

Choices, Risks, Limits

Read how free enterprise shaped economic life before 1877.

8.14.B "describe the characteristics and the benefits of the U.S. free enterprise system through 1877."

NAME _____

DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline the three sentences that begin with "One benefit was." Circle the one sentence that begins with "A serious limit was" to identify how the system did not offer equal opportunity.

Enterprise Before 1877

- ① Before 1877, the United States used a free enterprise system in which individuals could own businesses and property. Farmers, shopkeepers, inventors, and investors made many economic decisions. They chose what to produce, where to sell, and whether to buy. Competition occurred when several businesses tried to attract the same customers. Prices and customer demand helped guide decisions, although governments set rules and collected taxes. Contracts and courts protected many property agreements. This arrangement encouraged risk taking in business for profit.
- ② One benefit was more choices for buyers, because competing businesses offered different goods and prices. One benefit was new or improved products, because inventors hoped successful ideas would earn profits. One benefit was jobs and trade, because farms, mills, stores, railroads, and banks needed workers and exchanged goods. A business that pleased customers could grow, while a business that wasted resources might lose customers or close. These outcomes pushed producers to pay attention to demand.
- ③ Free enterprise did not give every person equal opportunity. A serious limit was slavery: enslaved people were treated as property, forced to work, and denied control over their labor or earnings. After the Civil War, the Thirteenth Amendment ended slavery, but discrimination and unequal access to land, credit, and education continued. By 1877, some Americans had used private property, competition, and voluntary exchange to build businesses, yet laws and social conditions still shaped who could participate and benefit.

2 ANSWER WITH EVIDENCE _____ Use the passage

1 Name two characteristics of the U.S. free enterprise system described in the passage.

2 How did competition and customer demand affect a business owner's decisions?

3 What three benefits of free enterprise does the passage identify?

4 What serious limit prevented free enterprise from offering equal opportunity before 1877, and what continued after slavery ended?

3 YOUR TURN _____ Your own words

Imagine you live in 1876 and plan to open a small business. Write four sentences explaining who owns the business, how competition or customer demand affects it, one benefit it could bring, and one limit on equal participation that existed at the time.

PART 1 • READ AND MARK

Underline the three sentences that begin with "One benefit was." Circle the one sentence that begins with "A serious limit was" to identify how the system did not offer equal opportunity. Accept any marking that follows this job and points at the right text.

PART 2 • ANSWERS

#	QUESTION	ANSWER
1	Name two characteristics of the U.S. free enterprise system described in the passage.	Any two: individuals could own businesses and property; people made economic decisions; competition occurred; prices and customer demand guided decisions; people sought profit; contracts and courts protected property agreements.
2	How did competition and customer demand affect a business owner's decisions?	Competition made businesses try to attract customers. Customer demand and prices helped owners decide what to produce and sell.
3	What three benefits of free enterprise does the passage identify?	More choices for buyers; new or improved products; jobs and trade.
4	What serious limit prevented free enterprise from offering equal opportunity before 1877, and what continued after slavery ended?	Slavery denied enslaved people control over their labor or earnings. After slavery ended, discrimination and unequal access to land, credit, and education continued.

PART 3 • YOUR TURN (SAMPLE ANSWER)

In 1876, I would open a small shoe shop with money I saved. I would own the shop and decide which shoes to make, but I would watch other shops and improve styles if customers chose them. The shop could give buyers more choices and hire a helper. However, discrimination and unequal access to credit could keep some people from opening competing shops.

Accept accurate characteristics and benefits stated in the passage, using students' own words. For the open response, look for all four required parts and an accurate limit in 1876, such as discrimination or unequal access to land, credit, or education.