

## Florida Economic Standards

Content Area: Social Studies

**Standard 1: The student understands how scarcity requires individuals and institutions to make choices about how to use resources.**

### PreK-2

1.1 The student understands how scarcity affects the choices people make in everyday situations.

1.2 The student knows the differences among human resources, natural resources, and capital resources and how these resources are used to produce goods and services.

1.3 The student knows the difference between goods and services and between consumers and producers.

1.4 The student understands that when consumers (e.g., individuals, households, businesses, governments, or societies) make economic choices, they must consider the costs incurred and the benefits received.

### Grades 3-5

1.1 The student understands that all decisions involve opportunity costs and that making effective decisions involves considering the costs and the benefits associated with alternative choices.

1.2 The student understands that scarcity of resources requires choices on many levels, from the individual to societal.

1.3 The student understands the basic concept of credit.

1.4 The student understands the concept of earning income and the basic concept of a budget.

### Grades 6-8

1.1 The student understands the advantages and disadvantages of various kinds of credit (e.g., credit cards, bank loans, or financing with no payment for six months).

1.2 The student understands the variety of factors necessary to consider when making wise consumer decisions.

## Grades 9-12

1.1 The student understands how many financial and nonfinancial factors (e.g., cultural traditions, profit, and risk) motivate consumers, producers, workers, savers, and investors to allocate their scarce resources differently.

1.2 The student understands credit history and the positive and negative impacts that credit can have on an individual's financial life.

**Standard 2: The student understands the characteristics of different economic systems and institutions.**

## PreK-2

2.1 The student understands that most people work in jobs in which they produce a few special goods or services.

2.2 The student understands the basic concepts of markets and exchanges.

2.3 The student understands the basic functions of a bank.

2.4 The student understands that people in different places around the world depend on each other for the exchange of goods and services.

## Grades 3-5

2.1 The student understands economic specialization and how specialization generally affects costs, amount of goods and services produced, and interdependence.

2.2 The student understands the roles that money plays in a market economy.

2.3 The student understands the services that banks and other financial institutions in the economy provide to consumers, savers, borrowers, and businesses.

2.4 The student knows that the government provides some of the goods and services that we use and that the government pays for the goods and services it provides through taxing and borrowing.

## Grades 6-8

2.1 The student understands how production and distribution decisions are determined in the United States economy and how these decisions compare to those made in market, tradition-based, command, and mixed economic systems.

2.2 The student understands that relative prices and how they affect people's decisions are the means by which a market system provides answers to the three basic economic questions: What goods and services will be produced? How will they be produced? Who will buy them?

2.3 The student knows the various kinds of specialized institutions that exist in market economies (e.g., corporations, labor unions, banks, and the stock market).

## Grades 9-12

2.1 The student understands how wages and prices are determined in market, command, tradition-based, and mixed economic systems and how economic systems can be evaluated by their ability to achieve broad social goals such as freedom, efficiency, equity, security, and growth.

2.2 The student understands the development of public policy and the political process, understands how price and quantity demanded relate, how price and quantity supplied relate, and how price changes or controls affect distribution and allocation in the economy.

2.3 The student understands how government taxes, policies, and programs affect individuals, groups, businesses, and regions.

2.4 The student understands how United States fiscal policies and monetary policies reinforce or offset each other and how they effect levels of economic activity, the money supply of the country, and the well being of individuals, businesses, regions and the nation.

2.5 The student understands basic terms and indicators associated with levels of economic performance and the state of the economy.

2.6 The student understands factors that have led to increased international interdependence and basic concepts associated with trade between nations.