



Lesson 1:

# How Can You Apply Ethics and Economics to Any Issue? A Guide to the Ethics, Economics, and Social Issues Curriculum

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In this economics and ethics guide, students will use the ethical and economic way of thinking to examine the choices that are made in any news event, public policy, or other issue selected by the teacher.

## Description of the lesson

This lesson is designed to provide teachers a guide to using the curriculum in the [“Ethics, Economics, and Social Issues” collection](#). This guide will provide key ideas from the curriculum. Additionally, this lesson will provide a template for teachers to use to think about ethics in any situation. Throughout the year there are often policy changes, public issues, or captivating news stories that can be used in the classroom. This guide provides the tools to think about these events like an economist using an ethical lens. The lessons in the collection are **not** meant to be taught in a specific order and can be added in throughout any introductory economics course (at the high school or college level).

## Economics

Economics is the study of how people choose. All current events tend to have economic concepts like scarcity, decision-making (weighing marginal benefits and marginal costs), incentives, and allocation. Keeping to these core economic concepts keeps things simple for you to prepare but also for students to understand.

## Ethics

Ethics is the analysis of right and wrong. Ethical frameworks are needed to help explain human behavior and evaluate policies, even if the frameworks seem to conflict with one another. In this lesson and throughout the entire “Ethics, Economics, and Social Issues” curriculum, we will focus on three common ethical frameworks.

**Outcomes-based ethics:** a moral philosophy that discerns right or wrong action based on the consequences produced by the action.

**Virtue-based ethics:** a moral philosophy that discerns right or wrong based on whether one’s actions contribute to the formation of good character.

**Duty-based ethics:** a moral philosophy that discerns right or wrong based on the analysis of one’s obligations.

## Objectives:

After completing this lesson students will be able to:

- apply ethics and economic frameworks to choices in current events, public policies, or other issues.
- critique current events, public policies, or other issues based on three ethical frameworks.
- support or oppose an economic decision using a framework for applying ethics to the economic way of thinking.

# Standards

## [Voluntary National Content Standards in Economics](https://www.councilforeconed.org/wp-content/uploads/2012/03/voluntary-national-content-standards-2010.pdf)<sup>1</sup>

- Standard 2: Decision Making
  - Effective decision making requires comparing the additional costs of alternatives with the additional benefits. Many choices involve doing a little more or a little less of something: few choices are “all or nothing” decisions.
- Standard 10: Institutions
  - Institutions evolve and are created to help individuals and groups accomplish their goals. Banks, labor unions, markets, corporations, legal systems, and not-for-profit organizations are examples of important institutions. A different kind of institution, clearly defined and enforced property rights, is essential to a market economy.
- Standard 16: Role of Government and Market Failure
  - There is an economic role for government in a market economy whenever the benefits of a government policy outweigh its costs. Governments often provide for national defense, address environmental concerns, define and protect property rights, and attempt to make markets more competitive. Most government policies also have direct or indirect effects on peoples’ incomes.
- Standard 17: Government Failure
  - Costs of government policies sometimes exceed benefits. This may occur because of incentives facing voters, government officials, and government employees, because of actions by special interest groups that can impose costs on the general public, or because social goals other than economic efficiency are being pursued.

## Concepts

Decision-making, ethics

## Time Required

45 minutes

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<sup>1</sup> Voluntary National Content Standards in Economics: <https://www.councilforeconed.org/wp-content/uploads/2012/03/voluntary-national-content-standards-2010.pdf>

## Materials Needed

- News article, podcast, video, etc. about an interesting dilemma that looks like it will be hard for parties to come to an agreement or have a decision that is not very satisfactory. You can assign the article, video, podcast for homework the night before or set aside time in class to view/read together. If a print article, provide 1 per student.
- Pencils, 1 per student
- Copies of Activity 1.1: The Guide to Making Ethical Choices, 1 per student
- Presentation slides: Edit slides based on your specific concepts

## Preparation

Read, listen, watch for policies or events that students might find interesting. Keep the topics and economics simple—think about the key economic concepts or questions. **You can use the “Spotting Ethics and Economics” table for guidance on economic concepts to look for when thinking about your topic.**

You will likely need to compile credible sources for the students to get some background knowledge on the topic. Collect news articles, podcasts, or educational videos for students to review or to help you prepare a lecture so that students are well-informed before they are asked to make an ethical decision using the methods outlined later in this lesson. Many of the lessons in the *Ethics, Economics, and Social Issues* curriculum have done this for you.

