

the Gov

“Implications of the 2010 Midterm
Elections: Battle for the Federal
Budget”

Social Studies Lesson Plan

the Gov
is a feature of

the News

A daily news broadcast for High School and Middle School students
now under development by MacNeil/Lehrer Productions



the Gov



Segment 3:
“Implications of the 2010 Midterm Elections:
Battle for the Federal Budget”
Social Studies Curriculum

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the Gov



Winter, 2010

Dear Educator,

the.News online video reports for *the.Gov* provide middle and high school students with a valuable exercise in social studies and language arts with this **6:06** minute segment on “Implications of the 2010 Midterm Elections: Battle for the Federal Budget” at www.pbs.org/newshour/thenews/thegov . Correspondent, Antonio Neves explores the implications of the midterm elections on the federal budget. Lessons for social studies and language arts are available to support this video in the “For Educators” section of the website. All videos and curricula have been informed by *the.News* instructional design that can be found on the website www.pbs.org/newshour/thenews. The curriculum includes content-based standards, discussion questions, student activities, vocabulary and primary reference sources. A complete transcript of each video report includes time codes to assist in isolating specific segments of the video and to augment the instruction of media literacy and multimedia production. All of this material is presented as options to fit teachers’ instructional needs.

References to Larry Bell’s “The 12 Powerful Words” are highlighted in **bold** in the lesson plans and in the “thought starter” questions on the home page and educator’s page, and in the transcript (to denote where they are used in the video segment).

We have also added general topics to correlate to the lessons and video as well as concept based standards with conceptual lens and enduring understanding.

We welcome our partners at the Omaha Public Schools who have joined *the.News* in the second year of a special pilot project. We have also developed a new authoring tool for students called *YOU.edit* which gives students an online tool to remix the content of *the.News* reports, so they can create their own multimedia presentations. This editing tool can be found by clicking on the *YOU.edit* button on the home page of the website. Currently used with our OPS teacher consultants it is password protected so that it can serve as a viable educational asset that allows classroom teachers to assign multimedia projects within the security and content safety of *the.News* website.

Answers to **student “thought starter”** questions listed below the video.

- #1 The government has spent more money than it has taken in so it has to make up the difference –called the deficit.
- #2. The discretionary part of the budget.
- #3. Student/local answer

Sincerely,

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2010 Midterm Elections

This lesson was designed to support *the.News* video “Implications of the 2010 Midterm Elections: Battle for the Federal Budget”
The video can be found online at www.pbs.org/newshour/thenews/thegov

Omaha Public Schools Standards

<http://www.ops.org/District/LinkClick.aspx?fileticket=Hbqyrrg2ydM%3d&tabid=912&mid=2006>

U.S. History

Grade 8

Standard 4. Describe the structure and function of government, the expanding role and responsibilities of the citizens in a representative democracy, and compare and contrast these elements with those of other societies.

Conceptual Lens: Conflicts/Belief/Values

Enduring Understanding: Conflict is generated by the differing ideological philosophies of separate groups and their failure to compromise.

Government

Grade 12

Standard 9. Describe the factors that influence government policy and decisions.

Grade Level: 9-12

Content Areas:

Social Studies,
Economics,
Government/Civics;
Language Arts, A/P
classes

Key Concepts:

This lesson contains a series of activities that can be done sequentially or individually as conditions allow. The lesson focuses on the 2010 midterm elections, the political agendas of the Democratic and Republican parties and the Tea Party movement, and how these agendas compare with the desires of the voters. Students will then analyze the problems facing the country and formulate some recommendations for Congress and the President on the legislative priorities they see and how best to address these issues.



Key Objectives:

Students will:

- **summarize** their own views on the 2010 midterm elections
- **analyze** the current economic conditions facing

Americans

- **analyze** the political agendas of the Democrat, Republican, and Tea Party supporters to address the current economic conditions facing the country
- **evaluate** the merits of cutting arts funding to address the budget deficit
- **analyze** the mood of the public after, the 2010 midterm election, and compare that with the agendas of the political parties
- **formulate** a message to Congress and the President on what actions would best address the economic issues facing the country



Key Vocabulary:

