



An Introduction to
the Economics Strand
of the California
History/Social
Science Standards





CALIFORNIA
DEPARTMENT OF
EDUCATION

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JACK O'CONNELL
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Dear Social Studies Educators:

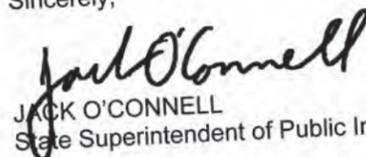
It gives me great pleasure to introduce the economics strand of the California History/Social Science standards. As you are aware, Senate Bill 1213, passed by the California Legislature in 1985, mandates a one-semester course in economics for graduation from high school.

These Standards include an economics strand integrated into the Social Science curriculum, kindergarten through eleventh grade. In the twelfth grade, the course is tightly focused and emphasizes economic reasoning. Beginning in kindergarten, students learn about the world of choices and work. The Standards evolve as students grasp an understanding of markets and the workings of the U.S. economy in a global setting. The goal of the Standards is to help prepare our students for their future roles as responsible adults in our society. I think you will find that the Standards contribute to our children's understanding of the world in which they live and work.

As a board member of the California Council on Economic Education (CCEE), I encourage you to take advantage of the excellent staff development opportunities the CCEE offers. By participating in their conferences and workshops, you will gain an introduction to the Standards and the economics strand. In addition, you will learn effective pedagogical techniques for implementing the Standards.

I strongly support the CCEE's plans to assist teachers in implementing the standards in an effective and stimulating fashion.

Sincerely,


JACK O'CONNELL
State Superintendent of Public Instruction

A Message from Jim Charkins, Executive Director

This booklet has been prepared to familiarize you with the economics strand of the California History/Social Science Standards.

California has made great progress in economic education. Our state is one of only 13 that includes an economics course in the high school graduation requirements – a mandate adopted by the California Legislature in 1985. With the adoption of the 1998 History/Social Science Standards, economics now plays a greater role in the Kindergarten through Grade 12 classroom since the economics strand runs through the entire curriculum.

Two important characteristics of the economics in the Standards are noteworthy: 1) With the exception of Grade 12, economics is integrated with the other social sciences, and 2) the emphasis is on economic reasoning and analytical skills throughout the grades.

These Standards are meant to help students develop economic reasoning in a context rather than in a vacuum. The goal is to help students view the human experience through the eyes of the economist, applying lessons of the past to the present and the future and empowering them to make informed decisions.

The emphasis on economic reasoning stems from the fact that the simplest ideas in economics are the most powerful. The goal is not simply for students to *know* economics but also to *use* economic reasoning in preparing for their adult roles as citizens, workers and consumers-savers. The fundamental concepts and analytical tools are emphasized continually in the Standards so that high school graduates will have the power of economic reasoning at

their fingertips – for the rest of their lives.

In addition to the economics strand of the Standards, this booklet includes three components to simplify understanding and implementation. First are *The Nine Principles of Economics* upon which the economics in the Standards are based. They are a shortened version of the building blocks of economic reasoning. They are the “headlines” of the economics story and are meant to help teachers and students focus on the “Big Ideas” rather than getting lost in a maze of minutiae. The *Economist's Analytical Tool Kit* provides a frame of reference for the Standards – a methodological framework from which these Standards can be viewed. The *Grade-by-Grade Capsules* give teachers a quick glimpse of the content to be learned at each grade level.

Our hope in the California Council on Economic Education is that this booklet will facilitate your understanding of the economics in the Standards, give you an appreciation for the power and ease of economic analysis and help you find ways to integrate economics into your curriculum. We welcome your comments.



Biography: Jim Charkins, Ph.D.

Dr. Charkins is Professor of Economics at California State University, San Bernardino and the Executive Director of the California Council on Economic Education. During the summer he serves on the faculty of the Foundation for Teaching Economics. He was the Economics editor of *The Wall Street Journal Classroom Edition Teacher's Guide* for nine years.

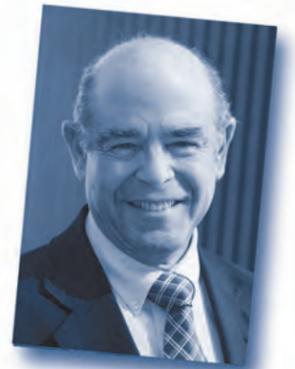
Dr. Charkins received his Bachelor's degree from the University of Santa Clara in 1966 and his Ph.D. in economics from the University of North Carolina at Chapel Hill in 1970. He has taught at Purdue University, The Florida State University, the University of Nairobi, and the United States Army Infantry School, Fort Benning, Georgia. He was a research associate at Makerere University, Kampala, Uganda.

He served on the 10-member writing team for Kindergarten through Twelfth Grade national economics standards. He has worked with the California Department of Education to develop a Kindergarten through 12th grade economics curriculum.

He served as the economics content consultant to the California Commission for the Establishment of Academic Content and Performance Standards and he authored the *Teacher Guide to the California Economics Standards*.

Dr. Charkins has received numerous grants and awards. He has published articles on subjects ranging from the 1974 U.S. grain sale to Russia to matching teaching styles and learning styles in the college economics principles course. He has developed economics teaching materials for students from kindergarten to college, and he has conducted numerous workshops throughout the country in economics education for teachers from the kindergarten through doctoral level.

Dr. Charkins is a leader in the area of computerized economics instruction, having been awarded two grants by the National Science Foundation to equip computer labs for the California State University, San Bernardino, economics department's courses.



A Message from William F. Coffin, Chairman of the Board

Economic illiteracy is as much a handicap as not being able to read. Without a basic understanding of economic principles, young people, and adults, fail to understand the important forces that shape their lives and their future.

At the same time competence in economic reasoning cannot be accomplished with one class taught by one teacher. Both reading and economic reasoning are critical to the success and well being of young people, and need to be learned and practiced from kindergarten through twelfth grade.

The mission of CCEE is to provide the needed Tools, Techniques and Technology to California's 330,000 K-12 teachers so that excellence in teaching this important subject can be achieved seamlessly within the existing curriculum, without additional precious time or resources.

For over forty years CCEE has been a trusted leader in improving the level of economic literacy and pedagogical skills of our K-12 teachers. It is one thing for a teacher to have taken economic classes in college; it is quite another to integrate an "economic way of thinking" into all aspects of their teaching. This economic framework enables students to use logical, systematic ways of reasoning to make better decisions throughout life.

In partnership with the National Council on Economic Education, the California State University System, the California Department of Education, and the San Francisco Federal Reserve Bank, CCEE continues to raise the bar with respect to leveraging the power of innovative teaching techniques and information technology to reach an ever increasing and mobile group of California teachers and students.



