

## The Economy: Vocabulary from the Economy

If you're an **economist**, a person who studies the economy, you might think that the definition that I gave yesterday—"the whole business-government mix"—is a bad one. And it's not a good one, that's for sure, but I'd challenge you to give me a better definition in 'plain English,' without using a lot of economic vocabulary. One suggestion might be: "everything that helps decide who has money—and stuff—and who doesn't." But it's not a perfect description, either.

Here's a problem for English learners: **economics**, the study of the economy and how it works, has so much vocabulary that it's difficult to talk about in normal terms. Some of the terms have made it into 'normal' English, but even for native speakers, their meaning is seldom clear.

Today, I'm going to introduce some vocabulary that you can use when talking about the Economy.

### Before You Listen to the Recording

Do you have a piece of paper handy? If you do, write down the vocabulary you think you can use in English to describe the economy. If you don't know any English vocabulary, write down the words you'd use in your own language and listen to see if you learn an English equivalent.

Now start the recording.

### After You've Listened

What do you think? Was this too much vocabulary for one recording? How many of these words do you know in your own language? How many of them do you think you'll use? How will you use this vocabulary? Leave a comment or contact me and let me know!

### Vocabulary

**Economist:** An *economist*, as I said above, is someone who studies the economy. He's a 'scientist' in the 'science' of economics. (Read the description of economics to know why I used quotes.) Most people think of economists as academics—people who study the economy from inside a classroom without being involved in running it, or trying to make money in it.

**Economics:** *Economics* is what we call a 'soft science.' That means that there aren't many one-hundred-percent answers like there are in physics or biology. Economists study the rules of the economy. If you ask them if high or low taxes are 'better for the economy,' they'll have an answer. (But, because it's a 'soft science,' they don't all have the same answer.)

**Market:** In Dresden, where I live, there's a place I can go every Friday where the farmers from the

area all sell the food from their farms. There are a lot of people there buying and selling things. It's a *market*. A market is a collection of people buying and selling. Economics uses the idea of markets to describe a lot of things. There are job markets, but also there is the oil market, the English lesson market, and some even talk about a dating market!

**Job Market:** The *job market* is a market. Instead of buyers and sellers, it's made up of people looking for jobs. . . and people offering jobs. Where there are more people looking for jobs than offering jobs, there is going to be some unemployment. A lot of times, when people say “the economy” is bad, they mean “the job market is bad,” because they're looking for a job and can't find one.

**Unemployment:** After I moved to Germany and before I started teaching, there was a period of a few months in which I didn't have a job. I was *unemployed*. 'Unemployed' is the word we use to describe one person—or a group of people—who doesn't have a job. To describe the problem of not enough jobs, we say '*unemployment* is high.' When the job market is better, we say 'unemployment is low.'

**Bubble:** Some—maybe even most—economists say that the markets can make a fair price for almost everything. But, sometimes, prices go unrealistically. When people push the price for something up, we say there is a '*bubble*.' The word bubble normally describes a pocket of air inside something else, like soapy water. The idea of a 'price bubble' is that it's not solid, it's full of air.

**Quarter:** One fourth (  $\frac{1}{4}$  ) of something is called a '*quarter*.' When we talk about time, a quarter is three months, because it's a fourth of a year. Economists measure things—like recessions and depressions—in quarters.

**Recession:** When the economy has one bad day, it's not a problem. When it has several bad days—say, a bad week—most people don't start to worry about their jobs. But, when it has several bad months, people start to talk about a *recession*. A recession is two quarters (a half year) of 'bad days' for the economy. In a recession, people start to worry about their jobs.

**Depression:** A really bad recession can turn into a *depression*. A depression is worse than a bad day. It's when things start going backwards for the economy. A depression is like a long recession. You probably know that the economy wasn't doing too great in the 1930's. In English, that period of time—from 1929 to about 1939—is called 'The Great Depression.'