

Economics

Name and Number: c2 s1 11

What is economics? When you hear this word, you should think "money". In the dictionary it states: the study of how people use resources to produce goods and services that people need or want. Let's try and break this definition into smaller pieces so we understand what it means...

how people



Usually grown-ups that go to work. Think of ^a grown-up you know and write down where they go to work.

 answers will vary

use resources



These are the things needed to make something. Write down what is needed for each example...

potato chips - potatoes
ice cream - milk, fruit

to produce



To make or build

goods and services



Goods are things you buy and can hold in your hand.

Examples: ice cream cones, iPhone

Services are tasks others complete for you. Examples: mowing your lawn, cutting your hair, serving food

that people



You, me, your parents or people who live in a community.

need or want



Needs: water, shelter, food, house

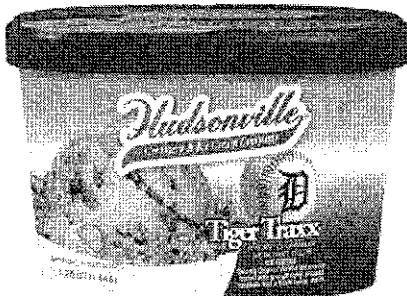
Wants: ice cream, pop, fidget spinners, pizza

Natural resources play a key role in the economics of an area. Natural resources are things in nature people find useful such as trees, water, soil, and animals. Think about the state of Michigan, what resources do we get from nature, or how do we use our state to make things? Compile a list that your class brainstorms here.

bottled water
iron ore
lumber
fruit

Crops - corn, beans
sugar beets
cement pickles
salt, potatoes

Speaking of Michigan, let's focus on a few companies that are based here and the goods and services they provide. Do you know anyone who works for one of these companies?



Some of these companies are small and others are located all over the world. Faygo has 550 employees and is sold in 33 states. General Motors has 202,000 employees and makes vehicles in 37 different countries around the world.

Let's get back to the natural resources in an area that allow a company to **produce** a **good** that people **need** or **want**. Let's start off with the easy ones first. For each item, list the number one item needed to produce that product.

Better Made Potato Chips

potatoes

Faygo Pop

water

Hudsonville Ice Cream

milk

Vlasic Pickles

cucumbers

The items you wrote down are easily found in and around Michigan. Our climate and soil are ideal for growing potatoes and sugar beets. Driving around the state, you have seen plenty of dairy frames and of course we have plenty of water because of the Great Lakes.

It would be much more difficult to look at the natural resources needed for the big three auto makers, that all have their headquarters in Michigan. These companies are so big they bring in items from all over the world to build their cars and trucks: rubber for the tires and hoses, copper for the wiring, iron for the steel, petroleum for the plastics used throughout the vehicles, etc.