Apply: Summative Assessment: Government Intervention Analysis

Top of Form

Bottom of Form

Exam Content

Top of Form

**Analyze** 1 of the following government intervention programs:

* + Countercyclical fiscal policies (countering economic disruptions such as the housing bubble and the Great Recession)
  + US agriculture support programs
  + Assistance for families with lower incomes **(choose 1)**
    - Housing vouchers
    - Earned Income Tax Credit (EITC), including Child Tax Credit
    - Supplemental Nutrition Assistance Program (SNAP)
  + Health care resources for people with lower incomes **(choose 1)**
    - Medicaid, including Children's Health Insurance Program (CHIP)
    - Affordable Care Act expansion
  + Social insurance programs **(choose 1)**
    - Old-Age, Survivors, and Disability Insurance (OASDI)
    - Medicare
    - Unemployment insurance

**Write** a 700- to 1,050-word summary of your analysis. Identify the intervention and the market failure leading up to the intervention. Complete the following in your paper:

* + Analyze the arguments for government intervention as opposed to arguments for market-based solutions. **Hint: See the information about market failures.**
  + Examine who has been helped and who has been hurt by the selected government intervention.
  + Examine externalities and unintended consequences of such intervention. For example, consider whether the SNAP program and health coverage for families with lower incomes result in higher future tax revenues because children from families with lower incomes grow up healthier and produce higher incomes over their lifetimes.
  + Analyze whether cost of the intervention you selected as a share of GDP or the number of participants is increasing, decreasing, or varies with the state of the economy, based on the cost trend(or number of participants) since its inception or since 2000.
  + Analyze credible economists’ opinions on the success or failure of the intervention that you chose in achieving its objectives.
  + Recommend whether the program should be continued as is, discontinued, or modified based on your conclusions. Defend your recommendation.

***Note*: Use of charts and graphs is encouraged with appropriate citations. Any charts or graphs retrieved from the Federal Reserve Bank of St. Louis FRED website may only be included when the data sources used by FRED are US government sources such as the Bureau of Economic Analysis or the Bureau of Labor Statistics.**

**Cite** at least 2 academically credible sources.

**Format** your assignment according to APA guidelines.