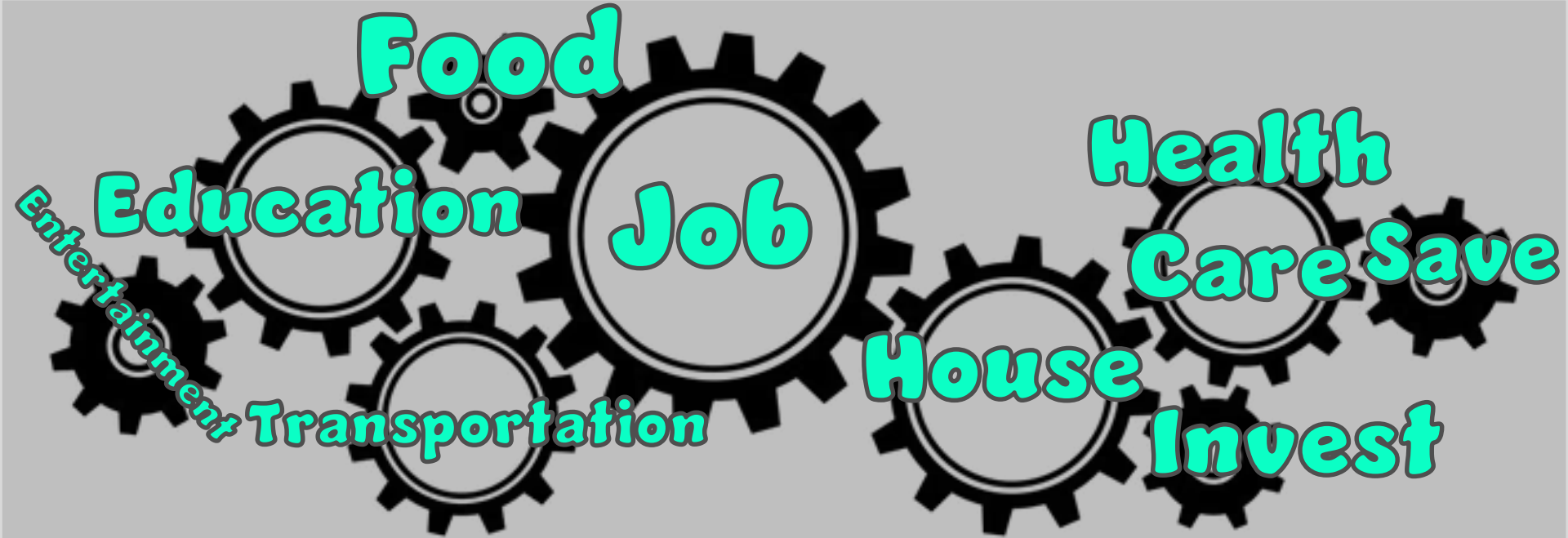


Georgia's Economy

...

E1, E2, E3

The Economy: The process or system by which goods or services are produced, sold, or bought in a country or region.



Transportation- Why is it Important?

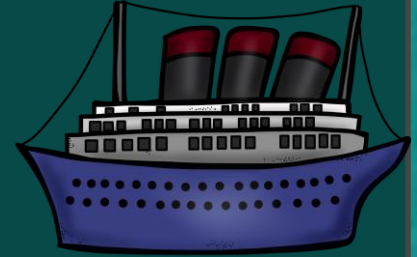
- Take a moment and think of a store. Either a grocery store, a retail store, or an online store. Where do all those items or goods come from? And how did they get into that store? How did you get to school today?
- So much of our society is dependent on various types of transportation in order to function. This makes transportation an essential part of everyday life.
- Think back to the Covid Pandemic that started in March 2020. When public places like grocery stores, gyms, and schools closed it caused a chain reaction to the rest of the economy. Eventually it affected to global supply chain of goods. Many stores had half-full or empty shelves because the transportation systems of goods had been interrupted.

