



Dr. Jennifer McCormick
Superintendent of Public Instruction

DEPARTMENT OF EDUCATION

Working Together for Student Success



Indiana Academic Standards

Economics

Crosswalk

Economics Crosswalk: 2014 and 2020

2014 Standard Language	2020 Standard Language	Changes
Economics		
Standard 1 - Scarcity and Economic Reasoning		
<p><i>Added Rationale: Explicitly comparing the value of alternative opportunities that are sacrificed in any choice enables citizens and their political representatives to weigh the alternatives in order to make better economic decisions. This analysis also makes people aware of the consequences of their actions for themselves and others, and could lead to a heightened sense of responsibility and accountability.</i></p>		
E.1.3: Identify incentives and explain how they influence decisions.	E.1.3: Identify incentives and explain how they influence economic behavior and decision-making.	<p>Added <i>economic behavior</i></p> <p>Removed <i>decisions</i></p> <p>Added <i>decision-making</i></p>
E.1.9: Diagram and explain the circular flow model of a market economy.	E.1.9: Illustrate how investment in physical and human capital can raise productivity and future standards of living.	Standard rewritten
	E.1.10: Diagram and explain the circular flow model of a market economy.	New standard
Standard 2 - Supply and Demand		
<p><i>Added Rationale: Understanding how market prices and output levels are determined helps people anticipate market opportunities and make better choices as consumers and producers. It will also help them realize that market allocations are impersonal.</i></p>		
E.2.5: Describe how elasticity (price) sends signals to buyers and sellers.	E.2.5: Describe how price elasticity of supply and price elasticity of demand send signals to buyers and sellers.	Added <i>elasticity of supply and price elasticity of demand</i>
E.2.7: Describe how the earnings of workers are	E.2.7: Describe how the earnings of workers are	Added <i>the amount of human capital held by workers,</i>

determined by the market value of the product produced and workers' productivity, as well as other factors.	determined by a number of factors including the market value of the product produced, workers' productivity, the amount of human capital held by workers, collective bargaining, and discrimination.	<i>collective bargaining, and discrimination.</i>
E.2.8: Illustrate how physical and human capital investment raise productivity and future standards of living.		Standard removed. Former standard content is present in standard indicator E.1.9.
Standard 3 - Market Structures		
<i>Added Rationale: Understanding the benefits of competition and the costs of limiting competition helps students evaluate public policies that affect the level of competition in various markets.</i>		
E.3.1: Identify the ways that firms raise financial capital and explain the advantages and disadvantages of each.	E.3.1: Explain the advantages and disadvantages of various types of firms including sole proprietorships, partnerships, and corporations.	Standard rewritten with similar content.
E.3.2: Demonstrate how firms determine optimum levels of output by comparing marginal cost and marginal revenue.	E.3.2 Identify ways firms raise financial capital.	2014 Standard E.3.2 renumbered and is now E.3.3 in 2020. E.3.2 is a new standard in 2020.
E.3.3: Compare and contrast the basic characteristics of the four market structures: monopoly, oligopoly, monopolistic competition, and pure competition; explain how various amounts of competition affect price and quantity.	E.3.3 Demonstrate how firms determine optimum levels of output by comparing marginal cost and marginal revenue.	2014 Standard E.3.2 renumbered and is now E.3.3 in 2020. 2014 Standard E.3.3 renumbered to E.3.4.
E.3.4 Recognize the benefits of natural monopolies (economies	E.3.4: Compare and contrast the basic characteristics of the	2014 Standard E.3.4 renumbered and is now E.3.6

of scale) and explain the purposes of government regulation of these monopolies.	four market structures: monopoly, oligopoly, monopolistic competition, and perfect (pure) competition.	in 2020. Removed <i>explain how various amounts of competition affect price and quantity</i> from 2014 Standard E.3.3
	E.3.5: Explain how competition in markets affects price and quantity.	E.3.5 is a new standard in 2020.
	E.3.6: Explain why natural monopolies exist (economies of scale) and the purposes of government regulation of these monopolies.	2020 Standard E.3.6 was the former 2014 E.3.4. Removed <i>recognize the benefits</i> from 2014 Added <i>explain why</i>

Standard 4 - Role of Government

Added Rationale: The political and social reasons for public sector services helps students make better choices about the appropriate size and scope of markets and government. It is also important that students be able to evaluate redistributive effects of government programs.

