History through econ goggles

Use the basic economic concepts of trade, opportunity cost, specialization, voluntary exchange, productivity, and price incentives to illustrate historical events.

Name: _____ **Date:** _____

IN PLAIN WORDS

History makes more sense with econ goggles on: settlers weighed opportunity costs, farmers chased high prices, the North and South specialized differently, and inventions like the cotton gin made workers hugely more productive.

WHICH ECONOMIC IDEA DOES EACH MOMENT IN HISTORY SHOW? CIRCLE YOUR ANSWER

A family heading west in a covered wagon can only bring so much. They leave some belongings behind to make room for tools and food. **SS4E1a**

Opportunity cost | Price incentive | Specialization | Voluntary exchange | Trade | Productivity

When cotton prices rise, more Southern farmers decide to plant cotton instead of other crops. **SS4E1b**

Opportunity cost | Price incentive | Specialization | Voluntary exchange | Trade | Productivity

The North builds factories and makes manufactured goods, while the South focuses on growing cash crops like cotton and tobacco. **SS4E1c**

Opportunity cost | Price incentive | Specialization | Voluntary exchange | Trade | Productivity

During the Gold Rush, miners happily pay high prices for tools and supplies, and shopkeepers are happy to sell them, both sides come out ahead. **SS4E1d**

Opportunity cost | Price incentive | Specialization | Voluntary exchange | Trade | Productivity

Ships carry American cotton across the ocean to Europe, and bring back manufactured goods in return. **SS4E1e**

Opportunity cost | Price incentive | Specialization | Voluntary exchange | Trade | Productivity

The invention of the cotton gin lets workers clean cotton far faster than doing it by hand. **SS4E1f**

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