

Making Better Spending Choices

Notes:

Learner Outcomes

Outcome #1: Participants will be able to identify what comparison shopping is.

Outcome #2: Participants will be able to name at least one way to gather information about a product or service before buying it.

Outcome #3: Participants will be able to describe the difference between a “want” and a “need.”

Target Audience

Teenagers

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 website), one for each participant
3. A pen or pencil for each participant
4. Something to track time
5. Three copies of the Script #3-SP-T (downloaded for free from the Bank It Web site)
6. A sample gift card (it doesn't need to have any value), a timer, and a cell phone (to use with the script)
7. Evaluation #3-SP-T for each participant
8. Bank It Notes #3-SP-T for each participant
9. Optional: PowerPoint Presentation PDF #3-SP-T
10. Optional: Handout #3-SP-T for each participant

Timing

1 hour

Want more background and training tips?

See the free, downloadable Bank It Leader's Guide at 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 sessions. 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 Bank It Notes #3-SP-T and either a pen or pencil. 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 teens 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 making better money choices, and we plan on meeting three goals. One: By the end of this session, you will be able to identify what comparison shopping is. Two: You will be able to name at least one way to gather information about a product or service before buying it. Three: You will be able to describe the difference between a "want" and a "need."

Feel free to use your Bank It Notes to write what you learn as we go along. At the end of the session, we will take time to complete a short evaluation. (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. Activity: Role-Play a Script (15 minutes)

Ask for two volunteers who are comfortable reading aloud. Give each a copy of the Spend Script. You (or another adult leader) will read the leader part of the script. As a group of three, read the script aloud to the group. When you finish, have the group applaud the volunteers.

Then ask questions such as these: *What is the message of this script?* (Answers: You don't have to spend gift cards right away. Think before you spend. Slow down your spending.) Ask: *Why is it tempting to spend an entire gift card right away?* (Answers: It's a gift, so use it! It's free. I like to shop.)

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Say: Spending money is fun. I enjoy it. You enjoy it. It's fun to buy things. When we learn how to be better consumers, we can spend our money better. The trick, however, is to know when to spend money and when not to spend money.

Ask: How do you cut back on your spending? (Write participants' ideas on a flip chart. Answers could include: Shop less. Bring food from home instead of buying it. Just don't spend money.)

Ask: What does it mean to comparison shop? (See what participants have to say. Some may know. Others may not. Comparison shopping is comparing the prices for the same item at two different stores.)

On a flip chart, write "Coke" (or "Pepsi") at the top of the flip chart. Then make three columns. Label one column "Vending machine." Label the second column "Gas station." Label the third column "Grocery store."

Ask: How much does it cost to buy a can of Coke at these three places? (Some participants may know, but many may not. If no one knows, have them guess which place they think is the most expensive and the least expensive.)

Talk about the importance of doing comparison shopping. Explain how buying a case of soda pop at the grocery store makes each can much cheaper than buying one single can from a vending machine or gas station. Ask: Who here has ever compared prices of items to buy? Encourage participants to share their stories.

3. Present: What Affects Your Spending? (15 minutes)

Say: We all want to spend our money well. But there is a lot out there that influences how we spend money. Experts say that every day, we see or hear 3,000 different advertising messages.¹

Ask: What do these messages say? (Answer: Spend.) Ask: How many of these messages encourage us to save? (Answer: None. Very few.) Ask: How many of these messages encourage us to give money to good causes? (Answers: None. A little.)

Say: When there are 3,000 messages coming at us every day, that means we get bombarded by more than a million messages every year! By the time you are 15 years old, you will have seen 15 million messages to buy, buy, buy.

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Ask: *What else influences us to spend money?* (On a flip chart, write participants' ideas. Make sure they say friends and parents.) Ask: How do these people affect your spending? (Answers might include: They give suggestions. My parents bug me about spending too much. I want to wear the latest fashion like my friend.)

Ask: *How do you choose whom to listen to?* (Give participants time to respond.)

Ask: *What are ways to gather good information about a product or service before buying it?* (Give participants time to respond. Be sensitive that participants may have never thought about this before.)

