

# Essential Consumer Skills

Notes:

## Learner Outcomes

Outcome #1: Participants will be able to name other costs that may get added to a purchase.

Outcome #2: Participants will be able to list the steps to deciding whether or not to buy something.

Outcome #3: Participants will be able to identify ways to cut spending.

## Target Audience

Parents of elementary-age kids (grades 3 to 6)

## Materials

1. Flip chart and markers or a dry-erase board and dry-erase markers
2. Name tags (downloaded for free from the Bank It Web site), one for each participant
3. A pen or pencil for each participant
4. A kitchen timer, clock, or watch to track time
5. Evaluation Pretest #2-SP-PE for each participant
6. Evaluation Posttest #2-SP-PE for each participant
7. Notes #2-SP-PE for each participant
8. Optional: PowerPoint Presentation PDF #2-SP-PE
9. Optional: Handout #2-SP-PE for each participant

## Timing

1 hour

**Want more background and training tips?** See the free, downloadable Bank It Elementary Quick Start Leader's Guide at [www.bankit.com](http://www.bankit.com).

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## 1. Welcome and Overview (5 minutes)

Arrive early. Highly consider using the optional PowerPoint Presentation PDF and the optional Handout. Both will greatly enhance your session. If you're using the PowerPoint Presentation PDF, show the "Welcome to Bank It" slide as participants enter the room.

Greet each participant individually and learn their names as they arrive. Have them create a name tag with their first name only.

Give participants a copy of the Notes #2-SP-PE and either a pen or pencil. Encourage them to take notes during your session on the notes handout. Have them sit in clusters of about four people. If possible, have them sit at tables. Then welcome the whole group to the session.

*Say: Welcome to Bank It. Bank It delivers real-world financial topics and tools for kids and parents that make it easier to understand, talk about, and manage your money. Bank It was developed by Capital One and Search Institute. I'm glad each one of you is here.*

*Today we will focus on essential consumer skills, and we plan on meeting three goals. One: By the end of this session, you will be able to name other costs that may get added to a purchase. Two: You will be able to list the steps to deciding whether or not to buy something. Three: You will be able to identify ways to cut spending.*

If this session is not the first session you're presenting to this group, consider briefly discussing the optional challenge that you may have given participants at the end of your previous session.

## 2. Pretest and Activity (15 minutes)

*Say: The first activity we'll do is a short pretest. The pretest has only six questions, and I don't want you to worry about how well you'll do on this test. We'll take this exact test again at the end of our session after we have learned about the money concepts on this test.*

*What matters most is how much you learn and how well you do on the test at the end of our session, not on how well you do on this test.*

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Distribute the Evaluation Pretest #2-SP-PE to each participant. Give them time to complete the pretest. Then collect the pretests when they have finished. The Evaluation Key #2-SP-PE has all the answers for your information.

Ask: *How many of you have ever compared the price of the same item at two different stores?* Ask participants to raise their hands. If adults live in families who comparison-shop, they're more likely to know about comparison-shopping. Those who don't will be learning about comparison-shopping for the first time.

On a flip chart write: Store A: \$3.25. Store B: \$3.55. Say: *These two stores sell the exact same item. Which store is it cheaper to buy the item?* Give participants time to respond.

The correct answer is Store A: \$3.25. If you wish, ask participants how much cheaper the item is at Store A compared to Store B. The correct answer is 30 cents.

Give another example. On a flip chart write: Store A: \$24.87. Store B: \$21.59. Say: *These two stores sell the exact same item. Which store is it cheaper to buy the item?* Give participants time to respond.

The correct answer is Store B: \$24.59. If you wish, ask participants how much cheaper the item is at Store B compared to Store A. The correct answer is \$3.28.

Say: *When we compare the same item at two different stores, it's important to make sure that we're really comparing similar items.* On a flip chart write: Same item. Same brand. Same weight.

