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**Notes NE pg. 3-20 Econ**

The punch line of capitalism: The market aligned incentives in such a way that individuals working for their own best interest

**“Who feeds Paris” -what makes the modern economy work**

During 20th century american life expectancy 47 years-77 years

In communest economics there is much less variety because alost everything has the same suppliers and costs. ( can overwhelm the government)

Economics the is art of making the most of life

World bank estimates that half the world population survives on less than $2 a day.

Economy survives on peoples utility

**“Luxury good” = a good that we buy in increasing quantities as we grow richer**

It is bad economic s ot impose out preferences on individuals who live much different lives

American give mre then 200 billion to charity every year

Time is one of our most sacred resources

life is about tradeoffs

Maximize utility-get the most bang for buck

Free is a construct you are almost always trading something else you dont value as much as money

Its all abount cost and firms take inputs and combine them in a way that adds value

**“Superstar phenomenon” small differences in talent become magnifies in a huge market**

Reputation goes a long way

Make the most money in the long run

The market price: the “perfect” balance between supply and demand

**Price Discrimation: to sell the same idem to different people at different prices**

The market is amoral/we do not really proratize what we need as valuble