

Nevada Social Studies Standards

Economics

K-12 Standards

A comprehensive understanding of economic ideas is essential in today's world. The economic way of thinking helps people evaluate career choices, analyze personal finance decisions, make wise business decisions, and assess public policy issues. Economic education enhances logical reasoning and analytical skills – skills that are useful in a wide variety of occupational fields, including general business, government, law, banking, insurance, and real estate. Thus, strengthening economic education not only will benefit individual students, but also will contribute to Nevada's efforts to diversify its economy.

The content standards presented here are intended to establish Nevada as a leader in economic education. The standards have been shaped by the depth and breadth of experience of the members of the standards writing team, including grade school and high school teachers, college professors of economics, non-educators from both the private sector and public sector, and parents of Nevada students. In making the inevitable choices about what to include and what not to include, the top priority of the writing team was quality.

A second important criterion was practicality. These economic standards raise the bar of expectations with the intent of providing Nevada students with knowledge, skills, and understanding that will better their own lives and better their community, state and nation. To emphasize the personal relevance of economic concepts, each standard contains a *Personal Economics* strand that contains content benchmarks regarding the personal application of economics concepts. However, since these standards are personal in nature, performance standards were not written and they were not included in the prioritization process; thus, no curricular priorities were established in terms of the Wiggins-McTighe framework and level of assessment.

The *Nevada Social Studies Standards-Economics*, complete with content standards, performance level descriptors, and a glossary of key economic terms, are intended to establish uniform expectations for Nevada students in their K-12 educational careers. Nin content standards are included: (1) The Economic Way of Thinking, (2) Measuring U.S. Economic Performance, (3) Functioning of Markets, (4) Private U.S. Economic Institutions, (5) Money, (6) The U.S. Economy as a Whole, (7) An Evolving Economy, (8) The Role of Government in a Market Economy, and (9) The International Economy.

NOTE: These standards make use of the terms *including*, *such as*, and *for example*. These words and phrases have been used in specific ways. *Including* is used to indicate specific topics or ideas to be learned by students. Items that follow *including* are considered vital to the understanding of the topic. However, the study of the content in benchmarks is not limited to what follows *including*. *Such as* and *for example* are used to indicate suggestions or examples to provide guidance and understanding.

Two examples from the Economics standards:

4.3.1
Demonstrate an understanding of key banking terms, including **saving**, **interest**, and **borrowing**.

The terms **saving**, **interest**, and **borrowing** are essential to an understanding of the role banks play as financial institutions in an economic system. There are other terms that could be added to a lesson on banking. However, **saving**, **interest**, and **borrowing** could not be neglected.

2.12.6
Explain and give examples of the costs of unemployment to the economy as a whole (such as lost income, lost tax revenue, and additional welfare burdens).

The items following the term *such as* or the term *for example* should not be considered mandatory or necessarily part of an assessment. Hence, lost income, lost tax revenue, and additional welfare burdens are examples that may be included in the lesson. Other examples are also appropriate in the teaching of this concept.

This edition of the Nevada Academic Standards contains supplemental information. First, suggested interdisciplinary links have been noted at the bottom of each box. The key to the link coding is below. Second, members of a prioritization team selected some standards and benchmarks as appropriate for state assessment and others as appropriate only for local assessment. (It is assumed that all benchmarks will be assessed at the local level; only some are appropriate for assessment at the state level). Benchmarks *in italics* indicate benchmarks that are NOT appropriate for state assessment and are ONLY appropriate for local assessment. Benchmarks in regular text are appropriate for state assessment. Finally, the prioritization teams prioritized each benchmark based on a three-part framework, the key to which is also listed below.

***Key to Suggested Link Coding**

C	=	Civics	H	=	History	G	=	Geography
E	=	English Language Arts	Ec	=	Economics			

NOTE: As of April 2006, both the Science and Mathematics standards have been revised; therefore, none of the alignment with these two content area standards is valid or accurate. Thus, the Science and Mathematics standards have been removed from this document.

***Prioritizing**

E	=	Enduring, complex, engaging, “big ideas,” requiring in-depth coverage
I	=	Important to know and do. Critical to reaching enduring understanding. Students should retain detailed, but not extensive knowledge.
W	=	Worth being familiar with. Students should have awareness of key people, ideas, concepts, and terms.

