

Social Studies *Reimagined!*

OVERVIEW

Social studies is more than dots on a map or dates on a timeline.

It's where we've been and where we're going. It's stories from the past and our stories today. And in today's fast-paced, interconnected world, it's essential.

Welcome to the next generation of social studies!

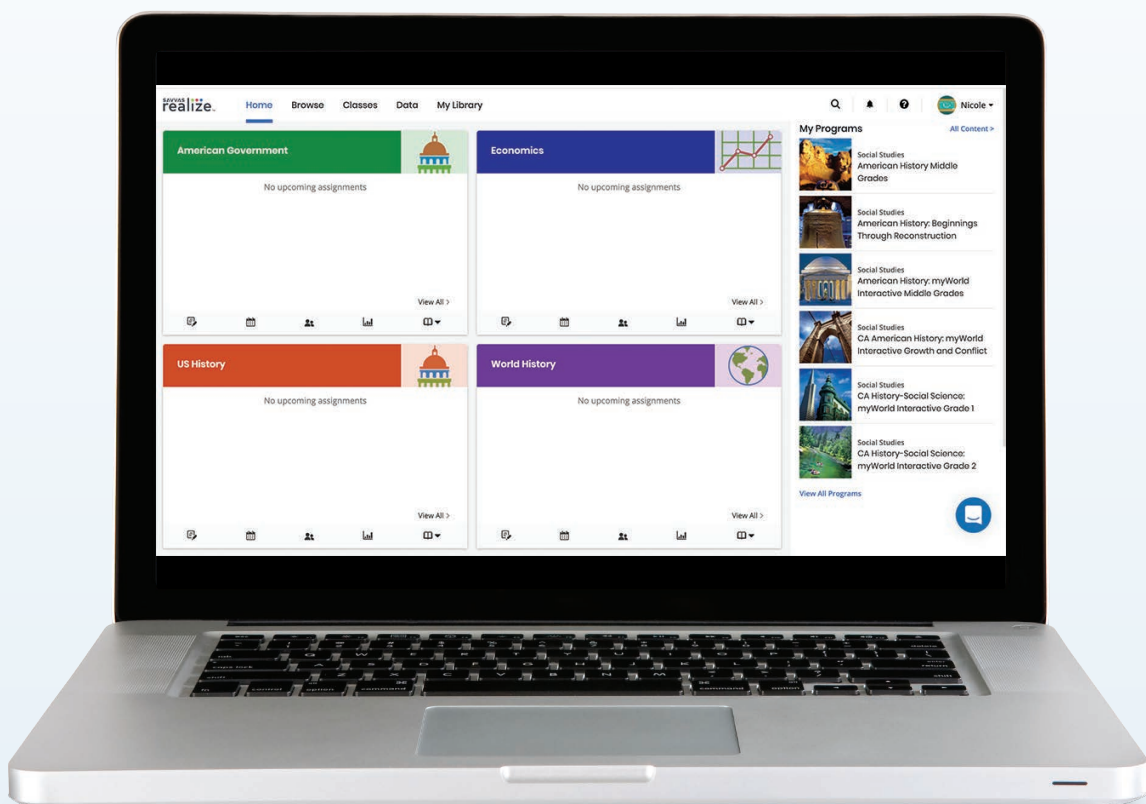
Economics was created in collaboration with educators, social studies experts, and students. The program is based on the Savvas Mastery System. The System uses tested best practices, content expectations, technology, and a four-part framework—Connect, Investigate, Synthesize, and Demonstrate—to prepare students to be college- and career-ready.





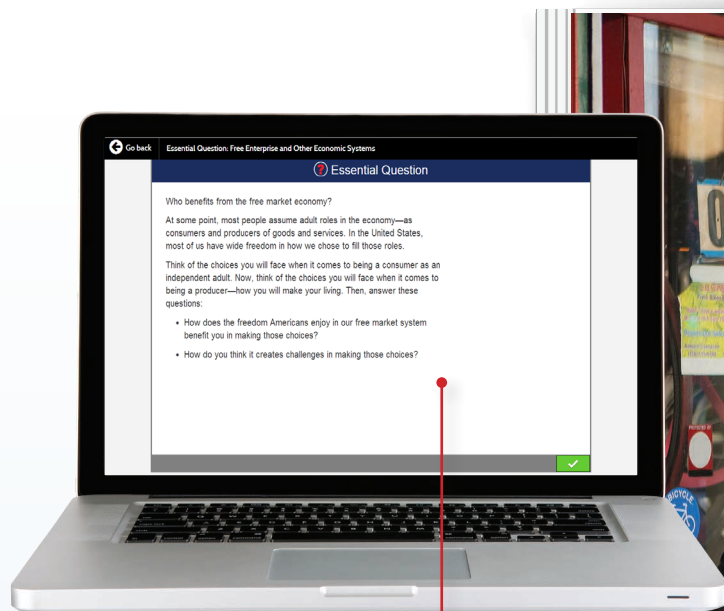
◀ The System includes:

- Higher-level content that gives support to access complex text, acquire core content knowledge, and tackle rigorous questions.
- Inquiry-focused Projects, Civic Discussions, and Document Analysis activities that develop content and skills mastery in preparation for real-world challenges.
- Digital content on the Savvas Realize™ platform that is dynamic, flexible, and uses the power of technology to bring social studies to life.
- The program uses essential questions and stories to increase long-term understanding and retention of learning.



Introduce the Topic

Start each topic of instruction with a high-impact video story, a launch for inquiry-based learning, and a quick visual overview.



Connect through an
Essential Question

An Essential Question connects the chapter lessons and gives learning focus and purpose. Explore it in print and online!



[ESSENTIAL QUESTION] Who benefits from the free market economy?

