

CONCEPT: THE FOUR TYPES OF GOODS AND THEIR CHARACTERISTICS

- We will categorize goods into four categories based on the following two traits:

☐ **Rival in consumption** – Only _____ can consume each unit of the good.

Example of a rival good:	Example of a _____ good:
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☐ **Excludable** – a person can be _____ from using the good if they did not pay.

Example of an excludable good:	Example of a _____ good:
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- Now, we can define groups of goods based on rivalry and excludability:

	Excludable	Non-excludable
Rival	<u>Private Goods</u> <ul style="list-style-type: none">•••	<u>Common Resources</u> <ul style="list-style-type: none">•••
Non-rival	<u>Club Goods</u> <ul style="list-style-type: none">•••	<u>Public Goods</u> <ul style="list-style-type: none">•••

Note: Club goods might also be called:

- Quasi-public goods
- Natural Monopoly Goods
- Near-public goods
- Non-rival Private Goods
- Artificially Scarce Goods

PRACTICE: Label the goods as Private Goods (PRI), Common Resources (CR), Club Goods (CG), or Public Goods (PUB).

Steak Dinner		US Census Data		City Sewer System	
Fireworks Show		Computer Software		Car	
Forest Lumber		Shoes		Wi-Fi	
Traffic Signals		Uncongested Toll Road		Fish in the Ocean	

PRACTICE: A slice of pizza is:

- a) Rival
- b) Non-rival
- c) Non-excludable
- d) Both (a) and (c)

PRACTICE: An example of an excludable good is:

- a) The court system
- b) Public roads
- c) National Defense
- d) MP3 downloads