In a radically changing economy, marked by outsourcing, global competition and technological change in the workplace, economic literacy will continue to be the foundation of a strong California, the 6th largest economy in the world. CCEE accepts that challenge and looks forward to the future. We hope you will join us in this crucial endeavor.

The Nine Principles

These are the economic principles upon which the Standards are based. The first column is a statement of the principle in language for the non-economist. The second column is the economics vocabulary that relates to each of the principles.

9 Principles of Economics

1. People choose.
2. Every choice has a cost.
3. Benefit/cost analysis is useful.
4. Incentives matter.
5. Exchange benefits the traders.
6. Markets work with competition, information, incentives, and property rights.
7. Skills and knowledge influence income.
8. Monetary and fiscal policies affect people's choices.
9. Government policies have benefits and costs.

Economics Vocabulary

1. Scarcity, alternatives, choice, personal responsibility
2. Opportunity cost, marginal cost, transaction cost, sunk cost
3. Goals, alternatives, marginal benefits, marginal costs, choice
4. Property rights, profits, prices, taxes, subsidies, non-monetary incentives
5. Domestic and international trade, money, foreign exchange
6. Supply, demand, relative prices, entrepreneurship, profit, competition, monopoly, market failures
7. Human capital, productivity, supply, demand, relative wages, labor market failures
8. Real gross domestic product, economic growth, consumer price index, interest rates, unemployment and job creation
9. Public choice, price controls, regulation and deregulation, government failures

Our Vision

Californians with the knowledge, understanding, and skills to make informed economic decisions

Our Mission

To advance the economic literacy of the people of California

The Results

Students who apply economic reasoning to all aspects of their lives and who leave school prepared to participate responsibly, effectively, and productively in the U.S. and global economies of the 21st century.

The California Council on Economic Education

The California Council on Economic Education is responsible for helping California's K-12 teachers implement economic education requirements. It is a nonprofit, nonpartisan consortium of education, business, political and labor leaders dedicated to advancing economic literacy throughout the state. This organization is affiliated with the National Council on Economic Education in a nationwide network of state Councils. The California Council works in partnership with the California Department of Education, the California State University, the California Association of School Economics Teachers (CASET), the Federal Reserve Bank of San Francisco and other organizations throughout the state. We deliver economics programs through our Centers for Economic Education located on university and college campuses.

Leading the charge for economic education in California, the Council pioneered the Economics Mandate passed in 1985 by the California Legislature requiring completion of a one-semester course in economics prior to high school graduation. We use a comprehensive four-prong approach for grades K-12, resulting in systemic change rather than random, uncoordinated efforts. The California Council on Economic Education:

- Promotes state and national standards that integrate economics into the K-12 curriculum.
- Develops innovative curricula that prepare California's K-12 students to participate in the global economy as responsible workers, consumers, savers and citizens
- Advances professional development in economic education for the state's K-12 teachers.
- Assesses the results of our efforts through well designed tests for both teachers and students.

Centers for Economic Education

CSU-East Bay
CSU-Fresno
CSU-Fullerton
CSU-Sacramento
CSU-San Bernardino
CSU-Stanislaus
Cuyamaca College
San Jose State University
University of Southern California
Woodbury University



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Two concepts pervade all of economics: *scarcity* and *choice*. Both are straightforward and obvious. Since we can't have everything we want, people choose among alternatives.

Economists view the human experience as a series of decisions, both individual and collective, based on desired goals, alternative ways to achieve those goals, an evaluation of the relative benefits and costs of the alternatives, and a decision.

The study of the human experience is an investigation of the goals of decision-makers and the *benefit/cost analyses* performed by those decision-makers. Students can begin to recognize that many non-monetary considerations are involved in benefit/cost analysis; that, in fact, most of the considerations are non-monetary. Benefit/cost analysis helps students delve into the minds of historical figures in an attempt to understand their thinking. Who made the decisions? What were the anticipated benefits and cost? Were the actual benefits and cost what had been anticipated? Who was affected by the decision? How were they affected?

The concept of *incentives* plays a central role in economic analysis. What drew people to the New World? What drew people in the East across the nation to California? What incentives exist today for citizens, politicians, entrepreneurs and others to act as they do? What incentives have existed for individuals to *trade* both domestically and internationally, and how do people gain from trade? Why did the Phoenicians risk their lives sailing beyond the Mediterranean? In the pursuit of trade, individuals and governments exchanged not only goods and services but also ideas, social customs, and philosophies.

Since scarcity exists, we must make choices about how to produce, distribute, and consume goods and services. *Market analysis* provides the key to understanding and explaining the way in which these decisions are made, to a large extent, in the United States. The impact of markets can be used to explain many historical events such as the reluctance of Britain to enter into the U.S. Civil War, the Westward expansion, water in California, etc. Market analysis can also be used to investigate the reasons for and effect of *government intervention* in the economy.

Labor market analysis provides a method for investigating ancient methods of production, medieval guilds, the Colonial era, transformation of economies, and the implications of the 21st century global economy for our students.

Finally, the economist uses *statistical analysis* to evaluate the performance of the U.S. and other economies in terms of economic growth, employment, price stability, and income distribution. The economist also uses these and other numbers to evaluate the effectiveness of the Federal Reserve Board's *monetary policy* and government *fiscal policy*.



Kindergarten: I make choices

Kindergarten is an opportunity to introduce the concepts of work, scarcity, choice and personal responsibility.

Grade 1: I live in an economy

First grade further develops both work and choice, while introducing goods and services, exchange, money and markets.

Grade 2: I depend on others and they depend on me

This grade continues the concept of choice and introduces interdependence of buyers and sellers. The concept of scarcity is reinforced.

Grade 3: The choices I make now will affect my future

The concept of an economy, alluded to in the second grade, is introduced. In the third grade, resources, international markets, choices, trade-offs, and human capital are combined. From this point on, the human experience can be viewed as a series of choices and benefit/cost analyses made by decision-makers. Students should be able to use benefit/cost analysis in their personal decisions. In addition, they should be able to see themselves as workers, whose job it is to develop their human capital to provide them with the skills necessary for successful participation in the economy of the future.

Grade 4: I live and work in the California economy

All of the previous concepts are refined, using California history as the context. Students learn the economic history of the state and begin to see their future as workers in the California economy.

Grade 5: My economic choices affect others

Fifth grade is an opportunity to apply benefit/cost analysis to early American history. The concepts of choice, trade-offs, opportunity cost, incentives, property rights, economic conflicts and the economic reasons for the American Revolution can all be taught in the context of benefit/cost analysis.

