The Axe Method Financial Literacy For The Modern World EveryDayOneDesigns.com | axe@everydayonedesigns.com



Fiscal Policy and How It Affects YOU!

Fiscal policy refers to the way a government adjusts its spending and taxation levels to influence a nation's economy. Governments use fiscal policy to:

- Boost the economy during slowdowns (e.g., through stimulus checks, public infrastructure spending)
- Cool down the economy when it's overheating (e.g., by raising taxes or cutting back on government spending)
- Manage national debt and ensure long-term financial sustainability

Two Main Tools of Fiscal Policy

Tool	Description	Real-Life Impact
Government Spending	Money spent on roads, schools, healthcare, military, etc.	Can create jobs, improve infrastructure, or support families during hard times
Taxation	Money collected from individuals and businesses	Affects your paycheck, cost of goods, and even the price of gas or housing

₩ How It Affects YOU!

Scenario	Fiscal Policy in Action	Your Experience
You lose your job	Government increases unemployment benefits or launches a job creation program	You get temporary income or find a subsidized training/job
Inflation is high	Government may reduce spending or increase taxes	You may receive fewer subsidies or face a slightly higher tax bill — all to slow price growth
You're in school	More federal spending on education	You might get access to grants, student loan relief, or subsidized programs

You pay less in taxes or qualify for financial support



🌎 Why Should You Care?

Fiscal policy decisions:

- Impact your job, paycheck, rent, and access to public services
- Shape opportunities like scholarships, training programs, or business grants
- Affect economic equity, poverty levels, and long-term growth

Whether you're working, studying, starting a business, or raising a family — fiscal policy touches your wallet.



Solution Learn More From Trusted Sources

Congressional Budget Office (CBO): https://www.cbo.gov

A non-partisan federal agency that provides Congress with objective budget and economic data. If you want to understand how government spending or tax changes could affect the economy or your paycheck, this is the place.

U.S. Department of the Treasury: https://home.treasury.gov

The nation's money manager. The Treasury decides how taxes are spent, tracks federal spending, and provides financial tools for economic growth.

Office of Management and Budget (OMB): https://www.whitehouse.gov/omb

Part of the White House — it manages the federal budget and evaluates the effectiveness of federal programs. OMB impacts where money goes and why.

Investopedia - Fiscal Policy: https://www.investopedia.com/terms/f/fiscalpolicy.asp

A beginner-friendly educational site that breaks down complex terms like fiscal policy into simple language — perfect for learning the basics.

Brookings Fiscal Research: https://www.brookings.edu/topic/fiscal-policy

A top research think tank that explains how fiscal policy impacts real-world issues like poverty, education, and economic inequality.

IMF Fiscal Monitor: https://www.imf.org/en/Publications/FM

An international perspective. The IMF tracks how countries around the world use fiscal policy to fight inflation, reduce debt, or drive growth.

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