**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?**