Say: *When you compare prices, it's important to compare the same item, the same brand, and the same weight. For example, if you are comparing a can of corn, you may discover that one can weighs 10 ounces and another weighs 12 ounces. Make sure you compare the cost for the item that is the same weight.*

Ask: *What doesn't matter when you compare items?* Give participants time to respond. Say: *The color doesn't matter. Something that comes in blue or red will be the same price. Comparing prices can help us to become better shoppers.*

On a flip chart, write: Want or Need. Say: *Knowing the difference between whether we "need" to buy an item rather than we "want" to buy an item is also important.*

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*What's the difference between a want and a need?* Give participants time to respond.

Explain that a need is something that we need and can't live without. Examples would be healthy food, a jacket to wear when it's cold, and a place to live. A want is something that we can live without but we just want. Examples would be candy, a professional football team licensed jacket, and a mansion to live in.

Once participants understand the difference between wants and needs, say that you're going to do a quick activity called "Want or Need?"

*Say: I'm going to name an item. If you think it is a "want," raise both of your hands into the air. If you think it is a "need," cross your arms across your chest.*

*Say: A bed.* Give participants time to move their arms. Most (if not all) should cross their arms across their chest to signify that it is a "need." Ask: *Why is this a need?*

Give other examples one at a time that are clear-cut, such as: shoes, soda pop, a hammer, water, a racecar, and electrical service.

Then give examples that will vary by person. *Say: Eye shadow.* Give participants time to vote. It's okay that some will vote in one way and others will vote in another way. Ask questions so that adults will see that people who wear eye shadow will view eye shadow as a need and people who don't wear eye shadow will see eye shadow as a want. Both are correct answers.

Consider giving other examples one at a time that will vary according to each participant, such as: an electric drill, gardening tools, a pet, eyeglasses, and a washer.

Explain that your interests and your income will often determine if something is a need instead of a want. An artist, for example, needs paints and paintbrushes. An adult who plays pick-up basketball needs a basketball. To anyone else, these are wants.

Have participants take a seat. On a flip chart, make two columns. Label the left-hand column "want." Label the right-hand column "need." Ask: *If you want clothing that's the same as a friend of yours, is that a want or a need?* Give

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participants time to respond. The correct answer is “want.” Write that under the “want” column.

Ask: *If you want clothing that you need, is that a want or a need?* Give participants time to respond. The correct answer is “need.” Write that under the “need” column.

Ask: *If you want clothing that’s on sale, is that a want or a need?* Give participants time to respond. The correct answer is “want.” Write that under the “want” column. Explain that sometimes we may need some clothing and can find it on sale, which saves us money. However, if we buy clothing just because it’s on sale, then it’s clearly a want.

Ask: *If you want clothing you don’t need but you like, is that a want or a need?* Give participants time to respond. The correct answer is “want.” Write that under the “want” column.

Ask: *If you want clothing that will keep you warm when it’s cold, is that a want or a need?* Give participants time to respond. The correct answer is “need.” Write that under the “need” column. Explain that wants are much more common than needs. That’s why it’s important to know the difference so that we can make better spending choices.

### 3. Present (15 minutes)

Explain that there are three important steps to decide whether or not to buy something. On a flip chart, write 1. Know how much money you have to spend. 2. Know whether you’re buying something that’s a want or a need. 3. Know whether the item is worth the price.

Ask: *What do you need to do to know how much money you have to spend?* Give participants time to respond. Answers could include: Keep track of your money. Know the amount available in your checking account.

Ask: *If your best friend has an item you like, is that a step to decide whether or not to buy something?* Give participants time to respond. The answer is no. Explain, however, that our friends influence all the time with the way we spend our money.

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*Say: Experts often talk about how peer pressure can affect your spending. What is peer pressure? Give participants time to respond. Ask: Who are your peers? Give participants time to respond. Correct answers are people who are your age, people who have as much education as you do, and people who are in your same income bracket.*

For elementary-age kids, peers are people who are in their grade at school or their same age. Their friends are also their peers.

*Ask: How do your peers influence the way you spend money? Give participants time to respond. Write their answers on a flip chart. Answers could include: A friend shows you something new he or she bought. A friend tells you about a product that works really well. You notice a neighbor with something cool that you would like.*

Explain that when you buy something, there often are other costs added to the item. *Ask: What could these additional costs be? Give participants time to answer. The correct answers are a tax and shipping costs. Ask: What kind of tax is added to the item? Give participants time to answer. The correct answer is a sales tax. If you wish, point out the sales tax rate for your area.*

If you plan to distribute the optional handout, use it at this time.

