

4.9 Ideology and Economic Policy

Describe different political ideologies on the role of government in regulating the marketplace.

1. President Calvin Coolidge said,

“After all, the chief business of the American people is business. They are profoundly concerned with producing, buying, selling, investing and prospering in the world. I am strongly of the public opinion that the great majority of people will always find these the moving impulses of our life.”

From this quote and what you already know, what is the relationship between our government and the economy?

- a. Government has a role in promoting economic stability
- b. Governments and economies don't mix
- c. Governments should plan economic outputs
- d. Governments should pick entrepreneurial winners and losers

2. Which of the following groups actively support government regulation of the market?

- a. Conservatives
- b. Liberals
- c. Libertarians
- d. This issue transcends partisanship. Most Americans favor these public policies.

3. Which of the following groups actively support government deregulation of the market?

- a. Conservatives
- b. Liberals
- c. Libertarians
- d. This issue transcends partisanship. Most Americans favor these public policies.

4. Which of the following groups actively support little or no government regulation of the market?

- a. Conservatives
- b. Liberals
- c. Libertarians
- d. This issue transcends partisanship. Most Americans favor these public policies.

5. Which of the following groups would most likely favor the government protecting economic underdogs?

- a. Conservatives
- b. Liberals
- c. Libertarians
- d. This issue transcends partisanship. Most Americans favor these public policies.

6. Libertarians would favor all of the following economic issues EXCEPT

- a. Laissez-faire attitudes
- b. Trust in markets
- c. Raising the military budget
- d. Little to no government regulation

7. Republicans would favor all of the following economic issues EXCEPT

- a. Lowering marginal tax rates
- b. Government as an economic referee
- c. Reducing government spending
- d. Legalizing marijuana

8. Democrats typically promote Keynesian economic theories. Keynesian economic theories are characterized by

- a. Balanced budgets
- b. Low taxes
- c. Deregulation of the means of production
- d. Government debt

9. All of the following values are associated with Republican economic policy EXCEPT

- a. Laissez-faire attitudes
- b. Self-reliance
- c. Public ownership
- d. Rugged individualism

10. Democrats would favor all of the following economic issues EXCEPT

- a. Deregulation of utilities
- b. Raising the minimum wage
- c. Increasing the inheritance tax
- d. Economic experimentation

11. Pocket-book issues move and mobilize voters perhaps greater than any other issue. What does this mean?

- a. We vote by impulse
- b. We vote based upon our income
- c. We vote based upon our zip code
- d. People vote using notes

12. Political scientists claim all of the following issues attract our disproportionate attention EXCEPT

- a. Stock market prices
- b. Home prices
- c. Grocery prices
- d. Federal court vacancies

13. Democrats would most likely favor this economic policy

- a. Policies protecting against harmful industrial emissions
- b. Policies reducing corporate income taxes
- c. Policies giving benefits to banks
- d. Policies that limit access to voting

14. Monetary policy in the United States is the primary responsibility of

- a. The Federal Reserve
- b. Congress
- c. The Supreme Court
- d. The Department of Commerce

15. Who would most favor the following headline – “*The State of Illinois raises minimum wage*”?

- a. Democrats
- b. Republicans
- c. Libertarians
- d. Both Democrats and Republicans

16. Republicans would most likely favor this economic policy

- a. Policies protecting against harmful industrial emissions
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17. All of the following characterize conservative economic values EXCEPT

- a. Self-reliance
- b. Rugged individualism
- c. Entrepreneurship
- d. Dependence on social services

18. Who would most favor the following headline – “*The State of Illinois balances its budget*”?

- a. Democrats
- b. Republicans
- c. Libertarians
- d. Both Democrats and Republicans

19. Which of the following economic policies would receive bipartisan support?

- a. Inheritance taxes
- b. Minimum wage
- c. Market stability and certainty
- d. Budget deficits

20. Keynesian economic theories

- a. Advocated for government austerity cuts
- b. Advocated for government debt
- c. Advocated for the government to balance its budget
- d. Advocated for government ambivalence