

Economics in 30 Minutes

Part I: Scarcity, Choices, and Models

Vincent Maistre

What economics is

Economics is the study of how people make choices when they can't have everything they want, and how those choices add up.

The first half is about you.

The second half is about a few hundred million people choosing at once.

Scarcity

24 hours today.

No way to get a 25th.

Only so many houses on the beach.

Only so many seats in the front row.

Even billionaires can't buy back yesterday afternoon.

Scarcity doesn't mean poverty.

*It means there isn't enough of everything
for everyone to have as much as they want
at a price of zero.*

*True in a rich country and a poor one.
The difference is what's scarce, and for whom.*

Every choice has a cost

Choosing one thing means giving up another.

*Opportunity cost:
the value of the best alternative
you give up.*

Only the best one counts. You could only have done one of them.

Keep in mind as we go

What is scarce for you this week?

One example that isn't money.

*And what's the best alternative
you're giving up right now, to watch this?*

The end of scarcity?

John Maynard Keynes, 1930

*“The economic problem may be solved,
or be at least within sight of solution,
within a hundred years.”*

1930 + 100 = about 2030. Roughly now.

The end of scarcity?

Elon Musk, VivaTech, Paris, May 2024

“universal high income”

“no shortage of goods or services”

On X, December 17, 2025

*“there will be no poverty in the future
and so no need to save money.”*

The best case

AI: tutoring, translation, routine writing, software

Robots: the labor cost of making things

Cheap energy plus automation: much more output

It has happened before:

Light. Long-distance calls. A map of the world in your pocket.

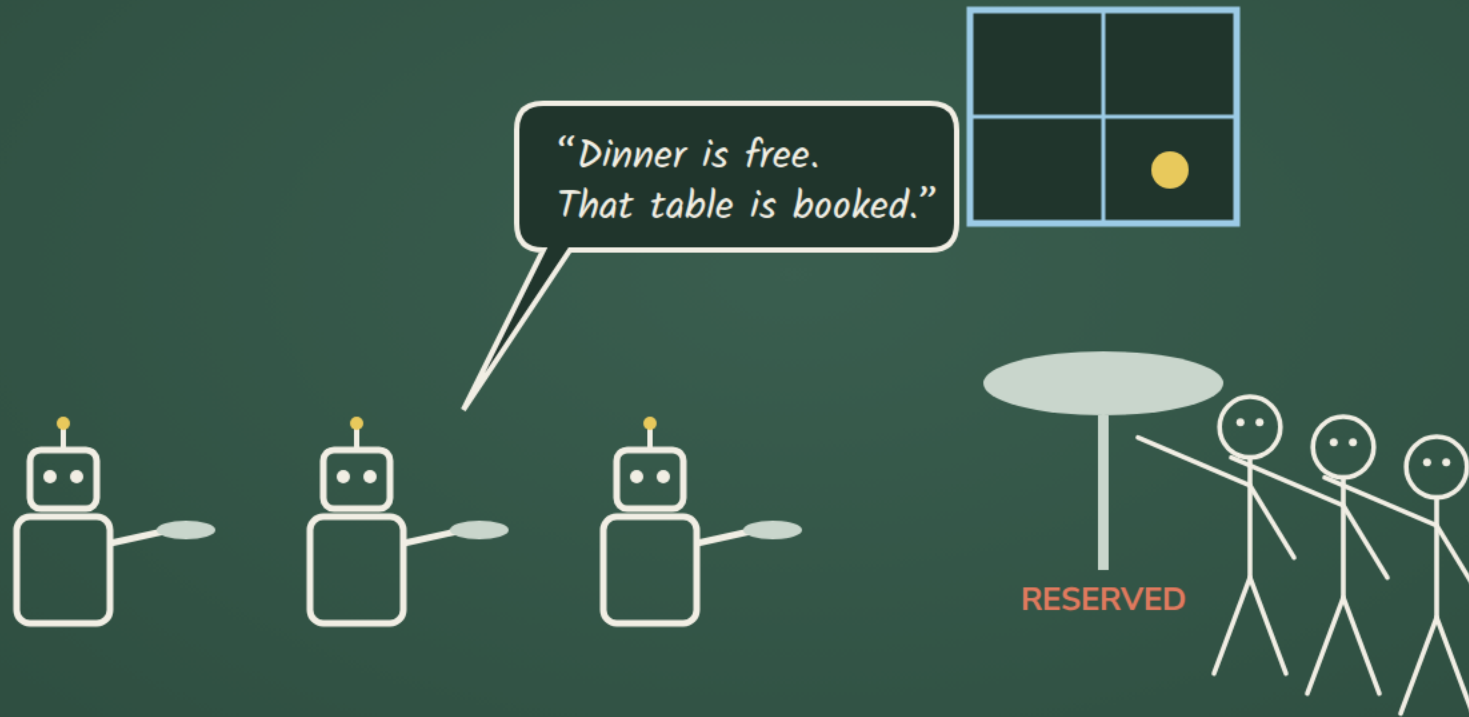
The economist's question

***No poverty is not the same
as no scarcity.***

*Make everything cheap and you change what is scarce.
You don't get rid of it.*

The free robot restaurant

Dinner: free. Seconds: free. Dessert: free.



Make everything free and something is still scarce.

The table by the window. Saturday at 7:30. Who gets it?

