

CONCEPT DEFINITIONS

SCARCITY:

World resources are limited, so we cannot produce or have everything we could possibly want. We must make choices about how best to use the limited resources we have. Economic systems allocate our limited resources in ways to increase the benefits of these resources to individuals and society. Scarcity is not a *shortage*.

GOODS & SERVICES:

Goods are tangible objects desired by consumers and supplied by producers. Services are intangible outputs produced in the economy.

See last year's state winners at:

www.econed-il.org/icee/econposter.shtml

Example of goods would be: a car, books, furniture; services include things such as: teaching, medical services, and counseling. Poster entry must illustrate **both** concepts.

SPECIALIZATION:

Efficiency is increased when individuals, firms, and nations produce the goods and services at which they are best, leaving the production of other goods to others. Example: Because bananas and apples generally require different climates for proper growth, the best results occur when the two products are grown in the regions that are best suited for the particular crop. Trade means that people can eat both types of food even if they produce only one type. Individuals specialize in jobs they do best, too.

PRODUCTIVE RESOURCES:

Production of goods and services in any economic system involves three types of resources: natural resources, human resources, (labor) and capital resources (any man-made instrument of production such as tools, machines, etc.) Examples of each resource used in making a pencil are wood (natural), a lathe (capital), and the machine operator (human). Poster entry must illustrate **all three** types of resources as they relate to the production of a good or service.

OPPORTUNITY COST:

Opportunity cost is the benefit that is given up when a choice must be made because resources are scarce in relation to wants. In choosing between two alternatives, there is always an opportunity cost. (To choose to spend an afternoon at a baseball game means giving up the opportunity to use that time to go swimming.) Drawing must illustrate *which choice* is the opportunity cost, and should use minimal text.

PRODUCERS & CONSUMERS:

Producers are the people and/or firms which make and supply the goods and services provided in the economy. Consumers use the goods and services produced to satisfy their wants and needs. Individuals are both producers and consumers. Poster entry must illustrate **both** concepts.



The 2012 program is made possible by the cooperation of the Federal Reserve Bank of St. Louis.

PLEASE MAIL ALL ENTRIES TO:

Attn: Economics Poster Contest
Mr. Marvin Warner
Madison County ROE #41
200 Clay Street
Edwardsville, IL 62025

For additional information or to request additional entry forms:

Contact: Anna Hollister
Phone: 618.296.6444
E-mail: ahollister@roe41.org

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ENTRY FORM-Cut Along Dotted Line

Each participating teacher must complete and submit one copy of this form along with all entries.

PLEASE PRINT CLEARLY!

Teacher's Full Name _____ E-mail _____

School's Full Name _____ School Dist _____

School Address _____ School Phone _____

City/State/Zip _____ School Fax _____

Grade level submitted _____ No. of ALL students participating _____ No. of posters submitted _____

Entries must be postmarked by February 10, 2012, become the property of Econ Illinois and may be used with names of entrants for publicity purposes. Mail entries with this form to: Attn: Economics Poster Contest, Mr Marvin Warner, Madison County ROE 41, 200 Clay Street, Edwardsville, IL 62025.

