

# Decision Making

There are many effective decision making techniques. You use these techniques every day, even if you do not realize it. The technique that you use will likely depend on the decision you have to make.

## Instructions

1. Identify your end goals. What is the best outcome?
2. Identify all options.
3. Research all options. Find this information by:
   * Researching on the internet
   * Asking an expert
   * Asking people you trust: Consider others’ opinions, but make the final decision yourself
4. Find pros and cons to each option. Include all factors.
5. Rate each pro and con according to how important it is to you from 1 to 10
   * 1 = not important to you
   * 10 = extremely important to you
6. Compare your differences to help you choose the best option.
7. Reflect on your decision.

## Let’s look at this technique with the following example:

*Omar wants to decide how to use the $5000 he was just awarded.*

|  |
| --- |
| **End Goal**  To use the money in the best possible way. |
| **Options**   1. Buy a car 2. Put all of the money in savings 3. Keep some of the money to spend and put the rest in savings |
| **What information do you need to research for each option to make a well-informed decision?**  **Option 1.** Cost of cars, types of cars, insurance costs, gas prices, bus pass prices  **Option 2.** What is the best savings plan, what banks are best |

**Option 3.** Savings plans, banks, what I would spend it on, how much I would keep

# Weighing the Pros and Cons

## Option 1. Buy a car

|  |  |  |  |
| --- | --- | --- | --- |
| **Pros** | **Rating** | **Cons** | **Rating** |
| I will not have to take a bus | 4 | Insurance and gas is much more expensive than a bus pass | 6 |
| It will be fun | 5 | Expensive- The $5000 would not cover the whole cost | 10 |
| The idea makes me excited | 5 | I would need to take out a loan | 6 |
| Driving everywhere will be convenient | 8 | I would feel like it is not a smart decision | 9 |
| **Totals** | 22 |  | 31 |
| **Difference:** | -9 |  | +9 |

**What do these totals tell you?**

I should not buy a car.

## How do you feel about these totals?

Buying a car would not be smart. At first, I did not have this listed as a con, and my scores were equal. Then I realized that I did not like those scores because it would not be a smart decision, so I added it to my cons. Now my scores reflect my feelings.

## Option 2. Put all of my money in savings

|  |  |  |  |
| --- | --- | --- | --- |
| **Pros** | **Rating** | **Cons** | **Rating** |
| I will not spend my money on silly things | 7 | I have things I need to buy, like professional clothes for an upcoming job interview | 8 |
| I will make the money from the interest | 7 | It is not as fun | 6 |
| I feel like this is the smart thing to do | 5 | The interest I would make from this would be very small | 1 |

|  |  |  |  |
| --- | --- | --- | --- |
| This is the option my parents suggest | 1 |  |  |
| **Totals** | 20 |  | 15 |
| **Difference:** | +5 |  | -5 |

**What do these totals tell you?**

I should put all of my money into savings

## How do you feel about these totals?

I don’t like them because this is the most boring option, but I also know it is a smart one.

## Option 3. Keep some money for spending, and put the rest in savings

|  |  |  |  |
| --- | --- | --- | --- |
| **Pros** | **Rating** | **Cons** | **Rating** |
| Ensures I spend my money only on things I really want | 4 | I will only have a little bit of money to spend | 3 |
| I would make money from my interest | 5 | The interest I would make would be quite small | 1 |
| I can have fun and be smart with my money | 5 |  |  |
| Driving everywhere will be convenient | 8 |  |  |
| **Totals** | 17 |  | 4 |
| **Difference:** | +4 |  | -4 |

**What do these totals tell you?**

I should keep some of my money and put the rest into savings

## How do you feel about these totals?

Good – this is a great compromise between fun and being smart.

## Reviewing the Totals

**After looking at all of your totals, what have they told you?**

Option 3 is the best.

**How do you feel about these totals? Have you come closer to making a decision?** Very good. I do not need to go back to review my options or my pros and cons. I have decided on option 3.

## Option #1

**Decision Making Template**

|  |  |  |  |
| --- | --- | --- | --- |
| **Pros** | **Rating** | **Cons** | **Rating** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| **Totals:** |  |  |  |
| **Difference:** |  |  |  |

**Option #2**

|  |  |  |  |
| --- | --- | --- | --- |
| **Pros** | **Rating** | **Cons** | **Rating** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| **Totals:** |  |  |  |
| **Difference:** |  |  |  |

**Option #3**

|  |  |  |  |
| --- | --- | --- | --- |
| **Pros** | **Rating** | **Cons** | **Rating** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| **Totals:** |  |  |  |
| **Difference:** |  |  |  |

**After looking at all of your totals, what have they told you?**

**How do you feel about these totals? Have you come closer to making a decision?**