



classmate  
classroom  
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# Extra Credit

a newsletter for educators



## Handout 1: Allocation Strategies Activity

		Criteria				Total
Alternatives						

List of All Allocation Strategies	List of All Social Economic Goals
<p><b>Price:</b> you receive the item if you can pay the charge</p> <p><b>Majority rule:</b> you receive the item if people vote that you can receive it</p> <p><b>Competition:</b> your receive the item if you win it</p> <p><b>Everyone shares:</b> no one person owns it, everyone can use it</p> <p><b>Random selection:</b> you receive the item by chance</p> <p><b>Authority:</b> you receive the item because someone in power says you will receive it</p> <p><b>First come, first served:</b> you receive the item because you got to it first</p> <p><b>Personal characteristics:</b> you receive the item because you have an attribute designating you to receive it</p>	<p><b>Freedom:</b> ability to make your own economic choices for work, business, and consumption</p> <p><b>Security:</b> provides for a social safety net in the case of hard economic times</p> <p><b>Equity:</b> everyone has access to the same opportunities or everyone shares equally in what is produced</p> <p><b>Growth:</b> the economy continues to produce more goods and services than it did in the past</p> <p><b>Efficiency:</b> producing the greatest output with the smallest number of resources possible</p> <p><b>Price stability:</b> maintaining the purchasing power of money in the economy</p> <p><b>Full employment:</b> everyone in the labor force who is willing and able to work is employed</p>

## Handout 1: Allocation Strategies Activity (Continued)

1. Which allocation strategy do you think is most efficient? Why?
2. Which allocation strategy do you think is most fair? Why?
3. What do you think is more important, economic efficiency or economic equity (fairness)? Why?
4. How satisfied were you with the methods used to allocate the candy bar? Explain.
5. What benefits and/or costs do you foresee if our government allocated public goods and services in the same way?
6. Look at the full list of allocation strategies. For each of the strategies, identify one thing in the United States that we allocate using that strategy.
7. Look at the full list of social economic goals. Which two goals do you think are valued most highly in the United States? Give evidence to support your assertion.