- **prescribe:** to lay down, in writing or otherwise, as a rule or a course of action
- **inception:** beginning; start; commencement.
- **approval ratings:** a rating of how well someone is doing in their job or in popularity
- **recession:** a period of an economic contraction, sometimes limited in scope or duration where growth is diminished.
- **stimulus bill:** legislation that stimulates or acts as an incentive to grow the economy
- **animosity:** a feeling of strong dislike, ill will, or hostility that tends to display itself in action
- **landmark:** a significant or historic event, juncture, achievement,
- **Great Society:** the goal of the Democratic party under the leadership of President Lyndon B. Johnson. The program enacted domestic programs to improve education, provide medical care for the aged, and eliminate poverty.
- **political center:** taking a political position between the extremes of liberal and conservative, Democrat or Republican

Source: Dictionary.com

McRel

<http://www.mcrel.org/>

Level III (Grades 6-8)

Civics

Standard 1: Understands ideas about civic life, politics, and government.

- Understands how politics enables people with differing ideas to reach binding agreements (e.g., presenting information and evidence, stating arguments, negotiating, compromising, voting)

- Understands major ideas about why government is necessary (e.g., people's lives, liberty, and property would be insecure without government; individuals by themselves cannot do many of the things they can do collectively such as create a highway system, provide armed forces for the security of the nation, or make and enforce laws)

- Understands competing ideas about the purposes government should serve (e.g., whether government should protect individual rights, promote the common good, provide economic security, mold the character of citizens, promote a particular religion)

Level IV (Grades 9-12)

Civics

Standard 1: Understands ideas about civic life, politics, and government.

- Understands how politics enables a group of people with varying opinions and/or interests to reach collective decisions, influence decisions, and accomplish goals that they could not reach as individuals (e.g., managing the distribution of resources, allocating benefits and burdens, managing conflicts)



Time Frame:

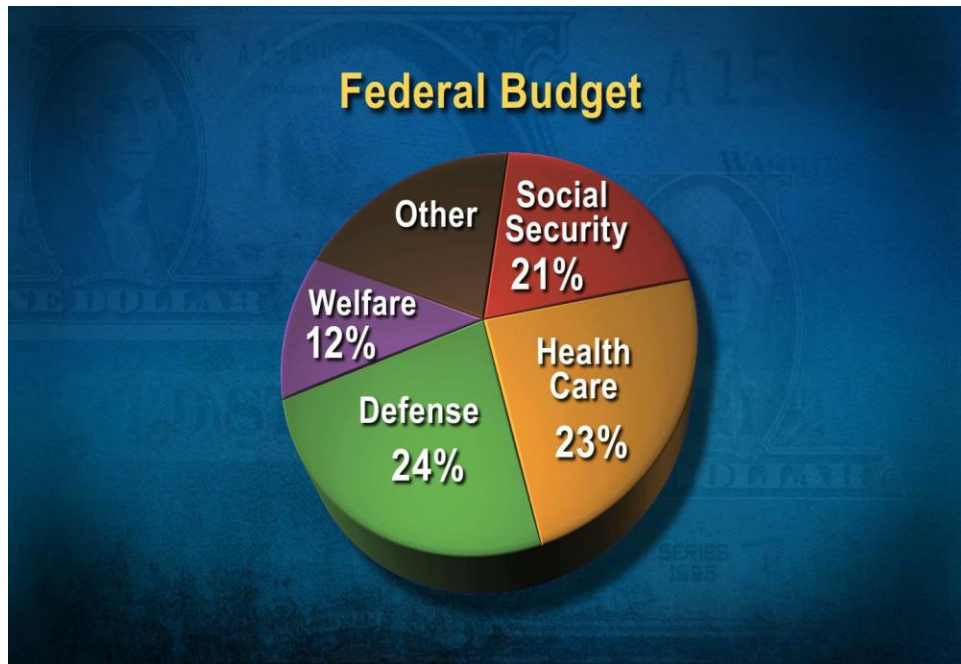
- Opening activity—5-10 minutes
- Main Activity Part 1—20-30 minutes discussion (with reading assigned as homework)
- Main Activity Part 2—30 minutes
- Main Activity Part 3—two to three class periods

Lesson Topics:

- Elections
- Economy
- Political Ideology
- Fiscal Responsibility
- Public Opinion

Materials:

- *the.News* video: <http://www.pbs.org/newshour/thenews/the.gov>
- Internet access
- Student Handouts
 - 1. Overview of Current Economic Conditions
 - 2. Addressing the Deficit Problem—Where to Begin?
 - 3. Taking Sides
 - 4. Exit Polls—What do Americans Want?





