

Work Group D Recommendations
Social Studies, Texas Essential Knowledge and Skills
Economics with Emphasis on the Free Enterprise System and Its Benefits, High School Course

Prepared by the State Board of Education Social Studies TEKS Streamlining Work Groups

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These recommendations reflect changes to the social studies Texas Essential Knowledge and Skills (TEKS) that have been recommended by State Board of Education’s TEKS streamlining work group for the **Economics with Emphasis on the Free Enterprise System and Its Benefits, High School Course**. Proposed deletions are shown in red font with strikethroughs (~~deletions~~). Text proposed to be moved from its current student expectation is shown in purple, italicized font with strikethrough (~~*moved text*~~) and is shown in the proposed new location in purple, italicized font with underlines (*new text location*). Recommendations to clarify language are shown in blue font with underlines (clarifying language). Additions made as technical edits are shown in green font with underlines (additions).

Comments in the middle column provide explanations for the proposed changes. Work groups estimated the amount of instructional time that would be reduced based on their recommendations. The reduction of instructional time is provided in minutes in the right-hand column.

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Economics with Emphasis on the Free Enterprise System and Its Benefitspages 2 – 8

§118.4. Economics with Emphasis on the Free Enterprise System and Its Benefits, High School (One-Half Credit), Beginning with School Year 2011-2012.

TEKS with edits		Work Group Comments/Rationale	Instructional Time Reduction
(c)	Knowledge and skills.		
(1)	Economics. The student understands the concepts of scarcity and opportunity costs. The student is expected to:		
(A)	explain why scarcity and choice are basic economic problems faced by every society;		
(B)	describe how societies answer the basic economic questions: what to produce, how to produce, and for whom to produce ;	Add what to produce, how to produce and for whom to produce. Clarification of the basic economic questions. This is in all instructional materials and TEKS resource system	
(C)	describe the economic factors of production; and		
(D)	interpret a production-possibilities curve and apply explain the concepts of opportunity costs and scarcity.	Change the verb explain to apply. This increases the rigor, not instructional time, and provides more flexibility in teaching the concept.	
(2)	Economics. The student understands the interaction of supply, demand, and price. The student is expected to:		
(A)	understand the effect of changes in price on the quantity demanded and quantity supplied;		
(B)	identify the non-price determinants that create changes in supply and demand, which result in a new equilibrium price; and		
(C)	interpret a supply-and-demand graph using supply-and-demand schedules.		
(3)	Economics. The student understands the reasons for international trade and its importance to the United States and the global economy. The student is expected to:		
(A)	apply explain the concepts of absolute and comparative advantages;	Change the verb explain to apply this will allow the merger of 3B.	
(B)	apply the concept of comparative advantage to explain why and how countries trade; and	By changing the verb in 3A from explain to apply it allows for the merger of 3B into 3A	45 minutes

(C)	analyze the impact of U.S. imports and exports on the United States and its trading partners.	Merged with 4A (redundant)	
(4)	Economics. The student understands the issues of free trade and the effects of trade barriers. The student is expected to:	Eliminate 4 to merge with 3	
(B) (A)	compare the effects of free trade and trade barriers on economic activities, <i>including the benefits and costs of participating in international trade; and</i>	Combined 4A and 4B to reduce redundancy. International trade is a component of trade.	45 Minutes
(B)	evaluate the benefits and costs of participation in international free trade agreements; and	Moved international trade to 4A as an example. Students are comparing effects in new 3B, which is more appropriate for the grade level. Streamlined for time constraints.	
(C)	analyze the effects of changes in exchange rates on imports and exports.		
(4) (5)	Economics. The student understands free enterprise, socialist, and communist economic systems. The student is expected to:		
(A)	explain describe the basic characteristics of economic systems, including property rights, incentives, economic freedom, competition, and the role of government;	By changing the verb describe to explain, 6A is merged into 5A	
(B)	compare <i>current and historic examples of</i> the free enterprise system, socialism, and communism using the basic characteristics of economic systems; <i>and</i>	Historical examples are in the Economics resources. Clarified historic examples when merged 5C into 5B	
(C)	examine current examples of free enterprise, socialist, and communist economic systems;	Merged with 5B due to redundancy	20 minutes
(D)	understand that the terms free enterprise, free market, and capitalism are synonymous terms to describe the U.S. economic system; and	Implied in 5A, overly simplistic into terms whereas there is no higher order thinking.	10 minutes
(C) (E)	analyze the <i>contributions</i> importance of various economic philosophers, including Friedrich Hayek, Milton Friedman, John Maynard Keynes, and Adam Smith, and their impact on the U.S. free enterprise system.	Clarification. Importance is difficult to measure and requires a judgement of value	

