

**the Gov**

**Segment 7:  
“Global Wrap 11/18/08”  
Economics Curriculum**

**the Gov**  
is a feature of

**the News**

**A daily news broadcast for High School and Middle School students  
now under development by MacNeil/Lehrer Productions**



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Segment 7:  
“Global Wrap 11/18/08”  
Economics Curriculum

**Table of Contents**

Letter to the Educator.....	1
“Global Wrap” Economics Curriculum.....	2



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Winter 2008

Dear Educator,

*the.Gov* is the newest feature of *the.News*. After Election Day, leading up to the Inauguration, the series evolved from *the.Vote* to *the.Gov* and is now looking at the process of forming a new government as well as identifying key issues for the new administration and new Congress. These online video reports provide middle and high school students with a valuable exercise in democracy. This video report called “Global Wrap 11/18/08” (running 2 minutes, 34 seconds) is a snapshot of breaking news events in 5 continents on one day – November 18, 2008. While tied to a specific day, “Global Wrap 11/18/08” segments within *the.News* provide students with a snapshot of current events around the world and help them put perspective and context to domestic and international affairs.

Each video report is supported by curriculum. All videos and curricula have been informed by *the.News* instructional design that can be found on the website [www.pbs.org/newshour/thenews](http://www.pbs.org/newshour/thenews). *the.Gov* is open-captioned. The curriculum includes content-based standards, discussion questions, student activities, vocabulary and primary reference sources. A complete transcript of each video report includes time codes to assist in isolating specific segments of the video. This material is presented as options to fit teachers’ instructional needs.

*YOU.edit*, to launch early in 2009, gives students an online tool to remix the content of *the.Gov* reports (as well as all the other *the.News* videos), so they can create their own multimedia presentations. This editing tool will reside on our website so that it will be available to all students with an internet connection. It will be password protected so that it can serve as a viable educational asset that allows classroom teachers to assign multimedia projects within the security and content safety of *the.News* website.

A companion multimedia feature, *YOU.report*, will provide an online home for student-generated content. The *YOU.report* feature will include a student competition. Details about the *YOU.report* competition are on the website at <http://www.pbs.org/newshour/thenews/youreport/index.php>. **The deadline for entries is March 31, 2009.**

Funding for *the.Gov* has been provided by Adobe through the PBS Foundation.

For more information and questions about this material contact Lisa Denny at [ldenny@newshour.org](mailto:ldenny@newshour.org).

Sincerely,

Karen W. Jaffe  
Manager, Education Projects, *the.News*  
MacNeil/Lehrer Productions  
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## “The Global Economic Crisis: Checking In On Both Hemispheres” Economics Curriculum

This lesson was designed to support *the.News* video “Global Wrap 11/18/08.” The video can be found online at <http://www.pbs.org/newshour/thenews/thevote/> and clicking on “Global Wrap 11/18/08” on the left side of the page.

**Grade Level:** Middle School/High School

**Content Areas:** Economics, U.S. Government, and Civics

**Key Concept:** Students will understand that the current economic crisis is a “global event” that impacts different nations in similar and different ways.

### Key Vocabulary:

- Economic Summit
- G7 Countries
- G8 Countries
- G20 Countries
- Economic indicators
- Gross Domestic Product (GDP)
- Unemployment
- Consumer Price Index (CPI)
- Output
- Industrial Production
- Consumer Prices
- Unemployment Rate
- World Bank
- International Monetary Fund (IMF)
- Financial Stability Forum (FSF)



**Learning and Innovation Skills - Critical Thinking and Problem Solving Skills** (Literacy for the 21<sup>st</sup> Century [www.21stcenturyskills.org](http://www.21stcenturyskills.org))

- Exercising sound reasoning in understanding.
- Making complex choices and decisions.
- Framing, analyzing, and synthesizing information in order to solve problems and answer questions.

### Materials:

- Segment 7 of *the.Gov* titled “Global Wrap 11/18/08”
- Student Handout #1: Background (p.4-5)
- Student Handout #2: G8 Think Sheet and Part A Questions (p.9-10)



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- Teacher Answers (Student Handout #2): Answers to Part A Questions (p.11)
- Student Handout #3: What's Up Doc? (p.12-13)
- Student Handout #4: Your Country Is... (p.14)
- Teacher Notes for *The Economist* Data (p.15)

**Time Frame:** One to two class periods



## Handout #1: Background

On November 15, 2008, President George Bush convened an Economic Summit in Washington, D.C. Usually, only the members of the G7 (Finance ministers from: the United States, Canada, Japan, France, Germany, Italy, and Britain.) or G8 nations (heads of state from the G7, plus Russia) are called upon to attend to global economic concerns. In other words, in the past, only a small number of the largest, most powerful, and wealthiest nations of the West have been directly included. This time, however, the guest list comprised of 12 more nations, bringing the total to 20. Thus the G20 (Group of 20) was convened. You might ask, “Which other countries were in attendance?”