Nevada Academic Standards that are assessable at local level ONLY are indicated with *italicized text*.
Nevada Academic Standards that are assessable at state and local levels are indicated with regular text.

Economics

Content Standard 1.0: The Economic Way of Thinking: *Students will use fundamental economic concepts, including scarcity, choice, cost, incentives, and costs versus benefits to describe and analyze problems and opportunities, both individual and social.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
1.2.1 I Give examples of what is given up when choices are made.	1.3.1 I Categorize wants as goods, services, or leisure activities . E 6.3.2; G 4.3.5; G 4.2.5; G 4.3.7	1.5.1 E Describe how scarcity requires a person to make a choice and identify a cost associated with the decision.	1.8.1 E Use the concept of opportunity cost to evaluate the tradeoffs when choices occur.	1.12.1 E <i>Explain why choices and their costs may differ across individuals and societies.</i>	Scarcity, Choice, and Cost
	1.3.2 I Give examples of incentives and determine whether they are positive or negative.	1.5.2 E <i>Demonstrate an understanding that people may respond to the same incentive in different ways because they may have different preferences.</i>	1.8.2 E Recognize that self-interest is a motivational factor when people respond to incentives . E 3.8.2	1.12.2 E Recognize that people act out of self-interest and predict how a change in the economic environment will affect the choices made by consumers, producers, and savers.	Incentives and Preferences
1.2.3 W Give examples of an all-or-nothing choice such as choosing to have music on or off.	1.3.3 I Identify the benefits and the costs of an all-or-nothing choice such as choosing to have music on or off.	1.5.3 E Demonstrate an understanding that choosing a little more or a little less generates either a benefit or a cost . E 4.3.2	1.8.3 E Identify the additional benefits and the additional costs that result from choosing a little more or a little less.	1.12.3 E Examine decisions made by individuals, businesses, and government by comparing the marginal benefits and marginal costs .	Cost versus Benefits

Benefit: A satisfaction obtained

Choice: A selection from a set of alternatives.

Cost: Anything given up when a **choice** is made.

Good: An object that can satisfy **wants** (such as a car).

Incentive: A reward that encourages or a penalty that discourages.

Leisure activity: An action performed by an individual that can satisfy the individual’s own **wants** (such as skiing).

Marginal benefit: The additional **benefit** obtained from choosing a little more or a little less.

Marginal cost: The additional **cost** incurred by choosing a little more or a little less.

Opportunity cost: The value of the best alternative given up when a **choice** is made.

Scarcity: A condition where human **wants** exceed available **resources**.

Service: An action performed by another that can satisfy **wants** (such as medical care).

Wants: Desires that can be satisfied by **goods, services, or leisure activities**. A *need* is a high priority **want**.

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Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
		1.5.4 Identify the benefits and costs of spending now versus saving for later. E.10.5.1	1.8.4 Evaluate career paths by comparing costs and benefits.	1.12.4 Give examples of and evaluate the effectiveness of incentive systems used by parents, teachers, and employers. E10.12.4	Personal Economics

Incentive: A reward that encourages or a penalty that discourages.

Economics

Content Standard 2.0: Measuring U.S. Economic Performance: *Students will demonstrate a knowledge of past and present U.S. economic performance, identify the economic indicators used to measure that performance, and use this knowledge to make individual decisions and discuss social issues.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
			2.8.1 E Explain gross domestic product (GDP) and how it is used to describe a country’s economic output. H 1.8.1	2.12.1 E Explain the difference between nominal GDP and real GDP .	Measuring Economic Growth
	2.3.2 I Identify and use per capita measures in the classroom (such as the number of pencils per student).	2.5.2 I Identify and compare per capita measures for the U.S. for different time periods. H 1.5.2	2.8.2 W <i>Given data on population and GDP for several countries, determine their per capita GDP, and compare with the United States.</i> G 4.81; H 2.8.3	2.12.2 I Using real GDP per capita as a measure of the standard of living, describe how living standards have changed over time. H 1.12.2; H 2.12.3	
				2.12.3 I <i>Using the change in real GDP, examine the U.S. economy over time, identifying recessions and high and low rates of growth.</i> H 1.12.2; H 2.12.3; H 8.8.6; H 8.12.6	

Gross domestic product (GDP): A monetary measure of the production of **goods** and **services** within a country.

Nominal GDP: **GDP** not adjusted for the impact that **inflation** has on the buying power of **money**.

Per capita: Per person.

