



Lesson 1

Scarcity

Why don't people give you everything you want?

Cognitive Objectives:

Students will

- Define *scarcity* as people's inability to have everything they want.
- Identify examples of scarcity in their lives.

Affective Objective:

Students will

- Accept scarcity as a fact of life.

It is a paradox that people who learn to accept and deal with scarcity often achieve much more than those who don't accept it. The inability to deal with scarcity leads to problems with money, education, skill development, and many other areas. If children accept scarcity, they can then develop the skills necessary to minimize its impact on their lives. They will realize, for example, that credit provides only a postponement of the results of scarcity, not its elimination. Acceptance of scarcity may also prompt people to discover alternatives that can minimize its effects.

Service-learning Objective:

Students will

- Identify examples of scarcity faced by individuals, their school, and their community, where the class might be able to help.

Required Book

- *The Berenstain Bears Get the Gimmies*

Optional Books

- *If You Give a Mouse a Cookie*
- *If You Give a Moose a Muffin*
- *If You Give a Pig a Pancake*

Required Materials

- Candy, nuts, fruit, small “favors” or other items that students are sure to want. There should be an insufficient number, so that not every child can receive an item.
- Student Journal, page 1-1
- Homegram 1

Economics Background for Teachers

Scarcity is the basic economic problem. It arises from the insufficiency of resources to satisfy people’s wants.

Scarcity is ubiquitous. Rich people face scarcity when they want more than they can buy, when they can’t be in two places at once, and when, accordingly, they must choose among alternatives. Some people take exception to the statement that rich people face scarcity, thinking that it implies sympathy for the rich. But scarcity is not a matter of sympathy; it is merely a fact about the relationship between unlimited wants and limited resources. As people’s resources grow, their wants also grow. Poor people face scarcity, too, of course, but scarcity is not the same thing as poverty. Poverty can be defined as income below a certain level, but scarcity simply means that people’s resources are insufficient to satisfy their wants. Selfish people face scarcity, but so do selfless people who want to help others.

Scarcity, therefore, is not a problem that can be solved, but it is a condition that people can address in a rational manner in order to improve their lives. How? By making choices. Since resources are scarce in relation to wants, people must decide how they will use those resources. This is so even for the most advantaged among us, since resources are finite. If they weren’t—if scarcity didn’t exist—people would never have to choose. But people encounter scarcity all the time, and they find, therefore, that they must respond by making choices.

Vocabulary

- **Scarcity:** The condition of not being able to have all of the goods and services one wants.

Getting Started

Explain that the class is beginning an important unit of study—one that can help students be more successful in accomplishing their goals today and in the future. Ask the students to repeat the name *Choices and Changes*. Tell them that they will learn more about that name over the next few weeks. During that time they will actually be studying a way to make choices. The name for this area of study is *economics*. Write the word “economics” on the board. The students should repeat the word and its definition as *the study of decision making*. Economics helps people make choices about work, learning, money, and many other activities. Using economics can help us become the kind of students and workers that we choose to be.

Distribute the *Student Journals* and explain that these journals are for the students to keep, not only during the unit but always. Completing work in the journals will be important to their success in *Choices and Changes*, since the journal entries will highlight new learning and suggest ways in which new learning may be applied, now and in the future. Give the students a chance to look through their journals.

Teaching Procedures

1. Have the students read (or read to them) *The Berenstain Bears Get the Gimmies*. In this story, the bear cubs see things they want everywhere—at the supermarket, the mall, on TV, and so on. Mama and Papa Bear finally put a limit on the cubs’ unlimited wants.

2. Introduce the concept of *scarcity*. Tell the students that the concept means we can’t have everything we want.

- Write the word “scarcity” on the board. Have students repeat the word.
- Discuss scarcity. Mama and Papa Bear couldn’t give the cubs everything they wanted. Teachers can’t give students everything they want, such as pencils, paper, and other school supplies, because these things are scarce. Parents can’t give children everything they want, such as toys, trips to amusement parks, or special clothes, because these things are scarce. Scarcity is the reason we can’t have or do everything we want. The bear cubs weren’t willing to accept the fact of scarcity, so they cried and acted like babies. Once Mama and Papa Bear stepped in, the cubs began to act more properly. Accepting scarcity is the first

step toward learning what to do about it. That is what this class is about—learning to deal with scarcity.

