



Characteristics of the United States Mixed Economy

- Free markets:
Markets are allowed to operate without undue interference from the government. Markets are determined by the interaction between the producers and the consumers.
- Private property:
Individuals and businesses have the right to own personal property as well as the means of production without undue interference from the government.
- Profit:
Profit consists of earnings after all expenses have been paid. Profits are the driving force for our economy.
- Competition:
Rivalry between the producers of a good or service results in better quality goods and services at a lower price.
- Consumer sovereignty:
Consumers determine through purchases, what goods and services will be produced.
- Role of government:
The national, state and local government provides programs, services and laws that benefit the entire society. This is referred to as the public sector. Governments step in and interfere in the market to protect consumers, help workers, business firms and farmers and to provide for the needy. This role of the government determines that the U.S. economic system is a “mixed economy”. There are, however, many citizens who debate the extent to which the government should participate in the economy. This issue is usually included in each party’s platform during election time.