

2021 K-12 Academic Standards in Social Studies: Economics

The 2021 K-12 Academic Standards in Social Studies includes five disciplinary strands, including citizenship and government, economics, geography, history, and ethnic studies. Each strand is divided into three-to-six anchor standards. The economics strand is comprised of six anchor standards and associated benchmarks. This document breaks down the progression of learning as relates to the economics strand in the social studies standards.

An Overview of Academic Standards and Benchmarks

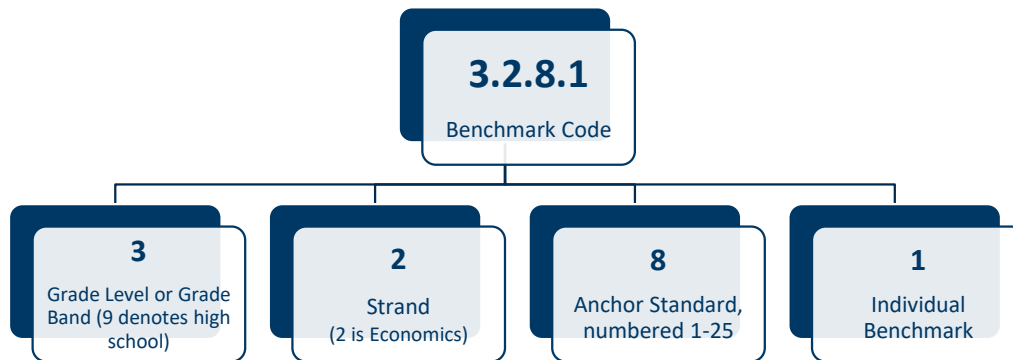
Academic Standards and Benchmarks

Academic standards and benchmarks are both defined in state statute.

- **Academic standards** are summary descriptions of student learning in a content area. They are broad descriptions of major concepts and skills that are repeated at multiple grade levels because they represent the “big picture.”
- **Benchmarks** represent the learning that is to be mastered by the end of a particular grade (in grades K–8) or grade band (in grades 9–12) in order to complete part of an academic standard.

Reading the Social Studies Standards and Benchmarks

Each benchmark has a four-digit code, which includes the grade level, strand, standard and benchmark.



Economics Strand Anchor Standards

Anchor Standard Seven: Economic Inquiry- Use economic models and reasoning and data analysis to construct an argument and propose a solution related to an economic question. Evaluate the impact of the proposed solution on various communities that would be affected.

Anchor Standard Eight: Fundamental Economic Concepts- Analyze how scarcity and artificial shortages force individuals, organizations, communities, and governments to make choices and incur opportunity costs. Analyze how the decisions of individuals, organizations, communities, and governments affect economic equity and efficiency.

Anchor Standard Nine: Personal Finance- Apply economic concepts and models to develop individual and collective financial goals and strategies for achieving these goals, taking into consideration historical and contemporary conditions that either inhibit or advance the creation of individual and generational wealth.

Anchor Standard Ten: Microeconomics- Explain and evaluate how resources are used and how goods and services are distributed within different economic systems. Analyze how incentives influence the decisions of consumers, producers, and governments. Evaluate the intended and unintended consequences of these decisions from multiple perspectives.

Anchor Standard Eleven: Macroeconomics- Measure and evaluate the well-being of nations and communities using a variety of indicators. Explain the causes of economic ups and downs. Evaluate how government actions affect a nation’s economy and individuals’ well-being within an economy.

Anchor Standard Twelve: Global and International Economics- Explain why people trade and why nations encourage or limit trade. Analyze the costs and benefits of international trade and globalization on communities and the environment.

Anchor Standard Seven: Economic Inquiry—Grades K-8

K

- K.2.7.1 Use cost-benefit analysis as a group to solve a problem.

1

- 1.2.7.1 Use cost-benefit analysis for two available alternatives to make a decision.

2

- 2.2.7.1 Investigate what characteristics allow an item to function as currency.

3

- No benchmark at this level.

4

- 4.2.7.1 Explain how the limited supply of natural resources requires people to make decisions about resource use, and examine a specific resource use decision made in your community.

5

- No benchmark at this level.

6

- No benchmark at this level.

7

- 7.2.7.1 Using cost-benefit analysis, analyze the opportunity cost of a decision made in U.S. history during times of war.

8

- 8.2.7.1 Evaluate the impact of different economic systems on socioeconomic development.

Anchor Standard Seven: Economic Inquiry- High School

- 9.2.7.1 Use economic analysis to explore an economic question.

Anchor Standard Eight: Fundamental Economic Concepts—Grades K-8

K

- No benchmark at this level.