2

Free Enterprise and Other Economic Systems

Notes: _____



>> Two young men stand and smile at their bicycle shop.

Enduring Understandings

- Because societies answer the key economic questions differently, multiple economic systems have developed.
- Competition helps regulate markets and gives producers incentives to make what consumers want.
- Because pure market and pure centrally planned economies have drawbacks, nations tend to have mixed economies.
- Under the American free enterprise system, the government preserves economic freedoms while protecting the public interest through limited regulation of the economy.

SAVVAS realize™ NBC LEARN

Watch the My Story Video on Leslie Bradshaw and the importance of innovation.

SAVVAS realize™

Access your digital lessons including:
Topic Inquiry • Interactive Reading
Notepad • Interactivities • Assessments

Start with the Enduring Understandings

Each topic opens with an Enduring Understandings Preview, allowing students to preview expected learning outcomes.

Start with a Story!

My Story videos help students connect to the topic by hearing the personal story of an individual whose life is related to the content.

Interact with the Page

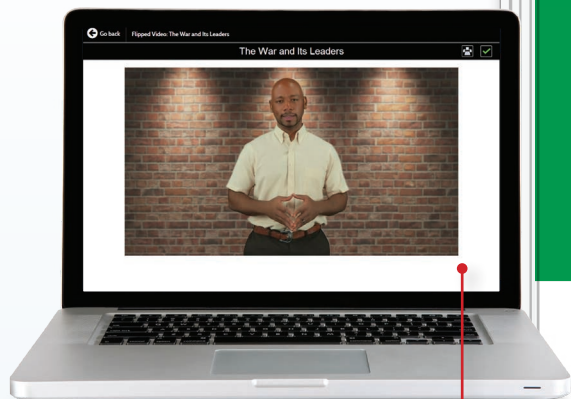
Savvas Realize™ icons throughout the text alert students to corresponding interactive features.

Present Lessons with Rigor

Teach each lesson with text and features that ensure relevancy and rigor.



Editable Presentations are provided for every lesson to support instruction.



Engaging video summaries

Taught by a master teacher, these videos can be used for flipped instruction as remediation for struggling readers or absentee students.

Embedded reading support at the start of each lesson includes Objectives and Key Terms, helping students read and understand informational texts.

2.2

Do you value freedom? If you thought about this question in terms of freedom of speech or freedom of religion, you probably said yes. What about the freedom to own property, to get a job, or to spend your money the way you want? To Americans, economic freedom is also highly valued. It has shaped the system under which we live.



>> Specialized skill and knowledge enables this man to fix complex refrigeration equipment—and to earn a living. **Draw Conclusions** How does this worker benefit from having specialized skill and knowledge?

 Interactive Flipped Video

Free Markets

Why Do Markets Exist?

Indeed, economic freedom is the chief characteristic of a free market economy. You will soon see how the free market affects every household and community in the United States, including yours.

Markets Defined What do a farmer's market, a sporting goods store, the New York Stock Exchange, and a community bulletin board where you posted a sign advertising baby-sitting services have in common? All are examples of markets. A **market** is any arrangement that allows buyers and sellers to exchange things.

Markets eliminate the need for any one person to be self-sufficient. None of us produces all we require to satisfy our needs and wants. You probably did not grow cotton plants, process that cotton into cloth, or weave that cloth into the shirt you are wearing. Instead, you purchased your shirt at a store. Markets allow us to exchange the things we have for the things we want.

The Role of Specialization Instead of being self-sufficient, each of us specializes in a few products or services. **Specialization** is the concentration of the productive efforts of individuals and businesses on a limited number of activities. A baker specializes in making breads, cakes, and cookies. A nurse specializes in caring for the sick.

>> Objectives

Explain why markets exist.

Explain a circular flow model of a free market economy.

Describe how self-interest and competition lead to the self-regulating nature of the marketplace.

Identify the advantages of a free market economy.

>> Key Terms

market	consumer
specialization	sovereignty
free market	
economy	
household	
firm	
factor market	
product market	
Adam Smith	
(1723–1790)	
self-interest	
incentive	
competition	

Context for content

Each lesson begins with a narrative preview that provides context for what students will learn in the coming lesson.

An aircraft plant manufactures only airplanes—not airplanes, refrigerators, and bicycles.

Specialization leads to efficiency in the use of capital, land, and labor. It is better for people to learn one task or a few tasks very well than to learn a little about many tasks. Because they concentrate on one or a few tasks, they can do their work more efficiently, saving resources by avoiding waste. For this reason, the top performers in most fields are specialists who have worked hard to sharpen their particular skills.

Specialization also benefits businesses. Focusing on a limited number of related products or services allows them to use their limited capital and labor more efficiently.

Buying and Selling People in primitive cultures had to make everything they needed from materials they gathered from nature. Even in more recent times, some people strive for self-sufficiency. However, because most of us in the modern world specialize in producing just a few goods or services, we need a mechanism that allows us to sell what we have produced and to buy what we want. **Figure 2.3** illustrates this concept.

In a modern market-based economy, people typically earn income by specializing in particular jobs. They

then use this income to buy the products that they want to consume.

2 IDENTIFY MAIN IDEAS Why do markets exist?

Elements of a Free Market Economy

In a **free market economy**, answers to the three basic economic questions are made by voluntary exchange in markets. The choices made by individuals determine what gets made, how it is made, and how much people can consume of the goods and services produced. Individuals and businesses make their own decisions about what to buy or sell. Market economies are also called capitalist economies because the capital that entrepreneurs invest in businesses is a vital part of the system.

In a free market system, individuals and privately owned businesses own the factors of production, make what they want, and buy what they want. In other words, individuals answer the three basic questions of what to produce, how to produce it, and who consumes what is produced.

