So What?

Have you heard of the folk tale Aladdin? In the story, the title character finds a magic lamp and becomes master to a powerful genie. The genie makes Aladdin's greatest wishes come true, and along the way, much drama and excitement ensue. Sure, magic lamps and genies are make-believe, but imagine for a moment what you would do if they were real. If you were to find a magic lamp with a genie inside, what would your three wishes be?

It's hard to narrow your list down to three, isn't it? Could you even get all of your wishes and dreams down on paper? No? That's okay. Nobody else could either. Curious to know why? Because no matter who you are, where you come from, or how old you are, your wants are bound to be endless. It's human nature. Some might even say that it's economics. What's that? Read on to find out!

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You Can't Always Get What You Want

Economics is the study of how to meet unlimited, competing wants with limited resources. It is the process of deciding how to get the most with the least—obtaining the greatest satisfaction from the least amount of resources. For example, countries must decide how to meet their citizen's wants with the re[illegible]vailable. Businesses must decide [illegible]ts to produce and/or provide [illegible]. Consumers must decide [illegible] their **incomes** to get the [illegible]nd **services** they want.

What are wants? **Wants** are desires for things that may or may not be necessities. Your wants might include more friends, sunshine, a new pair of shoes, or an ice cream cone. Or you might want world peace, a higher allowance, or a haircut. It all depends on who you are. No matter what your wants might be, all wants can be divided into two categories: economic wants and noneconomic wants.

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Where in the World Are the Resources?

Resources are items used to accomplish other activities, such as producing or providing goods and services. In economics, there are three categories of resources:

- **Natural resources**

  Natural resources are items found in the environment that are used to produce goods and services. Trees, air, and land are all natural resources. Trees can be used to produce paper products, air can be used to generate electricity, and land can be used to grow agricultural products.

- **Human resources**

  People are our human resources. In economics, they are valued for the physical and ment[illegible] work that they do to produc[illegible] vices. Some examples of [illegible] are entrepreneurs, constru[illegible] drivers, and police officers. [illegible] resources can you think of?

- **Capital goods**

  Capital goods include all of the manufactured or constructed items that are used to produce goods and services. This includes the buildings, equipment, and machinery used to produce goods and services, along with the transportation systems used to provide access to the products.

Having a picnic in the park would be a lot more difficult without all of the products we get from trees.

Think for a minute about a bookstore. The bookstore owner is a producer; s/he provides consumers with books, magazines, and newspapers. The store makes payments to book suppliers to obtain the store's merchandise. In addition, the store employs individuals who provide human resources to sell the merchandise.

The bookstore earns an income by selling its goods to consumers. This income must be distributed among the bookstore owner, the book suppliers, and the employees. If any suppliers or employees decide that they are not being paid enough for their resources, they may stop providing their merchandise or labor to the bookstore. Without books and employees, the bookstore could not offer products. Therefore, the bookstore would cease production.

Let's suppose, though, that the suppliers and employees are happy with their income. If the bookst[illegible]r is not satisfied with his/her income or [illegible] on the venture, s/he may choose to [illegible]ase, consumers could no longer purch[illegible] the store. Consumption would c[illegible]


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▲ *Next time you're in a bookstore, think about all of the exchanges between producers, consumers, and resource owners that take place every day.*

