

# TECH:Costs and Benefits (Econ)

## Summary

Economics is not just about money. It is about how we make choices of how to meet unlimited wants and needs with limited resources. Students will apply economic concepts by learning that each choice has a cost and a benefit. Students will identify the costs and the benefits and the consequences of a decision. Students will learn the term "opportunity cost".

## Time Frame

1 class periods of 45 minutes each

## Group Size

Large Groups

## Life Skills

Thinking & Reasoning

## Materials

- 1- Cost/Benefit and Opportunity Cost definition worksheet (and answer sheet).
- 2- Cost/Benefit Scenario worksheet.
- 3- Cost/Benefit worksheet (and answer sheet).
- 4- Generic Cost/Benefit worksheets.
- 5- Car-onomics 6- Car-onomics with answers

## Background for Teachers

Terms needed for this lesson:

1. Cost-- Resources expended
2. Benefit-- Increased resources, money, or personal satisfaction
3. Opportunity Cost-- The cost or (loss) of the next choice you would have made. For example: Your opportunity cost for being at school today may be time you would have spent at the mall. Remember it is the one or next-best choice you would have made -- not all the other possible choices.

## Student Prior Knowledge

Basic arithmetic

## Intended Learning Outcomes

- 1- Recognize that choices have costs and benefits.
- 2- Identify the "opportunity" cost that can result from choices.
- 3- Discuss how choices affect ourselves and others.

## Instructional Procedures

- 1- Ask Students to identify costs and benefits. Direct the discussion using the teacher sheet. It may be a surprise to find that costs and benefits are often exactly the same types of things.
- 2- To help students learn to identify costs and benefits, ask them to review the Cost/Benefit Examples sheet and to write the costs, benefits, and choice for each scenario. After they have made a decision, help them identify the opportunity cost resulting from their choice.
- 3- Use the Cost/Benefit Analyst worksheet to further understanding of the cost/benefit concept. Now students should be asked to complete the cost analysis worksheet for choices that must be

made by groups or the class. Opportunity cost should also be identified. At least three worksheets should be completed for different problems or situations. After this practice, students should remember to apply the concept to new situations. The teacher should look for opportunities for the class to do quick cost/benefit analyses throughout the TLC experience.

### Extensions

Students will apply cost/benefit analysis to actual choices they must make. With the direction of the instructor, students will also begin to understand how families, schools, cities, and businesses must use this economic concept to make successful or “best choice” decisions and understand opportunity cost.

### Authors

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