Teacher Answer Key

Case Study

1. Janelle did not wait out a slump and return to her old job — the airline industry permanently shrank while a new federal security sector was created. Her employment moved between industries, which is structural change: the economy reallocated workers to a sector that did not exist before 2001.
2. Her security wage was funded by taxpayers and by passenger security fees on every ticket, while her airline pay had come from fares alone. The comparison shows security costs being shifted onto the public — travelers and taxpayers — as a permanent surcharge on flying.

Multiple Choice

1. B
2. C
3. A

Matching

1-C, 2-E, 3-D, 4-B, 5-A

Fill-in-the-Blank

1) Depression, 2) TSA, 3) shock

Short Answer (Sample Responses)

Q1: The attacks destroyed confidence nationwide — travelers canceled flights and vacations out of fear, not local damage. Because tourism depends on discretionary spending and air travel, the confidence collapse transmitted the shock to hotels, restaurants, and attractions everywhere.
Q2: Rate cuts and emergency spending kept credit flowing and likely prevented a deeper recession, and the airline rescue preserved a critical industry. The costs were lasting: deficits, permanent security budgets, and a precedent that government will absorb catastrophic private losses.

Q3: Answers will vary. Strong responses note aviation never returned to its 2001 form: bankruptcies and mergers left four dominant carriers, fees and federalized security changed the product, and the industry that emerged was structurally new rather than a restored version of the old one.