Types of Transportation in Georgia

Roads- Local roads, state roads, Interstate Highways



Boats- Deepwater ports for large ships

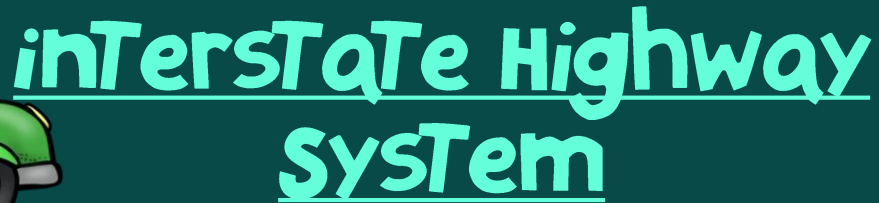


train- Railroads



Plane- Atlanta's Hartsfield-Jackson International Airport





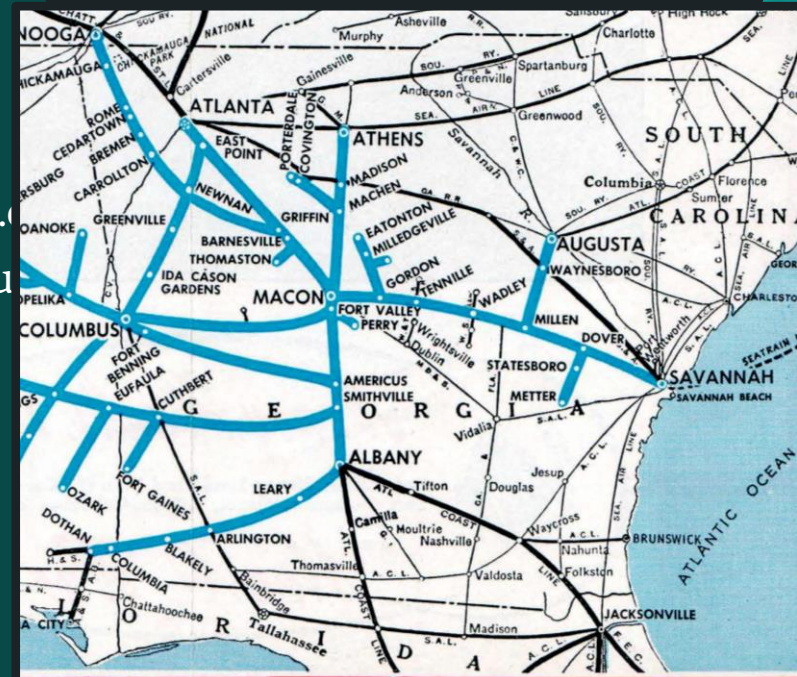
-
- A map of the state of Georgia, USA, highlighting its major interstate highways. The state is shaded in light gray. Major highways are shown as blue lines with their respective shields (75, 85, 20, 95, 16, 78, 91). Key cities are marked with red stars and labeled: Atlanta in the north-central region and Savannah in the southeast. Surrounding states are labeled: Tennessee to the northwest, North Carolina to the northeast, South Carolina to the east, Alabama to the southwest, and Florida to the south. The Atlantic Ocean is visible to the east of Savannah.





- Busiest airport in the world
 - 100 million+ passengers/ yr
 - 625,000+ tons of cargo
 - 32 air carriers
- 80% of U.S market is within 2 hr flight from Georgia
- Generates \$23.5 billion/ yr for Atlanta
- “Economic jewel” of Ga;
 - \$34.8 billion economic impact for Ga
 - 63,000 jobs +
 - Ga’s largest employer

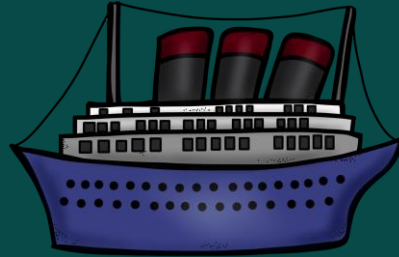
- Ga's railroads have ranked #3 in the U.S for accessibility
- Intermodal transportation: more than one form of transportation (ex: train + plane) - use rails to connect to national market
- Used to ship heavier local cargo that does not need to be transported by sea
- Although the rest of the world was building canals, Ga built railroads due to its geography (i.e. Piedmont hills). Georgia tried to build canals, but it was extremely difficult. So the state embraced railroads once they were invented in the 1820s.