Real GDP: **Nominal GDP** adjusted for negative impact that **inflation** has on buying power.

Recession: A period of time during which the **real GDP** of the economy is decreasing. An extreme **recession** is a depression.

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Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
		2.5.4 E Define inflation and deflation and explain how they affect individuals.	2.8.4 I Use the consumer price index (CPI) to compare the buying power of the U.S. dollar in one year with its buying power in another year.	2.12.4 W <i>Using a price index to measure inflation, identify when the U.S. economy has experienced high and low rates of inflation and discuss their effects</i> H 1.12.2; H 2.12.3	Measuring Inflation
				2.12.5 W <i>Use various price indexes to determine how the prices of different types of goods and services have changed.</i>	
	2.3.6 W Discuss why people seek work.	2.5.6 W <i>Define employment and unemployment.</i>	2.8.6 I <i>Identify the unemployment rate as the percentage of people in the labor force who are not working, but who are actively pursuing work.</i>	2.12.6 E Explain and give examples of the costs of unemployment to the economy as a whole (such as lost income, lost tax revenue, and additional welfare burdens). H 8.12.6	Measuring Unemployment

Consumer price index (CPI): An index that measures the average level of **prices** of **goods** and **services** typically consumed by an urban American family.

Deflation: A decrease in the general level of **prices**.

Employment: The condition of working for pay.

Inflation: An increase in the general level of **prices**.

Labor force: The number of people who are either working, or not working but actively seeking work.

Price index: A series of numbers that characterize how a set of **prices** has changed over time, where the percentage change in the **price index** provides a measure of the percentage change in the **price** level.

Unemployment: The condition of being without a job, but actively pursuing one.

Unemployment rate: The percentage of people in the **labor force** who are not working, but are seeking work.

Economics

Content Standard 2.0: Measuring U.S. Economic Performance: *Students will demonstrate a knowledge of past and present U.S. economic performance, identify the economic indicators used to measure that performance, and use this knowledge to make individual decisions and discuss social issues.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
			2.8.7 I <i>Distinguish between a high rate and a low rate of unemployment for the U.S. economy over time.</i> H 8.8.6	2.12.7 E <i>Compare the unemployment rates for groups of people who differ by age, gender, ethnic origin, occupation, and educational attainment.</i>	Measuring Unemployment
		2.5.8 W <i>Identify and give examples of interest rates for borrowing and saving.</i>	2.8.8 E <i>Explain why riskier loans command higher interest rates than safer loans.</i>	2.12.8 I <i>Explain why a real interest rate accurately measures the benefit of saving or the cost of borrowing.</i>	Measuring Interest
			2.8.9 I <i>Distinguish between high and low interest rates for the U.S. economy over time.</i> H 2.8.3	2.12.9 W <i>Demonstrate knowledge of when interest rate levels have experienced relative highs and relative lows throughout U.S. history and discuss their effects.</i> H 1.12.2; H 8.12.6	
			2.8.10 <i>Identify career fields that are experiencing growth and career fields that are experiencing decline.</i> E 6.8.2	2.12.10 <i>Characterize different career paths according to the rates of job growth and employment opportunities.</i>	Personal Economics

Interest rate: The **price** (stated as a percentage) paid when **money** is borrowed, or the **price** (stated as a percentage) received when **money** is saved.

Real interest rate: An **interest rate** that has been adjusted for the negative effect **inflation** has on buying power.

Unemployment: The condition of being without a job, but actively pursuing one.

Unemployment rate: The percentage of people in the **labor force** who are not working, but are seeking work.

Economics

Content Standard 2.0: Measuring U.S. Economic Performance: *Students will demonstrate a knowledge of past and present U.S. economic performance, identify the economic indicators used to measure that performance, and use this knowledge to make individual decisions and discuss social issues.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
				2.12.11 <i>Explain ways a high interest rate could be detrimental or beneficial.</i>	Personal Economics
				2.12.12 <i>Evaluate saving and borrowing options in terms of interest and compare long- and short-term costs and benefits.</i>	

Interest: A cost of borrowing money or a benefit of saving money.

