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Introduction

Learning about the Economy through Political Cartoons

Economics is as vital and compelling as today's newspaper headlines. Welfare reform, corporate downsizing and layoffs, trade and trade barriers, battles over the budget—all these and many other economic issues are central to the great debates of our time. Most adults can argue passionately about these various economic issues, yet even they often find economics as a discipline tough going. For many of them, economics is remote, abstract, confusing, even mysterious—the province of experts. How much harder, then, must it be for young people? Their economic life experience is still fairly limited, and they are only beginning to engage in the abstract and logical reasoning needed to make sense of the economy. It is hard to bring economics to life for them.

That is where *The Economy in Cartoons* can help. Its lessons are built around political cartoons chosen both for their intrinsic appeal and for their ability to clarify the concept under consideration in each lesson. Cartoons have an immediacy that is hard to resist. Their use of concrete images and symbols helps them capture both the meaning and the emotional impact of abstract issues and complex political and social trends. A good political cartoon is far more complex than a billboard or a political poster. It rarely states an opinion in so many words. Its aim is to instruct as well as to exhort. It invites us to take part in a dialogue by showing us the reasons for the opinions it presents so dramatically. All this makes the political cartoon an ideal medium for introducing complicated economic terms and concepts to your students.

But *The Economy in Cartoons* is not meant simply to motivate and arouse interest in economics. It is also designed to help students learn to reason carefully about economic problems. The earlier lessons tend to focus on certain key concepts: scarcity, opportunity cost, choice, supply and demand, competition, the factors of production, and money and interest. Other lessons apply these concepts to several important public-policy issues: trade, the distribution of income, the deficit, and welfare.

The Economy in Cartoons is not a comprehensive text for a course in economics, but its nine lessons are designed to present many of the key concepts in such a course in a logical sequence.

For the economics teacher—The booklet can supplement a textbook or a course on basic economics. It will bring to life many central concepts and issues that might otherwise seem remote and of little importance to many students.

For other social studies teachers—The booklet presents nine lessons that build on one another in a sequence. It provides a convenient, easy-to-use, systematic way to infuse economics into your social studies courses.

It is our hope that the lessons in *The Economy in Cartoons* will provide you with a convenient supplement to help you awaken an interest in economics and bring it to life for your students.

How to Use This Booklet

This booklet is divided into nine lessons. Each lesson will help you teach and discuss one major economic concept or important economic public-policy issue. The emphasis is on analysis, critical thinking, dialogue, and debate. The activity sheets in each lesson are your tools for fostering this dialogue and debate.

The lessons are built around eighteen cartoons—two cartoons per lesson. Introductory material outlines each lesson's theme. A brief description of each of the two visuals is then provided. Finally, each visual is displayed at the top of a discussion-activity sheet, along with questions and follow-up activities. A more detailed description of the components of each lesson follows.

Components for Each Lesson

A STATEMENT OF OBJECTIVES AND INTRODUCTORY COMMENTS

The opening page in each lesson states objectives, sums up the main point of the lesson in a key statement, and outlines the lesson's theme by giving you three points to make in introducing that theme to your students.

A BACKGROUND-INFORMATION SHEET ON THE TWO CARTOONS

Each lesson is built around two cartoons. These two visuals are displayed on the second page of the lesson, and information on each is provided. This information is meant to help you present the images to your class and focus in quickly on the features relevant to the lesson.

DISCUSSION-ACTIVITY SHEETS FOR CARTOON 1 AND CARTOON 2

Each of these discussion-activity sheets displays one of the cartoons, or other visuals, and presents questions for discussing it in class. These questions take students step-by-step through an analysis of the image and its economic implications. If you wish, you may reproduce these pages and hand them out to students, individually or in groups, who require more support to answer the questions. For students who need less support to answer questions, keep the page yourself, and ask the questions of the class as a whole in order to provide a listening and response-writing activity. In addition to the discussion questions, one or two follow-up activities are suggested. Some of these can be made into individual assignments. Others will work best as small-group or all-class activities.

