

Standard 3 : Allocation of Goods and Services

Students will understand that:

Different methods can be used to allocate goods and services. People acting individually or collectively through government, must choose which methods to use to allocate different kinds of goods and services.

Students will be able to use this knowledge to:

Evaluate different methods of allocating goods and services, by comparing the benefits and costs of each method.

Benchmarks

Grade 4

At the completion of Grade 4, students will know that:	At the completion of Grade 4, students will use this knowledge to:
No method of distributing goods and services can satisfy all wants.	Generate different methods of allocating student time on classroom computers, tell who gains and who loses with each distribution method, and conclude that no distribution method satisfies all wants.
There are different ways to distribute goods and services (by prices, command, majority rule, contests, force, first-come/first-served, sharing equally, lottery, personal characteristics, and others), and there are advantages and disadvantages to each.	Compare the advantages and disadvantages of different methods of allocating various goods and services, such as cookies, houses, student time on playground equipment at recess, elective class offices, military service in times of war or peace, and athletic championships.

Grade 8

At the completion of Grade 8, students will know the Grade 4 benchmarks for this standard, and also that:	At the completion of Grade 8, students will use this knowledge to:
Scarcity requires the use of some distribution method, whether the method is selected explicitly or not.	Describe the distribution methods used to allocate a variety of goods and services, such as, parking spaces, prison paroles, access to a new drug treatment for cancer, seats on a bus, milk, and tickets to a popular art exhibits. Then explain why a distribution method is necessary.
There are essential differences between a	Compare the methods used to allocate work

market economy, in which allocations result from individuals making decisions as buyers and sellers, and a command economy, in which resources are allocated according to central authority.	responsibilities in homes with those used to allocate work responsibilities in business. Also, compare the advantages and disadvantages of economic systems used in different countries and at different times, using as criteria broad social goals such as freedom, efficiency, fairness, and growth.
People in all economies must address three questions: What goods and services will be produced? How will these goods and services be produced? Who will consume them?	Answer the three economic questions while producing a simple classroom product, such as your bracelets, greeting cards, or decorations for a school dance.
National economies vary in the extent to which they rely on government directives (central planning) and signals from private markets (prices) to allocate scarce goods, services, and productive resources.	Compare the relative size and responsibilities of government in several countries.
As consumers, people use resources in different ways to satisfy different wants. Productive resources can be used in different ways to produce different goods and services.	List the resources used to produce some item and identify other items that could have been made from these resources.

Grade 12

At the completion of Grade 12, students will know the Grade 4 and Grade 8 benchmarks for this standard, and also that:	At the completion of Grade 12, students will use this knowledge to:
Comparing the benefits and costs of different allocation methods in order to choose the method that is most appropriate for some specific problem can result in more effective allocations and a more effective overall allocation system.	Examine economic systems used in different countries, select the one that provides the most effective method for allocating resources, and explain why this method is effective. Also, assess the effectiveness of various systems for allocating organ transplants, hunting and fishing licenses, elective offices, time with a parent, and access to hospital maternity facilities.