

Writing Sample
Economics and Scarcity

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February 27, 2019

* Cited Reference: Economics. Roger A. Arnold. Cengage-Learning. ISBN-13:978-0-538-47041-4

Learning Objectives:

- Learner will be able to DESCRIBE the condition of Scarcity as it relates to Economics
- Learner will be able to DESCRIBE a real-life, personal example of Rationing
- Learner will be able to CONSTRUCT a Cost-Benefit table for making a simple buying decision

“Economics is the science of how individuals and societies deal with the fact that wants are greater than the limited resources available to satisfy those wants.” For purposes of this lesson, “Economics” will about learning more on how we as individuals make choices and decisions given we have limited resources. We will learn about “Scarcity” which is the condition we all face because our wants are greater than the resources we have to satisfy those wants.

For example: When we think about examples of our “wants” our list might include items like, “I want to get a new phone”, “I want to spend more time with friends”, “I would like to get a car”, etc. To satisfy these (and other wants we might have) requires resources. Satisfying the wants may require the resource of money or time. Both time and money are limited and we may not have enough available to satisfy these wants. In this case, we experience the condition of scarcity. And because of scarcity we must make choices.

One choice we can make is use a “Rationing Device”. “A rationing device is a means of deciding which of our wants we can satisfy given we face scarcity”. One example of a “Rationing Device” is “Price”. In other words, we might make our choice on what need to satisfy by comparing what each want we are considering “costs” and make our choice or decision based on which want costs less.

Another choice that might help us deal with scarcity is to consider the “Costs” and “Benefits” of satisfying our wants. This can be as simple as using a piece of paper, drawing a simple chart (to list “costs” on one side and “benefits” on the other for each want), and making our choice based on which want offers the most benefits for the least cost.

Summary:

“Economics”, for this class, is defined as the study of how we, as individuals, make choices on satisfying our wants given the condition of scarcity.

To satisfy any want requires resources (time, money, materials, etc.) and we each have more wants than we have resources.

So, we are faced with scarcity and have to make choices. We can use a “Rationing Device” such as “Price” or conduct a simple “Cost”/”Benefit” analysis (a simple chart) as we try to decide which want might be the best to satisfy.

Later, in this class we will learn about other factors we might consider and use for the economics we face as individuals.