Building Your Money Smarts

You might not have a full-time job or not thinking about college right now, but it's never too early or too late to get money smart! Most people spend money as soon as they earn it (through working) or receive it (as a gift). It's HOW you decide to spend your money that makes you money smart.

**Directions:** Using the seven steps to decision-making, solve the problem below.

1. Identify the decision you want to make.
2. Gather information.
3. Identify your options.
4. Weigh your options.
5. Choose an option.
6. Act on your choice.
7. Evaluate your decision.

You just registered for a cool science class in college and need to buy a textbook AND school supplies. You have exactly $35. A brand new textbook costs $29.95. A used textbook costs $20. What should you do?

1) **Identify the decision you want to make:**
   Should you buy the new textbook but no supplies or should you buy a used textbook and supplies?

2) **Gather information:**
   You have enough money to buy the new textbook and some supplies OR a used textbook and all your supplies, but not both.

3) **Identify your options:**
   a) Buy new textbook and no supplies.
   b) Buy used textbook and some supplies.
4) **Weigh your options.**

<table>
<thead>
<tr>
<th>Why I should buy the <strong>new</strong> textbook</th>
<th>Why I shouldn't buy the <strong>new</strong> textbook</th>
<th>Why I should buy the <strong>used</strong> textbook</th>
<th>Why I shouldn't buy the <strong>used</strong> textbook</th>
<th>What are my other options?</th>
<th>Any other factors affecting this decision?</th>
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5) **Choose an option.**

   My decision is to ______________________________________________________

   because ________________________________________________________________.

6) **Act on your choice.**

7) **Evaluate your decision.**

   What were the results of your decision?

   ______________________________________________________

   ______________________________________________________

   Would you make the same decision next time? Why or why not?

   ______________________________________________________

   ______________________________________________________