

The United States Economy

Pioneers did not have the opportunity to take full advantage of the United States economy because of their isolation. But they were able to earn money and participate in the free enterprise system.

The **free enterprise system** is where businesses try to make profits by producing or selling goods or services. The Tylers were a part of the free enterprise system. They farmed and sold the food they did not need for their own use. They also took advantage of a natural resource on their land...rock. They started a business in which they quarried rock to sell for building materials.

Businesses and farms needed to make a **profit**. A profit is the money(**revenue**) left over after paying for the cost of producing the goods or services. To produce goods or services one needs money to get started.

For example:

Farming: cost of seed, cost of payroll for workers to plant, care for, and harvest the crops, cost to transport crops to market

Quarry Business: cost of tools, cost to transport rock to buyer, cost of payroll for workers

The Tylers had to charge enough money for their goods to pay their costs and to have money left over (their profit).

The Tylers had an advantage, as did many other businesses in Kentucky in the early 1800's. They did not have to pay wages of workers for the most part because they used enslaved people for labor. This allowed them to make higher profits. After the Civil War many businesses that used enslaved people went **bankrupt** because they couldn't afford to pay workers and still make a profit.