

Lesson 2: Section 2

Why Is What We Want Scarce?

Every time we go shopping, most of us come up against the hard truth of the Rolling Stones song “You Can’t Always Get What You Want.” Difficult as it may be to believe, even a person as successful as Mick Jagger can’t have everything. Even he has to make choices sometimes. But why is this so? Why do any of us have to choose at all?

Our Wants Always Exceed Our Resources

The simple answer to that question is that our wants—our desire for things that meet our needs or make us happy—are unlimited, while our means of fulfilling those desires are not. Some of our wants are necessary for survival. Each of us, for example, needs food, water, and shelter to survive from day to day. But beyond those basics, what we desire to have or experience is limited only by our imaginations.

Although our wants may be unlimited, our ability to satisfy them is not. We have only limited amounts of resources to use in fulfilling even our fondest desires. Time, for example, is a limited resource. Whether rich or poor, a person has only 24 hours each day to use in work or play. Money is also limited. Even the very rich can’t afford an endless supply of everything. They, like the rest of us, experience scarcity, a situation in which the supply of something is not sufficient to satisfy their wants.



With Resources Limited, Scarcity Is Everywhere

It is hard for most people to see scarcity the way economists do. You shop in stores that are overflowing with [goods](#), or physical objects produced for sale. You look around your classroom and see that nearly everyone has paper and pencils. Many of your classmates probably have cell phones. How can these goods be scarce if everyone seems to have them?

Similarly, most of us have access to a multitude of [services](#), or activities done for us by others. Teachers, doctors, hair stylists, bus drivers, plumbers, nurses, and police officers all provide services we take for granted. Some are even offered to us without charge. So how can economists see these services as scarce?

And yet, goods and services *are* scarce. They are scarce because the resources needed to produce them—land, labor, materials, and machines—are scarce. Should you doubt that this is true, try asking someone who owns one of these resources to turn it over to you for free. The answer will almost surely be no.

Scarcity would exist even if everyone in the world were suddenly as rich as Mick Jagger. Suppose every new multimillionaire wanted to build an elegant mansion to live in. Could they all do so? Probably not. While one essential resource for such a project (money) is now less scarce, other essential resources (land, lumber, concrete, glass, skilled workers, and time, to name just a few) are still just as scarce.

Shortages Are Temporary, While Scarcity Is Forever

While scarcity may seem like an abstract idea, most of us have experienced a shortage. A **shortage** is a lack of something that is desired, a condition that occurs when there is less of a good or service available than people want at the current price. When a store runs out of Rolling Stones T-shirts while the band is performing live in that city, the result is a shortage.

Shortages occur for many reasons. A fashion fad can cause a shortage by suddenly increasing the number of people who want to buy the trendy item. The shortage lasts until either enough items are produced for everyone who wants them or the fad ends.

Wars and natural disasters can cause shortages by disrupting the production or movement of goods. Superstorm Sandy, a hurricane that devastated parts of New Jersey and New York in 2012, created a gasoline shortage in the New York City area. The storm caused thousands of gas stations to lose power and interfered with supply lines. People were forced to wait in line for hours to make their fuel purchases.

As annoying as shortages may be, they are usually a temporary condition. A shortage ends once production is resumed or new sources of supply are found. In contrast, scarcity is forever. No matter how well people use their limited resources, there will never be enough of everything to satisfy all of their wants.