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SST 309 04  
11/6/2012  
Economic Mystery

## Cable vs. Electricity

### The Mystery

A mother receives a shut off notice on her door because she didn't pay her electric bill. She didn't have the money to pay the bill and the weather is getting colder as winter gets near. The electricity keeps the heater running to warm her house and keep the lights on. She also has a cable bill with a cable company so she can have lots of channels on her television. If she doesn't pay her electric bill on time, the company will come and shut off her electricity. Why does the mother keep her cable when she cannot afford to pay her electric bill?

### True or False

1. The mother doesn't care if her house gets cold. \_\_\_\_\_
2. She has to have cable in your house. \_\_\_\_\_
3. She can drop her cable company. \_\_\_\_\_
4. Cable is more important than electricity. \_\_\_\_\_

### Handy Dandy Guide

1. People *choose* to do the things they think are best for them.
2. People's choices have *costs*.
3. People choose to do things for which they are *rewarded*.
4. People create *rules* that affect our choices and how we act.
5. People gain when they freely decide to *trade* with each other.
6. People's choices today have *future results*.

### Explanation

The mother must have children and she may choose to keep the cable company so her kids can watch television. This choice costs her more money and she already has to pay money for her cable bill. By choosing to keep the cable company she and her children are rewarded with television channels to watch their favorite programs. The rule is, in order to keep you cable and electricity you have to pay the bill. By choosing to keep her cable, in the future she may not have enough money to pay her other bills and she may lose her heat and electricity.