



2010 Teacher's Guide: The Economy

Written for the National Student/Parent Mock Election

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Teacher's Guide to Economic Issues in the 2010 Elections

Section 1) Introduction:

The U.S. Constitution says very little about the economy. The Commerce Clause gives Congress the power to regulate interstate and foreign commerce rather than the states, and "...To lay and collect Taxes.... [and] To borrow.... [and] ...coin money.... (Article 1, Section 8). It gives no explicit economic powers to the Executive or Judicial branches.

Yet the economic policies of the state and federal governments are major election issues. How has this situation developed, and what is the proper role of government in our economy? What are the candidates' positions, and why should you support or oppose them?

In addition to this guide, also see the National Student/Parent Mock Election teacher's guides to economic issues from 2002, 2004, 2006, and 2008. A summary of currently relevant activities from these guides is included at the end of this guide.

Note: This is not a teacher's guide to Economics 101 -- there are many lesson plans in economics available online; see Section 3 on "further information" for examples. This guide is instead intended to ask questions and to provide sources to aid consideration of the economic consequences of our political choices.

Topics for discussion and activities:

"During the first half of the year, German and American political leaders engaged in an epic debate," David Brooks has written (New York Times 8/20/10 -- *The Parent Model*.)

"American leaders argued that the economic crisis was so bad, governments should borrow millions to stimulate growth. German leaders argued that a little short-term stimulus was sensible but anything more was near-sighted. What was needed was not more debt, but measures to balance budgets and return confidence..."

"The divergence created a natural experiment. Who was right?"

"The early returns suggest the Germans were."

Columnist Dale Dauten, however, argues that mass spending by government is needed to spur recovery, and points to what happened in Japan, where recovery stagnated for more than a decade. Its economy has now been overtaken by China. "During the 1980's," the New York Times pointed out, "there was even talk about Japan's economy someday overtaking the United States."

"Policymakers in Japan repeatedly got nervous about stimulating the economy and took their foot off the pedal."

"If your rocket does not have enough thrust when it leaves the ground," James Webb wrote when he headed NASA, "you have started your reentry at liftoff."

Organize a series of mock congressional hearings to explore how to lift the American economy. Select members of your class to carefully research and present possible options for legislation the committee and its staff will draft.

Select, as members of your Congressional committee, well informed students prepared to ask the hard questions. Will they put their political views or the economy first?



How does the economy influence elections ("It's the Economy, Stupid.")? Is it usually the determining factor, or only one of many? See:

<http://www.gallup.com/poll/142022/economy-remains-top-concern-midterm-elections-draw-nearer.aspx>
http://www.realclearpolitics.com/articles/2010/07/20/on_economic_fatalism_and_elections_its_not_always_economy_stupid_krugman_klein_forecasting_106384.html
http://www.huffingtonpost.com/2010/07/22/midterm-elections-2010-po_n_655450.html

Are you more interested in how the economy has improved during the current administration or in comparing it with past administrations? Why? Defend your position – can you find evidence that voters or parties support it?

Are voters more concerned with their perceptions of the future economy or present conditions? See: <http://www.reuters.com/article/idUSTRE67B05N20100812>

Why is voter misunderstanding of economics a problem? See: <http://www.wanderings.net/notebook/Main/WhyUnderstandingEconomicsIsHard>

Which do you feel is more important to the economy -- unemployment and job growth, or stock market prices? Why?

What is the role of the U.S. and state governments in "the economy?" How should they regulate how people exchange goods and services?

See Wikipedia for a historical overview of changing federal economic policies: http://en.wikipedia.org/wiki/Economy_of_the_United_States

For a British view of the US economy, see: <http://www.guardian.co.uk/business/useconomy>



Section 2) Economic issues in depth

What economic factors influence a voter's choice of candidates? Are they the same ones the parties are emphasizing? See:

<http://politics.usnews.com/news/articles/2010/07/12/congress-returns-to-a-full-plate-of-economic-issues.html>

Government is funded by taxes. Who and what should be taxed, and what should be done with the money? Where do our taxes go now? See:

<http://www.cnn.com/ALLPOLITICS/1998/resources/taxes/taxes.greenfield/>

<http://mercatus.org/publication/does-government-spending-affect-economic-growth>

