

Lesson Five: Show me the Money

Objectives:

- Students will review the use of FANBOYS with commas and semi-colons to combine sentences, and be introduced to the use of dependent clauses
- Students will review what they have studied so far through practice test questions
- Students will learn about the structure of the U.S. government and consider the concept of limited government
- Students will understand the concept of a laissez faire approach to government's involvement in the economy versus a more active role for government
- Students will learn about the New Deal

Activity One: Review Stations

Materials: Review Stations Assignment sheet, attached.

Steps:

1. As students come in, pair them up and assign them to a review station. Walk around as students are working in pairs to lend guidance and support.
2. When a particular pair of students is finished with one station, they can move to another. When 30-40 minutes has gone by and the whole class is assembled, have students at each station post their work on pieces of large flip chart paper, and do a gallery walk.

Activity Two: Sentence-combining with Dependent Clauses

Materials: Sheet of stem sentences

Steps:

1. Briefly review the use of FANBOYS to combine sentences by writing sentences about students on the board, for instance: Carlo had worked all night and was exhausted. He came to class anyway. Ask students which FANBOY, "and," "So" or "But" would fit here. With students combine the sentence drawing attention to the placement of the comma and writing the rule about commas and coordinating conjunctions on the board.
2. Do a few more examples, with "and" and "so."
3. When you feel students have the hang of it, introduce dependent clauses. Say that FANBOYS are one way to combine sentence but there are other ways, too. One way is dependent clauses.
4. Write "Although Carlo had worked all night and was exhausted" on the board. Ask students "Is this a sentence?" Students will likely answer that it is not. Ask students what it needs to be a sentence.

5. Explain that this is a dependent clause. It cannot stand alone. How do you know if you have a dependent clause? It begins with a dependent clause word. (You may want to stick with just “although” and “because” for this introduction.) Write “He came to class anyway.” Ask students “Is this a sentence?”
6. Show that the dependent clause can come at the beginning or the end. Write the sentence both ways. Tell students that if the dependent clause comes at the beginning, there has to be a comma at the end of it.
7. Repeat the procedure with “because.” Write “Because Eileen studied hard.” Is it a sentence? Ask students to help you finish the sentence. Then show how the “because” phrase can come at the beginning or the end.
8. When you feel students understand the concept, hand out the sheet of stem sentences. Have students work in pairs to combine a set of sentences and put it up on the board. Review as a whole class.

Activity Three: Structure of the US Government

Materials: Pictures of politicians, list of powers, pages on Federalism, attached; chart showing separation of powers, and page of newspaper headlines, attached.

Steps:

1. Tell students that one of the most important areas of study for the Social Studies TASC is the structure of U.S. government. In this lesson they will learn/review what they know about the U.S. government, then apply it to thinking about the Great Depression.
2. Tell students, “so now we’re going to look at the government the Founders set up and how they distributed power. Ask students to name some politicians or “people in government” they know of. Students will likely know Obama, Cuomo and DiBlasio. Some may know the Speaker of the House. As you elicit these names, write them in three different areas of the board: federal, state and local.
3. Hand out the sheet with pictures of politicians: Ask them who they think has the most power. We always say we are a government “by the people.” So do they, ordinary citizens, have more power? Does Obama have more power?
4. Give out the sheet that lists powers held by state and federal governments. Ask students to predict who has which power. On the board, write two columns, Federal and State. As students say which power goes under which column, write it there. Then, hand out the reading on the federal system. Ask students to read to find out (1) whether their predictions were correct and (2) to answer the question: what is a federal system?
5. Once students have read, ask them to help you correct the powers that are written on the board based on the information they got from the text. Also, ask one student to come up and do a brief role play with you. You play the role of student. You ask another student to play the role of mother. Child asks mother “Mom, what is a federal system?” Mother has to answer in simple language. Class, who is watching, can comment on whether this was an accurate explanation or not.

6. Return to the part of the board where you have written Obama's name. Ask which branch of government he is head of. Is he the only one in government? Does he run the whole country singlehandedly? From this you can elicit what students know about their politicians. Between student knowledge and questions, you should be able to get to a place where you have the three branches up on the board and some basic information about them—who is in each branch, the main function of the branch, etc.
7. Have students look at the “Branches and Powers” sheet. This time, write three columns on the board for the three branches and have students tell you which branch each power belongs to.
8. Give out the text excerpt from Life and Liberty and have students read. Once they have read, they can make corrections about their predictions on branches/powers.
9. Tell students that two of the “Constitutional principles” of the U.S. Constitution are “the separation of power” and “the system of checks and balances.” Give out the chart that shows these checks and give students some time to look them over. Tell students, “the branches of government still check each other, especially in times like these when the country is politically *polarized* (explain the meaning of polarized).
10. Give out the sheet of headlines/short articles that show checks and balances in action. Students should work in pairs to read the headlines and identify which branch is checking which other branch and which “check” they are making use of.

Activity Four: Limited Government

Materials: Adapted TASC blog sheet on Limited Government; Preamble of the Constitution; “Day in the Life” from the website “Government is Good,” large picture of Adam Smith; letters to Eleanor Roosevelt; photos “The American Way,” and “Hoover prosperity” cartoon

Steps:

1. “Now you know something about the basic structure of the U.S. government. One of the important concepts to understand about the U.S. government is that it is intended to be *limited*. What does this mean? Remember that the men who wrote the Constitution were coming from a government that had a king. The king had a lot of power. When the Founders set up their government, they didn't want to have the same type of government with so much power concentrated in one person, so they decided to make three branches of government that would have different responsibilities, and they also set up the system of checks and balances so no one branch would get too much power.
2. There are other steps that the Founders took to make sure they created a limited government. Hand out the TASC blog sheet. How are limited and unlimited governments different? Try to summarize in one sentence or two using a structure such as a compound sentence using a FANBOY.

3. Optional: Look at the preamble to the Constitution. What does it “announce” that government should do? Ask students: “We see this phrase “promote the welfare...common good.” Do you feel that the U.S. government promotes your welfare? Do you think it promotes the common good? Why or why not? Can you think of anything your government has done for you? Allow students to brainstorm and write their ideas on the board.
4. Give out the edited “Day in the Life” passage from the “Government is Good” website. Ask students to read. What surprises you? What are some things that government does for us that most of us don’t really think about? Would we be better off if government didn’t do those things? This article offers teachers a great opportunity to provide students with practice in note-taking and getting the gist. First, model the first few entries, showing how you would take brief notes to sum up the service the government provides. For instance, for the very first entry (6:30 a.m.), you might take notes that say “National Institute of Standards and Technology” keeps track of the time and “FCC regulates airwaves.” Once students understand what you mean, you can divide the class into different groups and ask each group to read a certain portion of the entries, then take notes in the margins to summarize the government service provided. You can ask each group to write their notes on the board, then have the class help you write one or two sentences that summarizes the services and benefits provided by the government.
5. Tell students: This concept of how limited our government should be has been debated all through our history. Remind them about Adam Smith and the invisible hand. Put his picture back up. Put the following quote(s) on the board or on flip chart paper and work with students to paraphrase them.

“It is the highest impertinence and presumption, therefore, in kings and ministers to pretend to watch over the economy of private people, and to restrain their expenses. They are themselves, always and without exception the greatest spendthrifts in society.”

6. What were Adam Smith’s ideas about the relationship that should exist between the government and the economy? Write the term “laissez faire” on the board and explain its meaning. Tell students that this idea that government should be limited, and in particular that it should “stay out” of the economy, was very prevalent up until the Depression, but then it began to change. Now we are going to think about why.
7. Give out two of the letters to Eleanor Roosevelt and ask students to read. Briefly explain that Eleanor Roosevelt was the wife of FDR, who became president in the second part of the Great Depression. What are people asking Mrs. Roosevelt for? Do they think that Eleanor Roosevelt should give them the things they ask for? Why or why not? Tell students that until the 30s, most people thought it was their responsibility to take care of themselves, no matter what. The government did not have to take care of them or help them. But then the Depression came. There were two different “schools of thought” about how the country’s leaders should react.

