

Name: _____ Date: _____

Answer Key: Big Decisions, Small Hands: A Kindergarten Budget Challenge

Will you build a slide or fix the swings? Use 10 scenarios to weigh how leaders spend community money while balancing needs and wants.

1. The Town Mayor has a pile of money from everyone's taxes. There is only enough to fix the bumpy road OR buy new library books. If she chooses the road, what is she doing?

Answer: B) Making a fiscal choice to help drivers

Fiscal policy involves making choices about how to spend limited government money to solve specific problems, like safety.

2. True or False: If the government decides to build a giant statue of a cat instead of a hospital, they are using their budget wisely for the people's health.

Answer: B) False

Analysis shows that spending on wants (a statue) instead of needs (a hospital) does not fulfill a government's responsibility to public welfare.

3. To get money for a new community park, the town leaders ask every grown-up to pay a little bit of money. This collected money is called ____.

Answer: C) Taxes

Taxes are the primary way governments collect the revenue needed to pay for shared services like parks and roads.

4. The fire station needs a new truck, but the money is gone! How can the government get more money to help the firefighters?

Answer: A) Ask people to pay slightly more in taxes

Adjusting tax rates is a fiscal policy tool used to fund essential government services and emergency infrastructure.

5. If the government gives a 'Back to School' check to every family to buy pencils, what will likely happen at the stores?

Answer: C) People will spend more money, helping the economy

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This demonstrates expansionary fiscal policy, where government spending encourages consumer activity to boost the economy.

6. True or False: Every time a leader spends money on a bridge, they are choosing NOT to spend that same money on something else, like a school.

Answer: A) True

This introduces opportunity cost; kindergartners must evaluate that government resources are finite and require prioritization.

7. A village has a budget to help people. If they spend all their money on ice cream but forget to pay the police, the village will have a ___ problem.

Answer: B) Safety

Evaluating fiscal spending requires understanding the difference between public 'wants' and essential safety 'needs'.

8. Imagine nobody is buying snacks at the local bakery. What could the government do to help the bakery sell more bread?

Answer: C) Give the baker a grant (gift of money) to lower prices

Subsidies or grants are fiscal tools used to support businesses and influence market prices for the community's benefit.

9. True or False: The government should only collect taxes from children who sell lemonade.

Answer: B) False

Fiscal policy must be fair; taxing only one tiny group would not provide enough revenue to run a whole city.

10. When the government builds a giant wall to protect a city from floods, they are using their money to provide a public ____.

Answer: C) Service

Public services are the concrete results of fiscal policy, aimed at protecting or helping all citizens at once.