**Extending the guest list:** In addition to Russia, Canada, Japan, France, Germany, Italy, Britain, and the U.S., the G20 is composed of: Argentina, Australia, Brazil, China, India, Indonesia, Mexico, Saudi Arabia, South Africa, South Korea, Turkey, and a representative from the European Union. Since the founding of the G20 in 1999, the meetings have been annual events at pre-determined sites with agendas decided far in advance. It might surprise you to know that the meeting for 2008 was held November 9<sup>th</sup> in Sao Paulo, Brazil. That’s less than two weeks prior to the most recent meeting in Washington, D.C.!



President Bush at opening dinner of Economic Summit

**So what’s up with all the meetings with all of these people?** There are a number of answers, but the most plausible and important is that the economic crisis which is currently plaguing the United States is truly a serious matter with global implications. In other words, almost every nation in the world, including the G20, who represent almost 90% of the world’s GDP,<sup>1</sup> is suffering from the current economic crisis. The Global Economy has great benefits, but when it falters, the costs can also be great and so it’s a good thing that the nations of the G20 are taking the threat seriously and have moved to take some preemptive steps. According to some experts, the meeting has...

...permanently changed the machinery of international economic co-operation. The centre of global economic summitry has shifted from the G7 (the rich countries’ club) to a broader group. A follow-up meeting has been scheduled for April 30<sup>th</sup> 2009. Even in areas that primarily affect them alone, such as the regulation of the most sophisticated financial instruments, rich countries will no longer set the agenda on their own.<sup>2</sup>

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<sup>1</sup> “Not a Bad Weekend’s Work,” *Economist.com*, Nov 16<sup>th</sup> 2008, [http://www.economist.com/finance/displaystory.cfm?story\\_id=12623258](http://www.economist.com/finance/displaystory.cfm?story_id=12623258)

<sup>2</sup> Ibid



**What else was decided?** Aside from meeting again in April of 2009, here are some things that the G20 decided to do:

- Impose a rigorous financial health check by the IMF (all members)
- Reform banking regulations
- Reform credit rating agencies
- Create a single, global accounting standard
- Broaden the membership of the FSF (Financial Stability Forum)
- Reform the IMF and World Bank
- Generally create regulatory reforms while continuing to support free trade/open markets

In the words of a recent article in *The Economist*, it was “Not a Bad Weekend’s Work.”



**Argentina**



**Australia**



**Brazil**



**Canada**



**China**



**European Union**



**France**



**Germany**



**India**



**Indonesia**



**Italy**



**Japan**



**Mexico**



**Russia**



**Saudi Arabia**



**South Africa**



**South Korea**



**Turkey**



**United Kingdom**



**United States**



## Procedures:

### Part A

1. Write the vocabulary terms on the board before the class arrives.
2. Copy and read the script of Segment 7 of *the.Gov* titled “Global Wrap 11/18/08” or simply show the clip if the technology is available to you.
3. Count the students off by 8’s and have them get into their groups (G8’s).
4. Tell the students that a conference of nations was recently held in Washington, D.C. The purpose of which was to develop strategies to deal with the current economic crisis.
5. Pass out “Student Handout #2: G8 Think Sheet and Part A Questions” (p.9-10). (One per student)
6. Tell the students that they may work together in their groups to answer the questions on their “G8 Think Sheets.”
7. Go around the room to keep students focused on their task and to check their progress. When they’ve gone about as far as they can go on their own, stop them and go to the board.
8. Work through the 15 terms and help students to compose definitions to those that they think they know. It’s unlikely that any one group will know them all; thus, they should see the advantage of a group larger than their “G8.” Be sure to underscore this with the students. They may not know some terms at all. Leave them blank for now. That’s okay. You can assign those as homework or define them for the students later.
9. Finish going through the questions on “Part A Questions” of Student Handout #2 (p.10). Answers are provided on “Teacher Answers (Student Handout #2): Answers to Part A Questions” (p.11)
10. Pass out copies of the “Student Handout #1: Background” (p.4-5) to each student and ask them to read it. It will help them to define most of the terms (allow time to return to those) and it will help them to focus on the next part of the assignment.

