

# Teaching Economics While Cultivating Civil Dialogue Series



**Webinar 1 Lecture-Based**

**February 7, 2024**

**6:00–7:00pm ET**



# Introductions



**VIRGINIA COUNCIL ON**  
**ECONOMIC**  
**EDUCATION**

**Mr. Dan Mortensen**  
President & CEO



**VIRGINIA TECH™**

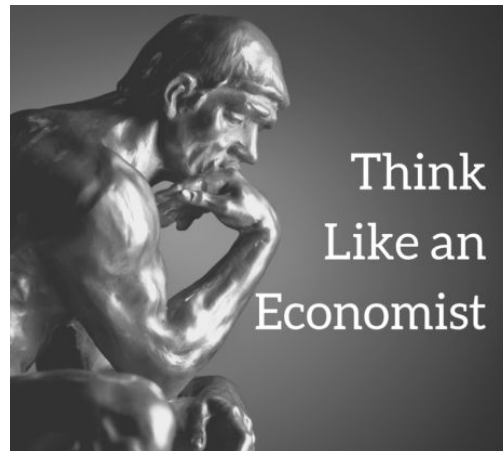
**Center for Economic Education**  
**U.S. Economic Empowerment Project**  
**Dr. Cheryl Ayers, Director**



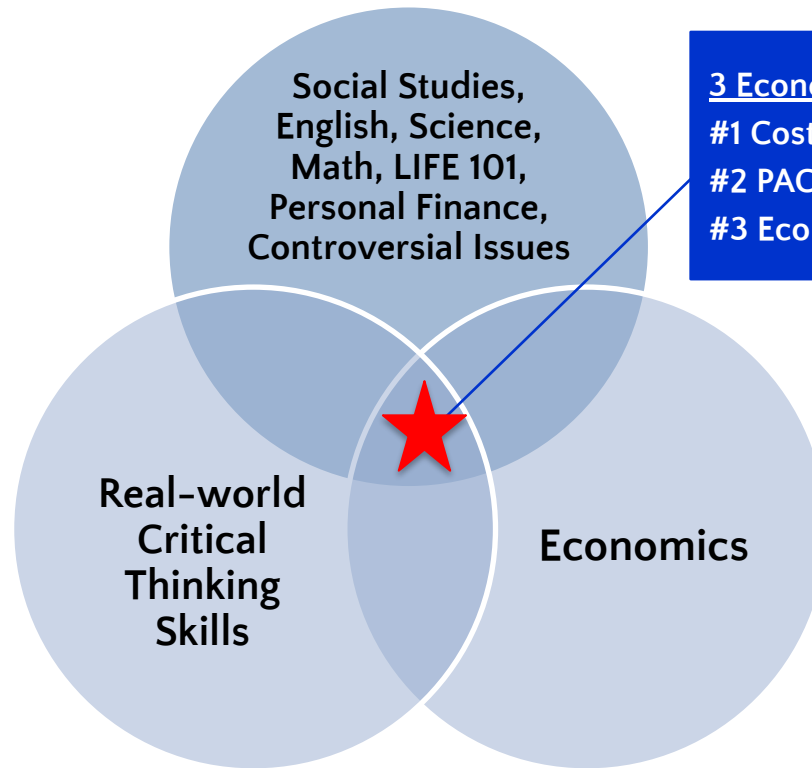
# Session Objectives (Lecture-Based)

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- 1) Identify controversial issues and culturally responsive teaching best-practices that cultivate civility toward opposing economic viewpoints while increasing student engagement.
- 2) Understand how to use research-based economic reasoning skills to critically inquire, analyze, discuss, and debate economic topics to develop evidence-based opinions and arguments.



# 3 Economic Reasoning Skills



3 Economic Reasoning Skills/Tools  
#1 Cost-benefit analysis chart  
#2 PACED decision making model  
#3 Economic way of thinking 6 principles

Ayers, C. A. (2018). A first step toward a practice-based theory of pedagogical content knowledge in secondary economics. *Journal of Social Studies Research*, 42, 61-79.

Ayers, C. A. (2019). Teaching students to 'think like economists' as democratic citizenship preparation. *Journal of Social Studies Research*, 43(4), 405-419.

# 3 Economic Reasoning Skills (Ayers, 2019)

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## Student Learning Outcomes

- 1) sharpening critical thinking and critical literacy skills
- 2) entertaining multiple perspectives
- 3) gaining a deeper, nuanced understanding of subject-specific issues
- 4) making students' thinking explicit for assessment purposes
- 5) achieving an inter/multidisciplinary understanding of current events
- 6) using evidence to draw conclusions and make generalizations
- 7) articulating and defending positions using content vocabulary
- 8) laying the groundwork for authentic discussions and civil debates
- 9) casting informed votes
- 10) analyzing and synthesizing primary and secondary sources
- 11) comparing and contrasting historical, cultural, and political perspectives
- 12) explaining cause-and-effect relationships
- 13) practicing citizenship skills such as collaborating, compromising, and reaching consensus
- 14) thinking like an economist for authentic disciplinary learning (like historical thinking)
- 15) making more productive and prosperous workplace and everyday life decisions



Simple yet  
powerful  
“game-changing”  
tools!

# Virginia Standards of Learning

## CIVICS & ECONOMICS (CE.1) SKILL (8th grade)

**The student will demonstrate skills for historical thinking, geographical analysis, economic decision making, and responsible citizenship by**

- a) analyzing and interpreting evidence from primary and secondary sources, including charts, graphs, and political cartoons;
- b) analyzing how political and economic trends influence public policy, using demographic information and other data sources;
- c) analyzing information to create diagrams, tables, charts, graphs, and spreadsheets;
- d) determining the accuracy and validity of information by separating fact and opinion and recognizing bias;
- e) constructing informed, evidence-based arguments from multiple sources;
- f) determining multiple cause-and-effect relationships that impact political and economic events;
- g) taking informed action to address school, community, local, state, national, and global issues;
- h) using a decision-making model to analyze and explain the costs and benefits of a specific choice;
- i) applying civic virtue and democratic principles to make collaborative decisions; and
- j) defending conclusions orally and in writing to a wide range of audiences, using evidence from sources.

