



Scarcity & Choice | Lesson Plan

How does scarcity force us to make choices, and what are the consequences of those choices?

Students will understand that economics is fundamentally about the choices individuals and societies make due to the scarcity of resources and that these choices have real consequences that impact daily life, business, and the broader economy.

Learning Objectives:

- Analyze how scarcity affects choices made by individuals, businesses, and governments, identifying the trade-offs involved.
- Evaluate the consequences of different decisions made in response to limited resources, using real-life examples to illustrate trade-offs.
- Explain how scarcity influences what is produced, how much is produced, and how goods and services are distributed.
- Compare how free markets and controlled markets handle scarcity and the distribution of resources.

Key Vocabulary:

- **Scarcity:** The problem of limited resources versus unlimited wants, forcing choices by individuals, businesses, and governments.
- **Trade-offs:** Choices that involve giving up one thing in favor of another due to scarcity.
- **Resources:** Inputs used to produce goods and services, including land, labor, and capital.
- **Free Market:** An economic system where prices and production are determined by competition with little government intervention.
- **Controlled Market:** An economic system where the government decides what goods are produced, how much is produced, and who receives them.
- **Distribution:** How goods, services, and resources are spread among people, influenced by markets or government policies.

Educational Standards: CCRA.R.7, CCRA.R.10, CCRA.W.2, CCRA.W.4, CCRA.W.7, CCRA.SL.1, CCRA.SL.2, CCRA.L.6

Academic Subject Areas: Financial Literacy, Decision Making, Personal Responsibility, Personal Finance

What You'll Need

- Video: *Ca\$h Cour\$e: Scarcity & Choice* (Watch [Here](#))
- Worksheet: *Ca\$h Cour\$e: Scarcity & Choice* (Click [Here](#))
- Classroom whiteboard and dry-erase markers (or use a technology solution if available).

Scan to watch episode:



Lesson Plan (45 mins.)

Warm-Up: (10 mins.)

1. Start by asking students the following questions: Have you ever wanted to buy something, but you didn't have enough money? Or maybe you ran out of time to do something you really wanted? These are both examples of scarcity—the fact that resources like money, time, and goods are limited. In economics, scarcity means we have unlimited wants but limited resources. Because of scarcity, we are always forced to make choices about how to use our resources. Every time we make a choice, we are giving something up—this is called a trade-off.
2. On the board, create two columns labeled “Choice Made” and “Scarce Resource.” Ask students to share examples of choices they had to make and help them identify what resource was scarce in each situation. Here are some examples to get started:

Choice Made	Scarce Resource
Bought school supplies	Money (couldn't also save for a new pair of shoes)
Spent the weekend playing video games	Time (didn't finish a homework assignment on time)
Bought the last available notebook at the store	Goods (other people couldn't buy notebooks)

- Once several examples have been shared, guide a discussion about how these choices reflect scarcity. Emphasize that because resources are limited, we can't have everything we want, so we are forced to make choices. These choices are influenced by what we value most at that moment.
3. After students grasp the connection between scarcity and choice, introduce key vocabulary by writing each term on the board and explaining its definition. Give students a note-taking sheet where they can write both the definitions and examples of each term.

Watch and Apply: (25 mins.)

1. Tell students they will be watching *Ca\$h Cour\$e: Scarcity & Choice*, which explains how scarcity drives economic decision-making and how resources are allocated in different systems (free vs. controlled markets).
2. Immediately after the video, ask students to summarize the key points:
 - What is scarcity?
 - How does scarcity influence choices in the video (and in real life)?
 - What are some examples of trade-offs from the video?
3. Hand out the worksheet and allow students to complete it individually or in pairs.
4. When finished, go over the worksheet with the class, inviting students to share their answers and clarify any areas of confusion.

Wrap-Up: (10 mins.)

1. Return to the “Choice Made and Scarce Resource” list from the warm-up and remind students that each of the choices made was due to a scarce resource, whether it was money, time, or goods.
2. Further explain that scarcity doesn’t just apply to personal decisions but has broader implications for businesses, governments, and even whole economies.
3. Exit Ticket: End the lesson by asking students to answer this question on an index card or on the back of their worksheet:
 - In the face of scarcity, what trade-offs do you make between wants and needs?
4. Collect the responses and completed worksheets as students leave to check their understanding and encourage them to reflect on the lesson.

Don’t have time for the full lesson? Quick Activity (10-15 mins.)

Distribute the worksheet and allow students to complete it while they follow along with the video. Or, have students watch the video at home and use the worksheet as a quick quiz the next day in class.