

WEEK 23

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Communities
and Money

Texas Community Studies Weekly

History & Heroes

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GRADE
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A Tale of Two Cousins

Mara and Michael are cousins. Mara lives with her family on a vegetable farm in the Texas Panhandle. Michael and his family live near Houston, Texas. Michael's father works for a computer hardware manufacturing company. A manufacturing company uses machines to produce goods.

Read the letters below that the two cousins wrote one another. What can you learn about their families' ways of life from their letters?

Dear Michael,

I sure wish you were back visiting again. I had so much fun this summer while you were here. Daddy and Mama are much too busy out in the fields lately. They have a lot of work to do to get the crops ready. Daddy is a little worried about having a good harvest this year. If the crops don't do as well this year, we won't have as many vegetables to ship and sell to the stores. Of course, that means our family won't have as much of an income. Mama says then we will have to change our family's budget. The last time that happened, I couldn't go to the movies for nearly a year!

Daddy was out in the fields today checking some new equipment he got. Can you believe a computer runs one of the new fertilizer machines? He was showing it off to other farmers from Iowa who came to visit him. They want to buy some of our corn to feed the cows they raise. Mama got their e-mail addresses so she can send them information on the internet when the crops are ready. I'll bet a hundred years ago our great-grandfather didn't need a computer to run this farm.

See you soon,
Mara

Dear Mara,

I liked reading your letter. I miss you too. I know what you mean about parents being busy. Dad has been working lots of hours at the factory. His company is working on manufacturing a new computer hard drive for farm machinery. Hey, maybe your dad's new fertilizer machine is one of my dad's products! You know what's cool about it? The factory is run almost completely by robots!

Mom's job at the shipping company is busy too. It was really funny yesterday because Mom had to pick up shipments to send out from Dad's plant. She told us she saw shipments to Japan, England and even Madagascar! At the dinner table Mom asked Dad if he was sure he put all the right addresses on the boxes! Dad laughed and told her not to worry because a computer does it all anyway.

Hope to see you soon,
Michael



Connections

High Gas Prices Could Tank Small Businesses

There are many types of small businesses in the United States. Some are agricultural businesses. That means they are based on plants and animals. Some businesses manufacture goods in factories. Both types of businesses use transportation to ship goods from place to place. Whether goods are shipped by truck, train, ship or airplane, it takes fuel to get those goods where they need to go. When fuel prices go up, companies' transportation costs go up.

Gasoline is a good example of how fuel costs affect businesses. The cost of gasoline goes up and down, but over time the price has mostly gone up. In March 1999, a gallon of gas cost only \$1.05. How much is a gallon of gasoline where you live today? High gas prices are hard on everyone, especially some businesses.

Small businesses usually don't make a lot of profit. When gasoline costs go up, some business owners are faced with difficult choices. They may have to close their businesses down. Or they may have to raise prices to make up for the cost of fuel. Then consumers may have to pay more for the goods they buy at the stores.

There are other ways for businesses to save money on transportation, too. Some pizza stores use bicycles instead of cars to deliver their pies. Other companies are using only small cars and trucks that don't use as much gas.

No one knows what the price of gasoline will be in 10 years or even next year. What does your family do when the price of gas goes up? What do you do when it goes down?





Trade: Linking American Business to the World

Moving Goods Around the World

Bananas don't grow very well in the United States. The climate just isn't quite right. But look around the grocery store. There is always a good supply of fresh yellow bananas. How can that be? Those bananas are shipped across the ocean to the United States from countries in Central or South America. As a matter of fact, there are many goods in the grocery store that were grown or manufactured in a far away place.

These goods make it to the United States because we choose to trade with other countries. This means we buy and sell goods and services to people in other countries. The reason people trade is very simple. Someone else has something we want. Or we have something someone else wants.

International Trade

Trade that takes place between two different countries is known as international trade. No country can produce every type of product. That's why countries choose to work with one another. Countries can choose to import and export goods. Importing is buying goods made in another country. Exporting is selling goods to other countries. The United States buys and sells goods with many other countries.

Our country trades many goods with our closest neighbors — Canada and Mexico. In fact, the governments of these three countries have signed an agreement with one another. The agreement makes it easier for businesses to import and export goods. The agreement helps people make money and get goods they want or need.

Domestic Trade

Not all trade in the United States takes place with other countries. Some trade is between states of our own country. This type of trade is known as domestic trade. Many states grow or manufacture goods that are not available in other places. These goods are shipped out daily in trucks, on railroads, in planes or on ships. For example, pineapples grown in Hawaii are shipped to all of the other states. Potatoes grown in Idaho are found in grocery stores in every other state. People in Hawaii and Idaho probably purchase automobiles manufactured in Michigan.