Background:

The Constitution **prescribes** midterm elections to provide an opportunity for citizens to participate in the democratic process by voting their approval or disapproval on all 435 members of the House of Representatives and one-third of the Senate. Oddly enough, for such an important responsibility, midterm elections don't usually captivate the public's interest the way presidential elections do. But since the nation's **inception**, the voting public has used them as a way to "send a message to Washington, D.C." on the job its leaders are doing. In exercising this responsibility, voters have changed the balance of leadership in nearly every midterm election for the past 100 years. The party of the president usually loses seats in either the House or the Senate during a midterm election. Several times, voters have been so dissatisfied with their representatives' performance they have voted in new leadership into one or both houses of Congress.

The 2010 midterm election was no exception. Over the course of his first term, President Obama experienced sinking **approval ratings**. Voters' opinion of Congress was even lower, floundering in the low 20s for most of 2010. In the midterm election, the Democratic 252-member majority in the House of Representatives lost 60+ seats and Democrats' 17-19 member majority in the Senate was whittled down to 7 or 8 (at press time the Alaska senate race had not yet been called). As President Obama summed it up the day after the election; his party took "a shellacking." And yet, it wasn't like Congress and the president weren't doing anything. In the past two years, the federal government took on many initiatives to address the severe economic **recession** and enact sweeping reform programs: a \$787 billion economic **stimulus bill**, an all encompassing health care program, financial (Wall Street) reform, an education bill, and a \$300 billion small business bill. But Congress's bickering and **animosity** displayed during the legislative process really set the public into a negative mood. By the November, the economy had improved, but unemployment stayed around 9.6, the budget deficit soared, and voters were angry and afraid. The prevailing belief by many voters was that their leaders were not listening to their immediate concerns, jobs and the **deficit**.



Other presidents have faced similar setbacks in terms of drastically diminished or lost congressional majorities and still had very productive first terms as presidents. Woodrow Wilson, Warren G. Harding, Harry Truman, Lyndon Johnson, Ronald Reagan, and Bill Clinton all suffered double digit losses in their first term midterm elections and, with the exception of President Harding (who died during his first term), all were reelected. Woodrow Wilson went on to work with Congress to pass several **landmark** progressive bills. President Johnson was able to implement his "**Great Society**" economic programs. Presidents Ronald Reagan and Bill Clinton both retooled their agendas after their midterm defeats and moved slightly toward the **political center** on several issues in order to



find common ground with the opposition party. The 2010 midterm election might prove to have similar results for President Obama and hopefully the country will be the main beneficiary.

So where does that leave the Obama administration? The president will have to find ways to work with a Republican leadership that right now feels its political aspirations speak for the American people. The president will have to learn about ways to tap into the energy of the Tea Party Movement that has caught the attention and imagination of the electorate. And what of the Republicans? They may have the momentum now, but must remember that the President Obama still has a Democratic majority in the Senate—albeit slim and disunited—and the power of the veto. Republicans can always propose conservative bills tied to popular legislation to force a veto and hope that the lack of progress will further deflate the president’s popularity and any chance for reelection. Or both the president and the Republicans could find some common ground and get legislation passed to bring the country out of its economic funk. And finally, what about the Tea Party? Voters selected Tea Party candidates over established Republicans and had no less than five win in the Senate and over 40 in the House. How will the movement’s supporters’ strong conservative principles mesh with established Republicans who are used to getting results through compromise? Will Tea Party legislators push so hard as to cause gridlock within the party or will they find ways to work with Republican, Democrats, and the president to implement the needed programs to address the country’s economic problems?



Credit: Universal Uclick

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LESSON PLAN

Opening Activity:

1. To begin this lesson, ask students to form into small groups. Tell them they are going to conduct a quick survey of their understanding of the 2010 midterm elections by answering the questions below. They have only five minutes to answer the following:
 - What were the results of the 2010 midterm election?
 - Can you recall another midterm election with similar results?
 - Why do you think the election had the outcome it did?
 - How do you think the results of the election will affect the president's agenda?
 - How do you think the results of the election will affect how Congress addresses the country's problems?

2. Then bring the class together for a review of the questions above and **summarize** students' responses. You can also use the Background Essay to provide students with more information.

Main Activity

Part I:

In this first part, student will gather background on the state of the economy and the proposed 2011 federal budget.

1. Divide students into small groups and distribute student handout 1, "Overview of Current Economic Situation." (Reading this document can also be assigned as homework the night before.)
2. In class, have students discuss the Small Group Discussion Questions at the end of the reading and **analyze** the current economic conditions facing America. Review the discussion questions with the entire class to get a range of students' views.

