Choices That Shape Economies

Compare how economic systems affect people and growth.

6.P.2.4.B "Identify different types of economic systems, comparing advantages and disadvantages for citizens and the growth of a nation's economy."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB As you read, underline who makes economic choices in each system, circle one benefit and one drawback for citizens in each, and put a star beside one possible effect on economic growth in each.

Who Decides What Gets Made?

1. Imagine four countries deciding how to grow and sell food. In a traditional economy, families often follow long-used ways of farming and sharing. People may know their roles and help neighbors, but new tools may spread slowly, leaving families with fewer ways to earn money and limiting growth across the country. In a market economy, shoppers and businesses make most choices about what to buy, make, and sell. Competition can lead to new tools and more jobs, growing the economy. Yet some people may not earn enough to buy the food they need.

2. In a command economy, government leaders make most major choices about production and prices. Suppose a country needs more grain after a poor harvest. Its leaders could direct farms and trucks to supply areas with little food. This may help citizens get basic goods, but planners might send too much grain to one place and too little to another. If workers and businesses have few choices, they may have less reason to invent new products. That can slow the growth of the nation's economy.

3. Most countries use a mixed economy, combining market choices with some government decisions. A bakery might set its own prices while the government pays for public roads used by delivery trucks. Businesses can compete and create jobs, while public services can help people who cannot afford everything they need. However, taxes to pay for those services can leave citizens with less money to spend. Rules may also add costs for businesses. No system solves every problem, so citizens must weigh both daily needs and long-term growth.

2 ANSWER WITH EVIDENCE

Use the passage

1. How do decision-making and possible economic growth differ between the traditional and market economies in the passage?

2. Compared with a market economy, how might a command economy help citizens after a poor harvest? What could slow its growth?

3. How do government decisions differ in command and mixed economies? Name one possible drawback for citizens in each.

4. How might both market and mixed economies create jobs? How could a mixed economy also help citizens who cannot afford what they need?

3 YOUR TURN

Your own words

Choose an economic system for a new country with repair shops and a hospital. In five sentences, explain who would make decisions about the shops and hospital, one benefit and one drawback for citizens, and one likely effect on the country's economic growth.

ANSWER KEY

Choices That Shape Economies

GRADE 6 · 6.P.2.4.B

PART 1 · READ AND MARK

As you read, underline who makes economic choices in each system, circle one benefit and one drawback for citizens in each, and put a star beside one possible effect on economic growth in each. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How do decision-making and possible economic growth differ between the traditional and market economies in the passage?	**Families follow long-used ways in a traditional economy, where new tools may spread slowly and limit growth. Shoppers and businesses make most choices in a market economy, where competition can bring new tools and jobs.**
2	Compared with a market economy, how might a command economy help citizens after a poor harvest? What could slow its growth?	**Government leaders could direct food to areas that need it, while some people in a market economy might not earn enough to buy food. Having few choices may give workers and businesses less reason to invent new products, slowing growth.**
3	How do government decisions differ in command and mixed economies? Name one possible drawback for citizens in each.	**In a command economy, leaders make most major production and price choices, but planners might send food to the wrong places. In a mixed economy, businesses make some choices and the government provides services, but taxes leave citizens with less money to spend.**
4	How might both market and mixed economies create jobs? How could a mixed economy also help citizens who cannot afford what they need?	**Competition can lead to new tools and jobs in a market economy. Businesses can also compete and create jobs in a mixed economy, while public services can help citizens who cannot afford everything they need.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

I would choose a mixed economy for the new country. People could open repair shops and decide what services to offer. The government could use taxes to help pay for a hospital that everyone can reach. Citizens would gain health care, but taxes would leave them with less money to spend. Repair shops could create jobs and help the economy grow.

Accept any of the four systems in Part 3 if the five sentences describe a plausible plan for both the shops and hospital, a citizen benefit and drawback, and a reasonable effect on economic growth. Benefits and growth effects should be presented as possibilities, not guarantees.