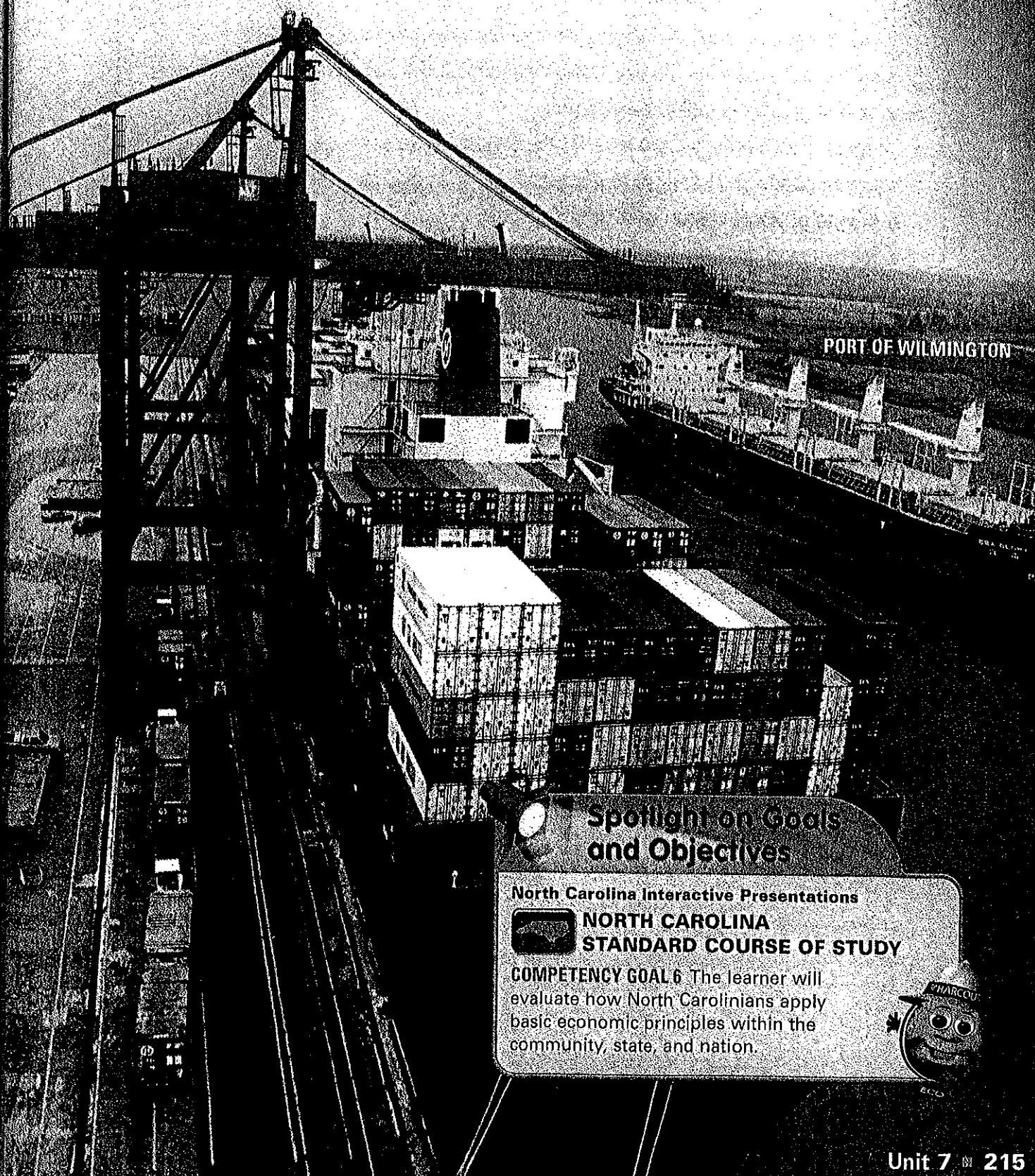


# North Carolina's Economy



PORT OF WILMINGTON

## Spotlight on Goals and Objectives

North Carolina Interactive Presentations



**NORTH CAROLINA  
STANDARD COURSE OF STUDY**

**COMPETENCY GOAL 6** The learner will evaluate how North Carolinians apply basic economic principles within the community, state, and nation.





