

Matching

Match the definition in Column A with the term in Column B.

- | | |
|---|-------------------------|
| _____ A goal that doesn't include the results. | a. Great Society |
| _____ Placement in a college or job based on minority status. | b. Entitlement Programs |
| _____ Expensive and extensive general governmental aid. | c. Intention |
| _____ Researches ideas around classical liberalism. | d. Outcome |
| _____ LBJ's expensive and extensive social programs. | e. Affirmative Action |
| _____ The results of a goal that are measurable. | f. Hoover Institution |

Multiple Choice

1. **While studying under Friedman, what did Sowell learn?**
 - a. To support Marxist views.
 - b. To examine the facts and evidence.
 - c. To work at a federal agency.
 - d. To support minimum wage increases.
2. **Artificially increasing the minimum wage has ...**
 - a. Discouraged businesses from hiring and promoting.
 - b. Improved earnings for low-income workers.
 - c. Expanded opportunities for entry-level workers.
 - d. Encouraged businesses to hire more workers.
3. **Affirmative action has ...**
 - a. Improved outcomes for minorities.
 - b. Eliminated academic mismatch.
 - c. Created unintended disincentives.
 - d. Increased marketable skills.
4. **What did Sowell observe during his federal internship that helped change his views?**
 - a. Workers seeking higher wages.
 - b. Economists debating federal policy.
 - c. Officials protecting their own interests.
 - d. Businesses avoiding federal regulations.

Application

In 1989, Austin, Texas, began a fare-free public transit experiment. The goal was to increase bus ridership and reduce automotive traffic. According to the report, several things happened. Average weekday ridership increased by about 88%. Security incidents increased 143%, including verbal abuse of bus drivers, disruptive behavior, public intoxication, and weapons. \$3.5 million was lost in fare revenue, and the program cost the city an additional \$2 million in labor, promotional costs, and security expenses. Given this information, fill out the table on the following page: (Source: 1991 Texas Sunset Commission—Capital Metro Staff Report)



Intended Goal	Actual Outcome	Unintended Consequences

Given the outcomes of this public policy, what trade-offs came with Austin's fare-free transit program? Use evidence from the example to support your answer.

Historical Context

1. What were some of the government programs implemented under President Lyndon B. Johnson? Name at least three.
2. Thomas Sowell was an avowed Marxist and proponent of government intervention. What changed his mind?

Exit Ticket

What is the central idea of Thomas Sowell's philosophy on economics?

Economic Game Changers: Thomas Sowell | Answer Key

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Application

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(Source: 1991 Texas Sunset Commission—Capital Metro Staff Report)

Intended Goal	Actual Outcome	Unintended Consequences
To increase bus transportation and reduce automotive traffic.	The average weekday ridership increased by about 88%.	- Security incidents increased by 143% \$3.5 million was lost in fare revenue \$2 million was spent on labor, promotion, and security

Given the outcomes of this public policy, what trade-offs came with Austin's fare-free transit program? Use evidence from the example to support your answer.

Example Student Response:

There were several significant trade-offs that came with this program. While bus ridership did indeed increase, the information provided does not show that automobile traffic was reduced. At the same time, security incidents increased, millions of dollars were lost in fare revenue, and the city faced additional costs associated with the program. Although the program may have had good intentions, the outcomes tell a different story. Based on these results, the fare-free transit experiment was a failure.

Guidance for Grading

- ☐ The student accurately distinguishes between the program's intended goals, actual outcomes, and unintended consequences.
- ☐ The student identifies the trade-offs of the fare-free transit program and supports their explanation with evidence from the example.
- ☐ The student reaches a clear, well-reasoned conclusion about the program based on its outcomes rather than its intentions.

Historical Context

1. What were some of the government programs implemented under President Lyndon B. Johnson? Name at least three.

Example answer:

Johnson's Great Society programs included Medicare and Medicaid, food stamps, federal education programs, housing programs, and job-training and anti-poverty programs.

2. Thomas Sowell was an avowed Marxist and proponent of government intervention. What changed his mind?

Example answer:

While working for the U.S. Department of Labor, Sowell saw how government officials responded to evidence that minimum-wage laws could eliminate jobs. He concluded that policymakers were often more concerned with preserving programs than with whether those programs actually helped the people they were intended to help.

Exit Ticket

What is the central idea of Thomas Sowell's philosophy on economics?

Example answer:

Sowell argued that economic policies should be judged by their actual results, not their intentions. Every choice involves trade-offs, so we must consider incentives, costs, and unintended consequences when deciding whether a policy works.