



With so many news reports focused on the recession, debt, credit crises, and job losses, students may be wondering what economics is and how national economic issues compare with those in their everyday lives. This feature gives readers a basic outline of economic principles and why economics has such a major impact on our lives at every level, from the personal to the federal to the global.

### ■ Getting Started

Before students look at the article, put these economics terms on the board: *capital, consume, credit, debt, goods and services, interest, scarcity, stocks, and supply and demand*. Do students know what they mean? Advise them to watch for these words and their meanings as they read the article.

### ■ Economics Basics

- **Production, distribution, and consumption:** As the NCSS points out in the seventh of its 10 thematic standards, people have come up with many ways to answer “four fundamental questions: What is to be produced? How is production to be organized? How are goods and services to be distributed? How shall factors of production (land, labor, capital, and management) be allocated?”
- **Value:** What makes something valuable? If chunks of gold were strewn about everywhere we looked, would it cost so much? If diamonds weren’t so difficult and dangerous to mine, would people still be willing to pay huge sums for them? If anyone could print money, how worthy would a fistful of \$100 bills be?

### ■ Word’s Worth

- **economy:** Today, people tend to think of the economy as a large-scale system, having to do with the finances of a state or a country. But its roots lie closer to home. Before the term was applied to governmental systems, it referred to family matters. Economy comes from two Greek words: *oikos* (*EE-kohs*), meaning “house,” and *nemein*, “to manage” or “to distribute.” The Greeks combined the words to form *oikonomos*—“household manager”—someone who clearly had to watch expenses in order

to keep the home running smoothly. *Oikos* is also where we get the prefix *eco-*, as in *ecology, ecosystem, and eco-friendly*.

### ■ Content-Area Questions

#### CULTURE/SOCIAL STUDIES

1. What are the two basic forms in which people buy and sell things? (goods and services)
2. After students read “Helping Out” on p. 8, have them share their own experiences. Have their families been cutting back lately? If so, in what ways? How are teens they know helping out?

#### GEOGRAPHY

1. Can something of little worth in one culture or location be valuable in another? Give examples as well as reasons to support your answer.

#### LANGUAGE ARTS

1. Review the terms listed in the “Getting Started” section at left by asking students to explain, in their own words (and without looking at the article), what each means.
2. What is the difference between *want* and *need*? Why do we so often confuse the two?

#### MATH

1. Have students compare national average prices for basic goods with prices in their own area by consulting the figures at [data.bls.gov/cgi-bin/surveymost?ap](http://data.bls.gov/cgi-bin/surveymost?ap).

#### HISTORY

1. If students have read the play on pp. 10-13 of this issue, ask: How did the publishers’ efforts to maximize profits during the readership boom affect the boys’ ability to make ends meet later?
2. If readership had gone up after the war instead of down, would there have been a strike? Explain.

### ■ Research and Reflect

Have students consider items once counted as extremely valuable—such as salt, spices, and silks—in light of what they learned by reading the article. In particular, ask them to think of those items in terms of the times and places in which they were valued. What roles did scarcity, supply and demand, and production, distribution, and consumption play in making those commodities so valuable to people in those times and places?



# American History Play: Extra! Extra! (pp. 10-13)

► **NCSS STANDARD**  
Time, continuity, and change

*A century ago, hard economic times led to millions of children working to support themselves and/or their families. This play introduces readers to the once-ubiquitous newsboys of the late 19th century.*

## ■ Backstory

Child labor has existed for millennia. What changes—besides the types of work and degrees of mechanization—is people’s attitudes toward it. They vary according to time, place, social order, and economic status. Disapproval of hard labor and long working hours for children is a relatively new development. Less than a century ago in this country, kids labored without any of the protections now ensured by federal law.

## ■ Rapid Review

- What did the newsies want from the publishers of the *Evening Journal* and *Evening World*? (price per 100 papers lowered from 60 to 50 cents)
- What made the 60-cent price become too steep for the newsboys? (The end of the Spanish-American War led to a decline in newspaper sales.)
- What were scabs? (strikebreakers; anyone who sold the *Journal* and *World* during the strike)
- What compromise was reached between the newsies and the publishers? (The price per 100 papers wasn’t lowered, but the publishers bought back any unsold papers.)

## ■ Food for Thought

If you had to support your family or yourself, what kind of work could you get today? How would it compare with the working conditions of 19th-century newsies?

## WEB LINKS

- *Child Labor in America, 1908-1912: Photographs of Lewis W. Hine* can be seen at [www.historyplace.com/unitedstates/childlabor](http://www.historyplace.com/unitedstates/childlabor).
- For background on newsies (including Kid Blink), go to [digitalhistory.uh.edu/database/article\\_display.cfm?HHID=166](http://digitalhistory.uh.edu/database/article_display.cfm?HHID=166).
- For text of several 1890s’ news articles on newsies, see [geocities.com/estella2560/history.html](http://geocities.com/estella2560/history.html).

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