

5

Opportunity Cost Is Always Charged

LESSON 5 · SPENDING DECISIONS

I CAN

identify the opportunity cost of a spending decision and say it out loud in one sentence

Every dollar spent is a dollar not spent somewhere else. The thing you gave up is the **opportunity cost**. It never appears on a receipt.

THE CHOICE	WHAT YOU GET	WHAT YOU GAVE UP (OPPORTUNITY COST)
\$120 on new trainers		
\$120 into a savings account		
4 hours gaming		
4 hours at a paid job		

Your turn

Name a real decision you made in the last month. What did it actually cost you — including what you gave up?

Answers and talking points

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

The choice	What you get	What you gave up
\$120 on new shoes	The shoes, now	\$120 of savings, and everything it would have grown into
\$120 into a savings account	Money later, and the interest on it	The shoes, now
4 hours gaming	Four hours you enjoyed	Four hours of pay, and whatever it would have bought
4 hours at a paid job	The wages	Four hours you would rather have spent another way

6-8

Why every row has an answer in both directions

Students expect the “sensible” choice to have no cost. It does. **Saving has an opportunity cost too** — you gave up the shoes — and so does working. The page is not arguing that spending is bad; it is arguing that **nothing is free, including the responsible option**. A student who writes “nothing” in a row has missed it.

Ask: “Which of these four would you actually choose?” Any of them can be right. Choosing with the cost named out loud is the skill.

6-8

Their own example, at the bottom

They name a real decision from the last month. **A good answer is one sentence in the form: I chose X, so I gave up Y.** If they cannot name the Y, the decision was made without one — which is itself worth noticing, gently.

Ask: “Would you make the same call again?” Hindsight is the cheapest way to learn this.

Want the rest of the unit?

This page is one activity, unchanged, from **Unit 3.1 — How Money Systems Work**, a Financial Foundations™ unit of 10 to 12 lessons with teacher scripts, family letters and a unit checkpoint. For a free five-day money game your students can play in a browser, try **The \$100 Week™**. Everything is at wealthwisekids.org.