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# Bankrupting America

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Video Length: 5:05

## **Lesson Description:**

Are we on the path to bankrupting America? This video explores the largest stimulus bill in U.S. history, highlighting controversial spending, bipartisan support, and the critical problem of national debt. Students will consider whether printing more money, defaulting, or raising taxes could solve the debt crisis—or if these options only make things worse.

## **Objectives:**

Students will be able to:

- list the key components and controversial items included in the largest stimulus bill in U.S. history.
- summarize the potential economic consequences of the national debt as discussed in the video.
- compare the different strategies for managing national debt, such as printing money, defaulting, or raising taxes.

## **Concepts & Key Terms:**

**Budget Deficit:** when annual spending is greater than annual income.

**Default:** failure to fulfill a financial obligation, such as not repaying a loan.

**Inflation:** the rate at which the general level of prices for goods and services rises, eroding purchasing power – one dollar buys less than it used to.

**Modern Monetary Policy:** the idea that national debt is not a problem because the government can simply print more money to cover its deficit spending.

**National Debt:** the total amount of money that a country's government has borrowed and still owes.

**Stimulus Bill:** legislation aimed at boosting economic activity by providing financial assistance to individuals, businesses, and sectors.

## **Preview Activity:**

Use Think, Pair, Share to have students answer and discuss these preview questions: What happens when a government spends more money than it has? How does national debt affect a country's economy and its citizens? What are some potential consequences of printing more money to cover government expenses?

**OR**

Distribute copies of the K-W-L worksheet to the class. Have students fill in the K and W sections. After showing the video, have students complete the L section and answer the questions at the bottom of the worksheet.

## **Viewing Guide:**

We recommend that teachers show the video twice: first to allow students to view the video and focus on the issues presented, and second to allow them time to complete the viewing guide. After they complete the viewing guide, allow students a few minutes to work in pairs to share and verify answers.

## **Answers to Viewing Guide**

1. pay
2.  $\frac{1}{8}$  (one eighth)
3. more
4. none
5. compassionate

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## Viewing Guide

Name \_\_\_\_\_

Date \_\_\_\_\_

Class \_\_\_\_\_ Period \_\_\_\_\_

Teacher \_\_\_\_\_

**Directions:** As you watch the video, fill in the blanks with the correct words.

1. Few politicians asked how do you \_\_\_\_\_ for it.
2. Even if we took all billionaires' wealth, it would only cover about \_\_\_\_\_ of our debt.
3. More money chasing the same goods meant you needed \_\_\_\_\_ dollars to buy the same stuff.
4. Once you're deep in debt, \_\_\_\_\_ of the options is good.
5. It's not \_\_\_\_\_ to bankrupt America, but that's the path we're on.

**Take a few moments to reflect on the video and answer these questions.**

What are the three strategies available for the U.S. to deal with its debt? \_\_\_\_\_

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What is the problem with simply printing more money? \_\_\_\_\_

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As a young person, are you concerned about the U.S. debt? Why or why not? \_\_\_\_\_

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## **Discussion and Analysis**

1. What are some key components of the large stimulus bill mentioned in the video?
2. What controversial items were funded by the stimulus bill?
3. How does the video describe the national debt problem?
4. Why do politicians agree to fund some things they don't want themselves?
5. Why is printing more money not a good solution according to the video?
6. What are the three options mentioned for paying off the national debt?
7. How does the video compare the U.S. debt situation to Greece's economic crisis?
8. What historical examples are given to illustrate the problems with printing more money?
9. How do different political parties view the issue of national debt?
10. What might happen if the U.S. defaults on its debt?
11. How can raising taxes impact the economy and the debt problem?
12. How do the spending decisions in the stimulus bill reflect different priorities in government?
13. Compare the viewpoints on managing the national debt presented in the video.
14. How could the U.S. avoid the economic problems faced by countries like Zimbabwe and Argentina?
15. Based on the video, what might be a more effective way to handle the national debt?
16. If you were in charge, what alternative plan would you create to manage the national debt and why?

## **Discuss These Lines from the Video:**

Our national debt is already almost 24 trillion. Now it'll jump percentage-wise to where Greece's debt was just before unemployment there hit 27 percent.

There are really only three options: default, print money, or raise taxes.