Railroads

Deep Water Ports

- Located in Savannah and Brunswick
- A deepwater port is a waterway used for shipping cargo
- International goods are imported and exported from here
- The ports support over 350,000 jobs in Ga
- Savannah port handles 80% of goods entering Ga via ship and has immediate access to I-95 and I-16
- Handles big cargo shipped internationally (ex: cars)



transportation creates jobs in Georgia



- **Roads** invite businesses to set up along roadways (also someone has to build and maintain roads).
- The **International airport** provides jobs and connects GA to other states and countries, bringing international companies.
- **Railroads** promote the transportation of goods that may not be suited for roadways (think agriculture).
- **Deep Water Ports** provided international shipping of goods, and jobs to run the ports.
- It takes an enormous # of people doing specialized jobs to create, prepare, transport, and sell products imported/ exported in Ga

transportation creates jobs in Georgia



- The design, construction, and maintenance of Georgia's transportation infrastructure supports **~110,000 full-time jobs** in the state's economy.

- Over **1,900,000 full-time jobs** in Georgia are completely dependent on the state's transportation infrastructure network.



- Georgia's deepwater ports support over **350,000 full and part-time jobs**, which is 8.4 percent of Georgia's total employment. This means that one job out of every twelve is in some way dependent on the ports.



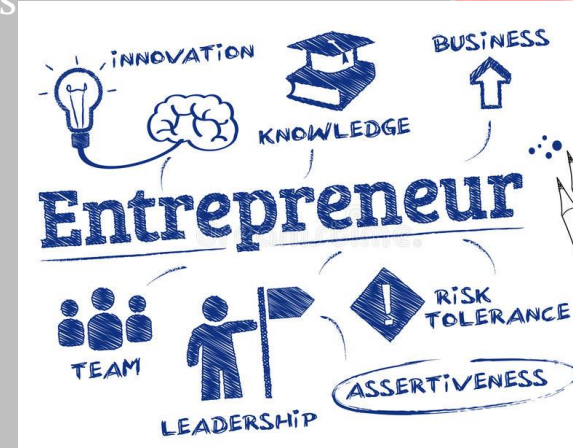
- Hartsfield-Jackson Atlanta International Airport is “the economic jewel” of Georgia as it generates \$34.8 billion in economic impact for Atlanta and provides more than **63,000 jobs** onsite.

E2: Evaluate the influence of Georgia based businesses on the state's economic growth and development

- a. Describe how profit is an incentive for entrepreneurs
- b. Explain how entrepreneurs take risks to develop new goods and services to start a business
- c. Evaluate the economic impact of various industries in Georgia including agricultural, entertainment, manufacturing, service, and technology

Profit as an Incentive for Entrepreneurs

- An entrepreneur is a person who organizes and operates a business or businesses, taking on greater than normal financial risks in the hopes of making a profit.
- A profit is the amount of money an entrepreneur or business makes after paying their expenses or operating costs
- Operating costs is any amount of money spent to run their business (Rent, electricity, supplies, employees, etc.)
- Profit is incentive for any entrepreneur
- An incentive is the motivation or reason to do something. Among other things, Entrepreneurs have to take operating costs into account when operating their business.
- Most entrepreneurs lose their business within the first 2 years.



Being an Entrepreneur: Risk vs. Reward

Being an entrepreneur requires someone to take on many risks (possible bad outcomes) for the pursuit of a reward (profit). Some risks and rewards that Entrepreneurs may face include:

Risks

- Lack of experience operating a business
- Lack of capital (money)
- Too much competition
- Lack of consumers (people who will buy the product or service)
- Lack of unique offering/ innovation
- Misguided marketing strategies (flyers, promotions, coupons, etc.)
- Bad hiring decisions

