



MONEY SMART 2.0 LESSON GUIDE

for Grades 6-8



The National Theatre for Children

NTC Financial Literacy
K-12 Curriculum

LESSON 4 *Being a Savvy Shopper*

LESSON OVERVIEW

Building on prior buying decision knowledge, the shopping smart lesson will use research to help learners explore how to find the best value for goods and services. Using examples relevant to their lives, students will also explore the impact of advertising on their shopping decisions.

TOPIC: Smart Shopping

CLASS TIME: 45 minutes (excluding Expanded Information to Share activities)

LEARNING OBJECTIVES:

Students will be able to:

- Consider the role of needs and wants in decision making
- Evaluate the credibility and motivation of marketing and advertising
- Distinguish the best value of goods and services
- Define and apply opportunity cost to purchases

SUPPLIES:

- Projector (for teacher presentation slides)
- Loose-leaf paper for Wrap Up activity
- Access to the internet (optional)

PROCEDURE:

- Make copies of student handouts and group handouts
- Set up projector with presentation slides
- Set up individual or group computers with access to the internet (optional)

STUDENT HANDOUTS:

- Savvy Shopper

GROUP HANDOUTS:

- Cellphone #1
- Cellphone #2
- Cellphone #3

TEACHER PRESENTATION SLIDES:

- Cereal Advertisement

CRITICAL THINKING QUESTIONS:

- *What tactics do advertisers use to entice consumers? How can I overcome these tactics?*
- *How do I navigate the marketplace to be a smart shopper?*
- *What are needs and wants? Are they the same for everyone?*
- *What is an opportunity cost?*

ASSESSMENT ACTIVITIES:

PRE-ASSESSMENT:

- Dissecting an Advertisement activity

POST-ASSESSMENT:

- Savvy Shopper activity
- Student Choice Wrap Up activity

ANSWER KEY

LESSON 4 *Being a Savvy Shopper*

INSTRUCTION STEPS

WARM UP

DISSECTING AN AD [5 MINUTES]

Display the **Cereal Advertisement** slide. Ask students to study the advertisement carefully and consider:

- *Is cereal a need or a want? How do our needs and wants impact our spending?*
- *Is this a product that you would purchase? Why or why not? (Ask students to consider both needs and wants as they discuss their answers.)*
- *What is the purpose of advertisements?*
- *What tactics does this advertisement take to try to convince you to purchase the product? Do you think these advertising tactics will work? Why or why not?*
- *As a consumer, is there any way that you can fend off those tactics?*

Students should recognize such strategies as:

- **Bright colors** – make the product eye-catching
- **Cartoon character** – appeals to kids
- **Eye contact from character** – establishes trust between the consumer and the brand
- **Celebrity endorsement** – increases the brand's visibility



MONEY SMART TIP

Today's Millennials and Gen Zs have a buying power in the range of \$2.5 trillion in 2020. That buying power includes the money that kids spend, the money that parents spend on their kids and the influence that kids have on the purchases that their parents make. For example: 60% of kids have influenced their parents' decision on purchasing a new car.

www.ypulse.com/article/2020/01/09/millennials-gen-z-teens-combined-spending-power-is-nearly-3-trillion-in-2020/

LESSON 4 *Being a Savvy Shopper*

INSTRUCTION STEPS

GUIDED EXPLORATION

BECOMING A SAVVY SHOPPER [30 MINUTES]

Explain that today they will be making a decision about purchasing a new cellphone. They will have to navigate the marketplace in order to make their decisions, but you won't be helping them navigate the marketplace before they make their decision. They might be misled along the way; they might miss some information along the way or they might prove themselves to be savvy shoppers despite those tricks.

Have students work in small groups, and provide each group with one of the following group handouts: **Cellphone #1**, **Cellphone #2** or **Cellphone #3**. Give students a short amount of time to look at the three cellphone options. Then ask them to select one. This first round is meant to function as a "snap decision."

Grade Level Modifications:

Beginner: Model reviewing one of the group handouts. Create a process chart to help students review the remaining handouts on their own.

Advanced: Allow students to do online research to see if they can find another cellphone that they would prefer to purchase instead of the three options listed on the group handouts.

After students complete their handout, ask and discuss:

- *Which cellphone did you decide on? What led you to make that decision? How did needs and wants play a role?*
- *Was it the same phone that you picked in your snap decision, before you started the **Savvy Shopper** handout? If not, what changed? If so, what reinforced your decision?*

Introduce to students the concept of an **opportunity cost**, which is the value of possible alternatives that a person gives up when making one choice instead of another, also known as a "trade-off." Provide students with an example of opportunity cost: The opportunity cost of buying a car is the money I would have saved by taking the bus to work instead. On the one hand, the bus is a cheaper method of transportation and I would have saved some money. On the other hand, having a car means that I can move from point A to point B more quickly.

Ask students to determine an opportunity cost for their cellphone in pairs or small groups. Have students weigh the benefits of both decisions. Next, have student groups share their opportunity costs and benefits. (Possible answers: The opportunity cost of buying this cellphone is the money I would have saved by purchasing the cheaper cellphone. On the one hand, I would have saved money by purchasing the cheaper cellphone. On the other hand, having the more expensive cellphone means that I can save money on other technology because this cellphone can search the internet.)

