

# Summary: Resources and Economy

## Using Midwestern Resources

The Midwest has many natural resources. Water, rich soil, and minerals helped the region become a major farming and manufacturing center. Water is an important resource. Farmers water crops with it. Rivers and lakes provide transportation.

Large manufacturing cities have grown along waterways. The rich soil and climate support forests that provide lumber and other wood products. The Midwest produces corn, wheat, and soybeans. Farmers also grow hay, fruits, and vegetables. They raise hogs and dairy cows. Some workers make food products, such as jam or cereal. Others build tractors. Miners dig minerals from the ground. Lead is used to make batteries and computers. Iron ore is used to make steel. Steel is used to make cars, boats, planes, and bridges.

## The Midwest's Economy

Many manufacturers build factories in the Midwest. The region has many natural resources. It has skilled workers. It has waterways for moving goods. Service industries also have grown in the Midwest. People in the transportation industry provide a service. They move raw materials to factories and finished products to stores. Indianapolis, Chicago, and Kansas City are important transportation hubs. Banking, health services, and communications are also important service industries.

The concepts of supply and demand can help you understand the economy. The supply is how much of a product producers make. The demand is how much of that product consumers will buy at different prices. If there is a big demand for a product and a small supply, the producer may raise the price of the product.

For example, a company makes a new cereal. If many people want to buy it, the price rises. People pay more for it. But if the price is too high, people may stop buying. The demand for the product falls. If demand stays high, the company will make more. As the supply rises, the price drops. The government helps farmers when supply and demand vary by keeping farm prices from dropping too low.



### Before You Read

Find and underline each vocabulary word.

**supply** *noun*, how much of a product producers will make at different prices

**demand** *noun*, how much of a product consumers will buy at different prices



### After You Read

**REVIEW** Name two midwestern industries.

Circle two words that tell what the Midwest is a center for.

**REVIEW** Why have certain businesses grown in the Midwest? There are three reasons why businesses grew in the Midwest. Draw a box around the sentences that name the reasons.