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.
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

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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A record of money deposited or withdrawn from a bank.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
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.
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.
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.