(5)(6)	Economics. The student understands the basic characteristics and benefits of a free enterprise system. The student is expected to:		
(A)	explain the basic characteristics of the U.S. free enterprise system, including private property, incentives, economic freedom, competition, and the limited role of government;	Combined with 5A due to redundancy.	45 minutes
(A)(B)	explain the benefits of the U.S. free enterprise system, including individual freedom of consumers and producers, variety of goods, responsive prices, investment opportunities, and the creation of wealth; <u>and</u>		
(B)(C)	analyze recent changes in the basic characteristics of the U.S. economy.; and		
(D)	analyze the costs and benefits of U.S. economic policies related to the economic goals of economic growth, stability, full employment, freedom, security, equity (equal opportunity versus equal outcome), and efficiency.	Moved to 14D because 14 covers the role of government and economic policy and intervention in the free enterprise system. Student expectation best fits under this knowledge and skills set.	
(6)(7)	Economics. The student understands the right to own, use, and dispose of private property. The student is expected to:		
(A)	analyze the costs and benefits of the purchase, use, or disposal of personal and business property; and		
(B)	identify and evaluate examples of restrictions that the government places on the use of business and individual property.		
(7)(8)	Economics. The student understands the circular-flow model of the economy. The student is expected to:		
(A)	interpret the roles of resource owners and firms in a circular-flow model of the economy and provide real-world examples to illustrate elements of the model; <u>and</u>		
(B)	explain how government actions affect the circular-flow model.; and		
(C)	explain how the circular flow model is affected by the rest of the world.	Redundant. Covered in international trade knowledge and skill 3.	15 minutes

(8)(9)	Economics. The student understands types of market structures. The student is expected to:		
(A)	describe characteristics and give examples of pure competition, monopolistic competition, oligopoly, and monopoly; and		
(B)	identify and evaluate ordinances and regulations that apply to the establishment and operation of various types of businesses.	Combined with 16C	
(9)(10)	Economics. The student understands key economic measurements. The student is expected to:		
(A)	interpret economic data, including unemployment rate, gross domestic product, gross domestic product per capita as a measure of national wealth, and rate of inflation; and		
(B)	analyze business cycles using key economic indicators.		
(10)(11)	Economics. The student understands key components of economic growth. The student is expected to:		
(A)	analyze how productivity relates to growth;		
(B)	analyze how technology relates to growth; and		
(C)	analyze how trade relates to growth.		
(11)(12)	Economics. The student understands the role of money in an economy. The student is expected to:		
(A)	describe the functions of money;		
(B)	describe the characteristics of money, including commodity money, fiat money, and representative money; and		
(C)	examine the positive and negative aspects of barter, currency, credit cards , and debit cards.	Factual error. Credit cards are not money. The knowledge and skills statement states “the role of money”	
(12)(13)	Economics. The student understands the role of the Federal Reserve System in establishing monetary policy. The student is expected to:		
(A)	explain the structure of the Federal Reserve System;		

(B)	analyze the three basic tools used to implement U.S. monetary policy, including reserve requirements, the discount rate and the federal funds rate target, and open-market operations;		
(C)	explain how the actions of the Federal Reserve System affect the nation's money supply; and		
(D)	analyze the decline in value of the U.S. dollar, including the abandonment of the gold standard.		
(13)(14)	Economics. The student understands the role that the government plays in the U.S. free enterprise system. The student is expected to:		
(A)	identify economic concepts in the U.S. Constitution, including property rights and taxation;	Covered in 5A under free enterprise. Also covered in Government	30 minutes
(A)(B)	describe the role of government in the U.S. free enterprise system and the changes in that role over time; and		
(C)	evaluate government rules and regulations in the U.S. free enterprise system.	Redundant. Covered in new structure of 13D formerly 6D.	60 minutes
(B)	analyze the costs and benefits of U.S. economic policies, rules and regulations related to the economic goals of economic growth, stability, full employment, freedom, security, equity (equal opportunity versus equal outcome), and efficiency.	Moved from 6D because 13 covers the role of government and economic policy and intervention in the free enterprise system. Student expectation best fits under this knowledge and skills set.	
(14)(15)	Economics. The student understands the economic impact of fiscal policy decisions at the local, state, and national levels. The student is expected to:		
(A)	identify types of taxes at the local, state, and national levels and the economic importance of each;		
(B)	analyze the categories of revenues and expenditures in the U.S. federal budget; and		
(C)	analyze the impact of fiscal policy decisions on the economy.		

