

1. **Adam Smith** Scottish professor who wrote *The Wealth of Nations*, where the idea of the "invisible hand" comes from
2. **Capitalism** is the economic system that is backed by capital or money from investors or business
3. **Communism** the economic idea of an equal society, where all profits from business transactions was given to the people
4. **Domestic System** the system where cloth and linen were produced at homes rather than factories, then the finished material was taken and sold
5. **Economic Freedom** the freedom to make their own choices in deciding what to buy, where to work, and what to make.
6. **Free Enterprise** the economic system that exists from the economic freedom
7. **Industrial Revolution** a fundamental change in the way goods and services are produced, the change from domestic production to industry
8. **James Watte** did not invent the steam engine, but improved it by separating hot chamber from cold chamber
9. **Karl Marx** popular critic of the new "Capitalist" system of economics; believed that workers created value through their labor
10. **Laissez-faire** government is completely hands off in regard to economics
11. **Law of Supply and Demand** relationship between how much of a product is made, and what the demand that product is
12. **Louis Pasteur** scientist who improved living conditions through the identification of disease causing agents and inventing penicillin. (antibiotics)
13. **Mass Production** large scale production of identical goods
14. **Socialism** a movement sparked by the injustices placed upon workers where the government owned business in order to protect workers from owners
15. **Spinning Jenny** used several spindles to speed of the processing of wool, allowing for more wool thread to be produced at a faster rate
16. **Steam Engine** an engine powered by boiling water and allowing the pressure to build
17. **Unions** group of people working for the same organization who band together in order to improve working conditions and earn higher wages
18. **Urbanization** as work shifted from farms to factories, people began to relocate to cities, creating urban areas and extreme urban growth