8. Give out the photo showing the soup kitchen line in front of the “American Way” billboard, the cartoon “Hoover Prosperity” and the photo “Hoover Poor Farm.” Ask students “Once the Great Depression started, what do you think people felt about Hoover and his philosophy?” Review the concept of irony. How do you think the unemployed, homeless people of America felt about Hoover’s philosophy that government should stay out of business because otherwise people would lose their initiative? How did the person who took this photograph regard Hoover’s message?
9. Tell students that in 1932 Franklin Delano Roosevelt was elected based on his promises to do something about the Great Depression. Roosevelt had a very different attitude than Hoover—he believed that government had an important role to play in lifting the country from Depression. Tell them that this was the beginning of an important era in our history: the New Deal.

Activity Five: The New Deal

Materials: NY Times Upfront article on the Legacy of FDR, attached; GIST template.

Steps:

1. Give out a photo showing “Hoover” sign. Ask students what they think people were trying to say by these signs. How did people feel about Hoover? Were they being sarcastic? Tell students that people were very discontented with Hoover during the Great Depression. After Hoover, a new president was elected: FDR. FDR won partly because he promised the American people “A New Deal.”
2. Remind students that Hoover was against government intervention in the economy. FDR had a completely different idea: he thought that the government was responsible for the well-being of people.
3. Give students time to read the article, “FDR: How He Changed America?”
4. Hand out the GIST template to students and review each section that needs to be filled in.
5. Tell students that they are going to practice summarizing a single paragraph by writing a GIST of one of the paragraphs from the article they just read, and that they should summarize the paragraph briefly in their own words.
6. Remind students that they are looking for the main idea(s) of the paragraph and that asking who, what, when, where, why, how will help them identify the most important pieces of information that will be included in their summary which is ultimately the GIST.
7. Assign each student (or pair) a paragraph to be summarized using the GIST template. (It helps to number the paragraphs prior to making copies of the article.)

8. Be sure to make it clear to students that their GIST needs to be 20 words or less, that one word goes on each line, and that it has to be coherent and make sense. They can't just put random words on the line. (You may want to draw a brief illustration on the board with four lines and write "The dog is big." or some other simple sentence so that students get the point.
9. Tell students to begin discussing/ filling in the 5W's +H with their partner before they move on to the actual GIST. Remind them that the answers to these questions will help them to determine the most important information which is most likely going to end up in their GIST. (You may also want to let students know that they may not be able to fill in all of the 5W's+H questions depending on the content of the article.)
10. Tell students that they may first want to write a draft of their GIST then edit it down to 20 words or less before they put the final draft on the GIST template.
11. Walk around and assist students by asking them prodding questions about their decisions for the 5W's+H and their word choices. *Note: This activity can also be a good way for students to practice paraphrasing. Because the paragraphs are rather short students will be more apt to practice their paraphrasing skills during this activity.*
12. Once most students have finished, ask for a few volunteers to come up to the board and share their GIST with the rest of the class. (Typically about 4 GISTs will suffice.)
13. Read the GISTs out loud and lead a discussion in which you ask students to look at the original paragraph and discuss whether the summary reflects the original paragraph.

Note: Below are some additional extensions for this activity.

- Have students add their GISTs to newsprint in order to create a summary of the original article.
- If any individual students or pairs were assigned the same paragraph have them put their GISTs on the board side-by-side and discuss differences and similarities and which GIST presents the most accurate summary.
- Have students create a GIST that is 20 words or less for the entire article.
- Have individual students or pairs swap GISTs with other individuals or pairs and discuss whether the GIST represents the article or paragraph and having them explain why or why not.

Homework:

1. Common Core Achieve Social Studies, pages 194, 198 and 199
2. Pages 89-90 from the TASC Exercise Book: Social Studies
3. Reading on Opposition to the New Deal
4. Minorities and the New Deal from "America in the 1930s"

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Show me the Money

Lesson Five

Handouts

Activity One: Review Stations

- Review Stations Assignment Sheet
- Exercises from OWL: Semi-colons and Commas

Activity Two: Using Dependent Clauses

- Sentence stems

Activity Three: Structure of the U.S. Government

- Pictures of politicians
 - list of powers
- pages on Federalism
- chart showing separation of powers
- page of newspaper headlines, attached.

Activity Four: Limited Government

- Adapted TASC blog sheet on Limited Government
 - Preamble of the Constitution
- "Day in the Life" from the website "Government is Good"
 - large picture of Adam Smith
 - letters to Eleanor Roosevelt
- photo: "The American Way," and "Hoover prosperity" cartoon

Activity Five: The New Deal

- Adapted NY Times Upfront article: FDR's Legacy
 - GIST TEMPLATE

Homework:

Reading: Opposition to the New Deal

- Reading: "Minorities and the New Deal" from "America in the 1930s by Jim Callan"
 - Pages 194, 198, and 199 from Common Core Achieve Social Studies
 - Pages 89-90 from the TASC Social Studies Exercise Book

Show me the Money Lesson Five Activity One: Review Stations

Directions for Students: Work with a partner. Choose a Review Station to work on. Post your work on large flip chart paper so everyone in the class can see. If you finish one Review Station, move on to the next.

STATION ONE: Comma and Semi-colon practice

Comma (,)

Use a comma after the first independent clause when you link two independent clauses with one of the following coordinating conjunctions: *and, but, for, or, nor, so, yet*. For example:

I am going home, and I intend to stay there.

It rained heavily during the afternoon, but we managed to have our picnic anyway.

They couldn't make it to the summit and back before dark, so they decided to camp for the night.

Semicolon (;)

Use a semicolon when you link two independent clauses with no connecting words. *For example:*

I am going home; I intend to stay there.

It rained heavily during the afternoon; we managed to have our picnic anyway.

They couldn't make it to the summit and back before dark; they decided to camp for the night.

You can also use a semicolon when you join two independent clauses together with one of the following conjunctive adverbs (adverbs that join independent clauses): *however, moreover, therefore, consequently, otherwise, nevertheless, thus, etc.* For example:

I am going home; moreover, I intend to stay there.

It rained heavily during the afternoon; however, we managed to have our picnic anyway.

They couldn't make it to the summit and back before dark; therefore, they decided to camp for the night.

Exercise : Commas vs. Semicolons - Compound Sentences (from OWL Purdue)

Each of the following sentences needs either a comma or a semicolon. Put in the necessary punctuation.

1. Many companies make sugar-free soft drinks, which are flavored by synthetic chemicals the drinks usually contain only one or two calories per serving.
2. Mr. Leyland played the viola professionally for many years and he now conducts a community orchestra.
3. The crab grass was flourishing but the rest of the lawn, unfortunately, was dying.
4. The hill was covered with wildflowers it was a beautiful sight.
5. As I turned around, I heard a loud thump for the cat had upset the goldfish bowl.
6. The artist preferred to paint in oils he did not like watercolors.
7. The house was clean, the table set, and the porch light on everything was ready for the guests' arrival.
8. He looked carefully in the underbrush but he failed to notice the pair of green eyes staring at him.
9. The foundations of the house had been poured but, to his disappointment, nothing else had been done because of the carpenters' strike.
10. The computer could perform millions of operations in a split second however, it could not think spontaneously.
11. I thought registration day would be tiring but I didn't know I'd have to stand in so many lines.
12. The dog, growling and snarling, snapped at me I was so frightened that I ran.
13. The snowstorm dumped twelve inches of snow on the interstate subsequently, the state police closed the road.

14. Professors are supposed to be absent-minded and I've seen plenty of evidence to support that claim since I've been in college.

15. The suspect said that he had never met the victim however, the detective knew that he was lying.

16. In the first place, it was snowing too hard to see the road in the second place, we had no chains.

17. I have read *Soul on Ice* but I have not read *The Invisible Man*.

18. San Francisco is my favorite city in fact, I plan to spend two weeks there this summer.

19. The quarterback made a brilliant pass and the end crossed the goal line for the winning touchdown.

20. Large supermarkets fascinate me I can find everything from frozen chow mein to soybean flour in one place.

Review Station Two: For Homework, you were asked to read and do the questions for pages 86-90 in the Common Core Achieve book. If you did the questions, compare with a partner. If you did NOT do the questions, PLEASE DO THEM NOW.

Show me the Money Lesson Five Activity Two: Using Dependent Clauses

- Sentence stems

SENTENCE COMBINING with Dependent Clauses

Use the dependent clause words *before, after, because, since, although, in addition to* to combine the sentences below. Remember to use commas where they are needed.