# The Big Idea

**How do the people of North Carolina use economic resources within the community, state, and nation?**

By working, spending, and saving, people take part in the economy. An **economy** is the way people use resources to meet their needs. The study of how people do this is called **economics**.

To meet their needs, people must think about three economic questions:

- which goods and services to produce?
- how to produce those goods and services?
- for whom to produce those goods and services?

**Use knowledge about the community where you live to answer the questions below.**

**1. List three examples of businesses in your community.** \_\_\_\_\_

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**2. What kinds of goods or services do those businesses produce?** \_\_\_\_\_

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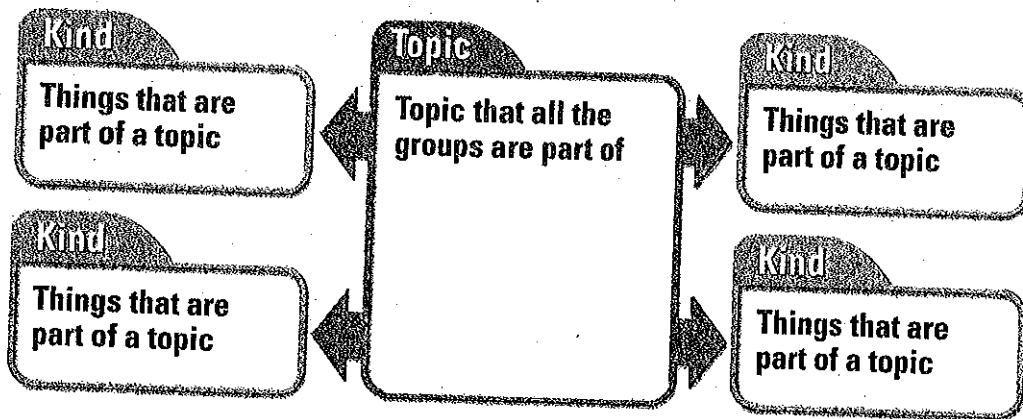
## Reading Social Studies



# Categorize and Classify

### ► LEARN

Information is often easier to find and to understand if facts are grouped together. A graphic organizer can help you **classify**, or sort information into categories. A **category** is a group of items that has something in common. Tables, charts, and webs are graphic organizers that can be used to classify information about people, places, events, or ideas into categories.



### ► PRACTICE

**Underline two categories of information that could be classified as services that banks provide. One category has been underlined for you.**

Banks provide many important services to help people manage their money. They pay interest to people who put their money into them. *Interest* is the money a bank or borrower pays for the use of the money.

Banks loan money to people and businesses. People often borrow money from banks to buy costly products such as homes and cars. Businesses often borrow money to start and grow companies.

Topic

Kind

**▶ APPLY**

Read the article. Then complete the activities below.

## The Banking Industry in Charlotte

Charlotte is the second leading banking center in the United States, behind New York City. Two of the nation's largest banks are based in Charlotte.

The banking industry is important to North Carolina's economy. There are about 240 banking offices in the Charlotte area. Those banks employ thousands of workers.

Charlotte's banks serve customers in at least 31 other states and the District of Columbia. They also do business in 45 countries outside the United States.

Charlotte is home to a branch office of the Federal Reserve Bank. The Federal Reserve is the central bank of the United States. It manages the nation's banks, makes decisions that affect the economy, and manages the supply of money.

Charlotte's Federal Reserve Bank is a branch of the regional office in Richmond, Virginia. The Richmond office manages banks in Maryland, Virginia, North Carolina, South Carolina, West Virginia, and the District of Columbia.

1. Circle a category into which the information from the first paragraph can be classified.
2. What are two categories into which the information in the second and third paragraphs can be classified?

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3. Underline a category of information described in the last two paragraphs.

# Economic Choices

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People have to make economic choices every day. An **economic choice** is a decision about how to use resources. Businesses must make decisions about which goods and services to produce and how much to make.

**Consumers**, or people who buy goods or services, must decide what to buy. **What do you expect to learn from this lesson about North Carolinians' economic choices?**

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NEW HOUSES BUILT  
NEAR HENDERSONVILLE



NORTH CAROLINA  
STANDARD COURSE OF STUDY

- 6.01 Explain the relationship between unlimited wants and limited resources.
- 6.02 Analyze the choices and opportunity cost involved in economic decisions.

