

Fiscal Fitness

The Economic Impact of Fiscal Policy

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Grade Level	9th – 12th Grade	**Time Frame**	90 minutes
Subject	Social Studies	**Duration**	2 periods
Course	Economics, U.S. Government		

Essential Question

How does government taxing and spending affect the economy?

Summary

In this lesson, students recall their prior knowledge about how the economy functions. Next, students predict how the federal budget is spent before reading an Infogram about fiscal policy. To extend their learning, students play a game with partners that requires them to cut or fund programs. Students summarize their learning by responding to the essential question.

Snapshot

Engage

Students retrieve prior knowledge about how the economy functions during a Justified True or False exercise.

Explore

Students predict how much money the government spends on various programs and agencies, and they design pie charts to reflect those predictions.

Explain

Students examine an infographic about government spending and use a note catcher to organize their observations as they read.

Extend

Students act out what they have learned by playing the People's Pie game, in which they will try to fund important programs without borrowing too much money or setting tax rates that are too high.

Evaluate

Students summarize what they have learned by writing a Two-Minute Paper in response to the essential question.

Standards

Oklahoma Academic Standards (Social Studies: Economics (9th through 12th grade))

E.13.1: Compare fiscal and monetary policy and the impact each has on the economy.

Oklahoma Academic Standards (Social Studies: Economics (9th through 12th grade))

USG.6.2: Examine how the government influences the economy using fiscal and monetary policy.

Attachments

- Dividing the (Budget) Pie—Fiscal Fitness - Spanish.docx
- Dividing the (Budget) Pie—Fiscal Fitness - Spanish.pdf
- Dividing the (Budget) Pie—Fiscal Fitness.docx
- Dividing the (Budget) Pie—Fiscal Fitness.pdf
- Fiscal Policy Note Catcher—Fiscal Fitness - Spanish.docx
- Fiscal Policy Note Catcher—Fiscal Fitness - Spanish.pdf
- Fiscal Policy Note Catcher—Fiscal Fitness.docx
- Fiscal Policy Note Catcher—Fiscal Fitness.pdf
- Lesson Slides—Fiscal Fitness.pptx
- People's Pie Notes—Fiscal Fitness - Spanish.docx
- People's Pie Notes—Fiscal Fitness - Spanish.pdf
- People's Pie Notes—Fiscal Fitness.docx
- People's Pie Notes—Fiscal Fitness.pdf

Materials

- Lesson Slides (attached)
- Fiscal Policy Infographic (digital)
- Fiscal Policy Note Catcher handout (attached; one per student)
- Dividing the (Budget) Pie handout (attached; one per pair of students)
- People’s Pie Notes handout (attached; one per pair of students)
- Infogram (How the Government Spends Its Money)
- Copy paper (one per pair of students)
- Personal devices
- Earbuds/headphones (optional)
- Colored pencils and/or markers
- Pens/pencils

10 minutes

Engage

Use the attached **Lesson Slides** to guide the lesson. Review the essential question and lesson objectives on **slides 3** and **4**. Move to **slide 5**. For this portion of the lesson, students will participate in a modified version of the Justified True or False strategy. Tell students to think about the statement on the slide and decide if it is true or false. Have students stand up if they think the statement is true and stay seated if they think the statement is false. Ask a student to share why they think the statement is true or false. Move to **slide 6** to reveal if the statement was true or false. Repeat this process with **slides 7** through **14**.

15 minutes

Explore

Place students into pairs, and introduce the Dividing the Pie strategy to students. Pass out the attached **Dividing the (Budget) Pie** handout and a piece of blank **copy paper** and **colored pencils and/or markers** to each pair of students. Display **slide 15,** and tell students to think about how the federal government decides to spend tax revenue. Have students read over the categories on the handout, or read as a class. Tell students to work with their partner to assign a percentage for each category and then create a pie chart on the copy paper making each section of the pie a different color.

Optional Tech Integration

Consider having students use an app such as Google Sheets to create their pie charts on their personal devices.

After providing time for students to create their pie charts, have them partner up and discuss the percentages they gave each budget category with another student. Ask for a few volunteers to share what categories they assigned the largest and smallest percentages to. Move to **slide 16,** which includes a pie chart showing how the federal government recently spent its budget. Have a brief class discussion during which you ask students what they notice about the ways in which the actual budget compares to the pie charts they created.

