



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 decision you've made that involved a trade-off. Discuss the "cost" (downside) of what you gave up for the "benefit" (upside). Then prompt kids to track how they spend their allowance for a week. At the end of the week, have them evaluate their purchases. What trade-offs could they have made? Could they have spent their money on something else or saved it towards a future purchase? How do trade-offs teach us to be smart, savvy consumers?

Activities:

1. Set up a grocery store at your home with various food and household items you'd find at a supermarket. Include prices on each item. Give children 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. Discuss what they learned, and make it a habit to point out trade-offs that your family members make in life.
2. Imagine your class just held a bake sale and raised \$500 for your school. Just as businesses do, you need to decide how the money will be spent. Make a list of 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 decision.

Tip: Making a trade-off can require patience. The next time your child is eager to spend money on something have him consider the purchase. Ask, "Would it be better to save your money and wait until you can buy something you really want like that new skateboard?" Deciding on the right trade-offs teaches kids how to make smart money choices.

