



**Part 1:**  
Opportunity Cost



What would the world  
look like without money?








What about the  
psychological side  
of money?

We should think about  
money in terms of  
*opportunity cost.*

A spiral-bound notebook with a light-colored cover is open, showing a lined page. The page has a definition of Opportunity Cost written on it. The notebook is placed on a wooden surface.

### **Opportunity Cost:**

what you are giving up  
by choosing one thing  
over another.



"What are you giving  
up to buy this car?"





"I guess I can't buy a Honda  
if I buy this Toyota."



Imagine you had a fixed amount of money  
in an envelope that you could spend each week.






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Tradeoffs are obscured in  
our complicated economy.





When problems are complex,  
we take shortcuts.





*"We found we really missed going to the theatre and eating  
in nice restaurants, so we gave our kids away."*

What would you do for...?








A \$3 cappuccino may be worth more to you than three dollars.





We place a higher value  
on specific items than  
the monetary value  
of those items.