<http://www.econlib.org/library/Enc/FiscalPolicy.html>

How do multinational corporations avoid paying US taxes? Can ordinary taxpayers use the same techniques? Why do our federal and state governments allow tax loopholes? What do the candidates have to say about this in view of increasing budget deficits? See:

http://www.nytimes.com/2008/08/13/business/13tax.html?_r=2

<http://www.forbes.com/2010/04/01/ge-exxon-walmart-business-washington-corporate-taxes.html>

http://www.forbes.com/2010/04/01/ge-exxon-walmart-business-washington-corporate-taxes_slide_4.html

<http://blogs.forbes.com/energysource/2010/04/07/exxon-says-it-does-pay-u-s-income-taxes/>

How do governments try to prevent economic problems or influence economic transactions in their favor? In a world economy, how much power do various countries have? What international and regional economic control systems exist? How successful are they? How does an economic crisis in one economic sector or geographical area affect others? Should our government economic policies be designed to primarily benefit businesses or workers? See:

<http://finance.yahoo.com/news/China-Passes-Japan-as-nytimes-2766831302.html?x=0&.v=1>

<http://web.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTDECPROSPECTS/EXTGBLPROSPECTS/APRIL/0,,menuPK:659178~pagePK:64218926~piPK:64218953~theSitePK:659149,00.html>

<http://news.yahoo.com/topics/global-economy>

How should government policy support, discourage, or regulate various economic transactions and practices: trading in stocks, bonds, "derivatives," commodities and other "futures," unions, minimum wages and other labor protections, etc.? See:

<http://economics.about.com/od/howtheeconomyworks/a/regulation.htm>

http://en.wikipedia.org/wiki/Regulatory_economics

How should government support and regulate management or workers? See:

http://en.wikipedia.org/wiki/United_States_labor_law

<http://www.dol.gov/>

<http://history.eserver.org/us-labor-law.txt>

What should the US monetary policy be with regard to inflation, balance of payments, job creation, etc.? See:

<http://www.frbsf.org/publications/federalreserve/monetary/affect.html>

<http://seekingalpha.com/article/219886-why-the-economy-is-addicted-to-government-aid>

What is the difference in the roles of the U.S. Treasury, the Federal Reserve, the SEC, and other agencies? Why don't voters get to choose the people who run them? See:

http://en.wikipedia.org/wiki/Monetary_policy_of_the_United_States (and links)

What is the "free market" and how free is it? Should practices like child labor, wages, hours, health and safety, and working conditions be regulated by governments or businesses? See:

<http://www.economywatch.com/market-economy/free-market-economy.html>

What is "socialism" and what do U.S government policies and laws say about it? See:

<http://www.thelibertypapers.org/2008/09/08/the-bush-administration-embraces-socialism/>

<http://www.nytimes.com/2009/03/01/weekinreview/01leibovich.html>

<http://www.buzzybuzzblogging.com/5481/even-the-socialist-party-says-obama-isnt-a-socialist/>

<http://monthlyreview.org/598einstein.php>

How do governmental economic decisions affect other government functions like education, health care, environmental or police protection, land use, public safety, defense, etc? See:

http://en.wikipedia.org/wiki/Mixed_economy

Should governments or charities be responsible for the cost of providing social services? See:

<http://blogs.wsj.com/wealth/2010/08/11/europeans-attack-buffett-gates-pledge-as-undemocratic/?KEYWORDS=philanthropy>

Is climate change the elephant in the room? See:

<http://www.nytimes.com/2010/04/11/magazine/11Economy-t.html>

<http://www.epa.gov/climatechange/economics/economicanalyses.html>



Section 3) Sources of further information

Democratic Party Platform – See:

<http://www.democrats.org/a/party/platform.html>

Republican Party Platform – See:

<http://www.gop.com/2008platform/economy.htm>

Online book: "Outline of the U.S. Economy" by Conte and Carr, adapted with permission from the U.S. Department of State:

http://economics.about.com/od/freeeconomicstextbooks/a/us_economy.htm

Understanding Economics – Presentation. See:

<http://www.slideshare.net/mrphilen/understanding-economics>

Lesson Plans: Teaching High School Students How the Economy Influences Presidential Elections. See:

<http://www.squidoo.com/economic-conditions-and-elections>

Lesson Plans from the National Council on Economic Education; including links to additional online lesson plans that combine civics and economics. Includes "The Economics of Voting": Explores the costs and benefits associated with voting in national elections, and why do so many voters stay away from the polls on Election Day? See:

<http://www.ncee.net/>

More lesson plans from the Council for Economic Education. See: <http://www.econedlink.org/>

Lesson Plans to Understanding Economics and Money: Teachers First Editors' Choices -- See:

<http://www.teachersfirst.com/content/spectopics/econ-money.cfm>

5,405 Economy Lesson Plans and 11,884 Economics Lesson Plans

(Annual license fee applies) -- See:

<http://www.lessonplanet.com/search?media=lesson&keywords=economy>



Section 4) -- Selected classroom activities summary from National Student/Parent Mock Election Teachers Guides for previous election years

See the guides (PDF file links) for detailed information.

