

Vocabulary

economics: the study of how people figure out ways to get the things they need and want by making choices

need: something a person cannot live without

scarcity: the state of having a limited number of resources to produce the things that people need and want

want: something a person would like to have that is not necessary for survival

All people have things that they **need** and **want**. A need is something a person cannot live without, like food or shelter. A want is something a person would like to have that is not necessary for survival, like fashionable clothing or DVDs. Because people cannot have everything, they have to make choices. **Economics** is the study of how people figure out ways to get the things they need and want by making choices.

People cannot have everything they need and want because of **scarcity**. There will never be enough resources to produce all the things that people would like to have. Imagine that one of the most popular bands in the country is coming to your town to give a concert. Everybody wants to go to the concert. But there is a limited number of tickets that people can buy. Because of scarcity, there are fewer concert tickets than people who want to buy them.

If you made a list of all the things you want, it would have more things on it than you could ever hope to get. Everybody's list is like yours. Whether they are rich or poor, most people want more than they have.

By reading this Student Workbook, you will learn about economics. You will learn about types of businesses, banking, taxes, and the American free enterprise system. You will find out how economic systems develop over time. You will discover how economics affects you and your life.



We cannot have everything we want, so we must choose the things we want the most.