

## Why Do We Pay For Services?

Grandma Jane needed to get her garage door fixed for quite some time and never got around to asking anyone. Her family thought she wanted to wait for nicer weather because the winter had been so cold. Many of Grandma Jane's relatives lived within a mile of her house and she saw most of them on a weekly basis. Some of her relatives had offered to fix her garage door, despite the winter weather, to keep her valuables safe and to prevent her from trying to fix it herself.

Before spring arrived, Grandma Jane called Garret's Garage Repair to fix her broken garage door and they were able to come the next day. She recently asked her granddaughter to clean her carpets and her daughter to hang her curtains. She didn't want to ask anyone to fix the garage door, too, because she thought she had asked enough of them already. The repair totaled to \$100 dollars. If she had a family member do the repair, which was an easy fix, it would have cost the amount paid for parts: \$10. Her family was surprised that she didn't want any of their help.

Why would Grandma Jane pay \$100 to have her garage door fixed by a professional when her relatives would have done it for the price of the parts?

### **Economic 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 the *rules* that affect our choices and how we act.
5. People gain when they freely decide to *trade* with one another.
6. People's choices today have future *results*.

**Directions:** Read the 6 items on the Economic Guide and read the mystery. With help from the clues and the Economic Guide, come up with a solution for the mystery. Your solution goes at the bottom of the page.

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### **The Mystery**

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### **True or False Clues**

Directions: Mark True or False for each of the statements below -

1. Grandma Jane had nobody that would fix her garage for her for free.   F
2. The garage repair men were able to come soon after she called.   T
3. Grandma Jane was afraid to ask for help from her family.   F
4. The garage was fixed without any physical effort from Grandma Jane.   T

### **The Solution**

Grandma Jane decided to pay Garret's Garage Repair to fix her garage door because the reward (a working garage door) outweighed the cost (offending her family members and \$100 she spent). Her decision to not ask her family does have a future result: her family members may not ask her if she needs help to keep from offending her. The social rule that is in play here is that asking for too much help makes a person seem needy. Grandma Jane thought it would be better to get the garage door fixed by paying someone outside of the family instead of allowing her family to help.