Write what they say on a flip chart. Make sure to include: 1. Personal recommendation. 2. A consumer magazine, such as *Consumer Reports* or *Consumer Guide*. 3. Online product review. 4. Library.

Say: *Our values also affect how we spend our money. If we value helping others, we will use some of our money to help the homeless or a health care issue, such as breast cancer. If we value a sport, we tend to spend money in that area.*

Then ask: *What is the difference between buying something you need versus something you want?* Have participants brainstorm items under each category, and write their ideas on a flip chart. Make sure they understand that a “need” is something for survival, such as clothing, food, and shelter.

Make sure they understand that a “want” is something they want but don't necessarily need. Thus, designer shoes are a “want” and sturdy shoes are a “need.” Use other examples to compare and contrast “needs” and “wants.”

For example, ask: *How is eating out a want? How is eating a meal in your home with your family a need?* Ask: *Is eating out ever a need? When?* (For example, some families may say it's important to eat out once a week or once a month because it's the only time that all family members will show up for a meal and hang out and talk.)

Be sensitive to what teenagers define as needs and wants since some teenagers are adamant that they “need” a cell phone or they “need” designer athletic shoes or designer jeans. Work with them instead of against them. Talk about how different people have different needs and wants and that it's important to continue to examine what needs and wants are. Not everything can become a need.

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

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4. Discuss (10 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. Describe one “need” you have and one “want” you have. Start with the person who slept the most hours last night. Then have each person take a turn.*

5. Review and Evaluate (10 minutes)

Review what was accomplished during this session. Ask: *What are some ways to cut spending?* (Answers: Shop less. Bring food from home instead of buying it. Just don’t spend money.)

Ask: *What is comparison shopping?* (Answer: Comparison shopping is comparing the prices for the same item at two different stores.)

Ask: *How does advertising affect our spending?* (Answers: There are 3,000 messages targeted at us every day. It triggers our emotions. It makes spending money look fun.)

Ask: *How do other people affect our spending?* (Answers: Parents bug us about spending too much money. Friends have something we want.)

Ask: *How can you gather information about a product or service before you buy it?* (Answer: 1. Personal recommendation. 2. A consumer magazine. 3. Online product review. 4. Library.)

Ask: *What is the difference between a “want” and a “need”?* (Answer: A want is something you would like but don’t need. A need is something you have to have to survive, such as food, clothing, and shelter.)

At the end of the review, distribute Evaluation #3-SP-T to each participant. Give participants time to fill out the evaluation. Collect all the evaluations after participants finish so you can find out the measurable outcomes for the session.

6. Close (5 minutes)

Have participants stand. Have them say, “That’s great!” after every statement you make. Say: *I can think before I spend.* (Give participants time to say, “That’s

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great!") Say: *I know ways to cut costs.* (Give participants time to say, "That's great!")

Say: *I can be aware of how advertising affects my spending.* (Give participants time to say, "That's great!") Say: *I can be aware of how other people affect my spending.* (Give participants time to say, "That's great!") Say: *I can make good choices about how I spend my money.* (Give participants time to say, "That's great!")

Challenge them to talk to family members about this topic, which is listed under the Talk About It section of their Bank It Notes. Say: Thanks for all of your hard work today. Thank you for coming.

Optional Activities

1. **Distribute Handout #3-SP-T: My Spending Habits.** Encourage participants to complete the handout. Debrief the handout with participants after they finish.
2. **Show the PowerPoint Presentation PDF #3-SP-T.** Use the presentation to accompany the one-hour session.
3. **Give Participants a Challenge.** Encourage participants to take the next week to talk with their family about making better spending choices. Have them talk about concrete ways to do this.

Questions? Looking for more ideas? Visit 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.
- *National Standards in K–12 Personal Finance Education* (Washington, D.C., Jump\$tart Coalition for Personal Financial Literacy, 2007), standard 2 in the area of Financial Responsibility and Decision Making.
- *An Asset Builder's Guide to Youth and Money* by Jolene Roehlkepartain (Minneapolis: Search Institute, 1999).

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Source

¹Michael Brower, Ph.D., and Warren Leon, Ph.D., *The Consumer's Guide to Effective Environmental Choices: Practical Advice from the Union of Concerned Scientists* (New York: Three Rivers Press, 1999), 17–18.