

Tools for Teaching the Arkansas High School Economics with Personal Finance Course

Session 9:

Economic Growth

Session Description

Students will explore how advances in technology and investment in human capital and in capital goods impact economic growth and standards of living.

Standards and Benchmarks (see page 9.4)

Talking Points

1. Economic growth is defined as a sustained rise over time in a nation's production of goods and services. This is measured as a percentage change in real GDP (real GDP was discussed in Session 8).
 2. Economic growth is largely dependent on the following:
 - The quantity of resources available: An economy can produce more if it has a larger labor force, a larger stock of capital, and/or more natural resources.
 - The quality (productivity) of its resources: An economy can produce more if its resources become more productive—for example, through training and educating the labor force, improved capital, and/or better technology.
 3. Other factors affecting economic growth include the following:
 - the level of economic freedom of members of the society: Economic freedom refers to the ability to choose your work, choose where you live, choose to operate a business, and so on;
 - the political stability of the country;
 - the willingness and ability of society members to save;
 - the level of government regulation of production and consumption;
 - the opportunity to earn a profit by operating a business; and
 - how efficiently society's resources are allocated.
 4. When real GDP expands, the unemployment rate tends to fall, although there is often a lag.
 5. When real GDP contracts, the unemployment rate tends to rise, although there is often a lag.
 6. When real GDP expands, the price level may rise, fall, or stay the same.
 7. When real GDP contracts, the price level may rise, fall, or stay the same.
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Resources

NOTE: See p. v for instructions on how to set up an [Econ Lowdown](#) account and assign resources found in the Resource Gallery to your students.

Online Modules

Allow time for students to complete the modules:

- Economic Growth (30:00)
https://www.econlowdown.org/resource-gallery/economic_growth
- GDP: Measurement and Growth (30:00)
https://www.econlowdown.org/resource-gallery/gdp_measurement

Video Q&A

Allow time for students to view the videos and answer the questions:

- GDP and Pizza Video Series—Levels of GDP vs. Percentage Change in GDP (10:00)
<https://www.econlowdown.org/resource-gallery/gdp-and-pizza-video-series-levels-of-gdp-vs-percentage-change-in-gdp>
- GDP and Pizza Video Series—Trend Growth (10:00)
<https://www.econlowdown.org/resource-gallery/gdp-and-pizza-video-series-trend-growth>

Audio Q&A

Allow time for students to listen to the podcast and answer the questions:

- Economic Lowdown Audio Series—Economic Growth (15:00)
<https://www.econlowdown.org/resource-gallery/economic-lowdown-audio-series-episode-15-economic-growth>

Reading Q&A

Allow time for students to read the essays and answer the questions:

- *Page One Economics*®: What are the “Ingredients” for Economic Growth?
<https://www.econlowdown.org/resource-gallery/what-are-the-ingredients-for-economic-growth>
- *Page One Economics*®: Why are Some Countries Rich and Others Poor?
<https://www.econlowdown.org/resource-gallery/why-are-some-countries-rich-and-others-poor>
- *Page One Economics*®: Minding the Output Gap: What Is Potential GDP and Why Does It Matter?
<https://www.econlowdown.org/resource-gallery/minding-the-output-gap-what-is-potential-gdp-and-why-does-it-matter>

Lessons

Allow time for students to complete the lessons:

- *High School Economics*, 3rd Edition (email acee@economicsarkansas.org to order this book)
 - Lesson 2: Allocating Scarce Resources
Visuals and activities for this lesson can be found at <https://highschooleconomics.councilforeconed.org/>
 - Lesson 19: Economic Growth
Visuals and activities for this lesson can be found at <https://highschooleconomics.councilforeconed.org/>

Standards and Benchmarks

Arkansas Economic Standards

Content Standard E.1: Students will understand the impact of economic decision-making. This includes the exchange of goods and services; role of producers, consumers, and government in the marketplace; and growth, stability, and interdependence within a global economy.

Content Standard E.4: Students will understand the growth, stability, and interdependence within a national economy. This includes the current and future state of the economy using economic indicators and monetary and fiscal policies for a variety of economic conditions.

- **E.4.ECON.1:** Analyze economic indicators used to measure economic performance including, but not limited to, unemployment, Gross Domestic Product (GDP), Consumer Price Index (CPI), and inflation.
- **E.4.ECON.2:** Identify various causes and impacts of inflation, deflation, and stagflation, including the role of federal fiscal policies.
- **E.4.ECON.3:** Evaluate the impact of advancements in technology, investments in capital goods, and increases in human capital on economic growth and standards of living.