The U.S. government can never run out of dollars. The federal government prints dollars.

Even if we took all the billionaires' wealth, it would only cover about an eighth of our debt!

The faster prices rose, the more money the government printed. And the faster prices rose.

They didn't deal with it. They just talked about it.

It got so bad that a \$100 trillion bill was worth only about forty cents.

You didn't get \$23 trillion in debt because one party is good on the issue and the other isn't.

### **Quotes for Discussion:**

I sincerely believe...that the principle of spending money to be paid by posterity, under name of funding, is but swindling futurity on a large scale.

– Thomas Jefferson

A national debt, if it is not excessive, will be to us a national blessing.

– Alexander Hamilton

I place economy among the first and most important of virtues, and public debt as the greatest of dangers to be feared... To preserve our independence, we must not let our leaders load us with perpetual debt....

– Thomas Jefferson

Our national debt after all is an internal debt owed not only by the Nation but to the Nation. If our children have to pay interest on it they will pay that interest to themselves. A reasonable internal debt will not impoverish our children or put the Nation into bankruptcy.

– Franklin D. Roosevelt

We don't have a trillion-dollar debt because we haven't taxed enough; we have a trillion-dollar debt because we spend too much.

– Ronald Reagan

Once upon a time, the United States was the wealthiest and most generous nation in the world -- rebuilding countries after wars, supplying aid in natural disasters, and supporting allies and emerging democracies. We did all this and also built roads and airports at home. We are still the wealthiest and most generous nation in the world. But in the past few decades we have come to realize that we can't pay for everything -- even by going into debt. And it has taken us \$20 trillion-plus in debt to come to that conclusion.

– Terry Savage

Debt itself has become institutionalized. Today, many people simply accept as a fact of life that the national debt is unimaginably high. The problem, though, is that we cannot continue the exponential expansion of debt without a catastrophic economic outcome.

– Addison Wiggin

Our national debt is our biggest national security threat. – Admiral Mike Mullen

### **Activities:**

1. Have students complete the K-W-L chart in class or for homework. (Recall that the K and W sections are to be completed before watching the video and the L section after watching the video.)
  2. Have students complete the political cartoon activity in class or for homework.
  3. Have students complete the PMI chart in class or for homework.
  4. Have students complete and submit the Exit Ticket as they leave class.
1. Individually, students will list the key components of the stimulus bill mentioned in the video and briefly explain why each one is considered controversial.
  2. In pairs, students will summarize the potential economic consequences of the national debt as discussed in the video, sharing their summaries with the class.
  3. Individually, students will write a short essay proposing an alternative plan to address the national debt, using historical examples and evidence from the video.
  4. Groups will research the economic crises in Zimbabwe, Greece, and Argentina, comparing them to the current U.S. debt situation, and present their findings in a poster session.
  5. In groups, students will create a cause-and-effect chart detailing the potential outcomes of the U.S. following the path of countries like Zimbabwe or Greece.
  6. Groups will participate in a budget simulation activity where they must balance a national budget, making decisions on spending cuts and tax increases.
  7. In pairs, students will find and present current news articles related to national debt and stimulus spending, discussing how these real-world examples connect to the video's content.
  8. In groups, students design their own social media platform, including policies for content moderation and fact-checking. They present their platform to the class and explain their choices.
  9. Students will design and conduct a survey to gather public opinion on national debt and stimulus spending, then analyze and present the results.
  10. In pairs, students will create a concept to illustrate how big one trillion is, and then illustrate it as a poster or a digital art image, bearing in mind that the current debt (as of Aug. 1, 2024) is now over \$35 trillion. They can research the concept on the internet to find valid options to use for their illustrations.
  11. Individually, students will visit the U.S. Debt Clock website (<https://usdebtclock.org/>) to observe real-time data on national debt and other economic indicators. They will note the current national debt, debt per citizen, and debt per taxpayer. Afterward, students will write a short reflection discussing their observations and comparing these figures to the information presented in the video. Finally, they will share their reflections in small groups, discussing how these real-time statistics affect their understanding of the national debt issue and potential solutions.

