

Georgia's Economy

Directions: Give examples of the kinds of goods and services produced and traded in Georgia.

Time Period	Colonial Period and Early Statehood	Antebellum/Civil War	Reconstruction/Early 1900s	20 th Century
Goods				
Services				

What are the five major industries in the state of Georgia?

Answer:

The Economic Way of Thinking

1. People choose.

Most situations involve making choices. People evaluate the costs and benefits of different alternatives and choose the alternative that seems best to them.

2. People's choices involve costs.

Costs do not necessarily involve money. The most important type of cost is opportunity cost: the next best alternative that people give up when they make a choice.

3. People respond to incentives in predictable ways.

Incentives are actions or rewards that encourage people to act in a certain way. Incentives can be either positive or negative. When incentives change, people's behavior changes in predictable ways.

4. People create rules that influence individual choices and incentives.

How people cooperate is governed by written and unwritten rules. As rules change, incentives – and consequently people's behaviors – change.

5. People gain when they trade voluntarily.

People can produce goods and services at lower opportunity costs when they specialize in what they do best. Then they can trade what they produce for goods or services that would be more costly for them to produce. In this way, both sides gain.

6. People's choices have consequences that lie in the future.

The important costs and benefits in economic decision making are those that will appear in the future. The study of economics stresses the importance of making decisions about the future because we can influence only the future; we cannot influence things that happened in the past.