

Week 8 - Review

- **Excludability:** Can people be *prevented* from using the good?
- **Rivalry in Consumption:** Does one person's use of the good reduce another person's ability to use it?

Type of Good	Excludable?	Rival in Consumption?	Definition	Examples
Private Goods	Yes	Yes	Goods that you have to pay for and that, once consumed, cannot be consumed by anyone else.	Ice cream cones, clothing, a slice of pizza, congested toll roads.
Public Goods	No	No	Goods that are freely available to everyone, and one person's use does not diminish the good for others.	National defense, tornado sirens, streetlights, uncongested non-toll roads.
Common Resources	No	Yes	Goods that are freely available to anyone, but one person's use depletes the amount available for others.	Fish in the ocean (or the Beulaville town lake!), clean air and water, congested non-toll roads.
Club Goods	Yes	No	Goods that require payment to access, but one person's use doesn't stop others from enjoying it too.	Cable television, streaming services, fire protection, uncongested toll roads.

Public Goods

Definition

Public goods are:

- **Nonrival**: One person's consumption does **not** reduce/interfere availability for others.
 - **Nonexcludable**: People **cannot be prevented** from using them.
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Tax Rates Summary

- **Marginal Tax Rate:**
 - The tax rate you pay on an *additional* dollar of income.
- **Average Tax Rate:**
 - Total taxes paid divided by your total income.