

## Summary: Economic Choices

### Consumers Make Choices

Marisa is a consumer. Not long ago, Marisa made a choice about what to buy. Marisa had saved \$12. She wanted to buy a CD for \$10. She also wanted to buy a jacket. She had to decide whether to continue to save for the jacket or spend most of the money on the CD. Marisa chose to save the money so that she could buy the jacket. She had to give up the CD. The CD was the opportunity cost of the jacket. Opportunity cost is the thing people must give up in order to get what they most want.

Marisa went shopping when she had saved enough money to buy the jacket. Two stores had the maroon jacket that Marisa wanted. The stores were in competition with each other. When stores are in competition, they may lower their prices in order to get more people to shop there. The jacket cost less in one store than it did in the other store.

### Scarcity Limits Choices

Marisa chose to go to the store with the lower prices. Only one maroon jacket was left there. The store clerk told Marisa there was a scarcity of maroon jackets. The producers did not make enough maroon jackets for all the people who wanted them. Marisa tried on the maroon jacket. It was too big. Then she tried on a tan jacket. It fit.

Scarcity forced Marisa to make a choice. She could buy the tan jacket, or she could pay more for a maroon jacket at the other store. Marisa thought about each jacket. She thought about the price. In the end, Marisa chose to buy the tan jacket. That way, she could start saving money for the CD she wanted.



#### Before You Read

Find and underline each vocabulary word.

**consumer** *noun*, someone who buys the goods or services sold by a producer

**scarcity** *noun*, not having enough resources to provide all the things people want



#### After You Read

**REVIEW** What was the first personal economic choice Marisa had to make? Circle the answer.

**REVIEW** How did scarcity force Marisa to make a choice about which jacket to buy? Highlight the sentence that tells what choice Marisa had to make due to the scarcity of maroon jackets.