## Resources and Wants

① What do the words in the second paragraph tell you about the meaning of the word *limited*?

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② Categorize the following resources as nonrenewable or renewable.

Feldspar: \_\_\_\_\_

Fish: \_\_\_\_\_

Trees: \_\_\_\_\_

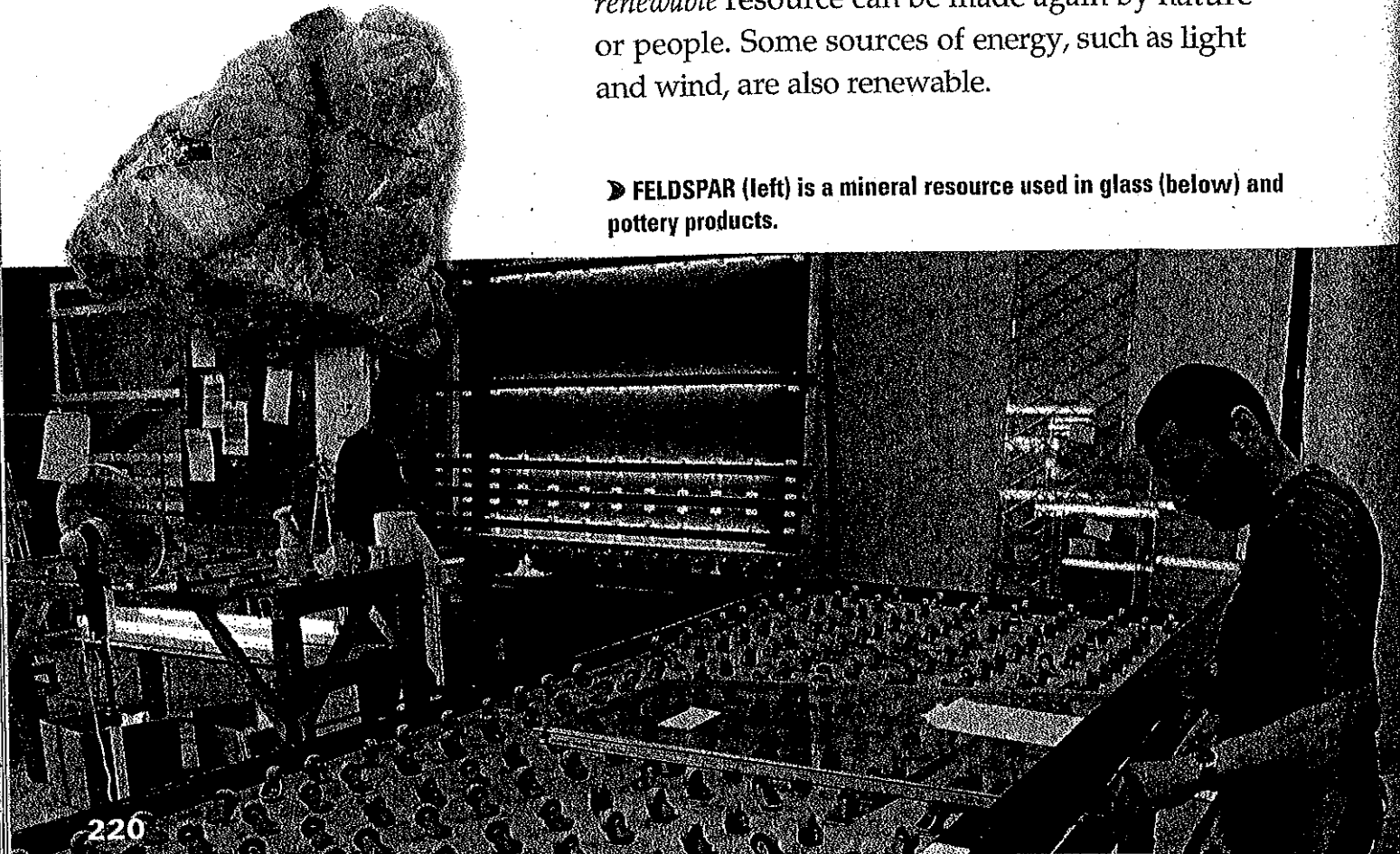
Businesses help people in communities meet their wants. A want is something that people would like to have, such as a television. Some wants are needs. Food, clothing, and a place to live are all needs.