Economics

Content Standard 3.0: Functioning of Markets: *Students will demonstrate an understanding of how markets work, including an understanding of why markets form, how supply and demand interact to determine market prices and interest rates, and how changes in prices act as signals to coordinate trade.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
3.2.1 W Demonstrate an understanding of trade .	3.3.1 I Differentiate between barter and monetary trade .	3.5.1 E Explain why trade must be mutually beneficial.	3.8.1 E <i>Give examples of markets in which people benefit from trade.</i> H 6.8.12	3.12.1 E Demonstrate an understanding that all voluntary trade , by definition, benefits both parties.	Trade Is Beneficial
3.2.2 W Give examples of prices people have paid when buying goods and services.	3.3.2 W Give examples of prices received by a business for selling goods and services.	3.5.2 E Demonstrate an understanding of supply and demand in a market .	3.8.2 E Explain how supply and demand function to determine market prices . H 2.8.3	3.12.2 E Use the concepts of supply and demand to analyze and predict the price changes occurring in markets for goods and services. H 2.12.3	Markets Determine Prices
3.2.3 I Give reasons why consumers choose to buy more of a good or service (including when its price is low) and when they choose to buy less (including when its price is high).	3.3.3 I Give reasons why producers choose to sell more of a good or service (including when a price is high) and when they choose to sell less (including when its price is low).	3.5.3 E Contrast the effects of price changes on the behavior of buyers and sellers.	3.8.3 E Explain why buyers demand less yet sellers supply more when prices go up.	3.12.3 E Use the concept of price elasticity to analyze how buyers and sellers might adjust their purchase and sales decisions in response to price changes.	Prices as Signals

Barter: Direct trading of **goods** and **services** between people without using **money**.

Demand: (n.) The quantity of a **good** or **service** that buyers are willing to buy. (v.) To offer to buy **goods** and **services**.

Market: A collection of buyers and sellers of a particular **good** or **service**.

Monetary trade: A **trade** in which **money** is used to pay for a **good** or **service**.

Price: Amount that must be paid for one unit of a **good** or **service**.

Price elasticity: A measure of responsiveness in quantities bought or sold to a change in **price**. More precisely, the percentage change in quantity bought or sold that results from a 1 percent change in **price**.

Supply: (n.) The quantity of a **good** or **service** that sellers are willing to sell. (v.) To offer to sell **goods** and **services**.

Trade: To voluntarily exchange **goods, services, or money** for other **goods, services, or money**.

Economics

Content Standard 3.0: Functioning of Markets: *Students will demonstrate an understanding of how markets work, including an understanding of why markets form, how supply and demand interact to determine market prices and interest rates, and how changes in prices act as signals to coordinate trade.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
			3.8.4 E Explain why buyers demand more yet sellers supply less when prices go down.	3.12.4 E Discuss the effects of price controls (price ceilings and price floors) (such as minimum wage, rent control). E 10.12.4	Prices as Signals
				3.12.5 I <i>Use supply and demand to explain how interest rates are determined.</i>	Determining Interest Rates
			3.8.6 <i>Identify instances in which people might pay interest or receive interest.</i>	3.12.6 <i>Analyze and predict instances in which people pay high and low interest rates (such as car loans and credit cards).</i>	Personal Economics
			3.8.7 <i>Explain the factors that should be considered when making individual purchasing decisions, given changes in prices.</i>	3.12.7 <i>Analyze family spending decisions, drawing conclusions about the desirability of making substitutions, given the relative prices of various substitutes.</i>	

Price control: A governmental action that sets **price** or limits changes in the **price**. A **price ceiling** is a limit above which no **price** can go. A **price floor** is a limit below which no **price** can go

Economics

Content Standard 4.0: Private U.S. Economic Institutions: *Students will describe the roles played by various U.S. economic institutions, including financial institutions, labor unions, for-profit business organizations, and not-for-profit organizations.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
4.2.1 I Identify reasons people use banks .	4.3.1 I Demonstrate an understanding of key banking terms, including saving , interest, and borrowing .	4.5.1 W <i>Identify financial institutions.</i>	4.8.1 E <i>Explain the purposes and functions of financial institutions (such as to channel funds from savers to borrowers).</i>	4.12.1 I Analyze the roles of financial institutions in creating credit.	Financial Institutions
		4.5.2 W <i>Provide examples of labor unions.</i>	4.8.2 E Explain the purposes and functions of labor unions (such as collective bargaining). H 7.8.11	4.12.2 E Discuss how labor unions affect employees and employers. C 5.12.6; E 10.12.4	Labor Unions
	4.3.3 W <i>Identify a for-profit organization in the community and a service it provides.</i>	4.5.3 W <i>Explain the purposes for establishing for-profit organizations.</i>	4.8.3 E Explain the advantages and disadvantages of each of the three primary forms of business organizations: sole proprietorship , partnership , and corporation . E 10.8.4	4.12.3 W <i>Identify current or historical mergers, buyouts, and acquisitions.</i> H 7.12.8	For-profit Business Organizations

Bank: A for-profit financial institution that accepts checking and **savings** deposits, and grants loans.

