

The Economies of Canada and the United States



An abundant variety of natural resources and a plentiful supply of skilled workers have made the United States and Canada prosperous countries. Both nations operate under a free enterprise system in which individuals or groups of individuals own and operate most of the businesses and industries. Immigrants from nearly every other nation in the world have moved to these two countries in order to enjoy the freedoms and opportunities that the citizens of the United States and Canada enjoy.

The strong economies of North America were built around agriculture, which continues to play an important role today. A favorable climate, fertile soil, plentiful waterways, and advances in high-tech farm equipment make the United States and Canada two of the world's top food producing nations. Grains, vegetables, fruits, and livestock are raised and exported to other nations around the world.

Both countries continue to profit from their plentiful resources as well. Coal, natural gas deposits, and crude oil are abundant in both nations. Other resources include valuable minerals such as nickel, silver, gold, copper, and iron ore. Such raw materials and energy resources have made it possible for Canada and the United States to develop and maintain large industrial economies.

However, most workers in Canada and the United States are employed in office buildings, retail stores, hospitals, with government agencies, or in schools and universities. Nearly 80% of both populations work in service industries (providing some type of service to other people).

In the United States, the people continue to enjoy the benefits of living in a country with the world's strongest economy. Annually, the nation's labor force of 154 million people produce almost 16 trillion dollars worth of goods and services (Gross Domestic Product). Americans enjoy one of the highest standards of living in the world, with their employed workers earning an average of more than 49,000 dollars a year (11th best in the world). 19% of the labor force works in industrial factories where goods such as tractors and automobiles are produced. Only 1.2% of the United States' population is employed in agriculture.

Canada is very similar to the United States economically, but on a much smaller scale. Canada has a labor force of only 19 million, but the country also enjoys one of the highest standards of living in to world with a Gross Domestic Product (GDP) of almost 1.5 trillion dollars. The average Canadian worker earns 41,000 dollars a year, which is currently 15th best in the world.

Note: Statistics compiled using 2011 economic numbers

Name _____

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Multiple Choice

Select the option that best completes the statement.

1. A free enterprise system is one in which
 - a. Private citizens own and operate most of the businesses and industries
 - b. The government owns and operates all of the businesses and industries
 - c. The government owns and operates most of the businesses and industries
 - d. Private citizens and the government own all of the businesses and industries collectively
2. The strong economies of the U.S. and Canada were originally built around
 - a. Service Industries
 - b. Fishing
 - c. Manufacturing
 - d. Agriculture
3. In the U.S. and Canada, nearly 80% of people in the labor force are employed in
 - a. Agriculture
 - b. Service Industries
 - c. Manufacturing
 - d. Medical research
4. The average worker in the United States earns an annual income of
 - a. \$12,000
 - b. \$25,000
 - c. \$35,000
 - d. \$49,000
5. Canada has an average annual GDP of
 - a. 500 million dollars a year
 - b. 1 trillion dollars a year
 - c. 1.5 trillion dollars a year
 - d. 16 trillion dollars a year

Constructed Response

Answer the question below in paragraph form using complete sentences.

6. Describe at least five ways in which the economies of the U.S. and Canada are similar.

Name _____

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Guided Reading Activity

Complete each statement by filling in the missing word.

1. Abundant natural resources and a plentiful supply of _____ have made Canada and the United States two of the most prosperous countries in the world.
2. The United States and Canada operate under a _____ in which private citizens own and operate most of the businesses and industries.
3. Millions of _____ from all over the world have moved to the U.S. and Canada to enjoy freedom and opportunity.
4. A favorable _____ and fertile _____ make the U.S. and Canada two of the world's top food producers.
5. Grains, vegetables, fruits, and livestock are raised and _____ to other nations around the world.
6. Raw materials and energy resources have made it possible for Canada and the United States to maintain large _____.
7. Almost _____ of the labor force in both countries are employed in service industries.
8. The United States has the world's _____ economy.
9. The United States has a labor force of _____ people.
10. The average worker in the United States earns around _____ dollars a year.
11. 19% of workers in the U.S. are employed in _____.
12. _____ of workers in the U.S. are employed in agriculture.
13. Canada has a labor force of about _____ people.
14. Canada has a Gross Domestic Product of almost _____.
15. A worker in Canada earns an average of _____ a year.

Contrast

List three ways in which the economies of the U.S. and Canada are different.

- a)
- b)
- c)