A Global Economy

Today the world is more connected than ever. We are all linked by trade as well as technology. People are able to come together to get the goods and services they need.

The economies of most of the world's countries are linked as well. They depend on each other. For example, the United States buys many computers and computer equipment from Japan. What if a Japanese computer factory burned down? There could be a shortage of computers in America. The cost of computers would increase because of the scarcity, or shortage. Some American companies might have to cut the number of people who work for them because they are spending

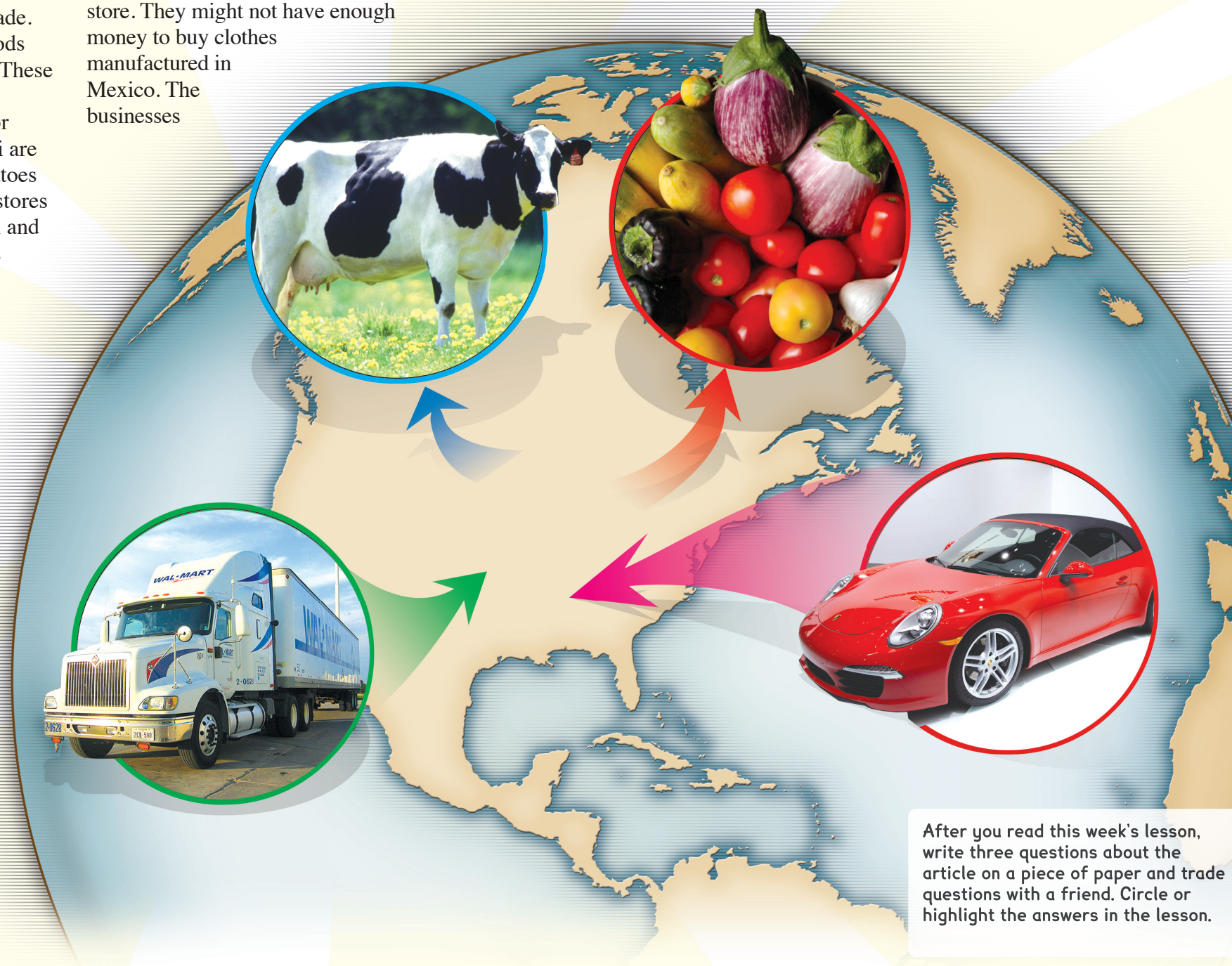
more money on computers and can't afford salaries.

