

CFM FINANCIAL MANAGEMENT: FM.1 AND FM.4

Using a Financial Decision-Making Process for Competing Goals

Detailed practice, calculation, decision-making, and assessment

GRADES 9-12	TIME 2 x 42 min	GROUPING I / pairs / whole	PRODUCT Review
YOUR CHALLENGE Apply a repeatable decision process when several worthwhile financial goals cannot all be funded on the original schedule.			

New York CFM Connections: Financial Goals, Decision Making, Interest, and Time

People often face several good goals at once. A sound decision defines the problem, identifies values and constraints, gathers reliable information, compares alternatives, calculates consequences, chooses a plan, and schedules a review. The process should be transparent rather than based only on impulse.

Term	Student-friendly meaning
Decision criterion	A standard used to compare alternatives.
Constraint	A limit on available money, time, or choices.
Tradeoff	A consequence of choosing one alternative over another.
Weighted score	A comparison that gives more important criteria greater influence.
Alternative	One possible course of action.
Review trigger	A measurable event that causes the decision to be reconsidered.
CLASSROOM USE All people, employers, figures, brackets, and documents in this packet are fictional. Never place a real Social Security number, employer ID, bank number, or tax document in classroom work.	

Part 1 - Define the Competing-Goals Problem

Goals: emergency \$1,200 in 12 months; career credential \$900 in 9 months; transportation fund \$2,400 in 18 months. Available: \$260 monthly.

Goal	Monthly need	Purpose	Deadline evidence	Risk if delayed
Emergency				
Credential				
Transportation				
Total				

Calculate each monthly need before choosing.

Part 2 - Build Weighted Decision Criteria

Assign weights totaling 100% to urgency, safety/stability, career impact, total cost, flexibility, and evidence quality.

Criterion	Weight	How measured	Reason
Urgency			
Safety/stability			
Career impact			
Cost			
Flexibility			
Evidence			

Weights should reflect stated priorities, not be changed after seeing the result.

Part 3 - Develop and Test Alternatives

Compare: fund all equally; prioritize emergency; prioritize credential; extend transportation; combine revisions.

Alternative	Monthly allocation	Deadline effect	Benefit	Tradeoff
Equal split				
Emergency first				
Credential first				
Extend transportation				
Combined plan				

Every alternative must total \$260 or less.

Part 4 - Create a Supported Decision

Select an alternative using calculations and criteria.

Decision element	Evidence	Limitation	Response
Chosen plan			
Monthly total			
Deadline effect			
Opportunity cost			
Risk			
Missing information			

A weighted score supports judgment but does not replace it.

Part 5 - Write a Decision Memo and Review Schedule

Write 175-225 words.

Memo element	Response/action
Problem	
Criteria	
Alternatives	
Decision	
Tradeoff	
30-day check	
Change trigger	

State what new information could change the choice.