

The \$1,200 Choice

Compare costs, benefits, incentives, and consequences before deciding.

S.CE.g “analyzing the costs and benefits and incentives and consequences of a specific choice using various economic decision-making models;”

NAME _____

DATE _____

1 READ AND MARK _____ Read it twice

YOUR JOB Underline every direct money cost, circle each benefit or incentive, and put a star by the opportunity cost so you can trace the council's decision model.

A Choice for Riverton

- ① The student council in Riverton must choose how to spend \$1,200 left from its park budget. One option is a Saturday basketball clinic for middle school students. Renting the gym costs \$600, and paying two coaches costs \$500. The clinic could give players practice time, new skills, and a safe place to meet. The remaining \$100 could buy water and first-aid supplies. Council members list these direct costs and benefits before they vote on Tuesday.
- ② A second option is a community cleanup and garden day. Gloves, trash bags, seeds, and tools would cost \$700. Volunteers would improve two vacant lots, and neighbors might enjoy cleaner blocks and fresh vegetables later. However, the event could be canceled by rain, and the garden would need regular care. Choosing the clinic means giving up the cleanup day. This forgone choice is an opportunity cost, even though the council would not pay money for it.
- ③ To decide, the council uses a simple decision model. It compares money costs, expected benefits, incentives, and possible consequences for each option. A local sports store offers \$300 if the council chooses the clinic. This incentive would lower the clinic's cost and may affect the vote. On the other hand, a clinic may fill quickly, leaving some students out. The council decides that the clinic's benefits and store incentive outweigh its costs, but it records the cleanup day as the opportunity cost.

2 ANSWER WITH EVIDENCE _____ Use the passage

1 What is the total direct money cost of the basketball clinic before the sports store offer? Include the three costs in your answer.

2 What is the opportunity cost of choosing the basketball clinic? Explain why it is an opportunity cost.

3 What is the incentive for choosing the clinic? How would it change the clinic's net cost?

4 Name one possible negative consequence of the clinic. Why does the council still choose it?

3 YOUR TURN _____ Your own words

Part 3: YOUR TURN. A school club has \$50 and must choose between a poster campaign and weekly game meetings. Fill in the table with a decision model, then write one sentence recommending an option and explaining why.

OPTION	DIRECT COST	BENEFIT	INCENTIVE OR CONSEQUENCE	WHAT YOU GIVE UP

PART 1 • READ AND MARK

Underline every direct money cost, circle each benefit or incentive, and put a star by the opportunity cost so you can trace the council's decision model. Accept any marking that follows this job and points at the right text.

PART 2 • ANSWERS

#	QUESTION	ANSWER
1	What is the total direct money cost of the basketball clinic before the sports store offer? Include the three costs in your answer.	The total is \$1,200: \$600 for the gym, \$500 for two coaches, and \$100 for water and first-aid supplies.
2	What is the opportunity cost of choosing the basketball clinic? Explain why it is an opportunity cost.	The opportunity cost is the community cleanup and garden day because choosing the clinic means giving up that other option.
3	What is the incentive for choosing the clinic? How would it change the clinic's net cost?	A sports store offers \$300 if the council chooses the clinic. The offer would lower the \$1,200 net cost to \$900.
4	Name one possible negative consequence of the clinic. Why does the council still choose it?	The clinic may fill quickly and leave some students out. The council decides its benefits and the store incentive outweigh its costs.

PART 3 • YOUR TURN (SAMPLE ANSWER)

Poster campaign | \$40 for art supplies | Students can create signs that share information. | A store adds free markers. | Weekly game meetings | \$35 for board games | Students can meet and play each week. | Only \$15 remains for snacks. | Poster campaign I recommend the poster campaign because the free markers increase the benefit while the direct cost stays within the \$50 budget.

For the open task, accept reasonable choices that identify a direct money cost, a benefit, an incentive or consequence, and the forgone alternative. A direct cost names money or resources used, while the opportunity cost names the option given up.