3. Bring something to class that the students will want (such as candy, nuts, or other food or some small “favors”). Don’t bring enough for every student.
 - Explain that you would like to distribute the items to the class, but you can’t do it unless everyone can have an item, and you are not allowed to split items.
 - Put the items away and explain that the problem is scarcity. With the supply of items you have, there are not enough to satisfy everyone’s wants. Explain that you know this is a disappointment, but scarcity often makes us disappointed. (Note: It is important at this point to maintain the condition of scarcity. Do not ask the students to suggest ways to solve the problem, since scarcity is not a problem that can be solved.)
 - Emphasize that *because of scarcity* we can’t have everything we want. The items you brought to class were scarce in comparison to the students’ wants; there weren’t enough items to satisfy the class.
4. Ask the students to identify real-life situations in which they have experienced scarcity. Ask them how they react when their parents tell them that they can’t have something they want. Do they act like the bear cubs or do they understand that the problem is scarcity and accept it? How will they act in the future?

Service Learning

Tell the students that scarcity affects everyone. As a result, everyone could use some help with jobs he or she can’t do alone. Tell the students that they will identify a project that will involve them in helping somebody cope with a scarcity situation. They should begin thinking about what that problem might be and what sort of help they might provide.

Assessment

Ask the students to open their journals to page I-1. Have them brainstorm some examples of scarcity faced by individual people they know, or examples from their school or their community. Then ask them to list some of these examples in the space provided. (Note: You may want to screen these examples to make sure that no entries could be a source of embarrassment to anyone.)

Follow Through

To help the students recognize the pervasiveness of scarcity, point out examples of scarcity as they arise in the classroom and in the school. For example, if you have

limited computers in the classroom and all the students would like to work on them, explain that scarcity doesn't allow everyone to work on the computers at the same time. Scarcity is the problem. Similar situations might occur with sports equipment, classroom supplies, and other areas.

Homegram

Distribute *Homegram 1* and ask the students to take it home and give it to their Homework Helper. If "Parent's Night" is early in the year, you may want to go over this with the parents at that time.

STUDENT JOURNAL Page 1-1

**Some Examples of Scarcity
People Can't Have Everything They Want**

1.

2.

3.

4.

HOMEGRAM

Lesson 1

Dear Homework Helper,

Over the next few weeks, the children and I will be involved in a unit of study called *Choices and Changes*. It is an economics unit and children will be learning about choices and the changes that result from those choices. The children are likely to be asking you about some of the choices that you have made. It will be very helpful if you will spend some time with your student helping him or her learn what choices are, the changes that choices can make, and the importance of thinking about decisions.

In the first unit of the program, the children will learn that they can't have everything they want, a situation economists call scarcity. They will learn to deal with scarcity, trying to find alternatives. Next, they will discover that every alternative has advantages and disadvantages and that they should think about the advantages and disadvantages of their alternatives before making decisions. They will learn to use a five-step decision-making process to help make decisions. Finally, they will learn that every choice has an opportunity cost.

One aspect of the lessons is reading. Each lesson uses one or two books to help students learn the ideas. If you would like the titles of the books so that you can purchase them or get them from the library and read them or have your student read them at home, I will be happy to give you a list. Reading with your student is a very effective way of helping him or her learn to read.

There are two very important outcomes of this unit. First, children learn that they have the power to make decisions. The more you can allow them to make decisions at home, the more effective this unit will be. We will be telling them that their attitude is a decision, their willingness to cooperate at school and at home is a decision, and their remembering to bring their homework to school is a decision.

The second important outcome is that children take responsibility for their decisions. At school, we will be holding them accountable for their decisions. The lessons of *Choices and Changes* will be applied in our classroom. Children will learn that the teacher is not the “bad guy” but that they (the children) control their lives and cause consequences by making choices. The child is responsible for the choices and the consequences. I encourage you to help your student recognize decisions that he or she makes at home and to accept responsibility for the consequences of those decisions.

Sincerely,