SET 1 People tend to leave a place where there are bad conditions.
Bad conditions that make a person want to migrate are called *push factors*.
Maybe there has been a famine.
Maybe the economy is bad.
Maybe there is oppression.
It's very difficult to leave your home.
Sometimes people have no choice.

SET 2 Most people made a living from farming prior to the 20th century.
Then the Industrial Revolution took place.
It changed things.
Machines were invented to make many products.
The new jobs were in factories.
Fewer people made a living by farming.
Factories were in cities, so people moved to cities to get jobs.

SET 3 It was the end of the 19th century.
Conditions in some European countries were not good.
There were famines.
The economy was doing poorly.
There were lots of factory jobs in U.S. cities.
Europeans migrated to the U.S.
They wanted jobs.
Many groups came to New York City.
They lived in tenements.
They lived in poor conditions.

SET 4 People often migrate.

They migrate to a place where there are better conditions.

These are called pull factors.

African Americans suffered from oppression in the South.

They migrated north.

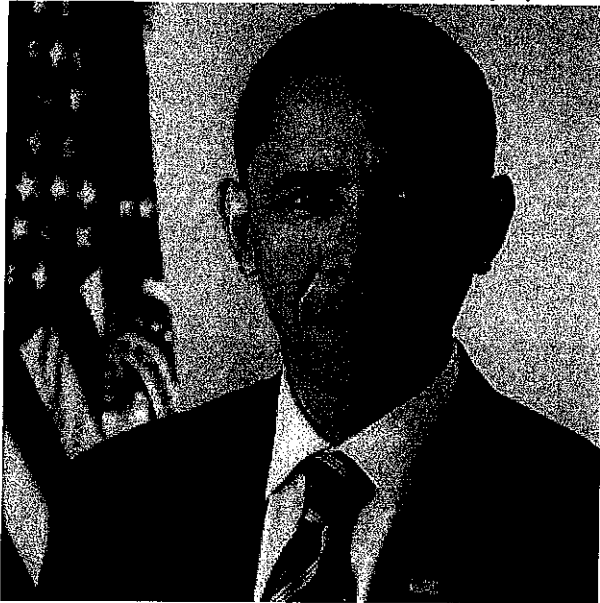
In the North there were more jobs.

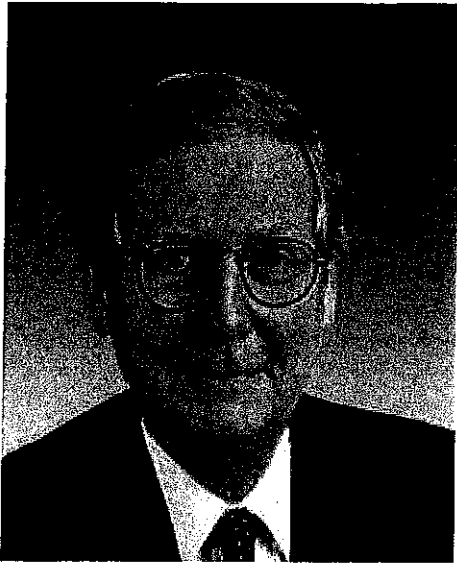
There was somewhat more freedom.

Sentence Combining, Lesson 5, Show me the Money

Activity Three: Structure of the U.S. Government

- Pictures of politicians
 - list of powers
 - pages on Federalism
- chart showing separation of powers
- page of newspaper headlines, attached.





The Powers That Be

Federal Government

Look at the powers below. Make a prediction about whether this power belongs to the Legislative, Executive or Judicial branch. Then draw a line from the power to the branch you think it belongs to.

EXECUTIVE
BRANCH

LEGISLATIVE
BRANCH

JUDICIAL
BRANCH

Powers

- Make laws about taxes
- Make laws
- Approve treaties
- Suggest budgets
- Appoint judges and cabinet members
- Approve budgets
- Decide what laws mean
- Decide whether a law or presidential action is constitutional or not

State Governments and Federal Government

Look at the powers below. Make a prediction about whether this power belongs to the Federal government or state government. Then draw a line from the power to either “state” or “federal” government, based on your prediction about where it belongs.

STATE
GOVERNMENTS

FEDERAL
GOVERNMENT

Powers

- Provide army and navy
- Collect taxes
- Set up and run schools
- Declare war
- Carry on relations with other countries
- Hold elections
- Pass laws about marriage and divorce
- Coin money
- Carry on relations with other countries

Glossary terms

- republic
- monarchy
- direct democracy
- federal system
- delegated powers
- reserved powers
- concurrent powers
- legislative branch
- executive branch
- judicial branch
- separation of powers
- checks and balances

SECTION 2 Principles of the Constitution

The writers of the Constitution based the document on ideas that were popular when they wrote it. The main idea behind the Constitution is that government should have limited power so that Americans are always free. This Section considers how the writers limited government.

A Republic

The Constitution states that the United States government is a **republic**. That is, the people elect their rulers. The government is not a **monarchy**, a government run by a king or queen. Nor is it a **direct democracy**, in which each person votes on laws and decides what the government should do.

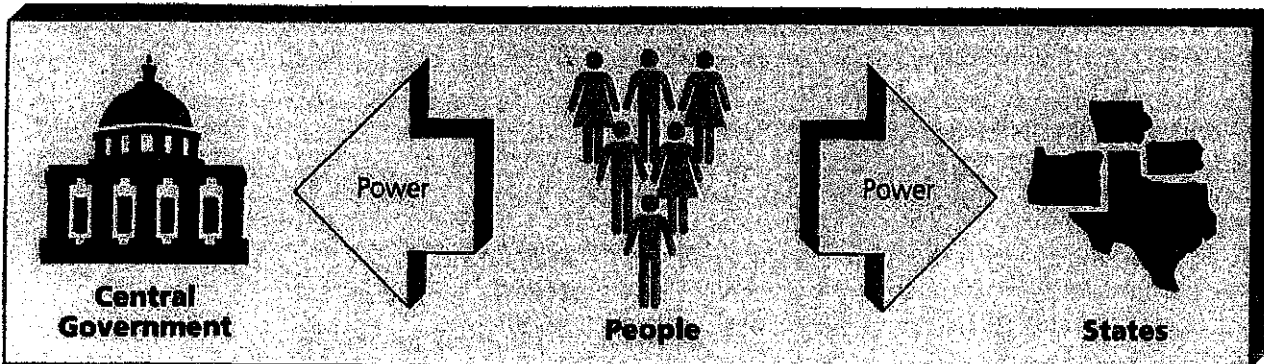
Americans had seen how a monarchy works when the English king ruled them. Although the writers of the Constitution could see some advantages to a monarchy, they believed that its biggest disadvantage was the amount of power it gave one person.

However, most American leaders also feared a democracy. Americans of the 1780s had little education, and many leaders thought that the people did not know how to make wise decisions. Only one small part of the Constitution allowed the common people to influence the central government. This part provided that the people would elect the members of the House of Representatives.

A Federal System

A **federal system** is one in which power is shared between a central government and state governments. Both central and state governments receive power from the people.

Federal System

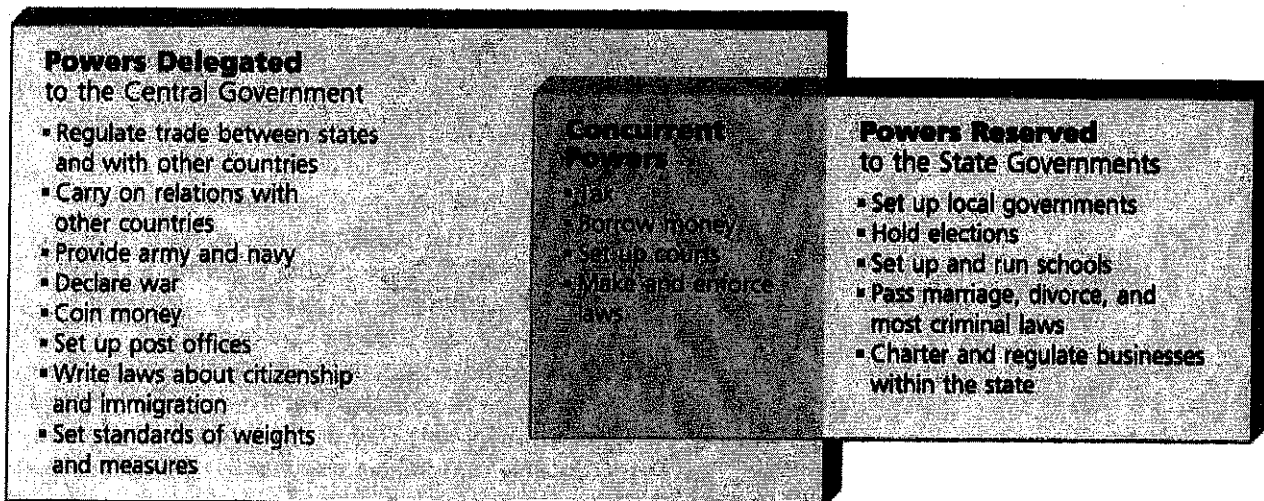


From *Life and Liberty* by Philip Roden, pgs 106-108.

