Economic Choices

Compare ownership, decision-making, choices, and tradeoffs across economic systems.

6.7.B “compare and contrast free enterprise, socialist, and communist economies in various contemporary societies, including the benefits of the U.S. free enterprise system; and”

NAME ______________________ DATE ____________

1 READ AND MARK

Read it twice

YOUR JOB Underline one detail in each paragraph that tells who owns property or makes economic decisions, and circle one detail that shows a benefit or tradeoff.

Three Ways Economies Work

1 In a free enterprise economy, people and businesses can usually own property, choose jobs, and decide what to produce or buy. Competition among businesses can lead to new products, more choices, and pressure to improve quality or prices. The United States is mainly a free enterprise economy. Its government still sets safety rules, collects taxes, and provides services. For example, an entrepreneur may open a bakery, while customers choose whether its bread is worth buying. This freedom can reward ideas and hard work, but income and opportunity are not equal for everyone.

2 Socialist economies place more economic decisions or key services under public control than free enterprise systems do. In Sweden, private businesses compete, but taxes help fund public services such as health care and education. Sweden is therefore a mixed, social-democratic economy rather than a purely socialist one. Supporters value a safety net that can reduce some economic risks. Compared with the United States, Swedish workers and companies generally face higher taxes, while residents receive more publicly funded services. Both countries allow private ownership and consumer choice.

3 Communist economies traditionally place most major property and production decisions under state control. Cuba's government remains dominant in many parts of the economy, although small private businesses have expanded in recent years. State plans can direct resources toward national goals, but they may offer fewer consumer choices and less competition than free enterprise systems. Unlike the United States and Sweden, Cuba limits private ownership more strongly in important areas. No country fits a single label perfectly. Comparing who owns businesses, who makes decisions, and what choices people have helps explain each system.

2 ANSWER WITH EVIDENCE

Use the passage

1. How are the United States and Sweden alike in private ownership and consumer choice?

2. What tradeoff does the passage describe for Sweden's publicly funded services?

3. Contrast Cuba with the United States in private ownership and competition.

4. Why is Sweden described as a mixed, social-democratic economy instead of a purely socialist economy?

3 YOUR TURN

Your own words

Create three brief fictional country snapshots, one for each economic system. Describe who owns major businesses or makes decisions, then name one likely benefit or tradeoff. Do not use the countries from the passage.

ECONOMIC SYSTEM	FICTIONAL COUNTRY SNAPSHOT	LIKELY BENEFIT OR TRADEOFF

ANSWER KEY # Economic Choices

GRADE 6 · TEKS 6.7.B

PART 1 · READ AND MARK

Underline one detail in each paragraph that tells who owns property or makes economic decisions, and circle one detail that shows a benefit or tradeoff. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How are the United States and Sweden alike in private ownership and consumer choice?	**Both countries allow private ownership and consumer choice.**
2	What tradeoff does the passage describe for Sweden's publicly funded services?	**Swedish workers and companies generally pay higher taxes, while residents receive more publicly funded services.**
3	Contrast Cuba with the United States in private ownership and competition.	**Cuba limits private ownership more strongly and has less competition. The United States is mainly free enterprise, with more private ownership and competition among businesses.**
4	Why is Sweden described as a mixed, social-democratic economy instead of a purely socialist economy?	**Private businesses still compete in Sweden, while taxes fund many public services. It combines private enterprise with stronger public support and control of some services.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

ECONOMIC SYSTEM	FICTIONAL COUNTRY SNAPSHOT	LIKELY BENEFIT OR TRADEOFF
Free enterprise	Most businesses are privately owned, and shoppers choose among competing stores.	Competition can bring more choices and new products.
Socialist	The government funds health care and owns the rail system, while private stores operate.	Public services can reduce some economic risks, but taxes may be higher.
Communist	The state owns most factories and sets production plans.	It can direct resources toward national goals, but people may have fewer consumer choices.

Accept equivalent comparisons that use passage evidence about ownership, decision-making, competition, taxes, services, or consumer choice. For the open table, accept varied fictional details when each row accurately matches the named system and includes a reasonable benefit or tradeoff.