

# Unit 7

Content Area: **Social Studies**  
Course(s):  
Time Period: **Generic Time Period**  
Length: **3 weeks**  
Status: **Published**

## Unit Introduction

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Monetary Policy: Money is the lifeblood of an economy and a civilization. Understanding government policy about money is therefore essential for all citizens.

## Standards

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| PFL.9.1.12.A.1  | Differentiate among the types of taxes and employee benefits.   |
| PFL.9.1.12.A.2  | Differentiate between taxable and nontaxable income.  |
| PFL.9.1.12.A.3  | Analyze the relationship between various careers and personal earning goals.  |
| PFL.9.1.12.A.4  | Identify a career goal and develop a plan and timetable for achieving it, including educational/training requirements, costs, and possible debt.                                |
| PFL.9.1.12.A.5  | Analyze how the economic, social, and political conditions of a time period can affect the labor market.  |
| PFL.9.1.12.A.6  | Summarize the financial risks and benefits of entrepreneurship as a career choice.  |
| PFL.9.1.12.A.7  | Analyze and critique various sources of income and available resources (e.g., financial assets, property, and transfer payments) and how they may substitute for earned income. |
| PFL.9.1.12.A.8  | Analyze different forms of currency and how currency is used to exchange goods and services.  |
| PFL.9.1.12.A.9  | Analyze how personal and cultural values impact spending and other financial decisions.   |
| PFL.9.1.12.A.10 | Demonstrate how exemptions and deductions can reduce taxable income.  |
| PFL.9.1.12.A.11 | Explain the relationship between government programs and services and taxation.   |
| PFL.9.1.12.A.12 | Explain how compulsory government programs (e.g., Social Security, Medicare) provide insurance against some loss of income and benefits to eligible recipients.                 |
| PFL.9.1.12.A.13 | Analyze the impact of the collective bargaining process on benefits, income, and fair labor practice.   |
| PFL.9.1.12.B    | Money Management  |
| PFL.9.1.12.B.5  | Analyze how changes in taxes, inflation, and personal circumstances can affect a personal budget.   |
| PFL.9.1.12.B.7  | Explain the meaning of income tax, describe how it is calculated, and analyze its impact on one's personal budget.  |
| PFL.9.1.12.B.8  | Describe and calculate interest and fees that are applied to various forms of spending, debt, and saving.   |
| PFL.9.1.12.B.9  | Research the types and characteristics of various financial organizations in the community (e.g., banks, credit unions, check-cashing stores, et. al.).                         |
| PFL.9.1.12.B.10 | Develop a plan that uses the services of various financial institutions to meet personal and  |

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|                   | family financial goals.   |
| PFL.9.1.12.C.1    | Compare and contrast the financial benefits of different products and services offered by a variety of financial institutions.  |
| PFL.9.1.12.C.2    | Compare and compute interest and compound interest and develop an amortization table using business tools.  |
| PFL.9.1.12.C.3    | Compute and assess the accumulating effect of interest paid over time when using a variety of sources of credit.  |
| PFL.9.1.12.C.4    | Compare and contrast the advantages and disadvantages of various types of mortgages.  |
| PFL.9.1.12.C.5    | Analyze the information contained in a credit report and explain the importance of disputing inaccurate entries.  |
| PFL.9.1.12.C.6    | Explain how predictive modeling determines "credit scores."   |
| PFL.9.1.12.C.7    | Analyze the rights and responsibilities of buyers and sellers under consumer protection laws.   |
| PFL.9.1.12.C.8    | Identify the types and characteristics of predatory lending practices (e.g., payday loans, car title loans, high-risk mortgages).   |
| PFL.9.1.12.C.9    | Evaluate the implications of personal and corporate bankruptcy for self and others.   |
| PFL.9.1.12.D      | Planning, Saving, and Investing   |
| PFL.9.1.12.E      | Becoming a Critical Consumer  |
| PFL.9.1.12.F      | Civic Financial Responsibility  |
| PFL.9.1.12.G      | Insuring and Protecting   |
| SOC.6.1.12        | U.S. History: America in the World: All students will acquire the knowledge and skills to think analytically about how past and present interactions of people, cultures, and the environment shape the American heritage. Such knowledge and skills enable students to make informed decisions that reflect fundamental rights and core democratic values as productive citizens in local, national, and global communities. |
| SOC.6.1.12.6      | The Emergence of Modern America (1890-1930)   |
| SOC.6.1.12.9      | Contemporary United States (1970-Today)   |
| SOC.6.1.12.C.6.c  | Analyze the impact of money, investment, credit, savings, debt, and financial institutions on the development of the nation and the lives of individuals.   |
| SOC.6.1.12.C.14   | Economics, Innovation, and Technology   |
| SOC.6.1.12.C.14.a | Use economic indicators to evaluate the effectiveness of state and national fiscal (i.e., government spending and taxation) and monetary (i.e., interest rates) policies.   |

## Essential Questions

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What is money and what makes it valuable?

What have been some important developments in the unfolding monetary policy of the United States?

Is it true that Americans "vote their pocketbooks" in general elections? If so, what is the relationship between this and monetary policy?

What trends in currency seem to be on the horizon?

How do credit cards, bank checks, underground economy, and other major financial ideas work?

What is a mortgage?

How do Americans earn income and save for retirement?

Personal Finance Component:

- Why do we need to calculate gross pay, deductions, and net pay?
- Why is a flexible work arrangement important to the workplace?
- Why is financial planning so important?
- How do you prepare a budget?
- What is the purpose of a checking account?
- What are some other services that banks offer?

## **Content / Skills**

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Define and explain legal tender, currency, fiat money, species, gold standard, bi-metallic currency, greenbacks, scrip, and bank notes.

Explain the relationship between monetary policy and the business cycle.

Describe and evaluate the function of the Federal Reserve System.

Identify at least 3 presidential elections where monetary policy played a central role. 1896, 1912, 1932, 1980, 1964.

Identify patterns of exchange rates in international currency.

Identify and explain the Breton-Woods Conference. "Euro" IMF, World Bank, G-8; Debt ceiling

Evaluate the impact of the emerging currencies in international markets including but not limited to Ruble, Yuan, Rupee, etc.

Explain why credit is important for establishing a financial basis for one's career and family.

How does a mortgage work?

Personal Finance Component:

- Create a budget
- Checkbook register
- Bank reconciliation
- Write personal checks
- Fill out deposit slips
- W-2
- W-4
- Textbook
- Journals
- Shark Tank
- USA Today

- WSJ
- Federal Reserve Bank
- US Mint