Many Americans feared a strong central government because of their experiences under English rule. Under the American federal system, or federalism, they gave the central government limited powers.

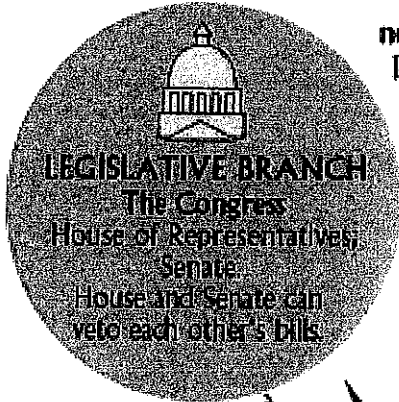
Under the federal system, there are three sets of powers—delegated, reserved, and concurrent. **Delegated powers** are those the Constitution gives to the central government. For the most part, these powers allow the central government to handle issues that involve the whole nation. Dealing with foreign countries or with trade between states are examples. **Reserved powers** are those kept by the states. Most of them deal with everyday life—marriage, divorce, education, and so forth. **Concurrent powers** are those shared by the central government and state governments. A good example is the power to tax.

Delegated, Concurrent, and Reserved Powers

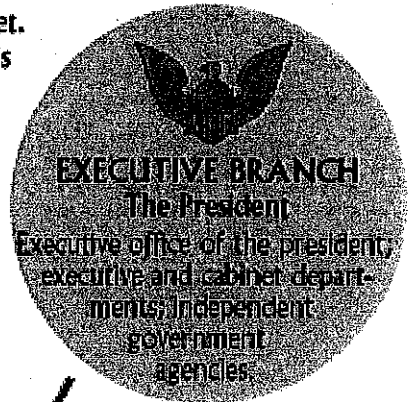


Most of the United States Constitution deals with the powers and organization of the central government. It does describe how the states and the central government are supposed to get along. It also requires the states to preserve a few rights—trial by jury, for example. But the writers of the Constitution realized that the central government could not take over all the powers of the states. Individual state constitutions describe the powers and organization of the state governments.

From *Life and Liberty* by Philip Roden, pgs 106-108.



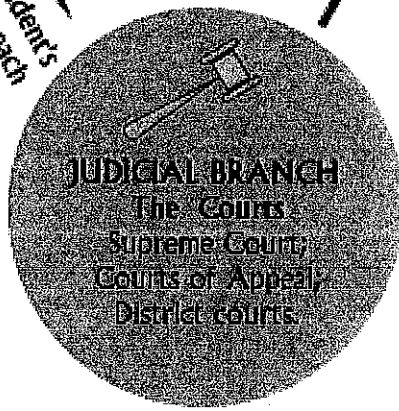
Congress approves presidential nominations and controls the budget. It can pass laws over the president's veto and can impeach the president and remove him or her from office.



The president can veto congressional legislation.

The Court can declare laws unconstitutional.
 The Senate confirms the president's nominations. Congress can impeach judges and remove them from office.

The president nominates judges.
 The Court can declare presidential acts unconstitutional.



Read the following newspaper headlines. Which branch is checking the power of another branch? How?

Congress Votes to Override Obama Veto on 9/11 Victims Bill

Deadlocked Supreme Court deals big blow to Obama immigration plan

A bigger Army, military pay raise: White House says no, House votes yes

By: Leo Shane III, Military Times, May 18, 2016 (Photo Credit: Maj. Will Cox/Army)

Obama Pick for Court Is 3rd in a Row Blocked by Republicans

Obama issues record-breaking 214 commutations

Supreme Court Upholds Health Care Law, 5-4, in Victory for Obama

Activity Four: Limited Government

- Adapted TASC blog sheet on Limited Government
 - Preamble of the Constitution
- “Day in the Life” from the website “Government is Good”
 - large picture of Adam Smith
 - letters to Eleanor Roosevelt
- photo: “The American Way,” and “Hoover prosperity” cartoon

What's the Difference Between Limited and Unlimited Government? | Social Studies

Governments provide safety and structure to a country. **Depending on the type of government a country has – limited or unlimited – will determine the amount of power the government has over its citizens.** Understanding the difference between a limited and unlimited government is a high emphasis topic on the TASC Test Assessing Secondary Completion™ Social Studies subtest.

Let's take a look at what makes them different:

Limited Government

Limited governments have established and respected laws and restraints of power.

- The power of the government is usually limited by a binding document.
 - For example, the Constitution of the United States details all powers and limitations the government has.
- Citizens' rights are protected by the constitution.
 - For example, in America, freedom of speech is protected by the First Amendment in the Bill of Rights.
- All citizens, figures of authority, and government officials must obey established laws and restraints of power.
- Limited governments seek to improve and protect the public.

- **The United States, India, and Mexico have limited governments.**

Unlimited Government

Unlimited governments have no restraint of power and are typically led by a leader who is above established laws.

- The power of the government is **not** limited by a constitution or laws.
- These governments have total control over their citizens.
 - For example, China enacted a one-child policy to control the country's population in 1979. It was recently announced that families will be allowed to have a second child, according to the NYTimes.com.
- There are two different types of unlimited governments.
 - **Authoritarian governments** concentrate power to one person or a small group of people.
 - **Totalitarian governments** try to control every aspect of their citizen's lives and ban independent organizations.

China, Russia, and Saudi Arabia have unlimited governments.

U.S. Constitution - Preamble

The Preamble

We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defense, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.

A Day in Your Life

Adapted from the website "Government is Good"

Though we usually fail to notice it, government programs and policies improve our daily lives in innumerable ways.

Ask yourself this question: "What has government done for me lately?" If you are like most Americans, you will probably answer: "Not much." Many people feel like they pay a lot in taxes but don't really get anything back from government. Surveys show that 52% of Americans believe that "government programs have not really helped me and my family."¹ But let's see if that is really true. Let's examine a typical day in the life of an average middle-class American and try to identify some of the ways that government improves that person's life during that 24-hour period.

6:30 a.m. You are awakened by your clock radio. You know it is actually 6:30 because the National Institute of Standards and Technology keeps the official time. And you can listen to your favorite radio station only because the Federal Communications Commission ensures that radio stations do not overlap and that stations signals are not interfered with by other devices – cell phones, satellite television, wireless computers, etc.

6:35 a.m. Like 17 million other Americans, you have asthma. But as you get out of bed you notice that you are breathing freely this morning. This is thanks in part to government clean air laws that reduce the air pollution that would otherwise greatly worsen your condition.

6:38 a.m. You go into the kitchen for breakfast. You pour some water into your coffeemaker. You simply take for granted that this water is safe to drink. But in fact you count on your city water department to constantly monitor the quality of your water.

6:39 a.m. You flip the switch on the coffee maker. There is no short in the outlet or in the electrical line and there is no resulting fire in your house. Why? Because when your house was being built, the electrical system had to be inspected to make sure it was properly installed – a service provided by your local government. And it was installed by an electrician who was licensed by your state government to ensure his competence and your safety.

6:45 a.m. You sit down to breakfast with your family. You are having eggs – a food that brings with it the possibility of salmonella poisoning, a serious food-borne illness affecting tens of thousands of Americans every year. But the chance of you getting sick from these eggs has now been greatly reduced by a recently passed series of strict federal rules that apply to egg producers.

7:02 a.m. In the bathroom, you use the toilet and flush it. Your local government then takes care of transporting this waste, treating it, and disposing of it in an environmentally responsible manner – all without a second thought by you.

