Make a Choice – The Business (Pre) **Name ____________________________________**

This activity will test how you make a choice. Read the situation below, then read the instructions.

Situation: You work for the city government, helping plan how public property is used. A friend from school calls with an exciting plan: start a business together using the skills you developed as children. It would start as a side-hustle – you would keep your job and work on the business at night. You know the business will add extra stress and there's a chance it doesn't work out, but you are excited to take on the challenge and to work with your friend.

Your friend has already spent $20,000 making the business plan and finding a small workspace. However, new competitors have entered the market, and expected profits have dropped. You think that your cut of the new business would be about $15,000 in revenue this year. To start, you'd need to invest an additional $5,000 for tools and marketing.

Use the questions below to show how you will make the choice. You may consider your own real-life preferences, but you must address all the incentives given in the scenario. Then write what you will choose.

Instructions:

1) Identify what trade-offs are necessary to reach your goal.
2) Explain which data you will use to solve the problem. Ignore data that doesn't matter.
3) Answer these questions:
    a. Would the extra investment be worth it? Why or why not?
    b. What is the most you should be willing to invest this year? Why?

Your choice:

Make a Choice – The Business (Post) **Name ___________________________________**

This activity will test how you make a choice. Read the situation below, then read the instructions.

It's been two years since you started a business with your friend. You have been working at the business full-time. In fact, your business was about to take a job that would help expand the local youth soccer league. But now, the city government called you with an offer: they want to hire your business for a new public project—a skateboard park.

You've already spent $10,000 making a proposal and attending meetings with city officials. You think the benefit of doing the job will be $45,000—less than you had originally hoped. Doing it would require hiring temporary staff and buying better tools—an additional cost of $20,000.

Use the questions below to show how you will make the choice. You may consider your own real-life preferences, but you must address all the incentives given in the scenario. Then write what you will choose.

Instructions:

1) Identify what trade-offs are necessary to reach your goal.
2) Explain which data you will use to solve the problem. Ignore data that doesn't matter.
3) Answer these questions:
   a. Would the extra investment be worth it? Why or why not?
   b. What is the most you should be willing to invest this year? Why?

Your choice:

Make a Choice – The Business (Pre) **Name** ____________________________________

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Use the questions below to show how you will make the choice. You may consider your own real-life preferences, but you must address all the incentives given in the scenario. Then write what you will choose.

Instructions:

4) Identify what trade-offs are necessary to reach your goal.
5) Explain which data you will use to solve the problem. Ignore data that doesn't matter.
6) Answer these questions:
    a. Would the extra investment be worth it? Why or why not?
    b. What is the most you should be willing to invest this year? Why?

Your choice:

Make a Choice – The Business (Post) **Name** ____________________________________

This activity will test how you make a choice. Read the situation below, then read the instructions.

It's been two years since you started a business with your friend. You have been working at the business full-time. In fact, your business was about to take a job that would help expand the local youth soccer league. But now, the city government called you with an offer: they want to hire your business for a new public project—a skateboard park.

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Use the questions below to show how you will make the choice. You may consider your own real-life preferences, but you must address all the incentives given in the scenario. Then write what you will choose.

Instructions:

4) Identify what trade-offs are necessary to reach your goal.
5) Explain which data you will use to solve the problem. Ignore data that doesn't matter.
6) Answer these questions:
    a. Would the extra investment be worth it? Why or why not?
    b. What is the most you should be willing to invest this year? Why?

Your choice:

Name: ___________________________________ MAC score, qual + quant _____/28

MAC score, qualitative (this page) ____/16

Make a Choice (MAC) Qualitative Rubric: Evaluating Trade-offs and Weighing Costs and Benefits

1 – unsatis-factory	2 – below expectation		3 – meets expectation	4- exceeds expectation
No (1-2)		**Proficient?**	**Yes (3-4)**	
		1. Explain your goal. (i.e. the problem)		
		2. Describe the incentives of everyone in the scenario		
		3. Weigh the possible benefits and costs (risks) of your options		
		4. Make a choice that is in line with your goals, benefits, and costs		

Areas of strength:

Areas to improve:

Name: ___________________________________ MAC score, quantitative (this page) ______/12

Make a Choice (MAC) Quantitative Rubric: Thinking Marginally and Using Data

1 – unsatis-factory	2 – below expectation		3 – meets expectation	4- exceeds expectation
No (1-2)		**Proficient?**	**Yes (3-4)**	
		1. Correctly identified what trade-offs are required to reach the goal		
		2. Used relevant data accurately (e.g. avoided the sunk cost fallacy)		
		3. Used marginal thinking correctly (i.e. identified the optimal quantity; when to say "enough").		

