

Tashkent State University of Economics

Prof. Obid Baratov

Treasure system of Uzbekistan

**Lecture#5: The function of government and
government expenditure**

Tashkent

Teacher instructions:

1. Print the lesson,
2. Display slide 2 with Procedure step 1 in the lesson. Reveal types of government spending and definitions of economic equity and transfer programs by touching the board.
3. Display slide 3 with Procedure step 3.
4. Display slides 4 through 17 to discuss the card activity in Procedure step 5. Touch "Answer" to reveal.
5. Display slide 18 with Procedure step 6.
6. Use slides 19 through 21 to accompany the activity outlined in Procedure steps 7 through 11. Students can transfer beans between jars. Have students pull beans from the highest level in each jar to see the level descend.

If you would rather not take the time to drag the beans from the quintiles to the government jar, proceed to slide 20 to see the quintiles' contribution to government.

After placing the taxes in the government jar, proceed to slide 21 to have students separate the tax revenue into Government Goods and Services and Transfer Payments or explain how the beans would be divided..

8. Display slides 22 and 23 with Procedure step 13. Reveal questions and answers by touching the board.
9. Display slides 24 and 25 with Procedure step 14.

Government Spending

- Purchases of goods and services
- Transfer payments -- money collected from some people and distributed to other people

Economic equity or economic equality means a more equal distribution of goods and services to citizens.

Transfer programs help low-income families get the food, shelter, and health care they aren't able to obtain for themselves.

The Supplemental Nutrition Assistance Program (SNAP), also known as food stamps.

Low-income housing

Social Security

Temporary Assistance for Needy Families (TANF)

Head Start

Medicaid

The Smith family recently moved from Michigan to Ohio in search of a job for Mr. Smith. Money is tight. The move was expensive. The Smith's had to find an apartment, pay the first and last month's rent, and pay the security deposit. They have very little money left over for food, and it seems that this could be a problem that will last for a while.

Which program would be most suitable for the Smiths?

Supplemental Nutrition Assistance Program
(SNAP)(also known as food stamps)
Low-income housing
Social Security
Temporary Assistance for Needy Families
(TANF)
Head Start
Medicaid

Answer

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Low-income housing

Social Security

Temporary Assistance for Needy Families
(TANF)

Head Start

Medicaid

Food Stamps

Mrs. Jackson is a widow with four children. She works, but her wages are so low she earns only about one-third of what most people in her city earn. She lives in a run-down, two-bedroom apartment but was recently told she'd have to move. Her landlord has not been making payments on the property, and it is being foreclosed. As shabby as the apartment is, it is cheap, and Mrs. Jackson can't find any place else that she can afford. She is afraid she will have to move her family to a homeless shelter.

Which program would be most suitable for the Jacksons?

Supplemental Nutrition Assistance Program
(SNAP)(also known as food stamps)
Low-income housing
Social Security
Temporary Assistance for Needy Families
(TANF)
Head Start
Medicaid

Answer

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Supplemental Nutrition Assistance Program
(SNAP)(also known as food stamps)

Low-income housing

Social Security

Temporary Assistance for Needy Families
(TANF)

Head Start

Medicaid

Low-income Housing

Mr. Rocko is retiring soon, so his regular paycheck from the company where he works will stop coming soon. He will, however, begin to receive some income from the government.

Which program would be most suitable for Mr. Rocko?

Supplemental Nutrition Assistance Program
(SNAP)(also known as food stamps)
Low-income housing
Social Security
Temporary Assistance for Needy Families
(TANF)
Head Start
Medicaid

Answer

Mr. Rocko is retiring soon, so his regular paycheck from the company where he works will stop coming soon. He will, however, begin to receive some income from the government.

Which program would be most suitable for Mr. Rocko?

Supplemental Nutrition Assistance Program
(SNAP)(also known as food stamps)

Low-income housing

Social Security

Temporary Assistance for Needy Families
(TANF)

Head Start

Medicaid

Social Security

Carmen and Jasmine are twin sisters getting ready to go to college. Next year, they will be living in a dorm with many other girls. They are about as happy and excited as they could possibly be. However, 10 years ago they weren't certain they would ever be happy again. That's when their dad died in a car accident. Their mom couldn't afford the house payment, so on top of the sadness they were terribly worried they would have to move. Fortunately, there was a government benefit that each of them was eligible to receive. They were able to stay in their home.

Which program would be most suitable for the girls?

