



Economics - Unit 4 - Recessions, Depressions, and the Federal Reserve

Unit Focus

In this final unit of study, students will investigate the nature of recessions, depressions, and the role of Federal Reserve in the economy. Most Americans are unaware of the massive role that the Federal Reserve plays in how the nation's economy performs; student inquiry throughout this unit will uncover the how the money supply impacts demand for goods and services, how the Fed manages this money supply, and how the Fed's actions can create winners and loser in the economy.

Stage 1: Desired Results - Key Understandings

Standard(s)	Transfer		
<p>C3 Framework for Social Studies State Standards <i>Social Studies: 10</i> 921845 Dimension 1. Developing Questions & PLANNING INQUIRIES 921846 Constructing Compelling Questions 921847 INDIVIDUALLY AND WITH OTHERS, STUDENTS CONSTRUCT COMPELLING QUESTIONS, AND ...</p> <ul style="list-style-type: none"> • D1.2.9-12. Explain points of agreement and disagreement experts have about interpretations and applications of disciplinary concepts and ideas associated with a compelling question. <p>921854 Determining Helpful Sources 921855 INDIVIDUALLY AND WITH OTHERS, STUDENTS ...</p> <ul style="list-style-type: none"> • D1.5.9-12. Determine the kinds of sources that will be helpful in answering compelling and supporting questions, taking into consideration multiple points of view represented in the sources, the types of sources available, and the potential uses of the sources. <p>921857 Dimension 2. Applying Disciplinary Concepts & TOOLS 921879 ECONOMICS 921893 The National Economy 921894 INDIVIDUALLY AND WITH OTHERS, STUDENTS...</p> <ul style="list-style-type: none"> • D2.Eco.12.9-12. Evaluate the selection of monetary and fiscal policies in a variety of economic conditions. • D2.Eco.10.9-12. Use current data to explain the influence of changes in spending, production, and the money supply on various economic conditions. • D2.Eco.11.9-12. Use economic indicators to analyze the current and future state of the economy. <p>921924 HISTORY 921944 Causation and Argumentation 921945 INDIVIDUALLY AND WITH OTHERS, STUDENTS...</p> <ul style="list-style-type: none"> • D2.His.16.9-12. Integrate evidence from multiple relevant historical sources and interpretations into a reasoned argument about the past. 	<p><i>Students will be able to independently use their learning to...</i></p> <p>T1 Evaluate how creation and participation in an economy impacts groups of people and their world.</p> <p>T2 Respectfully and responsibly work with others through the exchange and evaluation of ideas to achieve a common objective.</p>		
	Meaning		
	Understanding(s)	Essential Question(s)	
	<p><i>Students will understand that...</i></p> <p>U1 Causes of economic downturns are complex, but generally involve insufficient demand for goods and services</p> <p>U2 The Federal Reserve has a variety of tools for managing interest rates, but struggles to precisely manage the money supply</p> <p>U3 The Federal Reserve's policies, like all economic policies, create winners and losers.</p>	<p><i>Students will keep considering...</i></p> <p>Q1 Why do economic recessions and depressions happen?</p> <p>Q2 How does the Federal Reserve attempt to manage the economy?</p> <p>Q3 Do the Federal Reserve's actions benefit the common good?</p>	
	Acquisition of Knowledge and Skill		
Knowledge	Skill(s)		
<p><i>Students will know...</i></p> <p>K1 History and roles of the Federal Reserve</p> <p>K2 Role of money supply in economic performance</p> <p>K3 Economic theories of John Maynard Keynes and Friedrich Hayek</p>	<p><i>Students will be skilled at...</i></p> <p>S1 Analyzing economic data in order to anticipate Federal Reserve responses</p> <p>S2 Combining historical thinking (sourcing, close reading, corroboration, contextualization) with economic analysis</p>		

Stage 1: Desired Results - Key Understandings

921950 *Dimension 3. Evaluating Sources & USING EVIDENCE*
 921951 *Gathering and Evaluating Sources*
 921952 *INDIVIDUALLY AND WITH OTHERS, STUDENTS...*
 • D3.1.9-12. Gather relevant information from multiple sources representing a wide range of views while using the origin, authority, structure, context, and corroborative value of the sources to guide the selection.

921959 *Dimension 4. Communicating Conclusions & Taking INFORMED ACTION*
 921960 *Communicating Conclusions*
 921961 *INDIVIDUALLY AND WITH OTHERS, STUDENTS USE WRITING, VISUALIZING, AND SPEAKING TO...*
 • D4.3.9-12. Present adaptations of arguments and explanations that feature evocative ideas and perspectives on issues and topics to reach a range of audiences and venues outside the classroom using print and oral technologies (e.g., posters, essays, letters, debates, speeches, reports, and maps) and digital technologies (e.g., Internet, social media, and digital documentary).

921969 *Taking Informed Action*
 921970 *INDIVIDUALLY AND WITH OTHERS, STUDENTS...*
 • D4.8.9-12. Apply a range of deliberative and democratic strategies and procedures to make decisions and take action in their classrooms, schools, and out-of-school civic contexts.

Madison Public Schools Profile of a Graduate

- Collective Intelligence: Working respectfully and responsibly with others, exchanging and evaluating ideas to achieve a common objective. (POG.3.1)
- Decision Making: Make responsible decisions, based on potential outcomes. (POG.4.2)

K4 That prices change depending on the money supply
K5 Tools the Fed uses to manage the money supply
K6 Relationship between interest rates, inflation, and unemployment
K7 Common causes of economic downturns

S3 Comparing and contrasting economic periods
S4 Assessing effects and consequences of economic policies
S5 Expressing complex economic concepts in simple terms
S6 Debating competing economic viewpoints