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## LESSON E

### Practical Reasoning and Finances

**FOCUS:** Solve a financial problem using practical reasoning.

**ACTIVITIES:**

1. Students will solve a financial problem by going through the practical reasoning process. Use Student Handout, "Practical Reasoning." Below is a brief example of how to use practical reasoning to solve a problem. Encourage the students to indicate all their circumstances that affect this problem and to brainstorm as many alternatives as possible. In addition, have the students state what consequences each alternative has for their family and other relationships.

Example:

1. Financial problem: Need a better job

2. Reasoning Process:

Goals: To make more money to pay for college.

Circumstances: Have a job paying minimum wage.

Alternatives:

Find a better paying job.

Work hard and ask for a raise.

Find a second job.

Consequences:

You like the job you have.

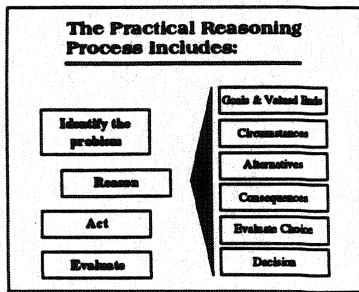
You might not get raise.

Less time with boyfriend.

Evaluate alternatives: You have a good job where you work with good people and there is room for advancement.

Decision: You decide to work harder and ask for a raise.

3. Act: You come early and stay late at work and do more than is asked of you.
4. Evaluate: After putting in extra effort for 3 months your boss gives you a raise.



## Practical Reasoning!

**1. Identify a financial problem.**

**2. Reason:**

- What are your goals?
- What are your circumstances?
- What are some alternatives to consider and what are the consequences for you and others?
- Evaluate your alternatives.
- Make a decision.

**3. Act- carry out your decision.**

**4. Evaluate.**

Decide if your decision needs to be changed.

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## Test Bank

Use a few multiple choice from the "Financial Fitness Quiz" pp. 8-4 to 8-8.

1. What do you do when your needs and wants exceed income?
2. Explain how family financial goal attainment is different than individual goal attainment.
3. Where do your values about money come from?
4. What does it mean to be responsible in financial decisions?
5. How do our financial decisions affect our relationships?
6. Explain the concept of "Rich On Any Income."
7. What are the four C's of credit?