

2021 LaKay Schmidt Young Economist Scholarship Winner
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Essay: What Economics Means to Me

Economics is a subject most teenagers are not familiar with, yet it controls every part of our life. To understand economics, one must have knowledge about the production, consumption and distribution of wealth.

Economics includes the scarcity of resources, the production of goods and services and how it grows over time. Listening to a news report regarding economics, there are several terms that would probably be used. Recession, unemployment, money, inflation, demand investment, capital, government spending, cost and profit are all examples of economic expressions heard in the news.

Economics impacts our daily lives in obvious and some not so obvious ways. The condition of the economy determines the choices we have to make about work, leisure, consumption and how much money to save. Our daily lives are also influenced by economic trends, such as inflation, interest rates and economic growth.

Feeding and caring for my horses connects to economics and affects my life. I rely on someone's ability to grow alfalfa, get it cut and baled, and then delivered. If there is a drought or other weather conditions that contribute to the amount of alfalfa that can be cut, this influences the demand for the hay and the higher prices that are charged for a product that is not in abundance. If the price of fuel increases, this is a direct influence on the operation of getting the water system running to grow the hay. This also influences the amount of fuel needed to run the haying equipment. Prices increase for the producer and that price is passed down to me as I try to buy hay and grain for my horses.

Just recently I had to have a farrier travel to trim the hooves of my horses. My horses live in a very dry, sandy area which is hard on their feet, so it is important to keep their hooves in good condition. The farrier charged me \$40 to trim one horse the last time he was hired. Two weeks ago he charged me \$80 for one horse to be trimmed. This is an example of demand and inflation. He had to travel a distance to get to my location, so he used more fuel in his expensive vehicle. That increase was passed on to his bill to me for trimming the hooves of my horses.

Unemployment is a direct response to the condition of the country's poor economic conditions. For example, when I ordered a dress for graduation, due to the low number of people employed at the facility, it took longer to process my order, longer for the dress to be manufactured and longer time period to ship the dress to my house.

Gasoline continues to increase in price, which is a national trend, and it directly affects me. I cannot randomly drive out of town to eat out with my friends like we are used to doing. Now

we have to consider how much fuel will be used and what additional cost will have to be paid so we can have some fun. Major adjustments have to be made to accommodate our constantly changing economy.