(15)(46)	Personal financial literacy. The student understands types of business ownership. The student is expected to:		
(A)	explain the characteristics of sole proprietorships, partnerships, and corporations;		
(B)	analyze the advantages and disadvantages of sole proprietorships, partnerships, and corporations; <u>and</u>		
(C)	analyze the economic rights and <u>legal</u> responsibilities of businesses, including <i>establishing and operating various types of those involved in starting a small business</i> ; <u>and</u>	Combined from 9B and provided further clarification of “legal” responsibilities. Student expectation best fits this knowledge and skills set.	
(D)	explain how corporations raise money through stocks and bonds.	This SE is redundant. It is more relevant in financial markets.	
(16)(47)	Personal financial literacy. The student understands the role of financial markets/institutions in saving, borrowing, and capital formation. The student is expected to:		
(A)	explain the functions of financial institutions and how they affect households and businesses;		
(B)	explain how the amount of savings in an economy is the basis of capital formation <i>through stocks and bonds</i> ;	Moved from 16D	
(C)	analyze the role of interest and risk in allocating savings to its most productive use; and		
(D)	examine the types of accounts available to consumers from financial institutions and the risks, monetary costs, and benefits of maintaining these accounts.		
(17)(48)	Personal financial literacy. The student understands the role of individuals in financial markets. The student is expected to:		
(A)	assess ways to be a wise investor in the stock market and in other personal investment options <i>such as a personal retirement plan</i> ;	Clarifying language in combining 18C	
(B)	explain how to begin a savings program;		
(C)	examine investment options available in a <i>personal retirement plan</i>;	Combined with 18A	45 minutes

(C) (D)	demonstrate how to maintain a checking account, including reconciling a bank statement;		
(D) (E)	identify the types of loans available to consumers;		
(E) (F)	explain the responsibilities and obligations of borrowing money; and		
(F) (G)	develop strategies to become a low-risk borrower by improving and understanding one's personal credit score.	Clarification. In order to improve, must understand.	
(18) (19)	Personal financial literacy. The student applies critical-thinking skills to analyze the costs and benefits of personal financial decisions. The student is expected to:		
(A)	examine ways to avoid and eliminate credit card debt;		
(B)	evaluate the costs and benefits of declaring personal bankruptcy;		
(C)	evaluate the costs and benefits of buying insurance; and		
(D)	evaluate the costs and benefits of charitable giving.		
(19) (20)	Personal financial literacy. The student understands how to provide for basic needs while living within a budget. The student is expected to:		
(A)	evaluate the costs and benefits of renting a home versus buying a home ; and	Merged buying a home 20B with 20A	
(B)	evaluate the costs and benefits of buying a home ; and	Merged with 20A	45 minutes
(B) (C)	assess the financial aspects of making the transition from renting to home ownership.		
(20) (21)	Personal financial literacy. The student understands the various methods available to pay for college and other postsecondary education and training. The student is expected to:	In a future revision, how to complete income tax forms should be included as they are essential to the FAFSA	
(A)	understand how to complete the Free Application for Federal Student Aid (FAFSA) provided by the United States Department of Education;		

(B)	research and evaluate various scholarship opportunities such as those from state governments, schools, employers, individuals, private companies, nonprofits, and professional organizations;		
(C)	analyze and compare student grant options;		
(D)	analyze and compare student loan options, including private and federal loans; <u>and</u>		
(E)	research and evaluate various work-study program opportunities; and		
(F)	investigate nontraditional methods of paying for college or postsecondary education and training.	This SE is too vague and ambiguous	45 minutes

The Social Studies Skills strand for the Economics with Emphasis on the Free Enterprise System and Its Benefits course is located in the Work Group D recommendations for the Social Studies Skills strand.