

Wants



Things people like and desire.



Needs



Things you must have to live.



Scarcity



When there is not enough for all
who want it.



Choice



To make a decision.



Goods



Things that can satisfy people's
wants.



Services



Activities that can satisfy
people's wants.



Resources



Things used to make goods and services.



Barter



To trade goods and services
without using money.



Money



A good used to buy other goods
and services.



Earn



To receive money for doing
work.



Spend



To use money to buy goods and services.



Save



To keep money to spend later.



Oppportunity Cost



The next best choice that you
give up.



Natural Resources



Gifts of nature used to make
goods and services.



Human Resources



Workers who make goods and
provide services.



Capital Resources



Goods made and used to
produce other goods.



Currency



Paper money that is used by a country.



Price



The amount that people pay when they buy a good or service.



Income



Amount of money you earn or receive from different sources.



Bank



A business that provides money services, such as cashing checks, making loans, and paying interest on accounts.



Account



A record of money deposited or
withdrawn from a bank.



Deposit



Money put into a bank account.



Withdrawal



Money taken out of a bank
account.



Interest



Payments made for the use of
money.



Incentive



Things that influence the
behavior of people.



Consumers



People who buy and/or use
goods and services.



Producers



People who use resources to
make goods and services.



Employment



An occupation by which a person earns a living.



Specialization



When people produce only some of the goods and services they consume, then trade with others to get more of the things they want.



Division of Labor



When workers perform part of a
production task.



Economics



The study of the production,
consumption and distribution of
goods and services.



Public Goods



Goods and services that are provided by the government.



Markets



A place where buyers and sellers exchange goods and services for money.



Trade-offs



When you choose to get less of one thing in order to get more of something else.



Costs/Benefits



The bad and good points
related to making a decision.



Entrepreneur



Someone who takes the risk of producing a product or starting a new business.



Profit



The money a business makes
after it pays its production costs.



Loss



The money a business loses after
it pays its production costs.



Imports



The goods and services that consumers in one nation buy from sellers in other nations.



Exports



The goods and services that producers in one nation sell to buyers in other nations.



Interdependent



When people and nations
depend on one another for the
goods and services they want.



Budget



A plan showing how income is
to be spent.



Credit



Promise of payment at a future time in return for goods/services now.



Debit



Money owed on an account.



Invest



To use money to gain profit.



Taxes



Required payments of money made to governments by people and businesses that are used to provide goods and services.



Federal Reserve Bank



The central banking organization
in the United States.



Supply



The amount that producers are able and willing to produce and sell at all possible prices at a given time.



Demand



The amount that consumers are able and willing to buy at all possible prices at a given time.



Competition



Methods used by businesses to gain more customers and earn higher profits.



Shortage



Having fewer goods, services
or resources available than you
want.



Surplus



Having more goods, services
or resources available than you
want.



Finance



The management of money.



Circular Flow



A model of an economy showing the interactions between households and businesses as they exchange goods, services and resources in markets.



Exchange Rate



Ratio at which a unit of currency of one country can be exchanged for that of another country.



Standard of Living



A level of material comfort in everyday life that is measured by the goods and services available to an individual, group, or nation.



Economic Systems



The way a society organizes the production, consumption and distribution of goods and services.