Here is a list of example sources (Note this is not a complete list):

- NPR Planet Money: <https://www.npr.org/sections/money/>
- NPR Indicator Podcast: <https://www.npr.org/podcasts/510325/the-indicator-from-planet-money>
- News sources such as Wall Street Journal, New York Times, CNN, CNBC, MarketWatch, Bloomberg, BBC, local news outlets, etc.
- The Economist (note this is behind a paywall but some schools or libraries may have a subscription): <https://www.economist.com/>
- Economists’ blogs
  - Marginal Revolution: <https://marginalrevolution.com/>
  - Conversable Economist: <https://conversableeconomist.com/>
  - Econ Life: <https://econlife.com/>
  - Undercover Economist: <https://timharford.com/articles/undercovereconomist/>
  - Monday Morning Economist: <https://jadrian.substack.com/>

## SPOTTING ETHICS AND ECONOMICS

<p>Situation</p> <p><b>Is someone - a person, agency, or group:</b></p>	<p>Economic Concept</p>	<p>More Questions to Think About</p>	<p>Ethics, Economics, and Social Issues Curriculum Concept Map  <a href="https://www.econedlink.org/resources/collection/ethics/">https://www.econedlink.org/resources/collection/ethics/</a></p>
<p>Deciding who should get something?                      Deciding how to divide or distribute something valuable?</p>	<p>Allocation</p>	<p>What is the current allocation strategy or method? What is being changed with the allocation strategy or method?</p>	<ul style="list-style-type: none"> <li>● Lesson 4: Can You Allocate Ethically?</li> <li>● Lesson 9: Should We Allow a Market for Transplant Organs?</li> </ul>
<p>Weighing the costs and benefits of a decision?                       Trying to decide who a decision benefits and who it harms?</p>	<p>Decision Making, Marginal Benefit, Marginal Cost</p>	<p>What are the marginal benefits and marginal costs of the policy/outcome? Do the benefits outweigh the costs?</p>	<ul style="list-style-type: none"> <li>● Lesson 2: Can You Conduct Research Ethically?</li> <li>● Lesson 3: How Does Information and Ethics Impact Decision Making?</li> <li>● Lesson 4: Can You Allocate Ethically?</li> <li>● Lesson 5: Is Efficiency Ethical?</li> <li>● Lesson 6: Do Businesses Have Social Responsibility?</li> <li>● Lesson 7: Does Self-Interest Prevent Economic Justice?</li> <li>● Lesson 9: Should We Allow a Market for Transplant Organs?</li> </ul>
<p>Being equitable?                       Dividing up available resources in an equitable way?</p>	<p>Efficiency vs. Equity</p>	<p>Is the current situation efficient? Is it equitable? Is it better to be more efficient or more equitable in this situation?</p>	<ul style="list-style-type: none"> <li>● Lesson 5: Is Efficiency Ethical?</li> </ul>