Throughout grades six, seven and eight the concepts of incentives, trade, supply, demand and markets should be developed.

Grade 6: I can improve my situation by trading

Grade 7: Markets make trading easier

The Standards for sixth and seventh grades illustrate the relationship between economics, politics, culture, and geography. They also explain the role of trade in the development of economies. Finally, they illustrate how markets attract resources and lead the way to exploration, colonization and social and political exchange among different peoples.

Grade 8: Markets influence people's choices

Eighth grade explores the economics of the Constitution, the development of the Capitalist economy, economic incentives for Westward expansion, economic conflicts behind the wars of the period, the economics of slavery, the philosophical and economic differences between Jefferson and Hamilton—including the continuing controversy over a Central Bank—and the Industrial Revolution.

Grade 9: The choices I make now affect my future

The plan is to make personal economics (workforce preparation and personal financial literacy) an elective ninth-grade course.

Grade 10: I live and work in a global economy

The Standards for tenth grade illustrate the relationship between geography, economics and politics. They provide an opportunity to refine the concepts of labor markets, international trade, comparative advantage, economic imperialism and the past and present role of technology in changing labor markets. Students should use the past to help identify their roles, opportunities and challenges in today's labor market.

Grade 11: In an economy, people make choices. Government policy affects those choices

Economic aspects of 19th and 20th century American development are stressed. Migration is another opportunity to employ benefit/cost analysis. Migration policies present an opportunity to compare the past to the present. The history of the American labor movement is described. The development of the economy and the impact of the changing nature of the economy on workers are analyzed. The changing role of women in the economy is described. The development of monetary and fiscal policy is introduced with the Great Depression and continues through the current Administration. Contemporary economic problems such as poverty and the environment are discussed. This can be the place to begin the study of macroeconomics in the context of U.S. history.

Grade 12: I am ready

This grade features the one-semester economics course included in the 1998 History/Social Science Standards and fulfills the 1985 economics mandate of the California legislature. While typical micro and macroeconomic topics are included, some of the more technical tools of the economist are de-emphasized in favor of economic reasoning, including choice, cost of choices, benefit/cost analysis, incentives and voluntary exchange. Market analysis is described in detail, and price as an indicator of relative scarcity is explained. Students learn how labor markets work and about the evolution and transition of the U.S. labor market. By now students should know that they must bring skills to the labor market and that greater human capital affords greater chances for success. The role of government is analyzed, including the perspective of public choice. Economic indicators and macroeconomic policy are explained and can be taught with reference to the 11th grade course. Domestic and international trade and exchange rates are investigated.

Economics in the California History/Social Science Standards

Grades K-5 Historical and Social Sciences Analysis Skills

Historical Interpretation – This Standard is to be applied in kindergarten through grade five.
Section 4. Students conduct cost/benefit analyses of historical and current events.

Kindergarten

- K.1 Students understand that being a good citizen involves acting in certain ways:**
Section 2. Learn examples of honesty, courage, determination, individual responsibility, and patriotism in American and world history from stories and folklore.
- K.3 Students match simple descriptions of work that people do and the names of related jobs at the school, in the local community, and from historical accounts.**
- K.6 Students understand that history relates to events, people, and places of other times:**
Section 3. Understand how people lived in earlier times and how their lives would be different today (e.g., getting water from a well, growing food, making clothing, having fun, forming organizations, living by rules and laws).
-

Grade 1

- 1.4 Students compare and contrast everyday life in different times and places around the world and recognize that some aspects of people, places, and things change over time while others stay the same:**
Section 3. Recognize similarities and differences of earlier generations in such areas as work (inside and outside the home), dress, manners, stories, games, and festivals, drawing from biographies, oral histories, and folklore.
- 1.6 Students understand basic economic concepts and the role of individual choice in a free-market economy:**
Section 1. Understand the concept of exchange and the use of money to purchase goods and services.
Section 2. Identify the specialized work that people do to manufacture, transport, and market goods and services and the contributions of those who work in the home.
-

Grade 2

- 2.4 Students understand basic economic concepts and their individual roles in the economy and demonstrate basic economic reasoning skills:**
Section 1. Describe food production and consumption long ago and today, including the roles of farmers, processors, distributors, weather, and land and water resources.

Section 2. Understand the role and interdependence of buyers (consumers) and sellers (producers) of goods and services.

Section 3. Understand how limits on resources affect production and consumption (what to produce and what to consume).

Grade 3

3.2 Students describe the American Indian nations in their local region long ago and in the recent past:

Section 3. Describe the economy and systems of government, particularly those with tribal constitutions, and their relationship to federal and state governments.

3.3 Students draw from historical and community resources to organize the sequence of local historical events and describe how each period of settlement left its mark on the land:

Section 2. Describe the economies established by settlers and their influence on the present-day economy, with emphasis on the importance of private property and entrepreneurship.

3.5 Students demonstrate basic economic reasoning skills and an understanding of the economy of the local region:

Section 1. Describe the ways in which local producers have used and are using natural resources, human resources, and capital resources to produce goods and services in the past and the present.

Section 2. Understand that some goods are made locally, some elsewhere in the United States, and some abroad.

Section 3. Understand that individual economic choices involve trade-offs and the evaluation of benefits and costs.

Section 4. Discuss the relationship of students' "work" in school and their personal human capital.

Grade 4

4.2 Students describe the social, political, cultural, and economic life and interactions among people of California from the pre-Columbian societies to the Spanish mission and Mexican rancho periods:

Section 1. Discuss the major nations of California Indians, including their geographic distribution, economic activities, legends, and religious beliefs; and describe how they depended on, adapted to, and modified the physical environment by cultivation of land and use of sea resources.

Section 6. Discuss the role of the Franciscans in changing the economy of California from a hunter-gatherer economy to an agricultural economy.

Section 8. Discuss the period of Mexican rule in California and its attributes, including land grants, secularization of the missions, and the rise of the rancho economy.

4.3 Students explain the economic, social, and political life in California from the establishment of the Bear Flag Republic through the Mexican-American War, the Gold Rush, and the granting of statehood:

Section 2. Compare how and why people traveled to California and the routes they traveled (e.g., James Beckwourth, Jedediah Smith, John C. Fremont, Juan Cabrillo).

4.4 Students explain how California became an agricultural and industrial power, tracing the transformation of the California economy and its political and cultural development since the 1850's:

Section 1. Understand the story and lasting influence of the Pony Express, Overland Mail Service, Western Union, and the building of the transcontinental railroad, including the contributions of Chinese workers to its construction.

