

Application Worksheet: You, Your Family & the Economy

Name: _____ Period: _____ Date: _____

Apply what you learned. Use complete sentences.

Part A - Follow the Money

Put the circular-flow steps in order (1-4) to show how money moves between households and businesses.

Step	Order (1-4)	Who does it?
Households spend income on goods and services	_____	
Businesses pay wages to households	_____	
Households provide work and skills	_____	
Spending becomes business revenue	_____	

In your own words, why is it called a 'circular' flow?

Part B - Vote With Your Dollars

A new smoothie shop and a new phone-repair kiosk both open at your mall. Over a month, students spend far more at the smoothie shop.

1. What message does that spending send to the two businesses?
2. What might the phone-repair owner do in response? Why?
3. How could this change who gets hired at the mall?

Your answers:

Part C - Self-Sufficiency & Stability

Two families both lose income for a month. The Reyes family has three months of savings; the Carter family has none and relies on credit cards.

The family more likely to keep spending steady is the _____ family.

Explain how each family's situation affects the local stores around them:
