

Summary: Making Choices

Marisa Makes a Choice

People make choices when they decide what to buy. Not long ago, Marisa made a choice about what to buy. Marisa saved \$12. She wanted to buy a CD for \$10. She was also saving money to buy a jacket. She had to decide whether to save or spend the \$10. 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.

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. Stores 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.

Scarcity Limits Choice

Marisa chose to go to the store with the lower prices. There was only one maroon jacket. 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. 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 a CD.



Before You Read

Find and underline each vocabulary word.

opportunity cost *noun*, the thing that people must give up in order to do what they want most

competition *noun*, the effort a seller makes to win buyers

scarcity *noun*, a lack of goods or services



After You Read

REVIEW What is the opportunity cost of the jacket Marisa wants?

What did Marisa have to give up in order to buy her jacket? Circle the answer.

REVIEW What choices did Marisa make? Highlight three choices Marisa made.