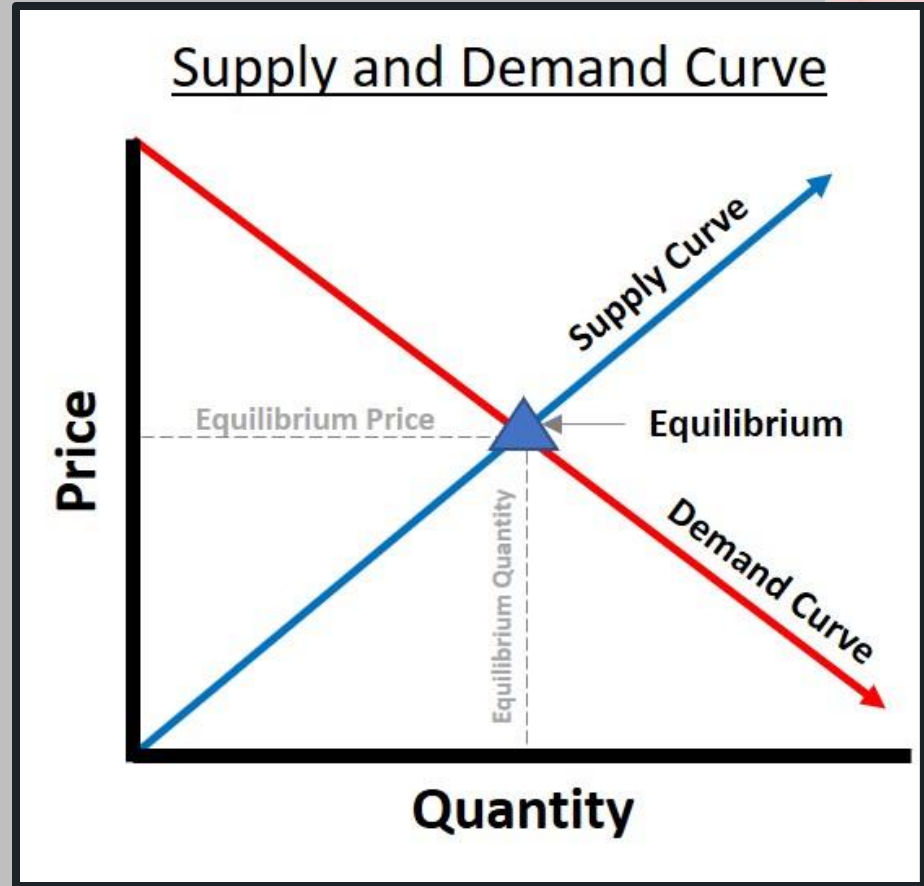
Reward

- Potential profit
- Being your own boss
- Setting your own schedule
- Freedom to be creative and innovative

Laws of Supply and Demand

When Entrepreneurs set the price of their good or service, they must keep in mind the laws of supply and demand.

- Set the price too high, and no one will want to buy their good/service
- Set the price too low, and the entrepreneur doesn't make a profit



NoTable Georgian ENTrepreneurs

Some Georgians have become very successful Entrepreneurs. Some notable, or worth knowing, entrepreneurs include:



Truett Cathy

Creator of Chick-fil-A



Alonzo Herndon

Owner of 3+ barbershops and Atlanta Mutual Life Insurance Company. One of the first African American Millionaires of Atlanta.

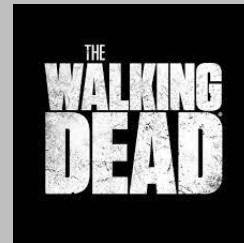


Ted Turner

Media Titan- Creator of T.V. channels CNN and TBS

Notable Businesses created in Georgia

Some notable businesses that were created in Georgia or moved their headquarters to Georgia.

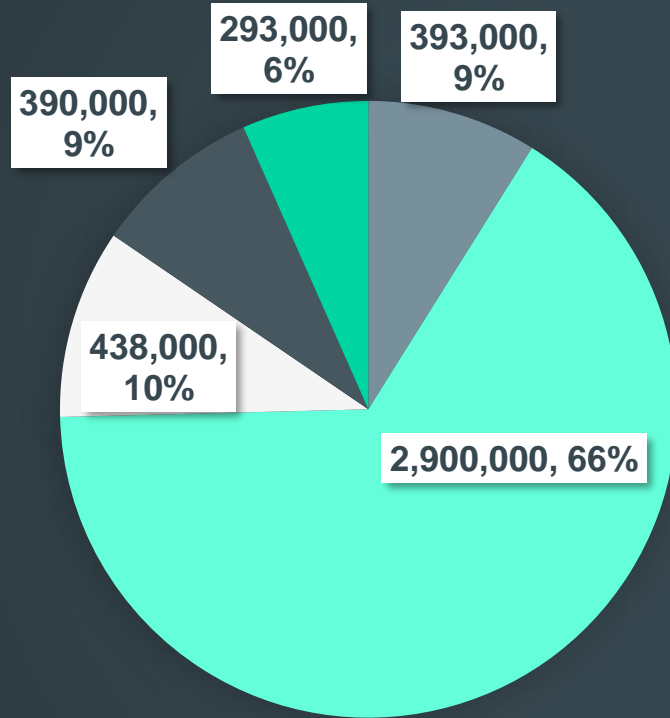


Georgia's Economic Sectors

- Georgia is home to almost 11 million people. And **~5 Million Georgians work in full or part time jobs**. Most of Georgia's Jobs can be divided into 5 economic sectors, or sections.
 - Agriculture
 - Manufacturing
 - Service
 - Entertainment
 - Technology
- Most Georgians work in the Service sector.
- The Entertainment and Technology sectors are two of the fastest growing in Georgia.
- Agriculture brings in the largest piece of Georgia's revenue.

who works where?

