



## Weigh the Costs and Benefits of Changing

“Decide what you want, decide what you are willing to exchange for it.  
 Establish your priorities. And go to work.”

H.L. Hunt

In the business world, cost-benefit analysis is a process used to determine the merits of a project or idea by quantifying its costs and benefits. As the name suggests, companies add up the costs (expenses) of taking a particular course of action and weigh them against the expected benefits that will occur. Cost-benefit analysis is a widely used tool for deciding whether or not to make a change. Since businesses exist to make a profit, there must be a clear indication of a “payoff” for taking an action.

Cost-benefit analysis can also be a motivational tool when deciding whether or not to take action to improve your health and increase your wealth. Researchers who study behavior change refer to the process of weighing the pros and cons of changing behavior as “decisional balance.” The decision to take action to change is based upon the relative weight given to pros (advantages of changing behavior) and cons (negative aspects of changing behavior; i.e., obstacles to change). According to a well-tested theory, the Transtheoretical (a.k.a., “Stages of Change”) Model, there are five stages of readiness to change. These stages are: precontemplation (no intention to change in the next 6 months), contemplation (intention to change in the next 6 months), preparation (intention to change in the next 30 days), action (change made less than six months ago), and maintenance (change made more than six months ago).

Decisional balance can be visualized as a scale, with the negative aspects of changing (costs) on one side and the positives of changing (benefits) on the other. If the sides are equally balanced, the scale will not “move” (i.e., make a change). On the other hand, if you add more weight to either side, an imbalance will occur and the side with the most weight will drop down. In the precontemplation stage of change, the cons always far outweigh the pros because people do not even recognize a need to change at this point. As they become more aware of the advantages of changing in the contemplation and preparation stages, the pros gradually increase in importance until they eventually outweigh the cons prior to taking action. At the maintenance stage, it is important to keep decisional balance weighted toward the pros to prevent a relapse (e.g., a reversion back to smoking or poor spending or eating habits).

Decisions to change behavior affect, not only the person making the change, but others with whom they interact (e.g., friends, family). Thus, behavior change experts suggest considering all of the following factors when listing the pros and cons of making a change (i.e., decisional balance):

- Consequences of making a change to oneself.
- Consequences of making a personal change on other people.
- Reactions of oneself to a change.
- Reactions of others to a change.

Now that you understand the concept of decisional balance, let's explore the advantages (pros) of making positive changes to your health and finances. You will also have an opportunity to list your personal cons (obstacles) on the worksheets provided below.

Advantages of making behavior changes to improve health include the following:

- Improved health and reduced risk for heart disease, cancer, etc. (e.g., by quitting smoking).
- Saving money that was previously spent on an unhealthy habit (e.g., by quitting smoking).
- Clothing will fit better (e.g., by losing 15 pounds).
- More energy (e.g., with weight loss).
- Vanity...will look better and feel better.
- Increased self esteem.
- Increased sense of control over life (e.g., by succeeding in efforts to change an unhealthy behavior).
- Won't feel like "a statistic" anymore (e.g., one of the 2/3 of Americans who are overweight or obese).
- Spouse/friends/doctor will stop nagging about changing an unhealthy behavior (e.g., smoking).
- Positive role model for children.



Advantages of making behavior changes to improve finances include the following:

- Increased financial security for current financial emergencies (e.g., broken car).
- Increased financial security in later life (e.g., retirement savings).
- End of contact from creditors about unpaid debts.
- Improvements in health status due to improvements in finances (e.g., reduced stress).
- Ability to achieve financial goals such as a family vacation or college and retirement savings.
- Increased self esteem.
- Increased sense of control over life (e.g., by succeeding in efforts to change a negative behavior).
- Won't feel like "a statistic" anymore (e.g., saving less than 2% of income like average U.S. families).
- Spouse/friends/others will stop nagging about changing a negative money habit (e.g.,

- overspending).
- Positive role model for children

### Decisional Balance-Health

Proposed Behavior Change: \_\_\_\_\_

	Changing Behavior	Not Changing Behavior
Benefits		
Costs		

### Decisional Balance-Wealth

Proposed Behavior Change: \_\_\_\_\_

	Changing Behavior	Not Changing Behavior
Benefits		
Costs		



### Action Steps

#### Health

- Research recommended health behaviors to learn about the positive aspects (pros) of changing.
- Talk to someone who has made the same health change you are considering to learn more

about it.

## Wealth

- Research recommended financial behaviors to learn about the positive aspects (pros) of changing.
- Talk to someone who has made the same financial change you are considering to learn more about it.

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