Borrowing: Contracting to receive **money** that must be paid back with **interest**.

Corporation: A business with multiple owners, whose director and officers are individually liable, but all owners (shareholders and stockholders) are not.

Labor union: A group of workers who join together to affect wage rates and working conditions.

Partnership: A business with multiple owners, who share liability.

Saving: Not spending income on consumption.

Sole proprietorship: A business that has a single owner who is individually liable.

Economics

Content Standard 4.0: Private U.S. Economic Institutions: *Students will describe the roles played by various U.S. economic institutions, including financial institutions, labor unions, for-profit business organizations, and not-for-profit organizations.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
	4.3.4 W Identify a not-for-profit organization in the community and a service it provides.	4.5.4 I <i>Explain the purposes for establishing not-for-profit organizations.</i>	4.8.4 I <i>Explain why not-for-profit organizations are tax exempt.</i>	4.12.4 W <i>Explain how the services of not-for-profit organizations impact other economic institutions.</i>	Not-for-profit Organizations
	4.3.5 <i>Identify reasons for saving money.</i>	4.5.5 <i>Identify the rewards and risks of saving money in financial institutions.</i>	4.8.5 <i>Compare the rewards and risks of saving and borrowing money with several types of financial institutions.</i>	4.12.5 <i>Compare and contrast the services offered by financial institutions, evaluating their usefulness to borrowers and lenders.</i>	Personal Economics
			4.8.6 <i>Investigate careers associated with financial institutions, labor unions, for-profit business organizations, and not-for-profit organizations.</i>	4.12.6 <i>Compare and contrast careers associated with financial institutions, labor unions, for-profit business organizations, and not-for-profit organizations.</i>	

Borrowing: Contracting to receive **money** that must be paid back with **interest**.

Saving: Not spending income on consumption.

Economics

Content Standard 5.0: Money: *Students demonstrate an understanding of various forms of money; how money makes it easier to trade, borrow, save, invest, and compare the value of goods and services; and how the Federal Reserve System and its policies affect the U.S. money supply.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
5.2.1 I Explain what money is and how it is used.	5.3.1 I Identify forms of money .	5.5.1 E <i>Explain why it is easier for people to save and trade using money rather than using other commodities.</i>	5.8.1 E Illustrate how prices stated in money terms help people compare the value of products.	5.12.1 E Explain the three functions of money: medium of exchange, store of value, unit of account.	Functions of Money
				5.12.2 E Explain why the money supply increases when banks make loans.	The Federal Reserve and the Banking System
				5.12.3 E Explain how the Federal Reserve influences bank loan activity using the reserve requirement, discount rate, and open market operations.	

Commodity: An object that can be used as **money** but also can have value of its own.

Discount rate: The **interest rate** that **banks** must pay when they borrow from the Federal Reserve.

Medium of exchange: Something used to facilitate exchange.

Money: Anything widely accepted as a final payment for **goods** and **services**, including currency, coins, or checks. Credit cards, while accepted for payment, are not a final form of payment. Credit card purchases are short-term loans, not **money**.

Money supply: Currency, coins, and checking account deposits.

Open market operations: Purchases and sales of financial assets, such as government bonds, by the Federal Reserve.

Reserve requirements: The percentage of deposits that commercial **banks** must hold to meet withdrawal **demands**.

Store of Value: Something used to transfer buying power into the future.

Unit of account: Something used to measure value.

Economics

Content Standard 5.0: Money: *Students demonstrate an understanding of various forms of money; how money makes it easier to trade, borrow, save, invest, and compare the value of goods and services; and how the Federal Reserve System and its policies affect the U.S. money supply.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
		5.5.4 W <i>Identify forms of money used in the United States prior to the twentieth century.</i> H 5.5.11	5.8.4 W <i>Describe the transition from the use of commodities as money to the use of modern forms of money.</i> G 4.8.4	5.12.4 I <i>Describe the nation’s current money supply measures, including M1 and M2.</i>	History of Money
	5.3.5 <i>Demonstrate an understanding that each family has a limited amount of money regardless of how it is accessed (through cash, check writing, or ATM).</i>	5.5.5 <i>Give examples of purchases made using credit.</i>	5.8.5 <i>Identify pros and cons of paying with cash versus using credit.</i> E 10.8.4	5.12.5 <i>Explain what a credit rating is and how it affects access to money.</i>	Personal Economics

Commodity: An object that can be used as **money** but also can have value of its own.