7:20 a.m. As you are getting dressed, a glance outside the window shows some ominous clouds. You check the weather on your TV. All these weather forecasts are made possible by information gathered and analyzed by the National Weather Service, a government agency. Every day, on your behalf, it takes in 190,000 weather observations from surface stations, 2,700 from ships, 115,000 from aircraft, 18,000 for buoys, 250,000 from balloons, and 140 million from satellites – all just to help you plan what to wear and make sure you don't get stuck in a snow storm. And oh yes, this agency may save your life with its hurricane and tornado warnings.

7:30 a.m. Before you leave home, you take your pills to control your high blood pressure. But how do you know that this medicine is safe or effective? Without the testing required by the Food and Drug Administration, you wouldn't. And without the vigilance of the FDA, you could easily fall victim to unscrupulous marketers of unsafe and worthless medicines.

7:45 a.m. You put a couple of letters in your mailbox. For less than the price of a cup of coffee, a government employee will come to your house, pick up the letters, and have them delivered in a few days to someone on the other side of the country. A pretty good deal.

8:15 a.m. You drop your child off at day-care. One of the reasons you can afford this program is the \$3,000 child care tax credit you get from the federal government every year. Equally important, your child benefits from the fact that most state governments now enforce day-care requirements for group size, ratios of children per staff member, teacher training, nutrition, health, safety, and space requirements.

9:00 a.m. While at work, your rights and wellbeing are constantly protected by a wide-ranging network of federal and state laws. The Occupation Safety and Health Act works to protect you from unsafe and unhealthy work conditions. Federal law protects you from workplace discrimination based on race, gender, religion, national origin, or disability. State laws may also require your employer to purchase worker's compensation insurance so that you are covered in case you are injured on the job

12:45 p.m. After lunch, you walk to a nearby ATM and get some cash out of your account – and your money is actually there. That wasn't always true during the economic depression of the 1930s when many banks failed. But your money is safe -- as it was during the recent financial and banking crisis -- because the government guarantees your deposits. In addition, those pieces of paper you put in your wallet are only worth something thanks to the federal government. Our monetary system is entirely a government creation, and the value of money is only maintained because the government regulates the money supply and protects it from counterfeiters.

1:00 p.m. Back at work you hear rumors about a new downsizing plan being talked about by management – a fairly typical occurrence in these days of heightened national and international corporate competition. You know your job is one that could be lost, but you also know that you will be eligible for state-mandated unemployment insurance should that happen. This is just another way that government helps you to cope with the economic risks and uncertainties of a modern economy.

3:00 p.m. On a break, you call your elderly mother in the hospital to check on how she is recovering from her broken hip. Thanks to Medicare, her medical expenses are covered and she does not have to worry about this becoming a financial disaster for her.

3:10 p.m. You call to arrange for a physical therapist to work with your mother when she comes out of the hospital, and again this is paid for by Medicare. And you can be reasonably confident that she will get good therapy because your state Department of Health has a program of examining and licensing these therapists in order to ensure the quality of their work.

5:00 p.m. You leave work—thanks to the government-mandated 40-hour workweek. Labor Department regulations prevent your company from making you work past 5:00 unless it pays you overtime.

6:30 p.m. You take your family out for dinner at a local pizza restaurant. You enjoy a good meal and no one gets sick from E. coli or other food-borne illnesses. This is in large part because your local government conducts regular inspections of all food establishments to protect the health of customers.

11:00 p.m. You go to bed. During your sleep, you are protected by a smoke detector that your city requires to be installed in every residence. Maybe you would have bought one of these yourself, but this law helps to ensure that everyone is protected from the dangers of fire.

Government: The Illusion and the Reality

So goes your typical day as an average middle-class American – *if* you happen to be paying attention to all the different ways that government laws and programs help you lead a better life. For most of us, thinking about our day this way is a real eye-opener. We like to see ourselves as rugged individualists, leading our lives without any help from anyone, especially government. But this is an illusion. As we have just seen, the reality is completely different. We are constantly benefiting from a variety of government laws and programs. Federal, state, and local government employees are literally working around the clock to make our lives better in innumerable ways. Ironically, even those conservatives who complain that they don't want government "interfering" in their lives depend heavily and repeatedly on government throughout their day. And the examples described earlier are only a small sample of the many ways that government programs improve our lives. They do not even include many of the most important services of government, such as preventing economic depressions, catching criminals, caring for our fragile ecosystem, dispensing justice, thwarting terrorist attacks, and eradicating deadly diseases. A detailed description of all the various ways that our lives are improved by the activities of local, state, and federal governments could easily take up hundreds of pages. When it comes down to it, government has an extensive and overwhelmingly positive effect on our everyday lives.



Granette, Ark.
Nov. 6, 1936

Dear Mrs. Roosevelt

I am writing to you for some of your old soiled dresses if you have any. As I am a poor girl who has to stay out of school. On account of dresses & slips and a coat. I am in the seventh grade but I have to stay out of school because I have no books or clothes to ware. I am in need of dresses & slips and a coat very bad. If you have any soiled clothes that you don't want to ware I would be very glad to get them. But please do not let the news paper reporters get hold of this in any way and I will keep it from geting out here so there will be no one else to get hold of it. But do not let my name get out in the paper. I am thirteen years old.

Yours Truly,
Miss L. H.
Gravette, Ark.
R #3
c/o A. H.

Anderson County Schools
Clinton, Tennessee
January 26, 1936

Mrs. Franklin D. Roosevelt
Washington, D.C.

My dear Mrs. Roosevelt,

You may think I am a very insignificant person to be writing to a person of your standing and ability but by reading your article and hearing your talks I know you are real and have an interest in people even my dear little needy boys and girls of the mountain schools.

I am Rural Supervisor of schools in my county. I have forty schools to supervise. Due to insufficient clothing and food many are unable to attend schools.

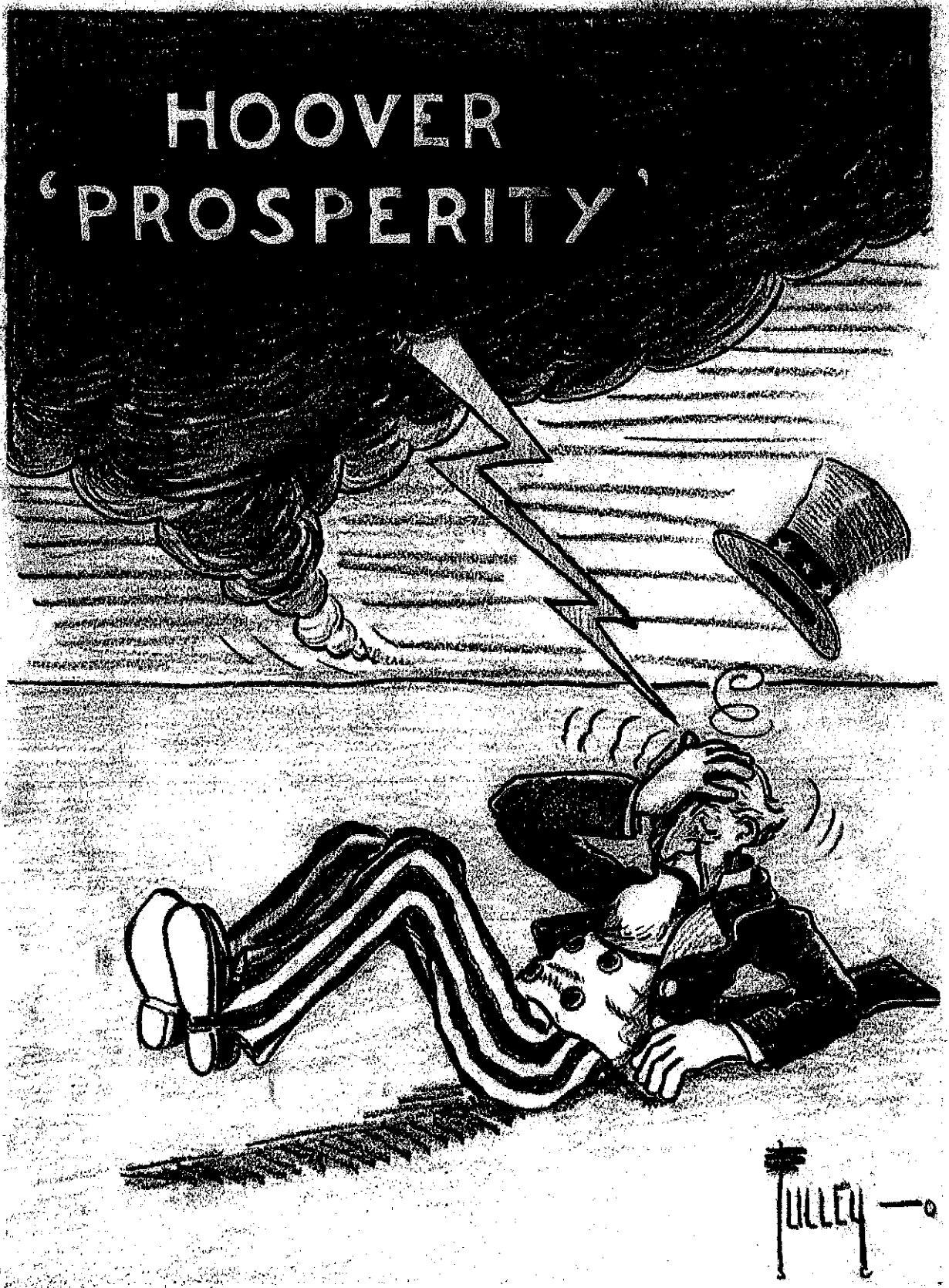
I wish it were possible for you to see some of the conditions. It is not uncommon for a child to have but one dress or one shirt. They have to stay at home the day the mother laundries them.

