3 Households and workers – Part 1

Name: _____ Class: _____ Date: _____

Vocabulary

Write each word three times.

English	**Write it 3 times** (English)		
households			
workers			
spending			
saving			
tax			

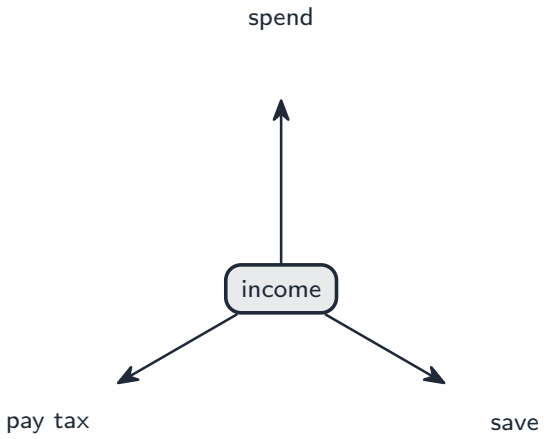
Recall

In an economy, **households** earn and spend money, and **workers** are paid wages for their work.

New ideas

Read these first, then do the Practice.

■ 1 What households do with income



- **spending** buys goods and services;
- **saving** keeps money for later;
- **tax** goes to the government.

■ 2 What affects wages

Demand and limited supply together explain the pressure on pay.
Training alone does not guarantee a high wage.

Watch out: a household can do three things with income – **spend**, **save**, or pay **tax**. Wages depend on a worker's **skills/qualifications**, the **difficulty or danger** of the job, and the **demand** for that work.

Practice

Try these in order.

3.1 Name three things a household can do with its income. [2]

3.2 What is *saving*? [1]

3.3 Where does tax money go? [1]

3.4 Give one thing that affects how much a worker is paid. [1]

3.5 Why might a doctor earn more than a cleaner? [1]

3.6 Challenge. Explain why a surgeon is usually paid much more than a supermarket cashier. [2]