

Chapter 4

The U.S. Economic System

United States - mixed system, but basically a private enterprise, or capitalist, system

Define "capitalism":

Define "capitalists":

Market economy features of U.S. capitalism:

- 1. private property**
- 2. economic freedom**
- 3. voluntary exchange**
- 4. the profit motive**

The Government and the U.S. economy:

1. Protector:

- a. Protects private property**
- b. Protects free competition**
- c. Protects savers and investors**
- d. Protects consumers**
- e. Protects workers**

2. Provides public goods and services

- a. Provides education, hospitals, police, etc.**
- b. Provides national parks, defense, etc.**
- c. Deals with economic problems**
 - **Define "depression":**
- d. Taxes and spends**
- e. Regulates money supply**
 - **Define "inflation":**
- f. Promotes economic well-being**

What are some major economic problems the United States faces today?