Assessment 1 Instructions: Impact of Economics on Daily Living. Paper details: Adjust your family's yearly budget to accommodate changes in income and expenditures. Apply what you have learned to discuss economic trends that affected budgetary changes and explain why you made certain budget decisions. Introduction What Is Economics? What does the price of bread have to do with international relations? How do you know if it’s the right time to buy a new computer or look for a new job? Should you save your holiday bonus or spend it? The study of economics helps you answer these questions and more by examining how society produces, consumes, and exchanges wealth and other resources every day. In fact, everything we do—from the choices we make about our careers to how much we spend and save—is influenced by the economy. Understanding the science of economics can give us the confidence to navigate our personal financial future. In this course, you will be introduced to the basic concepts of economics and explore the essential skills that will help you ensure your personal, professional, and financial well-being. We’ll also discuss what it means to invest in your most valuable resource: you. Economics, Personal Finance, and Essential Employability Skills Ultimately, there's one investment that supersedes all others: Invest in yourself. –Warren Buffett, CEO, Berkshire Hathaway When we think of economics, it's easy to imagine investors trading stocks on Wall Street or international companies battling over supply and demand. But in today's world, every aspect of our daily lives is affected by economics. Simply put, economics is the study of how humankind uses its limited resources, such as time, money, goods, and services. Understanding these resources is not only the key to business success, it's critical to your personal financial success. Every day, you make decisions that affect your personal financial future. You decide how to spend your time and money, which career to pursue, and how to grow the skills and experience you need to be professionally successful. In other words, you're deciding how to allocate your personal resources to best support yourself and your family. When we think of our personal resources, it's easy to forget that your most valuable resource is actually yourself. The more skills and knowledge you have, the more valuable you become to future employers. You've already started investing in yourself by committing to your education here at Capella. And over the next four assessments, you'll not only gain a better understanding of economics and personal finance, you'll practice four of the essential employability skills that will help you invest in yourself and your future. They are: Problem-solving to find creative, effective, ethical, and evidence-based solutions to economic and financial challenges. Productivity to plan and organize your finances as new priorities and needs emerge. Technology to complete tasks and goals, communicate complex financial data effectively, and stay competitive. Agility to embrace change and adapt so you can achieve the results you desire. Putting a Price on Success Money won't make you happy on its own, but having the knowledge you need to take control of your personal finances will make your life a lot more enjoyable. Whether funding your own education or saving to pay for your children's, empowering yourself to achieve your personal and professional goals means thinking critically about your economic resources and making smart decisions for the future. You can use your problem-solving skill to apply critical-thinking strategies to make informed decisions about your personal finances. Also, you can apply the agility skill to adapt to changing economic trends, so even if money can't buy happiness, you'll have a solid plan in place to reach your own budgetary bliss. Earning Your Future There are many things in our financial lives we can't control. We can't control the price of groceries or housing. We can't control how much a company can afford to pay us to perform our job duties. But there are ways we can take control of our personal finances to earn the future we deserve; one of the best ways is by understanding and navigating our income. Additionally, by learning how to understand and think critically about economic trends, you can better predict which expenses are likely to increase. Even if you cannot control the trends, by having a sense of what's coming, you can better prepare yourself for changes in costs. You can apply both the problem-solving and agility skills when planning and managing your income. This will help you look ahead and maintain flexibility so you can make the best financial decisions for your future.