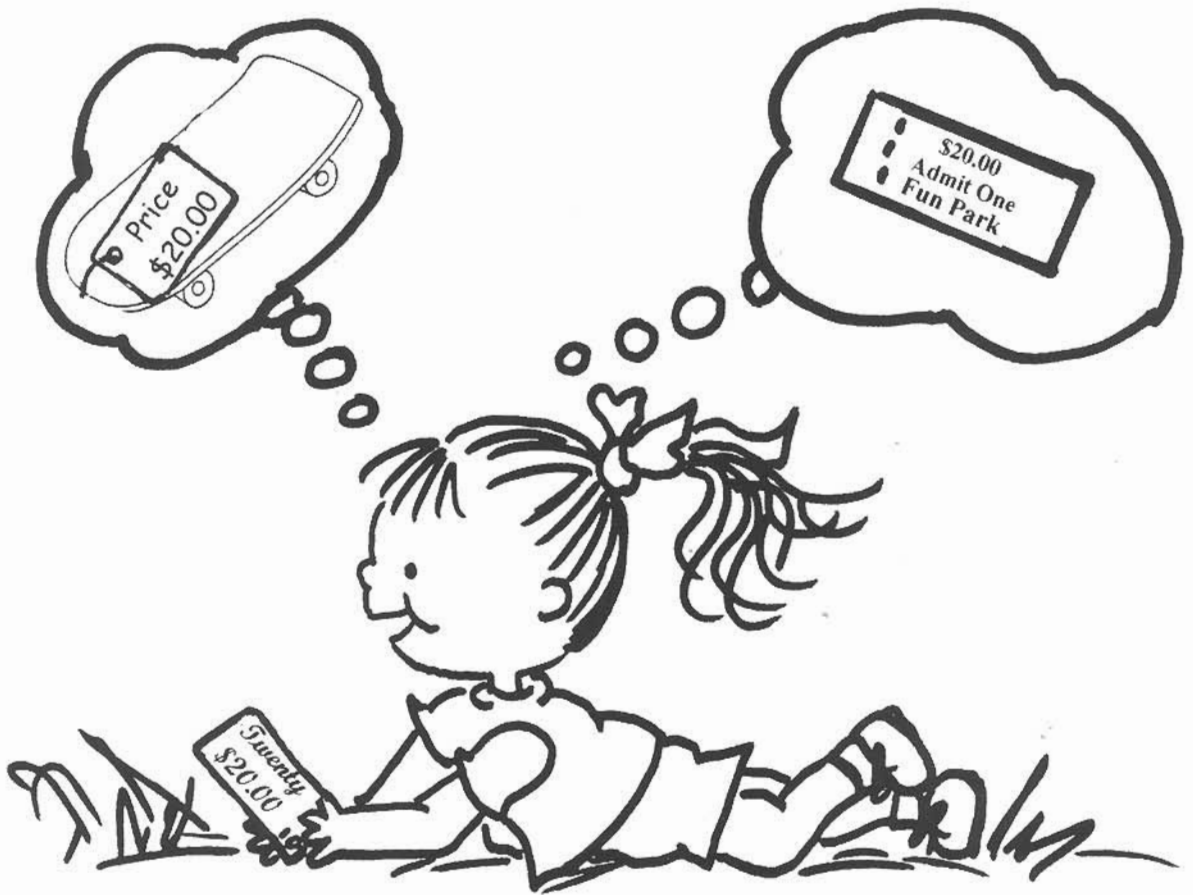


# Opportunity Cost



Because of scarcity, children and adults cannot have all the things they want. They have to make choices. When we choose between two things, the thing we give up - the thing we don't choose - is our **Opportunity Cost**.