Section 2. Explain how the Gold Rush transformed the economy of California, including the type of products produced and consumed, changes in towns (e.g., Sacramento, San Francisco), and economic conflicts between diverse groups of people.

Section 3. Discuss immigration and migration to California between 1850 and 1900, including the diverse composition of those who came; the countries of origin and their relative locations; and conflicts and accords among the diverse groups (e.g., the 1882 Chinese Exclusion Act).

Section 4. Describe rapid American immigration, internal migration, settlement, and the growth of towns and cities (e.g., Los Angeles).

Section 5. Discuss the effects of the Great Depression, the Dust Bowl, and World War II on California.

Section 6. Describe the development and location of new industries since the turn of the century, such as the aerospace industry, electronics industry, large-scale commercial agriculture and irrigation projects, the oil and automobile industries, communications and defense industries, and important trade links with the Pacific Basin.

Section 7. Trace the evolution of California's water system into a network of dams, aqueducts, and reservoirs.

Section 8. Describe the history and development of California's public education system, including universities and community colleges.

Section 9. Analyze the impact of twentieth-century Californians on the nation's artistic and cultural development, including the rise of the entertainment industry (e.g., Louis B. Meyer, Walt Disney, John Steinbeck, Ansel Adams, Dorothea Lange, John Wayne).

Grade 5

5.1 Students describe the major pre-Columbian settlements, including the cliff dwellers and pueblo people of the desert Southwest, the American Indians of the Pacific Northwest, the nomadic nations of the Great Plains, and the woodland peoples east of the Mississippi River:

Section 1. Describe how geography and climate influenced the way various nations lived and adjusted to the natural environment, including locations of villages, the distinct structures that they built, and how they obtained food, clothing, tools and utensils.

Section 3. Explain their varied economies and systems of government.

5.2 Students trace the routes of early explorers and describe the early explorations of the Americas:

Section 1. Describe the entrepreneurial characteristics of early explorers (e.g., Christopher Columbus, Francisco Vasquez de Coronado) and the technological developments that made sea exploration by latitude and longitude possible (e.g., compass, sextant, astrolabe, seaworthy ships, chronometers, gunpowder).

Section 2. Explain the aims, obstacles, and accomplishments of the explorers, sponsors, and leaders of key European expeditions and the reasons Europeans chose to explore and colonize the world (e.g., the Spanish Reconquista, the Protestant Reformation, the Counter Reformation).

- 5.3 **Students describe the cooperation and conflict that existed among the Indians and between the Indian nations and the new settlers:**
Section 1. Describe the competition among the English, French, Spanish, Dutch and Indian nations for control of North America.
- 5.4 **Students understand the political, religious, social, and economic institutions that evolved in the colonial era:**
Section 5. Understand how the British colonial period created the basis for the development of political self-government and a free-market economic system and the differences between the British, Spanish, and French colonial systems.
Section 6. Describe the introduction of slavery into America, the responses of slave families to their condition, the ongoing struggle between proponents and opponents of slavery, and the gradual institutionalization of slavery in the South.
- 5.5 **Students explain the causes of the American Revolution:**
Section 1. Understand how political, religious, and economic ideas and interests brought about the Revolution (e.g., resistance to imperial policy, the Stamp Act, the Townshend Acts, taxes on tea, Coercive Acts).
- 5.6 **Students understand the course and consequences of the American Revolution:**
Section 4. Understand the personal impact and economic hardship of the war on families, problems of financing the war, wartime inflation, and laws against hoarding goods and materials and profiteering.
Section 6. Demonstrate knowledge of the significance of land policies developed under the Continental Congress (e.g., sale of western lands, the Northwest Ordinance of 1787) and those policies' impact on American Indians' land.
- 5.8 **Students trace the colonization, immigration, and settlement patterns of the American people from 1789 to the mid-1800s, with emphasis on the role of economic incentives, effects of the physical and political geography, and transportation systems.**

Grades 6-8: Historical and Social Science Analysis Skills

Historical Interpretation - This Standard is to be applied in grades six through eight.

- Section 6. Students interpret basic indicators of economic performance and conduct cost/benefit analyses of economic and political issues.

Grade 6

- 6.1 **Students describe what is known through archaeological studies of the early physical and cultural development of humankind from the Paleolithic era to the agricultural revolution:**
Section 3. Discuss the climatic changes and human modifications of the physical environment that gave rise to the domestication of plants and animals and new sources of clothing and shelter.
- 6.2 **Students analyze the geographic, political, economic, religious, and social structures of the early civilizations of Mesopotamia, Egypt, and Kush:**
Section 2. Trace the development of agricultural techniques that permitted the production of economic surplus and the emergence of cities as centers of culture and power.
Section 6. Describe the role of Egyptian trade in the eastern Mediterranean and Nile valley.

- Section 8. Identify the location of the Kush civilization and describe its political, commercial, and cultural relations with Egypt.

- 6.3 **Students analyze the geographic, political, economic, religious, and social structures of the Ancient Hebrews:**
Section 4. Discuss the locations of the settlements and movements of Hebrew peoples, including the Exodus and their movement to and from Egypt, and outline the significance of the Exodus to the Jewish and other people.
- 6.4 **Students analyze the geographic, political, economic, religious, and social structures of the early civilization of Ancient Greece:**
Section 1. Discuss the connections between geography and the development of city-states in the region of the Aegean Sea, including patterns of trade and commerce among Greek city-states and within the wider Mediterranean region.
- 6.5 **Students analyze the geographic, political, economic, religious, and social structures of the early civilizations of India:**
Section 1. Locate and describe the major river system and discuss the physical setting that supported the rise of this civilization.
- 6.6 **Students analyze the geographic, political, economic, religious, and social structures of the early civilizations of China:**
Section 7. Cite the significance of the trans-Eurasian “silk roads” in the period of the Han Dynasty and Roman Empires and their locations.
- 6.7 **Students analyze the geographic, political, economic, religious, and social structures during the development of Rome:**
Section 3. Identify the location of and the political and geographic reasons for the growth of Roman territories and expansion of the empire, including how the empire fostered economic growth through the use of currency and trade routes.

