Group Names:

Cost-Benefit  Analysis Practice (1.5)

Overview: Scarcity leads to decision-making. Rational economic decisions are grounded by evaluating the **costs** and benefits of each potential choice. The optimal choice occurs when the total net benefits are maximized (benefits-costs).

Instructions: In your groups, practice this process below, by considering all potential benefits and costs of each option..

Scenario: It's the year after college, and you have a series of options of how to use your scarce resources to improve your future as an employee in public policy and an engaged community member. Fill out the following chart to show the potential costs and benefits of each decision. Include multiple factors (social, emotional, financial) in your analysis.

Option	Benefits	Costs
Travel the World		
Spend a Year working with Congress Internship on Capitol Hill (unpaid)		
Take 2 years to serve in as a Corps Member Americorps Service Program (low salary, grad school scholarship		
Go Immediately to Harvard's Program in Policy, no scholarship		

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Analysis: After completing the chart, respond to the following questions to show your group's procedure for optimizing its decision-making.

1) What resources were scarce in your decision-making? What challenges did your group face?

2) Which decision had the greatest "net benefits", and why?

3) What was your group's opportunity cost of this decision (your #2 option)?

4) What factor or change might have caused your group to choose differently, and why?

5) How might this process change your future decision-making or thinking?