Economics
Keeping the Economy on Track with
Fiscal Policy and Monetary Policy
Standards

SSEMA3 The student will explain how the government uses fiscal policy to promote price stability, full employment and economic growth.
   a. Define fiscal policy.
   b. Explain the government’s taxing and spending decisions.

SSEMA2 The student will explain the role and functions of the Federal Reserve System.
   a. Describe the organization of the Federal Reserve System.
   b. Define monetary policy.
   c. Describe how the Federal Reserve uses the tools of monetary policy to promote price stability, full employment and economic growth.

SSEPF3 The student will explain how changes in monetary and fiscal policy can impact an individual’s choices.
   a. Give examples of who benefits and who loses from inflation.
   b. Define progressive, regressive and proportional taxes.
   c. Explain how an increase in sales tax affects different income groups.