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Level III (Grades 6-8)

Civics

Standard 14: Understands the issues concerning the disparities between ideals and reality in American political life.

- Knows why political and social ideals are important, even if they cannot be fully achieved.

- Knows how various individual actions, social actions, and political actions can help to reduce discrepancies between reality and the ideals of American constitutional democracy,

Level IV (Grades 9-12)

Civics

Standard 14: Understands the issues concerning the disparities between ideals and reality in American political life.

- Knows discrepancies between American ideals and the realities of American social and political life (e.g., the ideal of equal opportunity and the reality of unfair discrimination)



Part 2: Addressing the Deficit Problem—Where to Begin?

Tell students that in this next activity they will be examining some of the ideas being discussed on how to address the deficit/debt problem. One area some people recommend for cuts to the federal budget is the National Endowment for the Arts. In this activity, students will view the report from *the.News* “Budget Battle” (<http://www.pbs.org/newshour/thenews/foreducators>) that provides an overview of the deficit problem, the views of Democrats and Republicans and the positions they and others hold on reducing the cutting the budget. The program also looks at the impact of proposed cuts on federal funding for the arts and its impact on a local theater company.

1. Distribute Student Handout: “Addressing the Deficit Problem—Where to Begin.”
2. Provide students with a preview of the news clip.
3. Then have students form into small groups to review the discussion questions on the handout.
4. Review the discussion questions with the entire class to get a range of students’ views.

Part 3:

In this next activity, students will examine the challenge the lawmakers face in trying to address the budget and deficit issues and improve the economy, making sure that all the while they are doing what the people want. Tell students they will first review the general positions of the Democratic, Republican, and Tea Party members. Then they will view a summary of the recently released recommendations from President Obama’s National Commission on Fiscal Responsibility And Reform.

(http://www.fiscalcommission.gov/sites/fiscalcommission.gov/files/documents/CoChair_Draft.pdf)

McRel

<http://www.mcrel.org/>

Level III (Grades 6-8)

Civics

Standard 28: Understands how participation in civic and political life can help citizens attain individual and public goals

- Understands how participation in civic and political life can help bring about the attainment of individual and public goals (e.g., personal goals such as living in a safe and orderly neighborhood, obtaining a good education, living in a healthy environment; public goals such as increasing the safety of the community, improving local transportation facilities, providing opportunities for education and recreation)
- Understands why becoming knowledgeable about public affairs and the values and principles of American constitutional democracy and communicating that knowledge to others is a form a political participation

Level IV (Grades 9-12)

Civics

Standard 28: Understands how participation in civic and political life can help citizens attain individual and public goals.

- Knows the many ways citizens can participate in the political process at local, state, and national levels, and understands the usefulness of other forms of political participation in influencing public policy (e.g., attending political and governmental meetings, demonstrating, contacting public officials, writing letters, boycotting, community organizing, petitioning, picketing)



1. Distribute student handout 3, “Taking Sides” to all students. Review the Agenda Chart to make sure students understand the agendas of each political party.
2. Then have students **compare and contrast** these positions with the different approaches to addressing the debt problems and possible solutions described in Student Handout 1.
3. Next, show the NewsHour news segment, “Next Steps Unclear for Commission’s Drastic Debt-Reduction Plan (http://www.pbs.org/newshour/bb/business/july-dec10/deficit_11-10.html)
4. Have students take notes while watching the story answering questions on their handout.
5. Have student **compare and contrast** the recommendations of the National Commission with the agendas of the political parties.

Next, have students examine opinion poll results indicating the preferences of the American public. Point out to students that these polling results are from exit polls taken very soon after the 2010 midterm elections. As a result, they are not always considered the most reliable indicator of why people voted, but do provide a general view of voters’ thinking.

