Unit 1a

Economics is a social science that studies the behaviors that arise when humans’ limitless desires conflict with their limited abilities. When applied to individuals, economics examines things such as how a person with a finite amount of money chooses what to buy and what not to buy, or how a person with limited time decides how much of his time to spend working and how much to spend in leisure. When applied to societies, economics examines things such as how a society decides how much of its resources to devote to building roads and how much to devote to feeding its people, or how much of its resources to put toward protecting its people and how much to put toward educating its people.

Economics begins by explicitly acknowledging that every choice to do a thing is also a choice not to do something else. For example, the choice to save some people’s lives by requiring drug manufacturers to test drugs before allowing them to be sold is, simultaneously, the choice to allow other people to die by preventing them from accessing the drugs sooner. The choice to make cars safer by requiring seatbelts is simultaneously the choice to encourage drivers to be less careful by reducing the cost of their carelessness.

In this unit, you are encouraged to explore the fact that every choice to perform an action or to buy a product is also the choice not to perform other actions and not to buy other products.