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Guide to the 2008 Presidential Election Issue: Economy

http://www.nationalmockelection.org/docs/2008_issues_forum/NSPME_2008_Economy_Guide.pdf

ACTIVITY: Writing a Personal Essay – How recent economic problems have affected my life.

ACTIVITY: Survey – How Do Local Citizens Feel About the Economy?

ACTIVITY: Compare and Contrast – Candidates' Positions on the Issues of the Economy

ACTIVITY: My Opinion – Do I Agree With the Candidates’ Positions on the Economy?

ACTIVITIES: The U.S. Constitution and the Economy – Review/Research/Discussion

ACTIVITY: Role-Play as an Economist: Recommendations to the President and Congress

ACTIVITIES: Finding Solutions for the Problems of the U.S. Economy – Jigsaw research grouping and problem-based learning.

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2006 Teachers Guide to the National Student/Parent Mock Election

http://www.nationalmockelection.org/docs/curriculum_issues_forum_2006.pdf

Interview members of your family and friends in other classes about how the economy is affecting their personal lives.

Invite your local Congressperson and the candidates who oppose him/her to visit your class, share their views, and answer your questions concerning the way they think about monetary policy.

Map the emerging market nations. Why does the world’s largest economy run a current-account deficit, financed to a substantial extent by capital exports from emerging market nations?

Write a speech on how the global economy is affecting your life and your family and what you believe the government of the United States can or should do about it.

Divide the class into Democrats and Republicans and organize a “battle of the facts and figures” in a Mock Debate between two candidates for Congress.

Create an action plan for your future. What must you do now to protect yourself? Four years from now? How will you do it?

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2004 Teachers Guide to the National Student/Parent Mock Election

http://www.nationalmockelection.org/docs/curriculum_issues_forum_2004.pdf

Discuss the following dilemma: What is more important — short term job losses which put U.S. citizens out of work and create hardships for U.S. families, or the long-term health of the U.S. economy? Will prosperity benefit every-one? Why? Why not?

Role-play the parts of economists and a television talk show host.

Write to your representative in the U.S. House of Representatives or the U.S. Senate

Start a “Fact Detectives” challenge on the economy.

Examine the U.S. Constitution at: http://www.archives.gov/exhibits/charters/constitution_transcript.html , specifically Article II Section 2, which outlines the powers of the President. What does the Constitution say about the President’s power in the area of the economy? What specific powers does the Constitution give the President?

Consider the questions: 1) Does the sitting President get too much credit for good economic times and too much blame for bad economic times? 2) Is it fair to hold a President accountable for economic problems left over from a previous administration? Why or why not? 3) Is a President responsible for what he tries to persuade Congress to do?

How much did inflation rise this past year? What effect has it had on low income wages?

Compare what candidates are saying about job prospects for the next four years. How will education levels affect job prospects? What other factors will be involved?

Which candidate do you believe will do the most to protect your future? Why? How? What can you do to protect yourself, given the current state of the economy and the threats America now faces? What will happen if you do nothing?

What are the President's options for reducing the deficit America now faces? If spending cuts must offset tax cuts because the government will have less revenue, from where should those spending cuts come? If the government's biggest spending programs are social security, Medicare and Medicaid, what do you believe can be done to avoid having middle and low income families lose what they gained from lower taxes?

Analyze and compare the Republican and Democratic Party platforms. Which party's proposals do you believe will lead to a stronger economy? Explain your choice.

Hold a class vote. If economic issues were the deciding factor, who would your class elect?

Which issues does your class believe will be the deciding factor in this election?

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2002 Teachers Guide to the National Student/Parent Mock Election

http://www.nationalmockelection.org/docs/curriculum_issues_forum_2002.pdf

What are "business ethics"? How can they affect the economy? An election? What protections have Congress and the President put in place?

Divide the class into four groups, one representing corporate leaders, one representing Congress or the state legislature, one representing government "bureaucrats" and one representing ordinary citizens. Discuss the pressures that can impede ethical decision-making.

