

Using NewsHour Extra Feature Stories

STORY

Financial Crisis Tests Notions of the President's Role in the Economy

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http://www.pbs.org/newshour/extra/features/us/july-dec08/economy_9-23.html

Estimated Time: One 45-minute class period with possible extension

Student Worksheet (reading comprehension and discussion questions without answers)

PROCEDURE

1. WARM UP

Use initiating questions to introduce the topic and find out how much your students know.

2. MAIN ACTIVITY

Have students read NewsHour Extra's feature story and answer the reading comprehension and discussion questions on the student handout.

3. DISCUSSION

Use discussion questions to encourage students to think about how the issues outlined in the story affect their lives and express and debate different opinions.

INITIATING QUESTIONS

1. How can you tell if the economy is struggling?

2. How might a struggling economy affect an average American household?

3. What can the president do about a struggling economy?

READING COMPREHENSION QUESTIONS – **Student Worksheet**

1. What is the government doing in response to the most recent financial crisis?

ANSWER

President Bush and his advisers are asking for \$700 billion in taxpayer money to buy bad investments from banks and stop an economic meltdown.

2. Who was the first president to re-shape the president's involvement in the economy?

ANSWER

Democrat Franklin Delano Roosevelt, stands out as a leader who reshaped the role of presidency in managing the economy.

3. Prior to the Depression, what was the president's role in the economy?

ANSWER

For much of American history before Roosevelt's election in 1932, presidents were not expected to respond to economic troubles.

4. What was the New Deal and what did it accomplish?

ANSWER

When Roosevelt was elected, he enacted the New Deal, a series of government reforms and programs aimed at improving the economy.

"It redefined the relationship of most citizens to their government, he created a safety net. Before that banks and Wall Street were unregulated," Smith said.

5. How did Republican President Ronald Reagan change the policy towards the economy?

ANSWER

Republican President Ronald Reagan in 1980 was part of a movement to decrease the influence of the federal government in people's lives. Reagan, who was in office until 1988, focused on cutting taxes and reducing Washington D.C.'s regulation of business.

6. What are the major tools presidents can use to help the economy?

ANSWER

The primary tools the president has to influence the economy are government spending, taxes and regulatory oversight.

7. Why is the Chairman of the Federal Reserve important?

ANSWER

The Chairman of the Federal Reserve heads the government's central bank. While the Chairman of the Federal Reserve is independent of the president, he or she can change important interest rates that affect how much money is flowing through the economy.

8. How could the Wall Street bailout affect Obama and McCain if they become president?

ANSWER

Before the crisis, both candidates were promising new spending or tax cuts that might prove impossible if Congress approves hundreds of billions of dollars for the government bailout of Wall Street. McCain's tax cuts and Obama's green jobs and health care plans could be put on hold.

DISCUSSION QUESTIONS (more research might be needed)

1. How has U.S. government involvement in the economy evolved, starting with the Great Depression? How did certain presidents shape it?

2. When historians talk about this current financial crisis 50 years down the road, what do you think they will say? How do you think it will fit into the cycle of changes in government involvement in the economy?

3. Based on what you read, how much direct control does the president have over the health of the U.S. economy? Do you think the president should have more or less freedom to pass laws that he or she thinks would be beneficial?

4. If you were the next president, what would you do to try to grow the economy? How would the economy rank against other issues you think are important for the president to deal with?

Extension Activity

Have students write a 300-500 word essay on this topic providing clear examples. Send your completed editorial to NewsHour Extra (extra@newshour.org). Exceptional essays might be published on our Web site.