

Name: _____ Date: _____

Answer Key: Piggy Banks and Public Parks: 2nd Grade Economics Quest

How does your community pay for a new playground? Practice identifying how tax money and government spending build the world around you.

1. When the government decides to build a new public library for children, what are they doing?

Answer: B) Government spending

Spending is when the government uses money to buy services or build things like libraries for everyone to use.

2. True or False: Taxes are small amounts of money people pay to the government to help pay for things like roads and parks.

Answer: A) True

Taxes provide the money the government needs to take care of community needs like fixing roads.

3. The money the government collects from people to pay for community helpers is called _____.

Answer: C) Taxes

Taxes is the specific economic term for the money gathered by the government to fund public services.

4. Which of these is a job that is usually paid for by the government using tax money?

Answer: B) A firefighter

Firefighters are public servants paid by the government to keep the whole community safe.

5. If a town builds a new community swimming pool, this is an example of _____.

Answer: A) Government spending

When the government uses funds to build something for the public, it is called government spending.

6. True or False: The government only spends money on things for one person at a time.

Answer: B) False

Name: _____ **Date:** _____

Government spending is usually for things that many people in the community can use, like parks or bridges.

7. Where does the government get the money to fix a broken bridge in your town?

Answer: C) From taxes paid by people

Taxes are the primary way the government gathers money to pay for public infrastructure like bridges.

8. A _____ is a plan the government makes to decide how much money to spend.

Answer: B) Budget

A budget is a financial plan used by both families and governments to manage spending.

9. True or False: Police officers are an example of a service provided by the government.

Answer: A) True

Public safety is a service funded by the government through fiscal policy.

10. Which of these is NOT something social studies experts call 'public goods' provided by the government?

Answer: C) Your personal bed at home

Your personal bed is a private good that your family buys, not something the government provides for the whole town.