

Striker Jones, “Risky Decisions”

Lesson Plan

Objective: Students will be able to explain and apply the economic concept of balancing risks against benefits.

Procedure

1. Read the chapter “Risky Decisions” up until the Solution, either as a class or separately.
2. In pairs or small groups, have students discuss what they believe is the solution to the mystery.
3. Read the Solution as a class.
4. As a class, define the word *risk* (exposure to possibly losing something). Review the word *benefit* (something that is good).
5. Check for understanding with the following questions:
 - In the beginning of the story, why wouldn’t Zack pick Jim for his team? (Jim had forgotten his glasses and likely wouldn’t play well.)
 - At the end of the story, Zack finally does pick Jim for his team. How is his decision less risky than if he’d picked him at the beginning of the story? (Zack knows that Jim has contacts and can actually see just fine. So, he expects picking Jim will now pay off because he will have a good player on his team who can see well.)

- Did Zack’s decision pay off? (Not this time. We find out that Jim played very poorly in the last match of dodgeball. He spent the entire time throwing at his teammate, Ralph!)
6. Discuss the concepts of risks and benefits. Key points include the following:
- When we’re doing something we shouldn’t be doing, it’s easy to think of the risk involved. For instance, if you play on the computer at night when you should be in bed, you’re running the risk that your parents will catch you. But in fact, every decision we make every day has some element of risk in it, even when we’re deciding whether or not to do something nice. For instance, if you’re friendly to the new student in class, you’re running the risk that he/she might be mean in return.
 - Risk isn’t all bad. Instead, it can make us more careful about the decisions that we make. Knowing that a risk is involved helps people think through all the consequences of their actions.
 - The key is to balance potential risks with potential benefits. If the possible benefit of an activity is greater than the possible risk, then we say the benefits outweigh the risks, and the activity is probably worth doing. So, though you may run a risk that the new kid in class could be mean to you, the possible benefit is that you make a new friend! Does that benefit outweigh the risk?

7. **Class Activity:** With the class, come up with a list of up to 10 common daily activities. For each activity, brainstorm the various risks and benefits involved in completing that activity. Then, allow students to vote to show whether or not they would do that activity. Example:

Activity: Sharing a toy with a friend

Benefits and risks of sharing

Risk: We might not get the toy back.

Benefit: We make our friend happy.

Benefit: We build a stronger friendship.

Benefits and risks of not sharing

Risk: We might upset our friend.

Risk: We might be disappointed in ourselves.

Benefit: We get to play with the toy ourselves.

Assignment

People have different attitudes towards risk, none of which are better than the others. Some people don't mind risk very much, and they'll take big chances even when there's a big risk of that it won't pay off. Other people don't like risk at all. They tend to stick to easy decisions where there's little chance of losing anything.

Write a paragraph describing where you fall in your feeling about risk. Would you rather risk a lot to gain a lot, or would you rather play it safe and not risk too much, even if it means you might not gain as much? Do you fall somewhere in the middle? Give two examples that demonstrate your own attitude toward risk.

