

Name: _____ Date: _____

When the Mayor's Piggy Bank Breaks: Grade 3 Fiscal Policy Fun

Young city planners will decide how to fund public parks and fix bumpy roads while balancing a community budget in this advanced assessment.

1. The Town of Sunnyvale wants to build a new library, but they don't have enough money yet. To get the money, the town council decides to charge everyone an extra dollar when they buy a toy. What is this plan called?

- A. A library gift card
- B. A sales tax
- C. A bank loan
- D. A trade agreement

2. When the government decides to spend money on building a new bridge instead of buying new computers for an office, they are making a ___ decision.

- A. Scientific
- B. Budget
- C. Private
- D. Secret

3. True or False: If the government lowers taxes, people usually have more money in their pockets to spend at local shops.

- A. True
- B. False

4. The Governor wants to help more people find jobs. She decides the state should spend money to hire workers to plant 10,000 new trees. This is an example of:

- A. Government spending to help the economy
- B. Paying for a private party
- C. Reducing the number of trees
- D. A law about recycling

5. To keep the community safe, the government uses tax money to pay for ____.

- A. Movie tickets
- B. Firefighters
- C. Video games
- D. Birthday cakes

6. True or False: Fiscal policy is the name for the rules the government uses for taxing and spending.

- A. True
- B. False

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7. If a city spends MORE money on a new park than it collected in taxes, what will happen to the city's budget?

- A. It will have a surplus
- B. It will have a deficit
- C. It will disappear
- D. It will turn into gold

8. The money that a government collects from its citizens to pay for things like roads and schools is called ____.

- A. Allowance
- B. Prizes
- C. Revenue
- D. Tickets

9. True or False: The government only spends money when there is an emergency like a flood.

- A. True
- B. False

10. Imagine you are the President. If the country is going through a 'slow' economic time and people aren't buying much, which fiscal policy might help?

- A. Raising all taxes very high
- B. Closing all the public parks
- C. Spending money on new projects to create jobs
- D. Stopping all government spending