

Handout 2: Bailout Decisions

Name: _____ Date: _____

Instructions: You are going to make some decisions regarding government bailouts over three rounds. Use this document to record your decisions.

The United States is in a severe recession with GDP shrinking by historic amounts and unemployment at historic highs. You are a member of Congress who is about to cast a vote on a bill that could potentially provide government funds to specific U.S. industries. You should assume that the amount of money that will be provided to each industry will significantly impact that industry. In each round you may choose UP TO THREE industries to include in your bailout bill. You may also choose to bail out no one. The ONLY industries you may consider are listed below:

| | | | |
|-------------------------------|------------|--------------------------|--------------|
| Agriculture | Airlines | Automotive Manufacturing | Construction |
| Entertainment/Performing Arts | Healthcare | Professional Sports | Retail |

Round 1 – My personal preferences

| | |
|---|--------------------------|
| I chose to bailout... 1. _____ 2. _____ 3. _____ | Rationale for this round |
|---|--------------------------|

Round 2 – Economic Information

| | |
|---|--------------------------|
| I chose to bailout... 1. _____ 2. _____ 3. _____ | Rationale for this round |
|---|--------------------------|

Round 3 – Congressional District Information

| | |
|---|--------------------------|
| I chose to bailout... 1. _____ 2. _____ 3. _____ | Rationale for this round |
|---|--------------------------|

Who Gets Bailed Out and Why

After our discussion, answer the following on the back or a separate sheet of paper.

1. Explain why your choices did/did not change from round to round.
2. Using an example from the reading or the simulation, describe at least three factors that go into deciding who gets bailed out and why they are important.
3. Describe the factor(s) you feel SHOULD be the most important when making decisions about bailouts. Explain why this factor may not always be used in real life decision making.