

Lesson One - Debt

Overview: This lesson introduces students to the term fiscal policy. It is designed to show students that the government does influence the economy through fiscal policy. Part of the governments' fiscal policy includes how to repay the national debt. The options for repayment include raising revenue through taxes and investing.

Subject and Grade level appropriateness: This lesson is designed for 12th grade Government students.

Learning Objectives. History Skills in parenthesis.

- a. Students will define debt.
- b. Students will use a political cartoon to get more information about the national debt (historical comprehension)
- c. Students will analyze the cause and effect of debt. (historical analysis and interpretation)
- d. The students will acknowledge the role of government in the economy.

Related State Standards

GOVT.1 The student will demonstrate mastery of the social studies skills citizenship requires, including the ability to

- a) analyze primary and secondary source documents;
- b) create and interpret maps, diagrams, tables, charts, graphs, and spreadsheets;
- c) analyze political cartoons, political advertisements, pictures, and other graphic media;
- d) distinguish between relevant and irrelevant information;
- e) evaluate information for accuracy, separating fact from opinion;
- f) identify a problem and prioritize solutions;
- g) select and defend positions in writing, discussion, and debate.

GOVT.16 The student will demonstrate knowledge of the role of government in the Virginia and United States economies by

- a) analyzing the impact of fiscal and monetary policies on the economy;
- b) describing the creation of public goods and services;
- c) examining environmental issues, property rights, contracts, consumer rights, labor management relations, and competition in the marketplace.

Materials

Computer and projector to show Cartoon and Power point

Copies of the document, Debt - Worksheet

Copies of Broadside

Procedure

1) Do Now: What is debt? Ask students to explain how debt is created? How does somebody get out of debt?

(money you owe, when you spend more than you have, you have to decrease spending or find a way to make more money)

2) Show students the Pulitzer prize winning cartoon.

<http://politicalhumor.about.com/od/pulitzercartoons/ig/2009-Pulitzer-Prize-Cartoons/National-Debt.htm>

Next, have students respond to the following questions and record them on the Debt worksheet:

- What is happening in this picture?
- When was it published?
- What is the author trying to say about our national debt? Do you agree?
- Are you responsible for any part of this debt?
- What caused the debt depicted in the cartoon?
- What is one additional question you have about this cartoon?

3) Distribute copies of the broadside linked below. Be sure the section at the bottom is highlighted. Have students read the section at the bottom.

[http://memory.loc.gov/cgibin/query/r?ammem/bdsbib:@field\(NUMBER+@od1\(bdsdcc+08501\)\)](http://memory.loc.gov/cgibin/query/r?ammem/bdsbib:@field(NUMBER+@od1(bdsdcc+08501)))

Next, have students respond to the following questions and record them on the Debt worksheet:

- What is happening in this document?
- When was it published?
- What is the author trying to say about our national debt?
- Are you responsible for any part of this debt?
- What caused the debt mentioned in the broadside?
- What is one other question you have about this broadside?

4) Conduct a discussion of the two documents by having students share their answers to the questions above and by using the questions below:

- Ask students to respond to the question, “What are the similarities between the causes of the debt pictured in the cartoon and the causes of debt from the broadside?” (war is one, at this time, government borrowed to pay for wars, debt is the represented as the responsibility of the government)
- Ask, “What are some ways government raises money? (invest money and/or increase taxes, print more money)
- What are some ways or things, other than wars, that government spends money on? Discuss public goods and services. Schools, Roads, Post Office, Police

5) Lead a brief power point discussion about fiscal policy.

Show attached power point (3 quick slides to contain the following)

Fiscal policy is the use of government spending and [taxation](#) to influence the economy. When the government decides on the goods and services it purchases, the transfer payments it distributes, or the taxes it collects, it is engaging in fiscal policy.

Monetary Policy – when the government decides to print more money, what happens to the prices of goods and services when the government just prints more money?

Assessment: Formative 3, 2, 1 Exit slip

Have students answer the following questions and turn in as an exit slip

Name 3 things the government spends money on.

Describe the 2 ways government influences the economy.

Give 1 example of how someone can go into debt.

Extension and Technology

Students use the materials on the NEFE website to create budget (High School student program, Chpt 2)

<http://hsfpp.nefe.org/students/channels.cfm?chid=55&tid=6&deptid=15>