

Bill of Rights Lesson: Private Property Rights

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Background

The U. S. Constitution provides the framework for a market-based economic system that relies on respect for individual decisions and choices. One of the keys to the success of a market-based economy like the United States is the right to own, control, and receive the benefits from private property.

Property rights are protected in Constitution and specifically addressed in the Bill of Rights. For example, the Fifth Amendment states that a citizens should not “be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.” In addition, the Fourteenth Amendment says, “No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law.”

Clearly-defined property rights create incentives for owners to use their property at its highest possible value. As a result, it tends to promote the idea of preserving property for future use and maintaining the property’s value so it doesn’t deteriorate and lose value.

Private ownership grants two different types of rights: 1) control rights – the right to control the use of property or transfer the control to someone else, and 2) benefit control – the right to any value created from the property itself. For example, homeowners control the use of their property, determining what color to paint the front door and what flowers to plant in the garden. And, if they want to sell that home, they receive the benefits of the sale.

Property, however, is more than real estate. It also includes personal property (one’s personal possessions such as clothing, cars and computers) and intellectual property (written words, artistic creations, inventions, etc.). In each case, the laws of private property rights

apply. As with real estate, private property rights guarantees the owner has the exclusive right to use or dispose of that property as they so desire.

Suggested Classroom Activities

1. Brainstorm a list of public goods (those owned by the government) and private goods (those owned by private companies and individuals). Determine why some goods are public and others private. Identify the benefits and costs (advantages and disadvantages) of both public and private goods. Find articles in the newspaper or online about public and private goods for students to discuss in small groups.
2. Ask students why our nation's founders were concerned about private property rights and why it was addressed in the U.S. Constitution. Have them examine the benefits and costs of private property rights. Remind students that private property rights are crucial to market-based economies but will be different in socialistic, command or communistic societies.
3. Apply the concept of private property rights to intellectual property. Have students discuss the following questions: Is it okay to download movies, songs and books from the Internet without paying for them? Who wins and who loses? How does this practice violate private property rights? Search the newspaper's archives for articles or YouTube for videos about intellectual property rights and have students debate the value of private property rights.
4. Explain the role of eminent domain in a market-based economy that values private property rights. Ask students if they believe the government should have a right to take private property for its own use. Search online for examples of eminent domain and distribute to students to identify the reasons it has been used. Have then analyze the potential costs and benefits of eminent domain.