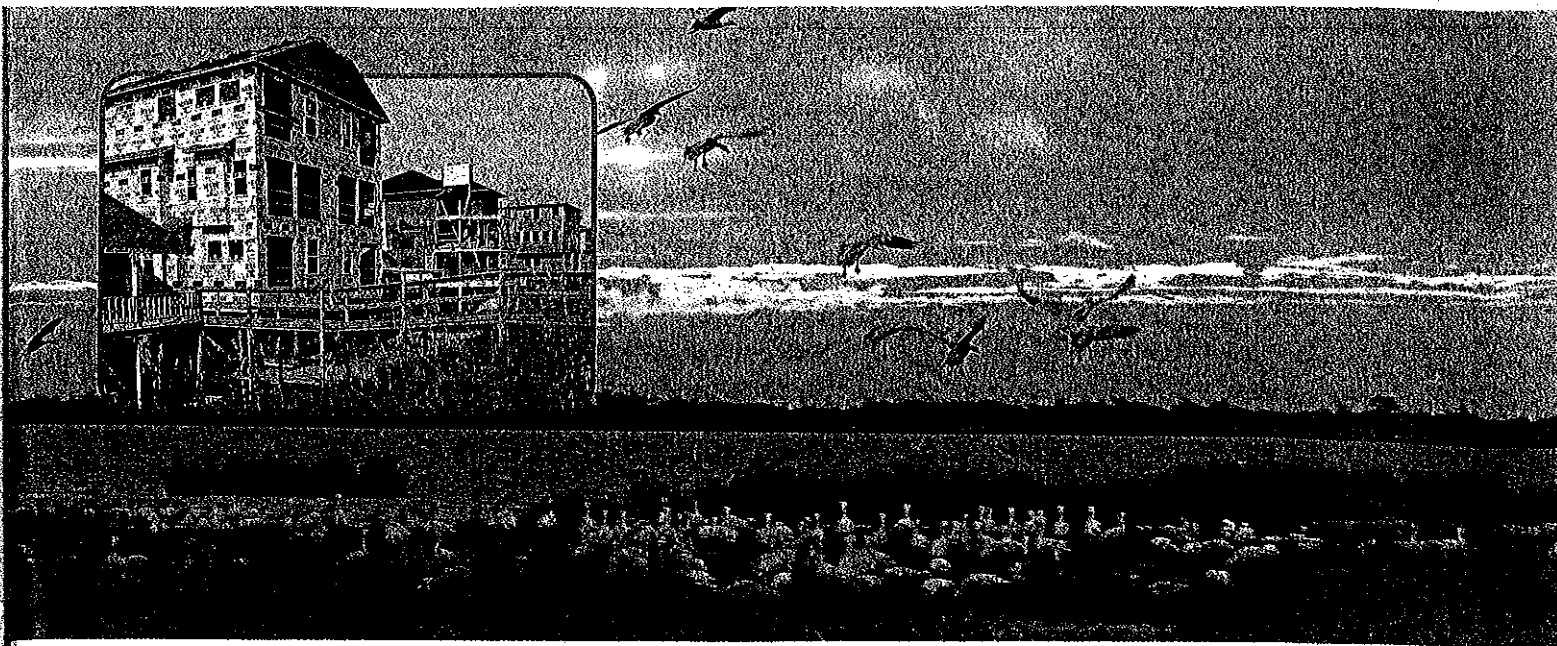
People everywhere use resources to meet their wants. Resources, however, are **limited**. Only a certain amount of resources are available. There are not enough resources to provide an unlimited supply of goods and services.

Some natural resources are nonrenewable. A *nonrenewable* resource cannot be made again quickly by nature or people. Many of North Carolina's minerals are nonrenewable resources. These include mica, granite, feldspar, and zinc. Once these minerals are removed from Earth, it might take thousands of years for nature to replace them.

Some resources, such as trees, are renewable. A *renewable* resource can be made again by nature or people. Some sources of energy, such as light and wind, are also renewable.

► **FELDSPAR** (left) is a mineral resource used in glass (below) and pottery products.





► **TRADE-OFF** Hundreds of acres of wetlands (above) and other coastal areas are cleared each year to build houses (top left), roads, and shopping centers.