The United States has a free market economic system. This system is commonly referred to as the United States free enterprise system. In general, *free*



>> **Figure 2.3** This farmer specializes in raising one crop, using income from its sale to purchase equipment and other goods. **Test Conclusions** What evidence can you see that the farmer earns income from the specialized production of one crop?

 **Interactive Illustration**

Mileposts for understanding questions act as reading speed-bumps, ensuring students understand what they've read before continuing on—available as open-ended questions in the Student Text or as multiple choice in online Text for instant feedback.



Interactive Reading Notepad allows students to review lesson objectives, key terms, and academic vocabulary, and provides rigorous close reading support.

See, analyze, and interact
Students can use primary source image galleries throughout the lesson to interact with images that tie to the topic's story content.

Practice Process Skills

Offer your students powerful lessons in social studies process skills and provide multiple opportunities for practice with support.

Experience history in 3-D!

Students will feel like they are part of the story as they use interactive 3-D models.

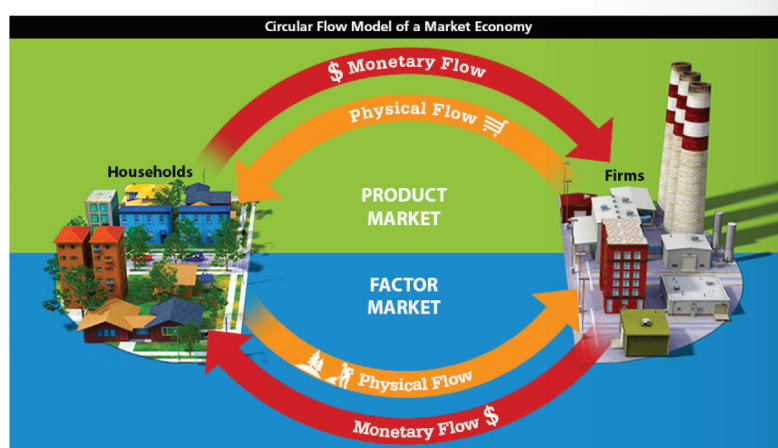


Audio helps struggling readers

Students can listen to the entire text read to them with the online eText. An audio glossary defines key terms.



21st Century Skill Tutorials cover everything from how to collaborate to how to read a map.



>> **Figure 2.4** The circular flow model shows the interaction between households and firms in a free market. **Analyze Charts** What is the primary item that changes hands in the monetary flow?

Interactive 3-D Model

enterprise, free market, and capitalism are all synonyms for the economic system of the United States.

Households and Firms The participants in a free market economy are households and firms. A **household** is a person or group of people living in a single residence. Households own the factors of production—land, labor, and capital. They are also consumers of goods and services.

A business, or **firm**, is an organization that uses resources to produce a product or service, which it then sells. Firms transform inputs, or factors of production, into outputs, or goods and services.

We can represent the exchanges that take place in a free market economy in a diagram called a circular flow model. Look at **Figure 2.4**. The diagram shows how households and firms exchange money, resources, and products in the marketplace. The inner ring of the diagram represents the flow of resources and products. Note that both households and firms are resource owners in this model. The outer ring represents the flow of money.

Factor and Product Markets As you can see from the lower half of the model, firms purchase factors of production from households. This arena of exchange is

called the **factor market**. An example of this is when firms purchase or rent land. They hire workers, paying them wages or salaries for their labor. They also borrow money from households to purchase capital, paying households interest or profits in return.

Now look at the top half of the circular flow model. The arena in which households buy the goods and services that firms produce is the **product market**. So, when you buy food at a supermarket, you are taking part in the product market physical flow.

If you follow the rings of the diagram, you will see that in the product market, households purchase the products made by firms with the money they receive from firms in the factor market. The monetary and physical flows through the factor and product markets are truly circular.

? EXPRESS IDEAS CLEARLY What is the role of firms in the free market economy?

ELL 1.C.1, 1.D.1 Examine a circular flow model, then work with others to compare and contrast factor and product markets. Name examples of each.

Notes: _____

How Markets Self-Regulate

Firms and households usually cooperate to give each other what they want—factor resources from households to firms, and goods and services from firms to households. Why should they cooperate when we live in such a competitive society? According to **Adam Smith**, competition and our own self-interest actually help to keep the marketplace functioning.

Self-Interest Adam Smith was a Scottish social philosopher. In 1776, he published a book titled *The Wealth of Nations* that described how markets function. Smith observed that an economy is made up of countless individual transactions. In each of these exchanges, the buyer and seller consider only their own **self-interest**, that is, their own personal gain. Smith observed:

Give me that which I want, and you shall have this which you want . . . and it is in this manner that we obtain from one another the far greater part of those good [services] which we stand in need of. It is not from the

benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest.

—Adam Smith, *The Wealth of Nations*

Self-interest, in other words, is the motivating force in the free market—the push that leads people to act.

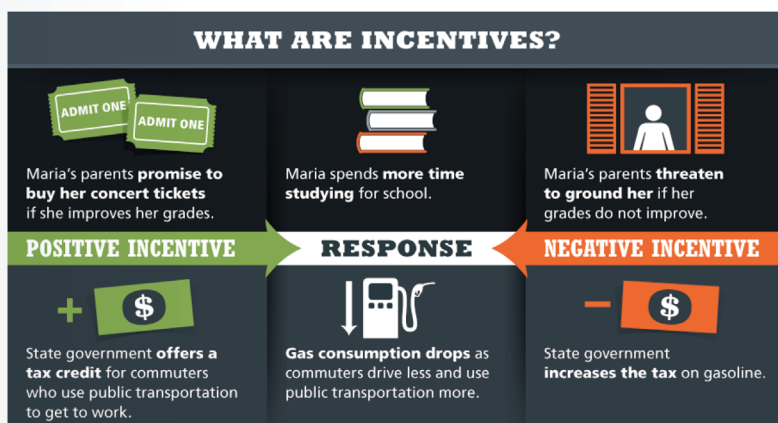
Incentives and Competition Consumers, pursuing their self-interest, have the incentive to look for lower prices. Look at **Figure 2.5**. An **incentive** is the hope of reward or fear of penalty that encourages a person to behave in a certain way. Many incentives are monetary, or based on money, such as the promise of higher wages or profits. Others are nonmonetary, such as the prestige and personal satisfaction one gets from running a successful business.

