**Vocabulary Chapter 3 Socials 7**

**Answer Key**

**Terms to Know**

**Needs**

A need is something that is required for survival ex. Food, water

**Wants**

A want is something you’d like to have but is NOT necessary for survival ex. Playstation, a brand name of clothing, an iPad

**Capitalist System (p. 44)**

A economic system where people get what they need by buying things and most people earn money by owning a or working for a business.

**Capital (p. 46)**

The money and other things that have to be invested or put into a business venture to start it up and keep it going.

**Profit (p. 46)**

This is the money the business owner makes after being repaid for the investment and paying other expenses.

**Entrepreneur (p. 45)**

This is a person who gets an idea to start up a business.

**Standard of Living (p. 50**)

This is a measure of the buying power that a family has. It includes just about everything that can be bought with money: food, entertainment, transportation.

**Poverty (p. 51)**

Poverty occurs when the cost of meeting basic needs is higher than income. No economic security.

**Getting by (p. 51)**

When the cost of needs is the same as the income of a person then someone is just getting by (no money left over for emergency situations – no economic security)

**A chance to get ahead (p. 51)**

When the income is higher than the cost of basic needs, a person has a chance to get ahead. They have economic security.

**Quality of Life (p.51)**

Quality of life includes all of the other thigs we need and want that money can’t buy, like love and real friendship

**Personal capital (p.54)**

This is anything that can help you improve your economic situations, such as savings in a bank, property, skills, and a willingness to work hard.

**Downpayment (p. 55)**

The portion of the cost of a house that a person/family has saved up themselves.

**Mortgage (p. 55)**

The rest of the cost of the house that is borrowed from the bank and paid back over time.