

STOCKTON CENTER FOR
ECONOMIC & FINANCIAL LITERACY

THE RICHARD STOCKTON COLLEGE OF NEW JERSEY

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Education Pay\$

Dine Out or Eat at Home? What's the Better Value?

Grade Level(s): 6 - 12

Key concepts:

Choice, wants, and needs
Opportunity cost , trade-offs, priorities
Budgeting
Value

Objectives:

This lesson will help students assess wants versus needs to guide them in building a budget and making decisions. It allows students to evaluate different choices, encouraging them to be critical consumers.

NJ Core Curriculum Content Standards:

Standard 6: Social Studies, Strand C, Economics, Innovation, and Technology
Standard 9: 21st Century Life and Careers
9.2 B. Money Management
9.2 E. Becoming a Critical Consumer

National Standards in K – 12 Personal Finance Education (from Jump\$tart Coalition):

Financial Responsibility and Decision Making: Standard 4, "Make financial decisions by systematically considering alternatives and consequences."
Planning and Money Management: Standard 4, "Apply consumer skills to purchase decisions."

National Content Standards in Economics (from Council for Economic Education):

Standard 2, choice, effective decision-making
Standard 3, benefits and costs

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Dine Out or Eat at Home? What's the Better Value?

Lesson:

Eating out is great—tasty food, great atmosphere, no dishes to clean up! But eating at restaurants is a real budget buster. Or is it?

Compare the cost of a meal prepared at home with one served at a restaurant. Which is cheaper? How much of a difference is there? What if you ate out every Friday night throughout the year? How much would you save by choosing the cheaper option? Aside from the items noted below, what other things might be part of your calculation? How would you decide whether to eat in or dine out?

Assume your dinner is Spaghetti & Meatballs and a soda. Complete Tables 1 and 2.

Table 1. Dine Out at Cucina Italiana

Item	Price	Unit Purchased	Extras	Final Cost
Spaghetti & meatballs	\$12.99	1 entrée	includes Italian Bread	
Soda	\$1.99	Large glass	Free refills!	
Tax	7% pre-tip	n/a	n/a	
Tip	15-20% of pre-tax bill	n/a	Stingy? Generous?	
TOTAL:				

Table 2. Dine at Home after shopping for ingredients for a home-cooked meal

Ingredients for 3 meatballs:

- 1 egg
- 1/3 lb. ground beef
- 1/3 cup bread crumbs
- ½ onion
- 1 clove of garlic (about 1/8th of bulb)

Other items:

- Spaghetti (4 ounces)
- Tomato sauce (4 ounces)
- Italian Bread (4 slices)
- 1 liter soda

Item	Price	Unit Purchased	Portion (fraction, percent, or decimal) of whole used for meal	Final Cost
Eggs	\$1.99/dozen	1 dozen		
Ground Beef	\$2.99	1 pound		
Bread Crumbs	\$1.99	1 24-ounce can (about 5 cups)		
Onion	\$.55	1 onion (.37/lb.)		
Garlic	\$.87	1 garlic bulb		
Spaghetti	\$1.39	1 box (16 oz.)		
Tomato Sauce	\$2.50	24 ounce jar		
Italian Bread	\$1.99	Loaf (16 slices)		
Soda	\$.99	2 liter bottle		
Misc. (grated cheese, butter, salt/pepper)	.40	n/a		
TOTAL:				

Extension Activities:

After the numeracy and analytical skills are developed in the lesson, there is an opportunity for the teacher to begin a broader conversation about value, opportunity costs, and trade-offs. For example, there may be many reasons that individuals, groups, and families go out to dinner. Maybe it is a way of connecting with friends and building a strong social network. Teachers may then be able to introduce the vocabulary words of “pecuniary” and “non-pecuniary.” If opportunity cost is “what you give up” when you choose something else, measured by what is forgone, then the best computation may be pecuniary plus non-pecuniary.

Similar exercises can be developed for items students locate in supermarket circulars (e.g., box of 6 ice cream sandwiches vs. single ice cream sandwich purchased at a convenience store; both can be compared to a visit to the local ice cream shop).