



A HISTORY CHANGING CHOICE



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Video Page



A History Changing Choice **Teacher's Guide**

This Teacher's Guide includes the following:

- Suggested Lesson Plan
- Preview Questions and Key Terms
- Viewing Guide
- Discussion Questions
- Activity: Grade Redistribution
- Quiz
- Activity: Who Chooses?
- Enrichment Activity
- Answer Key

Suggested Lesson Plan

These materials may be used in a variety of ways. For maximum benefit, we suggest the following lesson plan:

- As a class, discuss the Preview Questions and Key Terms.
- Distribute copies of the Viewing Guide for students to use as a note-taking tool during the video.
- Play the video, pausing if needed to facilitate understanding and note-taking.
- Review and discuss answers to the Viewing Guide.
- Use Discussion Questions to spark class discussion, or assign these questions as homework.
- Begin Grade Redistribution Activity (read instructions but do not share with students yet).
- Replay the video as preparation for the Quiz.
- Administer and grade the Quiz.
- Complete the Grade Redistribution Activity.
- In small groups or as a class, complete the Who Chooses Activity.
- Optional: Assign Enrichment Activity.

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Preview Questions

1. What is freedom?
2. What is equality?
3. If you had to choose between freedom and equality, which would you choose? Why?

Key Terms and Definitions

1. Depression – a severe downturn in economic activity characterized by declining real gross domestic product (GDP) and rising unemployment.
2. Entrepreneur – a decision maker who assumes the risk of trying innovative approaches and products and pursuing projects in the expectation of realizing profits. A successful entrepreneur’s actions will increase the value of resources.
3. Free market – an economic system in which individuals and businesses make their own plans and decisions based on the signals and information provided by unregulated markets and prices; the basic economic questions of consumption, production, and distribution are answered through these decentralized decisions.
4. GDP (Gross Domestic Product) – the monetary value of all of a nation's goods and services produced within the nation's borders and within a particular period of time, such as a year.
5. Incentive – any factor, financial or non-financial, that provides a motive for a particular course of action, or counts as a reason for preferring one choice to the alternatives.
6. Monetary policy – the regulation of the money supply and interest rates by a central bank in order to control inflation, stabilize currency and guide economic growth.
7. Tariff – a government tax on imports, designed either to raise revenue or to protect domestic industry from foreign competition.

Name: _____

Date: _____

A History Changing Choice **Viewing Guide, page 1**

1. To reduce differences of outcome, Sweden taxes heavily and _____ wealth among its citizens.

2. Economic freedom doesn't guarantee a specific _____.

3. Freedom to choose means we will not all be _____ successful.

4. _____ wrote: "We hold these truths to be self-evident, that all men are created equal."

5. The concept of equality of opportunity does not conflict at all with the concept of _____.

6. Milton Friedman said we shouldn't try to arrange the economic race so that everybody ends at the _____ at the same time rather than starts at the _____ at the same time.

7. Many people blamed the Great Depression on the failure of _____.

8. Friedman thought the Great Depression resulted from government failure such as bad _____ policies and _____ that started a trade war.

Name: _____

Date: _____

A History Changing Choice **Viewing Guide, page 2**

9. Sweden has relatively free markets in _____.
10. In Sweden, public spending almost doubled between 1960 and 1980, from _____% to _____% of GDP.
11. Lars Magnus Ericsson produced cheap and reliable versions of the _____ he had seen in the United States.
12. Almost a quarter of the working-age population in Sweden did not work in the morning but got their checks from _____.
13. Since 2004 Sweden has lowered taxes and made government benefit systems less _____.
14. Some people become millionaires...but that is because they were the ones who made their _____ happy.
15. Milton Friedman said the society that puts _____ before _____ will end up with neither.

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Discussion Questions, page 1

