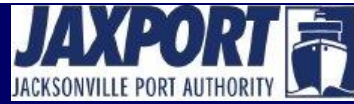


Name _____

Period _____



Derived Demand

Preview Questions

- What is derived demand?
- How does derived demand impact JAXPORT?
- How does derived demand impact the labor force on Florida's First Coast?

Key Terms

Derived Demand, Labor, Resources

Derived demand is the demand for a resource that depends on the demand for products it helps to produce. Let's look at the following example. An increase in demand for new cars increases the demand for autoworkers. Because of this, there is an increase in demand for services such as child-care, haircuts and income-tax preparation. That increased demand for services is really derived demand. The derived demand creates jobs for child-care workers, barbers and accountants.

DERIVED DEMAND FOR LABOR

You are going to be one of the 2,052 passengers that will board Carnival Cruise Lines' *Fascination* for its next cruise. Most passengers are like you. They will drive to Jacksonville to take a cruise. The *Fascination* will depart at 7:00 a.m. and it will take about 6 hours for all of the passengers to come aboard. Like anyone else, you must plan for your trip. Using your post-it notes, make the following lists:



- What will you need before your trip on Pink notes.
- What will you need during the trip on Yellow notes.
- What will you need after the trip on Green notes.

When you are finished, put your list on the correct poster on the board. Now think about where you would buy the goods and services that you have listed.

QUESTIONS

What types of resources or services would tourists demand?

How would the demand for these resources or services create derived demand?

What type of derived demand would occur at JAXPORT Cruise Terminal?

JAXPORT CARGO TERMINAL

Derived demand also occurs at JAXPORT's Cargo Terminal. As the number of ships increase, so do the workers needed to deal with the cargo. For example, if Southeast Toyota increases the number of cars and trucks coming through JAXPORT, the more workers Southeast Toyota will need. Workers are needed to drive the cars off the ship and to clean and prepare them for delivery. More truck drivers will be needed to deliver the cars to the Toyota dealerships and CSX might need to schedule additional trains to make deliveries to places like Alabama and Mississippi. All of this demand is from the decision to increase imports by Southeast Toyota.

Because there are more workers in and around the port, businesses in that area may expand and hire additional workers. This is also from derived demand.

ASSESSMENT

How would an increase in cargo entering JAXPORT affect derived demand?

How would an increase in the labor needed at JAXPORT impact the businesses around the port?

What businesses around the port would be impacted by increased cargo at the port?
