One Fund, Three Needs

Weigh the benefits a public decision gains and gives up.

SS24.E.2b "Illustrate and explain how rational decision-making involves the consideration of trade-offs and opportunity costs."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline the three proposals in paragraph 1, circle the option the council funds in paragraph 3, and number the rejected proposals in paragraph 1 as 1 for next best and 2 for third.

Cedar Bend's Last $90,000

1. In August, the town of Cedar Bend has $90,000 left in its annual improvement fund. The council can fund just one of three proposals: install shade structures at two bus stops, extend evening hours at the public library for a year, or replace damaged playground equipment. Each proposal would use the full amount. The bus stops serve riders who wait in direct sun. The library closes before some workers finish their shifts, while the playground has sections closed for safety. Council members cannot treat these needs as a single wish list. Choosing one use for the money means giving up the other two this year.

2. Trade-offs are the benefits surrendered when scarce resources are committed to one use rather than another. Opportunity cost is the value of the single best alternative given up, not the sum of every rejected option. Council staff forecast that shade would help about 180 riders on a typical weekday. Extended library hours could add about 75 visits each week, while a repaired playground could serve about 50 children daily. These estimates describe different kinds of benefits, so the council cannot simply compare the three numbers. It must also weigh who benefits, how much, and how reliably.

3. After public comments, council members rank extended library hours first, shaded bus stops second, and playground repairs third. Workers describe needing evening access to computers, and riders describe long waits in summer heat. The council votes to fund the library plan because members expect its added access to matter most. They acknowledge that forecasts can be wrong and that riders will continue to wait without shade. If later evidence suggests far fewer evening visits than expected, members could reasonably reconsider which proposal offers the greatest benefit. The fund still cannot cover more than one proposal this year.

2 ANSWER WITH EVIDENCE

Use the passage

1. When the council funds the library plan, what two benefits does it give up? Why can it not decide by comparing the three forecast numbers alone?

2. What is the opportunity cost of funding the library plan? Explain why the playground plan is not the opportunity cost.

3. Suppose the council funds the bus stops instead. Under its stated ranking, what is the opportunity cost of that decision, and what benefit would the council gain?

4. Suppose new evidence suggests far fewer evening library visits than forecast. Explain how that could change the council's choice and name a trade-off it would still face.

3 YOUR TURN

Your own words

Choose a decision you might face this month involving limited time or money. In four or five sentences, name three realistic options, choose one, identify the single next-best option you give up, and explain why your choice is worth its opportunity cost while noting one other trade-off.

ANSWER KEY

One Fund, Three Needs

GRADE 12 · SS24.E.2b

PART 1 · READ AND MARK

Underline the three proposals in paragraph 1, circle the option the council funds in paragraph 3, and number the rejected proposals in paragraph 1 as 1 for next best and 2 for third. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	When the council funds the library plan, what two benefits does it give up? Why can it not decide by comparing the three forecast numbers alone?	**It gives up shade for bus riders and safe, repaired playground equipment for children. The forecasts measure different benefits over different periods, so the numbers alone do not establish which plan is worth most.**
2	What is the opportunity cost of funding the library plan? Explain why the playground plan is not the opportunity cost.	**The opportunity cost is the shaded bus stops, the council's next-best option. Playground repairs rank third, not second.**
3	Suppose the council funds the bus stops instead. Under its stated ranking, what is the opportunity cost of that decision, and what benefit would the council gain?	**The opportunity cost is extended library hours, the highest-ranked option given up. The council would gain shade for about 180 riders on a typical weekday.**
4	Suppose new evidence suggests far fewer evening library visits than forecast. Explain how that could change the council's choice and name a trade-off it would still face.	**The council might decide that shaded bus stops offer the greatest benefit instead. It would still give up evening library access and playground repairs because it can fund only one plan.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

I have $60 and can afford only one of three options: a concert ticket, a museum trip, or a new video game. I would buy the concert ticket because seeing the band live matters most to me. The museum trip is my next-best option, so giving up that experience is my opportunity cost. I also give up the video game, but I value it less than the museum trip, and I expect the concert to be worth more to me than the trip.

Accept reasoned judgments that distinguish the single next-best alternative from other trade-offs. Students may describe benefits in different terms if their explanations remain consistent with the passage.