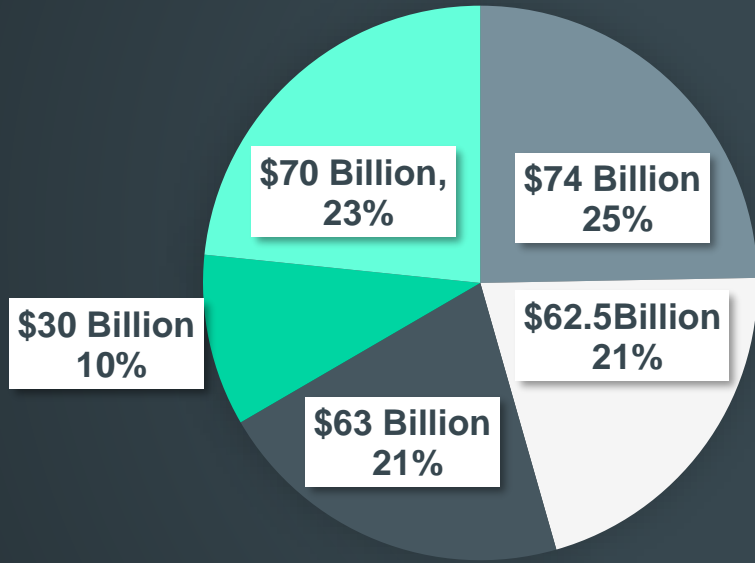
of Jobs in Ga's Sectors



- Agriculture
- Service
- Entertainment
- Manufacturing
- Technology

who makes what?

GDP in Billions



- Agriculture
- Entertainment
- Manufacturing
- Technology
- Service

Agriculture

- Ga has mild year round climate making agriculture favorable
- Georgia's agriculture industry is the largest sector of Georgia's economy (60%)
- Farmers utilize modern technology and conservation practices
- Georgia is the #1 producer of pecans in the U.S
- Georgia is also a leading producer of soybeans, peanuts, cotton, chickens, and blueberries
- Georgia's agriculture industry sold more than \$9.2 billion worth of agricultural products
- Georgia's forestry contributes \$17.7 billion
- Because of the seasonal nature of the work, the Agriculture industry is Ga's primary source of unemployment.



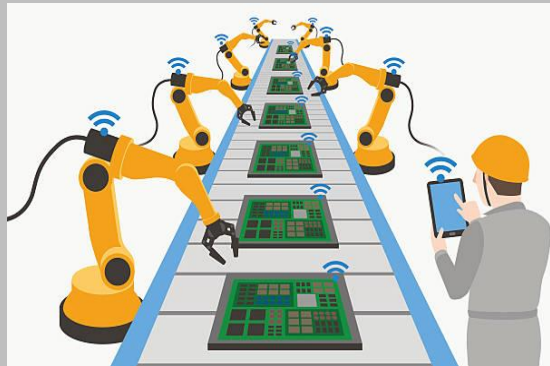
- The service industry is made up of goods and services that are consumed when they are sold
- Is divided into two broad subdivisions:
 - Customer service
 - Wholesale (ex: transportation equipment)
 - Retail (ex: grocery stores, restaurants, malls, car dealerships)
 - Professional services:
 - Health care professionals
 - Accounting
 - Legal/ lawyers
- Makes up 80% of Georgia's jobs

Service



Manufacturing

- Includes businesses that create products out of smaller components
- Most manufacturing jobs pay better than average salaries, offer clean work environments, and opportunities to advance in the industry
- Demand in Georgia's manufacturing industry has increased 30%
- Has become more efficient due to automation (machines)
- Manufacturers in Georgia employ 8.75% of the workforce a significant impact on Ga's economy



technology



- Georgia's technology industry is one of the U.S's top 10 technology employment markets
- Major strengths include:
 - Health technology
 - Medical devices
 - Software development
 - Digital entertainment
 - Cyber security
- Wages paid to workers could reach \$30 billion in 2020



