

Decision-Making

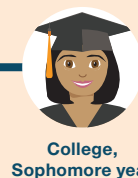


LESSON 1

Decision-Making
To get the most value for your money, think through your spending decisions carefully and resist buying on impulse.



High School Junior



College, Sophomore year

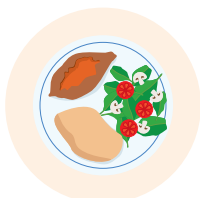
Get It for Less

Hi guys! It's Nikki! Can you believe I'm a junior in high school already? This year, I'm volunteering at a Community Center. I'm teaching the residents how to make digital photo albums and use social media. My classes would be so much better if I could teach on a new laptop. I found one for \$499 at my local electronics store, but I only have \$425 in my **savings account**—and I also want to buy some video games. So I went to my sister, April, for help.

The first thing April made me do was define my goal. That's easy: I want to buy a new laptop. Then she told me that the fun part is figuring out what decisions to make to reach my goal. April always says purchases are either “*needs*” or “*wants*.”

NEEDS

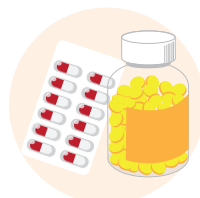
Needs are the things you must have to survive, like food, water, and medicine—or *things that will help you achieve your financial goals*.



FOOD



WATER



MEDICINE

WANTS

Wants are the things you would like to have but don't *really* need that can take you off track from reaching your goals, like a cool pair of jeans or a new phone cover.



JEANS



NEW PHONE COVER

But needs and wants can be tricky. Sometimes, it isn't so easy to tell the difference. For example: A grown-up could *need* a car to drive to work but might *want* that car to be a super-expensive SUV.

So the first step is to decide if my goal is a need or a want. If it's a want, then there's no rush. I can wait until I have enough money to buy wants or choose not to buy them at all. April thinks the laptop is more of a need because having better technology would help me develop my career. Video games are a want. Playing them is fun, but I don't need them to reach my goals. I decided to skip the video games and save my money for the laptop. April pointed out another important choice I could make: *comparison shopping*, since stores and websites often sell the same product for different prices and sometimes have sales.



She was right! I found out the laptop was \$499 at the local store, but \$450 at another one, which also offered a 10% discount for students. Guess where I bought my laptop?



WHAT'S THE Big Idea?

To reach your financial goals, you have to make good decisions along the way. You can save money by holding off on buying things you don't need and by comparison shopping to get the best deal on the things you do buy.