

**GEORGIA STANDARDS OF EXCELLENCE FOR SOCIAL STUDIES
- ECONOMIC UNDERSTANDINGS -**

These are the economic standards for each grade level from kindergarten to fifth grade. To access these online and other resources from the GaDOE, please visit www.georgiastandards.org.

Please remember that the goal of economic education is not to have students memorize lists of terms, but rather to help them understand the world around them so they can analyze issues, solve problems, think critically, and become knowledgeable citizens and decision-makers.

Kindergarten

SSKE1 Describe the work that people do such as: police officer, fire fighter, soldier, mail carrier, farmer, doctor, teacher, etc.

SSKE2 Explain that people earn income by working.

SSKE3 Explain how money is used to purchase goods and services.

a. Distinguish goods from services.

b. Identify that U.S. coins and dollar bills (paper money) are used as currency.

SSKE4 Explain that people must make choices because they cannot have everything they want.

First Grade

SS1E1 Identify goods that people make and services that people provide for each other.

SS1E2 Explain that scarcity is when unlimited wants are greater than limited resources.

SS1E3 Describe how people are both producers and consumers.

SS1E4 Explain that people earn income by working and that they must make choices about how much to save and spend.

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Second Grade

SS2E1 Explain that because of scarcity, people must make choices that result in opportunity costs.

SS2E2 Identify some ways in which goods and services are allocated (such as: price, majority rule, contests, force, sharing, lottery, authority, first-come-first-served, and personal characteristics).

SS2E3 Explain that people usually use money to obtain the goods and services they want and explain how money makes trade easier than barter.

SS2E4 Describe the costs and benefits of personal saving and spending choices.

Third Grade

SS3E1 Define and give examples of the four types of productive resources.

- a. Natural (land)
- b. Human (labor)
- c. Capital (capital goods)
- d. Entrepreneurship (risk-taking and combining natural, human, and capital resources in an attempt to make a profit)

SS3E2 Explain that governments provide certain types of goods and services in a market economy (schools, libraries, roads, police/fire protection, and military) and pay for these through taxes.

SS3E3 Give examples of interdependence and trade and explain the benefits of voluntary exchange.

- a. Describe the interdependence of consumers and producers.
- b. Describe how goods and services are allocated by price in the marketplace.
- c. Explain that some goods are made locally, some elsewhere in the country, and some in other countries.
- d. Explain that most countries create their own currency for use as money.

SS3E4 Explain the concept of opportunity cost as it relates to making a saving or spending choice.

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The first economic standard of both fourth and fifth grade are the same, yet they present a unique perspective than the other economic standards for kindergarten through third grade. Students are now expected to use economic concepts that are built upon the basic concepts taught previously to illustrate historical events in the United States from the Revolutionary War to turn-of-the century America. It is recommended you teach the content in the same unit of study as your historical standards.

Fourth Grade

- SS4E1** Use the basic economic concepts of trade, opportunity cost, specialization, voluntary exchange, productivity, and price incentives to illustrate historical events.
- a. Describe opportunity cost and its relationship to decision-making across time (e.g., decisions to settle in the west).
 - b. Explain how price incentives affect people's behavior and choices: decisions about what crops (e.g., cotton, and tobacco) to grow and products (e.g., textiles) to produce.
 - c. Describe how specialization improves standards of living (e.g., differences in the economies in the North and South).
 - d. Explain how voluntary exchange helps both buyers and sellers (e.g., Gold Rush mining towns).
 - e. Describe how trade promotes economic activity (e.g., trade between the U.S. and Europe).
 - f. Give examples of technological advancements and their impact on business productivity during the development of the United States (e.g., cotton gin, steamboat, steam locomotive, and telegraph).
- SS4E2** Identify the elements of a personal budget (income, expenditures, and saving) and explain why personal spending and saving decisions are important.

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Fifth Grade

SS5E1 Use the basic economic concepts of trade, opportunity cost, specialization, productivity, and price incentives to illustrate historical events.

- Describe opportunity costs and their relationship to decision-making across time (e.g., decisions by individuals in response to rationing during WWII).
- Explain how price incentives affect people's behavior and choices (e.g., decisions to participate in cattle trails because of increased beef prices).
- Describe how specialization can improve standards of living and productivity (e.g., how Henry Ford's use of the assembly line reduced the price of automobiles).
- Describe how trade and voluntary exchange promotes economic activity (e.g., how the Panama Canal increases trade among countries).

SS5E2 Describe the functions of four major sectors in the U. S. economy.

- Describe the household function in providing resources and consuming goods and services.
- Describe the private business function in producing goods and services.
- Describe the bank function in providing checking accounts, savings accounts, and loans.
- Describe the government function in taxation and providing certain public goods and public services.

SS5E3 Describe how consumers and producers interact in the U. S. economy.

- Describe how competition, markets, and prices influence consumer behavior.
- Describe how people earn income by selling their labor to businesses.
- Describe how entrepreneurs take risks to develop new goods and services to start a business.

SS5E4 Identify the elements of a personal budget (income, expenditures, and saving) and explain why personal spending and saving decisions are important.