

## Making Money Choices

### Choosing What to Buy

Each day we have to decide how to spend our money. Grace wants to buy a camera. There are two cameras that she likes. Both work the same way. Grace has enough money to buy either one. How will she choose?

### Comparing Costs and Benefits

Grace compares the two cameras she likes. One camera costs more than the other. If she buys the camera that costs less, she will have money left over. Making a choice about money involves a trade-off. One camera comes in a color she likes. It also has a cord. However, that camera costs more than the one without a cord. Grace knows she does not need the cord. She chooses the camera without a cord because it costs less. It does not come in the color she likes, but she has money left over. Grace uses the extra money to buy film. The color and cord are the opportunity cost. Those things are what Grace gives up in order to buy film.

### Communities and Money Choices

Grace has to compare costs and benefits to make a choice that fits her budget. Communities have to make budgets and compare choices too. There may not be enough money for a community to do all the things it would like to do. Everyone has to learn how to make smart money choices.