

# Glossary of Econ Concept

*Cards: Kindergarten-Sixth Grade*

*Concept Introduction*

Kindergarten

**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

First Grade

**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

Second Grade

**Opportunity 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 and services

**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

### Third Grade

**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**Account:** a record of money deposited or withdrawn from a bank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:** something that influences the behavior of people

**Consumers:** people who buy and/or use goods and services to satisfy wants

**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

## Fourth Grade

**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

## Fifth Grade

**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 a 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

## Sixth Grade

**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 System:** the way a society organizes the production, consumption and distribution of goods and services