#### McRel Learning Objectives - Economics

[www.mcrel.org](http://www.mcrel.org)

Level III (Grades 6-8); Level IV (Grades 9-12)

- Standard 9: Understands how GDP and inflation provide indications of the state of the economy.
- Standard 10: Understands basic concepts of International economics.

### Part B

1. Distribute the “Student Handout #3: What’s Up Doc?” (p.12-13). Distribute “Student Handout #4: Your Country Is...” (p.14) as well.
2. The students should still be in their original groups, but you should now assign the name of

#### McRel Learning Objectives - Civics

[www.mcrel.org](http://www.mcrel.org)

Level III (Grades 6-8); Level IV (Grades 9-12)

- Standard 23: Understands the impact of significant political and nonpolitical developments on the U.S. and other nations.



- one of the following countries to each group: The United States, United Kingdom, Mexico, Norway, China, Germany, Sweden, and Japan. Have the students fill in their name, the name of “their country,” and the names of the members in their group.
- Using the information in “Student Handout #3: What’s Up Doc?” (p.12-13) and the attached data, the students should answer the questions on “Student Handout #4: Your Country Is...” (p.14). This should take about 10 minutes.
  - As the students finish answering the questions about “their country,” assign a number to them from 1 to 8 so that they can report their findings to the rest of the class.
  - Ask the students to choose a member from “their country” to report their findings.
  - As students listen to the reports they should take notes and be permitted to ask questions of the presenter and/or the members of the presenter’s “country.”
  - Be sure that students attend to the last question about “conclusions” and take some time to discuss these in your debrief of the lesson.

**Core Subjects and 21<sup>st</sup> Century Themes**  
- **Financial, economic, business, and entrepreneurial literacy** (Literacy for the 21<sup>st</sup> Century [www.21stcenturyskills.org](http://www.21stcenturyskills.org))

- Understanding the role of the economy in society.

### Extension Assignment:

- Ask students to access and summarize one of the following related articles:
  - “Text of Bush’s Remarks on Economic Summit,” *The Washington Times*, Nov. 15, 2008, <http://www.washingtontimes.com/news/2008/nov/15/text-of-bushs-remarks-on-economic-summit-1/>
  - “Not a Bad Weekend’s Work,” *Economist.com*, Nov. 16<sup>th</sup>, 2008, [http://www.economist.com/finance/displaystory.cfm?story\\_id=12623258](http://www.economist.com/finance/displaystory.cfm?story_id=12623258)
  - “Bush Cites Progress at World Summit,” *GOPUSA*, [http://www.gopusa.com/news/2008/november/1115\\_bush\\_summit.shtml](http://www.gopusa.com/news/2008/november/1115_bush_summit.shtml)
  - “G-20 Economic Summit Brings Pledges of Teamwork,” *The Los Angeles Times*, Nov. 16, 2008, <http://www.latimes.com/news/nationworld/world/la-fg-summit16-2008nov16,0,3993269.story>
  - “G20 Leaders Promise Action on Economic Crisis,” *CBCNews.ca*, November 15, 2008, <http://www.cbc.ca/world/story/2008/11/15/eco-summit.html?ref=rss>
- Assign students the task of finding out what 300 items are used in constructing America’s CPI. Then ask them to choose 30 of those items that can be found in a local grocery store and find the price for each. Next, they should go home and ask their parents what they paid for those same items 10-20 years ago. (Getting grandparents involved will be an interesting additional comparison).
- Ask students to interview any adult who is currently employed (outside of educators). Two main questions should be asked in the interview:
  - Have changes in the economy created changes for you in the workplace?



- Are you concerned about layoffs at your job? (Why or why not?)
4. Ask Dr. Econ a question relevant to this most recent assignment and report back on the answer. Go to: <http://www.frbsf.org/education/activities/drecon/askecon.cfm>.

**Assessment:** (*formative and summative*) Student performance on the activities in this lesson should be assessed on the following criteria: appropriate completion, cooperation in the group, leadership, and constructive participation.