I am just wishing that in some of your groups that it would be possible to interest them in our needs. The Save the Children Fund, with headquarters in New York, has helped me some. Many children of my schools would be unable to attend school had it not been for this organization.

I hope you will not consider me rude for writing. I have my heart in the work. I realize a hungry or a cold child cannot learn too much.

Yours very truly,

HOOVER 'PROSPERITY'



WORLD'S HIGHEST STANDARD OF LIVING





Activity Five: The New Deal

Adapted NY Times Upfront article: FDR's Legacy

FDR: How he Changed America—and Still Affects your Life Today

By Suzanne Bilyeu

New York Times Upfront. 140.8 (Jan. 14, 2008): p24.

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At your after-school job, you probably earn at least the minimum wage of \$5.85 an hour. Your grandfather may get a Social Security check every month. And if you work late, there's a good chance you're paid overtime.

The minimum wage, Social Security, and overtime pay are just three of the countless aspects of American life today that are largely the handiwork of a single President: Franklin Delano Roosevelt, who took office 75 years ago, in March 1933.

During his 12 years in the White House--a period that included the Great Depression and World War II FDR revolutionized the role of the government in business and the economy, and by extension, in the lives of all Americans. The legislation he pushed through Congress as part of his New Deal not only helped ease the Depression, it also formed the underpinnings of the modern welfare state.

Admirers credit him with rescuing capitalism and America's way of life at a time when widespread economic misery made socialism and Communism more appealing to many. Detractors argue that he opened the door to a government that was too big, too powerful, and too costly for taxpayers. But few deny his impact on the United States, then and now.

"No other President affects our lives today as much as FDR," says William E. Leuchtenburg, author of *The FDR Years*. "There is the growth of the presidency, the welfare state--including old-age security--and government regulation of so many areas of private life."

Here are some examples of how FDR's legacy influences American life in the 21st century:

MINIMUM WAGE

* If you work weekends or after school, at Wal-Mart or McDonald's, you're entitled to earn at least the federal minimum wage. In 1938, the Fair Labor Standards Act, part of Roosevelt's New Deal., established the first federal minimum wage: 25 cents

an hour. This past July, it was raised from \$5.15 to \$5.85, as part of a three-step increase to \$7.25 in 2009. (Some states and cities have their own minimum-wage or "living wage" laws, which set the minimum higher than the federal level.)

9 TO 5

* The Fair Labor Standards Act--which Roosevelt called "the most far-reaching ... program for the benefit of workers ever adopted in this or any other country"--not only set a minimum wage, it literally created the 9-to-5 workday we're so familiar with today. Until 1938, many people worked six days a week. The Act mandated a 5-day, 40-hour work week, with overtime pay (usually time and a half) beyond that. The idea behind a shorter work week wasn't to give people more time off, but to spread the work around and make it available to some of the millions of people who were unemployed as a result of the Depression. By the 1950s, "9 to 5," Monday through Friday, had become the standard work week for most Americans.

SOCIAL SECURITY

* If you have a job, you'll see Roosevelt's impact on every pay stub, in the deductions that are taken out for Social Security tax, or FICA. In 1935, Roosevelt signed the Social Security Act, which now provides 31 million Americans with retirement benefits and mandates unemployment insurance for workers who lose their jobs. It also pays benefits to disabled workers, and to nearly 2 million children whose working parents have died. The benefits people get are tied to the payroll taxes they've paid during their working lifetimes. Workers actually pay half the tax owed, with employers paying the other half: If \$25 is taken out of your check for F.I.C.A., your employer has also paid \$25 in tax for you.

DEPOSIT INSURANCE

* How do you know the money in your bank account will be there when you want it? As banks started to fail in the Depression, panicked depositors raced to withdraw their money, but millions of people lost their savings anyway. Thanks to the Federal Deposit Insurance Corporation (F.D.I.C.), established in 1933, checking and savings accounts in member banks are guaranteed, currently up to \$100,000 per account. The F.D.I.C. helped restore confidence in the nation's banking system, and few banks failed after 1933.

SAFER INVESTMENTS

* As a result of the 1934 Securities and Exchange Act, when a company like Google decides to "go public" and sell stock to investors, it must provide the public with an honest picture of its finances and prospects. This wasn't the case in the 1920s, when investors sank millions into stocks that turned out to be worthless. Today, the

Securities and Exchange Commission (S.E.C.) over-see the nation's stock and bond markets, with regulations designed to protect investors and get them the information they need to make investment decisions.

ROADS & PUBLIC WORKS

* Your local airport or even your school building may owe its existence to the New Deal. "Alphabet agencies" like the C.W.A. [Civil Works Administration] and the W.P.A. (Works Progress Administration) put millions of unemployed Americans to work building roads, bridges, schools, hospitals, and airports. Projects built under these programs include New York City's Triborough Bridge, the Overseas Highway in the Florida Keys, the University of Texas Library, and Aquatic Park in San Francisco.

COLLECTIVE BARGAINING

* The power that labor unions have today is largely the result of the National Labor Relations Act of 1935, which gave unions the right to organize workers and to engage in collective bargaining with employers. It also prohibited employers from "union busting" practices like firing or harassing workers who join a union.

Bilyeu, Suzanne

New York Times Upfront, 14 Jan. 2008, p. 24+.

Get the GIST

Name _____

Article Title _____

Article Source _____

1. Read the article or section of text.

2. Fill out the 5Ws + H.

Who:

What:

Where:

When:

Why:

How:

3. Write a GIST in 20 words or less.

_____	_____	_____	_____
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Homework:

Reading: Opposition to the New Deal

- Reading: "Minorities and the New Deal" from "America in the 1930s by Jim Callan
 - Pages 194, 198, and 199 from Common Core Achieve Social Studies
 - Pages 89-90 from the TASC Social Studies Exercise Book

Opposition to the New Deal

For all the credit Roosevelt has been given for the success (or otherwise) of the New Deal, there was opposition in America to what he was doing.

Roosevelt's own social class was horrified by the actions of the president. The president had been born in to a privileged family who lived a rich lifestyle on the east-coast of America – Roosevelt had been born at Hyde Park in New York State and spent his summer holidays at Campobello Island where the family had a summer holiday home.

To finance his first New Deal, Roosevelt had introduced higher taxes for the rich. They felt that he had betrayed his class and he was expelled from his social club for letting down "his people".

The New Deal also faced a lot of opposition from the Supreme Court. The Supreme Court took its stance from a legal viewpoint and in 1935 it effectively declared the National Recovery Administration (NRA) illegal.

In the following year it declared the Agricultural Adjustment Act (AAA) unconstitutional thus killing off the AAA. The point made by the Supreme Court was that any efforts made to help farmers etc. should come at a state level and not federal level and that these parts of the New Deal went against the powers given to the states by the Constitution.