ILLUSTRATIONS AND OTHER VISUAL ART

Images are printed alongside discussion questions and follow-up activities on reproducible pages, making them readily available to students. Stand-alone versions of all images, also reproducible, can be found in the appendix. Using images without the text may prove useful for testing or to encourage students to formulate their own analyses before consulting the text.

OBJECTIVES

1. Students will see how prices, set by supply and demand, both reflect and shape the choices consumers make.
 2. Students will understand how prices and competition work together to guide production in a market economy.
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Every economic system shapes the choices people make as they use scarce resources to meet some wants instead of others. In our market economy, prices are the key signals shaping those choices.

Production and Prices

Use the ideas on this page to conduct a discussion about the way prices work to guide production in a market economy. The rest of the Lesson 1 material will help you and your students discuss these points in greater detail.

POINTS TO MAKE WITH YOUR STUDENTS

1. **Every economic system must provide a way for people to make choices about the use of scarce resources.** Our wants are limitless, but resources—land, minerals, machinery, labor—are not. These resources cannot be used to meet all our wants. Choices must be made. “Should I buy a sweater or a ticket to a football game?” “Should I get that car now, or save for my college education?” “Should we grow a corn crop on that field, or build a new shopping mall there?” Every time we make a choice, we give up something else. Economists call what we give up the “opportunity cost” for the choice we made. Any economy must enable us to make choices and weigh opportunity costs.
2. **Prices act like signals, helping consumers and businesses make choices about the use of scarce resources.** When the price of a good goes up, people generally buy less of it or substitute other goods in its place. When the price of a good comes down, people generally buy more of it. DVD players, for example, have come down in price over the years, and internet streaming is also relatively inexpensive. Meanwhile, prices for movie tickets have increased. As a result, more people will now stay home, order pizza, and watch a movie rather than go out to dinner and a show. Price shifts signalled to them a less costly way to satisfy a want—or a way to satisfy a new want entirely.
3. **In a market economy, prices and competition work together to bring about an efficient use of resources.** Prices generally are set by the interaction of supply and demand. For example, if the supply of a good suddenly drops, those selling it will usually raise its price. That is because they can easily sell their small supply to the few buyers willing to pay the higher price. In a market economy, this situation will not last long. Competitors will arrive, attracted by the profits they can earn. They will increase the supply of the good, and they will soon bring its price back down to attract enough buyers for the once-again plentiful supply. This is just one example of how prices and competition continually adjust the mix of goods and the use of resources in response to the choices consumers make.

Cartoons 1 and 2

Background

These two cartoons help illustrate the way prices work to guide production in a market economy. Use the information on this page to give your students the background knowledge they need to better understand these two cartoons.



Eugene Craig, courtesy *Columbus (O.) Dispatch*

This cartoon makes a simple point: By cutting the supply of food crops, drought can lead to an increase in food prices. Purchasers of food—distributors, stores, customers—will bid up the price in a competition to get a portion of the diminished supply. Food sellers, in other words, are in a position to pick and choose, and sell their smaller supply to the highest bidder. It is the competition among buyers of food that enables the sellers to raise prices. Soon, however, competition among sellers will bring food prices back down again—that is, if effective competition exists. In this case, assuming good transportation and marketing systems are in place, food growers outside the drought area will rush to fill the gap caused by the drought. As they do so, available supply will go up, and prices will come down to attract enough buyers for the again plentiful supply of food.



Library of Congress, Prints and Photographs Division, Washington, DC, LC-USZC4-2744

This “cartoon” is actually an advertisement from the late 1800s. It does not overtly appear to be about prices, but this ad does illustrate the interaction of prices and the choices consumers make.

Americans on the frontier in the early 1800s often made their own clothes from cloth purchased in a nearby town. Sewing by hand must have been time consuming in a situation where many other tasks also took a lot of time. The new invention the woman on the left is using may have been costly, but its price could be compared to the value of the time it would save, time that could be used for other tasks. If the price was less than the value of the time saved, buying it would make sense.