




# Economic Flow

HOUSEHOLDS  
Families/Individuals

In Economics, households, often referred to as “consumers,” a person or organization that uses a good or service.



# Economic Flow

## BUSINESSES

All 3 Types

In Economics, private profit-seeking organizations that use resources to produce goods and services.



The three major business types are proprietorship, partnership, & corporation.

# Economic Flow

## FINANCE

All Institutions

In Economics, an enterprise whose primary business and function is to collect money from the public and invest it in financial assets such as stocks and bonds, loans and mortgages, leases, and insurance policies.



- Include banks, savings and loans, and credit unions
- Receive deposits and make loans
- Encourage saving and investing by paying interest on deposits

# Economic Flow

## GOVERNMENT

All 3 Levels

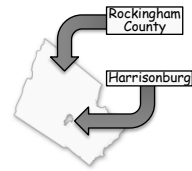
In Economics, a group that exercises political authority over the actions, affairs, etc, of a political unit, people, etc, as well as the performance of certain functions for this unit or body.



national



state

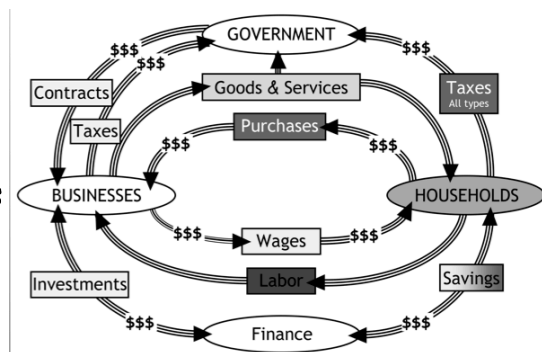


local  
(county or independent city)

# Economic Flow

## Households

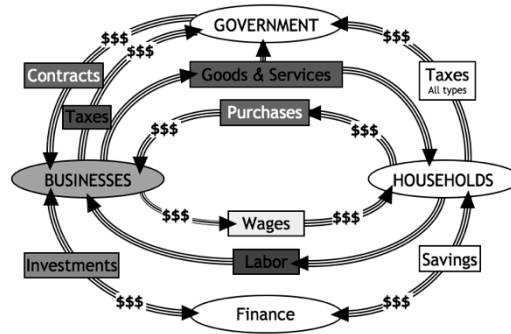
- Households earn money from wages and interest on savings
- Households spend money on purchases and pay taxes to the government
- Households sell labor to businesses
- Households deposit earnings and make loans with financial institutions



# Economic Flow

## Businesses

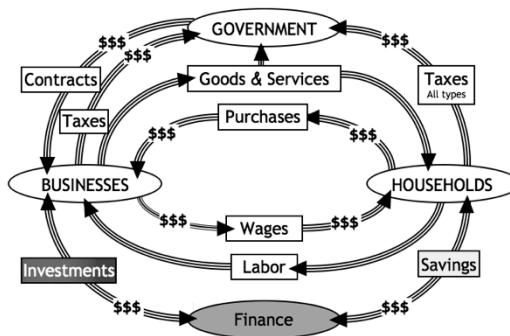
- Pay wages to households
- Earn money from purchases made by householders and government contracts
- Buy labor from households
- Sell goods and services to households and the government
- Buy and sell shares of stock and take out loans from financial institutions
- Pay taxes to the government



# Economic Flow

## Financial Institutions

- Receive deposits and make loans to households
- Receive deposits and make loans to businesses
- Buy and sell shares of stock as investments



# Economic Flow

## Government

- Receive taxes from households and businesses
- Buy goods and services from businesses
- Make contracts with businesses for public goods and services