1. Why did Thomas Jefferson write that all men are created equal? Are people equal in any observable way? What is equal about them?
2. What is the difference between equality of opportunity and equality of outcome?
3. Milton Friedman compares economic activity to a race. Explain how his analogy relates to freedom and equality.
4. What are some reasons freedom can lead to unequal outcomes?
5. Was Milton Friedman right that equalizing outcomes requires the restriction of freedoms? If so, what freedoms does it restrict?
6. Why did government involvement in the economy begin to increase significantly under President Franklin D. Roosevelt?
7. How did policies that were started during the Great Depression eventually lead to acceptance of some wealth redistribution and some government control over the U.S. economy?
8. In what ways does Sweden have a relatively free market? How is freedom restricted by the Swedish government's pursuit of equality, according to Johan Norberg?
9. What is the reasoning behind the Swedish government's efforts to equalize incomes?
10. Does a person's income have a relation to that person's moral worth? Should it? If it did, would we need to equalize incomes? Explain.
11. How does it change people's incentives when government taxes rich people to give money to poor people, or to the middle class? How are they likely to respond?
12. What are unintended consequences? List three unintended consequences of Sweden's generous government benefits. Explain what Johan Norberg meant when he said that economic incentives matter.
13. Why is it important to have entrepreneurs? How does society benefit from entrepreneurs? How do they make our lives better? Give two examples besides those mentioned in the film or Bill Gates.
14. Why were Swedes off sick from work more than any other people? How does this illustrate unintended consequences? What happened when the government reduced the sick benefit?

A History Changing Choice **Discussion Questions, page 2**

15. What are you more concerned about – that people’s wealth is equalized or that the condition of the poorest, most vulnerable people is improved? To test your answer, consider two scenarios:
- a) The 400 wealthiest people become poorer than they were and the condition of the poor stays the same.
 - b) The 400 wealthiest people get richer while the lot of the poorest is also improved.

Which would you choose given the two options?

If you choose a), you’re more concerned about equality of outcome. Why do you think that is more important than reducing poverty?

If you choose b) you’re concerned about mitigating poverty. Would you say it doesn’t matter how rich people get as long as poverty is reduced? Explain.

16. Discuss the following questions posed by Johan Norberg at the end of the video:

If you are going to limit people’s freedom in order to make them more equal, how much freedom do you take away?

If you use the government to take from some and give to others, how do you decide what to take and from whom? And who do you give it to?

Can this be done without leading to the loss of all freedom? Explain.

Or can freedom lead to more equality? If yes, how? If not, why not?

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Enrichment Activity: Grade Redistribution

Note: The teacher should read through these instructions (but not share the information with students) before giving the quiz.

Tell students they will be graded on the Quiz. Administer the Quiz and grade in class, using Answer Key as a guide. Determine the class average grade on the Quiz. Now announce that grades are being redistributed – points will be deducted from some and added to others so that all receive the same (average) grade. Allow students to respond. Some will object that this is unfair. For those who argue that it is fair, have them explain why. Ask the other students to explain why they think it is unfair. Students may say it is unfair because some worked harder than others. Challenge them on this, pointing out that some received high scores without seeming to put in much effort. Continue to discuss and debate as a class. Ask whether students would like to see a grade redistribution system established in your class for the rest of the school year. What do they think the consequences would be? What would happen to the class average over time? Why?

Now ask students to compare wealth redistribution to grade redistribution. Assign the following written response to be completed in class or as homework: Write a one-page paper answering the following question: Is wealth redistribution justified? Why/why not?

Name: _____

Date: _____

A History Changing Choice **Quiz, page 1**

1. According to Milton Friedman, equality of opportunity
 - A) is not as good as equality of outcome.
 - B) is the same as equality of outcome.
 - C) doesn't conflict with freedom.
 - D) conflicts with freedom.

2. Sweden taxes heavily and
 - A) redistributes wealth among its citizens.
 - B) does not allow free markets.
 - C) attracts many thriving new business ventures.
 - D) spends heavily on national defense.

3. Milton Friedman said the Great Depression was NOT caused by
 - A) a failure of capitalism.
 - B) unwise monetary policies.
 - C) tariffs that led to a trade war.
 - D) government.

4. Thomas Jefferson wrote that "all men are _____"
 - A) deserving of equal incomes.
 - B) created equal.
 - C) entitled to happiness.
 - D) entitled to be free from want.

5. Compared to Sweden, the US has
 - A) more inequality and less redistribution of wealth.
 - B) less inequality and less redistribution of wealth.
 - C) more inequality and more redistribution of wealth.
 - D) less inequality and more redistribution of wealth.