## Questions About Opportunity Cost

1. What are the little girl's two choices? (*skateboard or ticket to Fun Park.*)
2. Why can't the little girl purchase both items? (*scarcity of money.*)
3. If the girl chooses the skateboard, what is her opportunity cost? (*ticket to the park*) If she chooses the ticket? (*skateboard*)
4. Which choice is a good? (*skateboard*) Which represents a service? (*ticket*)
5. Do all choices have an opportunity cost? (*Yes - there is always an alternative choice that one gives up.*) Ask students to give personal examples.

## Other Activities and Questions for Your Students

1. Ask students to consider what they would choose - the skateboard or the ticket to the Fun Park. Circle the choice in blue. Students should write a few sentences or a paragraph explaining how they arrived at their decision.
2. Write Skateboard and a Day at the Fun Park on the blackboard. Under each title, have students brainstorm the good *and* bad points about each.  
(Examples: Skateboard: fun, lasts a long time, durable, good exercise, but you might get hurt, parents may not give ok, hard to find a place to use your skateboard, etc. Day at the Fun Park: a full day of fun with family and friends, exciting rides, an experience to remember, but it might rain, you might get sick on the rides, doesn't last beyond that day, etc.) Repeat, using different choices.
2. Candy Activities: Using a variety of small pieces of candy, have students choose their two favorite pieces. Next, tell students they can only have one piece. Students then choose the piece they want and hold up the piece that is their opportunity cost. As they place their "opportunity cost" candy back in the jar or bag, they say out loud, "This is my opportunity cost!" Other Extension Activities:
  - a. Have students draw their two choices of candy and circle their final choice. Write two reasons why they chose that particular piece of candy.
  - b. Explain that candy is a noun and the brand name is a proper noun, which must be capitalized. Using a variety of candy samples, put candy brands into ABC order.
  - c. Use these picture books to help teach math standards: *Hershey's Kisses Counting Book*, *Hershey's Kisses Addition Book*, *Hershey's Fraction Book*, and *The Skittles Counting Book*.

Literature Connection: Lessons on these books are available at the *KidsEcon Posters*® web site: [www.kidseconposters.com](http://www.kidseconposters.com). Click on "Literature Connection."

- \* *Tops and Bottoms*, by Janet Stevens
- \* *Mailing May*, by Michael O'Tunnell

# Decisions, Decisions!

Name \_\_\_\_\_ Date \_\_\_\_\_

For your birthday, you have just received \$25.00 to spend or save! In the box below, underline the two best things that you would like to do with the money.

- \* Buy a ticket for you and a friend to see a movie.
- \* Buy a soccer ball.
- \* Buy two books at the bookstore.
- \* Buy a board game to play with your family or friends.
- \* Buy a new t-shirt.
- \* Put all the money in your savings account.
- \* Buy lunch for you and your best friend at a nice restaurant.

Next: List your two choices in the boxes below, and write down at least two good points and two bad points about each choice.

Choice 1	Choice 2
Good Points	Good Points
Bad Points	Bad Points

After completing the boxes above, what would you choose to do with your \$25.00?

\_\_\_\_\_

What is your opportunity cost? \_\_\_\_\_

Why did you make this decision? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# What I Would Choose!



Name \_\_\_\_\_ Date \_\_\_\_\_

Every choice has an opportunity cost. Below are choices for you to make. In each block, underline the two things you like best. Because of scarcity, you can only choose one of your two favorites! Circle the item you are keeping in green, and circle your opportunity cost in red.

1. For a snack, you would choose:

candy bar    apple    popcorn    potato chips    ice cream

2. How you would spend one hour of free time:

read a book    play outside    watch TV    talk on the phone

3. The kind of restaurant to go to on your birthday:

Chinese    Mexican    American    Italian    French

4. The candy bar you choose for a snack:

Hershey Bar    Kit Kat    Snickers    MilkyWay    Skittles

5. The flavor of ice cream you choose at the ice cream shop:

vanilla    strawberry    chocolate    mint    bubblegum

6. The TV program you watch right after dinner:

funny sitcom    cartoon    sports    game show    news