What stays scarce

Land in a particular place

A time slot

Your attention

One specific painting

The energy, minerals and chips the robots need

*If the money price falls to zero,
allocation doesn't disappear.*

Something else answers “who gets it?”

A line. A lottery. A reservation list.

A membership. Status. Politics.

Two words

Microeconomics

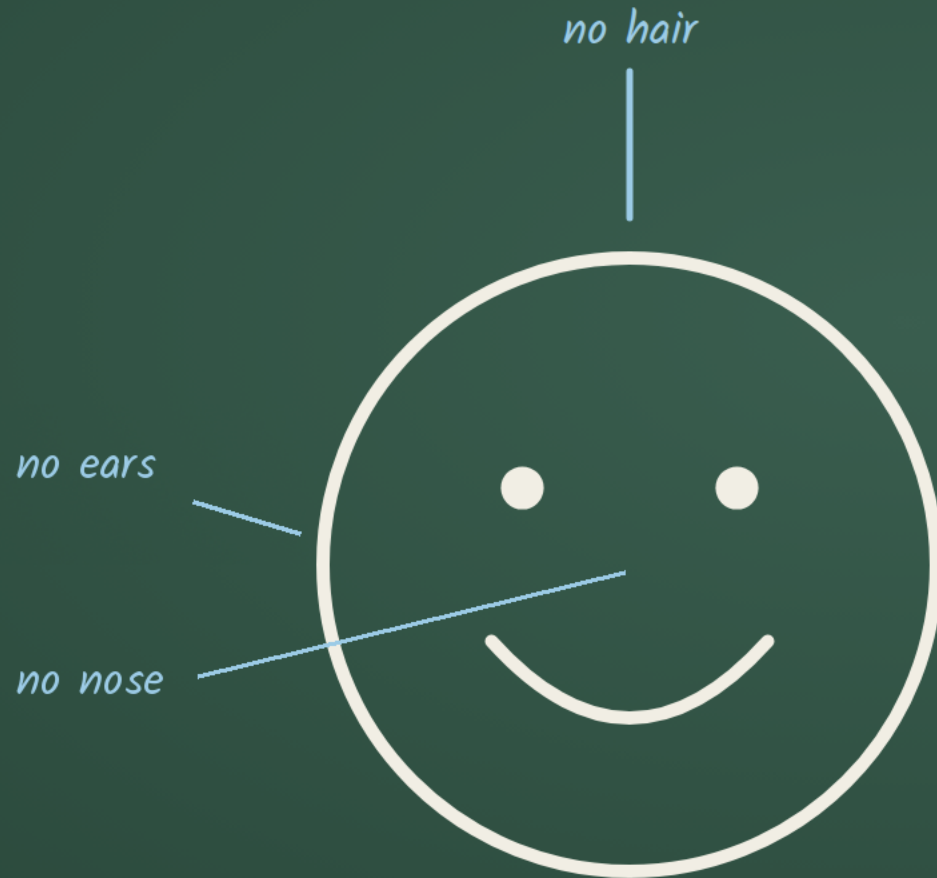
Choices by people and firms, and how markets interact.
Beer. Apartments. The market for nurses.

Macroeconomics

The whole economy at once.
Inflation. Unemployment. Growth.

This series is mostly micro.

One more word: model



***A model leaves out what
doesn't matter for the question.***

Most of economics is deciding what not to draw.

One more word: model



One thing changed.

*Ceteris paribus:
other things equal.*

Change one thing. Hold the rest still. See what it does.

Pause

Draw three faces.

Surprise. Anger. A wink.

*Change one feature at a time.
Which feature carries the message?*



The limit of a model



*Would everyone read your faces
the same way?*

*Could this smile be sincere?
Polite? Sarcastic?*

***Change the question, and the
missing nose suddenly matters.***

One honest caution

On a chalkboard, I hold everything else still.

In real data, several things change together.

That's why it's hard to tell what caused what.

Part 4 is largely about that.

Your turn

Pause the video.

Suppose new technology makes housing, food and ordinary goods cost 90 percent less.

*Comparable housing. The same food. The same goods.
At a tenth of the price.*

For now, your income stays the same.

Your turn

1

How would your life change?

What would you buy more of?

Would you spend more dollars on it, or fewer?

Your turn

2

*What would you do with the money left over?
Buy something else? Save it? Pay off a debt?
Work less?*

Your turn

3

Now let everyone adjust, including how much they work and what they earn.

What happens to the things people want more of?

Which businesses grow? Whose job changes?

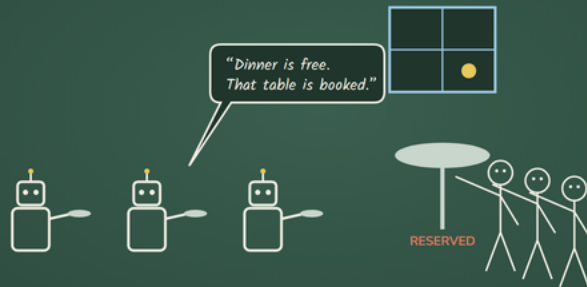
Your turn

4

What is still scarce? Name something specific.
How would it be allocated?
How should it be allocated?

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Make everything free and something is still scarce.

The table by the window. Saturday at 7:30. Who gets it?

Four parts

- 1. Scarcity, choices, and models*
- 2. Why prices are what they are*
- 3. How markets change*
- 4. Thinking tools and evidence*

Next: why does anything cost what it costs?

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Companion page: [link in the video description](#)