Adam Smith observed that people respond in a predictable way to both positive and negative incentives. Consumers, for instance, will respond to the positive incentive of lower prices by buying more goods, because spending less money on a good lowers the opportunity cost of the purchase.

Firms, meanwhile, seek to make higher profits by increasing sales. Let's take, for example, a shirt

Charts come to life

Students will continue to investigate the topic story through dynamic interactive charts. Students build map skills while covering the essential standards.



>> **Figure 2.5** In a free market, incentives of all sorts influence individuals to act in their own self-interest. **Identify Central Ideas** Use one of the examples from this diagram to explain how the incentive given leads to the response indicated.

Interactive Gallery



Support All Learners

Empower your students to learn independently based on their own interests, learning preferences, and level of standards mastery.



Primary sources at point-of-use provide scaffolded prompts to foster in-depth analysis and support key process skills.

Text or online? Your choice

Students can learn content by reading narrative text online or in a printed Student Edition.



>> **Figure 2.6** The free market system offers many benefits to producers and consumers. **Analyze Charts** Which of the advantages of the free market do you think is most important to producers? Explain your answer.

manufacturer. The manufacturer finds that striped shirts are far outselling polka-dotted shirts. The manufacturer has the incentive—from more potential sales and profits—to produce more striped shirts. Other manufacturers, seeing consumers' desire for striped shirts, also have the incentive to make those shirts.

Now consumers can get all the striped shirts they want—but what will it cost them? What if all these producers charged high prices for those shirts so they could maximize their profits? The fact that there are so many producers helps to discourage that.

Suppose most manufacturers charge \$30.00 for a striped shirt, while one decides to sell them for \$25.00. Consumers, pursuing their self-interest, will buy the lower-priced shirt. If the other manufacturers want to sell more striped shirts, they will have to drop the price.

Economists call this struggle among producers for the dollars of consumers **competition**. While self-interest is the motivating force behind the free market, competition is the regulating force.

The Invisible Hand Self-interest and competition tend to work together to keep the marketplace fair and its prices responsive. Self-interest spurs consumers to purchase certain goods and services and firms to produce them. Competition causes firms to produce

more and moderates their desire to raise prices. As a result, consumers usually get the products they want at prices that more closely reflect the cost of producing them. That is, prices are responsive to market forces rather than to the choices of individual producers.

All of this happens without any central planning or direction. No consumer or producer has made decisions based on what's good for the marketplace, yet the end result is a marketplace that operates efficiently. Adam Smith called this self-regulating mechanism the "invisible hand" of the marketplace.

2 DRAW CONCLUSIONS What does competition among producers in a free market accomplish for consumers?

Advantages of a Free Market

As you saw, each society tries to achieve a variety of economic goals. Under ideal conditions, the free market meets many of these goals—summarized in **Figure 2.6**—on its own.

1. **Economic efficiency** Because it is self-regulating, a free market economy such as the U.S. free enterprise



Core Concepts offers a review of social studies strands—government, history, geography, culture, economics, and personal finance—as background or for re-teaching.

system can respond efficiently to rapidly changing conditions. Producers attempt to provide only the goods and services that consumers want, and at prices consumers are willing to pay.

2. *Economic freedom* Free market economies have the highest degree of economic freedom of any system. For example, in the U.S. free enterprise system, workers work where they want, firms produce what they want, and individuals consume what they want.

3. *Economic growth* Because competition encourages innovation, free markets encourage growth. Entrepreneurs in the U.S. free enterprise system are always seeking profitable opportunities, contributing new ideas and innovations.

4. *Additional goals* Free markets, such as the U.S. free enterprise system, offer a wider variety of goods and services than any other system, because producers have incentives to meet consumers' desires. Consumers, in essence, have the power to decide what gets produced. This is called **consumer sovereignty**.

The free enterprise system of the United States illustrates the many advantages of a free market system. Despite the advantages, however, no country today operates under a pure, unregulated free market system. There are several reasons for this. For example, some societies have goals that are not always easy to

achieve in a pure market system, such as economic equity or security. Later you will read about how countries modify the free market system in order to better meet the entire array of economic goals.

? GENERATE EXPLANATIONS Why does a free market economy result in the availability of a wide variety of goods and services?

ASSESSMENT

1. **Analyze Information** How does specialization make an economy more efficient?
2. **Compare** How do self-interest and competition affect the free market?
3. **Interpret** Explain what Adam Smith meant by the "invisible hand" of the marketplace.
4. **Infer** How can specialization benefit both producers and consumers in a free market economy?
5. **Connect** In a free market system, how are incentives related to the principle of sovereignty?

See content through multiple viewpoints

Online interactive galleries make the printed text come alive. Numerous primary source photos help show different perspectives of an event or topic.

The Self-Regulating Nature of the Marketplace

Instructions
Select each image to learn more about some of the ways that the marketplace regulates itself.

SELF-INTEREST

INCENTIVE

COMPETITION

Support Ideas With Examples Look at the photo. Which of the self-regulating features of the economy does this photo illustrate? Give another example of the same feature of the economy and explain how it could affect consumers or producers.