6. Distribute student handout 4, “Exit Polls” and briefly review with students.
7. Have them meet in small groups to discuss the questions at the end of the handout. (see below):
 - What seems to be the general mood of the public about the state of the nation?
 - What is the public’s view of lawmakers? How favorable is the public toward the two main political parties?
 - What assumptions can be made about the influence of the Tea Party movement?
 - How does the public feel about the direction the country is going?
 - In looking at the polling results for the public’s priorities, where is there a clear majority of opinion on what the public wants?
8. Now have students meet in small groups and review their “Taking Sides” handout of the Democrats, Republicans, and Tea Party members’ agendas and the recommendations from the National Commission on Fiscal Responsibility and Reform. Have them **compare and contrast** these positions with the exit poll results you reviewed earlier to look for areas where there is some agreement to get the process moving forward.
9. Then have students **formulate** a message to Congress and the President in an open letter, an OP/Ed piece, or a blog site on their views of how Congress should approach the budget problems facing them and provide recommendations on how best to work towards a solution.
10. At this point you might consider showing students the “moment of sincerity” delivered by political satirist Jon Stewart at the October 30th “Rally to Restore Sanity and/or Fear.” In his speech, Stewart points out the merits of compromise and working together. The video clip of his speech can be found at <http://vodpod.com/watch/4797659-jon-stewart-moment-of-sincerity-rally-to-restore-sanity-and-or-fear> and the transcript at <http://www.examiner.com/celebrity-in-national/rally-to-restore-sanity-jon-stewart-s-closing-speech-full-text>.



Assessment:

Students can be assessed on their completion of the student handouts and level of detail and analysis in their message to the president and Congress.

Extension Assignments:

Have students research the 1st term midterm elections of several past presidents (Wilson, Harding, Roosevelt, Truman, Johnson, Reagan, Clinton, and George W. Bush). Have them document the results, describe the presidents' agendas, how the results of the midterm election affected their first terms in office, and how such history might reflect on President Obama's first term efforts.

Have students contact various arts programs in their city, town, or local community (theater company, arts council, local artists, symphony, art museum, community arts project, etc). Have students identify those programs that receive some of their funding from the federal government through either the NEA or other federal grants. Have students interview staff members from these groups to find out the impact of potential federal budget cuts to their programs. Students can **summarize** their findings in a written report, digital presentation (with audio or video interview and narration), an awareness website, community forum, debate or other presentation.

Partnership for 21st Century Skills <http://www.21stcenturyskills.org>

Civic Literacy

- Participating effectively in civic life through knowing how to stay informed and understanding governmental processes

Creativity and Innovation

- Use a wide range of idea creation techniques (such as brainstorming)
- Elaborate, refine, analyze and evaluate their own ideas in order to improve and maximize creative efforts

Reason Effectively

- Use various types of reasoning (inductive, deductive, etc.) as appropriate to the situation

Make Judgments and Decisions

- Effectively analyze and evaluate evidence, arguments, claims and beliefs
- Analyze and evaluate major alternative points of view
- Interpret information and draw conclusions based on the best analysis

Communication and Collaboration

- Articulating thoughts and ideas clearly and effectively through speaking and writing
- Listen effectively to decipher meaning, including knowledge, values, attitudes and intentions
- Utilize multiple media and technologies, and know how to judge their effectiveness a priori as well as assess their impact



Resources:

General News Sources

- **PBS NewsHour's Politics** <http://www.pbs.org/newshour/topic/politics/>
- **NY Times Politics** <http://www.nytimes.com/pages/politics/index.html?scp=1-spot&sq=elections&st=Search>
- **Washington Post Politics** <http://www.washingtonpost.com/wp-srv/sectionfronts/politics/index.html>
- **FoxNews** <http://www.foxnews.com/politics/index.html>
- **CNN News/Politics** <http://www.cnn.com/POLITICS>
- **ABC News Politics** <http://abcnews.go.com/politics>

Polling Data

- **Pew Research Center** <http://pewresearch.org/pubs/1789/2010-midterm-elections-exit-poll-analysis>
- **Greenburg Quinlan Rosner Research** <http://www.greenbergresearch.com/index.php?ID=2540>
- **ABC News Exit Poll** http://abcnews.go.com/politics/2010_elections/National?ep=house

Political Posturing

- **GOP Solutions for America** <http://www.gop.gov/solutions>
- **What We Stand For** <http://www.democrats.org/issues>
- **Tea Party Movement** <http://www.teaparty.org/>
- **Rally to Restore Sanity and/or Fear** <http://www.rallytorestoresanityandorfear.com/>

