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Fixed or Variable?

Lesson 2.4.2 · Which costs you can actually change

I CAN
tell the difference between costs that stay the same and costs I control.

Fixed costs are the same every time. Variable costs change — and those are the ones you can do something about.

THE COST	FIXED OR VARIABLE?	CAN I CHANGE IT?
Monthly bus pass		
Snacks		
Phone plan		
Gifts for friends		
School lunch		
Rent		

Where the power is

If you had to cut \$10 from a budget this month, which line would you cut and why that one?

Answers and talking points

What a good answer looks like, and one question to ask when the pencils go down.

The cost	Fixed or variable?	Can I change it?
Monthly bus pass	Fixed	Not this month. You could walk some days
Snacks	Variable	Yes — the easiest one on the list
Phone plan	Fixed	Only by changing the plan, not week to week
Gifts for friends	Variable	Yes, in amount and in number
School lunch	Variable	Yes — the price is set, how often is not
Rent	Fixed	No. Not without moving

3-5

Where the power is

Fixed costs are the same every time. Variable costs change — and those are the only ones you can do anything about this month. That is the sentence the page exists to deliver. School lunch is the one worth arguing over: the *price* is fixed but the *number of times* is not, which is exactly why it ends up in the variable column.

Ask: "Which of these could you change by Friday?" Only the variable ones, and that is the definition made useful.

3-5

The cut question at the bottom

No model answer. Students pick what they would cut, and almost all of them pick snacks — correctly, because it is variable, frequent and small. **Watch for anyone who says rent.** It is the biggest number, so it looks like the obvious target, and it is the one thing on the list they cannot touch.

Ask: "Biggest is not the same as easiest. Which were you going for?"