Arkansas Social Studies

Economics

Adopted 2022

Economic Decision-Making

2. **Understand the impact of economic decision-making. This includes considering the marginal costs and marginal benefits of alternatives.** E.2
    1. Demonstrate proper etiquette for interacting with the Arkansas and American flags. E.2.ECON.1
    2. Evaluate the roles of scarcity, incentives, trade-offs, and opportunity cost in decision-making (e.g., PACED decision-making model, cost/benefit analysis, employment choices, the four factors of production). E.2.ECON.2
    3. Justify various economic solutions to problems affecting an individual or society using marginal cost and marginal benefit analysis. E.2.ECON.3

Exchange and Markets

3. **Understand the exchange of goods and services. This includes different allocation methods and changes in supply and demand; the role of producers, consumers, and government in a market economy; and the degree of competition among buyers and among sellers in markets.** E.3
    1. Identify various allocation methods used in different circumstances, countries, and economies (e.g., price, auction, lottery, first come, first served, personal characteristics, a contest/performance-based, fiat, or a combination). E.3.ECON.1
    2. Demonstrate changes in supply and demand using graphs to show shifts, shortages, surpluses, and changes in equilibrium price and quantity using the supply and demand model. E.3.ECON.2
    3. Analyze the role of consumers in a market economy. E.3.ECON.3
    4. Analyze the role of producers in a market economy. E.3.ECON.4
    5. Evaluate intended and unintended consequences of government policies created to improve market outcomes (e.g., regulatory, participatory, supervisory, price floor, price ceiling, minimum wage). E.3.ECON.5
    6. Compare and contrast various degrees of competition in markets (e.g., perfect competition, monopolistic competition, oligopoly, monopoly). E.3.ECON.6
    7. Explain how differences in the extent of competition in various markets can affect price, quantity, and variety. E.3.ECON.7

National Economy

4. **Understand the growth, stability, and interdependence within a national economy. This includes the current and future state of the economy using economic indicators and monetary and fiscal policies for a variety of economic conditions.** E.4

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1. Analyze economic indicators used to measure economic performance including, but not limited to, unemployment, Gross Domestic Product (GDP), Consumer Price Index (CPI), and inflation. E.4.ECON.1
2. Identify various causes and impacts of inflation, deflation, and stagflation, including the role of federal fiscal policies. E.4.ECON.2
3. Evaluate the impact of advancements in technology, investments in capital goods, and increases in human capital on economic growth and standards of living. E.4.ECON.3
4. Compare and contrast the roles and functions of financial institutions in the United States including banking practices* and regulation of savings and investments. E.4.ECON.4
5. Examine primary (e.g., ample reserves) and secondary (e.g., discount rate, reserve requirement, interest on reserves) monetary policy tools used by the Federal Reserve System. E.4.ECON.5
6. Examine fiscal policy tools used by the executive and legislative branches of the government, including taxation, spending, regulation, and printing of currency. E.4.ECON.6
7. Determine how the federal budget (i.e., spending and taxation) creates surpluses or deficits and impacts the national debt. E.4.ECON.7

Global Economy

5. **Understand the growth, stability, and interdependence within a global economy. This includes ways in which trade leads to increased economic interdependence.** E.5
    1. Analyze the role of comparative advantage in trade and global markets using available data and a variety of sources. E.5.ECON.1
    2. Explain ways in which current trends in globalization affect economic growth, labor markets, rights of individuals, the environment, technological advancement, and resource and income distribution in different nations. E.5.ECON.2
    3. Research the impact of international and national economic and political policies on global trade using a variety of sources from multiple perspectives (e.g., trade policies, tariffs, quotas, immigration laws, fiscal policy, regulations). E.5.ECON.3

Personal Finance Management

6. **Understand the factors affecting income, wealth, and financial risk. This includes the role of credit in personal finance.** E.6
    1. Analyze the impact of education, training, job seeking skills, and workforce readiness skills (i.e., soft skills) on productivity, earning potential, and employment:
Job-seeking skills: network, interview skills, resumé writing
Workforce readiness skills: positive attitude, problem-solving, communication, time management, leadership, active listening, teamwork, meeting basic employer expectations and requirements E.6.ECON.PF.1

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2. Critique components of personal money management in order to build short-term and long-term wealth:
Income (e.g., salary, hourly, overtime, commission) Saving (e.g., stick to a budget, automate savings, cut out unnecessary spending) and investing (e.g., growth, shares, property)
Planning for retirement
Home-ownership
Management of expenses and debt E.6.ECON.PF.2
3. Analyze insurance as a risk-management strategy to protect against unforeseen financial loss (e.g., auto, health, life, homeowners, renters, disability, liability). E.6.ECON.PF.3
4. Analyze income and expenses to create a household budget including food, shelter, transportation, utilities, insurance, savings, charitable giving, and other expenses. E.6.ECON.PF.4
5. Examine employment forms W-4, W-2, I-9, payroll deductions, and other deductions in order to file an appropriate income tax form. E.6.ECON.PF.5
6. Evaluate costs and benefits (e.g., interest rates, fees, penalties, rewards) of using various types of credit*:
Student loans
Credit cards
Personal loans (e.g., auto, home mortgage) E.6.ECON.PF.6
7. Analyze factors that affect creditworthiness (e.g., credit score, three Cs of credit). E.6.ECON.PF.7
8. Evaluate strategies to avoid and correct credit issues:
Identity protection
Bankruptcy
Debt and credit management E.6.ECON.PF.8
9. Discuss consumer protection laws (e.g., Credit Card Accountability Responsibility and Disclosure Act of 2009, Truth in Lending Act, Fair Debt Collection Practices Act, Fair Credit Reporting Act). E.6.ECON.PF.9

