Three Economic Lenses

Connect economic ideas to their effects on the world.

6-9.WH.3.5 "Identify influential economic thinkers and the impact of their philosophies."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline each thinker's name, circle a phrase that states the thinker's main economic idea, and number one sentence about each thinker's impact on policies or movements. Use 1, 2, and 3 in passage order.

What Would They Say About the Coat Factory?

(1) Imagine a town where a coat factory opens and several shops sell coats. In 1776, Scottish thinker Adam Smith argued that competition among sellers can push them to offer better goods and prices. He believed people pursuing their own interests could help meet others' needs through trade. Smith also recognized roles for government, including public works. His ideas helped shape support for private businesses and competitive markets in many countries. In the town, a shop owner might cut coat prices to win customers, giving buyers another choice.

(2) Now imagine that the coat factory's workers sew for long hours while its owners collect most of the profits. In the 1800s, German thinker Karl Marx argued that conflict between workers and owners was built into capitalism. He believed workers should collectively control the means of production, such as factories, rather than leave them in private hands. Marx's ideas inspired labor movements and revolutions, and they helped shape governments that placed major industries under state control. His predicted path to a classless society, however, did not unfold as he expected.

(3) Years later, picture the same town during a slump: people buy fewer coats, so the factory lays off workers. British economist John Maynard Keynes argued that when spending falls sharply, an economy may not recover quickly on its own. He proposed that governments could spend more during downturns to support jobs and demand. His ideas influenced policies in many countries, including public spending to fight recessions. In the town, a government order for winter coats for students might keep factory workers employed until customers return.

2 ANSWER WITH EVIDENCE

Use the passage

1. Which thinker linked competition to better goods and prices? How did his ideas affect economic policies?

2. Which thinker argued that workers should collectively control factories? Name one impact of his ideas.

3. Which thinker proposed more government spending during downturns? How did this idea affect policies?

4. How did Smith's and Keynes's ideas point toward different ways to help an economy?

3 YOUR TURN

Your own words

Invent a problem for a town business other than the coat factory. In four sentences, choose one thinker, explain an idea of theirs, predict how using it might affect the town, and include an impact of their ideas from the passage.

ANSWER KEY

Three Economic Lenses

GRADES 6-9 · 6-9.WH.3.5

PART 1 · READ AND MARK

Underline each thinker's name, circle a phrase that states the thinker's main economic idea, and number one sentence about each thinker's impact on policies or movements. Use 1, 2, and 3 in passage order. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	Which thinker linked competition to better goods and prices? How did his ideas affect economic policies?	**Adam Smith. His ideas helped shape support for private businesses and competitive markets.**
2	Which thinker argued that workers should collectively control factories? Name one impact of his ideas.	**Karl Marx. His ideas inspired labor movements and revolutions, and helped shape governments that put major industries under state control.**
3	Which thinker proposed more government spending during downturns? How did this idea affect policies?	**John Maynard Keynes. His ideas influenced governments to use public spending to fight recessions.**
4	How did Smith's and Keynes's ideas point toward different ways to help an economy?	**Smith emphasized competition among private sellers, which helped shape support for competitive markets. Keynes proposed government spending during downturns, which influenced policies aimed at fighting recessions.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

A bike shop loses customers after many people in town lose jobs. Keynes argued that government spending during a downturn can support jobs and demand. The town could pay the shop to repair bikes for a public bike program, keeping its mechanics employed. His ideas influenced governments to use public spending to fight recessions.

Accept accurate paraphrases of each thinker's idea and its impact. For Your Turn, look for a new business problem, a fitting application of one idea, a predicted effect, and an impact stated in the passage.