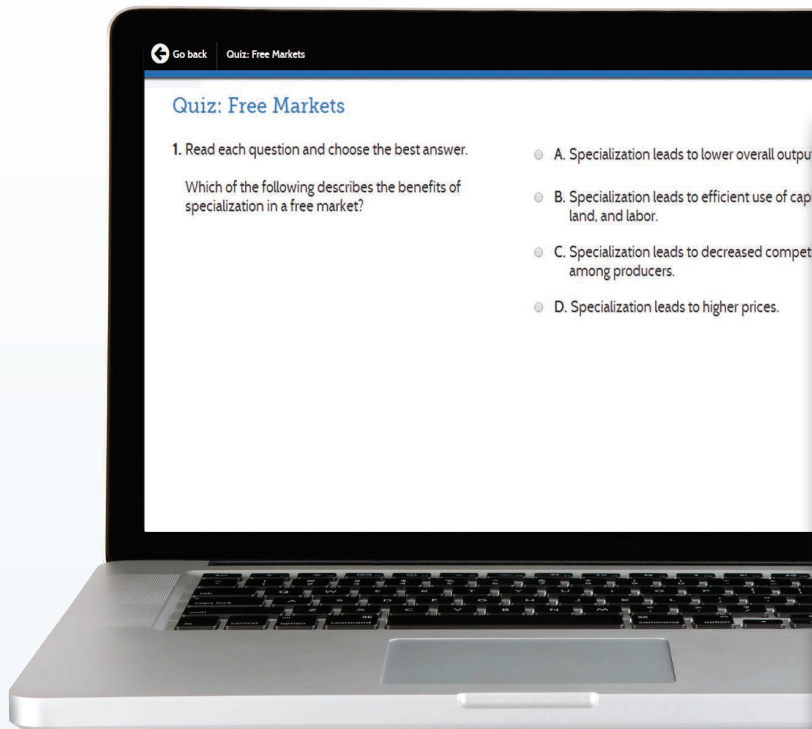
Type your answer here.

Point-of-Use Critical Thinking Questions

Prompts help students read, analyze, and understand maps.

Assess the Lesson and Topic

Students demonstrate their understanding, knowledge, and skills through Lesson Quizzes, Topic Tests, and Topic Inquiry performance assessments. Find numerous opportunities to assess students—both in print and online.



- 1 Lesson quizzes provide a quick assessment of understanding, with instant feedback.



- 2 Assessment provides comprehensive print review and assessment for each topic.

Notes: _____

- 3 Practice allows students to take a practice test at the end of each topic. Designed in the same format used in standardized tests.

7 This campaign is more than a contest between two men. . . . It is a contest between two philosophies of government.
—Herbert Hoover, 1932

What contrast did President Herbert Hoover refer to in this statement?

- A His concern for enacting laws to control and regulate economic disasters, contrasted to Roosevelt's laissez-faire philosophy.
B His belief that state and local governments could solve economic issues, contrasted to Roosevelt's focus on federal aid programs.
C His approach to creating a modern expansionist foreign policy, contrasted to the isolationist policy of Roosevelt.
D His ideal that private agencies should control government, contrasted to Roosevelt's ideal that government should maintain control over private agencies.

8 How did Frank Capra's film *Mr. Smith Goes to Washington* reflect the issues of its time?

- F It emphasized the importance of being politically active.
G It reinforced the public's declining faith in law enforcement.
H It celebrated the strength and determination of the common man.
J It portrayed a government with only the best interests of the public in mind.

If you have trouble with,
Question
See Lesson
TEKS

Chapter 1 Test A (1 of 6)

Our Communities

Name _____ Date _____

Vocabulary Match each term with the correct definition. (10 points)

Definitions	Terms
_____ 1. in the countryside where there is plenty of open space	A diverse
_____ 2. different	B rural
_____ 3. the way of life of a group of people	C urban
_____ 4. imaginary lines that circle Earth, in degrees north and south	D latitude
_____ 5. in a large city where there are museums and apartment buildings	E culture

- 4 Topic Tests provide a comprehensive assessment. Online tests include higher-order thinking, primary sources, maps, and rigorous, open-ended writing prompts.

Lesson Level Assessment

- Reading Checks
- Writing Responses
- Synthesis Activities
- Performance Tasks
- Process Skills Assessment

Topic Level

- Topic Synthesis Activities
- Review and Assessment
- Practice
- Topic Assessments
- Online Tests and Test Banks

Program Level

- Test Prep
- ExamView®

- 5 ExamView® Create your own test, quizzes, study guides, benchmarks, and worksheets with ExamView®.

