

**OVERVIEW**

Making decisions about money can be hard. Sometimes you have to sacrifice what you're dying to have now for what you really want—but can't have—until later. Sometimes the best choice for you will disappoint a friend. And if you're in a relationship, there may be times when you have to put off your wants to focus on your partner's. There's rarely a perfect solution.

When you can't count on a steady income stream, making decisions about money can be even harder. All you can do is make the best decision you can with the information you have at the time.

This lesson will teach you strategies to be mindfully deliberate about your spending decisions.

**LEARNING OUTCOMES**

In this you will apply strategies to help you be mindful about your spending decisions. Along the way you will:

- Discuss what influences your spending decisions.
- Identify tools and strategies you can use to better manage your spending habits.
- Demonstrate how the criterion-based decision-making process works.

Use what you learn to make a deliberate decision for a major spending purchase.

**LEARNING TASKS**

These tasks match pages 19-21 in Student Guide 1.

__1.	Share the ways that you save money or check the quality of products when you are shopping.
__2.	Participate in a discussion about how businesses tempt consumers to spend money.
__3.	Help Selena decide on a cellphone plan.
__4.	Now that you've become an expert on the decision-making process, let's see how you would work through a major decision—buying a car. Follow the DECIDE steps to compare car options.
__5.	Your turn! Apply the DECIDE process to deliberately decide the best option for a large purchase you are planning in the next six months. Complete <b>Challenge 1-B: My Decision</b> .

**EXTENSION**

Research apps designed to help shoppers be savvy about their spending. Better, yet, if you can't find one that performs the task you think would be most helpful, create and pitch the idea for an app other teens would use when shopping.

**TAKING IT HOME**

What is a major decision your family is facing right now? Do you need to decide whether to fix the old car again or just invest in a new one? Perhaps you have to figure out how to best spend your time this summer while your parents are still at work? Maybe a new job or the bad economy is forcing you to move.

Talk to your family members about a decision they are facing as a family. Then, create a DECIDE chart for them. Be sure to collect as much information as possible so that you understand all criteria that might influence this decision, such as how much money the family can afford to spend or whether it makes sense to invest in a “green” product.

# Task: DECIDE on a Car

NAME:

DATE:

## Directions:

Devise a real or invented reason to purchase a new or used car. Perhaps your family is planning to buy a car or you need reliable transportation to get to work or class at another school campus. Practice using the DECIDE steps to work through the process of choosing a car that will best meet the needs for the situation.

## DECIDE STEPS

1. **D**efine your goal.

2. **E**stablish your criteria. What are the features you absolutely must have? And which ones would you like to have?

To get you started, check the criteria below that the car “must have” and underline any criterion that you “would like to have.” List additional criteria that will help you compare options.

- new or used
- 2-door (sporty) or 4-door (family)
- compact vehicle/better gas mileage or larger capacity vehicle/lower gas mileage
- manual or automatic transmission
- minimal sound system (radio/cd player/basic speakers)  
or enhanced sound system (satellite dio/cd changer/high quality speakers)
- basic warranty or extended warranty (100,000 miles or 10 years)
- high trade-in value or doesn't matter
- top price you would pay for a car: \$\_\_\_\_\_

any additional options (heated seats, automatic starter, sunroof, integrated car seats, etc.):

## Task: DECIDE on a Car

3. **Choose two to three good options.** Eliminate any options without your “must haves” and choose three remaining options.

Option	A	B	C
Description			
Cost	\$	\$	\$
Features			

4. **Identify the pros and cons.** Now compare three options that best meet your criteria listed in Step 2. If you have a long list of criteria and options, you may want to make a chart to quickly compare the features of each option to narrow down your options.

Option	A	B	C
Pros			
Cons			

5. **Decide what's best.** Based on this data, what would be your number one choice that best matches your established criteria?

6. **Evaluate the results.** Note what you particularly do and don't like about your choice.

# Challenge 1-B: My Decision



**NAME:**

**DATE:**

As you work through the lessons and activities in NEFE’s High School Financial Planning Program, you will complete challenge activities that can be compiled into a personal financial planning portfolio. For this challenge task, use what you have learned in **Lesson 1-3: Decisions** to make a thoughtful decision about a major spending purchase you’re facing.

**Directions:**

- 1. Apply what you have learned about criterion-based decision making as you complete this challenge. Preview the criteria listed in the Scoring Guide to plan for your assessment.
- 2. Use the chart below or create a separate document to summarize your decision-making process. Review the six DECIDE action steps to guide your work (Module 1 Student Guide, page 20). Your actions should take into consideration your current circumstances and values. You may want to ask your friends and family for their input—to make sure you consider everything!
- 3. Self-assess your work using the Scoring Guide. Optional: Ask a classmate to peer assess your work using the Scoring Guide.

	DECIDE Steps	My Situation		
1	Define your goal.			
2	Establish your criteria.			
3	Choose three good options.			
4	Identify the pros and cons of the options.			
5	Decide what’s best.			
6	Evaluate the results.			

# Challenge 1-B: My Decision



**NAME:**

**DATE:**

Required Criteria		Status		
<b>Content</b>				
1.	In one sentence you state what you want to achieve as a result of the decision-making process.	acceptable	not acceptable	
2.	Outcome involves a major financial decision.	acceptable	not acceptable	
3.	You justify how the decision and outcome relates to your current circumstances and values.	acceptable	not acceptable	
4.	Summary lists at least six criteria for an acceptable outcome, including the features you absolutely must have as well as features you would like to have or will not accept.	acceptable	not acceptable	
<b>Option Status Rating Key: "A" = Acceptable / "NA" = Not Acceptable</b>		<b>Option A</b>	<b>Option B</b>	<b>Option C</b>
5.	Summary includes details about three possible options.			
6.	You devise a way to illustrate how well each option matches your criteria.			
7.	You point out the solution that you have chosen.	acceptable	not acceptable	
8.	You justify why the chosen option was selected.	acceptable	not acceptable	
9.	Your choice is logical based on the known circumstances, stated criteria, and potential to achieve the desired outcome.	acceptable	not acceptable	
10.	You summarize what you do and don't like about your choice and justify any modifications that were made in the purpose, criteria, or solutions.	acceptable	not acceptable	
<b>General</b>				
11.	Content is clearly stated with distinct detail.	acceptable	not acceptable	
12.	Documentation is neat and easy to read.	acceptable	not acceptable	
13.	Information about the options is accurate or can be verified.	acceptable	not acceptable	

**Feedback:**

**Score:** \_\_\_\_\_ / \_\_\_\_\_