

Topic: Public Goods. *markets great*

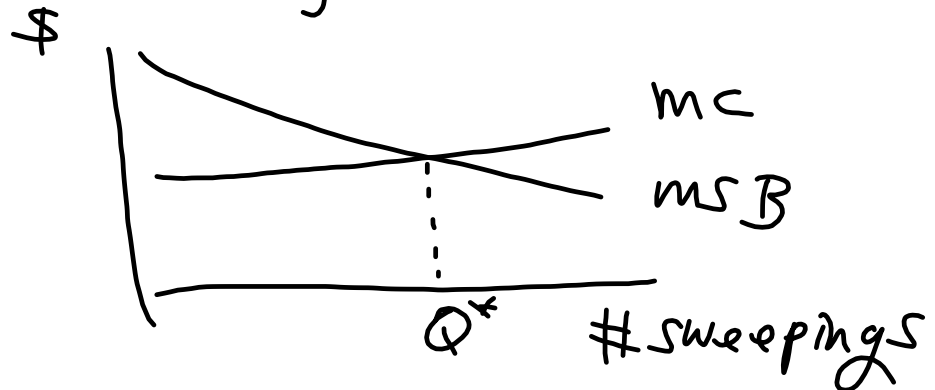
	Rival in consumption	Nonrival in consumption
Excludable	Private goods <ul style="list-style-type: none"> • Wheat • Bathroom fixtures 	Artificially scarce goods <ul style="list-style-type: none"> • Pay-per-view movies • Computer software
Non-excludable	Common resources <ul style="list-style-type: none"> • Clean water • Biodiversity 	Public goods <ul style="list-style-type: none"> • Public sanitation • National defense

Excludable: you can keep someone from consuming.

Rival in consumption: if I consume a unit, nobody else can.

market will not produce.

How much of a public good should be provided? Economist: until Marginal Cost = Marginal Benefit.



Topic: Income Inequality
and Income Distribution.

Gini coefficient - measure
of inequality.

0 perfect equality

1 perfect inequality.

US programs for
poverty:

- "means-tested" -
quality if you
are poor
enough

(food stamps)
- non-means-tested
social security,
medicare

unemployment
benefits.

