

To Choose or Not to Choose? That Is Not the Question

Alternatives & Choices

A world of scarcity forces people to choose among competing alternatives. Naturally, people try to pick the alternative that provides the greatest benefit at the lowest cost. Sometimes alternatives have such high costs that we don't even consider them seriously.

Alternatives. An alternative is one of many different actions that we might take in a given situation. If we have \$20 to spend, one alternative might be to buy a DVD; another alternative might be to buy pizza for friends. If we are hiking and meet a grizzly bear on the path ahead, one alternative might be to make ugly faces at it in the hope that it will run away; another alternative might be to get out of the area as quickly as possible.

Choices. A choice is the course of action we take when faced with a set of alternatives. Some people with \$20 to spend will choose to buy the DVD, others the pizza, still others might choose a different alternative altogether. In the hiking example, not many people would choose the face-making alternative because of its likelihood of failure.

Directions: Read each of the cases below. Identify the alternatives and the anticipated costs and benefits for each situation. Indicate which alternative you would choose by putting a check (✓) next to it. Choice Grid 1 is partially completed for you as an example.

CASE 1

Ashley desperately wanted to attend a concert with her friends. Unfortunately, she could not get a ticket for the night on which her friends were going to the concert. She said she had no choice but to stay home with her family and watch TV. Did Ashley have a choice?

Choice Grid 1

Alternatives	Possible Costs	Possible Benefits
Stay home and watch TV	Miss the concert	Watch TV with family
Go to concert alone		
Study homework		

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CASE 2

Samantha Marsh operates Sam's Spicy Subs & Wraps, a sandwich stand near Jefferson High School. Every day she sells her special sandwiches and wraps to loyal high school customers who flock to the stand during lunch hour. Recently, Sam raised her prices by \$1 per sandwich. Several customers protested. They said the sandwiches now cost more than buying lunch at the burger shop up the street, or-worse yet-more than buying lunch at school. Sam explained that her costs had gone up because of new license fees and regulations imposed by the City Health Department. She had no choice but to increase her prices, she said.

Choice Grid 2

Alternatives	Possible Costs	Possible Benefits

CASE 3

Mr. Otto Wurker owns a factory that supplies airbags and global positioning systems (GPS) to U.S. automobile manufacturers. Otto has fallen on tough times. Imports from Europe and Asia have cut into sales of U.S. cars, and many of Otto's friends and employees have been laid off. Looking over the almost-empty factory, he says to the visiting U.S. senators who are touring this economically depressed area, "America has no choice: we must restrict imports of foreign cars and trucks to save U.S. jobs."

Choice Grid 3

Alternatives	Possible Costs	Possible Benefits