

Economics is About Making Choices

Economics is about making choices. Economists believe that people make rational choices to increase their satisfaction by weighing costs and benefits. We do this everyday in small decisions: how much time do we spend on studying different subjects in school? Should I go to a concert or download music with my money? How should I spend my time on the weekend?

We also do this in regards to big decisions, too. For example should I go to the Junior college for two years before attending a university? Should I attend a public university (UC or State school) or go to a private school (e.g. USC, St. Mary's or Stanford)? Economics suggest that a consumer weighs the costs and benefits before arriving at final decisions. Look at the grid below and fill in both costs and benefits of all three options. Then on the backside, indicate which of these three choices would be best for you.

	Benefits	Costs
Junior College		
Public Universities (E.g. State and UC 4 year schools)		
Private Colleges		