- Supplemental Nutrition Assistance Program (SNAP)(also known as food stamps)
- Low-income housing
- Social Security
- Temporary Assistance for Needy Families (TANF)
- Head Start
- Medicaid

Answer

Carmen and Jasmine are twin sisters getting ready to go to college. Next year, they will be living in a dorm with many other girls. They are about as happy and excited as they could possibly be. However, 10 years ago they weren't certain they would ever be happy again. That's when their dad died in a car accident. Their mom couldn't afford the house payment, so on top of the sadness they were terribly worried they would have to move. Fortunately, there was a government benefit that each of them was eligible to receive. They were able to stay in their home.

Which program would be most suitable for the girls?

Supplemental Nutrition Assistance Program
(SNAP)(also known as food stamps)

Low-income housing

Social Security

Temporary Assistance for Needy Families
(TANF)

Head Start

Medicaid

Social Security

Sam and Elyze have three children, 1-year-old twins and a 3-year-old. Neither Sam nor Elyze has been able to get more than a minimum-wage job and, at the moment, neither one is working. They have contacted their state's aid office and have been told that they are eligible for cash payments to get them through this rough time. However, as a requirement of the program, they will both have to commit to a job-training program. That's all right with them!

Which program would be most suitable for Sam & Elyze?

Supplemental Nutrition Assistance Program
(SNAP)(also known as food stamps)
Low-income housing
Social Security
Temporary Assistance for Needy Families
(TANF)
Head Start
Medicaid

Answer

Sam and Elyze have three children, 1-year-old twins and a 3-year-old. Neither Sam nor Elyze has been able to get more than a minimum-wage job and, at the moment, neither one is working. They have contacted their state's aid office and have been told that they are eligible for cash payments to get them through this rough time. However, as a requirement of the program, they will both have to commit to a job-training program. That's all right with them!

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Supplemental Nutrition Assistance Program
(SNAP)(also known as food stamps)

Low-income housing

Social Security

Temporary Assistance for Needy Families
(TANF)

Head Start

Medicaid

TANF

John and Mary are young parents. John is 22 and Mary is 21, and they have three children ages 1, 2, and 3. The 3-year-old child does not speak yet. John and Mary are afraid that their own lack of education may be a disadvantage to their children and that each of their children could benefit from starting an early-education program.

Which program would be most suitable for John & Mary?

Supplemental Nutrition Assistance Program
(SNAP)(also known as food stamps)
Low-income housing
Social Security
Temporary Assistance for Needy Families
(TANF)
Head Start
Medicaid

Answer

John and Mary are young parents. John is 22 and Mary is 21, and they have three children ages 1, 2, and 3. The 3-year-old child does not speak yet. John and Mary are afraid that their own lack of education may be a disadvantage to their children and that each of their children could benefit from starting an early-education program.

Which program would be most suitable for John & Mary?

Supplemental Nutrition Assistance Program
(SNAP)(also known as food stamps)

Low-income housing

Social Security

Temporary Assistance for Needy Families
(TANF)

Head Start

Medicaid

Head Start

Leah has three children, and she can't find work. She already receives Temporary Assistance for Needy Families and she receives food stamps. However, her youngest daughter needs to get her vaccinations, and those programs do not help with the doctor bills.

Which program would be most suitable for Leah?

Supplemental Nutrition Assistance Program
(SNAP)(also known as food stamps)
Low-income housing
Social Security
Temporary Assistance for Needy Families
(TANF)
Head Start
Medicaid

Answer

Leah has three children, and she can't find work. She already receives Temporary Assistance for Needy Families and she receives food stamps. However, her youngest daughter needs to get her vaccinations, and those programs do not help with the doctor bills.

Which program would be most suitable for Leah?

Supplemental Nutrition Assistance Program
(SNAP)(also known as food stamps)

Low-income housing

Social Security

Temporary Assistance for Needy Families
(TANF)

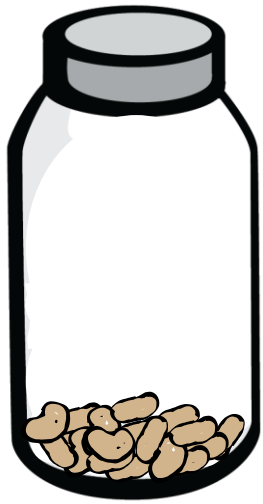
Head Start

Medicaid

Medicaid

Where does the money come from to pay for transfer programs?

