Routes and Rewards

Trace how economic choices changed trade in the early United States.

SS.8.E.1.1 "Examine motivating economic factors that influenced the development of the United States economy over time including scarcity, supply and demand, opportunity costs, incentives, profits, and entrepreneurial aspects."

NAME ______________________ DATE ____________

1 READ AND MARK

Read it twice

YOUR JOB Circle words or phrases that show an economic factor, then draw an arrow to a result that factor influenced.

The Erie Canal Changes Trade

(1) In the early 1800s, many farmers west of the Appalachian Mountains grew wheat and corn. Getting crops to eastern cities was slow and costly because rough roads and long river routes limited transportation. This scarcity of cheap, reliable shipping meant city buyers received less grain, while western farmers had fewer customers. As eastern populations grew, demand for food rose. Higher prices gave farmers and merchants an incentive to find a faster route to market for their crops.

(2) New York leaders proposed the Erie Canal, completed in 1825, to connect the Hudson River with Lake Erie. Building it required workers, tools, and public money that could have been used for other projects. That was an opportunity cost. Supporters expected canal tolls and more trade to repay the investment. Canal construction also created incentives for entrepreneurs. Store owners, boat builders, and warehouse operators saw chances to earn profits by serving travelers and moving goods.

(3) After the canal opened, freight costs fell, so more western grain and other goods reached eastern markets. The larger supply often lowered prices for buyers and made trade more predictable. At the same time, eastern manufactured goods could travel west, giving families more choices. The canal did not help every business equally. Some workers and owners along older routes lost customers. Still, the possibility of profit encouraged people to start businesses, invest money, and take risks in a growing national market.

2 ANSWER WITH EVIDENCE

Use the passage

1. How did the scarcity of cheap, reliable shipping affect western farmers and city buyers?

2. What opportunity cost did New York face when it built the Erie Canal?

3. Name two types of entrepreneurs who saw an opportunity from the canal. How did they expect to make profits?

4. How did the Erie Canal change the supply of goods and prices in eastern markets?

3 YOUR TURN

Your own words

Invent an 1800s U.S. town that gets a new road or water route. Complete all four rows to show scarcity, demand, an opportunity cost, and an incentive or profit opportunity, plus a result of each.

ECONOMIC FACTOR	WHAT HAPPENS	RESULT

ANSWER KEY # Routes and Rewards

PART 1 · READ AND MARK

Circle words or phrases that show an economic factor, then draw an arrow to a result that factor influenced. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How did the scarcity of cheap, reliable shipping affect western farmers and city buyers?	**Western farmers had fewer customers, and city buyers received less grain.**
2	What opportunity cost did New York face when it built the Erie Canal?	**The workers, tools, and public money used for the canal could have been used for other projects.**
3	Name two types of entrepreneurs who saw an opportunity from the canal. How did they expect to make profits?	**Any two: store owners, boat builders, and warehouse operators. They expected to profit by serving travelers or moving and storing goods.**
4	How did the Erie Canal change the supply of goods and prices in eastern markets?	**More western goods reached eastern markets. The larger supply often lowered prices for buyers.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

ECONOMIC FACTOR	WHAT HAPPENS	RESULT
Scarcity	The town has too few wagons to move lumber.	Lumber arrives slowly, so its price stays high.
Demand	City builders want more lumber.	Merchants look for a faster shipping route.
Opportunity cost	Leaders use tax money for a river dock instead of a school addition.	They give up the school addition to improve shipping.
Incentive and profit	A carpenter opens a boat-repair shop near the dock.	The carpenter expects profits as more boats use the route.

Accept equivalent explanations that accurately connect each economic factor to its effect in the passage. For the open response, accept varied town scenarios if all four required factors and logical results are present.