Grade 7

- 7.2 **Students analyze the geographic, political, economic, religious, and social structures of civilizations of Islam in the Middle Ages:**
Section 5. Describe the growth of cities and the establishment of trade routes among Asia, Africa and Europe, the products and inventions that traveled along these routes (e.g., spices, textiles, paper, steel, new crops), and the role of merchants in Arab society.
- 7.3 **Students analyze the geographic, political, economic, religious, and social structures of the civilizations of China in the Middle Ages:**
Section 2. Describe agricultural, technological, and commercial developments during the Tang and Sung periods.
Section 4. Understand the importance of both overland trade and maritime expeditions between China and other civilizations in the Mongol Ascendancy and Ming Dynasty.
- 7.4 **Students analyze the geographic, political, economic, religious, and social structures of the sub-Saharan civilizations of Ghana and Mali in Medieval Africa:**
Section 1. Study the Niger River and the relationship of vegetation zones of forest, savannah, and desert to trade in gold, salt, food, and slaves; and the growth of the Ghana and Mali empires.
Section 2. Analyze the importance of family, labor specialization, and regional commerce in the development of states and cities in West Africa.

7.6 Students analyze the geographic, political, economic, religious, and social structures of the civilizations of Medieval Europe:

Section 3. Understand the development of feudalism, its role in the medieval European economy, the way in which it was influenced by physical geography (the role of the manor and the growth of towns), and how feudal relationships provided the foundation of political order.

7.7 Students compare and contrast the geographic, political, economic, religious, and social structures of the Meso-American and Andean civilizations:

Section 1. Study the locations, landforms, and climates of Mexico, Central America, and South America and their effects on Mayan, Aztec, and Incan economies, trade, and development of urban societies.

7.8 Students analyze the origins, accomplishments, and geographic diffusion of the Renaissance:

Section 2. Explain the importance of Florence in the early stages of the Renaissance and the growth of independent trading cities (e.g., Venice), with emphasis on the cities' importance in the spread of Renaissance ideas.

Section 3. Understand the effects of the reopening of the ancient "Silk Road" between Europe and China, including Marco Polo's travels and the location of his routes.

7.11 Students analyze political and economic change in the sixteenth, seventeenth, and eighteenth centuries (the Age of Exploration, the Enlightenment, and the Age of Reason):

Section 2. Discuss the exchanges of plants, animals, technology, culture, and ideas among Europe, Africa, Asia and the Americas in the fifteenth and sixteenth centuries and the major economic and social effects on each continent.

Section 3. Examine the origins of modern capitalism; the influence of mercantilism and cottage industry; the elements and importance of a market economy in seventeenth-century Europe; the changing international trading and marketing patterns, including their locations on a world map; and the influence of explorers and map makers.

Grade 8

8.3 Students understand the foundation of the American political system and the ways in which citizens participate in it:

Section 2. Explain how the ordinances of 1785 and 1787 privatized national resources and transferred federally owned lands into private holdings, townships, and states.

Section 3. Enumerate the advantages of a common market among the states as foreseen in and protected by the Constitution's clauses on interstate commerce, common coinage, and full-faith and credit.

Section 4. Understand how the conflicts between Thomas Jefferson and Alexander Hamilton resulted in the emergence of two political parties (e.g., view of foreign policy, Alien and Sedition Acts, economic policy, National Bank, funding and assumption of the revolutionary debt).

8.4 Students analyze the aspirations and ideals of the people of the new nation:

Section 3. Analyze the rise of capitalism and the economic problems and conflicts that accompanied it (e.g., Jackson's opposition to the National Bank; early decisions of the U.S. Supreme Court that reinforced the sanctity of contracts and a capitalist economic system of law).

8.5 Students analyze U.S. foreign policy in the early Republic:

Section 1. Understand the political and economic causes and consequences of the War of 1812 and know the major battles, leaders, and events that led to a final peace.

Section 2. Know the changing boundaries of the United States and describe the relationship the country had with its neighbors (current Mexico and Canada) and Europe, including the influence of the Monroe Doctrine, and how those relationships influenced westward expansion and the Mexican-American War.

8.6 Students analyze the divergent paths of the American people from 1800 to the mid-1800s and the challenges they faced, with emphasis on the Northeast:

Section 1. Discuss the influence of industrialization and technological developments on the region, including human modification of the landscape and how physical geography shaped human actions (e.g., growth of cities, deforestation, farming, mineral extraction).

Section 2. Outline the physical obstacles to and the economic and political factors involved in building a network of roads, canals, and railroads (e.g., Henry Clay's American System).

Section 3. List the reasons for the wave of immigration from Northern Europe to the United States and describe the growth in the number, size, and spatial arrangements of cities (e.g., Irish immigrants and the Great Irish Famine).

8.7 Students analyze the divergent paths of the American people in the South from 1800 to the mid-1800s and the challenges they faced:

Section 1. Describe the development of the agrarian economy in the South, identify the locations of the cotton-producing states, and discuss the significance of cotton and the cotton gin.

Section 2. Trace the origins and development of slavery; its effects on black Americans and on the region's political, social, religious, economic, and cultural development; and identify the strategies that were tried to both overturn and preserve it (e.g., through the writings and historical documents of Nat Turner, Denmark Vesey).

Section 4. Compare the lives of and opportunities for free blacks in the North with those of free blacks in the South.

8.8 Students analyze the divergent paths of the American people in the West from 1800 to the mid-1800s and the challenges they faced:

Section 1. Discuss the election of Andrew Jackson as president in 1828, the importance of Jacksonian democracy, and his actions as president (e.g., the spoils system, veto of National bank, policy of Indian removal, opposition to the Supreme Court).

Section 2. Describe the purpose, challenges, and economic incentives associated with westward expansion, including the concept of Manifest Destiny (e.g., the Lewis and Clark expedition, accounts of the removal of Indians, the Cherokees "Trail of Tears," settlement of the Great Plains) and the territorial acquisitions that spanned numerous decades.

Section 4. Examine the importance of the great rivers and the struggle over water rights.

Section 5. Discuss Mexican settlements and their locations, cultural traditions, attitudes toward slavery, land-grant system, and economies.

Section 6. Describe the Texas War for Independence and the Mexican-American War, including territorial settlements, the aftermath of the wars, and the effects the wars had on the lives of Americans, including Mexican Americans today.

8.9 Students analyze the early and steady attempts to abolish slavery and to realize the ideals of the Declaration of Independence:

Section 6. Describe the lives of free blacks and the laws that limited their freedom and economic opportunities.

8.10 Students analyze the multiple causes, key events, and complex consequences of the Civil War:

Section 2. Trace the boundaries constituting the North and the South, the geographical differences between the two regions, and the differences between agrarians and industrialists.

Section 7. Explain how the war affected combatants, civilians, the physical environment, and future warfare.

8.11 Students analyze the character and lasting consequences of Reconstruction:

Section 2. Identify the push-pull factors in the movement of former slaves to the cities in the North and to the West and their differing experiences in those regions (e.g., the experiences of Buffalo Soldiers).