20 minutes

Explain

Pass out the attached **Fiscal Policy Note Catcher** to each student. Display **slide 17,** and have students use personal devices to access the Infogram (Spanish-Language version: link). Tell students to read through the Infogram and take notes on the Fiscal Policy Note Catcher as they read.

After providing time for students to read the Infogram and take notes, review the note catcher with students. Ask for volunteers to share what they have written on each part of the note catcher. Use this time to correct any misconceptions students might have.

40 minutes

Extend

Teacher's Note: Gameplay Preparation

In preparation for the following game:

1. Go to icivics.org/getstarted.
2. Create a free account or log in.
3. Click the “play” button at the top of your browser screen.
4. Select *People’s Pie*.
5. Scroll down and click the “Download Teacher Resources” button.
6. From the pop-up menu, select the People’s Pie game guide. This will open a PDF to help facilitate the game.

By having an iCivics account, you can also create classes and track completion of students' gameplay, but that will require that students create a login account.

Due to the length of the game, it is not recommended that students create an account.

Display **slide 18,** and place students into pairs. Pass out the attached **People’s Pie Notes** handout to each pair of students. Display the game, People’s Pie, and start a new game. Model how to play the game for students for just a few minutes. Direct students' attention to the screen that has the player set tax rates, and ensure they understand the different types of taxes: *corporate*, *payroll*, and *income*. Let students know that clicking on a blue word will generate a pop-up box with the definition. Then, direct students' attention to the “Expenses” option, which shows students how much money they have to spend (notated as “Reserved”). Point out that Social Security and Medicare are mandatory expenses, so those amounts are already taken out of reserves. Set the tax rates and retirement age, and then advance by clicking the “Continue to Discretionary Funding” button. Pick one category, and model for students how cutting of funding proposals changes the discretionary budget and how much has been spent.

After modeling the game for the whole class, have students use their personal devices to access the game People’s Pie. Provide time for students to play the game together while taking notes with the People’s Pie Notes handout. When students successfully complete the game, they are given a completion certificate. If desired, have students “print” their certificate, and choose “save as PDF” so students can submit their certificate via email or through an LMS.

5 minutes

Evaluate

Display **slide 19,** and introduce the Two-Minute Paper to students. Tell students they are going to individually respond to the slide's essential question on the back of their Fiscal Policy Note Catcher. Use the timer on slide 19 to have students write for two minutes. Collect each student's response to assess understanding of the lesson.

Resources

- CrashCourse. (2015, September 16). Fiscal policy and stimulus: Crash course economics #8. [Video]. YouTube. https://www.youtube.com/watch?v=otmgFQHbaDo&list=PL1oDmcs0xTD-dJN1PL2N1urX0EKupBJCQ&index=14
- CrashCourse. (2015, July 8). Intro to economics: Crash course economics #1. [Video]. YouTube. https://www.youtube.com/watch?v=3ez10ADR_gM&list=PL1oDmcs0xTD-dJN1PL2N1urX0EKupBJCQ&index=7
- CrashCourse. (2016, February 12). Monetary and fiscal policy: Crash course government and politics #48 [Video]. YouTube. https://www.youtube.com/watch?v=_tULRch1PRQ
- CrashCourse. (2015, October 8). What's all the Yellen about? Monetary policy and the federal reserve: crash course economics #10. [Video]. YouTube. https://www.youtube.com/watch?v=1dq7mMort9o
- Federal Reserve Bank of St. Louis. (n.d.) *Fiscal Policy – The Economic Lowdown Podcast Series.* [Audio podcast]. https://www.stlouisfed.org/education/economic-lowdown-podcast-series/episode-21-fiscal-policy
- iCivics. (n.d.). People's pie. https://www.icivics.org/peoplespie
- K20 Center. (n.d.). Dividing the pie. Strategies. https://learn.k20center.ou.edu/strategy/1867
- K20 Center. (n.d.). Google sheets. Tech Tools. https://learn.k20center.ou.edu/tech-tool/2855
- K20 Center. (n.d.). Justified true or false. Strategies. https://learn.k20center.ou.edu/strategy/174
- K20 Center. (n.d.). Two-minute paper. Strategies. https://learn.k20center.ou.edu/strategy/152
- National Priorities Project. (n.d.). Federal spending: Where does the money go? Institute for Policy Studies. https://www.nationalpriorities.org/budget-basics/federal-budget-101/spending/