Have participants get into groups of three to four. Ask each group to discuss ways they've learned how to cut their spending. Give groups a few minutes to talk.

Then have each group report one idea to the entire group. After each group has finished, write this title on a flip chart: Cut your spending. Under the title, write three points. 1. Buy a cheaper brand. 2. Wait longer before you buy something. 3. Save money until you have enough to spend.

*Ask: What can happen if you wait longer before you buy something? Give participants time to respond. Answers could include: You could decide not to buy the item. You could decide to buy something else. You could decide to save your money instead.*

*Say: When we slow down our spending, we can make better spending choices. When we give ourselves time to think about what we want or need, we can make better spending decisions.*

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## 4. Discuss (5 minutes)

Say: *Take some time to talk to the people near you. Talk to about two or three people. Take turns. I want you to do two things: 1. Say your first name. 2. Name a person you look up to who is good at spending money well and not spending too much. How does this person make positive shopping decisions? Start with the person who went shopping the most recently. Then have each person take a turn.*

## 5. Review and Evaluate (15 minutes)

Review what was accomplished during this session. Ask: *What is important to look at when you're comparing prices?* (Answer: 1. The same item. 2. The same brand of the item. 3. The same weight of the item.)

Ask: *What are examples of a need?* (Answer: 1. Clothing that you need. 2. Clothing that will keep you warm when it's cold.)

Ask: *Which steps are important to deciding whether or not to buy something?* (Answer: 1. Know how much money you have to spend. 2. Know whether you're buying something that's a want or a need. 3. Know whether the item is worth the price.)

Ask: *How do you know if an item is worth the price?* Give participants time to respond. Helpful answers could include: Researching the item in a consumer magazine before buying it. Doing comparison-shopping. Asking other people's experience with the item.

Ask: *Since peer pressure can affect your spending, who are your peers?* (Answer: 1. People who are your age. 2. People who have as much education as you do. 3. People who are in your same income bracket.) Ask: *What are other costs that may get added to something you want to buy?* (Answer: Sales tax and shipping costs.)

Ask: *How can you cut your spending?* (Answer: 1. Buy a cheaper brand. 2. Wait longer before you buy something. 3. Save money until you have enough to spend.)

At the end of the review, distribute Evaluation Posttest #2-SP-PE to each participant. Give participants time to fill out the posttest. Collect all the posttest

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after participants finish so you can find out the measurable outcomes for the session. The Evaluation Key #2-SP-PE has all the answers for your information.

## 6. Close (5 minutes)

Do a short activity for the closing. Have participants stand and form a circle. Explain that you're going to go around the circle. Each person will say (one at a time). I'm \_\_\_\_\_ (first name) and I can make positive shopping choices. Start with one person and go around the circle until everyone has spoken.

Say: It's true! We can each make positive shopping choices. Challenge participants to talk to family members about this topic, which is listed under the Talk about It section of their Notes. Thank participants for coming and for being involved.

## Optional Activities

**1. Distribute Handout #2-SP-PE: Paying the Exact Amount.** Give participants the handout to complete. Afterward, discuss their answers. Handout Key #2-SP-PE has the correct answers for your information.

**2. Show the PowerPoint Presentation PDF #2-SP-PE.** Use the presentation to accompany the one-hour session.

**3. Give Participants a Challenge.** Encourage participants to use the next week to ask their children how they make positive spending choices without spending too much money. (If you wish, follow up during your next session to find out how the challenge went.)

Questions? Looking for more ideas? Visit [www.bankit.com](http://www.bankit.com) for answers and more resources.

## For More Information

*National Standards in K-12 Personal Finance Education* (Washington, D.C., Jump\$tart Coalition for Personal Financial Literacy, 2007), standard 4 in the area of Planning and Money Management.

*An Asset Builder's Guide to Youth and Money* by Jolene Roehlkepartain (Minneapolis: Search Institute, 1999).