

**ACTIVITY 15.1****Bank Account Sheets**

Name: \_\_\_\_\_ Group Number: \_\_\_\_\_

Round	Deposits (+)	Payments (-)	Balance
			\$25
1			
2			
3			
4			
5			
Total balance at end			

Name: \_\_\_\_\_ Group Number: \_\_\_\_\_

Round	Deposits (+)	Payments (-)	Balance
			\$25
1			
2			
3			
4			
5			
Total balance at end			

## ACTIVITY 15.2

### Student Information Sheet for Elections 1 & 2

#### GROUP 1

If Option A is elected, you will receive \$0.  
If Option B is elected, you will receive \$5.

#### GROUP 2

If Option A is elected, you will receive \$0.  
If Option B is elected, you will receive \$5.

#### GROUP 3

If Option A is elected, you will receive \$3.  
If Option B is elected, you will receive \$0.

#### GROUP 4

If Option A is elected, you will receive \$3.  
If Option B is elected, you will receive \$0.

#### GROUP 5

If Option A is elected, you will receive \$5.  
If Option B is elected, you will receive \$0.

## ACTIVITY 15.3

### Logrolling Across the Land

Voter	Programs			
	Defense Contract (in billions)		Farm Subsidies (in billions)	
	Benefits to Constituents	Costs to Constituents	Benefits to Constituents	Costs to Constituents
Eastern senator	\$40	\$20	\$5	\$20
Midwestern senator	\$5	\$20	\$40	\$20
Western senator	\$5	\$20	\$5	\$20

1. Which of these programs is economically efficient (i.e., benefits exceed costs)?
2. If majority voting is used and only these three senators vote (perhaps in a key Senate subcommittee), which of these programs is likely to be approved?
3. If you were the Eastern senator, what could you do to try to get one of the other senators to vote for the defense contract?
4. What role does the Western senator play in this election?

Source: Jeffrey Blais and Raymond J. Pouliet. *The Senior Economist*, National Council on Economic Education, 1992.

## ACTIVITY 15.4

### The House That Peyton Manning Built?

On August 24, 2008, the Indianapolis Colts cut the ribbon on their new home, Lucas Oil Stadium. Peyton Manning, an NFL Most Valuable Player, was the quarterback for the Colts at the time and Lucas Oil Stadium was referred to as “the house that Peyton built.” But that label, while charming, is inaccurate. Lucas Oil Stadium might be more accurately called “the house that Central Indiana citizens built.” The estimated cost to build the stadium in downtown Indianapolis was between \$699.2 million and \$719.6 million. Of this cost, the Indianapolis Colts (Peyton Manning’s employer until 2012) spent only \$100 million. The remainder was financed with funds raised jointly by the State of Indiana and the City of Indianapolis. In order to meet these obligations, the Indiana General Assembly authorized Marion County (where Indianapolis resides) to raise taxes on food and beverage sales (1 percent increase), auto excise taxes (2 percent increase), innkeeper’s taxes (3 percent increase) and admission (to the stadium) taxes (1 percent increase) for its share of the costs. The General Assembly also approved food and beverage tax increases (1 percent increase) in eight counties that surround Marion County (so-called donut counties). Finally, the State of Indiana contributed all proceeds from the sale of special Colts license plates. The stadium is now managed by the Capital Improvement Board.

For their part, the Colts financed two-thirds of their \$100 million share of the cost of the stadium through local-government-issued bonds and now pay only a very small fee—\$250,000 a year—to use the stadium.

1. Who benefits from the State of Indiana and the City of Indianapolis’s decision to use a variety of taxes to pay for almost all the construction costs of Lucas Oil Stadium?
2. Are the benefits concentrated among relatively few people?

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Reading developed from [http://www.lucasoilstadium.com/pdf/LOS\\_Guest\\_Info\\_Guide.pdf](http://www.lucasoilstadium.com/pdf/LOS_Guest_Info_Guide.pdf), <http://www.bloomberg.com/news/2012-02-02/super-bowl-lands-on-taxpayers-backs-as-stadium-deal-turns-sour.html>, and [http://en.wikipedia.org/wiki/Lucas\\_Oil\\_Stadium](http://en.wikipedia.org/wiki/Lucas_Oil_Stadium).

3. Who is hurt by the decision to use taxes to pay for part of the construction costs of Lucas Oil Stadium?
  
  
  
  
  
  
  
  
  
  
4. Are the costs spread over many people?
  
  
  
  
  
  
  
  
  
  
5. Do you think most of these taxpayers were deeply interested in the stadium issue? Is a tax revolt or anti-incumbent political backlash likely?
  
  
  
  
  
  
  
  
  
  
6. Is Lucas Oil Stadium a good example of public choice theory in action?