Incentives = key idea

Video #1 | What is subjective value?
- The value is not determined by the object itself
- What society thinks about that object greatly determines the value
- Things have value bc individuals want them

ex) the two shirts, he wouldn’t wear the one with a photo of Che Guevara
because of the outroar and opinions that society would impose bc he is a controversial figure

----

Video #2 | Do incentives matter for the economy?
- In order to predict human behaviors, we need to think about how their incentives have changed
- Prices = powerful incentives

Video #3 | The truth about real estate agents
- They get more $ if they sell their own home then if they sold the same house for a client -----> agents hold out for a better price and hold onto their own house for a little longer (avg. 10 days longer)
- Agent has an incentive to sell your house right away

Video #4 | Consumer choices drive price, supply & demand
- If tomatoes become extremely popular after new release of information, the supplies will charge the seller more bc their will be to few tomatoes which results in us having to pay more money for some -----> more farmers would move into tomato production and the supply will be increased
- Adam Smith's invisible hand ; if you want to make your life better you have to better the life of others

----

Video #5 | Audio Innovation
- Widespread popularity increases sales in newer products and sparks alternative similar products from competitive companies
- Every one to two years there's a newer and improved model

Video #6 | economics on one foot
- Every action we undertake has a cost
- Incentives matter ; going to do more of things that are cheaper, going to do more of things that get easier, going to do more of things that pay better
- Incentives matter ; going to do less of things that get harder, going to do less of things that are expensive, going to do less of things that don't pay as well
- Resources are scarce
- Value of a resource is determined by what you can do with one more unit of the good
- Profits tells businesses whether they are using resources wisely or unwisely
- Government uses force to change people's incentives
    - Poverty from trade restrictions
    - Shortages from price controls
    - Unemployment from minimum wages

Video #7 | Entrepreneurship & Beer
- ~2400 craft beer breweries today
- This decrease in trend is caused by technological change, change in consumers preferences, resilience of the entrepreneur
- Cheaper to get equipment to make beer than it was in the 1800's ; due to production efficiency, easier to share equipment
- Potential cause of decrease = legality to home brew in 1970s

----

Video #8 | Entrepreneurs are modern day heroes
- Entrepreneurs are the real employers in this country, and they are the primary creators of new jobs
- When they can't operate or hire new employees, our economy can't thrive