



WHAT IS

OPPORTUNITY COST?

So you've got a little money in your pocket and you blow it all right away on a new CD. Sound familiar? Of course, we've all done it. Sometimes it can be hard to hold on to our cash. But here's something to think about: what *could* you have done with that

money later, if you hadn't spent it all at once?

Maybe you could have gone to the movies with a friend, or bought a video game, or grabbed a burger and fries or even gone shopping at the mall.

the best choice, the one that will give you the biggest bang for your buck.

That's what we call "**opportunity cost**". Every time you spend money on one thing, it is costing you the price of the product **plus** it's costing you the opportunity to do something else. It's something important to consider whenever you get some money. Pause for a moment and think about all the things you could do with it. Then try to make

And if you save a small portion of money every time you get it, you will always have cash to do some of those other things. If you get \$10.00, save two of it, if you get \$5, save a buck.

So the next time you're burning to spend some cash, think about what it's really costing you. What's the true cost including future *opportunity*?



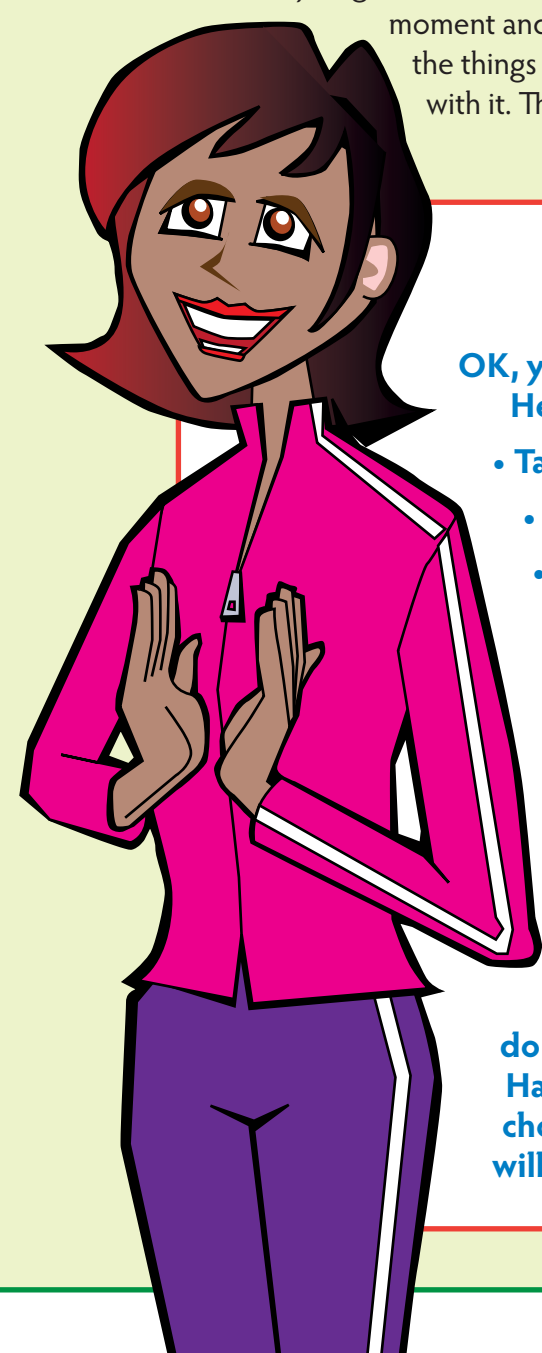
A willing volunteer learns that what you do with your money today will affect what you can do with your money tomorrow.

TIME-X time machines, inc.



Now  Then

MAIL



How Would you Spend It?

OK, your class just won the lottery. The class has \$500 to spend. Here are your three options on how to spend the cash:

- Take the entire class to an amusement park.
- Give the money to a local charity.
- Take the class out to eat at a restaurant.

All these options cost the same amount of money.

You cannot break them up and "do a little of each."

Which is the best one?

Why?

Do people have different opinions?

What are they?

The truth is, there is no "best" option. But choosing to do one thing will cost you the opportunity to do the other. Having a limited amount of money means you have to make choices with your money. It's important to think about how you will spend before you do so you can be smart with your money.