<p>Trying to persuade a person or group to change their behavior?</p> <p>Changing their behavior in response to a reward or penalty?</p>	Incentives	<p>What incentives exist currently in the situation? How could the incentives be altered to change the outcome?</p>	<ul style="list-style-type: none"> <li>● Lesson 3: How Does Information and Ethics Impact Decision Making?</li> <li>● Lesson 4: Can You Allocate Ethically?</li> <li>● Lesson 7: Does Self-Interest Prevent Economic Justice?</li> </ul>
<p>Missing the information they need to make a decision?</p>	Information	<p>How is the outcome affected by a lack of information? How does more information change the outcome?</p>	<ul style="list-style-type: none"> <li>● Lesson 2: Can You Conduct Research Ethically?</li> <li>● Lesson 3: How Does Information and Ethics Impact Decision Making?</li> </ul>
<p>Understanding what they are giving up when they make a choice?</p> <p>Aware of all the choices available?</p>	Opportunity Cost	<p>What is being given up because of the policy or event?</p>	<ul style="list-style-type: none"> <li>● Lesson 6: Do Businesses Have Social Responsibility?</li> <li>● Lesson 8: Should I Join the Sweatshop Boycott?</li> </ul>
<p>Having to make a decision because there isn't enough?</p> <p>Suffering because there isn't enough to go around?</p>	Scarcity	<p>How does the policy or action affect the level of scarcity? What are policies to handle scarce resources?</p>	<ul style="list-style-type: none"> <li>● Lesson 4: Can You Allocate Ethically?</li> <li>● Lesson 9: Should We Allow a Market for Transplant Organs?</li> </ul>

## Suggested Procedure

(Note that this is a guide to help you think through other ethical and economic issues and may need to be altered based on your topic)

1. Based on what you read, hear, and see in the news, review the questions in the first and third columns to identify the salient features of the current event. Look for similarities and differences in the current event and the ethical questions throughout the Ethics, Economics, and Social Issues curriculum (look for suggested lessons and ideas for your lesson in the last column of the table). You will want to start focusing and answering the questions from *Activity 1.1: The Guide to Making Ethical Choices* to help you plan and lead a lesson on this topic.
2. Once you have identified the current event identify the appropriate economic topic from the table above. Identify the [Voluntary National Content Standard in Economics](#) with the content targeted by your district's curriculum.
3. Define the key economic concept for your students. Choose the appropriate slides for your key concepts. Remind them of the definition and point out the example(s) from the current event. You can use the Federal Reserve Bank of St. Louis' [Glossary of Economics and Personal Finance Terms](#)<sup>2</sup> to search for terms not covered in the slides to help you carefully define the concept.
  - a. In general, all current events, government policies, or social issues will have **decision making** in them where you will decide among choices or alternatives. For this you will consider the **marginal costs** (the additional cost of producing an additional unit) and **marginal benefits** (the additional satisfaction a consumer receives by consuming an additional unit of a good or service).
  - b. Other common concepts will be the role of **institutions** (a self-sustaining system of shared beliefs about how parties interact), government, and **market failure**, where the costs of government policies sometimes exceed benefits.
4. Hand out Activity 1.1: The Guide to Making Ethical Choices to each student.

*Teacher note: there is a sample from Lesson 9: Should we allow a market for transplant organs? to help guide the discussion and completion of this activity.*
5. As a class group answer the first question in Activity 1.1: The Guide to Making Ethical Choices based upon the current event you are discussing. Explain the ethical and economic issue for consideration. What are 2-3 relevant facts about the situation?

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<sup>2</sup> Federal Reserve Bank of St. Louis' Glossary of Economics and Personal Finance Terms:  
<https://www.stlouisfed.org/education/glossary>

6. Define the three ethical frameworks for the students. Draw on the board (or use an online collaborative platform like [Jamboard](#)<sup>3</sup>) the figure from Activity 1.1: The Guide to Making Ethical Choices. Make it large and leave room so you can add comments from the upcoming discussion. As a group, talk through who is making the ethical choice (agent), the choice being considered (action), and the outcome of that choice (outcome). Pause between each question writing the student answers on the board under (or around) that figure you just drew. Provide time for students to really think through these and provide several examples or answers.
  - a. **Outcomes-based ethics:** a moral philosophy that discerns right or wrong action based on the consequences produced by the action.
  - b. **Virtue-based ethics:** a moral philosophy that discerns right or wrong based on whether one's actions contribute to the formation of good character.
  - c. **Duty-based ethics:** a moral philosophy that discerns right or wrong based on the analysis of one's obligations.
7. In groups of 2-3 have students work through the rest of Activity 1.1: The Guide to Making Ethical Choices.