The people who lost jobs would not have as much money to purchase items at the store. They might not have enough money to buy clothes manufactured in Mexico. The businesses

in Mexico would not make money because their products were not being sold.

So a fire in Japan could have an effect on people in Japan, America and Mexico.

The next time you go to the grocery store, take a look at the bananas. As a matter of fact, take a look at the labels and stickers on many products. You'll probably be amazed at how many different countries have set up shop in your neighborhood grocery store.



After you read this week's lesson, write three questions about the article on a piece of paper and trade questions with a friend. Circle or highlight the answers in the lesson.

Entrepreneurs *Economics*

Many Americans dream of owning their own business. People who start their own businesses are called entrepreneurs. Three famous entrepreneurs are Mary Kay Ash, Wallace Amos and Sam Walton. All three began with a small idea that grew into a successful business. Read on to learn more.

MARY KAY

Mary Kay Ash

After a long career of working in sales, Mary Kay Ash started a business to help women. With the help of her son, Richard, she started a skin care and makeup business. Mary started by opening a small store in Dallas, Texas. As the company grew, employees sold items at in-home parties. In fact, Mary Kay parties are still popular in the homes of many women today. Most people remember Mary Kay Ash for the kindness she showed her employees. She rewarded employees with excellent sales by giving them a pink Cadillac to drive. Many people are still driving one today. Keep your eyes out for a light pink Cadillac. It just might be one of Mary Kay Ash's hard workers!



Wallace Amos

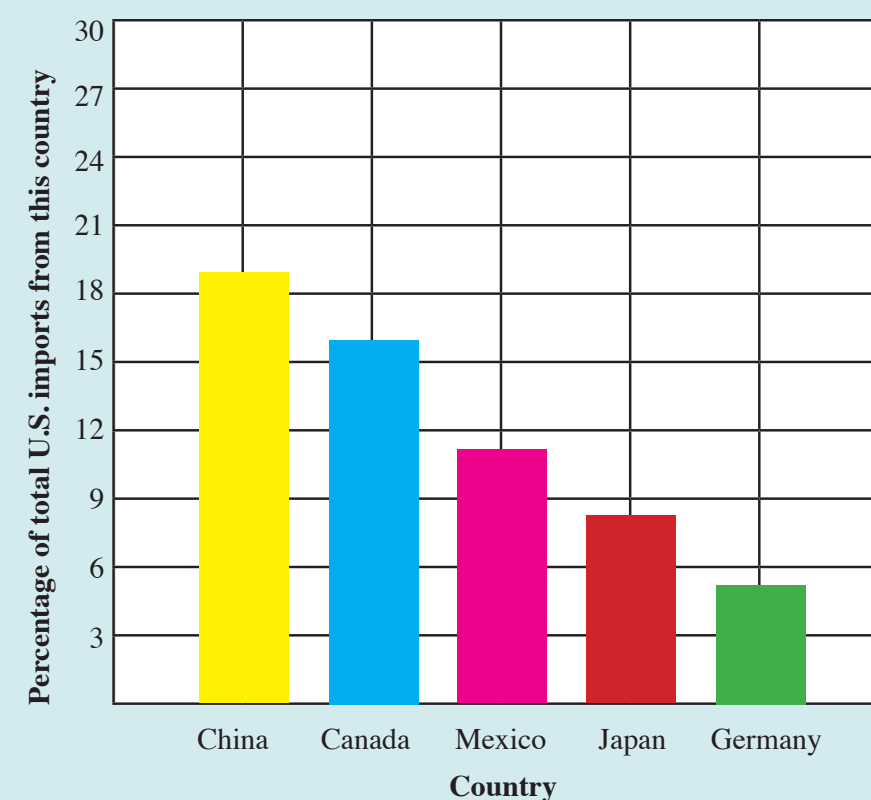
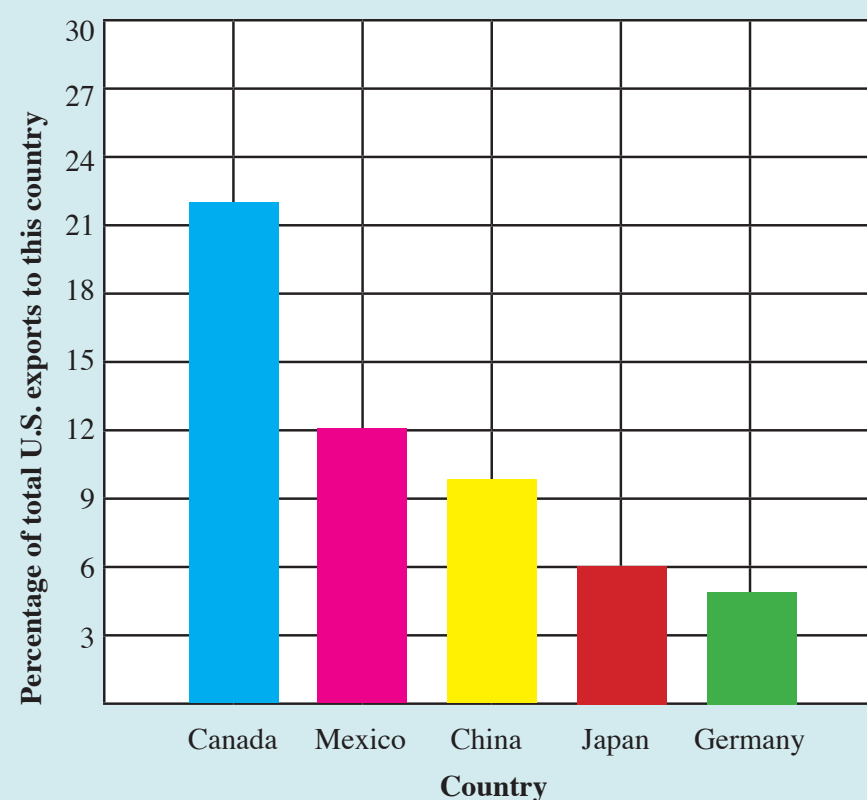
Wallace Amos enjoyed baking chocolate chip cookies as a child. He loved working with food so much that he attended a high school that focused on cooking. After returning from service in the U.S. Air Force, Wallace worked as a talent agent. Things didn't work out well in that business, so he started baking cookies again. Soon he opened a cookie store named Famous Amos. Years later, Wallace sold his cookie business to a larger company called Keebler. Famous Amos® cookies are still a popular dessert today. Have you ever tried one? Yum!

