

Drag and drop the pronouns into the right place.

his

It

her

Our

She

we

BADE & PARKIN (2018). *Foundations of Economics*. Boston: Pearson. p. 2.

■ Scarcity

___ inability to satisfy all our wants is called **scarcity**. The ability of each of us to satisfy our wants is limited by the time we have, the incomes we earn, and the prices ___ pay for the things we buy. These limits mean that everyone has unsatisfied wants. The ability of all of us as a society to satisfy our wants is limited by the productive resources that exist. These resources include the gifts of nature, our labor and ingenuity, and the tools and equipment that we have made.

Everyone, poor and rich alike, faces scarcity. A student wants Taylor Swift's latest album and a paperback but has only \$10.00 in ___ pocket. He faces scarcity. Gwen Stefani wants to spend a week on the set of *The Voice* in L.A., but she also wants to devote time and energy to her successful clothing line. ___ faces scarcity. The U.S. government wants to increase spending on homeland security and cut taxes. ___ faces scarcity. An entire society wants improved healthcare, an Internet connection in every classroom, clean lakes and rivers, and so on. Society faces scarcity. Scarcity is everywhere: Even parrots face scarcity!

Faced with scarcity, we must make choices. We must choose among the available alternatives. The student must choose the download or the paperback. Gwen Stefani must choose shooting episodes of *The Voice* or designing ___ next clothing collection. The government must choose greater security or tax cuts. And society must choose among healthcare, computers, the environment, and so on.