1

- 1.2.8.1 Define scarcity as not having enough of something to satisfy everyone's wants and give examples.

2

- 2.2.8.1 Provide an example of an opportunity cost, which is the next best alternative when a choice is made.

3

- 3.2.8.1 Explain that producing any good or service requires resources. Describe the resources needed to produce a specific good or service. Explain why it is not possible to produce an unlimited amount of a good or service.

4

- 4.2.8.1 Explain how incentives can change people's decisions about resource use.

5

- No benchmark at this level.

6

- No benchmark at this level.

7

- 7.2.8.1 Explain different ways that goods and services can be allocated when scarcity exists.

8

- 8.2.8.1 Identify characteristics and goals of traditional, command, mixed and market-based economies.

Anchor Standard Eight: Fundamental Economic Concepts High School

- 9.2.8.1 Describe the opportunity cost of a choice and analyze the consequences of a specific choice, both intended and unintended.
- 9.2.8.2 Explain how the availability of and access to productive resources and technology limits the production of goods and services.
- 9.2.8.3 Compare and contrast the characteristics of traditional, command (planned), market-based and mixed economic systems. Demonstrate how most economies are mixed economies with varying degrees of government involvement.
- 9.2.8.4 Define broad long-run economic goals, and describe the trade-offs that exist between them; evaluate how different economic systems prioritize these goals, and evaluate the intended and unintended consequences.
- 9.2.8.5 Identify measures of income distribution, wealth distribution, causes of income inequality, and poverty. Explain how these affect, and are affected by, the economy. Evaluate the effectiveness of, and incentives created by, government income redistribution programs.

Anchor Standard Nine: Personal Finance—Grades K-8

K

- K.2.9.1 Distinguish between individual needs (conditions necessary to survive) and individual wants (conditions desired to be happy).

1

- No benchmark at this level.

2

- 2.2.9.1 Given a goal and several alternative choices to reach that goal, select the best choice and explain why.

3

- 3.2.9.1 Identify possible short-term and long-term consequences of different choices, while highlighting that not all individuals have access to the same choices.

4

- No benchmark at this level

5

- 5.2.9.1 Apply a decision-making process to identify alternative options available to decision-makers in a historical setting, the decision that was made and the opportunity cost of the decision.

6

- 6.2.9.1 Describe various types of income. Explain the role that the development of human capital plays in determining one's income. Create a budget based on a given monthly income.

7

- 7.2.9.1 Apply reasoned decision-making techniques, using primary sources. Explain why different groups across different cultures and communities may prioritize different values when faced with the same alternatives.

8

- No benchmark at this level.

Anchor Standard Nine: Personal Finance- High School

- 9.2.9.1 Analyze how individual or household income is determined by a variety of individual and social factors.
- 9.2.9.2 Establish personal financial goals. Create a financial plan, considering budgeting and asset building, to meet those goals. Determine the nature of the barriers the individual confronts. Determine ways to track the success of the plan.
- 9.3.9.3 Evaluate how various household assets of property, housing, stocks, bonds, savings accounts and monetizing creative enterprises can generate income, considering risk, return and time horizon.
- 9.2.9.4 Evaluate the benefits and costs of credit. Explain how the financial industry assesses one's ability to manage credit and how this affects one's ability to borrow, rent, get a job and achieve other financial goals.
- 9.2.9.5 Explain the pricing, sales, advertising and other marketing strategies used to sell products from a consumer perspective.

Anchor Standard Ten: Microeconomics—Grades K-8

K

- K.2.10.1 Distinguish between goods (objects that can be seen or touched) and services (actions or activities). Identify goods and services that could satisfy a specific need or want.

1

- No benchmark at this level.

2

- No benchmark at this level.

3

- 3.2.10.1 Explain that consumers have two roles—as sellers of resources and buyers of goods and services. Explain that producers have two roles—as sellers of goods and services and buyers of resources.

4

- 4.2.10.1 Explain what it means for a resource to be productive and how productivity can increase.

5

- 5.2.10.1 Calculate profit as the difference between revenue (from selling goods and services) and cost (payments for resources used).

6

- No benchmark at this level.

7

- 7.2.10.1 Explain how profit can be an incentive for entrepreneurs to develop medical breakthroughs, new technology, green energy and other benefits to society, but the profit motive can also lead to negative outcomes including resource exploitation and unfair labor practices.

8

- 8.2.10.1 Explain how the individual decisions of consumers, producers and government can impact the whole society in both positive and negative ways.