Sam Walton



Sam Walton became interested in sales when he was young. After serving in the U.S. Army, he worked for J.C. Penney and eventually opened his own retail store named Walton's Five and Dime. A few years later, Sam was ready to open a larger store to sell more items. He opened the first Walmart on July 2, 1962. Today, Walmart is the largest retail company in the world.

United States Top Trading Partners, 2007



World Currency for a World Economy

It would get really confusing if there were lots of different money systems in the same country. Can you imagine what would happen if the United States had dollars, pesos (Mexican money) and yen (Japanese money) all mixed up together?

Each country needs a special type of currency (official money) for its citizens to use. Countries have to decide what their currency will look like and where it will be made. These bills and coins are called legal tender. Legal tender is money that can be used for all debts, charges, taxes and dues. For a long time, every country had its own money, and most of them still do. But in 1999, several European countries agreed to use a common currency called the euro. The countries thought a common currency would allow goods to move more freely between European countries. That would help everyone's economy.

By 2002, the first actual euro bills and coins were being made and used in 12 countries. In 2014, the euro was the official currency in 17 countries. These countries are called

the Eurozone, and more countries are joining it each year. The introduction of the euro is the largest monetary (having to do with money) changeover the world has ever seen. Pretty cool!

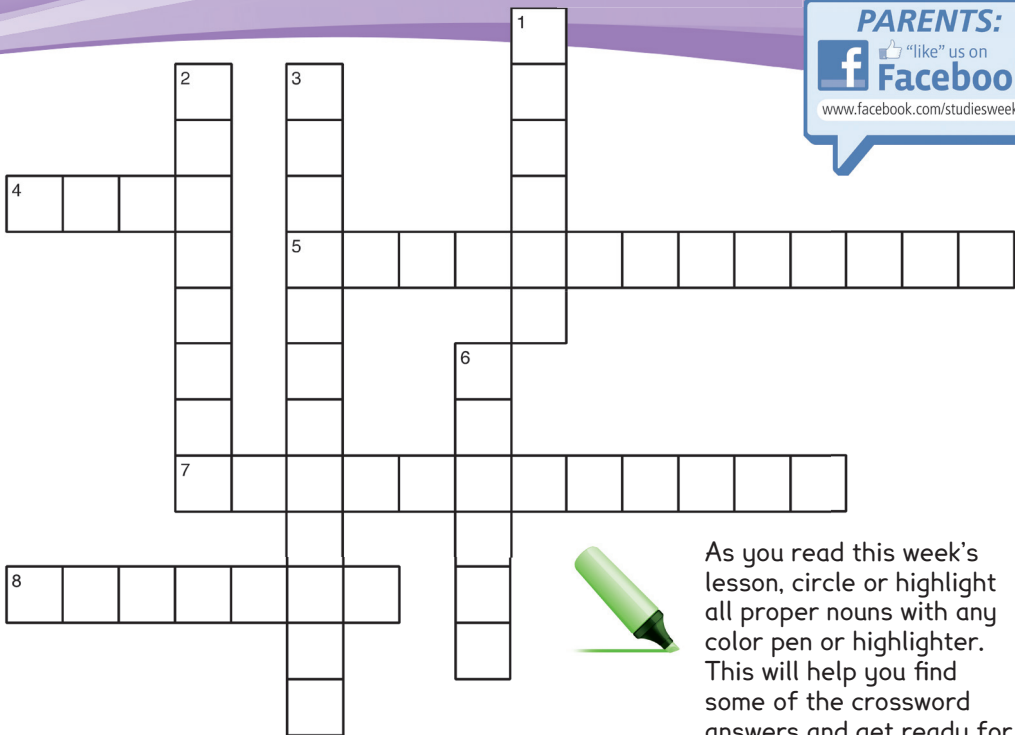
Eurozone

Country	Year Entered
Austria	1999
Belgium	1999
Cyprus	2008
Estonia	2011
Finland	1999
France	1999
Germany	1999
Greece	2001
Ireland	1999

Country	Year Entered
Italy	1999
Latvia	2014
Luxembourg	1999
Malta	2008
The Netherlands	1999
Portugal	1999
Slovakia	2009
Slovenia	2007
Spain	1999



Name _____



As you read this week’s lesson, circle or highlight all proper nouns with any color pen or highlighter. This will help you find some of the crossword answers and get ready for this week’s test.

