WHO HOLDS THE PURSE STRINGS? Vocabulary

Separation of Powers – Dividing government into branches so no one has too much power.

Checks and Balances – Each branch of government can limit the power of the others.

Power of the Purse – The ability to control government spending and taxation. Whoever controls the ability to open or close the purse, makes the financial decisions.

Representation – Having leaders chosen to speak and act for the people.

Tax - Money people pay to the government for public services.

Tariff – A tax on imported goods.

Deficit – Spending more money than you have.

Federalism – The sharing of power between national and state governments.

Republic – A government where people elect representatives to make decisions.

Democracy – A system of government where the people have power through voting.

Taxation Without Representation – Being taxed by a government without having a voice in it.

Trade-Off – The balance between two things you can't have at the same time.

Opportunity Cost – What you give up when you choose one option over another.

Scarcity – The idea that resources are limited, so choices must be made.