, communication, finance and manufacturing.</p>

				15.D.4c: Describe the impact of worker productivity (output per worker) on business, the worker and the consumer.	
Standard E: Understand the impact of government policies and decisions on production and consumption in the economy.	15.E.1: Identify goods and services provided by government.	15.E.2a: Explain how and why public goods and services are provided.	15.E.3a: Identify the types of taxes levied by differing levels of governments (e.g., income tax, sales tax, property tax). 15.E.3b: Explain how laws and government policies (e.g., property rights, contract enforcement, standard weights/measurements) establish rules that help a market economy function effectively.	15.E.4a: Explain why government may intervene in a market economy. 15.E.4b: Describe social and environmental benefits and consequences of production and consumption. 15.E.4c: Analyze the relationship between a country's science/technology policies and its level and balance of trade.	15.E.5a: Explain how and why government redistributes income in the economy. 15.E.5b: Describe how fiscal, monetary and regulatory policies affect overall levels of employment, output and consumption. 15.E.5c: Describe key schools of thought (e.g., classical, Keynesian, monetarist, supply-side) and explain their impact on government policies.