Credit: The act of **borrowing money** or purchasing **goods** over time.

M1: Coins, currency, and checking account deposits.

M2: **M1** plus short-term savings accounts deposits and other various short-term deposits.

Economics

Content Standard 6.0: The U.S. Economy as a Whole: *Students will demonstrate an understanding of the U.S. economic system as a whole in terms of how it allocates resources; determines the nation’s production, income, unemployment, and price levels; and leads to variations in individual income levels.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
		6.5.1 I <i>Identify the resources needed for production in households, schools, and community groups.</i>	6.8.1 I <i>Explain ways in which households, schools, or community groups allocate resources.</i> G 4.8.5	6.12.1 E <i>Compare the benefits and costs of allocating resources through markets or government.</i> C 7.12.2; H 6.8.12; H 6.12.12	Resource Allocation
6.2.2 I Explain what a consumer does. G 4.2.8	6.3.2 I Explain what a producer does. G 4.3.5	6.5.2 E Demonstrate an understanding that an individual can be both a consumer and a producer .	6.8.2 S Explain how consumer and producer reactions to price changes affect resource allocation.	6.12.2 E Discuss how an economy determines what goods and services will be produced, how they will be produced, and who will receive them. H 6.12.12	
		6.5.3 I Recognize the three types of productive resources: natural (such as minerals), human (such as educated workers), and capital (such as machinery). E 6.5.2; G 5.5.6	6.8.3 I <i>Explain how the current utilization of a productive resource affects the availability of that resource in the future.</i> G 5.8.6; H 7.8.7	6.12.3 I <i>Analyze the potential production of goods and services for a nation as determined by its resources and technology.</i> H 6.12.1; H 7.12.7; H 9.12.5	The Nation’s Production Level
	6.3.4 W Demonstrate an understanding of and give examples of income.	6.5.4 I <i>Illustrate how one person’s spending becomes another person’s income.</i>	6.8.4 E Explain the circular flow of economic activity .	6.12.4 E Explain how the multiplier can affect the nation’s income.	The Nation’s Income Level

Circular flow of economic activity: A descriptive model that shows that households pay businesses for **goods** and **services**; businesses pay households for productive **resources** (natural, human, capital); both households and businesses pay taxes to the government so government can provide public **services**.

Consumer: A person who buys and uses **goods** and **services**.

Multiplier: The total spending generated from an initial one dollar spent.

Producer: A person who combines natural, human, and/or capital **resources** to make **goods** or to provide **services**.

Resource: In the social science of economics, a natural, human, and capital factor utilized in the production of **goods** and **services**.

Technology: In the social science of economics, the pool of existing knowledge.

Economics

Content Standard 6.0: The U.S. Economy as a Whole: *Students will demonstrate an understanding of the U.S. economic system as a whole in terms of how it allocates resources; determines the nation’s production, income, unemployment, and price levels; and leads to variations in individual income levels.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
		6.5.5 W <i>Identify factors within an individual’s control that can affect the likelihood of being employed.</i>	6.8.5 W <i>Identify factors that can affect an individual’s likelihood of being unemployed.</i> H 7.8.11	6.12.5 I <i>Make connections between the nation’s unemployment rate and changes in seasons, changes in an industry, and changes in demographics.</i> E 11.12.2	The Nation’s Unemployment Rate
6.2.6 W Give examples of ways people earn money by working.	6.3.6 I Demonstrate an understanding that different jobs require different skills and people receive different levels of income.	6.5.6 I <i>Describe how income reflects choices people make about education, training, skill development, lifestyle, and careers.</i>	6.8.6 E Explain that the wage individual’s earn is affected by their productivity and by the market value of the goods or services they produce.	6.12.6 E Explain how and why changes in product demand can affect the price of the product, which, in turn, can affect the wages paid to a worker.	Differences in Individual Incomes
			6.8.7 <i>Identify a career path of interest and explain how the associated earnings are affected by the market.</i>	6.12.7 <i>Assess the attractiveness of career paths of interest and how they might be affected by changes in the national economy.</i>	Personal Economics