E.4.1: Explain the roles of government in a market economy.	E.4.1: Explain how market failures may result in the underproduction of public goods and explain the role of government in addressing those failures.	Standard rewritten with additional content.
E.4.4: Describe major revenue and expenditure categories and their respective proportions of state and federal budgets.	E.4.4: Describe the major revenue and expenditure categories in state and federal budgets and their respective proportions, and the challenges of achieving a balanced budget.	Standard rewritten with original content and with additional language <i>the challenges of achieving a balanced budget</i>
E.4.5: Define progressive, proportional, and regressive	E.4.5: Determine whether different types of taxes	Standard rewritten with similar content.

taxation and determine whether different types of taxes (including income, sales, and Social Security) are progressive, proportional, or regressive.	(including income, sales, and FICA (including Social Security and Medicare) are progressive, proportional, or regressive.	
E.4.6: Explain how costs of government policies may exceed benefits because social or political goals (rather than economic efficiency) are being pursued.	E.4.6: Explain that government failure occurs when the costs of a policy exceeds its benefits because social or political goals (rather than economic efficiency) are being pursued.	Standard rewritten with similar content.
E.4.7: Define the national debt, explain the effects of the debt on the economy, and explain how to achieve a balanced budget.	E.4.7: Define budget debt and budget deficit and distinguish between the two. Explain the effects of both on the economy.	Standard rewritten with similar content.

Standard 5 - National Economic Performance

Added Rationale: It is important for students to understand possible causes of national economic performance, how changes can produce economic problems (such as unemployment and inflation) or opportunities (such as increased employment). Changes in national levels of economic activity have a profound effect on students' future welfare, their job opportunities, the level of their prospective earnings, and the prices they will pay for things they buy.

E.5.7: Explain the different types of unemployment.	E.5.7: Explain frictional, structural, cyclical, and seasonal unemployment and analyze the impact of unemployment.	Standard rewritten with more details.
E.5.8: Describe the impact of unemployment and unexpected inflation on an economy and how individuals and organizations try to protect themselves.	E.5.8: Describe how individuals and organizations try to protect themselves from the impact of unexpected inflation.	Standard rewritten without <i>unemployment content</i> .

Standard 6 - Money and the Role of Financial Institutions

Added Rationale: Understanding financial institutions and the purposes they serve will help students use them more effectively and help them evaluate proposed new institutions or changes in the existing legal and institutional environment. Understanding what determines the real buying power of money and earnings will help students make better decisions in their personal and professional lives. Understanding the importance of money to society will also help them make more informed decisions about national policies related to banking, controlling the supply of money, and inflation.

E.6.3: Explain the roles of financial institutions.

E.6.3: Explain the role financial institutions play among savers, borrowers, and investors.

Added *play among savers, borrowers, and investors*

Standard 7 - Economic Stabilization

Added Rationale: The U.S. federal government’s taxation and spending policies, and the Federal Reserve System’s monetary policies affect the nation’s overall levels of employment, output, and prices. Policy makers and the general public continue to examine and debate the overall stabilization effects of public policy actions, because the consequences are so important. Students should understand the role of conflicting objectives and the limitations on the effectiveness of economic stabilization policies in order to develop realistic expectations about what can be accomplished with taxation, spending, and monetary policies.

E.7.6: Compare and contrast the major macroeconomic theories.

E.7.6: Compare and contrast the major macroeconomic theories such as Keynesian, Neoclassical, and Monetarist and evaluate how they influence fiscal and monetary policy.

Added *such as Keynesian, Neoclassical, and Monetarist and evaluate how they influence fiscal and monetary policy.*

Standard 8 - Trade

Added Rationale: Voluntary exchanges are cooperative activities in which both sides expect to gain, and both usually do. Understanding the win-win nature of voluntary exchange helps students learn that people and organizations trade with one another only when each party offers something that the other party values more than whatever he or she has to trade.



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E.8.5: Evaluate the arguments for and against free trade.	E.8.5: Compare and contrast the arguments for and against free trade.	Removed <i>evaluate</i> Added <i>compare and contrast</i>
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