

# OPPORTUNITY COST & DECISION MAKING

## *During WWII*

World War II required a tremendous amount of resources. America was fighting the war in the Pacific and in Europe. So, large amount of resources were being consumed in two different parts of the world. The American people and soldiers were faced with many challenges. One of these challenges was resources. The United States government had a large responsibility of providing resources to the troops such as food, clothing, and gasoline. This meant that resources had to be limited for citizens in the United States. Rationing was introduced by the government. **Rationing** means that citizens were only allowed to have a certain amount of specified goods. Items such as sugar, shoes, coffee, gasoline, tires, and oil were rationed during World War II. These items were only to be purchased in limited amounts by American citizens.

The citizens of the United States gave up certain goods, such as sugar, in exchange for freedom provided by the war. This is called opportunity cost. **Opportunity cost** is the cost associated with giving up one thing for another. In other words, it's the cost of giving up for another opportunity. For example, Americans gave up certain resources for the hope of the freedom that would be provided by the war. Another simpler example is when someone has to choose between purchasing a shirt or a pair of shoes. If this person buys the shoes but not the shirt, the opportunity cost is the shirt.

Citizens during World War II had to find **alternative** ways to live without the resources that were limited by the rationing. An alternative is using something close to what is desired. Using margarine instead of butter is an example of using an alternative. Resource **reallocation** helped fuel the war effort. Reallocation means redirecting resources from one area to another. In this case, shifting resources from citizens to the war effort. World War II impacted people around the world. The soldiers were on the war front fighting, while citizens in the United States shared and lowered their consumption of resources with the hope of preserving their freedom.



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Directions: Fill in the blanks with the words from the word bank. The words will be used more than once.

Opportunity Costs	Rationing	Reallocation	Alternative
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- \_\_\_\_\_ happened during WWII when American citizens were only allowed to have certain amounts of specified goods.
- Redirecting resources from one area to another is called \_\_\_\_\_.
- \_\_\_\_\_ is the cost associated with giving up one thing for another.
- Citizens during WWII had to find \_\_\_\_\_ ways to live without resources that were limited.
- These resources were limited during WWII because of \_\_\_\_\_.
- During WWII, resources were shifted from the citizens to the war effort. This is called resource \_\_\_\_\_.
- Citizens had to limited their use of gasoline and sugar because of \_\_\_\_\_.
- Americans gave up these resources in hopes for the freedom the war would provide. This is considered an \_\_\_\_\_.