Name: _____

Date: _____

A History Changing Choice **Quiz, page 2**

6. Acceptance of some wealth redistribution in the United States started in the 20th century under President
- A) George W. Bush.
 - B) Thomas Jefferson.
 - C) Franklin Roosevelt.
 - D) Milton Friedman.
7. Which of the following is NOT a consequence of Sweden's generous government benefits?
- A) low rates of entrepreneurship
 - B) high rates of unemployment
 - C) immigrants starting new businesses
 - D) high usage of sick leave
8. Since 2004 Sweden has
- A) lowered taxes and made government benefits less generous.
 - B) lowered taxes and made government benefits more generous.
 - C) raised taxes and made government benefits less generous.
 - D) raised taxes and made government benefits more generous.
9. Economic freedom
- A) guarantees equality of outcome.
 - B) makes some people rich at the expense of the poor.
 - C) is contrary to the spirit of the Declaration of Independence.
 - D) leads to unequal outcomes.
10. Milton Friedman said the economic race
- A) should be arranged so everyone ends at the finish line at the same time.
 - B) should be arranged so everyone starts at the starting line at different times.
 - C) should be arranged so everyone starts at the starting line at the same time.
 - D) should be arranged so everyone ends at the finish line at different times.

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Activity:

Who chooses? Who benefits? Who pays? What's fair?

[These four questions can be a useful tool for evaluating any policy or system. Posing the questions is a great way to stimulate critical thinking.]

As a class, or in small groups, discuss the following:

(For each question, think broadly about all the possible groups of people who may be affected.)

1. In a democracy, who chooses to redistribute wealth? Who benefits from redistribution? Who pays? Is this fair? (Keep in mind that redistribution is not always from rich to poor. It can be from young to old, for example.)
2. In a system where the government transfers wealth, who decides on the distribution of wealth? Who decides whether someone is deserving of a check? How is this decided? What are some restrictions that are placed on people receiving various types of transfer payments?
3. In a system where the government does *not* transfer wealth, does anybody need to decide on how to distribute wealth? Are incomes an expression of a person's moral value or deserts under such a system? If people earn different incomes, does that mean someone judges them to be of unequal worth as people?
4. In a system where giving to others is voluntary rather than imposed by government, who chooses whether to transfer wealth? Who benefits? Who pays? Is this fair?

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Enrichment Activity:

Quotes

Use these quotations for further discussion, debate, or essay topics:

To take from one, because it is thought his own industry and that of his fathers has acquired too much, in order to spare to others, who, or whose fathers, have not exercised equal industry and skill, is to violate arbitrarily the first principle of association, the guarantee to everyone the free exercise of his industry and the fruits acquired by it. – Thomas Jefferson

The finest opportunity ever given to the world was thrown away because the passion for equality made vain the hope for freedom. – Lord Acton

The law, in its majestic equality, forbids the rich and the poor alike to sleep under bridges, to beg in the streets, and to steal bread. – Anatole France

Liberty is liberty, not equality or fairness or justice or human happiness or a quiet conscience. – Isaiah Berlin

One also encounters a depraved taste for equality in the human heart that brings the weak to want to draw the strong to their level and that reduces men to preferring equality in servitude to inequality in freedom. – Alexis de Tocqueville

[A]ll are subject by nature to equal laws of morality, and in society have a right to equal laws for their government, yet no two men are perfectly equal in person, property, understanding, activity, and virtue, or ever can be made so by any power less than that which created them. – John Adams

It may well be, in the twentieth century ... that numerous comforts and luxuries which are now unknown, or confined to a few, may be within the reach of every diligent and thrifty workingman. And yet it may then be the mode to assert that the increase of wealth and the progress of science have benefited the few at the expense of the many. – Thomas Babington Macaulay, 1847

Those who have prospered and profited from life's lottery have a moral obligation to share their good fortune. – Richard Gephardt

Government is saying to the average citizen every January 1: 'For the next five months you'll be working for us, for goals we shall determine. Is that clear? After May 5 you may look after your own needs and ambitions, but report back to us next January. Now move along.' If nearly half of what you make is spent by someone else, that means that half your work time is spent working for someone else. Call me a radical, but I think that comes dangerously close to being a form of indentured servitude. – Richard Arme

A History Changing Choice **Viewing Guide Answer Key**

1. redistributes
2. result
3. equally
4. Thomas Jefferson
5. freedom
6. finish line, beginning line
7. capitalism
8. monetary, tariffs
9. business
10. 31, 60
11. telephones
12. government
13. generous
14. customers
15. equality, freedom

Quiz Answer Key

1. C) doesn't conflict with freedom.
2. A) redistributes wealth among its citizens.
3. A) a failure of capitalism.
4. B) created equal.
5. A) more inequality and less redistribution of wealth.
6. C) Franklin Roosevelt.
7. C) immigrants starting new businesses
8. A) lowered taxes and made government benefits less generous.
9. D) leads to unequal outcomes.
10. C) should be arranged so everyone starts at the starting line at the same time.

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