Economics

Content Standard 7.0: An Evolving Economy: *Students will demonstrate an understanding of how investment, entrepreneurship, competition, and specialization lead to changes in an economy’s structure and performance.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
7.2.1 W Explain how tools and machinery may help a person work faster or better, or make a person’s work easier. G 2.2.4	7.3.1 W Explain how skill training and education can enhance the ability to produce goods and services.	7.5.1 I <i>Provide an example of how purchasing a tool or acquiring education can be an investment.</i>	7.8.1 E Explain how investment improves standards of living by increasing productivity. H 6.8.1; H 10.8.1	7.12.1 I <i>Describe the past, present, and future role of investment in enhancing economic growth and raising living standards.</i> H 7.12.7	Investment
			7.12.2 E Identify the benefits and the costs of investing in new physical capital and new human capital .		
			7.12.3 I <i>Examine government’s impact on investment through taxes, fees, government regulation, enterprise zones, and subsidies.</i> C 3.8.1		
7.2.4 W Give examples of inventions .	7.3.4 W List examples of entrepreneurs .	7.5.4 I Describe the characteristics of an entrepreneur .	7.8.4 I Describe the advantages and disadvantages of being an entrepreneur . E 10.8.4	7.12.4 E Discuss how entrepreneurs affect the economy by solving problems, taking risks, and taking advantage of opportunities to earn profits.	Entrepreneurship

Entrepreneur: An individual who creatively combines **resources** to produce a **good** or **service**.

Human capital: The existing stock (amount) of education and training of a society’s people.

Invention: A new process, technique, or product.

Investment: In the social science of economics, an expenditure or activity that is intended to increase the productive capacity of the economy. (The word *investment* also is commonly used to describe an act of **saving** that leads to an increase in value, an act that is referred to in this document as *saving*.)

Physical capital: The existing stock (amount) of tools and machinery in an economy.

Economics

Content Standard 7.0: An Evolving Economy: *Students will demonstrate an understanding of how investment, entrepreneurship, competition, and specialization lead to changes in an economy’s structure and performance.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
	7.3.5 I Describe what it means to compete.	7.5.5 I <i>Give examples of ways sellers compete.</i>	7.8.5 E Illustrate how competition among sellers decreases prices, while competition among buyers increases prices. H 6.8.12	7.12.5 E <i>Explain how individual self-interest, channeled through the marketplace, can increase the overall standard of living.</i> H 6.12.12	Competition
		7.5.6 E Explain why specialization increases productivity and interdependence .	7.8.6 Give examples of how specialization is facilitated by trade.	7.12.6 E Discuss the pros and cons of specialization and interdependence . E 10.12.14	Specialization
		7.5.7 <i>Describe the steps an entrepreneur would take to start a business.</i>	7.8.7 <i>Give examples of ways investment can improve students’ performance in school, sports, etc.</i>	7.12.7 <i>Explain why top performers in any field are specialists.</i>	Personal Economics

Competition: The rivalry among sellers and rivalry among buyers in a **market**.

Interdependence: The need for individuals and firms to rely on each other as a result of **specialization**.

Specialization: The concentration of effort on only one task or a few tasks.

Economics

Content Standard 8.0: The Role of Government in a Market Economy: *Students will explain the role of government in a market economy.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
			8.8.1 Give examples of the kinds of goods and services that government provides. C 6.8.1	8.12.1 Explain why government provides public goods rather than allowing the market to provide them.	Public Goods
			8.8.2 <i>Give examples of activities that benefit participants, yet harm nonparticipants.</i>	8.12.2 Explain why government intervenes in markets in response to externalities .	Externalities
			8.8.3 <i>Identify methods by which government redistributes income.</i> C 2.5.3; H 8.8.6	8.12.3 <i>Discuss whether redistributing income is an appropriate role of government.</i> C 2.12.3; E 10.12.1; E 10.12.4; H 8.12.6	Redistributing Income
			8.8.4 <i>Give examples of ways government protects property.</i> C 1.5.1	8.12.4 Demonstrate an understanding that government must define, establish, and enforce property rights in order for markets to function. C 1.12.1	Property Rights
				8.12.5 <i>Explain why it is possible that a government decision may impose costs on many, but only benefit a few.</i> C 4.12.2; C 4.12.3	Political Decisions

Externality: A positive effect (**benefit**) or a negative effect (**cost**) generated by an activity that affects people who do not participate in the activity. For example, benefits from immunization programs, accruing to those not immunized or health care costs from industrial pollution, borne by the general public who did not pollute.

