The “Great Gatsby Curve” Economics Glossary

**aristocracy**- a group or class considered superior to others

**assets**- something valuable or useful; something that has money value (ex. Property, jewelry, investments)

**axis**- the vertical (y) or horizontal part of the coordinate plane used to graph data and see their relationships

**blue blood**- a member of the aristocracy or someone who is wealthy

**capitalism**- an economic system characterized by private or corporate ownership of business and capital goods, private NOT government decision-making, competition in a free market, the profit motive and acceptance of risk

**causation**- the thing, such as a person, event, or condition, that is responsible for an action or result

**correlation**- a causal, complementary, parallel, or reciprocal relationship, especially a structural, functional, or qualitative correspondence between two comparable entities: a correlation between drug abuse and crime

**distribution of wealth**- a comparison of the wealth of various members or groups in a society. It differs from the distribution of income in that it looks at the distribution of ownership of the assets in a society, rather than the current income of members of that society

**economic mobility**- is the ability of an individual, family or some other group to improve (or lower) their economic status—usually measured in income

**economic system**- a way society organizes itself to produce goods and services in order to satisfy the needs and wants of its people; all societies have an economic system, but they vary greatly

**economics**- the science that studies how money and goods are produced, how they are divided up among people and how they are used; the production, distribution and consumption of wealth, goods, and services

**free market economy**- an economic system where the individual has the right to buy and sell any product or service he/she chooses in the hope of making a profit

**fundamental**- serving as the basic explanation of how a thing functions or exists. Example, The Constitution ensures our fundamental rights.
Great Gatsby Curve- is a chart plotting the (positive) relationship between inequality and intergenerational social immobility in several countries around the world. This idea was introduced by Alan Krueger in 2012, see graph below

human capital/human resources- people who have the ability to work; one of the essential components of an economic system; the abilities and skills of any individual, especially those acquired through investment in education and training

income- payment of money received for work done or from property or other investments

inequality- an instance of injustice or unfairness

investment- the amount of money put towards profit seeking by risking wealth

labor market- the market in which workers compete for jobs and employers compete for workers

labor- the intellectual and physical activity of a person contributed to the accomplishment of compensated work

metaphor- a figure of speech that describes a subject by asserting that it is, on some point of comparison, the same as another otherwise unrelated object.

wealth- all property having monetary value; a great amount of money or valuable things

*Definitions from “Wally and the Walnuts” by the Wallyworkers and http://www.merriam-webster.com/