

9.4 A Changing Economy

Theme: Work, Exchange, and Technology

Learning Objective 9.D: Explain the causes and effects of economic and technological change over time.

Improvements in Communication

KC-9.2.1.A: Economic productivity increased as improvements in digital communications enabled increased American participation in worldwide economic opportunities.

- Economic productivity increased
 - _____ companies driving growth, ex. Apple, _____, Microsoft, _____, Yahoo (_____)
 - GDP grew steadily at _____ in the 90s, unemployment down to _____ in 2000
- Increased participation in economic opportunities
 - Fueled by use of the internet
 - Rise of _____
 - _____ membership and _____ increase trade

Impact of New Technology and Internet

KC-9.2.1.B: Technological innovations in computing, digital mobile technology, and the internet transformed daily life, increased access to information, and led to new social behaviors and networks

- Transformation in daily life
 - Reliance on internet and technology
 - _____, _____, _____ infrastructure
- Increased access to information
 - Speeds up discoveries and innovations
 - Mapping _____, MRIs, _____
 - Removes previous barriers to learning
- New Social Behaviors
 - Increased use of social media apps
 - Negative psychological effects on children
 - Danger in giving away too much _____ to tech companies
 - Tech uses info to _____ to users, can be used to spread misinformation

Changes in Labor

KC-9.2.I.C: Employment increased in service sectors and decreased in manufacturing, and union membership declined.

- Increased service sectors
 - Usually lower paying jobs, no benefits
 - Increased importance of _____
- _____
 - _____ abroad and reduction in _____ leads to loss manufacturing jobs
- Union Membership
 - As low as _____ by late 90s, down from _____ in 1960s
 - Decline due to loss of manufacturing jobs and “_____” laws

Wages and Wealth Gap

KC-9.2.I.D: Real wages stagnated for the working and middle class amid growing economic inequality

- Growing economic inequality.
 - By 1999, top _____ of households received _____ of all income
 - Greater disparity for racial minorities
 - By 2010s top _____ had _____ of wealth
 - Protesting inequality during _____ after Great Recession (9.6)

Recap

- Growth in technology led to economic growth and changed daily life for Americans
- Growth in lower paying service sector jobs, decline of higher paying manufacturing (union) jobs
- Economic inequality rose, smaller population holding a greater share of nation's wealth

Part II

Short Answer Questions

Answer the following in AT LEAST three sentences.

1. Explain the causes and effects of economic and technological change over time.

Bill Clinton North American Free Trade Act (NAFTA) (1993)

Retrieved from: <http://www.americanvawp.com/reader/30-the-recent-past/bill-clinton-on-free-trade-and-financial-deregulation-1993-2000/>

In a few moments, I will sign the North American Free Trade Act into law. NAFTA will tear down trade barriers between our three nations. It will create the world's largest trade zone and create 200,000 jobs in this country by 1995 alone. The environmental and labor side agreements negotiated by our administration will make this agreement a force for social progress as well as economic growth. Already the confidence we've displayed by ratifying NAFTA has begun to bear fruit. We are now making real progress toward a worldwide trade agreement so significant that it could make the material gains of NAFTA for our country look small by comparison.

Today we have the chance to do what our parents did before us. We have the opportunity to remake the world. For this new era, our national security we now know will be determined as much by our ability to pull down foreign trade barriers as by our ability to breach distant ramparts. Once again, we are leading. And in so doing, we are rediscovering a fundamental truth about ourselves: When we lead, we build security, we build prosperity for our own people.

Make no mistake, the global economy with all of its promise and perils is now the central fact of life for hard-working Americans. It has enriched the lives of millions of Americans. But for too many those same winds of change have worn away at the basis of their security. For two decades, most people have worked harder for less. Seemingly secure jobs have been lost. And while America once again is the most productive nation on Earth, this productivity itself holds the seeds of further insecurity. After all, productivity means the same people can produce more or, very often, that fewer people can produce more. This is the world we face.

We cannot stop global change. We cannot repeal the international economic competition that is everywhere. We can only harness the energy to our benefit. Now we must recognize that the only way for a wealthy nation to grow richer is to export, to simply find new customers for the products and services it makes. That, my fellow Americans, is the decision the Congress made when they voted to ratify NAFTA.

1. Provide an Attribution for the document:
2. Use the document to support the thesis: "Government actions that removed trade barriers and deregulated the economy were mostly responsible for a growth in economic activity in the 1990s."
3. Choose one of the analysis topics from HAPP and provide a 2 sentence analysis of the document.
4. Give an A-C-E response on a piece of outside evidence that is relevant to the document and topic of the thesis

Bill Clinton on the Gramm-Leach-Bliley Act (1999)

Retrieved from: <http://www.americanyawp.com/reader/30-the-recent-past/bill-clinton-on-free-trade-and-financial-deregulation-1993-2000/>

Today I am pleased to sign into law S. 900, the Gramm-Leach-Bliley Act. This historic legislation will modernize our financial services laws, stimulating greater innovation and competition in the financial services industry. America's consumers, our communities, and the economy will reap the benefits of this Act.

Beginning with the introduction of an Administration-sponsored bill in 1997, my Administration has worked vigorously to produce financial services legislation that would not only spur greater competition, but also protect the rights of consumers and guarantee that expanded financial services firms would meet the needs of America's underserved communities. Passage of this legislation by an overwhelming, bipartisan majority of the Congress suggests that we have met that goal.

The Gramm-Leach-Bliley Act makes the most important legislative changes to the structure of the U.S. financial system since the 1930s. Financial services firms will be authorized to conduct a wide range of financial activities, allowing them freedom to innovate in the new economy. The Act repeals provisions of the Glass-Steagall Act that, since the Great Depression, have restricted affiliations between banks and securities firms. It also amends the Bank Holding Company Act to remove restrictions on affiliations between banks and insurance companies. It grants banks significant new authority to conduct most newly authorized activities through financial subsidiaries.

Removal of barriers to competition will enhance the stability of our financial services system. Financial services firms will be able to diversify their product offerings and thus their sources of revenue. They will also be better equipped to compete in global financial markets.

The Gramm-Leach-Bliley Act is a major achievement that will benefit American consumers, communities, and businesses of all sizes. I thank all of those individuals who played a role in the development and passage of this historic legislation.

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6. Use the document to support the thesis: "Government actions that removed trade barriers and deregulated the economy were mostly responsible for a growth in economic activity in the 1990s."

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