11 out of 16 of the Alphabet Laws were decreed unconstitutional in cases heard by the Supreme Court. The argument of the Supreme Court was that Roosevelt had tried to impose the power of the federal government on state governments – and this was unconstitutional. If a state deemed that there was a crisis in farming then it had the right to tackle this crisis as laid down by the Constitution but the federal government did not have the right to impose its decisions onto states.

The most famous opponent of the New Deal was Huey Long, a Senator from Louisiana. He criticized Roosevelt for not doing enough for the poor. His alternative to the New Deal was called "Share Our Wealth". By the standards of the time, Long was politically left of center.

Long promised to confiscate any personal fortune over \$3 million and that he would use this money to give each family in America between \$4000 to \$5000 so that they could buy a home and a car. Long also promised a national minimum wage, old age pensions and cheap food for the poor. Long also promised to make all education free in America.

Another vocal opponent of Roosevelt was a Catholic priest called Charles Coughlin. He set up the National Union for Justice and used his weekly radio program to attack Roosevelt for being "anti-God". Coughlin wanted the less well off to be paid what he described as a "fair wage" Townsend wanted the federal government to give all citizens aged 60 and above \$200 a month to be financed by a 2% sales tax.

From "America in the 1930s" by Jim Callan

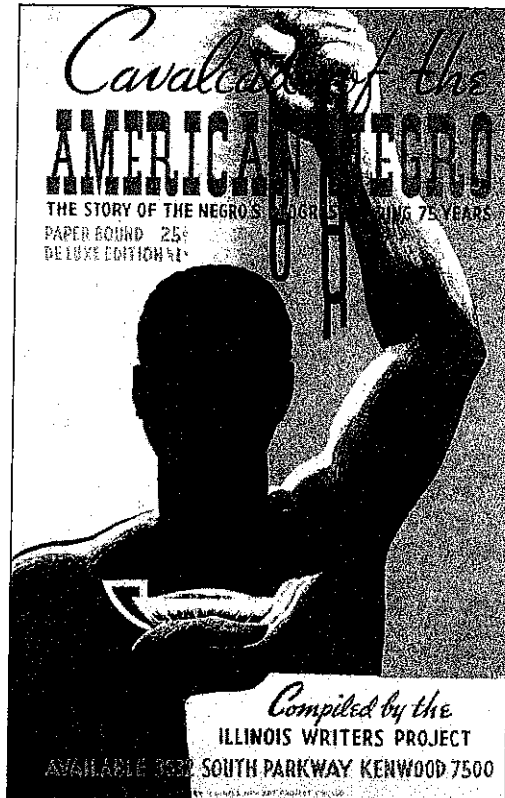
THE SECOND NEW DEAL AND RE-ELECTION, 1935-1936 • 75

MINORITIES AND THE NEW DEAL

Despite these victories, African-American athletes came home to an America still bitterly divided over race. Eleanor Roosevelt was a staunch supporter of civil rights for African Americans, but President Roosevelt never made any effort to remove the segregation laws of the South as he had promised in his campaign. There is little doubt he believed in civil rights, but he also knew he would lose the support of the South if he acted on the issue, and as a result, be defeated for the presidency. The only stand Roosevelt would take on a civil rights issue was his support of an antilynching bill that was first introduced in Congress in 1934. The bill consistently died in the Senate after a filibuster by Southern senators. (A filibuster is a legislative strategy that delays or prevents a vote from occurring in the Senate. During a filibuster, senators take turns speaking for hours and hours on the floor of the Senate, sometimes about nothing pertaining to the bill. The group keeps speaking until the session closes without a vote on the bill.)

Roosevelt's New Deal programs helped many African Americans during the depression. Federal civil service jobs were opened to all qualified workers regardless of race or sex and 200,000 young African Americans found employment in the CCC. More than 400,000 African Americans learned to read and write as a result of a WPA program, and many African-American artists found work through the WPA's Federal One projects. African-American sharecroppers also took advantage of the labor union movement of the decade to form the Sharecroppers Union. By 1936, the union had more than 10,000 members.

Even within the New Deal programs, racism was still present, however. Salaries required by the NRA codes were higher for whites than African Americans. Nearly one-third of the New Deal subsidized housing



The depression hit African Americans especially hard, but the Illinois WPA sponsored this history of "the Negro's progress during 75 years." (Library of Congress)

**African-American
sharecroppers
received 70 percent
less in relief
payments than did
white farmers.**

In 1935, American aviator Amelia Earhart became the first person to fly across the Pacific from Hawaii to California.

In October 1936, the Boulder Dam was completed on the Nevada-Arizona border. Cooling tubes in the cement made the cement dry more quickly. Engineers estimate that using the old methods of drying cement would have required a century for the cement to harden.

units were built for African Americans, but almost all of the housing was segregated as were all the new WPA schools. African Americans received less than 10 percent of the homeowner loans and aid to education. Social Security excluded farmers and domestic workers, jobs commonly held by African Americans. In urban areas, the unemployment rates for African Americans remained around 30 percent, much higher than the rate for whites.

Nearly 500,000 women received jobs from the WPA, and the salary gap between men and women was narrowed by NRA codes. However, unemployment became a particular problem for married women during the depression because employers assumed that men were supporting the family. As a result, married women were often excluded from jobs to preserve positions for men.

One group that made significant social and economic improvement during the 1930s was Native Americans, due to the efforts of Roosevelt's Indian Commissioner John Collier. Collier brought special CCC camps to the reservations and built 84 day schools. He returned lands that had been taken away by the federal government. He also convinced Congress to pass the Indian Reorganization Act, which provided much more self-rule for American Indian tribes. Federal loans resulted in beneficial projects in irrigation, land restoration, and animal management. By the end of the 1930s, these improvements brought about a 55 percent decrease in the mortality rate on the reservations.

THE ECONOMY IMPROVES

By 1936, it looked like Roosevelt's New Deal programs were having an effect on the economy. Unemployment had been cut in half from 25 percent in 1933 to 13 percent. America's gross national product had increased from \$485 per capita (per individual) in 1933 to \$650 per



ALPHABET SOUP



CCC	Civilian Works Administration	gave people jobs keeping rural schools open, taking arts programs to rural areas, and in conservation efforts
CWA	Civilian Works Administration PWA	Public Works Administration built bridges, tunnels, highways and libraries.
FDIC	Federal Deposit insurance Corporation	Insured bank deposits so people would not lose their savings if banks failed.
WPA	Works Progress Administration	Gave people jobs building highways, clearing slums, and in construction in rural areas; gave artist and writers jobs decorating public buildings, writing oral histories; gave musicians and actors jobs
SSA	Social Security Administration	Established retirement, unemployment, and welfare benefits for the elderly, children, and handicapped
TVA	Tennessee Valley Authority	A model corporation producing electric power and fertilizer
SEC	Securities and Exchange Commission	Regulated the stock market



MORE ABOUT ALPHABET SOUP



AAA	Agriculture Adjustment Act	Paid farmers to limit the production of crops and livestock
FERA	Federal Emergency Relief Act	Gave money to local and state relief organizations
FLSA	Fair Labor Standards Act	Raised minimum wage to 40 cents an hour and shortened the work week to forty hours
FSA	Farm Security Administration	Loaned money to share-croppers and tenant farmers so they could buy their own land
HOLC	Home Owners Loan Corporation	Reduced interest on loans and provided for postponement of payments
NIRC	National Industry Recovery Act	created work codes and industry safety regulations
NLRB	National Labor Relations Board	Guaranteed workers the right to join labor unions and call strikes
NRA	National Recovery Administration	Encouraged business owners and labor unions to cooperate in regulating prices, production, and wages



LESSON 7.1 Major Economic Events

LESSON OBJECTIVES

- Explain how major economic events shaped the US government
- Discuss how government policies developed as a result of economic events

CORE SKILLS & PRACTICES

- Analyze Information
- Identify Point of View

Key Terms

business cycle

the repeated pattern of growth and decline of an economy

expansion

period when a country's GDP grows

Great Depression

a severe decline in the US economy during the 1930s

recession

a decline in a country's GDP for at least two quarters

stimulus

government policies to provide relief for workers and create business reforms

Vocabulary

standard of living

the necessities or comforts essential to life or aspired to by an individual

Key Concept

The federal government has responded to economic events in a variety of ways, for example, by developing stimulus programs and regulating businesses.

