**Economic Skills: Marginal Analysis**

Economic reasoning can help explain human actions and anticipate the consequences of decisions. Effective decision making requires comparing the marginal costs with the marginal benefits.

Following is a cost-benefit analysis of the decision: (A) Attend college in-state or (B) Attend out-of state college. Analyze this decision by assigning weights to each quadrant based on how important each cost or benefit is to you (1 being not important, 5 being very important).

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|

|  |
| --- |
| **Attend College****IN-STATE** |
| COST | BENEFIT |
| Parents will visit\_\_\_\_\_ | Friends attending\_\_\_\_\_ |
| Must live in the dorm\_\_\_\_\_ | Can get into program of choice\_\_\_\_\_ |
| No car\_\_\_\_\_ | Big campus life\_\_\_\_\_ |

 |

|  |
| --- |
| **Attend College****OUT-OF-STATE** |
| COST | BENEFIT |
| $6K more in tuition \_\_\_\_\_ | No friends attending\_\_\_\_\_ |
| No campus sports teams\_\_\_\_\_ | Can live in an apartment\_\_\_\_\_ |
| General studies\_\_\_\_\_ | May have a car\_\_\_\_\_ |

 |

**Add your columns and analyze your results, would you attend college in-state or out-of-state? How does assigning weights to the benefits and costs help you with your decision?**