**Resources:** The following websites are recommended for further information:

- “Text of Bush’s Remarks on Economic Summit,” *The Washington Times*, Nov. 17, 2008, <http://www.washingtontimes.com/news/2008/nov/15/text-of-bushs-remarks-on-economic-summit-1/>
- “Not a Bad Weekend’s Work,” *Economist.com*, Nov. 16<sup>th</sup>, 2008, [http://www.economist.com/finance/displaystory.cfm?story\\_id=12623258](http://www.economist.com/finance/displaystory.cfm?story_id=12623258)
- “Bush Cites Progress at World Summit,” *GOPUSA*, [http://www.gopusa.com/news/2008/november/1115\\_bush\\_summit.shtml](http://www.gopusa.com/news/2008/november/1115_bush_summit.shtml)
- “G-20 Economic Summit Brings Pledges of Teamwork,” *The Los Angeles Times*, Nov. 16, 2008, <http://www.latimes.com/news/nationworld/world/la-fg-summit16-2008nov16.0,3993269.story>
- “G20 Leaders Promise Action on Economic Crisis,” *CBCNews.ca*, November 15, 2008, <http://www.cbc.ca/world/story/2008/11/15/eco-summit.html?ref=rss>
- “Redesigning Global Finance,” *The Economist*, November 15<sup>th</sup>-21<sup>st</sup> (2008)

**Activity Designer: Ken Karrer,**

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**Student Handout #2:  
G8 Think Sheet**

**Group #** \_\_\_\_\_

**Group Members:** \_\_\_\_\_  
\_\_\_\_\_

**Vocabulary Terms:**

Economic Summit

G7 Countries

G8 Countries

G20 Countries

Economic Indicators

Gross Domestic Product (GDP)

Unemployment

Consumer Price Index (CPI)

Output

Industrial Production

Consumer Prices

Unemployment Rate

World Bank

International Monetary Fund (IMF)

Financial Stability Forum (FSF)



## Part A Questions

1. Why did the Economic Summit of November 15, 2008, include G20 nations instead of just G7 or G8?
2. What are some benefits of a Global Economy?
3. Name one problem with a Global Economy.
4. Of the things decided by the G20 members at their most recent conference, which do you think was the most important? Why?
5. Name one thing you think the G20 will decide to do at the end of their next meeting?



## Teacher Answers (Student Handout #2)

### Part A Questions and Answers:

1. Why did the Economic Summit of November 15, 2008, include G20 nations instead of just G7 or G8?

- The global nature of the crisis called for a larger approach. G20 countries represent almost 90% of the world's GDP.

2. What are some benefits of a Global Economy?

- A global economy represents a larger, more diverse market. There are more potential trading partners in a global economy and trade generally creates wealth.



3. Name one problem with a Global Economy.

- The problems of a few in the “global community” can become the problems of all. There can be less autonomy or freedom than some are accustomed to having. Political realities of national interest, wars, religion, regional differences can be problematic as can cultural and religious differences.

4. Of the things decided by the G20 members at their most recent conference, which do you think was the most important? Why?

- The list is on the second page of student handout #2. As students discuss and read they may have some other ideas as well. Be sure to get to the “why.”

5. Name one thing you think the G20 will decide to do at the end of their next meeting?

- There are lots of possibilities including more of the same, but government and IMF loans to ailing industries and countries will almost certainly be considered. Lifting of trade sanctions (tariffs, embargoes, etc.) and agreements about global monetary policy may be considered as well along with more banking and investment reforms.



## Student Handout #3: What's up Doc?

### How do we know we're in economic trouble?

Most of you have probably been to the doctor or at least watched some of the shows about doctors on TV. So, you're familiar with what happens the moment a patient walks into the office. The patient generally answers questions, fills out some forms, and then the vital statistics (temperature, blood pressure, height, weight, etc.) are taken. Then, the doctor prescribes a course of treatment or perhaps a "wait and see" approach is called for. Economists approach the economy in similar fashion. (They observe "their patient" and collect the vital information. Those measures are compared to "norms" and a diagnosis, at least a preliminary one, is rendered. Similar to doctors, economists possess a broad array of actions and remedies that range from "wait and see" to "let's get to a hospital right now.") At this point you may be wondering what the "vital statistics" of a nation's economy are. Chances are, you've heard of some of the following:



- **Gross Domestic Product (GDP):** The total output of all final goods and services produced within a country's borders. Producers generally don't produce if they don't have orders for goods and services. This relates to "demand"...how much consumers are buying...or not.
- **Consumer Prices:** The dollar amount paid by shoppers for final goods and services. A jump here indicates the direction and amount of inflation.
- **Inflation:** A general rise in prices. As prices rise, (like the recent spike in gasoline) incomes don't buy as much stuff.
- **Consumer Price Index (CPI):** A way to measure inflation by comparing the prices of 300 typical "market basket" goods and services. (Things like a pound of beef, a dozen eggs, a gallon of milk, etc. are examined.)
- **Industrial Production:** The measurement of the output at the factory level. Basically this is how much stuff factories are making.
- **Unemployment Rate:** The percentage of the employable labor force that is unemployed at any given time. (5 to 6% is considered "full employment." Think of how doctors react to anything over 98.6 degrees when they take a patient's temperature. As unemployment rates rise so do the concerns of economists, workers, and politicians.)

