

3rd Grade Social Studies

Our Economy

Test Date:

Key Vocabulary

scarcity

Not enough of a good or service

goods (products)

Things people buy or sell (books, candy, cars, school supplies, etc.)

services

Work that one person provides for another person (teachers, doctors, police, builders, etc.)

budget

A plan to keep track of money you spend and save.

demand

The amount of something consumers are willing to buy for a certain price

supply

The amount producers will make for a certain price

trade-off

When you have to make a decision about which item to buy

opportunity cost

The item you have to give up when you are deciding between which item to buy and which one you cannot buy. You have given up the opportunity to have that item.

Productive Resources

different resources used to make goods and services

NATURAL

- Useful things in nature that can be used to make goods and provide services
- Some examples land, water, animals, minerals, trees, soil, fire, seeds, grains, fruits, oil

HUMAN

- When people use their talents, skills and knowledge to make goods and services
- People who work are a human resource for the company or industry they work in
- Some examples growing food, making clothes, building homes, teaching students, police providing protection

CAPITAL

- Things or items made by people and these things are used to make other things
- Some examples computers, grocery stores, banks, machines used in a company or store, tools, buildings

ENTREPRENEUR

- An entrepreneur is someone who starts their own company.
- They use their skills to make the company successful.
- If someone works at a computer company but decides to open up their own pizza shop, then that person is an entrepreneur.

Money and Barter

- Each country creates its own currency to use as money to allow control over their country's economy.
- People that live and work in an area pay their government **tax**. Tax is money collected by the government to pay for schools, libraries, roads, policemen, firemen, etc.
- Barter** is trading an item for another item, without using money

Spend vs. Save

SPENDING MONEY

- Benefits: get the things you need or want immediately.
- Costs: you don't have the money to use at a later time

SAVING MONEY

- Benefits: you will be saving money to spend on needs or wants at a later time
- Costs: you wait longer to get the things you need or want.

Once things are made...

IMPORTS/EXPORTS

- When products are made in another country and brought into the United States for consumers to buy, we call these **IMPORTS**. Some countries import goods if the **product is not made or grown in the country** that needs it or it might be **cheaper than growing or making it in your own country**.
- When products are made in the United States and sent to other countries to buy and use, we call these **EXPORTS**.
- Two countries can barter or buy goods/services from each other. This is called **INTERNATIONAL TRADE**.

Consumers and Producers

CONSUMERS

- Someone who buys goods and services that a producer made.

PRODUCERS

- Someone who makes or grows the goods or sell services for a consumer

INTERDEPENDENCE

- When two people or groups need each other, like consumers and producers