

Market Economy Team

Four sectors work together in the U.S. economy.

SS5E2 "Describe the functions of four major sectors in the U. S. economy."

NAME _____

DATE _____

1 READ AND MARK _____ Read it twice

YOUR JOB Number the four sector names as the passage explains them: 1 households, 2 businesses, 3 government, 4 banks. Circle one phrase that tells what each sector does.

A Market With Many Roles

- ① On a Saturday, the River Street Market shows how households and businesses work together. A household is a person or group living together. Household members earn income by supplying labor, land, or savings. They use income to buy food, clothing, and other goods and services. Businesses combine resources and workers to make or sell the things households want.
- ② The government sector collects taxes from people and businesses. It uses tax money to provide public services, including public schools, roads, police protection, and national defense. Government also makes and enforces rules that protect health and safety. For example, rules can require a restaurant to handle food safely. These actions support people and businesses in the United States.
- ③ Banks help people and businesses manage money. Checking accounts hold money for payments, such as buying supplies by check or debit card. Savings accounts hold money for later use. Banks also make loans: borrowers receive money now and agree to repay it, usually with interest. A market grower might save for seeds, pay suppliers from a checking account, or borrow to buy equipment. Households, private businesses, government, and banks all help the U.S. economy function.

2 ANSWER WITH EVIDENCE _____ Use the passage

1 What resources can households supply, and what do households do with income?

2 How do businesses serve households in the economy?

3 Describe two functions of the government sector.

4 Describe how a bank helps people through checking accounts, savings accounts, and loans.

3 YOUR TURN _____ Your own words

A town is opening a Saturday farmers' market. Fill one row each for households, businesses, government, and banks. Describe each sector's job and give a concrete market example.

SECTOR	JOB IN THE ECONOMY	MARKET EXAMPLE

PART 1 • READ AND MARK

Number the four sector names as the passage explains them: 1 households, 2 businesses, 3 government, 4 banks. Circle one phrase that tells what each sector does. Accept any marking that follows this job and points at the right text.

PART 2 • ANSWERS

#	QUESTION	ANSWER
1	What resources can households supply, and what do households do with income?	Households can supply labor, land, or savings. They use income to buy goods and services.
2	How do businesses serve households in the economy?	Businesses combine resources and workers to make or sell the goods and services households want.
3	Describe two functions of the government sector.	The government collects taxes and provides public services. It also makes and enforces health and safety rules.
4	Describe how a bank helps people through checking accounts, savings accounts, and loans.	Checking accounts hold money for payments. Savings accounts hold money for later use. Loans provide borrowed money that must be repaid, usually with interest.

PART 3 • YOUR TURN (SAMPLE ANSWER)

SECTOR	JOB IN THE ECONOMY	MARKET EXAMPLE
Households	Supply resources; buy goods	A family buys tomatoes.
Businesses	Produce and sell goods	A grower sells vegetables.
Government	Collect taxes; provide services	Police keep the market safe.
Banks	Hold accounts; make loans	A grower borrows for equipment.

Check all four sectors, including banks. Accept checking payments, savings for later use, or a repayable loan as the bank example. Optional trade extension: a U.S. seller exports goods sold abroad; a U.S. buyer imports goods bought from abroad. Trade supplements the four-sector task.