8.12 Students analyze the transformation of the American economy and the changing social and political conditions in the United States in response to the Industrial Revolution:

Section 1. Trace patterns of agricultural and industrial development as they relate to climate, use of natural resources, markets, and trade and locate such development on a map.

Section 2. Identify the reasons for the development of federal Indian policy and the Plains wars with American Indians and their relationship to agricultural development and industrialization.

Section 3. Explain how states and the federal government encouraged business expansion through tariffs, banking, land grants, and subsidies.

Section 4. Discuss entrepreneurs, industrialists, and bankers in politics, commerce, and industry (e.g., Andrew Carnegie, John D. Rockefeller, Leland Stanford).

Section 5. Examine the location and effects of urbanization, renewed immigration, and industrialization (e.g., the effects on social fabric of cities, wealth and economic opportunity, the conservation movement).

Section 6. Discuss child labor, working conditions, and laissez-faire policies toward big business, and examine the labor movement, including its leaders (e.g., Samuel Gompers), its demand for collective bargaining, and its strikes and protests over labor conditions.

Section 7. Identify the new sources of large-scale immigration and the contributions of immigrants to the building of cities and the economy; explain the ways in which new social and economic patterns encouraged assimilation of newcomers into the mainstream amidst growing cultural diversity; and discuss the new wave of nativism.

Section 8. Identify the characteristics and impact of Grangerism and Populism.

Section 9. Name the significant inventors and their inventions and identify how they improved the quality of life (e.g., Thomas Edison, Alexander Graham Bell, Orville and Wilbur Wright).

Grades 9-12: Historical and Social Sciences Analysis Skills

Historical Interpretation - This Standard is to be applied in grades nine through twelve.

Section 6. Students conduct cost/benefit analyses and apply basic economic indicators to analyze the aggregate economic behavior of the U.S. economy.

Grade 10

10.3 Students analyze the effects of the Industrial Revolution in England, France, Germany, Japan and the United States:

Section 1. Analyze why England was the first country to industrialize.

Section 2. Examine how scientific and technological changes and new forms of energy brought about massive social, economic, and cultural change (e.g., the inventions and discoveries of James Watt, Eli Whitney, Henry Bessemer, Louis Pasteur, Thomas Edison).

Section 3. Describe the growth of population, rural to urban migration, and growth of cities associated with the Industrial Revolution.

Section 4. Trace the evolution of work and labor, including the demise of the slave trade and the effects of immigration, mining and manufacturing, division of labor, and the union movement.

Section 5. Understand the connections among natural resources, entrepreneurship, labor, and capital in an industrial economy.

Section 6. Analyze the emergence of capitalism as a dominant economic pattern and the responses to it, including Utopianism, Social Democracy, Socialism, and Communism.

10.4 Students analyze patterns of global change in the era of New Imperialism in at least two of the following regions or countries: Africa, Southeast Asia, China, India, Latin America, and the Philippines:

Section 1. Describe the rise of industrial economies and their link to imperialism and colonialism (e.g., the role played by national security and strategic advantage; moral issues raised by the search for national hegemony, Social Darwinism, and the missionary impulse; material issues such as land, resources, and technology).

Section 2. Discuss the locations of the colonial rule of such nations as England, France, Germany, Italy, Japan, the Netherlands, Russia, Spain, Portugal, and the United States.

Section 3. Explain imperialism from the perspective of the colonizers and the colonized and the varied immediate and long-term responses by the people under colonial rule.

Section 4. Describe the independence struggles of the colonized regions of the world, including the role of leaders, such as Sun Yat-sen in China, and the roles of ideology and religion.

10.5 Students analyze the causes and course of the First World War:

Section 1. Analyze the arguments for entering into war presented by leaders from all sides of the Great War and the role of political and economic rivalries, ethnic and ideological conflicts, domestic discontent and disorder, and propaganda and nationalism in mobilizing the civilian population in support of “total war”.

10.6 Students analyze the effects of the First World War:

Section 2. Describe the effects of the war and resulting peace treaties on population movement, the international economy, and shifts in the geographic and political borders of Europe and the Middle East.

10.7 Students analyze the rise of totalitarian governments after World War I:

Section 2. Trace Stalin's rise to power in the Soviet Union and the connection between economic policies, political policies, the absence of a free press, and systematic violations of human rights (e.g., the Terror Famine in Ukraine).

Section 3. Analyze the rise, aggression, and human costs of totalitarian regimes (Fascist and Communist) in Germany, Italy, and the Soviet Union, noting especially their common and dissimilar traits.

10.9 Students analyze the international developments in the post-World War II world:

Section 1. Compare the economic and military power shifts caused by the war, including the Yalta Pact, the development of nuclear weapons, Soviet control over Eastern European nations, and the economic recoveries of Germany and Japan.

Section 2. Analyze the causes of the Cold War, with the free world on one side and Soviet client states on the other, including competition for influence in such places as Egypt, the Congo, Vietnam, and Chile.

Section 3. Understand the importance of the Truman Doctrine and the Marshall Plan, which established the pattern for America's postwar policy of supplying economic and military aid to prevent the spread of Communism and the resulting economic and political competition in arenas such as Southeast Asia (i.e., the Korean War, Vietnam War), Cuba, and Africa.

Section 6. Understand how the forces of nationalism developed in the Middle East, how the Holocaust affected world opinion regarding the need for a Jewish state, and the significance and effects of the location and establishment of Israel on world affairs.

10.10 Students analyze instances of nation-building in the contemporary world in at least two of the following regions or countries: the Middle East, Africa, Mexico and other parts of Latin America, and China:

Section 1. Understand the challenges in the regions, including their geopolitical, cultural, military, and economic significance and the international relationships in which they are involved.

10.11 Students analyze the integration of countries into the world economy and the information, technological, and communications revolutions (e.g., television, satellites, computers).

Grade II

11.1 Students analyze the significant events in the founding of the nation and its attempts to realize the philosophy of government described in the Declaration of Independence:

Section 4. Examine the effects of the Civil War and Reconstruction and of the industrial revolution, including demographic shifts and the emergence in the late nineteenth century of the United States as a world power.

11.2 Students analyze the relationship among the rise of industrialization, large-scale rural-to-urban migration, and massive immigration from Southern and Eastern Europe:

Section 1. Know the effects of industrialization on living and working conditions, including the portrayal of working conditions and food safety in Upton Sinclair's *The Jungle*.

Section 2. Describe the changing landscape, including the growth of cities linked by industry and trade, and the development of cities divided according to race, ethnicity, and class.

