

Name _____

Economic Policies and Poverty: Understanding the Impact

Short Answer Key

1. Regressive taxation imposes a higher tax burden on lower-income individuals, as they pay a larger percentage of their income in taxes compared to higher earners. In contrast, progressive taxation charges higher-income individuals a higher percentage of their income in taxes, aiming to redistribute wealth and reduce income inequality.
2. Tax credits and benefits for low-income families can provide financial relief by reducing the taxes they owe and sometimes providing cash assistance. These programs can help families meet their basic needs, such as food, housing, and healthcare. However, they may also create disincentives for work if benefits phase out too quickly as income increases.
3. Minimum wage laws establish the lowest wage that employers can legally pay their workers. These laws aim to ensure that workers receive fair compensation for their labor and can afford their basic needs. By setting a minimum wage at a livable level, governments can help reduce poverty rates.
4. Increasing the minimum wage can stimulate economic growth by putting more money in the hands of low-wage workers, who are likely to spend it in their communities. However, critics argue that it can lead to job loss, as employers may hire fewer workers due to higher labor costs. The effects on income inequality may vary depending on the specific policy design and its implementation.
5. Michelangelo was a Renaissance artist whose extraordinary talent and creativity left an indelible mark on the world of art. His masterpieces, including the "David" sculpture and the Sistine Chapel ceiling, continue to inspire artists and art enthusiasts. Michelangelo's dedication to his craft and his ability to capture the human experience in his works have made him an iconic figure in the history of art.

