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| Reaganomics |  | Reagan’s economic philosophy, which emphasised low taxes and deregulation, which it was thought would stimulate the economy.  |
| GDP | Gross Domestic Product - The value of goods and services produced by a country in a year. |
| Per capita income  | GDP divided by the number of people in a country.  |
| GNP | Gross National Product - The aggregate (combined) value of goods and services produced in a country and by Americans abroad.  |
| Real GNP | Gross National Product adjusted to match inflation.  |
| Inflation | An increase in the price of goods over time.  |
| Stagflation | Slow economic growth with high unemployment and rising prices.  |
| Supply-side economics | Focusing on the supply rather than the demand for products in the economy. This meant governments would concentrate on inflation-free economic growth rather than unemployment and providing welfare safety nets. If restraints on production were removed, the better-off would benefit and this would ‘trickle down’ to the poorest.  |
| Disposable income | The money you have left to spend or save after tax |
| Real disposable income | Disposable income relative to inflation, i.e. real prices.  |
| Deregulation | Removing federal restrictions from businesses e.g. minimum wage expectation.  |
| Deficit | When the government is spending more than its revenue from taxes etc.  |
| Bureaucracy | The non-elected officials that administer and make decisions on government policy.  |