Entertainment

The entertainment industry in Georgia is extremely broad, and rapidly growing. It includes:

1. Arts and Music
2. Film and Tv
3. Tourism

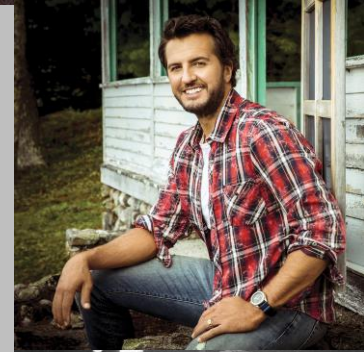
Entertainment - Arts and Music

Arts

- Important to tourism and local economic growth
- Creative industries represent \$37 billion in revenue and include 200,000 employees and generate \$12.1 billion in earnings
- Represent 62.5 billion in total economic impact

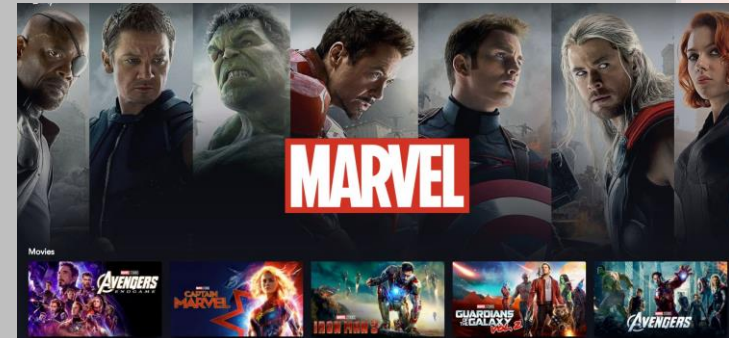
Music

- Atlanta has produced many artists including Migos, Ludacris, R.E.M, Ray Charles, Outkast, T.I, Mastodon, Otis Redding, Luke Bryan, Alan Jackson, Trisha Yearwood
- Has generated approximately 9,500 job opportunities and approximately \$3.5 billion in



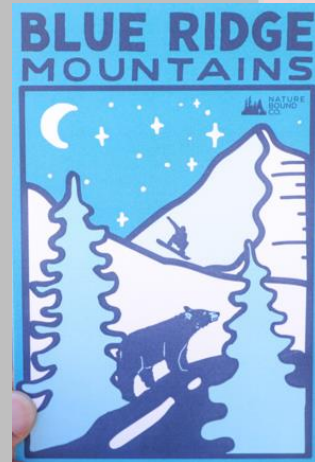
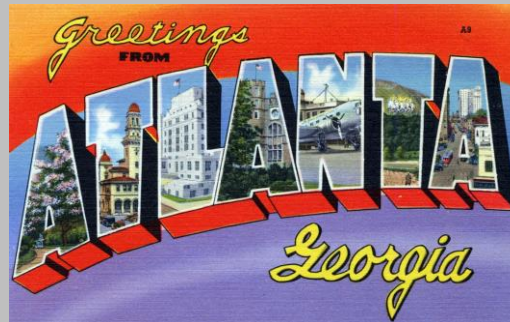
Entertainment - film and tv

- Since 1972 (thanks to Jimmy Carter), 800+ film and television projects
- Georgia has become a “camera ready” state for the following reasons:
 - Growing digital media industry
 - Low taxes; 20% tax credits
 - Well-connected transportation system
 - Mild climate; geography diversity
- Georgia ranks 3rd behind California and New York
- Had a \$7 billion economic impact in 2016 and growing
- 25,000+ jobs



Entertainment - tourism

- Tourism provides \$59 billion impact on Georgia's economy
- Supports 43,000+ jobs
- 5th largest employer in the state
- Biggest event that contributed to the growth of tourism in Georgia was the 1996 Olympic games in Atlanta (they even made a movie about it)



tourism: 1996 olympics

- The event was announced as “Atlanta finally won something” (lol)
- In order to be ready, the city built new or added to existing sports venues, repaired sidewalks, built public parks, added more hotel rooms, and revitalized the downtown area with new homes and apartments

- **Short-Term Impacts**

- Removal of poor infrastructure
- Addition of new infrastructure
- Addition of Centennial Park
- Development of certain areas with hotels, restaurants, business structures
- Roadway and public transportation improvement
- New attractions (Georgia Aquarium)

- **Long-Term Impacts**

- Increase in events hosted in Atlanta (hotels with higher capacities)
- International Name recognition
- Growth of Atlanta and the Metro area
- Increased Tourism (Generated billions of dollars in revenue for thousands of Georgia businesses)

Infrastructure: the basic physical and organizational structures and facilities (e.g. buildings, roads, power supplies) needed for the operation of a society or enterprise.



