Chapter 7 · Lesson 3

A Community Business

Minding a Business

Some businesses are producers. That means they sell a product or a service. In the United States, we have what is called free enterprise. That means people can run any kind of business the law allows. Consumers can buy whatever products they can pay for.

A Family Business

El Dorado Mexican Foods is a family business that makes and sells food products such as tortillas and tamales. Like all businesses El Dorado has expenses. It needs money to buy machines and flour to make tortillas. It pays for electricity and rent. It also pays employees to help with the work. The employees are the company's human resources. The money left over after all of the expenses have been paid is called the profit.

Producers and Products

El Dorado buys the large amounts of corn and flour it needs from a producer. In turn, El Dorado sells its products to families, stores, and restaurants. El Dorado's owners know that if customers cannot get what they want from El Dorado, they will go to another business.

The Business and the Community

El Dorado Mexican Foods is in Lincoln Heights, a neighborhood in Los Angeles. Many El Dorado employees live in the neighborhood. People from the neighborhood buy El Dorado products.