## GOVERNMENT (GOVT.1) SKILL (12th grade)

**The student will demonstrate skills for historical thinking, geographical analysis, economic decision making, and responsible citizenship by**

- a) planning inquiries by synthesizing information from diverse primary and secondary sources;
- b) analyzing how political and economic trends influence public policy, using demographic information and other data sources;
- c) comparing and contrasting historical, cultural, economic, and political perspectives;
- d) evaluating critically the quality, accuracy, and validity of information to determine misconceptions, fact and opinion, and bias;
- e) constructing informed, analytic arguments, using evidence from multiple sources to introduce and support substantive and significant claims;
- f) explaining how cause-and-effect relationships impact political and economic events;
- g) taking knowledgeable, constructive action, individually and collaboratively, to address school, community, local, state, national, and global issues;
- h) using a decision-making model to analyze the costs and benefits of a specific choice, considering incentives and possible consequences;
- i) applying civic virtues and democratic principles to make collaborative decisions; and
- j) communicating conclusions orally and in writing to a wide range of audiences, using evidence from multiple sources and citing specific sources.



# Teaching Controversial Issues & Civil Dialogue

(references in PPT notes section)

# Controversial Issues & Civil Dialogue

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## What's the problem?

### **US is Politically Polarized**

Americans less likely to hear diverse opinions  
(self-selection into like-minded physical and virtual communities)

### **Media Echo Chambers**

Liberals become more liberal and conservatives become more conservative  
(scarcity of moderate viewpoints)

### **Youth Impact**

Social media and habits of consuming news  
Scarcity of instruction prior to political identities formed then closed off to alternative perspectives  
(further polarization toward dominant community narrative)





# Controversial Issues Best Practices

## Carefully Align Difficult Topics with Subject Area Learning Goals

- ✓ Anticipate what “hot button” topics may become controversial to your unique group of students BEFORE the lesson/course begins
- ✓ Reflect on how such conversations might actually contribute to – rather than detract from – your overall learning objectives
- ✓ Clearly define course goals in the course syllabus for students and parents; perhaps ask your principal to approve



# Controversial Issues Best Practices

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## Co-Create and Post Clear Ground Rules

- ✓ What will and will not be permitted and consequences for violating the rules
- ✓ Model appropriate thinking and behaviors for students
- ✓ Explicitly and proactively invite unique and differing experiences and perspectives as valuable parts of social discourse and decision-making in a democracy

### EXAMPLES OF GROUND RULES

Argue ideas rather than attacking people

Develop empathy for other viewpoints by actively listening

Paraphrase others' ideas before responding (don't assume)

Value insight above being right

Be curious about the gaps in your own arguments

Discover points of connection to reach a compromise

# Controversial Issues Best Practices

## Prepare “Intervention” Activities In Advance

- ✓ Take a break after “hot button” moments and have students write out what they’re feeling or thinking about the conversation before resuming in a more respectful and constructive way
- ✓ Ask students to write a paper in which they argue for the position with which they most disagree before the debate to help desensitize strong emotions



# Scaffolded Economics Instructional Strategy

CONTENT + PEDAGOGY

# Scaffolded Economics Instructional Strategy

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4 Corners or Poll (Pre-Test)

Background Knowledge

Content Knowledge Research

Tool #1 Cost-Benefit Analysis Chart

Tool #2 PACED Decision Making Model

Tool #3 Economic Way of Thinking 6 Principles

Debate or Essay

4 Corners or Poll (Post-Test)



# 4 Corners (Pre-Test)

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**Strongly  
Agree**

**Strongly  
Disagree**

**Capitalism is the best economic system for the United States.**

**Agree**

**Disagree**

# 4 Corners – Google Doc (Pre-Test)

Capitalism vs Socialism 4 corners - GoogleDoc - EDIT

File Edit View Insert Format Tools Add-ons Help Last edit was seconds ago

100% Normal text Arimo 18

**Capitalism is the best economic system for the United States.**

STRONGLY AGREE	STRONGLY DISAGREE
X List Main Arguments:	X List Main Arguments:
AGREE	DISAGREE
X List Main Arguments:	X List Main Arguments:

- 1) Place an “X” in your corner.
- 2) Add a reason/argument for your choice.

# Background Knowledge

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## Definitions

**Capitalism** – a political and economic system characterized by private ownership of property, resources, and means of production in pursuit of profits in a free market

**Socialism** - a political and economic philosophy based on government ownership or control of a society's property, resources and means of production, for the equal benefit of all

**Communism** - a political and economic system in which all property and wealth is collectively owned by all members of society; the final stage of socialism in Marxist theory

VanFossen, P. (2015). *Econ Alive! The Power to Choose*. Teacher Curriculum Institute, CA.





