

THE NINE PRINCIPLES OF ECONOMICS



- 1** *People choose; there is no such thing as a free choice*
- People usually decide at the margin (give a little, get a little)* **2**
- 3** *Skills, knowledge, experience, and personal qualities (human capital) influence the ability to achieve goals*
- Voluntary and informed exchange benefits the traders* **4**
- 5** *People respond to incentives; consequences are often unintended.*
- Markets work well with competition, the rule of law, information, incentives, and property rights* **6**
- 7** *Public policies create winners and losers. Do the gains outweigh the costs?*
- Fiscal and monetary policies influence people's decisions* **8**
- 9** *Globalization has positive and negative effects on different groups*