

Chapter 3 Economic Activity in a Changing World

Section 3.1 U.S. Economic History

Section Summary with Key Terms and Academic Vocabulary

U.S. Economic History Throughout the years, our economic system has evolved and changed. In colonial times, the United States had begun its service-based economy. The 1700s saw the rise of the agriculture-based economy. The Industrial Revolution in the 1850s brought about the industrial economy, characterized by the large-scale manufacturing of goods. During the latter part of the 20th century, the information technology economy revolutionized the business world. To measure the health of our economic system, we use a variety of economic indicators, including GDP, unemployment rate, rate of inflation, and national debt.

Key Terms _____

gross domestic product (GDP) The total value of the goods and services produced in a country in a given year

standard of living The level of material comfort as measured by the goods and services that are available

inflation A general increase in the cost of goods and services

deflation A general decrease in the cost of goods and services

budget deficit When the government spends more on programs than it collects in taxes

national debt The total amount of money a government owes

budget surplus A situation in which a government's revenue exceeds its expenditures during a one-year period

Academic Vocabulary _____

shift To change the place, position, or direction of

emphasis Special importance or significance

sum The result of adding numbers

period A portion of time determined by some recurring phenomenon