# Background Knowledge

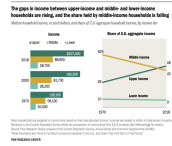
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## Capitalism Key Tenants

- Market economy or free enterprise
- Private ownership (means of production)
- Property rights
- Rule of law
- The questions of what to produce, how to produce, what quantity to produce, at what price, and for whom are all answered by individuals in the marketplace
- Individuals benefit from their own initiative

# Capitalism RESEARCH

## COSTS



### Produces income inequality

Horowitz, Igielnik, & Kochhar "Trends in Income and Wealth Inequality" *Pew Research Center* January 9, 2020  
<https://www.pewresearch.org/social-trends/2020/01/09/trends-in-income-and-wealth-inequality/>



### Places profits ahead of people and the environment

Reid "Capitalism's Focus on Profit Harms People and the Planet" *Forbes* December 28, 2021  
<https://www.forbes.com/sites/carltonreid/2021/12/28/capitalisms-focus-on-profit-harms-people-and-the-planet-says-tech-company-boss/?sh=15431ad67c31>



### Requires regulations to prevent monopolies and protect consumers

Mauldin "America Has a Monopoly Problem" *Forbes* April 11, 2019  
<https://www.forbes.com/sites/fohnmaldin/2019/04/11/america-has-a-monopoly-problem/#47aaa6f2972f>



### Requires safety-net programs for the poor

Amadeo "What is Capitalism?" *the balance*, July 21, 2022  
<https://www.thebalance.com/capitalism-characteristics-examples-pros-cons-3305588>



## BENEFITS

### Produces higher standard of living for all citizens and reduces poverty

Zitelmann "Anyone Who Doesn't Know the Following Facts About Capitalism Should Learn Them" *Forbes* July 27, 2020  
<https://www.forbes.com/sites/rainerzitelmann/2020/07/27/anyone-who-doesnt-know-the-following-facts-about-capitalism-should-learn-them/?sh=198f1a3e3dc1>



### Provides economic and personal freedoms

Alexe, "I Grew Up in a Communist System. Here's What Americans Don't Understand About Freedom" *Foundation for Economic Education* March 9, 2018  
<https://fee.org/articles/i-grew-up-in-a-communist-system-here-s-what-americans-dont-understand-about-freedom/>



### Encourages innovation and investment

Nash, McLain, Savidge & Wright "How Profits Created the Prosperity We Enjoy Today" *Foundation For Economic Education* July 27, 2021  
<https://fee.org/articles/how-profits-created-the-prosperity-we-enjoy-today/>



### History indicates that outcomes are better for countries under capitalism

Rincon "Taiwan's Wealth Shows Cuba's Poverty is the Result of Socialism, Not a Blockade" *Foundation For Economic Education* September 29, 2021  
<https://fee.org/articles/taiwan-s-wealth-shows-cuba-s-poverty-is-the-result-of-socialism-not-a-blockade/>



# Background Knowledge

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## Socialism Key Tenants

- Much more of a command economy, with government in control
- Government ownership of some or all of the means of production
- Higher degree of central planning
- Private property allowed, but heavily taxed and highly regulated
- Government-run social and welfare benefits, with few or no private alternatives
- The questions of what to produce, how to produce, what quantity to produce, at what price, and for whom are largely answered by the government

# Socialism RESEARCH

## COSTS



### Requires higher taxation which reduces incentive to work and earn

Heil "Tax Rate Hikes and the Economy" *Hoover Institution* February 18, 2021  
<https://www.hoover.org/research/tax-rate-hikes-and-economy>



### Equal outcomes require unequal treatment

Perry "Don't Be Fooled by 'Equity' – It's A Mandate to Discriminate to Achieve Equal Outcomes with Unequal Treatment" *American Enterprise Institute* March 24, 2021  
<https://www.aei.org/carpe-diem/dont-be-fooled-by-equity-its-is-a-mandate-to-discriminate-to-achieve-equal-outcomes-with-unequal-treatment/>



### Central planning and price controls result in shortages

Henderson "Price Controls: Still A Bad Idea" *Hoover Institution* January 20, 2022  
<https://www.hoover.org/research/price-controls-still-bad-idea>



### History of failure and totalitarianism

Walker-Werth "How Socialism Discourages Work and Creates Poverty" *Foundation For Economic Education* March 30, 2022  
<https://fee.org/articles/how-socialism-discourages-work-and-creates-poverty/>



## BENEFITS

### Reduces income inequality

Lazeur "Socialism, Capitalism, and Income" *Hoover Institute* May 28, 2020  
<https://www.hoover.org/research/socialism-capitalism-and-income-0>



### Centralized control simplifies decision-making

"The Benefits of Socialism" *International Business courses.lumenlearning.com*  
<https://courses.lumenlearning.com/suny-internationalbusiness/chapter/reading-the-benefits-of-socialism/>



### Provides for "free" health care and education

Bassil "A Close Look at Cuba's Health Care System" *University of Miami News / Special Report* 2023  
<https://cuba.miami.edu/business-economy/a-close-look-at-cubas-health-care-system/index.html>



### Reduces unemployment

Thangavelu "Can Socialism Work in America?" *Investopedia* April 6, 2022  
<https://www.investopedia.com/articles/investing/051415/can-socialism-work-america.asp>

# Tool #1 Cost-Benefit Analysis Chart

## Instructional Tips

- ✓ In-depth analysis of a single alternative/choice
- ✓ To do or not to do something
- ✓ Consider short-term and long-term costs and benefits
- ✓ Incorporate multiple perspectives
- ✓ Use weights to identify what is more/less important
- ✓ Apply to past, present, and future choices



Opportunity Cost and Tradeoffs by MRU

Video 4:38



# Tool #1 Cost-Benefit Analysis Chart

**CHOICE:** To Be a Teacher

1=not at all important

3=average importance

5=very important



COSTS (disadvantages/given up)	1-5	BENEFITS (advantages/gained)	1-5
Give up free time on weekends	<b>3</b>	Developing young minds for future	<b>4</b>
Dealing with disciplinary problems	<b>2</b>	Summers off	<b>5</b>
Not a high salary	<b>1</b>		
Totals	<b>6</b>	Totals	<b>9</b>

**DECISION:** Become a teacher

**OPPORTUNITY COST:** Give up free time on weekends



# Tool #1 Cost-Benefit Analysis Chart

**CHOICE:** Capitalism as the U.S. economic system

1=not at all important

3=average importance

5=very important

COSTS (disadvantages/given up)	1-5	BENEFITS (advantages/gained)	1-5
Totals			

DECISION:

OPPORTUNITY COST:

1. Complete individually (add your own costs and benefits)
2. Compare scores and discuss decision
3. Add classmates' new costs and benefits
4. Rescore
5. If applicable, discuss new decision (If it changed, why?)

