

LESSON ONE

Making Choices: Is It Really Free?

TEACHERS

Introduction

People make hundreds of choices every day. We have to decide what time to get up, what clothes to wear, what books to read, what to eat, where to go and what to buy. Each time we make a choice, we give up something. If we decide to go to the movies, we cannot stay home to play games with our friends during that same time. Going to the movies is the choice made; staying home with friends to play games is our opportunity cost. We give up the opportunity to stay home when we choose to go to the movies because we cannot do both with our time. Staying home with friends is called an opportunity cost. It's what we give up to see the movie.

You have probably heard that something is free. But, is it really free? This lesson will help answer that question.

Purpose

This lesson will help students improve their decision-making skills and understand that even "free" goods and services have a cost.

Students will compute percentages, make a bar graph and practice their analytical skills.

Tool Kit

Five different products that students consider valuable (such as a library pass, a ten-minute tutoring session, a "get out of a quiz" coupon, a snack, a ticket to a school play, a new pencil or other items).

Definition of the Week

Opportunity Cost: What we give up when we make a choice; our second choice or next best alternative.

Procedures

- 1. Discuss the benefits of good decisions.
2. Ask five volunteers to advertise selected products. Remaining students will be "buyers" of the products.
3. Give each volunteer one product to advertise, emphasizing its benefits. They may use humor, "honest" imagination, telling why this product is best. Each ad should be a maximum of one minute.
4. As volunteers plan their ads, others can list the five products on a sheet of paper. Explain "advertisers" will try to convince them their product is best.
5. Have sellers present their ads one at a time. After they are finished, ask buyers to rank their favorite products - with #1 being the top choice. Remember, there are no right or wrong answers; they are indicating their preferences.
6. Write each product on the board, leaving room to record preferences. Have students indicate first choices by raising their hands as you read the name of the product. Record total votes for each product on the board.
7. Ask students to explain their choices, identifying the expected costs and benefits of selecting that product. Remind them that expected costs and benefits are often different for each person. Ask how advertising influenced them.
8. Have students calculate the percentage of the class choosing each different product and construct a bar graph of their first place choices.

PARENT OPTION

Find a product advertised in several grocery advertisements. Have your child compute the price per ounce for each ad by dividing the total number of ounces into the advertised price of the product. Explain that price per ounce is one way to determine which product to buy. Remind them other factors (taste, quality, location of the store, brand name, etc.) are also important factors in the choices we make when selecting a good or a service.

Find a news article about someone who made a difficult choice. Discuss the possible options the person had and the possible reasons the choice was made. Identify the potential costs and benefits of the decision.

Coming next week: Plotting Your Future

Choices are Based on Preferences

Below are three situations that require you to make a choice. Read through each one and write down which choice you would make. Explain your reason for making the choice. Your reasons will be based on your preferences. Identify the opportunity cost for each choice you make.

Situation 1:

You receive \$25 for your birthday. Which option would you choose?

- a) Buy a new sweatshirt with your favorite team's logo on it, or b) go to the movies with your friends and save the rest of the money to help buy a new coat at the mall.

Your choice

Reason for your choice

Your opportunity cost

How will you benefit from this choice?

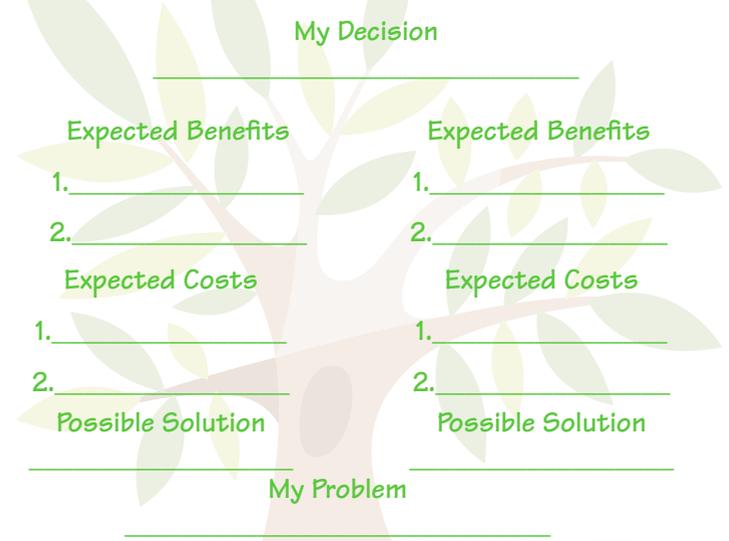
Situation 2:

You have something special to tell your best friend after school. Which would you choose?

- a) You tell your friend to meet you after school to hang out and talk, which means you will miss your bus and have to walk home, or b) you tell your friend

My Decision Tree

Using a decision tree can help you make good choices. Start at the bottom with your problem that needs to be solved. Write down two possible solutions to the problem and list the benefits and costs you expect with each solution. Compare your costs and benefits and make your decision.



you will call him (or her) after you get home so you can catch your regular bus.

Your choice

Reason for your choice

Your opportunity cost

How will you benefit from this choice?

Situation 3:

You have a quiz in math tomorrow. Which would you choose?

- a) You would stay home because your friend offered to come over and help you study, or b) you decide to go to your friend's house and play computer games.

Your choice

Reason for your choice

Your opportunity cost

How will you benefit from this choice?

Newspapers for this educational program provided by:

