

# Choice Builds Opportunity

Compare how economic systems shape freedom and daily life.

**SS.7.CG.3.15** "Analyze the advantages of capitalism and the free market in the United States over government-controlled economic systems (e.g., socialism and communism) in regard to economic freedom and raising the standard of living for citizens."

NAME \_\_\_\_\_

DATE \_\_\_\_\_

## 1 READ AND MARK \_\_\_\_\_ Read it twice

**YOUR JOB** Underline three details that show how market choices or competition can benefit people, and circle two details that show how government control can limit economic choices; use your marks to compare the systems.

### Markets, Choices, and Living Standards

- ① In the United States, people generally may choose where to work, what to buy, and what legal businesses to start. This economic freedom is part of capitalism, a system in which individuals and businesses own much property and make many production decisions. Markets help guide those choices. When shoppers buy more bicycles, for example, sellers have a reason to order or make more bicycles. Prices carry information about what buyers want and what goods are scarce at a given time.
- ② Competition can give businesses reasons to improve products, serve customers, or lower prices. A student shopping for a backpack can compare several stores and decide which price and quality fit a budget. Businesses that satisfy customers may earn profits, while businesses that waste resources or ignore buyers can lose sales. Profit is not guaranteed, and rules still matter. Laws against fraud, unsafe products, and pollution protect people and can set limits on business actions when needed.
- ③ Government-controlled systems make more economic decisions through government plans or state ownership. In a communist command economy, the government controls most major property and production. Socialist systems vary, but some place industries or services under public control. Government control can provide services, yet it can reduce choices for consumers and business owners when officials decide what is produced. In the United States, a mixed economy combines markets with government rules and public services. Supporters of free markets argue that choice, competition, and innovation help raise living standards by expanding goods and services.

**2 ANSWER WITH EVIDENCE** \_\_\_\_\_ Use the passage

**1** What are two economic choices that people in the United States generally may make?

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**2** How does the passage contrast production decisions in a capitalist market with production decisions in a communist command economy?

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**3** How could competition among backpack stores benefit the student shopper? Use two details from the passage.

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**4** According to the passage, why can a free-market system help raise citizens' living standards, even though the United States has government rules and public services?

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**3 YOUR TURN** \_\_\_\_\_ Your own words

Invent a business that could serve people in your community. Write 4 or 5 sentences explaining how customer choice and competition could affect the business, how it could help raise living standards, and one government rule that should still apply.

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**PART 1 • READ AND MARK**

Underline three details that show how market choices or competition can benefit people, and circle two details that show how government control can limit economic choices; use your marks to compare the systems. Accept any marking that follows this job and points at the right text.

**PART 2 • ANSWERS**

| # | QUESTION                                                                                                                                                              | ANSWER                                                                                                                                                                                                                                     |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | What are two economic choices that people in the United States generally may make?                                                                                    | <b>People may choose where to work, what to buy, and what legal businesses to start. Any two are correct.</b>                                                                                                                              |
| 2 | How does the passage contrast production decisions in a capitalist market with production decisions in a communist command economy?                                   | <b>In a capitalist market, individuals and businesses make many production decisions, guided by markets. In a communist command economy, the government controls most major property and production.</b>                                   |
| 3 | How could competition among backpack stores benefit the student shopper? Use two details from the passage.                                                            | <b>The student can compare several stores and choose a price and quality that fit a budget. Competition can also give businesses reasons to improve products, serve customers, or lower prices.</b>                                        |
| 4 | According to the passage, why can a free-market system help raise citizens' living standards, even though the United States has government rules and public services? | <b>The passage says that choice, competition, and innovation can expand goods and services, which can raise living standards. The United States is a mixed economy, so markets operate alongside government rules and public services.</b> |

**PART 3 • YOUR TURN (SAMPLE ANSWER)**

Jordan starts a phone-repair business because many neighbors need quick repairs. Customers can choose Jordan or other repair shops, so each shop has a reason to offer reliable service and fair prices. If several shops improve repairs and hire workers, people may have more useful services and job opportunities. Consumer-protection rules can still require honest advertising and safe batteries.

Accept reasonable examples that correctly connect consumer choice and competition to prices, quality, innovation, goods, services, or jobs. The rule should protect people without claiming that the government controls all production.