## Capitalism RESEARCH

### COSTS

#### Produces income inequality



Produces income inequality  
<https://www.pewresearch.org/2018/04/04/income-inequality/>  
<https://www.pewresearch.org/2018/04/04/income-inequality/>

#### Places profits ahead of people and the environment



Places profits ahead of people and the environment  
<https://www.pewresearch.org/2018/04/04/income-inequality/>  
<https://www.pewresearch.org/2018/04/04/income-inequality/>

#### Requires regulations to prevent monopolies and protect consumers



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<https://www.pewresearch.org/2018/04/04/income-inequality/>  
<https://www.pewresearch.org/2018/04/04/income-inequality/>

#### Requires safety-net programs for the poor



Requires safety-net programs for the poor  
<https://www.pewresearch.org/2018/04/04/income-inequality/>  
<https://www.pewresearch.org/2018/04/04/income-inequality/>

### BENEFITS

#### Produces higher standard of living for all citizens and reduces poverty



Produces higher standard of living for all citizens and reduces poverty  
<https://www.pewresearch.org/2018/04/04/income-inequality/>  
<https://www.pewresearch.org/2018/04/04/income-inequality/>

#### Provides economic and personal freedoms



Provides economic and personal freedoms  
<https://www.pewresearch.org/2018/04/04/income-inequality/>  
<https://www.pewresearch.org/2018/04/04/income-inequality/>

#### Encourages innovation and investment



Encourages innovation and investment  
<https://www.pewresearch.org/2018/04/04/income-inequality/>  
<https://www.pewresearch.org/2018/04/04/income-inequality/>

#### History indicates that outcomes are better for countries under capitalism



History indicates that outcomes are better for countries under capitalism  
<https://www.pewresearch.org/2018/04/04/income-inequality/>  
<https://www.pewresearch.org/2018/04/04/income-inequality/>

# Capitalism RESEARCH + TOOL #1

1=not important

3=average importance

5=very important



COSTS	1-5	BENEFITS	1-5
<p><b>Produces income inequality</b></p> <p>Hutton, Will (April 12, 2014). Capitalism simply isn't working and here are the reasons why. The Guardian, 1-5</p>		<p><b>Produces higher standard of living for citizens and reduces poverty</b></p> <p>Guadiana, Marcelo (Nov 15, 2016). Four Ways Capitalism Has Helped Alleviate Poverty. Borgen Project, 1-3</p>	
<p><b>Places profits ahead of people and the environment</b></p> <p>The Spectre of Communism (December 13, 2018). Capitalism Has Not "Lifted Billions Out of Poverty," Nor Has Economic Growth "Benefited the Environment." Medium, 1-7</p>		<p><b>Provides economic and personal freedom</b></p> <p>Carmen, Alexe (March 9, 2018) I Grew Up in a Communist System. Here's What Americans Don't Understand About Freedom. Foundation for Economic Education, 1-9</p>	
<p><b>Requires regulations to prevent monopolies and protect consumers</b></p> <p>Mauldin, John (April 11, 2019). America Has a Monopoly Problem. Forbes, 1-5</p>		<p><b>Encourages innovation and investment</b></p> <p>Sanchez, Dan (April 4, 2019). Economics Reveals the Hidden Order All Around You. Foundation for Economic Education, 1-6</p>	
<p><b>Requires safety net programs for the poor</b></p> <p>Amadeo, Kimberly (June 24, 2020) Capitalism: Its Characteristics, Pros and Cons. the balance  <a href="https://www.thebalance.com/capitalism-characteristics-examples-pros-cons-3305588">https://www.thebalance.com/capitalism-characteristics-examples-pros-cons-3305588</a></p>		<p><b>History indicates that outcomes are better for countries under capitalism</b></p> <p>Edwards, Lee (October 16, 2019). These 3 Countries Tried Socialism. Here's What Happened. The Daily Signal, 1-7</p>	



# Socialism RESEARCH + TOOL #1

1=not important

3=average importance

5=very important



COSTS	1-5	BENEFITS	1-5
<p><b>Requires higher taxation which reduces incentive</b></p> <p>Larabell, John (August 10, 2016). Scandinavia: Successful Socialism? TheNewAmerican.com, 1-6</p>		<p><b>Reduces income inequality</b></p> <p>“Businesses Under Socialist Systems,” Economics and Business courses.  <a href="https://courses.lumenlearning.com/boundless-business/chapter/businesses-under-socialist-systems/">https://courses.lumenlearning.com/boundless-business/chapter/businesses-under-socialist-systems/</a></p>	
<p><b>Equal outcomes require unequal treatment</b></p> <p>Horwitz, Steven (April 28, 2017). The Unfairness of Equal Outcomes. Foundation for Economic Education, 1-6</p>		<p><b>Centralized control simplifies decision-making</b></p> <p>“The Benefits of Socialism,” International Business Courses.  <a href="https://courses.lumenlearning.com/suny-internationalbusiness/chapter/reading-the-benefits-of-socialism/">https://courses.lumenlearning.com/suny-internationalbusiness/chapter/reading-the-benefits-of-socialism/</a></p>	
<p><b>Central planning and price controls result in shortages</b></p> <p>Tupy, Marian (September 19, 2017). Venezuelan Price Controls Lead to Predictable Shortages. Reason.com, 2-3</p>		<p><b>Provides for “free” health care and education</b></p> <p>Lamrani, Dr. Salim (August 8, 2014). Cuba’s Health Care System: A Model for the World. HuffPost.com, 1-5</p>	
<p><b>History of failure and totalitarianism</b></p> <p>Gordon, Thomas (February 3, 2020). Why Socialism Often Leads to Tyranny. Foundation for Economic Education, 1-9</p>		<p><b>Reduces unemployment</b></p> <p>Thangavelu, Poonkulali (August 5, 2020). Can Socialism Work in America?  <a href="https://www.investopedia.com/articles/investing/051415/can-socialism-work-america.asp">https://www.investopedia.com/articles/investing/051415/can-socialism-work-america.asp</a></p>	

# Tool #2 PACED Decision-Making Model

## Instructional Tips

- ✓ Choosing among multiple alternatives/choices
- ✓ Important criteria to consider
- ✓ Past, present, and future choices



1. State the **P**roblem.
2. List the **A**lternatives.
3. Determine the **C**riteria.
4. **E**valuate the alternatives.
5. Make a **D**ecision.

# Tool #2: PACED Decision Making Model

1. Question/Problem: Which profession should I choose?

3. Criteria	Help People	Make over \$100K	Requires BS only	Enjoy	Totals
2. Alternatives					
Nurse	3	1	2	1	7
Dentist	3	3	1	2	9
Police	3	1	3	3	10

4. Evaluate the Alternatives

3 = alternative meets criteria very well

2 = alternative meets criteria satisfactorily

1 = alternative does not meet criteria satisfactorily

5. Decision (highest scoring alternative): \_\_\_\_\_ **Police** \_\_\_\_\_

Opportunity Cost (second highest scoring alternative): \_\_\_\_\_ **Dentist** \_\_\_\_\_



# Tool #2: PACED Decision Making Model

1. Question/Problem: Which profession should I choose?

3. Criteria	Help People 20	Make over \$100K 50	Requires BS only 20	Enjoy 10	Totals
2. Alternatives					
Nurse	3 60	1 50	2 40	1 10	7 160
Dentist	3 60	3 150	1 20	2 20	9 250
Police	3 60	1 50	3 60	3 30	10 200

4. Evaluate the Alternatives

3 = alternative meets criteria very well

2 = alternative meets criteria satisfactorily

1 = alternative does not meet criteria satisfactorily

5. Decision (highest scoring alternative): \_\_\_\_\_ Dentist \_\_\_\_\_

Opportunity Cost (second highest scoring alternative): \_\_\_\_\_ Police \_\_\_\_\_



# TOOL #2 PACED Decision Making Model

Question/Problem: Which economic system is best for the United States?

3. Criteria 2. Alternatives	Economic Freedom (producers, consumer)	Economic Efficiency (little to no waste)	Economic Growth (revenue, GDP, trade)	Economic Equity (not equality but fairness)	Totals
Capitalism	3	2	3	2	10
Socialism	1	1	2	3	7

#### 4. Evaluate the Alternatives

3 = alternative meets criteria very well

2 = alternative meets criteria satisfactorily

1 = alternative does not meet criteria satisfactorily

# TOOL #2 PACED Decision Making Model

Question/Problem: Which economic system is best for the United States?

3. Criteria	Economic Freedom (Private property, free markets, limited government)	Economic Efficiency (Production of goods and services with no waste)	Economic Growth (Increase in income, GDP, jobs)	Economic Equity (Income equality, social fairness)	Totals
2. Alternatives	5	5	5	85	
Capitalism	3 15	2 10	3 15	2 170	10 210
Socialism	1 5	1 5	2 10	3 255	7 275

## 4. Evaluate the Alternatives

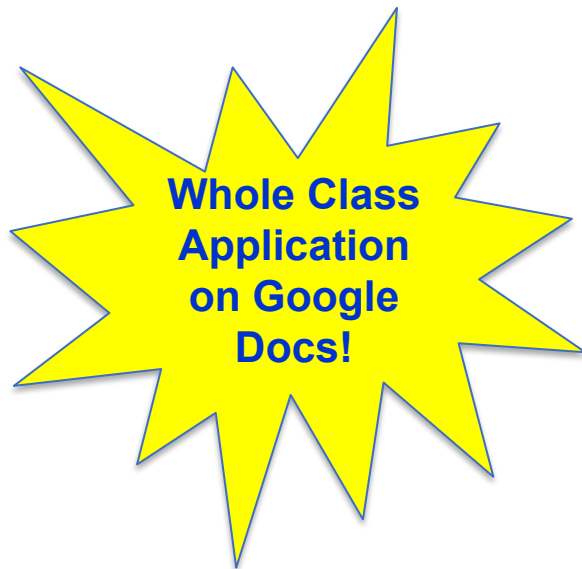
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2 = alternative meets criteria satisfactorily

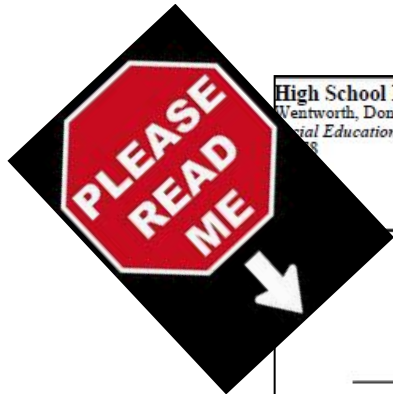
1 = alternative does not meet criteria satisfactorily

