

Georgia Studies Weekly

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Scarcity

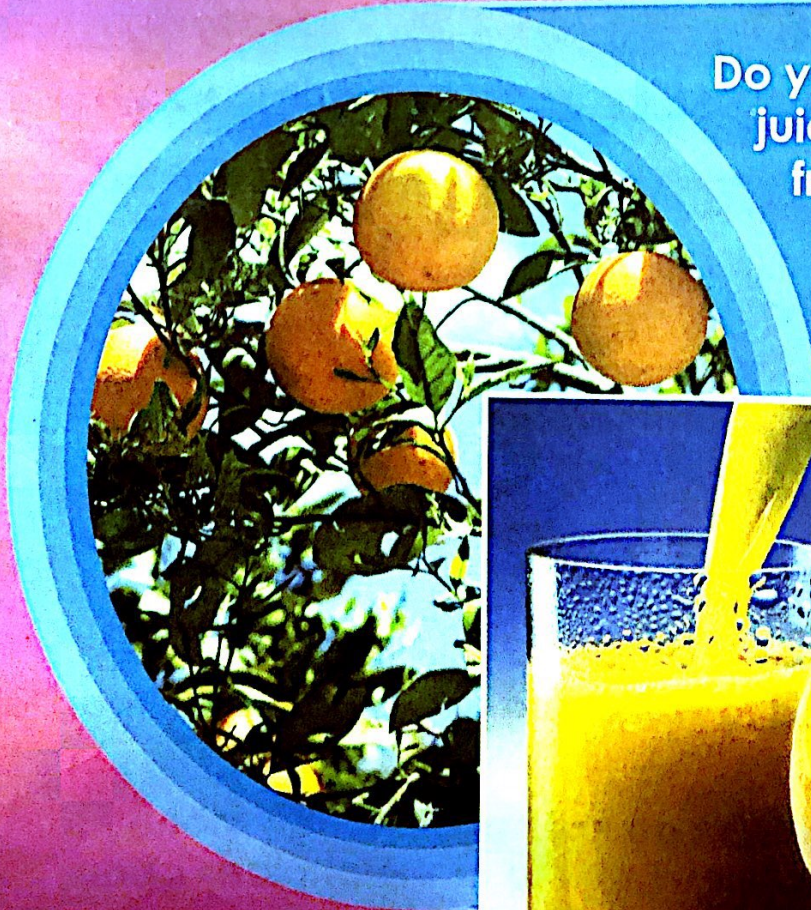
Scarcity is not having enough of something. Sometimes scarcity is a big problem. If food or water is scarce, it is hard for people to live. The Creek and Cherokee had to work hard to have enough food to survive.

Money can be scarce, too. Most families do not have enough money to buy everything they need and want. They have to make choices about how to spend their money.

Scarcity

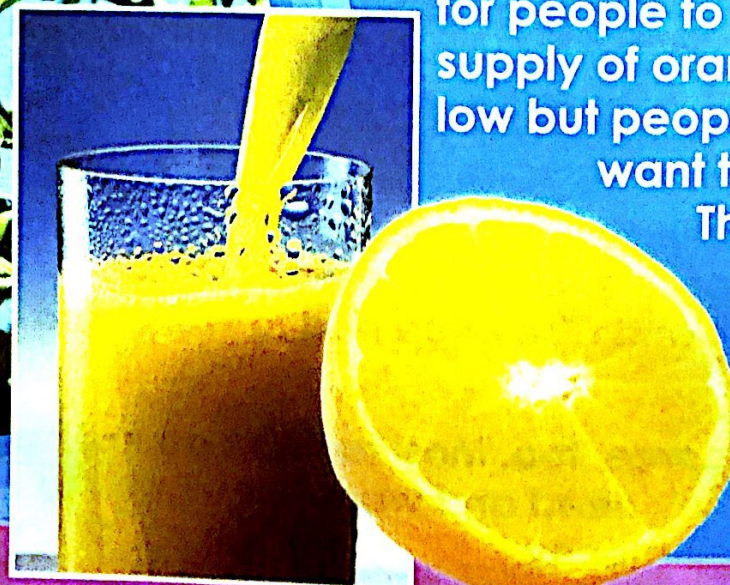
Why do some things cost more than others? The price you pay depends on two things. It depends on how much of it there is for people to buy. That's called supply. It also depends on how many people need it or want it. That's called demand.

When something is scarce, the supply is low. The price goes up. When there is plenty of something, the supply is high. The price goes down.



Do you like oranges and orange juice? Oranges cannot survive in freezing weather. If it gets too cold for too long, the oranges will die. That means there won't be as many oranges for people to buy. The supply of oranges will be low but people will still want to buy them.

The scarcity of oranges will make the price go up.



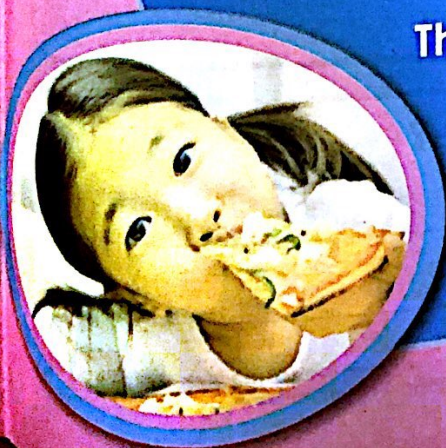


Do you like apples and apple juice? Imagine that the weather this year is great for growing apples. The people who grow apples will have lots and lots of apples to sell. The supply of apples will be high, so the price will go down.

Every choice you make has a benefit. A benefit is something good or helpful. If you watch a show about whales, you might learn something you didn't know before. That is a benefit.



Every choice you make has an opportunity cost, too. An opportunity cost is something you give up to get something else. Your lunch money will only buy one lunch. If you choose pizza, you won't be able to get a hamburger. The hamburger is the opportunity cost of your choice.



The man in this picture chose oranges instead of apples. What is the opportunity cost of his choice? What is the benefit?