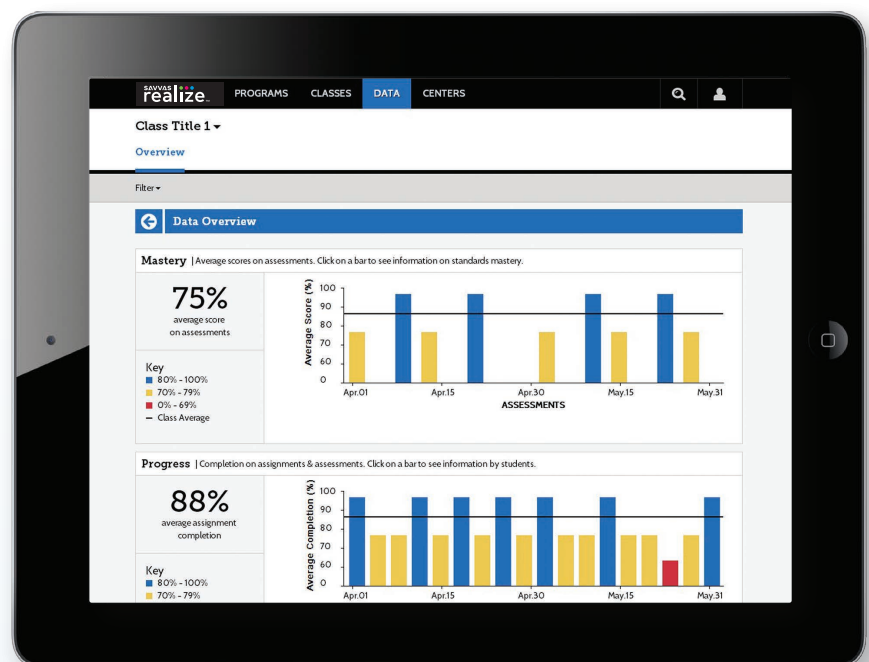
Track Mastery

Use data to guide instruction by seeing immediately how classes and individual students are progressing toward mastery.

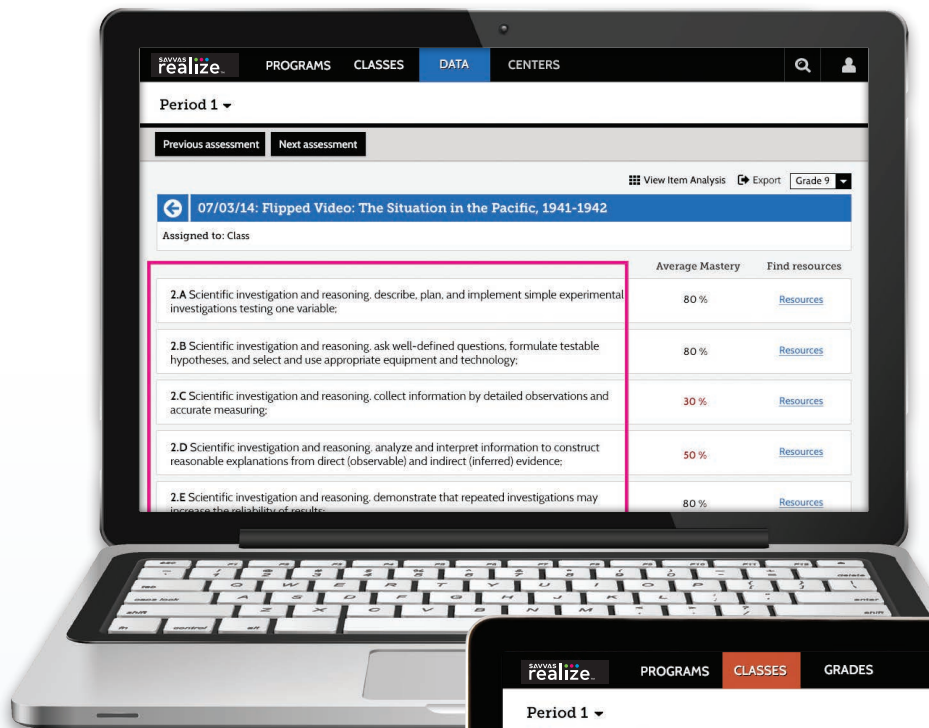
Visual dashboard of progress

Realize generates data to monitor progress and inform instruction:

- Check progress after lessons and chapters
- In-depth, real-time reporting
- Anytime access to detailed information on student mastery, progress, and usage
- Automatic remediation to support struggling students
- Monitor time spent on online assignments and tests



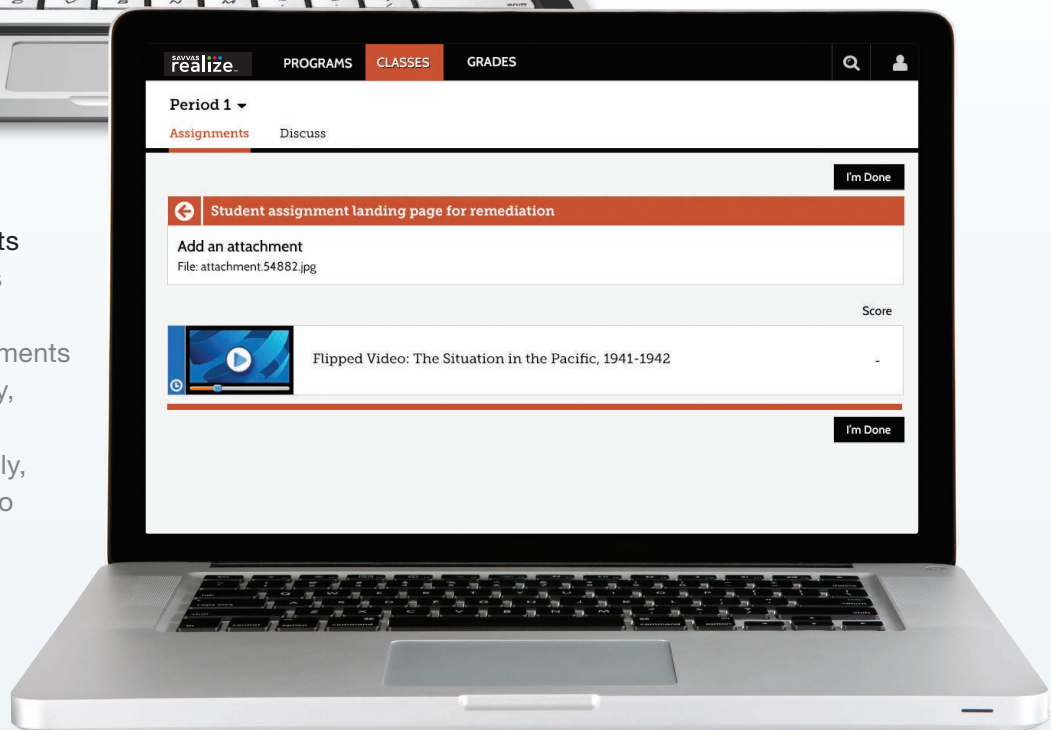
Notes: _____



Access personalized class data instantly

Links to additional resources and content help you support individual students who are struggling to understand concepts.