**Tool #1 Cost-Benefit Analysis Chart**

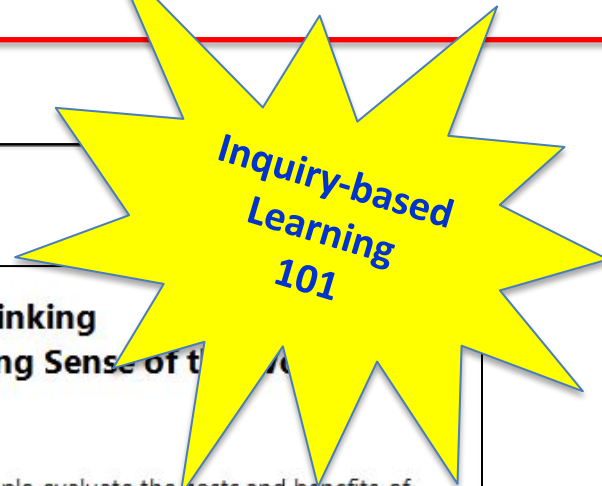
**Tool #2 PACED Decision-Making Model**



# Tool #3 Economic Way of Thinking 6 Principles



High School Economics: The New Reasoning Imperative  
Wentworth, Donald R.; Western, Richard D  
Journal of Economic Education; Feb 1990; 54, 2; ProQuest Research Library



## The Economic Way of Thinking 6 Economic Reasoning Principles – Making Sense of the World

**E**conomic  
ship edu  
do with  
understand lar  
hand, and with  
to think clearly  
experience on t  
nomics can mal  
in each case.

### Focal Points fo

Taking the r  
first, consider  
the world must  
dent who learns  
broadcast med  
sort:

- Everyone e  
Presidency ple  
budget, but the  
year.
- Mediocre  
make more mo
- Chicago m  
are stealing co  
actually cares e  
this crime.
- Small, ove

1. **People choose.** Most situations involve making choices. People evaluate the costs and benefits of different alternatives and choose the alternative that seems best to them. In other words, they want to gain something they value more (benefit) than what they must give up (cost).
2. **People's choices incur costs.** Costs do not necessarily involve money. Because resources (e.g., time, energy, money, space, natural resources, and capital resources) are scarce thus limited, decisions must be made. When choosing to use a resource in one way, a person gives up the opportunity to use it in another way. This is called an opportunity cost, which is the second highest valued alternative not chosen. All choices have costs.
3. **People respond to incentives in predictable ways.** An incentive is anything that motivates people to behave in a certain way. Incentives can be positive (rewards) or negative (punishments). When incentives change, people's behavior changes in predictable ways. Trophies are positive incentives that motivate athletes to improve their performance. Earning a profit is a positive incentive that motivates businesses to produce goods and services that consumers will buy. Not being re/elected is a negative incentive that motivates politicians to do the will of the people.
4. **Economic systems influence incentives and choices.** How people cooperate is governed by written and unwritten rules. As the rules change, incentives—and consequently people's behaviors—change. The primary economic systems are command economy, market economy, traditional



# Tool #3 Economic Way of Thinking 6 Principles

## 1. People choose.

- Scarcity (limited resources meet unlimited wants)
- Benefits outweigh costs (rational decision-making)



## 2. People's choices involve costs.

- Opportunity cost (second favorite alternative forgone)
- Often nonmonetary – using a resource one way prohibits using it another way
- Always!



# Tool #3 Economic Way of Thinking 6 Principles

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## 3. People respond to incentives in predictable ways.

- Incentives motivate certain behaviors
- Positive (rewards) or negative (punishments)
- Trophies, coupons, profits, and not being re/elected



## 4. People create economic systems that influence individual choices and incentives.

- Formal and informal “rules of the game” determine incentives thus behaviors
- Traditional, command, market, and mixed economies
- Characteristics of a market economy (competition, profit motive, etc.)



# Tool #3 Economic Way of Thinking 6 Principles

## 5. People gain when they trade voluntarily.

- Voluntarily get something that is more valuable than what is given up
- Comparative advantage – produce what incurs lowest opportunity cost (specialization) and then trade (interdependence)
- Win-Win



## 6. People's choices have consequences that lie in the future.

- Unintended and intended consequences – future costs and benefits
- Long-run perspective



# Tool #3 Economic Way of Thinking 6 Principles

- 1) People choose.
- 2) People's choices involve costs.
- 3) People respond to incentives in predictable ways.
- 4) People create rules and economic systems that influence individual choices and incentives.
- 5) People gain when they trade voluntarily.
- 6) People's choices have consequences that lie in the future.

- ✓ Teaches students to “think like an economist” using inquiry-based learning and a set of time/culture-tested assumptions about human behaviors
- ✓ Framework utilizes accessible, basic economic concepts as a starting point from which to make sense of everyday “mysteries” that seem at odds with ordinary experience and judgment
- ✓ Avoids trivializing less obvious causes and invoking premature ideas that act as thought-stoppers yet is a streamlined approach to sifting through useless information
- ✓ Develops critical thinking skills in academics, workplace, and life – **ECONOMICS IS A LIFE SKILL!**

# Tool #3 Economic Way of Thinking 6 Principles

## Developing Informed Economic Opinions Using the Economic Way of Thinking 6 Principles

Debate/Essay Topic

Capitalism is the best economic system for the U.S.