Anchor Standard Ten: Microeconomics- High School

- 9.2.10.1 Use economic models to explain how resources, money, and goods and services are exchanged in an economy.
- 9.2.10.2 Graph market demand and explain that market demand is based on each buyer's willingness and ability to pay and the number of buyers in the market. Analyze the effect of factors that can change demand.
- 9.2.10.3 Graph market supply and explain that market supply is based on each seller's cost and the number of sellers in the market. Analyze the effect of factors that can change supply.
- 9.2.10.4 Use the market model (supply and demand) to analyze how the interaction of individual buyers and sellers affects equilibrium price and quantity and how shortages and surpluses affect prices.
- 9.2.10.5 Explain how changes (shifts) in the demand and supply of an item result in changes in its market price and quantity. Explain how these shifts can lead to changes in prices and quantities in other markets.
- 9.2.10.6 Compare and contrast characteristics of various market structures.
- 9.2.10.7 Analyze the impact of various market structures on long-run profit, price, and production and efficiency in a market. Explain how market power can affect consumers.
- 9.2.10.8 Analyze the causes of market failures due to lack of competition and lack of perfect information and barriers to resource mobility. Evaluate potential remedies.
- 9.2.10.9 Analyze the causes of market failures due to externalities and public goods and common resources. Evaluate potential remedies.

Anchor Standard Eleven: Macroeconomics—Grades K-8

K

- No benchmark at this level.

1

- 1.2.11.1 Explain that an economy is a system for using resources and distributing goods and services within a community.

2

- No benchmark at this level.

3

- No benchmark at this level.

4

- 4.2.11.1 Explain how a nation's resources influence the goods and services it can produce and why people in different cultures, regions or countries may make different decisions about resource use.

5

- 5.2.11.1 Investigate the relationship between individual well-being and the well-being of an entire community or nation.

6

- 6.2.11.1 Describe the movement of goods and services, resources and money through markets at the community, national and global level.
- 6.2.11.2 Explain how people living in a community are impacted by government policies regarding land use. Investigate how communities are impacted when consumers have or do not have opportunities to work, shop, eat and connect with one another locally, helping the community build assets.

7

- No benchmark at this level.

8

- 8.2.11.1 Identify factors that affect economic growth (percentage changes in real gross domestic product [GDP]) and lead to a different standard of living in different nations and within nations.

Anchor Standard Eleven: Macroeconomics- High School

- 9.2.11.1 Measure full employment in terms of the unemployment rate and various types of unemployment. Analyze past and recent data to describe factors that impact the long-run growth of jobs in an economy.
- 9.2.11.2 Measure inflation in terms of a percentage change in a price index. Analyze past and recent data to explain how the money supply is related to long-run inflation and how inflation affects buyers, sellers, borrowers and lenders.
- 9.2.11.3 Evaluate economic growth using a variety of indicators. Analyze past and recent data to identify factors that promote or hinder long-run economic growth and its sustainability.
- 9.2.11.4 Graph short-run aggregate demand and aggregate supply to describe change in output, employment and the price level.
- 9.2.11.5 Analyze and evaluate how various government fiscal policies are likely to impact overall output, employment, the price level and the national deficit/debt.
- 9.2.11.6 Compare and contrast how various monetary policies of the Federal Reserve are implemented. Predict how these policies are likely to impact overall output, employment and the price level.
- 9.2.11.7 Explain interest rates and how interest rates are determined. Explain how financial institutions (banks and credit unions) make it possible for businesses to borrow and spend on new capital investment (machinery, tools, equipment) and for households to borrow and spend on purchases.

Anchor Standard Twelve: Global and International Economics—Grades K-8

K

- K.2.12.1 Explain why people agree to trade.

1

- 1.2.12.1 List examples of goods that people buy from different countries.

2

- No benchmark at this level.

3

- No benchmark at this level.

4

- No benchmark at this level.

5

- 5.2.12.1 Explain how government decisions concerning trading relationships may impact people differently within a community or nation.

6

- 6.2.12.1 Explain why companies might move production to other states or countries.

7

- 7.2.12.1 Distinguish between groups that benefit and that are hurt by a specific trade policy.

8

- 8.2.12.1 Explain how global trade helps people and countries obtain goods and services they could not produce (or produce affordably) for themselves.

Anchor Standard Twelve: Global and International Economics- High School

- 9.2.12.1 Apply the principles of absolute and comparative advantage to explain the increase in world production. Identify the situations in which groups could benefit or lose with free-trade treaties, trading blocs and trade barriers.
- 9.2.12.2 Explain how the demand and supply (foreign exchange) of currencies determines exchange rates and, in turn, affects trade.