➔ **Taxes** are required payments to the government.



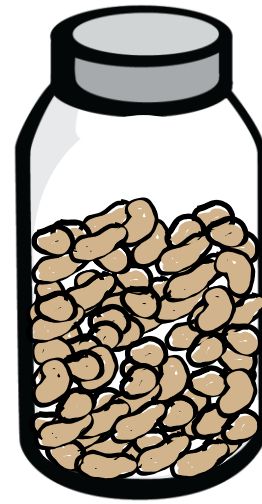
Group
1



Group
2



Group
3

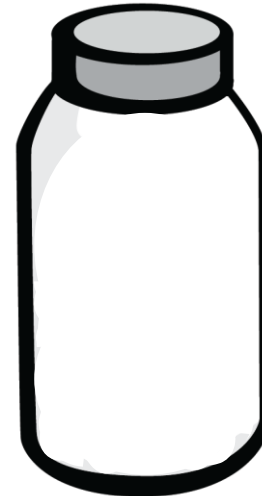


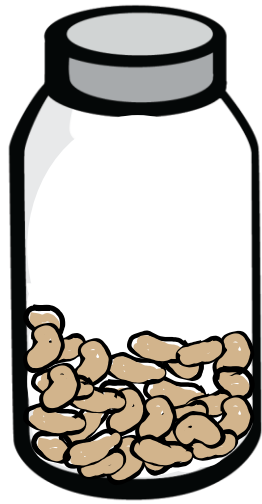
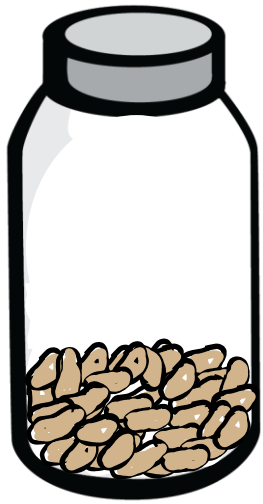
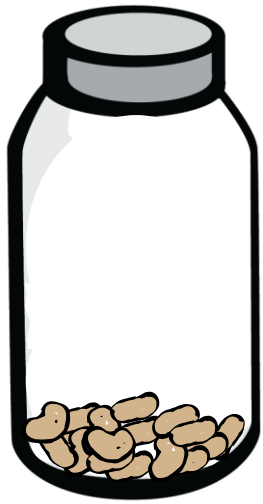
Group
4



Group
5

Government





Group
1

Group
2

Group
3

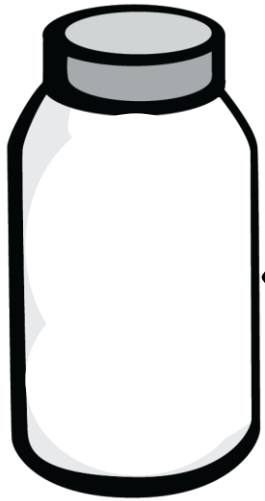
Group
4

Group
5

Government



Government



Government
Goods and Services



Transfer
Payments



What does economic equity mean?

➔ Economic equity means a more equal distribution of goods and services among citizens.

What are taxes?

➔ Taxes are required payments to the government.

What are some examples of government-provided goods and services?

➔ national defense, highways, national parks

What are transfer payments?

➔ Transfer payments are money collected from some people and distributed to other people.

What is the purpose of transfer payments?

➔ The purpose of transfer payments is to improve economic equity.

What are some examples of transfer programs?

➔ Supplemental Nutrition Assistance Program (SNAP, a.k.a. food stamps); low-income housing assistance; Social Security; TANF; Head Start; and Medicaid

What does the Supplemental Nutrition Assistance Program provide?

➔ The program provides food and health-care products.

How does low-income housing assistance help families?

➔ Low-income housing assistance provides a place to live for families who cannot afford to pay rent.

How does Head Start help families?

➔ Head Start prepares children from low-income families for success in school.

Economic Equity

- What does economic equity mean?
- Is economic equity an important goal for our government? If so, why? If not, why not?
- How is economic equity achieved?

Transfer Programs

- What are transfer programs?
- Who are transfer programs for?
- How do transfer programs address economic equity?

Taxes and Transfers Payments

- What are taxes?
- From whom are taxes collected?
- How is money received from tax payments spent?

Your Conclusion

- Is economic equity an important goal for our society?
Should it be provided by government?
- Should transfer programs be provided by the government?