





# What Are Supply and Demand?

Whenever you buy or sell something, you contribute to supply and demand! Read the table to learn more about supply and demand.

<p><b>Supply</b> is how much of a good or service is available.</p>	<p><b>Demand</b> is how much of a good or service people are willing to buy.</p>
<p> Supply rises when:</p> <ul style="list-style-type: none"> <li>resources cost less or are easier to get</li> <li>there are more sellers</li> </ul>	<p> Demand rises when:</p> <ul style="list-style-type: none"> <li>there are more customers</li> <li>a good is popular or in season</li> </ul>
<p> Supply falls when:</p> <ul style="list-style-type: none"> <li>resources cost more or are harder to get</li> <li>there are more sellers</li> </ul>	<p> Demand falls when:</p> <ul style="list-style-type: none"> <li>there are fewer customers</li> <li>a good is unpopular or out of season</li> </ul>

Read each story in the chart. What will happen to supply or demand in this story?

<p>1. Alexis loves brownies from the bakery. The price of chocolate has gone down this year. What has probably happened to the <b>supply</b> of brownies?</p> <p>The supply of brownies will probably rise because the chocolate resources to make them cost less.</p>	<p>4. Scientific research reveals that a certain snack food strengthens people's immune systems. What will probably happen to the <b>demand</b> for that snack food?</p> <p>The demand for that snack food will probably rise because it will become more popular.</p>
<p>2. Raymond needs a haircut. Last year, his town had two barbers. Now two more barber shops have opened. What has probably happened to the <b>supply</b> of haircuts?</p> <p>The supply of haircuts has probably risen because there are more barbers to provide haircuts.</p>	<p>5. Raheema owns a grocery store. She has turkey for sale the day after Thanksgiving. What has probably happened to the <b>demand</b> for Raheema's turkey?</p> <p>The demand for turkey has probably fallen because it is out of season after Thanksgiving and fewer people want turkey.</p>
<p>3. Wayne and his friends like to eat tacos. Their town used to have three taco restaurants, but one of them closed. What has probably happened to the <b>supply</b> of tacos?</p> <p>The supply of tacos has probably fallen because there are fewer taco restaurants to make tacos.</p>	<p>6. Simone is selling lemonade from a stand. Today it is 92°F and a soccer game is taking place down the block. What will probably happen to the <b>demand</b> for lemonade?</p> <p>The demand for lemonade will probably rise because there are many thirsty customers nearby today.</p>