

# Understanding Prosperity Through Scarcity, Choices, & Consequences

## Glossary

**Directions:** Scan through the list of terms. Circle the terms that are unfamiliar to you. For each of those terms read the definition and highlight the key words. Then, use the key words to write a definition in your own words. Finally, draw or find an image to represent each term.

Term	Definition	In My Words...	Image
Prosperity	Includes money, possessions, opportunities available, your health and wellness, how others treat you, and the freedom to make your own decisions.		
Scarcity	Fundamental and unavoidable economic problems facing all economies, resulting from a mismatch between finite resources and people's unlimited wants.		
Factors of Production	Productive resources needed to produce goods and services. The four resources are: land (natural resources), capital, labor (human resources), and entrepreneurship.		

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Capital	Tools, equipment, or other manufactured goods used to produce other goods and services.		
Choice	The act of selecting among alternatives, the things we forgo in order to do so, and the consequences that come with them.		
Capitalism	A decentralized economic system where decisions regarding the use of factors of production, and the distribution/exchange of goods and services are driven by prices.		
Socialism	A political and economic system where a central authority either owns/regulates the factors of production, as well as makes decisions about distribution/exchange of goods and services.		
Natural Rights	Universal rights that all humans hold regardless of customs, laws, or societies and given to them by God or by nature.		
Entrepreneurship	Risk taking individuals who introduce new products or services to the market, in search of a profit.		