[RETIRED] Mini-Unit
2.3 Your Money in Context
Student Activity Packet
MINI-UNIT: MONEY AND ME

Name:

In this lesson, you will learn to:
- Understand how context of various situations can affect the financial decisions you make
- Define economic terms about the paradox of value
- Assess which of your personal values most affect how you interact with money

NOTE: Vocabulary for this unit can be found in the NGPF Personal Finance Dictionary

RESOURCES	QUESTIONS
1 **Discussion Prompt** Discuss this question with your classmates or with a partner.	*Estimated time: 5 mins* 1. Would you rather have 1 diamond or 5 bottles of water? Explain why.
2 **The Paradox of Value** From the classes you enroll in to the snacks you choose to eat, you make decisions based on the available options, the situational context, and your own values. Economists explain one way of thinking about choices as "the paradox of value." Choosing where and what we spend our hard earned money on requires thoughtful decision-making. Watch this video to learn more about how economists break down the paradox of value and follow your teacher's directions to answer the questions either in your student activity packet or within the EdPuzzle itself. *NOTE: EdPuzzle videos shuffle answer choices and do not always match the*	*Estimated time: 7 mins* 1. In the context of the desert situation, which of the following options most accurately describes the item with the highest USE VALUE? a. Diamond; it is more helpful in the current situation b. Diamond; it can yield more item return at a later time c. Water; it can yield more item return at a later time d. Water; it is more helpful in the current situation 2. Which of the following statements best defines UTILITY? a. What you can obtain for an item at a later time b. How well something satisfies a person's wants or needs c. How helpful an item is given the context of a current situation d. What we lose by giving up the other provided choice 3. Why would you NOT select water EVERY time you were offered a choice between water and diamonds? a. Water is more valuable than diamonds, both physically and financially b. The use value of diamonds is higher than the use value of water the longer you walk c. The utility of water decreases after your basic needs are met d. The water will expire by the time you get to the next booth 4. Which of the following statements about decision-making is most helpful? a. Select the choice with a higher use value over exchange value to maximize benefits

order provided in the lesson here.	b. Consider the utility and opportunity cost given the context of a situation before making a choice c. Stick to the choice that worked the first time, as it will always prove effective each time d. Select the choice with a higher exchange value over use value to maximize benefits
3 **PLAY: The Ultimatum Game** Economists who study behavioral finance seek to identify and understand why humans make certain financial choices. Follow the directions in this activity to experience how context and values impact your decision making. Follow your teacher's instructions to complete the activity.	*Estimated time: 15 mins*
4 **Life Values Quiz** You learned about 4 types of "life values" that drive financial behaviors from the first lesson: inner, social, physical, and financial values. Now, imagine the adult version of yourself, and take this quiz to see how your values affect money decisions. After Question 20, you will see your results. Then, answer the questions.	*Estimated time: 13 mins* 1. Which Life Value did you get at the end of the quiz? ☐ Inner ☐ Social ☐ Physical ☐ Financial 2. Read the summary for the Life Value you got at the end of the quiz. Is this interpretation accurate with how you would describe yourself and your values? Explain. 3. Scroll down to the bottom of the page and skim through the summaries for the other three Life Values. How would you rank the 4 Life Values in order of importance to <u>you</u> (1 = most important, 4 = least important)? Explain your reasoning. ____ Inner ____ Social ____ Physical ____ Financial

5 **Exit Ticket** Follow your teacher's directions to complete the Exit Ticket.	*Estimated time: 5 mins*