

EFFECTIVE DECISION MAKING

What are Decisions?

Decisions are **choices** people make. Whenever a choice is made, something is given up.

What does effective mean?

Effective is an adjective that means producing a satisfactory or desirable conclusion.

A **conclusion** is a decision reached after thinking about facts and details.

People's choices about what goods and services to buy or consume determine how resources will be used. The opportunity cost of a choice is the value of the next best alternative that is given up.

Economic

Opportunity
instead of

Free Market
to buy.

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Here are some steps to help make effective decisions.

1. Identify the problem. What do you need to decide?
2. Gather information. Look at facts and details. Ask for advice.
3. List and consider all options.
4. Consider the pros and cons. What will happen if you make a certain decision?
5. Choose an option or try a solution.
6. Decide if that solution worked.

Children make decisions.

- You must decide if you will follow rules at home, in school, in your community.
- You can help your family or teachers set up rules.
- You can earn money to spend or save.
- You can be a helper.
- You can recycle or waste.
- You can be polite or rude.
- You can decide to be a friend or not.

Adults make decisions.

- They must decide if they will follow rules and laws.
- They must decide to vote in elections.
- They must decide how to earn money.
- They decide how to spend or save money.
- Adults...
- Adults...
- Adults...
- Adults...



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Scarcity - services th

goods and

Conflict - strong disagreements happen when two or more people want the same thing or they don't get along.

Mediator - a person who is not involved can listen and offer advice. A mediator remains neutral which means s/he does not take sides.

Compromise - each person gives up something but also gets something.

Social problem - a problem that arises when people think only of their own wellbeing and not of others. Examples of social problems: unemployment, inequality in education, crime.

Prejudice - a feeling that some people are not as good or worthy as yourself.

Persecution - hurting people and treating them badly because of their religion, beliefs, or color.

Veto - a decision of a president or governor not to sign a new law.

Capitalism - economic system where private citizens decide what and how much to produce

Market economy - economic system in which individuals make most of the economic decisions.



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