

Teacher Notes



U. S. Federal Budget and Debt

Activity 3 Assessing the Federal Budget and National Debt

Activity at a Glance

- ◆ **Subject:** Social Studies
- ◆ **Subject Area:** U. S. Government Economics
- ◆ **Category:** Federal Budget and National Debt
- ◆ **Topic:** Federal Budget
- ◆ **Grade Level:** 9-12
- ◆ **Prerequisites:** Students should have completed the activities entitled **Exploring the Budget of the Federal Government** and **Investigating the National Debt**.
- ◆ **Total Teaching Time:** 30 minutes

Materials

- ◆ TI-83 Plus
- ◆ LearningCheck™ Application and Student Assessment (optional)
- ◆ Student Assessment: **Assessing the Federal Budget and National Debt**
- ◆ Teacher Guides: **Assessing the Federal Budget and National Debt, Answers to the Assessment, and Rubrics**

Activity Overview

This activity assesses student knowledge and understanding of the parts of the federal budget and the related growth of the national debt. It also assesses their understanding of how the budget and its surpluses and deficits are related to the national debt. The assessment includes three multiple choice questions, matching with the graph, one set of true or false statements, and one extended response question.

Directions

Before the Activity Begins

Using the **Teacher Guide: Assessing the Federal Budget and National Debt** conduct a class review session. Remind the students to review their vocabulary and their notes.

During the Activity

Once students have begun the assessment, monitor the class' progress and answer any questions that may arise.

After the Activity

Discuss the assessment and answers.

Student Assessment

Name: _____

Assessing the Federal Budget and National Debt

Date: _____

Multiple Choice

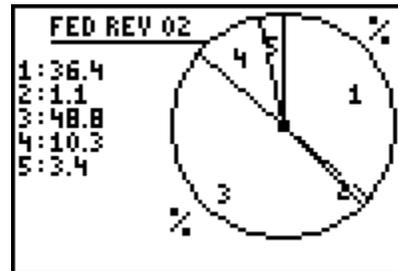
1. Funding for education is found under which category:
 - a. Means Testing and Mandatory Expenditures
 - b. Interest
 - c. Non-Defense Discretionary Spending
 - d. Social Security

2. The largest expenditure by the federal government in 1962 was ____; whereas the largest expenditure by the federal government in 2002 was ____.
 - a. Defense in 1962, Medicare in 2002
 - b. Defense in 1962, Social Security in 2002
 - c. Non-defense Discretionary in 1962, Social Security in 2002
 - d. Social Security in 1962, Defense in 2002

3. The national debt increased at the greatest rate ...
 - a. From 1962 to 1982
 - b. From 1982 to 1997
 - c. From 2001 to 2002

4. Match the source of revenue with the corresponding number off the Pie Chart

- a. Excise Taxes _____
- b. Payroll Taxes _____
- c. Income Taxes _____
- d. Other Sources of Revenue _____
- e. Corporate Taxes _____



5. Select which of the following are true. (There may be more than one true statement.)
 - a. When expenditures are higher than revenue, a deficit results and the debt decreases.
 - b. When expenditures are lower than revenue, a surplus results and the debt decreases.
 - c. When revenue is higher than expenditures, a deficit results and the debt increases.
 - d. When revenue is lower than expenditures, a surplus results and the debt increases.

Extended Response

6. Many are concerned about the increase in the national debt. You decide to write a letter to your local congressman about these concerns. In your letter outline why you think the debt is a concern and identify what you think can be done to eliminate the deficits and at least balance the budget. Identify in particular areas that can be cut or where revenue can be increased. You may also want to keep in mind political and social factors in your decisions.

Teacher Guide

Assessing Federal Budget and National Debt

Review the following topics with your students.

Budget categories:

- ◆ Income Taxes
- ◆ Corporate Taxes
- ◆ Payroll Taxes
- ◆ Excise Taxes
- ◆ Other Sources of Revenue
- ◆ Defense Expenditures
- ◆ Social Security
- ◆ Medicare
- ◆ Medicaid
- ◆ Means Test and Mandatory Expenditures
- ◆ Non-Defense Discretionary Spending
- ◆ Interest Payments

Definitions:

- ◆ Deficit
- ◆ Surplus
- ◆ Debt

Teacher Guide**Answers to the Assessment****Multiple Choices**

1. C.
2. B.
3. B.

Matching

4. A. – 5
B. – 1
C. – 3
D. – 2
E. – 4
5. B.

Extended Response

6. The extended response should use persuasive techniques and facts to explain to the congressman: Why the debt is a concern due to its fast growth over the last 20 years; What areas in spending could be cut and the pros and cons of those cuts; What areas in revenues could be increased and the pros and cons of those increases.

Suggested Scoring Rubrics for Extended Response Questions:

5=Exceeds standard

4=Meets standard

3=Approaching standard

2=Partially meets standard

1=Other

5 =This response shows understanding of the content. The response is thorough and complete. The response is accurate and provides ample evidence to support the response.

4 =This response shows general understanding of the content. The response is substantial. The response is generally accurate but may include some minor errors. There is general evidence to support the response.

3 =This response shows partial understanding of the content. The response is incomplete but on topic. The response may include errors. There is some evidence to support the response.

2 =This response shows limited understanding of the content. The response is incomplete and may include off-topic information. The response includes misunderstandings and errors. The response lacks meaningful evidence.

1 =other