Debate/Essay Position

FOR or AGAINST (circle one)

Economic Way of Thinking Principles	Debate/Essay Talking Points
<b>1) Scarcity forces people to make choices.</b> scarcity, limited resources, unlimited wants, choices available, benefits	
<b>2) Every choice has an opportunity cost.</b> things given up and disadvantages (costs) <i>most important</i> thing given up (opportunity cost)	
<b>3) Incentives influence choices.</b> positive incentives (rewards), negative incentives (penalties), behaviors, motivation	

# Tool #3 Economic Way of Thinking 6 Principles

## Developing Informed Economic Opinions Using the Economic Way of Thinking 6 Principles Writing Prompts

Topic	
Group 1	
Group 2	

**1. People choose.**

Group 1 willingly choose \_\_\_\_\_

Group 2 willingly choose \_\_\_\_\_

**2. People's choices incur costs.**

Group 1 forego the opportunity to \_\_\_\_\_

Group 2 forego the opportunity to \_\_\_\_\_

**3. People respond to incentives in predictable ways.**

Group 1's incentives include \_\_\_\_\_

Group 2's incentives include \_\_\_\_\_

**4. Economic systems influence incentives and choices.**

Group 1 is influenced by the market economy characteristic of \_\_\_\_\_ because \_\_\_\_\_

Group 2 is influenced by the market economy characteristic of \_\_\_\_\_ because \_\_\_\_\_

**5. Voluntary trade creates wealth.**

When Group 1 exchanges \_\_\_\_\_ for \_\_\_\_\_, they gain by \_\_\_\_\_.

When Group 2 exchanges \_\_\_\_\_ for \_\_\_\_\_, they gain by \_\_\_\_\_.



# Tool #3 Economic Way of Thinking 6 Principles



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Qualitative  
framework for  
cost-benefit  
& PAVED

- 1) People choose.
- 2) People's choices involve costs.
- 3) People respond to incentives in predictable ways.
- 4) People create rules and economic systems that influence individual choices and incentives.
- 5) People gain when they trade voluntarily.
- 6) People's choices have consequences that lie in the future.

# Tool #3 Economic Way of Thinking 6 Principles

Assessments:  
Self  
Peer  
Debate

ECONOMIC WAY OF THINKING Rubric		
	Proficient	Developing
<b>Problem</b> 	<input type="checkbox"/> The key issues are thoroughly and accurately described with an awareness of context in a way that makes the problem easy to understand. <input type="checkbox"/> Monetary and nonmonetary issues are considered. <input type="checkbox"/> Multiple perspectives of the groups of people impacted are clearly differentiated. Less obvious, unconventional perspectives are included.	<input type="checkbox"/> Some of the key issues are described incompletely or inaccurately with little or no awareness of context, thus the problem is hard to understand. <input type="checkbox"/> Only monetary or nonmonetary issues are considered. <input type="checkbox"/> Perspectives of only one or two groups of people impacted are vaguely differentiated. Perspectives are simplistic and common.
<b>Principle #1: People choose.</b> 	<input type="checkbox"/> Scarcity is described in a nuanced way in terms of limited resources/goods/ services versus unlimited wants. <input type="checkbox"/> The choices made by each group of people impacted are clearly stated with direct connections to the scarcity situation. <input type="checkbox"/> The possible benefits enjoyed as a result of the choices made by each group of people are creatively and fully explored. <input type="checkbox"/> Other possible choices that could have been made by each group of people are imaginatively brainstormed. <input type="checkbox"/> Monetary and nonmonetary choices are considered.	<input type="checkbox"/> Scarcity is minimally described in terms of limited resources/goods/services versus unlimited wants. <input type="checkbox"/> The choices made by some of the groups of people impacted are ambiguously stated with vague connections to the scarcity situation. <input type="checkbox"/> The possible benefits enjoyed as a result of the choices made by each group of people are ordinary and underexplored. <input type="checkbox"/> One or two other obvious choices that could have been made by each group of people are listed. <input type="checkbox"/> Only monetary or nonmonetary choices are considered.
<b>Principle #2: People's choices incur costs.</b>	<input type="checkbox"/> By making their choices, a comprehensive and logical list of what each group is giving up (i.e., trade-offs) is creatively brainstormed.	<input type="checkbox"/> By making their choices, a partial and somewhat illogical list of what each group is giving up (i.e., trade-offs) is brainstormed.



# DEBATE – Opening Argument

COSTS	1-5	BENEFITS	1-5
<b>Produces income inequality</b> <small>Hutton, Will (April 12, 2014). Capitalism simply isn't working and here are the reasons why. The Guardian, 1-5</small>		<b>Produces higher standard of living for citizens and reduces poverty</b> <small>Guadiana, Marcelo (Nov 15, 2016). Four Ways Capitalism Has Helped Alleviate Poverty. Borgen Project, 1-3</small>	
<b>Places profits ahead of people and the environment</b> <small>The Spectre of Communism (December 13, 2018). Capitalism Has Not "Lifted Billions Out of Poverty," Nor Has Economic Growth "Benefited the Environment." Medium, 1-7</small>		<b>Provides economic and personal freedom</b> <small>Carmen, Alexe (March 9, 2018) I Grew Up in a Communist System. Here's What Americans Don't Understand About Freedom. Foundation for Economic Education, 1-9</small>	
<b>Requires regulations to prevent monopolies and protect consumers</b> <small>Mauldin, John (April 11, 2019). America Has a Monopoly Problem. Forbes, 1-5</small>		<b>Encourages innovation and investment</b> <small>Sanchez, Dan (April 4, 2019). Economics Reveals the Hidden Order All Around You. Foundation for Economic Education, 1-6</small>	
<b>Requires safety net programs for the poor</b> <small>Amadeo, Kimberly (June 24, 2020) Capitalism: Its Characteristics, Pros and Cons. the balance  <a href="https://www.thebalance.com/capitalism-characteristics-4015558">https://www.thebalance.com/capitalism-characteristics-4015558</a></small>		<b>History indicates that outcomes are better for countries under capitalism</b> <small>Edwards, Lee (October 16, 2019). These 3 Countries Tried Socialism. Here's What Happened. The Daily Signal, 1-7</small>	

3. Criteria	Economic Freedom (producers, consumer)	Economic Efficiency (little to no waste)	Economic Growth (revenue, GDP, trade)	Economic Equity (not equality but fairness)	Totals
2. Alternatives					
Capitalism					
Socialism					

- 1) State FOR or AGAINST Capitalism.
- 2) Share one brief argument through the lens of an Economic Reasoning Tool.