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INSTRUCTION STEPS

WRAP UP

STUDENT CHOICE [10 MINUTES]

Give students two choices for their Wrap Up activity:

1. Create an advertisement to market a product to other students your age. The advertisement should demonstrate an understanding of the advertising tactics that we talked about in class today.
2. In a quick-write prompt, ask students to reflect on a time when they experienced an opportunity cost. Students should write about the decision they made and the opportunity cost. Similar to their classwork earlier, students should also weigh the benefits of each option.

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EXPANDED INFORMATION TO SHARE

NOTE: Use the following ideas to extend financial literacy concepts throughout the school year within core content areas through English Language Arts, Math, Social Studies and Economics, and Technology activities, projects and discussions. Duration of activities will vary.

ENGLISH/LANGUAGE ARTS

- **Writing Prompts**

- Create a script for a public service announcement (PSA), giving tips to your peers about smart shopping strategies. If resources allow, film the PSAs and broadcast to the school or local community.

MATH

- **Activity/Project Ideas**

- Ask students to track their spending for a period of time. Once students have completed their tracking, they should analyze their spending. Were their purchases primarily for needs or wants? How much did they spend overall? Were there any spending trends – specific stores, specific products?

SOCIAL STUDIES AND ECONOMICS

- **Activity/Project Ideas**

- Allow students to study some of the government’s advertising regulations. What do the regulations say? Why do these regulations exist? Do you think the government should have additional regulations? Check out a few lists of regulations at www.business.ftc.gov/advertising-and-marketing.
- Study the changes in advertising over the past 100 years. What has changed? Why has it changed? How does the change in advertising affect you? What do you think advertising will look like in the future?
www.tintup.com/blog/history-evolution-advertising-marketing/

TECHNOLOGY

- **Online Games/Tools**

- **Ad Mongo:** Dissect advertisements and recognize the techniques advertisers use to sell products. www.consumer.ftc.gov/Admongo/html-version.html

LESSON 4 *Being a Savvy Shopper*

ANSWER KEY FOR STUDENT HANDOUTS

Answers will vary.

Savvy Shopper

Name: _____

What was your snap-decision purchase? _____

STEP 1

Do you need or want a new phone? Explain. How do you think the answer to this question will affect your spending?

STEP 2

Consider: Why do you need or want a new phone? List three reasons.

- 1) _____

- 2) _____

- 3) _____

STEP 3

Look closely at the features of each phone. Compare the features to the reasons you listed in Step 2. Which phone is the closest match?

Savvy Shopper (Continued)

Name: _____

STEP 4

Compare the advertisements for each cellphone. What advertising tactics are used? Are the advertising tactics influencing you toward purchasing one particular phone?

STEP 5

Look at the two price options for each cellphone. How are you deciding from which store to make your purchase? (Be sure to look carefully at all of the information with the price.)

Now that you've gone through five steps of savvy shopping, which cellphone will you purchase? How do you think the answer to this question will affect your spending?

Cellphone #1: THE C1000

Directions: Use with *Becoming a Savvy Shopper* activity. Make one copy per group of students.

THE C1000 OFFERS THE FOLLOWING FEATURES:

- 3 speakers
- An 8-megapixel camera
- Fingerprint sensors
- 1,080p HD video recording
- GPS with navigation
- 12-hour battery life*

**Maximum based on consumer trials*

LOOKING TO PURCHASE THE C1000?

Try these two stores:

The Cellphone Warehouse

\$699.99*

**Does not include the cost of the cellphone battery, estimated at \$45.*

Electronics and More

\$649.99†**

***Does not include the cost of the cellphone battery, estimated at \$45.*

†Cost is only with the trade-in of another phone.



Cellphone #2: THE PRIME

Directions: Use with *Becoming a Savvy Shopper* activity. Make one copy per group of students.

THE PRIME OFFERS THE FOLLOWING FEATURES:

- Button keyboard
- Calculator
- Bluetooth capability
- Text and picture messaging
- Alarm clock
- Email

LOOKING TO PURCHASE THE PRIME?

Try these two stores:

The Cellphone Warehouse \$49.99*

Electronics and More \$49.99

** Activation fee: \$12*



ONLY THE FEATURES YOU NEED!

- Button keyboard
- Calculator
- Bluetooth capability
- Text and picture messaging
- Alarm clock
- Email

ONLY \$49.99!

Cellphone #3: THE BLAST

Directions: Use with *Becoming a Savvy Shopper* activity. Make one copy per group of students.

THE BLAST OFFERS THE FOLLOWING FEATURES:

- A speaker
- 5-megapixel camera with video recording capability
- GPS with navigation
- 10-hour battery life
- Audio jack to listen to your music anywhere
- Web browsing capabilities

LOOKING TO PURCHASE THE BLAST?

Try these two stores:

The Cellphone Warehouse
\$399.99*

Electronics and More
\$399.99

* Activation fee: \$12