- ACROSS
4. European currency

5. trade between countries

7. a person who starts their own business

8. where manufacturing usually take place
- DOWN
1. sell a good to another country

2. scarcity

3. business type based on plants and animals

6. buy a good from another country

WORD LIST

- agricultural

factory

international
- import

export

shortage
- entrepreneur

euro

Reading a Flow Chart

Mapping & Charting

Many goods must be manufactured in a certain process. Most processes involve several steps. You know good readers think about steps in the order that they happen. A flow chart can help you better understand the order of the steps in a process.

- Always read the title of the flow chart. This will help you understand the main idea of the process being shown.
- Be sure to read all the labels and study the pictures on the flow chart.
- Look at the arrows on the flow chart. These tell you which steps occurred in what order.

Manufacturing and Selling Cookies



1. Mix dough.

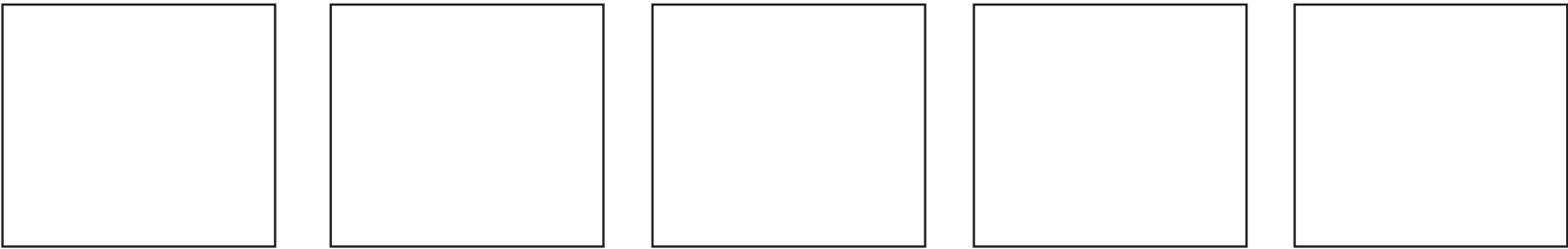
2. Drop dough onto cookie sheets.

3. Bake cookies and let cool.

4. Package cookies.

5. Ship to stores to be sold.

Now you try. Think of a simple product that is familiar to you. Create a flow chart below to show how the product is produced. You can add more boxes if you need to. Be sure to include a title, labels, pictures and arrows to show the order of the steps.



Pretend you are running for president of the United States. You have been asked to write a speech about the importance of trade between countries. Write the speech and present it to an audience of your classmates. Be sure to give details to support the ideas in your speech. Write in complete sentences. In your written work, try to use correct spelling, punctuation and capitalization.

Let's Write

As you read this week’s cover story, circle or highlight all of the adjectives in yellow and all of the adverbs in green.



What makes champions?

DEDICATION
Pass It On.
VALUES.COM THE FOUNDATION FOR A BETTER LIFE

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