Think of a time when you had extra money to spend. Did you buy items you wanted, such as clothes or a restaurant meal? Or did you spend it on items you needed, such as gas for a car or clothes for children? The United States as a whole functions like individuals. It has periods of financial ups and downs. When the economy is doing well, many of its citizens do well. When it hits a tough time, many citizens suffer.

Booms and Busts

Throughout its history, the United States has experienced economic booms (when the economy does well) and busts (when the economy does poorly). During booms, businesses do well, they hire workers, and individuals prosper. During busts, businesses lose money or close, they stop hiring, and individuals struggle. The cycle from boom to bust and back to boom is called the **business cycle**.

Changes in the gross domestic product (GDP) signals whether the economy is in a boom or in a bust. GDP is the total value of goods and services produced in a country in one year. It is one way economists measure the health of an economy. During a boom, GDP grows because the economy grows. This is called economic **expansion**. When the growth peaks, inflation sets in. Inflation is an overall increase in prices of goods and services. Inflation reduces demand because consumers do not want to purchase items that cost too much. GDP shrinks, and the economic bust sets in.

The low point in the business cycle is called a trough. When the economy is in a trough, it is in a recession, which is a decline in a country's GDP for at least two quarters. During a **recession**, businesses suffer or fail. They stop hiring people and cut wages. Consumers stop purchasing many goods and services because they have lost their jobs or are working for reduced wages. A severe, long-lasting recession is known as a depression.

Vocabulary Review

Directions: Complete the sentences using the following key terms and vocabulary words.

recession
standard of living

expansion
stimulus

Great Depression
business cycle

1. The United States has endured several boom-to-bust movements known as the _____.
2. Not as severe as a depression, a(n) _____ occurs during an economic trough.
3. During the 1920s, people had a higher _____ and were able to purchase goods that they could not afford before.
4. The Roaring Twenties was a period of economic _____, when the economy and GDP grew.
5. The _____ occurred during the 1930s and caused the government's role in the economy to change.
6. President Roosevelt's New Deal provided _____ for the nation's struggling economy.

Skill Review

Directions: Choose the best answer to each question.

1. What caused the bank failures during the Great Depression?
 - A. People could not repay loans.
 - B. People moved to find work.
 - C. Consumer goods were sold at lower prices.
 - D. Farmers were unable to purchase equipment.
2. Which event occurred first?
 - A. President Hoover passed the Emergency Relief and Construction Act.
 - B. President Roosevelt was elected to office.
 - C. The assembly line made consumer goods more affordable.
 - D. Many banks and businesses closed after Black Tuesday.
3. What view of government involvement in the economy was held by Franklin Roosevelt but not Herbert Hoover?
 - A. Local governments should solve their own economic problems.
 - B. The federal government should help regulate the national economy.
 - C. Involvement in the economy by the federal government might lead to socialism.
 - D. Charitable organizations, not the federal government, should take responsibility for helping the unemployed.
4. What program was created to generate electricity for a region?
 - A. Civilian Conservation Corps
 - B. the Tennessee Valley Authority
 - C. the Works Projects Administration
 - D. the National Recovery Act

Skill Practice

Directions: The excerpt below is from a speech given by President Barack Obama. Read the excerpt then answer the questions that follow.

The President's Speech on the Economy—January 2009

We start 2009 in the midst of a crisis unlike any we have seen in our lifetime, a crisis that has only deepened over the last few weeks. Nearly two million jobs have been now lost, and on Friday we're likely to learn that we lost more jobs last year than at any time since World War II. Just in the past year, another 2.8 million Americans who want and need full-time work have had to settle for part-time jobs. Manufacturing has hit a twenty-eight year low. Many businesses cannot borrow or make payroll. Many families cannot pay their bills or their mortgage. Many workers are watching their life savings disappear. And many, many Americans are both anxious and uncertain of what the future will hold. . . .

It is true that we cannot depend on government alone to create jobs or long-term growth, but at this particular moment, only government can provide the short-term boost necessary to lift us from a recession this deep and severe.

Only government can break the cycles that are crippling our economy—where a lack of spending leads to lost jobs which leads to even less spending; where an inability to lend and borrow stops growth and leads to even less credit.

That's why we need to act boldly and act now to reverse these cycles. That's why we need to put money in the pockets of the American people, create new jobs, and invest in our future. That's why we need to restart the flow of credit and restore the rules of the road that will ensure a crisis like this never happens again.

1. What is President Obama's opinion regarding the federal government's role in the economy?
 - A. The federal government should not interfere in economic activities.
 - B. The federal government caused much of the economic troubles in 2008.
 - C. The federal government plays a role in US economic success.
 - D. The federal government should provide credit cards to US citizens.
2. What economic situation is President Obama describing in his speech?
 - A. boom
 - B. expansion
 - C. depression
 - D. trough
3. Based on this passage, what would you expect President Obama to do?
 - A. to agree with President Hoover on economic issues
 - B. to look to Roosevelt's New Deal for solutions
 - C. to support laws that increase costs of goods
 - D. to declare war to improve the economy

Writing Practice

Directions: President Franklin Roosevelt's three goals for the New Deal were relief, reform, and recovery. Write a critique of Roosevelt's New Deal. In your opinion, was the New Deal effective? What programs were most crucial to economic recovery?

This lesson will help you understand major economic events in United States history. Use it with Core Lesson 7.1 *Major Economic Events* to reinforce and apply your knowledge.

Key Concept

The federal government has responded to economic events in a variety of ways, for example, by developing stimulus programs and regulating businesses.

Core Skills & Practices

- Analyze Information
- Identify Point of View

Booms and Busts

Throughout its history, the United States has experienced economic booms and busts.

Directions: Read the following questions and choose the best answer.

1. **How can inflation weaken an economy?**
 - A It leads companies to increase production, shrinking demand.
 - B It causes stocks bought on margin to drop in value.
 - C It causes people to buy luxuries they cannot afford.
 - D It reduces demand for goods, shrinking the GDP.

2. **Mass production had what effect on the economy in the 1920s?**
 - F It lowered the prices of goods significantly.
 - G It caused the unemployment rate to increase.
 - H It caused a trough to develop in the economy.
 - J It allowed an increase in middle-class families.

3. **At a certain point, an increased demand for Model Ts would lead to a drop in supply. At that point, which of these is likely to have happened?**
 - A a decrease in inflation
 - B an economic trough
 - C an increase in price
 - D a decline in GDP

4. **The years 1920 to 1929 in the United States would be considered a time of**
 - F recession
 - G economic boom
 - H decrease in GDP
 - J increased federal spending

The Great Depression

The Great Depression was a period of severe decline in the United States economy during the 1930s.

Directions: Read the following questions and choose the best answer.

5. Why did the Stock Market continue to drop during October, 1929?
- A Production in factories in the United States had hit its peak.
 - B Investors panicked and sold their stocks.
 - C People bought cheap stocks on margin.
 - D People had little faith in banks.
6. What is the most likely reason Hoovervilles would have persisted beyond the Great Depression?
- F Strong communities were formed in these shantytowns.
 - G Some Hooverville governments were highly effective.
 - H Some people preferred living outside to living inside.
 - J Relief programs took time to help all those in need.

Directions: Read the excerpt. Then answer questions 7 and 8.

During the period between 1929 and 1933, over 100,000 businesses failed, causing massive job loss. Without employment, many families lost their homes. With almost 25 percent of American workers out of work and homeless, shantytowns began to appear in parks and at the edges of cities. These collections of shacks were called "Hoovervilles." Although Hoovervilles were made of temporary and makeshift structures, some were organized, with a mayor and governing committees. Even after the Great Depression, Hoovervilles persisted in some areas.

7. Why were the shantytowns named Hoovervilles?
- A Massive unemployment and foreclosures occurred during President Hoover's tenure as president.
 - B President Hoover had enacted many government programs that provided economic relief to individuals.
 - C President Hoover had been involved in the stock market crash, which had damaged the United States economy.
 - D Many companies owned by President Hoover had failed, increasing unemployment during the Great Depression.
8. What is the most likely reason that shantytowns were located in parks and at the edges of cities?
- F Building materials were more abundant there.
 - G Foreclosed homes were usually near these areas.
 - H These areas were a source of public or unused land.
 - J Cities set aside these areas for the homeless and poor.