## Closure

8. Close the lesson by summarizing the main points of the current event. Ask the students about the economic concepts that are brought up by the current event.
9. Ask the students, Based on the discussion and your work today, how do the three ethical frameworks can help you make a more ethical economic decision? What policy recommendation do you have?

## Assessment

10. Based on the economic topic, use the Ethics, Economics, and Social Issues Curriculum Concept Chart "Spotting Ethics and Economics" to find the lesson with an assessment that would fit your discussion and topic. You can edit or use parts of that assessment based on your concepts and class activity.

## References

Wight, J. B. (2015). *Ethics in economics an introduction to moral frameworks*. Stanford Economics and Finance, an imprint of Stanford University Press.

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<sup>3</sup> Google Jamboard: <https://jamboard.google.com/>



## Activity 1.1: The Guide to Making Ethical Choices

Economics is the study of how people choose. Ethics is the analysis of right and wrong. Ethical frameworks are needed to help explain human behavior and evaluate policies, even if the frameworks seem to conflict with one another. We will focus on three common ethical frameworks.

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Explain the ethical and economic issue for consideration. What are 2-3 relevant facts about the situation?



In all decisions, an *economic agent* takes an *action* (or makes a choice) that is expected to produce certain *outcomes*.

1. Who is making the choice (economic agent(s))?
2. What choice is being considered (action)?
3. What outcomes are likely to happen (outcome)?

Answer the questions in the table for each type of framework to help make an ethical decision. Then rank the order from most important (1) to least important (3) to help you make the ethical decision.

Answer the question for each ethical framework based on the ethical and economic choice being considered.		Your Ranking
Outcome-based ethics  <i>“Whose and which outcomes matter most?”</i>		
Virtue-based ethics  <i>“Does this contribute to the formation of good character and virtues?”</i>		
Duty-based ethics  <i>“What are the written or unwritten rules in consideration?”</i>		

Based on your ranking and discussion in the table explain how the three ethical frameworks can help you make a more ethical economic decision. Include in your answer a policy or decision recommendation.

## Resources

Wight, J. B. (2015). *Ethics in Economics: An Introduction to Moral Frameworks*. Stanford Economics and Finance, an imprint of Stanford University Press.

## (Sample Teaching Guide) Activity 9.3: The Ethics of the Kidney Market

### ANSWERS

*Teacher note: Use the sample as a way to think about answering the questions in Activity 1.1: The Guide to Making Ethical Choices. This Sample is from [Lesson 9: Should We Allow a Market for Transplant Organs?](#)*

Economics is the study of how people choose. Ethics is the analysis of right and wrong. Ethical frameworks are needed to help explain human behavior and evaluate policies, even if the frameworks seem to conflict with one another. We will focus on three common ethical frameworks.

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1. In the space below, explain the ethical and economic issue of a donation only policy for kidneys. What are 2-3 relevant facts about the situation?

*Answers will vary but may include: there's not enough kidneys for people who need it or some people might die waiting for a kidney. Note to the students that this is a major ethical and economic issue of a donation only policy.*

2. In the space below, explain the ethical and economic issue of an open market policy for kidneys. What are 2-3 relevant facts about the situation?

*Answers will vary but may include: People who cannot buy a kidney might still die so it's not equal for people with lower income or those who cannot pay, there might be people who harm others for their kidney to make money, there might be a black market for buying and selling organs, etc. Note to the students that this is a major ethical and economic issue of an open market policy.*

3. Who is making the choice for how to decide who gets a kidney (economic agent(s))?

*Answers will vary but may include: Government, doctors, The Health Resources and Services Administration (HRSA), Centers for Medicare and Medicaid Services (CMS), or Centers for Disease Control and Prevention (CDC).*

4. What outcomes do they hope to achieve with a kidney policy like donation only or open market (outcome)?

*Answers will vary but may include: saving as many lives as possible, having more kidneys available for people who need it, etc.*