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| **Economy Vocabulary List** | **Definition** |
| **goods** | a product that can be used |
| **services** | work done for others |
| **consumers** | acquire and use goods or services |
| **producers** | make or provide goods or services |
| **income** | amount of money received from jobs, goods, services, investments |
| **budget** | the way people decide how to use resources to meet their needs |
| **savings** | income not spent |
| **expense** | cost or charge |
| **taxes** | fees charged by a government on a product, income, or activity |
| **specialization** | businesses that make one kind of good or offer the same service |
| **production** | the creation of a good |
| **Division of Labor** | a process in which a worker or group of workers is assigned a task in order to increase production |
| **Traditional Economy** | an economy in which people do the same kinds of work they have always done |
| **Market Economy** | an economic system in which businesses are owned and run by those free to make decisions about production; people work for themselves |
| **Command Economy** | an economic system in which the government owns all resources and controls business; people work for the government |
| **import** | bringing a product into a country to be sold |
| **export** | to send a product to another country to be sold |
| **interdependence** | relationship between countries whose economies rely on one another for trade |
| **supply** | the amount of available goods |
| **demand** | condition that occurs when people want more than businesses can provide |
| **scarcity** | insufficient amount or supply; shortage |
| **trade-off** | giving up one thing to gain something else |