Areas of strength:

Areas to improve:

Grading (MAC Rubric 1)

(Rubric 2 grading guide is still under development)

Rubric: This rubric allows teachers to assign students grades of one through four., with two being "below expectations" and three being "meets expectations."

Each assignment will contain teacher instructions telling you what economics and personal finance content you should grade for, that is, what parts of the assignments students can "get wrong."

Always tell students the following: "You should use your own values and situations to guide your answers. But to get full credit you must address all the information given in the assignment scenario, which may be different from what you experience in real life. For example, the scenario might say 'you got a good grade in your high school economics and personal finance class. You are considering majoring in economics in college, but your parents want you to study art.' Your answer must go along with the assignment scenario."

Grading guide

Guidance for grading MAC case studies is below. See this short scenario below as an example of how to grade MAC tasks.

1. "Explain your goal (i.e. the problem)"
    a. Students notice and discusses the core issue given in the scenario.
2. "Describe the incentives of everyone in the scenario."
    a. Students notice and discuss what the scenario says everyone wants.
    b. Students should include the incentives related to their own goal.
    c. Students lose credit if all the incentives of all the characters in the scenario are not addressed.
3. "Weigh the possible benefits and costs (risks) of your options."
    a. Students should put the incentives related to their own goal (which they should have already discussed above) in cost / benefit terms.
4. "Make a choice that is in line with your goals, benefits, and costs."
    a. Students should show that they can coherently tie it all together.
    b. Students may add new ideas
    c. All possible choices should have been considered using cost-benefit analysis.
    d. Students' answers should communicate their final choice that aligns with their goals, incentives, costs, and benefits. If all these factors have been clearly stated already, then they do **not** need to be re-stated to get full credit.

Example scenario:

"You are planning your life after high school. You want to pick a college major that helps you get a good job later so you can have a steady financial future. Your main focus is on future employers. Employers want to hire graduates with good math, data, and writing skills, and they pay good money to the right people.

Because of this, you are planning to major in economics. But one day, you run into an old friend. She tells you that she is not declaring a major so that she can sample different classes. It will take her longer to graduate, but she says that with no major she could enjoy college life for longer, and take classes that are fun and easy. She begs you to also stay undeclared and take the same classes as her. It would be so fun! She points out that you could study languages and study abroad, too, if you wanted to.

You love the idea, but you only have enough time and money in your budget for **one** major. What should you choose?"

1. "Explain your goal (i.e. the problem)"

    a. Example of a strong answer: "My main goal is to do a college major that will help future job prospects. I also want to learn about other countries. My friend wants me to do her major so we are I classes together, but I will only do that if it works with my main goal."
    b. Weak answers will be vague or will fail to notice the goal given in the scenario.
2. "Describe the incentives of everyone in the scenario."
    a. Example of a strong answer: "Since my goal is to get a major that helps my future job prospects, my incentives are to take classes that are in high demand from employers. I also value learning about other countries, so I have incentives to take classes that employers value, and to try to search for classes or other experiences that help me learn about other countries. Maybe there are some classes that do both. I love my friend, but she just wants to hang out with me—that's her incentive."
    b. Weaker answers will miss one or several choice-makers in the scenario, or will not describe things that motivate choice-makers.
3. "Weigh the possible benefits and costs (risks) of your options."
    a. Example of a strong answer: "The benefits of economics classes are the future earnings and that I am good at it, so I'll likely be successful. The costs are that they can be difficult since you have to get the answers right and maybe I don't get as rich an education about other cultures as I would like. I will consider cultural experiences that don't crowd out classes in my econ major, such as clubs or study abroad. The benefit of these is that I get the experience I want, while having time for econ. The cost might be money and missing class time at my university."
    b. Weaker answers will fail to put all incentives in cost-benefit terms.
4. "Make a choice that is in line with your goals, benefits, and costs."
    a. Example of a strong answer: "I will take a major in economics. I will join clubs that expose me to other cultures and consider studying abroad. That way I can do what I love while still helping me stay focused on my goal."
    b. Weaker answers will not line up with the analysis the students have already done, or will introduce new ideas that their responses didn't analyze with cost-benefit analysis.

See rubric above