



Scarcity

Core Standard Alignment:

- **Utah Core Standard (Economics):** ECONOMICS Standard 2.4.2: Explain how **scarcity** of resources and **opportunity cost** require people to make **choices** to satisfy **wants and needs**.
- **Financial Literacy Concept:** Understanding fundamental economic trade-offs (The idea that resources are limited, and choosing one thing means giving up another).

Learning Objectives:

Students will be able to:

- . **Define** and give examples of **scarcity**.
- . **Explain** why scarcity requires individuals to make **choices** between wants and needs.
- . **Identify** the **opportunity cost** (the next best thing given up) when a choice is made due to scarcity.

Time Required:

45–60 minutes

Materials:

- An anchor chart or whiteboard.
- A small, limited resource to demonstrate scarcity (e.g., 5 colorful, desirable stickers for a class of 20, or a limited amount of time).
- "Choice Card" worksheet for student activity.



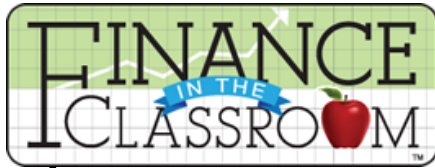
Procedure:

1. Introduction: Understanding Scarcity (10 minutes)

- **Demonstrate Scarcity:** Hold up the limited resource (e.g., 5 special stickers). Ask the class: "Who would like one of these stickers?" (Most hands will go up.)
- **Define Scarcity:** Point out that many people **want** the stickers, but there are not enough for everyone. This is called **scarcity**. Define the term simply: **Scarcity means there is not enough of something for everyone who wants it.**
- **Discuss Resources:** Explain that resources like money, time, and materials (like wood or water) can all be scarce.

2. Scarcity Leads to Choices (15 minutes)

- **Review Needs vs. Wants (from previous lesson):** Briefly remind students that a **need** is something for survival (food, shelter), and a **want** is something desired (toy, candy).
- **Connect Scarcity to Choice:** Ask: "Since we only have limited money (scarcity), do we have to choose between buying food (a need) or a new video game (a want)?" (Yes). Emphasize that **scarcity forces us to make choices.**
- **Introduce Opportunity Cost:** Say: "When you choose the food, you had to give up the video game. What you give up is called the **opportunity cost.**"
 - **Definition: Opportunity Cost is the next best thing you give up when you make a choice.**



3. Activity: Making Decisions and Identifying the Cost (20 minutes)

- **Model the Concept:**
 - **Scenario:** You have \$5. You can buy a needed school supply (like a new pencil box) for \$5 OR you can buy a small bag of candy (a want) for \$5.
 - **Teacher Think-Aloud:** "If I choose the pencil box, my choice is the pencil box. What is the one thing I had to give up? The candy. Therefore, the candy is my **opportunity cost**."
- **Student Practice ("Choice Card"):** Give students a worksheet with two choices (A and B) and a condition of scarcity (e.g., limited money, limited time).
 - **Example Prompt:** *You have 30 minutes of free time before bed (Scarcity). You can either A) Read a book with a parent (Need/Self-Care) OR B) Play a video game (Want).*
 - Students complete the card:
 1. **My Choice:** (A or B)
 2. **My Opportunity Cost (What I gave up):** (A or B)
 3. **Why I made this choice:** (Connect to need or want)
- **Share and Discuss:** Have a few students share their choices and identify the item they gave up (the opportunity cost).

4. Conclusion (5 minutes)

- Quickly review the key terms: **Scarcity** (not enough), **Choice** (what we pick), and **Opportunity Cost** (what we give up).
- Summarize: Because things are **scarce**, we must make **choices**, and those choices have an **opportunity cost**.



Assessment:

- **Informal:** Observe students' ability to correctly fill out the "Choice Card" and verbally identify the opportunity cost during discussion.
- **Formal:** Collect the "Choice Card" worksheet and check for the correct identification of the choice and the corresponding opportunity cost based on the scenario's scarcity.



Choice Card Worksheet

Scenario: _____

Choice A: _____

Choice B: _____

1. My Choice:	A ■ B ■
2. My Opportunity Cost:	A ■ B ■
3. Why I made this choice:	



Needs vs. Wants Sorting Activity

Needs	Wants
Food	Video games
Water	Candy
A home	Stickers
Warm clothing	Toys
Medicine	Trading cards
School supplies	Ice cream
Shoes	Fancy shoes



Scarcity Scenario Cards

- 1. You have \$3. A popsicle costs \$3. A new pencil costs \$3. You can only buy one.**
- 2. You have 20 minutes before bed. You can read a book OR play outside.**
- 3. Your class has 5 paintbrushes but 20 students want to paint.**
- 4. Your desk has space for ONE item: your Pokémon binder OR your sketchbook.**



Exit Ticket

1. What is scarcity?

■ Not enough of something ■ A type of candy ■ A kind of job

2. If I choose to play outside and give up watching TV, what is my opportunity cost?

3. Why do we have to make choices?
