



THE BIG TRADE-OFF

Make good decisions.

Businesses are faced with many choices. It's important for managers to evaluate the right trade-offs to be successful. Elena's friend has to decide on the features most important to her in a new cell phone. Her friend can't have everything because she needs to stay within budget so she goes with a phone that has a great camera over easy texting. The Secret Millionaires Club learns how our decisions often involve an upside and a downside.

Teach kids to weigh the trade-offs of their decisions.

Ask kids: Many decisions we make involve trade-offs. A trade-off is when you get less of one thing for more of another. Can you think of a time when you made a trade-off? For instance, did you need to spend more time on your homework rather than playing video games? What was the result of your trade-off?

Have kids reflect on the costs and benefits of their decisions.

Provide kids with an example of a spending and savings decisions you made that involved a trade-off. For instance, did you opt not to buy something in order to save for a vacation? Discuss the "cost" (downside) and the "benefit" (upside). Then have kids track how they spend their allowance for a week. Afterward, have them evaluate their purchases. What trade-offs could they have made? Do they feel good about what they spent and what they saved? How do trade-offs teach us to be smart, savvy consumers?

Activities:

1. Set up a "store" on a club table with various household items you'd find at a supermarket. An easy way to do this is to have each club member bring in two or three packaged items they can take home afterward. Attach prices to each item. Give kids a fixed amount of fake money and let them shop. Remind them that they need to stay within budget. Have them consider the trade-offs of their purchases, and then discuss what they learned.
2. Imagine your club just raised \$500 for your school. Just as businesses do, you need to decide how the money will be spent. Vote on what it will be used for, such as new books for the library, new gym equipment, a class field trip, or multiple things. Discuss the trade-offs of the club's decision.

Tip: Making a trade-off can require patience. Tell kids that the next time they're ready to spend money on something, they should first consider the purchase. Ask, "Would it be better to save your money and wait until you can buy something you really want?" Deciding on the right trade-offs teaches kids how to make smart money choices.