## Choices and Costs

People's wants are unlimited. However, consumers do not always have enough resources to get everything they want. They must make economic choices. Sometimes they must give up certain things to get other things. This kind of economic decision is called a **trade-off**. What people decide to give up in order to get something else is called the **opportunity cost**.

To help protect the state's limited supply of natural resources, North Carolina has created conservation programs. *Conservation* (kahn•ser•VAY•shuhn) is the protection and careful use of natural resources.

Conservation is an economic choice. It often involves a trade-off. People must give up using at least part of a natural resource to make sure the resource will be available in the future.

The Coastal Area Management Act of 1974 prevents people from building houses or running businesses in some coastal areas of North Carolina. Giving up coastal development is the opportunity cost of protecting the air, water, and wildlife in those areas.

### TextWork

③ Scan this page, and find the words that will complete these sentences.

A \_\_\_\_\_ is the giving up of one thing to get something else.

The thing that is given up is called the \_\_\_\_\_.

④ Think about an economic choice you have made. List the trade-off and the opportunity cost of your decision.

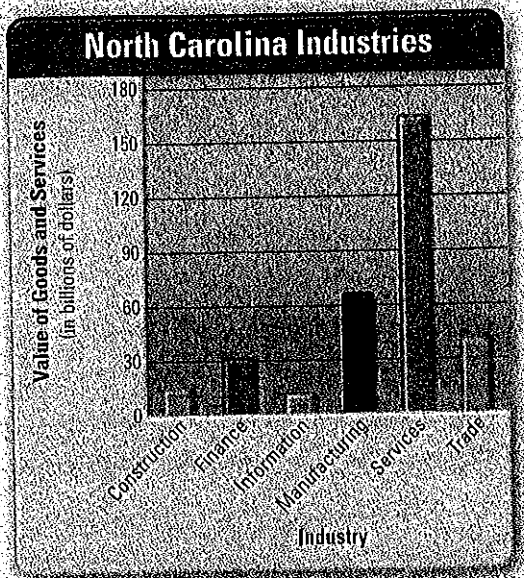
Trade-off: \_\_\_\_\_

Opportunity cost: \_\_\_\_\_

## TextWork

5 Scan this page. Underline two ways in which farming in North Carolina has changed over time.

6 Study the graph. Circle the industry that produces the greatest value of goods and services.



## A Changing Economy

Businesses also make economic choices. They change to meet the demands of consumers. Businesses also change as resources change. Sometimes, all of an available resource is used up. When this happens, businesses must find new resources or make different products.

As businesses change, they can have a great effect on the state's economy. An economy is the way people in a state, region, or country use resources to meet their needs.

