

Choices Have Costs

Trace how scarcity leads to trade-offs for different decision makers.

CE.11.a “explaining that because of scarcity, consumers, producers, and governments must make economic choices, and understanding that all choices have an opportunity cost;”

NAME _____

DATE _____

1 READ AND MARK _____ Read it twice

YOUR JOB Underline the sentence that explains scarcity. Circle each of the three concrete choices, then write 1, 2, or 3 beside the opportunity cost connected to each choice.

Riverton's Dry Summer

- ① During a dry summer, Riverton's reservoir fell below its usual level. The town had less water than households, farms, and businesses wanted to use. This shortage is scarcity, which occurs when available resources cannot meet all wants. Water can be used to wash cars, water crops, make drinks, or fill swimming pools, but the same gallon cannot serve every purpose at once. Because the supply was limited, every person and organization had to decide how to use it.
- ② Maya's family, acting as consumers, cut their lawn watering to one day each week. They chose to spend their limited water on drinking, cooking, and bathing. The opportunity cost of that choice was a greener lawn, because they gave up additional watering. At a local juice company, managers, who are producers, postponed cleaning some equipment until evening, when recycled water could be used. Their opportunity cost was producing fewer bottles during the delayed cleaning time.
- ③ Riverton's government also faced a choice. Town leaders used emergency funds to repair a leaking public water pipe rather than begin a planned park project that month. Repairing the pipe saved water for many users, yet the opportunity cost was delaying the park improvements. None of these decisions was free of trade-offs. Scarcity required each group to choose one use of water, money, or time and give up the next best alternative. That forgone alternative is the opportunity cost.

2 ANSWER WITH EVIDENCE _____ Use the passage

1 Why did Riverton's residents and organizations have to make choices about water?

2 What did Maya's family choose to use water for, and what was the opportunity cost?

3 What choice did the juice company managers make? Explain the opportunity cost of that choice.

4 What did town leaders choose instead of starting the park project, and what did they give up?

3 YOUR TURN _____ Your own words

Write a three-sentence scenario about a consumer, producer, or government with a limited resource. Name the scarce resource, describe the choice, and identify the next best alternative that becomes the opportunity cost.

PART 1 • READ AND MARK

Underline the sentence that explains scarcity. Circle each of the three concrete choices, then write 1, 2, or 3 beside the opportunity cost connected to each choice. Accept any marking that follows this job and points at the right text.

PART 2 • ANSWERS

#	QUESTION	ANSWER
1	Why did Riverton's residents and organizations have to make choices about water?	They had less water available than households, farms, and businesses wanted to use. This scarcity meant the water could not serve every purpose at once.
2	What did Maya's family choose to use water for, and what was the opportunity cost?	They chose drinking, cooking, and bathing. The opportunity cost was a greener lawn because they gave up additional lawn watering.
3	What choice did the juice company managers make? Explain the opportunity cost of that choice.	They postponed cleaning equipment until evening so recycled water could be used. The opportunity cost was producing fewer bottles during the delayed cleaning time.
4	What did town leaders choose instead of starting the park project, and what did they give up?	They chose to repair a leaking public water pipe. They gave up beginning the park project that month, so the park improvements were delayed.

PART 3 • YOUR TURN (SAMPLE ANSWER)

A student council has only \$200 for a school event. It chooses to rent microphones instead of buying extra decorations so speakers can be heard. The scarce resource is money, and the opportunity cost is the decorations the council gives up.

Accept responses that correctly connect a limited resource to a choice and to a forgone next best alternative. Students may use a different realistic example as long as the opportunity cost matches the choice.