Address individual students easily by using the Savvas Realize™ system. As each student completes assignments and assessments, mastery, progress, and usage data are generated automatically, and you can give access to immediate remediation and enrichment.



FOR STUDENTS

Reimagine Learning for Your Students

Prepare every student for college, career, and citizenship with this 21st century social studies program. Partner with the best educational resources to reimagine learning today.

Realize results with these student resources

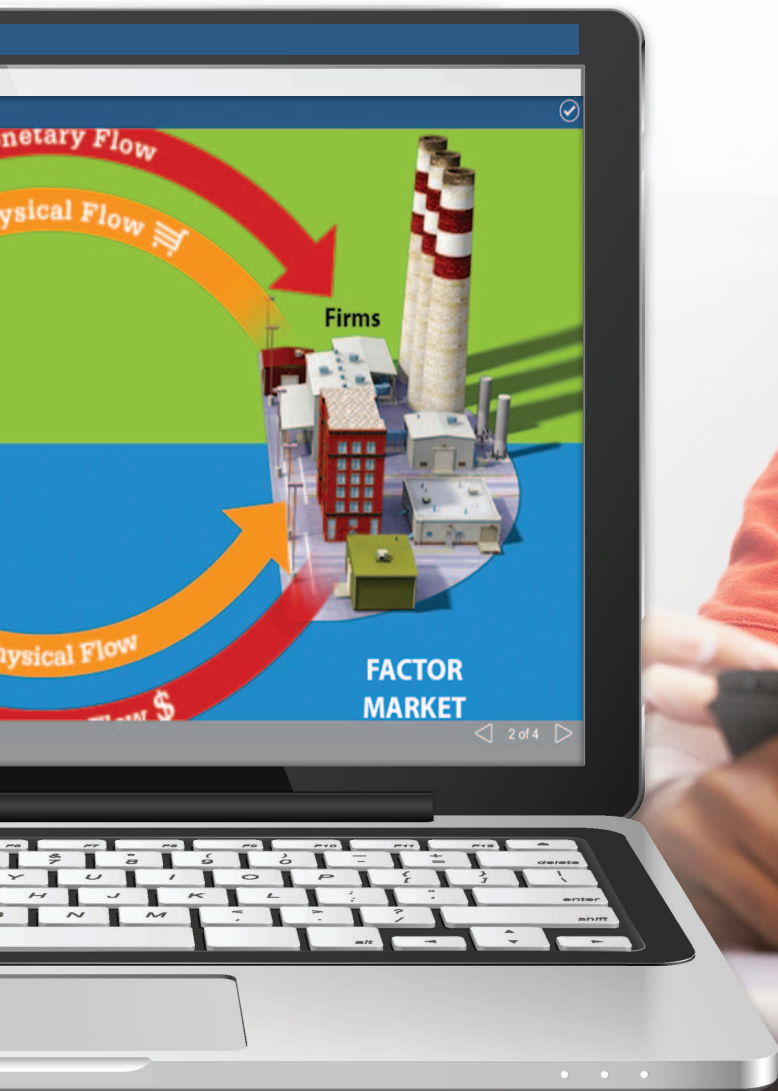
- **Student Digital Course** allows each student to read text, get assignments, submit answers, take quizzes and tests, and get instant feedback on mastery with remediation and enrichment.
- **Student Text** provides the narrative text, practice, and assessment in a highly readable, magazine-like design.
- **eText** provides an electronic version of the student text with note-taking, highlighting, and reading support including audio.





Buck Institute, Constitutional Rights Foundation, and Savvas make inquiry easy.

Step-by-step support in three different forms of inquiry: Project-Based Learning team project, Document-Based Question individual writing assignment, or Civic Discussion exercise.



FOR TEACHERS

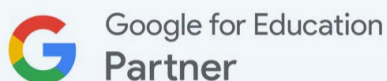
Reimagine Teaching for You

Created in collaboration with educators and students, this program provides comprehensive support for teaching and learning social studies.

Stay **current** throughout the lifetime of the adoption. Search by standard or keyword to find the latest and most appropriate educational materials.