There are many more economic indicators. But just looking at output, prices, and jobs can be very revealing. Here's some data from *The Economist* for November 15<sup>th</sup>. Look at the data for



“your country.” Complete the information on the worksheet and be prepared to report your findings to the rest of the class. They will do the same for you.

## Output, prices and jobs: % change one year ago

	Gross domestic product				Industrial production latest	Consumer prices			Unemployment rate <sup>3</sup> , %
	latest	qtr <sup>1</sup>	2008 <sup>2</sup>	2009 <sup>2</sup>		latest	year ago	2008 <sup>2</sup>	
<b>United States</b>	+0.8 03	-0.3	+1.6	+0.6	-4.5 Sep	+4.9 Sep	+2.8	+4.5	6.5 Oct
<b>Britain</b>	+0.3 03	-2.0	+1.1	+0.1	-2.2 Sep	+5.2 Sep <sup>4</sup>	+1.8	+3.8	5.8 Sep <sup>5</sup>
<b>Germany</b>	+0.8 03	-2.1	+1.6	+0.6	-2.3 Sep	+2.4 Oct	+2.8	+2.9	7.5 Oct
<b>China</b>	+9.0 03	NA	+9.8	+8.5	+8.2 Oct	+4.0 Oct	+6.5	+6.4	9.5 2007
<b>Japan</b>	+0.7 02	-3.0	+0.7	+0.6	+0.2 Sep	+2.1 Sep	-0.2	+1.8	4.0 Sep
<b>Sweden</b>	+0.7 02	-0.1	+1.3	+1.0	-4.9 Sep	+4.0 Oct	+2.7	+3.8	5.7 Oct <sup>6</sup>
<b>Norway</b>	+5.9 02	+2.4	+2.5	+2.2	-4.2 Sep	+5.5 Oct	-0.2	+3.3	2.4 Jul <sup>7</sup>
<b>Mexico</b>	+2.8 02	+0.6	+1.9	+0.9	-1.6 Aug	+5.8 Oct	+3.7	+5.3	4.3 Sep <sup>6</sup>

<sup>1</sup> % change on previous quarter, annual rate.

<sup>2</sup> *The Economist* poll or Economist Intelligence Unit estimate/forecast.

<sup>3</sup> National definitions.

<sup>4</sup> RPI inflation rate 5.0% in Sept.

<sup>5</sup> Latest three months.

<sup>6</sup> Not seasonally adjusted.

<sup>7</sup> Centred 3-month average.

Source: “Economic and financial indicators,” *The Economist*, November 15<sup>th</sup>-21<sup>st</sup>. (2008):117.



**Student Handout #4:  
Your Country Is...**

Your Country: \_\_\_\_\_ Your name is: \_\_\_\_\_

Your group members are: \_\_\_\_\_

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GDP:

Industrial Production:

Consumer Prices:

Unemployment Rate:

In general terms, how's *your* country doing?

Now that you've heard the reports from the other countries, what are your conclusions about the state of the global economy? (Write your final answer on the back of this sheet.)



## Teacher Notes for *The Economist* Data

- The U.S.:** The unemployment rate rose from 6.1% to 6.5% in October. Job cuts were 240,000 in October; 284,000 in September; and 127,000 in August.
- Britain:** The unemployment rate rose to 5.8% from the previous quarter which was 5.4%. 34,000 more people filed for unemployment benefits in October. Average earnings rose by 3.3% in the year prior to the third quarter.
- Germany:** For the second quarter in a row Europe's biggest economy shrank. The German GDP fell by 0.5%.
- China:** While robust overall, China's retail sales slowed in September and China's trade surplus widened to \$35.2 billion mostly due to a decrease in imports.
- Japan:** Orders for new machinery fell by 10.4% in the third quarter. That matches the record for such a drop set in 1998.
- Sweden:** The CPI rose by 4% up to October but that was down by .4% after September.
- Norway:** Inflation edged up 5.5% and industrial outputs moved down.
- Mexico:** The inflation rate increased from 5.5% to 5.8%. This is reflected in their CPI.
- \* Remind students that this is a very "narrow snapshot," but that the overall trend is downward and that seemingly small changes in rates represent large numbers of people when it comes to unemployment, inflation, and production.