### Businesses in North Carolina

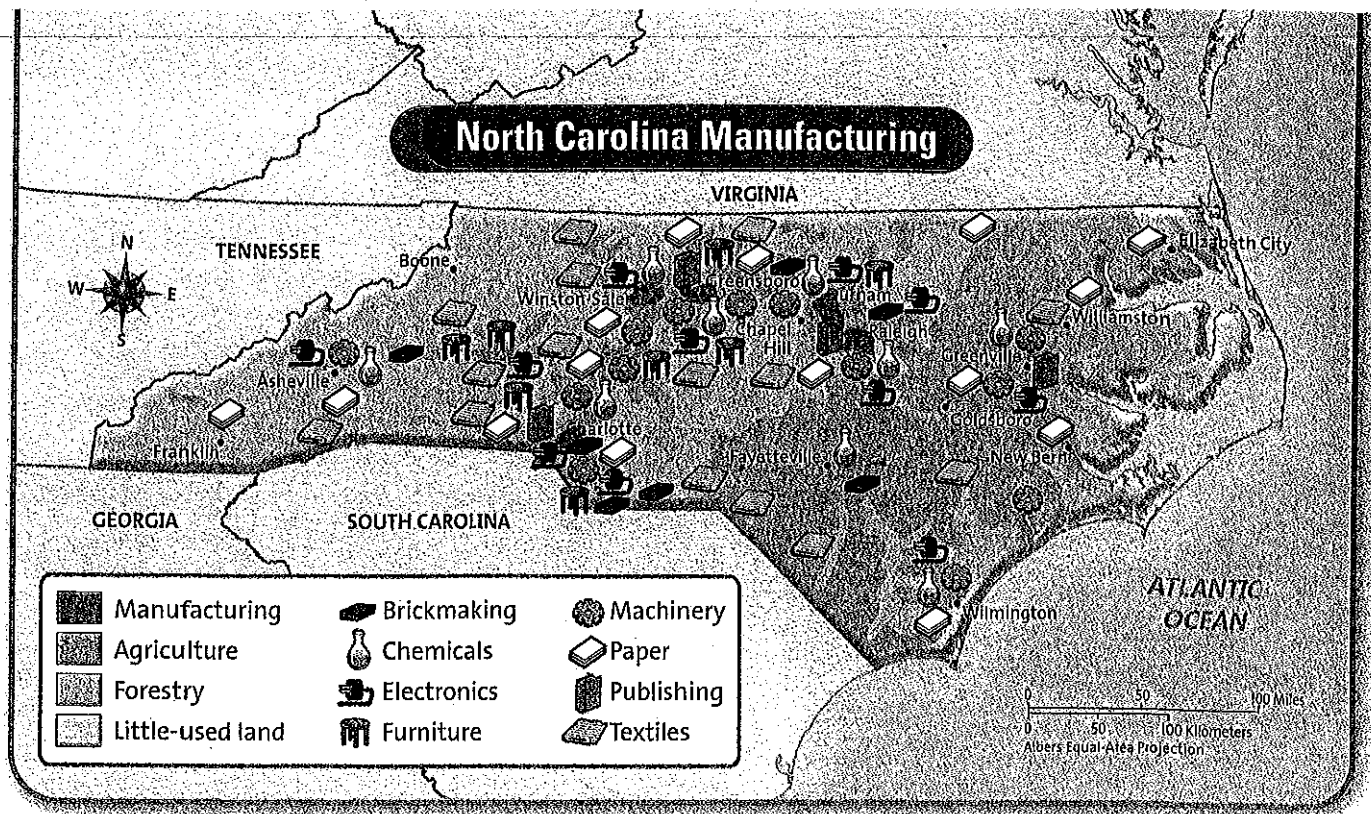
Agriculture in North Carolina has changed greatly over time. Today, the state has many commercial farms. Commercial farms are large farms owned by companies.

Long ago, most farmers in the state raised large crops of tobacco. Today, many North Carolina farmers practice *mixed farming*, or grow more than one kind of crop on the same farm. They also raise livestock, such as turkeys, hogs, cows, and chickens.

► **COMMERCIAL BUSINESSES** use machines to make bricks (left) and for agriculture (right).







In the 1800s, manufacturing became a big industry in North Carolina. Mills and factories produced tobacco products, textiles, furniture, and other goods. These industries are still important to the state, although most provide fewer jobs today than they did in the past.

Another manufacturing industry in North Carolina is *food processing*, or the cleaning, cooking, and packaging of foods. Meat and poultry are North Carolina's most valuable food products. Other factories make machine parts and chemicals.

In recent years, some high technology, or high-tech, industries have grown in North Carolina. **High-tech** industries invent, build, or use computers or other electronic equipment. In fact, companies that build computers and electronics are now the fourth-largest provider of manufacturing jobs in the state.

Today, more than half of the state's workers have jobs in service industries. Many work in the tourism industry. Others work in government or as teachers, scientists, or bankers.

## TextWork

**7 HUMAN-ENVIRONMENT INTERACTIONS** Study the map. Circle the products that are made near Asheville and Wilmington.

**8** Classify the following industries as agriculture, manufacturing, or high-tech.

Textiles: \_\_\_\_\_

Electronics: \_\_\_\_\_

Livestock: \_\_\_\_\_

1. **SUMMARIZE** What economic choices do North Carolinians make to meet their wants?

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2. Use the term **trade-off** to define **opportunity cost**.

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3. Why is conservation important?

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4. What must businesses do when all of an available resource is used up?

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Circle the letter of the correct answer.

5. Which of these is a nonrenewable resource?

- A minerals
- B trees
- C water
- D wind

6. Which of these is a renewable resource?

- A trees
- B mica
- C granite
- D zinc

7. In which kind of industry do more than half of North Carolinians work?

- A agriculture
- B high-tech
- C manufacturing
- D service

### *activity*



**Make a Poster** Make a poster that encourages people to conserve North Carolina's natural resources. Use your poster to explain to other students the relationship between unlimited wants and limited resources.