Personal Finance

1. **Explain factors that influence career and job selection** PF.1.EI.1
2. Determine ways to locate and apply for a job by
Completing a job search in an area of interest
Completing a job application, cover letter, resumé, and follow-up letter PF.1.EI.2
3. Evaluate ways to make a positive impression during a job interview PF.1.EI.3
4. Compare job offers for employee benefits (e.g., time, income, insurance, retirement) PF.1.EI.4
5. Summarize skills needed to be successful in the workplace Communication
Time Management
Basic Employer Expectations PF.1.EI.5
1. Compare and contrast the methods by which employees are paid (e.g., paycheck forms such as direct deposit, paper check, payroll card) PF.2.EI.1
2. Represent and analyze various types of income deductions and how they impact income (e.g., payroll taxes, deductions, gross pay, net pay) PF.2.EI.2
3. Analyze differences among salary, hourly, commission, and overtime pay PF.2.EI.3

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4. Complete work-related forms
W-4
I-9
Medical forms
Life Insurance forms
Retirement forms PF.2.EI.4

1. Explore potential careers (including an employment forecast) and the steps needed to achieve them based on interests and/or talents PF.3.CCP.1
2. Explore opportunities for internships, job shadowing, and real-world experiences to determine future career paths PF.3.CCP.2
3. Develop a flowchart to outline the steps needed to achieve chosen career paths (e.g., trade school, associate's degree, bachelor's degree, master's degree, doctorate) PF.3.CCP.3

1. Identify types of fraud and credit abuse and develop strategies to protect oneself from identity fraud* and theft* PF.4.C.1
2. Discuss common crimes against consumers and examine federal consumer protection laws PF.4.C.2
3. Compare and contrast the advantages and disadvantages of renting versus owning a home (e.g., costs, taxes, insurance) PF.4.C.3
4. Analyze factors that determine/influence mortgage costs (e.g., interest rate, term length, credit rating) PF.4.C.4
5. Understand different components of credit by:
Comparing and contrasting sources of credit (e.g., car loans, student loans, credit cards)
Discussing the establishment and use of credit
Identifying the factors that contribute to a credit score
Calculating the actual costs associated with credit
Discussing methods of solving credit problems
Evaluating the risks associated with overextending credit PF.4.C.5
6. Understand the different components of bankruptcy by:
Identifying and evaluating types of bankruptcy
Examining the impact of declaring bankruptcy and how it may affect future financial opportunities PF.4.C.6
7. Understand the different components of loans by:
Differentiating between the types of loans (e.g., payday, auto, home, personal, student)
Examining the lending process from application to approval
Calculating true costs associated with loans (e.g., term length, interest rate)
Understanding the factors that contribute to different interest rates
Evaluating the implications of obtaining and/or defaulting on a loan PF.4.C.7

1. Compare types of banking institutions including products and services available. PF.5.MM.1
2. Explore the process of opening and managing different types of accounts (e.g., checking, savings). PF.5.MM.2
3. Analyze the advantages and disadvantages of various retirement plans (e.g., pension, 401K, IRA, social security) PF.5.MM.3

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4. Analyze expenses to create a household budget including, but not limited to, housing, utilities, food, saving, insurance, taxes (e.g., taxes on earnings such as income tax, taxes on what people buy such as groceries (i.e., sales tax), and items people own such as a house or car (i.e., property tax), spending, and charitable giving PF.5.MM.4
5. Examine the influences on financial planning decisions (e.g., long-term, needs vs. wants, priorities, values, stages of life, estate planning) PF.5.MM.5

1. Analyze the need for insurance in managing risk and how risk affects cost PF.6.I.1
2. Investigate the relationship between insurance premiums and deductibles PF.6.I.2
3. Evaluate auto insurance options and factors affecting the cost of coverage including split limit PF.6.I.3
4. Assess health-related insurance options and types of coverage (e.g., health, dental, vision, stroke/heart disease, cancer, accident, short-term/long-term disability, long-term care) PF.6.I.4
5. Analyze various types of life insurance (e.g., term, whole) PF.6.I.5
6. Investigate property insurance and potential riders including, but not limited to, homeowner's, renter's, and mortgage PF.6.I.6

5. Compare the characteristics of saving tools (e.g., liquidity, interest rates, term length) to determine how to best meet a financial goal PF.7.SI.5
7. Research different types of investments and consider the importance of diversification
Annuities
Bonds
Money Market Funds
Mutual Funds
Real Estate
Stocks PF.7.SI.7
8. Understand the regulation of savings and investments. PF.7.SI.8

1. Compare the effects of interest rates as applied to saving and borrowing money PF.7.SI.1
2. Examine how consumers are affected by raising and lowering interest rates PF.7.SI.2
3. Calculate simple and compound interest and explain the difference between the two PF.7.SI.3
4. Analyze the relationship between risk and return PF.7.SI.4