Property rights: The right to exclude others from using a **good** or **service** and the right to transfer ownership of a **resource**.

Public good: A **good** or **service** whose consumption by one individual does not prevent its consumption by other individuals.

Economics

Content Standard 8.0: The Role of Government in a Market Economy: *Students will explain the role of government in a market economy.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
				8.12.6 Explain how fiscal policy affects production, employment, and price levels. C 4.12.6; H 8.12.6; H 8.12.9	E Fiscal Policy
		8.5.7 <i>Give examples of items for which a sales tax is charged and items for which a sales tax is not charged.</i>	8.8.7 <i>Describe how paying sales, property, and income taxes affect the amount of money an individual has available for spending.</i>	8.12.7 <i>Give examples of mandates that increase prices of goods and services in Nevada.</i>	Personal Economics

Fiscal policy: Federal government actions related to government spending and/or taxation.

Mandate: Government requirement.

Economics

Content Standard 9.0: The International Economy: *Students explore the characteristics of non-U.S. economic systems in order to demonstrate an understanding of how they are connected, through trade, to peoples and cultures throughout the world.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
	<p>9.3.1 W Give examples of goods the U.S. imports and exports.</p> <p>E 6.3.2; G 4.3.6; G 5.3.7</p>	<p>9.5.1 E Explain why the U.S. imports and exports goods.</p> <p>G 4.5.5</p>	<p>9.8.1 I Explain how governments use tariffs or quotas to restrict trade.</p> <p>C 2.8.3; G 4.8.6</p>	<p>9.12.1 E <i>Analyze the pros and cons of foreign trade, comparing free trade with restricted trade.</i></p> <p>E10.12.4; G 4.12.6; H 10.12.2</p>	International Trade
	<p>9.3.2 W Identify the countries of origin of commonly used products.</p> <p>G 4.3.6</p>	<p>9.5.2 E Describe how the exchange of goods and services around the world creates interdependence among people in different places (such as the production of a candy bar requires ingredients from different countries around the world).</p> <p>C 8.5.2; G 4.5.5; G 4.5.7</p>	<p>9.8.2 I Describe how economic interdependence among countries affects standards of living in those countries.</p> <p>C 8.8.1; G 4.5.5; G 4.8.7</p>	<p>9.12.2 E Describe how foreign economic events can impact the U.S. economy.</p> <p>C 8.12.2; G 4.12.7; H 7.12.17; H 10.12.3</p>	Inter-dependence
				<p>9.12.3 I <i>Describe some characteristics of non-U.S. economies that affect international trade.</i></p> <p>C 7.12.2; G 4.12.7; G 6.12.1</p>	Characteristics of Non-U.S. Economic Systems

Export: Good or service produced domestically and sold abroad.

Import: Good or service produced abroad and sold domestically.

Quota: A limit on the quantity of a **good** that may be imported in a given time period.

Tariff: A tax or duty imposed on imported **goods**.

Economics

Content Standard 9.0: The International Economy: *Students explore the characteristics of non-U.S. economic systems in order to demonstrate an understanding of how they are connected, through trade, to peoples and cultures throughout the world.*

Grade 2	Grade 3	Grade 5	Grade 8	Grade 12	
Students know and are able to:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	Students know and are able to do everything required in earlier grades and:	
	9.3.4 W Identify the currencies of other countries.	9.5.4 E <i>Give the value of the U.S. dollar in terms of the currencies of other countries.</i>	9.8.4 I <i>Compute prices of U.S. products in terms of other countries' currencies.</i> G 4.8.7	9.12.4 E Determine how a change in exchange rates affects the ability of residents of one country to consume products from other countries.	Exchange Rates
			9.8.5 <i>Identify goods that would not be readily available in U.S. stores if there were no international trade.</i>	9.12.5 <i>Draw conclusions about how the prices of goods you purchase would change if imports were restricted.</i>	Personal Economics
				9.12.6 <i>Discuss how potential career paths could be affected by changes in foreign demand for U.S. products.</i>	

Exchange rate: The **price** of one country's currency in terms of another country's currency.