Section 3. Trace the effect of the Americanization movement.

Section 4. Analyze the effect of urban political machines and responses to them by immigrants and middle-class reformers.

Section 5. Discuss corporate mergers that produced trusts and cartels and the economic and political policies of industrial leaders.

Section 6. Trace the economic development of the United States and its emergence as a major industrial power, including its gains from trade and advantages of its physical geography.

Section 7. Analyze the similarities and differences between the ideologies of Social Darwinism and Social Gospel (e.g., using biographies of William Graham Sumner, Billy Sunday, Dwight L. Moody).

Section 8. Examine the effect of political programs and activities of Populists.

Section 9. Understand the effect of political programs and activities of the Progressives (e.g., federal regulation of railroad transport, Children's Bureau, the Sixteenth Amendment, Theodore Roosevelt).

11.4 Students trace the rise of the United States to its role as a world power in the twentieth century:

Section 5. Analyze the political, economic, and social ramifications of World War I on the home front.

11.5 Students analyze the major political, social, economic, technological, and cultural developments of the 1920s:

Section 1. Discuss the policies of Presidents Warren Harding, Calvin Coolidge, and Herbert Hoover.

Section 2. Analyze the international and domestic events, interests, and philosophies that prompted attacks on civil liberties, including the Palmer Raids, Marcus Garvey's "back-to-Africa" movement, the Ku Klux Klan, and immigration quotas and the responses of organizations such as the American Civil Liberties Union, the National Association for the Advancement of Colored People, and the Anti-Defamation League to those attacks.

Section 4. Analyze the passage of the Nineteenth Amendment and the changing role of women in society.

Section 7. Discuss the rise of mass production techniques, the growth of cities, the impact of new technologies (e.g., the automobile, electricity), and the resulting prosperity and effect on the American landscape.

11.6 Students analyze the different explanations for the Great Depression and how the New Deal fundamentally changed the role of the federal government:

Section 1. Describe the monetary issues of the late nineteenth and early twentieth centuries that gave rise to the establishment of the Federal Reserve and the weaknesses in key sectors of the economy in the late 1920's.

Section 2. Understand the explanations of the principal causes of the Great Depression and the steps taken by the Federal Reserve, Congress, and Presidents Herbert Hoover and Franklin Delano Roosevelt to combat the economic crisis.

Section 5. Trace the advances and retreats of organized labor, from the creation of the American Federation of Labor and Congress of Industrial Organizations to current issues of a postindustrial, multinational economy, including the United Farm Workers in California.

11.7 Students analyze America's participation in World War II:

Section 6. Describe major developments in aviation, weaponry, communication, and medicine and the war's impact on the location of American industry and use of resources.

Section 8. Analyze the effect of massive aid given to Western Europe under the Marshall Plan to rebuild itself after the war and the importance of a rebuilt Europe to the U.S. economy.

11.8 Students analyze the economic boom and social transformation of post-World War II America:

Section 1. Trace the growth of service sector, white collar, and professional sector jobs in business and government.

Section 2. Describe the significance of Mexican immigration and its relationship to the agricultural economy, especially in California.

Section 3. Examine Truman's labor policy and congressional reaction to it.

Section 4. Analyze new federal government spending on education (including the California Master Plan), defense, welfare and interest on the national debt.

Section 5. Describe the increased powers of the presidency in response to the Great Depression, World War II, and the Cold War.

Section 6. Discuss the diverse environmental regions of North America, their relationship to local economies, and the origins and prospects of environmental problems in those regions.

Section 7. Describe the effects on society and the economy of technological developments since 1945, including the computer revolution, changes in communication, advances in medicine, and improvements in agricultural technology.

Section 8. Discuss forms of popular culture, with emphasis on their origins and geographic diffusion (e.g., jazz and other forms of popular music, professional sports, architectural and artistic styles).

11.9 Students analyze U.S. foreign policy since World War II:

Section 6. Describe U.S. Middle East policy and its strategic, political, and economic interests, including those related to the Gulf War.

Section 7. Examine relations between the United States and Mexico in the twentieth century, including key economic, political, immigration, and environmental issues.

11.11 Students analyze the major social problems and domestic policy issues in contemporary American society:

Section 1. Discuss the reasons for the nation's changing immigration policy, with emphasis on how the Immigration Act of 1965 and successor acts have transformed American society.

Section 2. Discuss the significant domestic policy speeches of Truman, Eisenhower, Kennedy, Johnson, Nixon, Carter, Reagan, Bush, and Clinton (e.g., with regard to education, civil rights, economic policy, environmental policy).

Section 3. Describe the changing roles of women in society as reflected in the entry of more women into the labor force and the changing family structure.

Section 5. Trace the impact of, need for, and controversies associated with environmental conservation, expansion of the national park system, and the development of environmental protection laws, with particular attention to the interaction between environmental protection advocates and property rights advocates.

Section 6. Analyze the persistence of poverty and how different analyses of this issue influence welfare reform, health insurance reform, and other social policies.

Section 7. Explain how the federal, state, and local governments have responded to demographic and social changes such as population shifts to the suburbs, racial concentrations in the cities, Frostbelt-to-Sunbelt migration, international migration, decline of the family farms, increases in out-of-wedlock births, and drug abuse.

Grade 12

12.1 Students understand common economic terms and concepts and economic reasoning:

Section 1. Examine the causal relationship between scarcity and the need for choices.

Section 2. Explain opportunity cost and marginal benefit and marginal cost.

Section 3. Identify the difference between monetary and non-monetary incentives and how changes in incentives cause changes in behavior.

Section 4. Evaluate the role of private property as an incentive in conserving and improving scarce resources, including renewable and nonrenewable natural resources.

Section 5. Analyze the role of a market economy in establishing and preserving political and personal liberty (e.g., through the works of Adam Smith).

12.2 Students analyze the elements of America's market economy in a global setting:

Section 1. Understand the relationship of the concept of incentives to the law of supply and the relationship of the concept of incentives and substitutes to the law of demand.

Section 2. Discuss the effects of changes in supply and/or demand on the relative scarcity, price, and quantity of particular products.

Section 3. Explain the roles of property rights, competition, and profit in a market economy.

Section 4. Explain how prices reflect the relative scarcity of goods and services and perform the allocative function in a market economy.

Section 5. Understand the process by which competition among buyers and sellers determines a market price.

Section 6. Describe the effect of price controls on buyers and sellers.

Section 7. Analyze how domestic and international competition in a market economy affects goods and services produced and the quality, quantity, and price of those products.

Section 8. Explain the role of profit as the incentive to entrepreneurs in a market economy.