- 1) People choose.
- 2) People's choices involve costs.
- 3) People respond to incentives in predictable ways.
- 4) People create rules and economic systems that influence individual choices and incentives.
- 5) People gain when they trade voluntarily.
- 6) People's choices have consequences that lie in the future.

# 4 Corners (Post-test)

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**Strongly  
Agree**

**Strongly  
Disagree**

**Capitalism is the best economic system for the United States**

**Agree**

**Disagree**

**WRAP-UP**



**Dan Mortensen**  
[drmortensen@vcu.edu](mailto:drmortensen@vcu.edu)

**Cheryl Ayers**  
[cheryl42@vt.edu](mailto:cheryl42@vt.edu)

**VIRGINIA COUNCIL ON**  
**ECONOMIC**  
**EDUCATION**

**Google Drive Folder – Content & Pedagogy Resources**  
[https://drive.google.com/drive/folders/1kx9iF\\_BEv\\_CUMi7rN9dcpceI3B0hR4xL?usp=sharing](https://drive.google.com/drive/folders/1kx9iF_BEv_CUMi7rN9dcpceI3B0hR4xL?usp=sharing)



# Questions/Comments?



**MORE SLIDES &  
RESOURCES**

# Controversial Issues & Civil Dialogue

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Why is it important to teach students to discuss/deliberate/debate controversial issues?

## TEACHER REFLECTIONS

“I want my students to learn how to really **listen** to one another and take the **perspectives** of their classmates. I want to encourage my students to come to class with an **open mind**, willingness to learn from their peers, and **respect** for differences.”

“My goals for student learning include **introspection, reflection, and critical thinking** skills, all of which are fostered in **dialogue** with peers about topics that make them step outside their **comfort zones**.”

“The appeal of ‘**the hard stuff**’ is that it encourages students to think critically about social life, that is, to **question** what they learn and make meaning from what they learn, to **synthesize** information from **various sources**, and to **evaluate** ideas.”

# Other Resources

- ProCon.org x +

https://www.procon.org

lesson plans - Goog... My Account Hands on Banking... Course Ice House... Search Results - Pri...

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**PROCON.ORG**

RELIABLE.  
NONPARTISAN.  
EMPOWERING.

ENHANCED BY Google

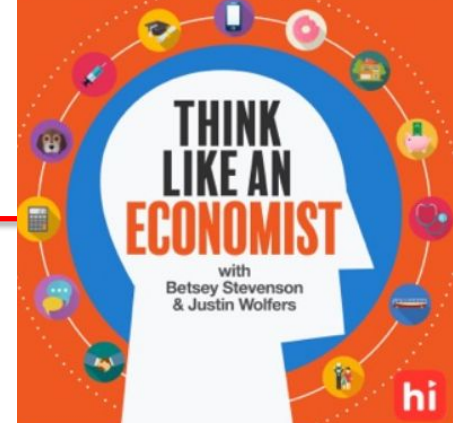
More Issues About Us FAQs Teachers' Corner





# Other Resources

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## Economics 101

**Scarcity and Choice (4:35)**

[http://www.youtube.com/watch?v=yoVc\\_S\\_gd\\_0](http://www.youtube.com/watch?v=yoVc_S_gd_0)

**Intro to Economics: Crash Course (12:08)**

[https://www.youtube.com/watch?v=3ez10ADR\\_gM&t=5s](https://www.youtube.com/watch?v=3ez10ADR_gM&t=5s)

## Economic Education Podcasts

**Think Like an Economist**

<https://podcasts.apple.com/us/podcast/think-like-an-economist/id1523898793>

**Planet Money**

<https://www.npr.org/podcasts/510289/planet-money>

**Freakonomics**

<https://freakonomics.com/category/podcasts/>

## EconEdLink

<https://www.econedlink.org/>

## MRU EconInBox

<https://www.econinbox.com/>

# Other Resources

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## Vanderbilt University, Center for Teaching, Difficult Dialogues

<https://cft.vanderbilt.edu/guides-sub-pages/difficult-dialogues/#tools>

## iCivics

<https://www.icivics.org>

## Teaching for Democracy Alliance

<http://www.teachingfordemocracy.org>

## St. Louis Fed Minimum Wage Debate

<https://www.stlouisfed.org/education/structured-minimum-wage-debate?s=03>

## Education World

[http://www.educationworld.com/a\\_lesson/lesson/lesson304.shtml](http://www.educationworld.com/a_lesson/lesson/lesson304.shtml)

## Educational Technology Tools

*Nearpod, GoSoapBox, Padlet, Pear Deck, Google Jamboard*

# Debate Format Example

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30 second opening position statement (no specifics) – For

30 second opening position statement (no specifics) – Opposed

3 minute position argument (3 main points) – For

3 minute position argument (3 main points) – Opposed

5 minute work period

2 minute rebuttal (respond to 3 main points) – For

2 minute rebuttal (respond to 3 main points) – Opposed

3 minute work period

2 minute response – For

2 minute response – Opposed

1 minute work period

1 minute position summary and closing statement – Opposed

1 minute position summary and closing statement – For

# Debate Rubric Example

Debate Performance Criteria	Score
Uses one or more of the 3 Economic Way of Thinking Tools	
Stays on topic	
Supports arguments with evidence	
Delivers persuasiveness	
Demonstrates teamwork	
Shows responsiveness to opposing team's arguments	



1=Needs More Practice

5=Join the Debate Club

10=Debate Stage Ready