Federal Budget Analysis

- **Next Steps Unclear for Commission's Drastic Debt-Reduction Plan** http://www.pbs.org/newshour/bb/business/july-dec10/deficit_11-10.html
- **The Deficit Plan Revives Debate on Spending Priorities** http://www.pbs.org/newshour/bb/business/july-dec10/deficit_11-11.html
- **The Galston-MacGuineas Plan** <http://crfb.org/blogs/my-view-maya-macguineas-and-bill-galston>
- **Taking Apart the Federal Budget (Washington Post)** <http://www.washingtonpost.com/wp-srv/special/politics/budget-2010/>
- **The Federal Budget Pie Chart (US Government.com)** http://www.usgovernmentspending.com/us_budget_pie_chart
- **Obama's 2011 Budget (NY Times)** <http://www.nytimes.com/interactive/2010/02/01/us/budget.html>
- **National Commission on Fiscal Responsibility And Reform** http://www.fiscalcommission.gov/sites/fiscalcommission.gov/files/documents/CoChair_Draft.pdf

Activity Designer:

Greg Timmons is a former social studies teacher now freelance writer and educational consultant.



Student Handout 1: Overview of Current Economic Conditions

Directions: Read the handout below and review the discussion questions in your small group.

Overview of the Federal Debt

- The federal debt is \$13.723 trillion (95% of annual Gross Domestic Product, which is \$14.4 trillion)
- The federal debt ceiling, imposed by Congress is \$14.3 trillion

This means that the United States is over \$13 trillion in debt with about one third of that owed to organizations outside the country (like China) and one third is debt inside the government in programs like Social Security, Medicare Medicaid which experiencing funding shortfalls to meet their future obligations. Congress has tried to stop the debt growth by imposing a ceiling of \$14.3 trillion, meaning that legally Congress can't spend more money unless they raise the debt ceiling.

The 2011 Federal Budget and Deficit

- The 2011 federal budget is projected to be \$3.83 trillion. Federal revenue for 2011 is projected to be \$2.57 trillion.
- If this budget is passed, Congress will have to raise the debt ceiling because the deficit will push it over the \$14.3 trillion.

The projected federal budget for 2011 is \$3.83 trillion and revenues are projected to be \$2.57 trillion which results in a \$1.27 trillion debt for 2011. This would put the overall debt to almost \$15 billion or \$693 billion over the debt ceiling; a very unpopular act with voters who are worried about the growing public debt.

Key areas of the Federal Budget

Within the budget are two basic categories:

- Discretionary spending—spending that has to be reset every year by Congress
- Mandatory spending—spending that does not require any specific action by Congress
- As the baby-boomer generation gets older, the expected costs for much of the mandatory spending will increase.

If Congress doesn't raise the debt ceiling, the only other alternative is to cut spending and/or raise taxes to balance or come close to balancing the budget, two also not-so-popular moves with voters. Several newly-elected Tea Party legislators and conservative Republicans have denounced raising the debt ceiling. If Congress can't raise the raise the debt or pass a continuing resolution to fund the government, it will have to shut down. A similar incident occurred twice in 1995, during President Clinton's first term in office.

Discretionary spending is about 36% of the federal budget. It involves programs like Defense, the arts, Education, transportation, health care, environmental protection, etc.



Mandatory spending (also referred as “Entitlement Programs”) is about 63% of the budget and involves programs like Social Security, Medicare, Medicaid, government pensions, agricultural subsidies, etc. The costs of these programs continues to rise due to inflation and the rising numbers of people who qualify for these programs so much that it is believed these programs will not have the funds in the future to meet all their obligations.

Discretionary spending is the easier area to reduce spending, but many of the programs are believed to be vital to the welfare of the country, such as Defense. Mandatory spending can also be cut, but it is a harder call, for these programs are promises the government has made to its people.

On December 31, 2010, the Bush Tax Cuts (two bills enacted during President Bush’s first term in office.) will expire. Obama and the Democrats have proposed that all tax cuts be extended except for those individuals who earn over \$250,000. With the tax cuts expired, the tax increase for these individuals would move from 33% to 36% and 35% to 39%. It is estimated that this increase would also affect about 2-3% of all small businesses. By allowing these tax cuts to expire for the wealthy, it is estimated that the increased tax revenue would help reduce the debt but would also give some people a tax hike during a recession. Republicans claim not extending the tax cuts and proposing any increased taxes would hurt small businesses during a recession.

The State of the Economy

- The unemployment rate is 9.6 percent and for now it is holding. In good times like the mid-1990s, the unemployment rate was 4.6 percent. As unemployment goes down, revenue from income taxes goes up which can help balance the budget.
- Business profit is down from its high in the mid-1990s, but slowly rising. The more businesses make, the more they pay taxes, and the more the deficit is reduced to balance the budget.
- Inflation is low, but subject to volatility. Prices don’t crease much from year to year, but can go up quickly.
- Interest rates are low. This encourages borrowing from businesses and consumers, but they can’t go much lower and consumer debt is very high.

