The Four Economic Sectors

The needs and wants of society may be met through four economic sectors. Each of the sectors can address issues of concern thereby enhancing civil society. They are often inter-dependent.

Government Sector

The Government sector exists primarily for the purpose of providing structure to a society. This sector is responsible for making and enforcing the laws under which we live. Economically, government can provide *public goods, regulate production of goods, use its power through taxes, fees, fines, etc., and influence pressure groups. Nonprofit, for-profit, and family groups often influence government.

For-Profit or Business Sector

The For-Profit or Business sector has a focus on making a profit. Business provides private goods and services. Businesses usually will not attempt any activity that it fears will be unprofitable.

Nonprofit or Civil Society Sector

The Nonprofit sector can provide public goods as well as private goods. The nonprofit sector focuses on client satisfaction, trust, and service. Nonprofit organizations are not interested in making a profit. Income is not used for the benefit of stockholders, directors, or any other persons with an interest in the company but is reinvested in the mission of the organization.

Family or Household Sector

The Family or Household sector takes part in activities that benefit others as well as benefit themselves. Collectively this is the most influential sector. It is the family sector that drives the business sector, pressures the governmental sector, and influences thenonprofit sector. Families/households are both for-profit and nonprofit.

*Public goods are those goods which consumers cannot be prevented from using nor does one person’s use reduce the amount available for use by others.