12. Have students work in groups to create “man on the street” videos where they interview people and ask if they are concerned about the national debt.
13. To further illustrate and clarify the concept of inflation, have students watch and react to the video *Too Much Money* (16:27) - [https://youtu.be/wmrD\\_d9BdjU](https://youtu.be/wmrD_d9BdjU)

Name \_\_\_\_\_

Date \_\_\_\_\_

Class \_\_\_\_\_ Period \_\_\_\_\_

Teacher \_\_\_\_\_

## Bankrupting America K-W-L Chart

**Directions:** Complete the **K** and **W** sections prior to watching the video. After you have seen the video, complete the **L** section and answer the questions below the K-W-L chart.

| <b>K</b>                               | <b>W</b>                                       | <b>L</b>                                     |
|--|--|--|
| What I know about the national debt... | What I want to know about the national debt... | What I've learned about the national debt... |

What are some potential consequences of printing more money to cover government expenses? \_\_\_\_\_

\_\_\_\_\_

What happened to the value of money in Zimbabwe because of excessive government printing of money? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



Name \_\_\_\_\_

Date \_\_\_\_\_

Class \_\_\_\_\_ Period \_\_\_\_\_

Teacher \_\_\_\_\_

## Bankrupting America PMI Chart

- P = Plus:** What might be some positive effects of printing as much money as the government wants to spend?
- M = Minus:** What might be some negative effects of printing as much money as the government wants to spend?
- I = Interesting:** What is interesting about printing as much money as the government wants to spend?

| + Pluses + | - Minuses - | I |
|------------|-------------|---|
|            |             |   |

Are you concerned about the ever-increasing U.S. national debt? Why or why not? \_\_\_\_\_

\_\_\_\_\_

What do you think is the best approach to handle the U.S. finances? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Name \_\_\_\_\_

Date \_\_\_\_\_

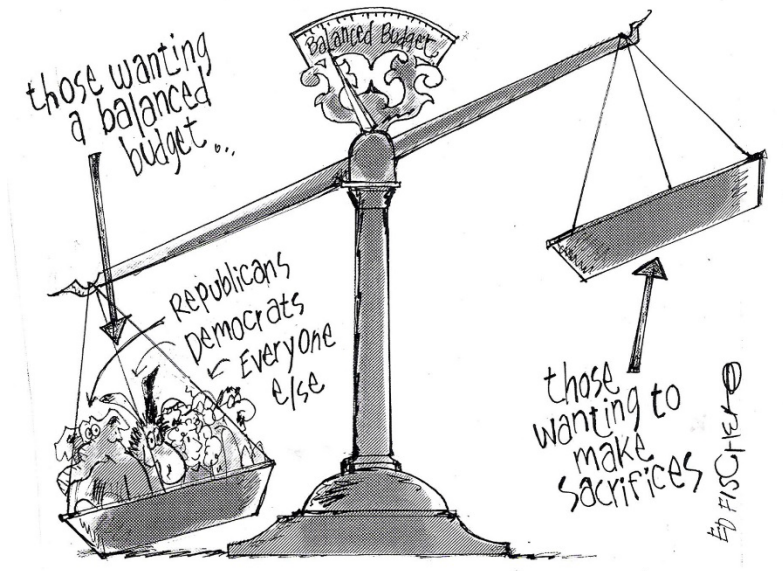
Class \_\_\_\_\_ Period \_\_\_\_\_

Teacher \_\_\_\_\_

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## Political Cartoon Activity

**Directions:** Use the political cartoon to answer the questions.



CartoonStock.com

How does the cartoon illustrate the challenge of achieving a balanced budget? \_\_\_\_\_

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How does the cartoon's depiction of political groups relate to the bipartisan support for the stimulus bill in the video? \_\_\_\_\_

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What does the cartoon suggest about the willingness to make sacrifices, and how does this relate to the video's debt solutions? \_\_\_\_\_

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Why might there be a lack of political will to make sacrifices for a balanced budget, based on the video and the cartoon? \_\_\_\_\_

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**Name**

**Admit One**

Is printing money a good solution to government deficit spending?  
Why or why not?

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**Admit One**

**EXIT TICKET**

**Name**

**Admit One**

Is printing money a good solution to government deficit spending?  
Why or why not?

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**Admit One**

**EXIT TICKET**

**Name**

**Admit One**

Is printing money a good solution to government deficit spending?  
Why or why not?

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**Admit One**

**EXIT TICKET**