The one factor that comes close to home for most Americans is whether or not they have a job. For workers who have been in the workforce for several years, this raises the question of whether they have enough income to pay their mortgage, monthly expenses, car payments, kids’ college, etc.? For those who are unemployed, paying for these basics is more difficult. Since the early days of the current recession, the government has been extending unemployment payments for those who run out, but this can’t be continued indefinitely.

In addition to employment, another issue that that plays into voters concerns is business success. When people are employed, making good salaries, and spending money on businesses’ goods and services, businesses make a profit. They turn some of that profit back into the business to expand and hire more people, produce more products, and sell to more people, thus expanding the economy.



However, in the current recession, even with inflation and interest rates at historic lows, businesses and consumers have been hesitant to spend money for fear the recession will return. When people spend less, sales will go down, companies make less money and may be forced to lay off people and the economy can slip back into a recession.

Small Group Discussion Questions

- How close is the federal debt to GDP (the amount the U.S. economy makes annually)? Why do you think some people consider it unwise for the U.S. to be in debt as much as it's annual worth?
- If the 2011 budget is passed, how much will it raise the national debt? What will Congress have to do to accommodate this increase? Why will some people be upset about this move?
- In what area of the budget (discretionary or mandatory) is it easier to cut spending? Why? In this easier area, why might it be difficult to cut some of the programs mentioned? Who would be in opposition to cutting these programs and why?
- What segment of society might oppose cutting in the mandatory area? How might such cuts affect their quality of life?
- What are the pro and con arguments for extending the Bush tax cuts?
- For the average American, what are the economic concerns they face today?
- Which action do you think would be the most appropriate to deal with the current economic problems—more taxes, less spending, or a combination of both? Explain why?



Student Handout 2: Addressing the Deficit Problem—Where to Begin?

This *the.News* segment “*Budget Battle*” (<http://www.pbs.org/newshour/thenews/foreducators>) discusses the problems the United States with the current deficit situation and provides some suggestions on how to address it. Some analysts advocate cutting discretionary spending (defense, the arts, education, transportation, health care, environmental protection, etc.) and the recently passed increases in health care and education programs. Others suggest a broader, more comprehensive approach suggesting cuts to discretionary and mandatory spending. Still others suggest the government cut spending across the board in all areas AND raise taxes.

One of the areas often targeted for budget cuts is the National Endowment for the Arts. This can often be politically motivated by some law makers who disagree with some of the projects the NEA funds. Other times cutting funding for the arts is based on priorities and the need to cut somewhere. But what is the impact? This story provides an example of thousands of programs funded by the federal government where discretionary budget cuts might occur. Each of these thousands of programs has a similar story.

Discussion Questions

1. What are some of the ideas being proposed to cut the current deficit and reduce the debt?
2. Why will it be such a challenge to enact these proposals?
3. What part of the budget (discretionary or mandatory) is funding for the arts placed?
4. How much of the federal budget is spent on the National Endowment for the Arts? What are the arguments for and against cutting the arts?
5. Why do you think the arts are often a target for budget cuts?
6. In what other part of the budget would cutting or reducing spending have a greater impact on reducing the deficit?
7. What might be the reaction from these other areas if their federal funding was reduced or eliminated?



Student Handout 3: Taking Sides

Directions: Review the Democrats, Republican, and Tea Party agendas in the chart below. **Compare and contrast** their different approaches to addressing the debt problems and possible solutions described in Student Handout 1.

Then view the NewsHour story, "Next Steps Unclear for Commission's Drastic Debt-Reduction Plan." (http://www.pbs.org/newshour/bb/business/july-dec10/deficit_11-10.html) The bipartisan deficit commission appointed by President Obama issued a draft proposal of drastic spending cuts ranging from changes in Social Security to tax policy. As you view the story take notes on the questions below.