Section 9. Describe the functions of the financial markets.

Section 10. Discuss the economic principles that guide the location of agricultural production and industry and the spatial distribution of transportation and retail facilities.

12.3 Students analyze the influence of the federal government on the American economy:

- Section 1. Understand how the role of government in a market economy often includes providing for national defense, addressing environmental concerns, defining and enforcing property rights, attempting to make markets more competitive, and protecting consumers' rights.
- Section 2. Identify the factors that may cause the costs of government actions to outweigh the benefits.
- Section 3. Describe the aims of government fiscal policies (taxation, borrowing, spending) and their influence on production, employment, and price levels.
- Section 4. Understand the aims and tools of monetary policy and their influence on economic activity (e.g., the Federal Reserve).

12.4 Students analyze the elements of the U.S. labor market in a global setting:

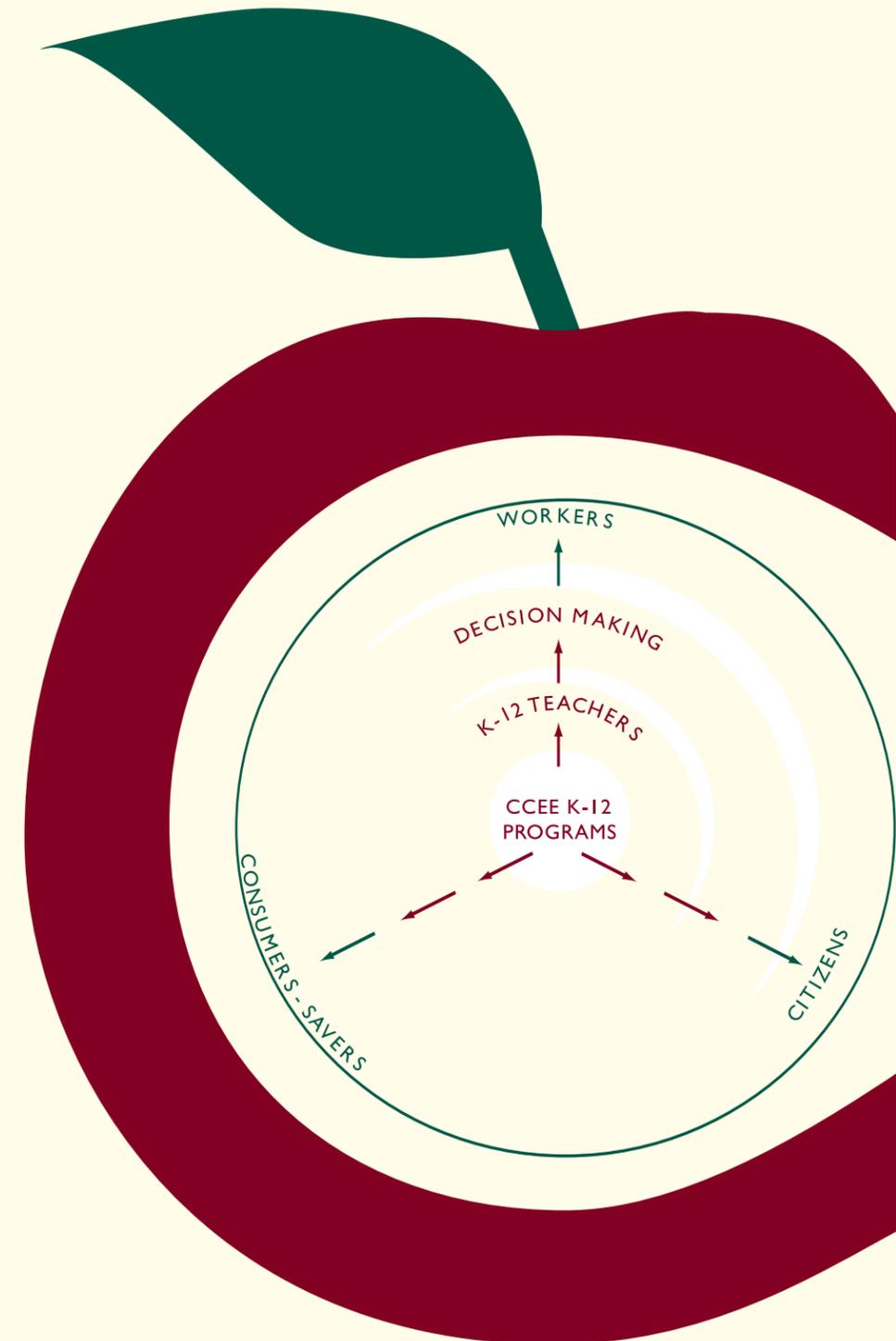
- Section 1. Understand the operations of the labor market, including the circumstances surrounding the establishment of principal American labor unions, procedures that unions use to gain benefits for their members, the effects of unionization, the minimum wage, and unemployment insurance.
- Section 2. Describe the current economy and labor market, including the types of goods and services produced, the types of skills workers need, the effects of rapid technological change, and the impact of international competition.
- Section 3. Discuss wage differences among jobs and professions, using the laws of demand and supply and the concept of productivity.
- Section 4. Explain the effects of international mobility of capital and labor on the U.S. economy.

12.5 Students analyze the aggregate economic behavior of the U.S. economy:

- Section 1. Distinguish between nominal and real data.
- Section 2. Define, calculate, and explain the significance of an unemployment rate, the number of new jobs created monthly, an inflation or deflation rate, and a rate of economic growth.
- Section 3. Distinguish between short-term and long-term interest rates and explain their relative significance.

12.6 Students analyze issues of international trade and explain how the U.S. economy affects, and is affected by, economic forces beyond its borders:

- Section 1. Identify the gains in consumption and production efficiency from trade, with emphasis on the main products and changing geographic patterns of twentieth-century trade among countries in the Western Hemisphere.
- Section 2. Compare the reasons for and the effects of trade restrictions during the Great Depression compared with the present-day arguments among labor, business, and political leaders over the effects of free trade on the economic and social interests of various groups of Americans.
- Section 3. Understand the changing role of international political borders and territorial sovereignty in a global economy.
- Section 4. Explain foreign exchange, the manner in which exchange rates are determined, and the effects of the dollar's gaining (or losing) value relative to other currencies.



Our Vision

Californians with the knowledge, understanding, and skills to make informed economic decisions

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To advance the economic literacy of the people of California

The Results

Students who apply economic reasoning to all aspects of their lives and who leave school prepared to participate responsibly, effectively, and productively in the U.S. and global economies of the 21st century.



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