E3: Explain the principles of effective personal money management

- a. Explain that income is the starting point for personal financial management
- b. Describe the reasons for and the benefits of a household budget
- c. Describe the reasons for and benefits of saving
- d. Describe the uses of debt and associated risks

Income is a Starting Point for Personal Financial Management

Vocabulary

- A personal financial management plan is a money budget you make for yourself and it is unique to every individual
- For a realistic plan, consider how much money you spend and how you save
- Income, how much money you earn or how much money is “coming in”, is the most important factor in your budget
- Knowing monthly income allows you to know how much money is available to spend and put away into savings
- Budgeting your money allows you to maintain control of your money in the short-term and long-term

Budget: a plan for the amount of money spent or saved based on income (Ex: You want to make more than you spend)

Expenditure: amount of money spent (for example rent is an expenditure)

Income: amount of money a person earns from their job during the year

Investing: using money in hopes of gaining more in the future by lending to businesses in exchange for a share of profit

Saving: setting some income aside for future use

Spending: amount a person buys

Reasons for and Benefits of Household Budgets E3b

There are many reasons for creating a household budget. Creating a budget for spending and saving helps to monitor financial resources so that an individual does not become over-extended. A budget offers an organized way to establish short and long-term savings opportunities. By carefully monitoring the budget, an individual can adjust expenses and savings if there is a change in income or expenditures. A budget helps to compare annual income with annual expenses in order to meet financial goals.

The benefits of creating a household budget are diverse. An individual gains increased financial freedom when in control of personal finances. A budget encourages an individual to save so that long-term financial goals can be achieved. Budgets help adapt to changes in financial circumstances, whether it be an emergency, loss of a job, or extended sickness. Budget analysis allows an individual to understand where money is spent and to identify unnecessary expenditures

NerdWallet Website: [How to build a Budget](#)

Reasons for and Benefits of Savings

Reasons for Savings

- Cushion for emergencies or unexpected expenses
- Education - education costs rise every year, savings can help pay for college
- Large purchases (like a car)
- Planning for retirement - social security is not enough for most people and people are living longer so you need more money as you get older

Benefits of Saving

- Provides “seed money” you can make your money grow through investing
- Encourages sense of control over life events
- Lowers stress level
- Builds wealth
- Provides ability to pursue opportunities (like becoming an entrepreneur or taking a vacation)

Uses of Debt and Associated Risk

Debt is an amount of money borrowed by one party from another party. While we typically think of debt as a negative consequence of poor planning or circumstances beyond one's control, **debt can provide positive opportunities for individuals. Acceptable uses of debt include purchasing a home (mortgage), advancing education, starting or expanding a business, and fulfilling dreams.** However, fulfilling a dream is not a license to debt-finance lavish spending without regard for the future. **Debt allows for the delayed payment for goods or opportunities and usually comes with a cost, known as interest** (an additional amount you pay to use borrowed money). For example, if you finance a vehicle for \$20,000 with an interest rate of 3% for a 60 month period, the entire loan total would be \$21,562. The interest would amount to \$1,562.

Associated risks of debt include having to make payments on a loan even when you are not financially able to make the payment. Credit ratings can be negatively affected because as you borrow more, the risk to the lender increases, so you'll pay a higher interest rate on subsequent loans. Bankruptcy (a legal proceeding involving a person or business that is unable to repay outstanding debts) is a very real concern with uncontrolled debt. In certain occupations, including the military, industrial, and medical research, prolonged excessive debt will cause negative impacts that can lead to dismissal from a job. Unchecked debt can lead to stress and other health related issues, including stroke, hypertension, and mental health issues. Identifying areas of debt is important so that it can be managed before it becomes detrimental to financial security..