**Macroeconomics Unit—Fiscal and Monetary Policies**

Crash Course Economics Link <https://www.youtube.com/playlist?list=PL8dPuuaLjXtPNZwz5_o_5uirJ8gQXnhEO>

1/23/18 I can determine the effects of expansionary and contractionary policies on inflation, unemployment, and economic growth. (C5S3PO4)

Bell Work:

Terms of the day—fiscal policy, expansionary policy, contractionary policy

Lesson:

1)Watch the Crash Course Econ #8 video and read this article on fiscal policy.

<https://www.thebalance.com/expansionary-fiscal-policy-purpose-examples-how-it-works-3305792>

Then describe what governments do to keep inflation and unemployment stable.

2) Choose one of the scenarios below. What would you do to improve the situation? Provide a possible solution to the scenario using fiscal policy.

|  |  |
| --- | --- |
| The stock market has dropped, and employment is reaching 6.5%. The American people are becoming restless, many having been unemployed for six months or more. Businesses are reporting fewer sales each month. | The economy is doing well. Unemployment is at about 5%. However, US debt is at almost 20 trillion. Your re-election year is also in one more year. |

Reflection: List one advantage and one disadvantage of using fiscal policy to stabilize the economy.

1/24/18 I can describe the functions of the Federal Reserve System. (C5S3PO5)

**Bell Work:** Terms of the day—define Federal Reserve System, interest rate, treasury bills

**Lesson:** [Watch The Federal Reserve and You segments 401-405](https://www.youtube.com/playlist?list=PL3nIbYCsVRj3dRBtN3vFZR2QR5t7oSdeH). As you watch, create 5 key questions about the Federal Reserve and monetary policy and provide their answers.

When finished, play [“Chair the Fed”.](https://sffed-education.org/chairthefed/) What did you learn about the effect of interest rates?

**Today’s Ticket Out:**

1. The Federal Reserve’s policy goal for inflation is:

A.     An inflation rate of zero.

B.     An inflation rate of one percent.

**C.     An inflation rate of two percent.**

D.    An inflation rate of three percent.

2. The group within the Federal Reserve that makes economic policy decisions is:

A.     The Board of Governors

B.     The Presidents of Federal Reserve Banks

**C.     The FOMC**

D.    The FRED

3. Explain how interest rate policy could be used to achieve stable prices and maximum sustainable employment using the economic conditions described in the table below. In your answer, be sure to use the information in the table to support the reason for your answer.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Change in Real GDP (current) | Change in Real GDP (longer-run projection) | Unemployment Rate (current) | Unemployment Rate (longer-run projection) | Inflation Rate (current) | Inflation Rate (longer-run projection) |
| 4.7 | 1.6 – 2.2 | 3.7 | 4.5 – 5.0 | 2.6 | 2 |

1/25/18, 1/26/18 I can explain the effects of expansionary policies on inflation, unemployment, and economic growth. (C5S3PO4,6)

Bell Work: Terms of the day--gross domestic product, debt-to-GDP ratio

Lesson:

Review a minimum of 3 of the sources below. Then, answer the following:

1. Explain in 2-3 sentences how policies that produce debt impact inflation, unemployment, or economic growth.
2. Provide your opinion on the following: Should the United States should use expansionary policy in times of high unemployment considering how it impacts the national debt and the debt-to-GDP ratio? Or, should program funding be cut to balance the budget despite possible negative impact (including increased unemployment)? Provide cited evidence from your sources to support your answer.

[Crash Course #9—Deficits and Debt](https://www.youtube.com/watch?v=3sUCSGVYzI0&list=PL8dPuuaLjXtPNZwz5_o_5uirJ8gQXnhEO&index=9)

<https://tradingeconomics.com/united-states/government-debt-to-gdp>

[US Debt Clock](http://www.usdebtclock.org/)

PDF: Background on Federal Debt (see my website for link)

Multiple Perspectives: Outlook on Federal Debt (see my website for link)

Reflection: Compare your response with another student. How were your perspectives similar or different?

1/29/18-1/30/18 Current assignment: I can evaluate the economic implications of current events related to fiscal and/or monetary policy from two or more sources. (C5S1PO4) Complete this in preparation for next week’s assessment on fiscal and monetary policies only when you have finished the assignment from 1/25. Download the assignment document with directions from my website.

1/30/18-1/31/18 I can evaluate the advantages, disadvantages, and effectiveness of fiscal and monetary policies in the current United States economy. (C5S3PO4,6)

Use the graphic organizer provided to develop questions surrounding macroeconomics, such as: Should federal taxes be cut when the debt-to-GDP ratio is so high? Prepare your claims and evidence in response to the question by using information from your other assignments. Document your items on the graphic organizer, including evidence from your current events and other sources. Be prepared to address counterclaims for your argument.

2/1/18 **Assessment**--I can debate the effectiveness of a specific monetary or fiscal policy in the current United States economy (C5S3PO4)