Welcome to Jeff’s study guide. Make sure to know all of this and (optionally) in more detail

Key issues 1:

Services take up 2/3 of GDP in MDCs, and ½ in LDCs. There are 3 types of services:

1. Consumer Services: provide services to individual consumers who desire them and can afford to pay for them. Consist of ½ of all US jobs. Subcategories:

* Retail and wholesale Services: department stores etc. 14% of all USA jobs
* Education Services: 15% of USA jobs
* Health and Social services: 14% of US jobs. These are jobs in hospitals and etc.
* Leisure and hospitality services: 9% of US jobs. These are in restaurants, bars, entertainment

1. Business Services: facilitate the activities of other businesses. Subcategories:

* Professional Services: 11% of US jobs, like technical services, engineering, support jobs
* Financial Services: 7% of US jobs, there is the acronym “FIRE” (finance insurance and real estate)
* Transportation and information: 7% of US jobs, like trucking, warehousing, broadcasting, utilities.

1. Public Services: Provide Security and protection to citizens and businesses.

* 10% of US jobs are in this sector. People in this sector work for the government.

The service sector of the economy has seen almost all of the growth in employment worldwide, with employment in the primary and secondary sectors dropping. Jobs in the Professional Services subcategory have grown rapidly. Jobs have dropped in Transportation and finance services because technology has let those jobs be done with better efficiency.

The 2008 recession led to the first drop in world GNI since 1930. It was brought on due to:

* Rapid growth of real estate prices made lots of people buy it to sell it for later
* Financial institutions made risky loans to people that had trash credit history
* Investors bought and sold risky assets (derivatives)
* Government agencies reduced and eliminated some financial institution practices
* Financial institutions stopped making loans when the recession stopped.

Key issues 2

Walter Christaller made the Central Place Theory, which finds the most profitable location for a business. His observations were based off of Southern Germany. He concluded that people cluster together to share goods and ideas, and cities exist for economic reasons.

A central place is a market center for the exchange of goods and services by people attracted from the surrounding area.

The area surrounding a service from where a customer is attracted to is the market area or hinterland. This is an example of a nodal region, which is a region with a core where the characteristic is the greatest.

People go to services that care closer, so consumers near the center of the circle get services from local places. Geographers used hexagons as a compromise to using circles and squares/

The Range is the maximum distance people are willing to go to use a service. The range is usually the radius of the circle or hexagon to show the service’s market area. People are willing to go only short distances for groceries, but will go further away for concerts.

There is a irregularity in the range, for when the proposed site is closer than a competitor’s site. It also shows the amount of time that it takes to get to the location on the proposed site.

The threshold is the minimum amount of people needed to support a service. Each company has a different amount to get a certain amount of profit. If a range is determined, the service provider must see whether or not the location is suitable or not judging by the potential customers in the circle.

Market areas across a developed country would have many hexagons of various sizes, since there are many small settlements with different thresholds and ranges, and fewer large settlements with large thresholds and ranges. The nesting pattern is illustrated by overlapping hexagons of different sizes. There are 5 different levels of market area: hamlet, village, town, city, and regional capital. Hamlets have the smallest hexagons.

Brian Berry was an American that documented a hierarchy of settlements in the US Midwest.

A rank-size rule is what geographers get when they rank settlements from largest to smallest. The country’s *n*th-largest settlement is 1/*n* the other population of the largest settlement. Basically, the 2nd largest city is half the size of the largest, the 4th largest city is a quarter size of the largest, and so on.

There is also the primate city rule, where the largest settlement has more than twice as many people as the next largest settlement. The largest city is the primate city. An example of this is Mexico, with Mexico City 5x larger than the next largest city, Guadalajara.

The marketing principal: k=3 **there should be a question or 2 on these**

* The lower the order of the city the more of them there are. The bigger the city the bigger the market area. There could be 3x more towns than cities, but the city’s market size is 3x bigger.

The transportation principle: k=4

* Cities are arranged to connect as many important places as straightly and cheaply as possible. Lower order centers are located on edges of hexagons. Areas in hierarchy are 4x bigger than the area in the next lowest order.

The administrative principle: k=7

* The highest order trade area covers that of the lowest order. The variation between lowest order. Variation between lowest orders and highest orders increase by a factor of 7.

In order to compute the profitability of a location, you need the range, threshold, and market area. People usually want to travel 15 minutes to reach a department store, and a department store needs a threshold of 250k people.

Periodic markets are individual vendors who come to offer goods and services in a location of specified days. They set up during the day, taken down at night, and set in another location by the next day. They need to be very mobile, and they provide goods to people in rural areas and developing countries.

Urban means that you are living and situated in a town or city. Definitions may vary. Urbanization is increasing number of people migrating from rural to urban areas. First city developed in Mesopotamia and Asia Minor 10 thousand years ago, due to agricultural revolution. They were clustered around water and grouped together. Urbanization increased rapidly in the 20th and 19th century, due to industrial revolution, enclosure movement, second agricultural revolution, and medical revolution.

There is no international definition of a city.