

Resources, goods and services, and money flow continuously among households, businesses, and markets in the United States economy.

Economic flow

Individual and business saving and investment provide financial capital that can be borrowed for business expansion and increased consumption.

Individuals (households) own the resources used in production, sell the resources, and use the income to purchase products.

Businesses (producers) buy resources, make products that are sold to individuals, other businesses, and the government; and use the profits to buy more resources.

Governments use tax revenue from individuals and businesses to provide public goods and services.

The student will demonstrate knowledge of the structure and operation of the United States economy by:
b) explaining the circular flow that shows how consumers (households), businesses (producers), and markets interact.