Realize results with these teacher resources

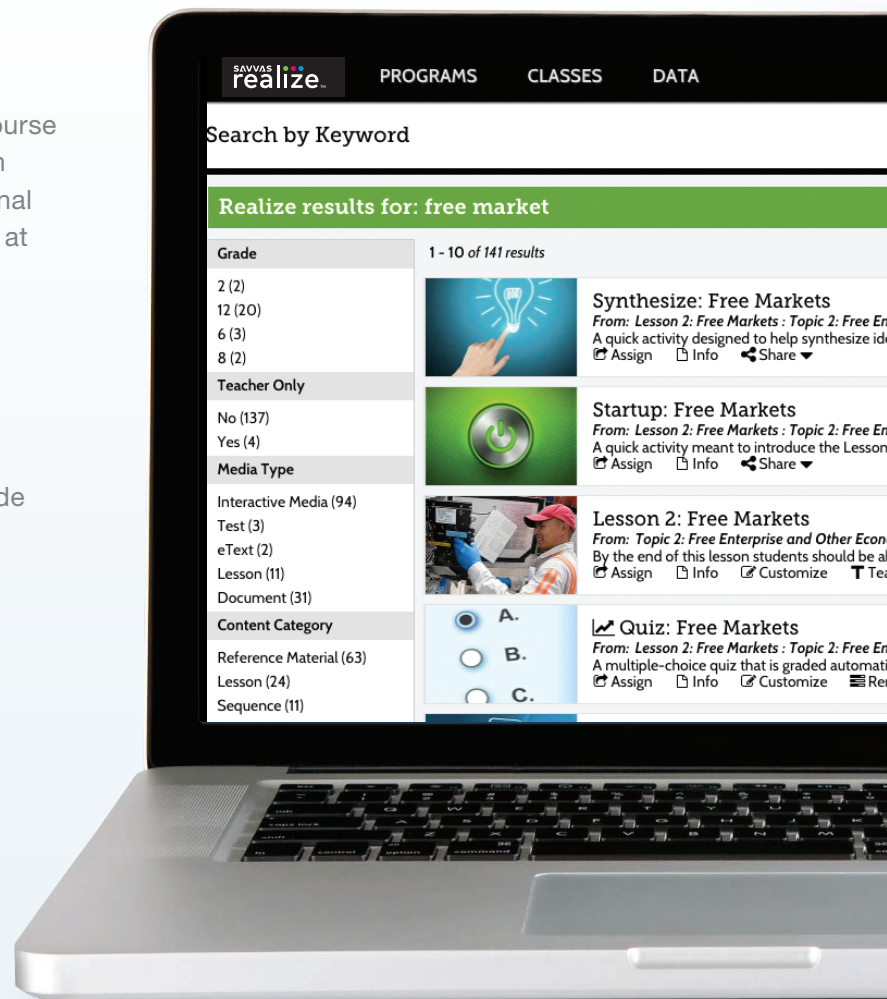
- **Teacher Digital Course** offers complete course content and Teaching Support with lesson suggestions, blackline masters, professional development videos, and other resources at point-of-use in Realize.
- **Teacher's Edition** provides point-of-use teaching suggestions for differentiation, student engagement, and more.
- **ExamView® Test Bank** provides ready-made tests and makes it easy to create customized tests.

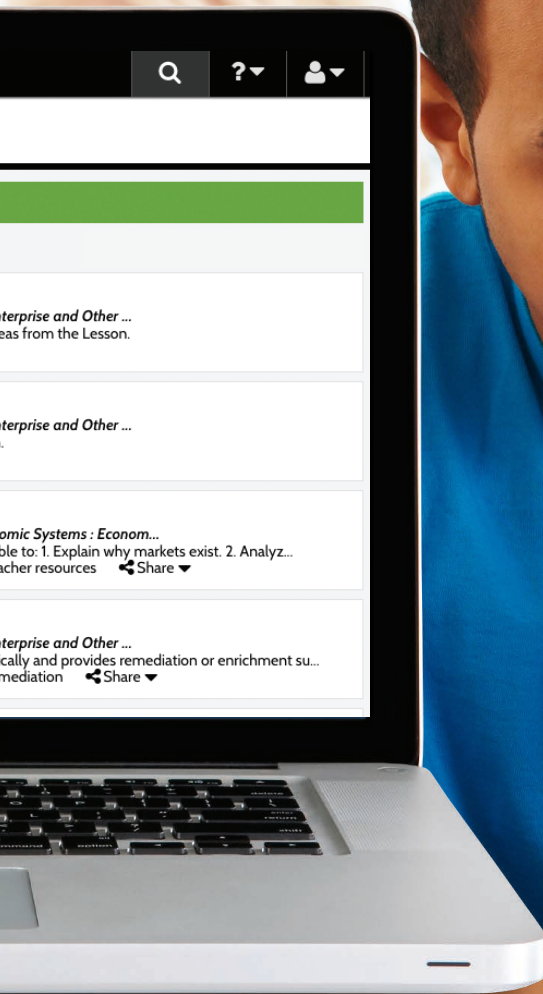


Google™ Integration

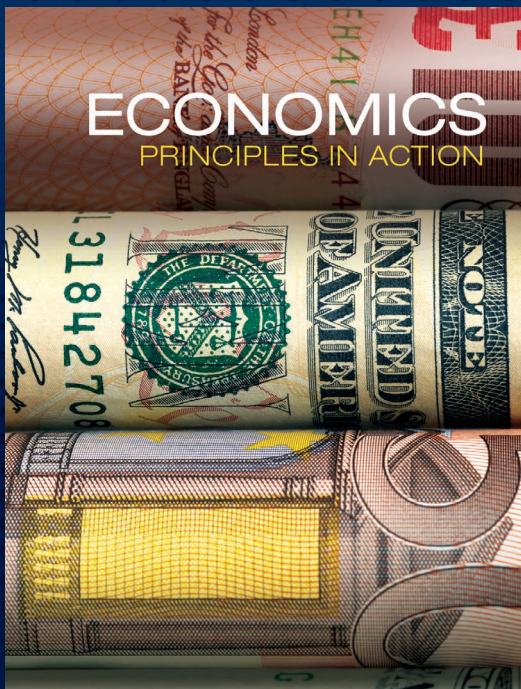
Sharing content, assessments, and rosters is now easier than ever when working with both Savvas Realize™ and Google G Suite for Education.

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Social Studies Reimagined!



- Topic 1: Fundamentals of Economics
- Topic 2: Free Enterprise and Other Economic Systems
- Topic 3: Demand, Supply, and Prices
- Topic 4: Competition and Market Structures
- Topic 5: Business and Labor
- Topic 6: Money, Banking, and Financial Markets
- Topic 7: Economic, Performance, and Challenges
- Topic 8: Taxes and Spending
- Topic 9: Fiscal and Monetary Policy
- Topic 10: Trade, Development, and Globalization

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