| Democrat Agenda | Republican Agenda | Tea Party Agenda |
|---|--|---|
| <ul style="list-style-type: none"> • Tax breaks for companies investing in green technology • Stimulus bill focused on building infrastructure and creating more jobs • Extend unemployment insurance while recession continues • Extend middle class tax cuts • Preserve Social Security and Medicare | <ul style="list-style-type: none"> • Invest in small businesses • Extend the Bush tax cuts • Reduce discretionary spending • Reduce entitlement programs (Social Security, Medicare, Medicaid) • Repeal Health Care • Give small businesses tax deductions | <ul style="list-style-type: none"> • Balance the budget with across the board cuts • Roll back spending to 2004 levels • Freeze federal hiring • Reduce federal wages by 10% • Cut out the Department of Education • Extend the Bush tax cuts permanently |

Note-taking Questions:

- Briefly **describe** characterize the National Commission's proposals.
- Below are some of the starkest (severe) recommendations made by the Commission. How do these **compare** with the agendas of the political parties listed above?
 - Eliminating the mortgage interest deductions,
 - Cutting or eliminating the tax-free treatment of employer provided health care
 - Raising the retirement age
 - Lowering Social Security benefits for wealthier retirees
 - \$200 billion a year cuts in discretionary spending including a 15-20% cut in Defense and other agency budgets



- **Explain** what might be some possible give-and-take between Republicans and Democrats over cuts to Defense and Social Security.
- **Describe** the range of reaction from members of Congress toward the Commission's report.
- **Describe** the pragmatic reaction by many members Congress?
- According to Lori Montgomery, where are the extreme reactions against the report coming from?
- **Trace** the next steps for Congress according to the agreement it has with the National Commission? Describe the warnings Commission members are sending to members of Congress on keeping the main recommendations of the plan.
- **Compare and contrast** the recommendations of the National Commission with the agendas of the political parties. Where do you see potential areas of compromise and where are there areas of difference?



Student Handout 4: Exit Polls – What do the American People Want?

Many political analysts believe the 2010 midterm election was an indication that the American public is frustrated, scared and angry. Although the Republican party had a big win retaking control of the House of Representatives and gained several governorships, most political analysts including many senior Republican leaders, are cautioning that they not take the election results as a mandate for only their policies.

Although exit polls right after an election are not always the most reliable indicator of how people voted, they do suggest how the public feels on broad issues. The following polling was compiled from ABC News, Greenburg Quinlan Rosner Research firm, and the Pew Research Center.

Directions: Review the data below. Refer to this data as you develop your response to the President and Congress on what do to about the budget deficit and improving the economy.

Poll Overall Findings:

- 41-47% identified themselves as conservative.
- 15-20% identified themselves as liberals.
- 33-45% identified themselves as moderates or independents
- Roughly 75% of voters from all parties (D, R, I) said the economy was a factor in their vote.

Voters' opinions on leaders job performance.

- 63% of those polled strongly believe lawmakers generally look out for their own interests and not the publics'. The country needs leaders who will work together on the problems not their own interests.
- 43 % of voters express a favorable opinion of the Democratic Party; 41 % favorable to Republicans.
- Only 25% approve of the way Congress is handling its job.
- 46% approve of the way President Obama is handling his job.
- Roughly 40% of all voters said they identify with at least some of the Tea Party positions. Democrats and Independents account for 42% of Tea Party supporters, 58% are Republican.

Opinions on the Issues

- The percentage of people who prioritize the following issues as most important:
 - 7% the war in Afghanistan
 - 8% illegal immigration
 - 19% health care
 - 63% the economy
- 86 % of voters remain worried, with 43% very worried, about the direction the economy is going.
- 73 % describe themselves as dissatisfied and even angry (26%) in the way the federal government is working



- 65% of those polled strongly believe the country is declining and feel a new strategy is needed.
- Only 14% said their family's financial situation had improved since 2008.

Highest priorities for Congress

- The percentage of voters who feel these actions should be taken by the government
 - 39% reduce the deficit
 - 37% spend money to create jobs
 - 19% cut taxes
 - 48% repeal health care
 - 47% leave as is or expand health care
 - 39% cut the deficit
 - 39% continue the Bush tax cuts for all Americans
 - 37% continue tax cuts for families under \$250,000
 - 15% no tax cuts for anyone.
 - 68% opposed cuts to Social Security

Polling data compiled from ABC News, Greenburg Quinlan Rosner Research firm, and the Pew Research Center.

Discussion Questions:

- What seems to be the general mood of the public about the state of the nation?
- What is the public's view of lawmakers? How favorable is the public toward the two main political parties?
- What assumptions can be made about the influence of the Tea Party movement?
- How does the public feel about the direction the country is going?
- In looking at the polling results for the public's priorities, where is there a clear majority of opinion on what the public wants?