

Micro 2106 Extra Credit

Civil Duty Paper

Different factors of microeconomics show up in every business, but this summer I was surprised at how much of it I saw at Journey Community Church. Being a not-for-profit I knew the economics would be different but had no idea the extent of economics I would see in the project I was assigned to. My main job during my internship was aiding in the planning of our annual youth mission trip to the Dominican Republic. This being my first time as a leader in the trip instead of a student, I saw the ins and outs of the trip from an entirely new perspective. The biggest economic facets I saw in the planning of this trip were the aspects of production; labor, consumption of goods and services, capital goods, and human capital. I also observed concepts such as trade-off and production efficiency.

Labor was possibly the biggest way I saw economics because I personally was putting so much into this trip. My labor, the work, time, and work effort that people devote to producing goods and services, ranged from simple projects, manual labor, and mental brainstorming. We put together travel bags for all of the members of the group. I also prepared activities for the teams to do with the children. The brainstorming labor was also intensive as we put in time and mental effort to make sure our plans went efficiently. We had to brainstorm our potential expenditures to make sure we had the budget to cover them. This included travel expenses, food expenses and cost and labor and materials for the construction projects we completed while down there. These

examples of labor I was apart of showed me the many different ways labor can take shape and the effect it has on the economic process.

Another facet of microeconomics I observed in my role in planning this trip was the consumption of goods and services. This consumption, defined as items that are bought by individuals and used to provide personal enjoyment and contribute to a person's quality of life. There were a plethora of staff lunches that were used to help in planning and brainstorming of the trip. Along with that there were also the basics to be considered, the offices that were used by the missions staff members and all of the commodities involved. Consumption of goods and services also occurred on the missions trip itself. The use of the travel, plane and bus rides, the food consumed, the activities used that we purchased beforehand, and any materials used in the construction projects are all aspects of consumption I noticed in preparing for the trip.

Capital goods, being goods that are bought by businesses to increase their productive resources, were mainly seen as expenses. The plane tickets needed for each member of the trip was the largest portion of our budget as well as our largest quantity of goods. The purchase of the plane ticket can be seen as a capital good because of the way the plane ticket increased our productive resource, the missions trip itself. Other capital goods such as travel bags for the team, seeing the team as a resource and the bags used to increase their productivity, or the protective eyewear and work gloves bought for the construction team all were used to increase productivity in the mission's team as a whole.

The last microeconomic aspect of production I noticed while working on the trip was human capital. Human capital is the knowledge and skill that people obtain from education, on-the-job training, and work experience. The knowledge and skill I gained

from working on this trip included more economics than I originally anticipated. Being able to see the cost of our expenses, individually and as a whole, allowed me to see the way economics influences every part of life.

Tradeoff, giving up one thing to get something else, was something I occurred many times while working at my internship. There were many instances in which we had to determine if we would rather put resources one place or another or what was a luxury expense we could afford in our budget for the trip, many times for the sake of comfort, and what was a need that we could not debate. There were also times that we faced a tradeoff in labor. With a mixture of males and females and the need for construction but also a plethora of kids, there was a decision to be made about how much labor was needed for construction and how much for the children. The tradeoff would include deciding if we could be more effective and get our construction project done but potentially not spend any time with the people in the village or take a longer time on our building but still be able to interact with the Dominicans. When faced with a tradeoff I noted that no matter the direction of the decision, there was always a consequence and normally somewhere or someone was going to get the short end of the stick.

The final microeconomic observation I had was with the concept of production efficiency. This was the most evident as the evidence of our lack of efficiency paid a high price. Production efficiency occurs when the economy, in this instance our trip, is getting all that it can from its resources. Each member of our trip had a \$1,400 payment due. This money collectively paid for the plane tickets, all food, housing, gas, bus rentals, interpreter payments, and raw materials needed for our construction jobs. Making sure we were effective in the use of this money was vital because we could not go over the budget

and anything under would mean we overcharged the missionaries. We also saw this on a smaller scale as we had to make sure the materials we bought for our construction jobs was all put to use, we allocated the room occupants efficiently, chose reasonably priced food for our team, and also make sure the labor we put into all of our projects was efficient. As I mentioned earlier, we had many teenage girls on this trip. Having them assigned to our heavy construction jobs and the men we had assigned to the activities and games with the kids would have been inefficient. While there still would have been work done and the kids taken care of, we would not be getting all that we can from our resources, this time, the labor. Seeing the need for efficiency with a team of 30 people and the money, time, and labor invested, while also in a third-world country, made this one of the most evident concepts I witnessed during my planning as there was such a need for this effectiveness.

This experience proved to me the importance of economics. I now better understand now the ramifications of economic decisions. My time spent planning this trip involved more economics than I could have anticipated and because of that my real-life application of microeconomics has greatly improved.

STATEMENT OF WORTHINESS:

This experience, as I stated many times in my paper, proved to me that microeconomics is involved in a lot more places than I anticipated. It showed me real life application of the things I am learning in this course, which is incredibly valuable because one day I will not be in a classroom setting, but in the “real world”. I also appreciated this experience and consider it beneficial to my academic career because I was able to actually use the concepts I had previously learned and put them into practice myself.