

Resource 1**Opening Scenario**

How Much Would You Be Willing to Pay?

You are the owner of a coffee shop in a dangerous part of town. The police force in your town has recently had to reduce the number of officers available for patrol due to budget cuts. Since then your shop has been vandalized three times, and you are worried it may be robbed one day soon. A few shopkeepers in the neighborhood recently got together to discuss the situation and decided they needed to take action; they requested voluntary contributions from all the shopkeepers in the area to pay for private security guards to supplement the patrols provided by the police. Your shop currently makes about \$3,000 a month in profits that you take home as your salary. How much of this would you be willing to pay for private security services?