

Lesson Plan Purchasing Decisions in the Community

Summary

Learners will consider everyday spending decisions by working through practical, real-world scenarios.

Big Idea

People face spending decisions every day

Essential Questions

What criteria do people use to make spending decisions?

Vocabulary to Teach

Credit card: An open-ended loan that allows you to borrow money up to a specific limit and carry over an unpaid balance from month to month. You pay interest on any outstanding credit card loan balance.

Checking account: An account at a bank that allows you to make deposits, pay bills, and withdraw.

Impulse purchases: Buying things without planning for them beforehand. They can cause you to spend more than you can afford.

Prepaid card: A card on which you load money in advance to spend.

Romance scam: When a person says they like or love you, but what they want is your money.

Objectives.

Learners will work with their group to make spending recommendations on the product or service.

National Standards Personal Financial Education 2021

Spending II

Materials & Duration

Spending scenarios handout. 90 minutes

Directions

Direct learners to read the scenarios in their small group and then discuss a purchasing recommendation on the product or service; each group will then share its spending scenario and recommendation with the whole group.

Spending Scenarios Handout

Directions: Read the scenario. With your small group, make a recommendation on the product or service. Then, share your recommendations and rationale with the whole group.

Accommodations/Modifications

Read Aloud, Visual Aides, Enlarged Print, Peer Buddy

Modified Assignment: pick three scenarios and make a recommendation

Scenario 1

Ann wants to make friends. She thinks she could make friends by buying Starbucks coffees for a group of five of her classmates studying at Starbucks. Ann can purchase the coffee on a pre-paid card or credit card. Should Ann pay for the coffee? How should Ann pay for the coffee?

Scenario 2

Destiny wants to help people, so she is considering donating to a charity. However, she's unsure if the charity is reputable and her donation is tax deductible. How can Destiny determine if the charity is trustworthy and if her donation qualifies for a tax deduction?

Scenario 3

James recently met a new friend online who claims to love him. Over the next few weeks, the new friend compliments James on his looks and sends him love poems. One day, the new friend asks James to wire him \$100 for an emergency. What should James do?

Scenario 4

Brandon received \$100 for his birthday. He has a medical bill to pay but thinks he should treat himself because it's his birthday. What should Brandon do?

Scenario 5

Lucia loves getting her nails done at the salon every week. She believes it enhances her appearance, and people often compliment her on her beautiful nails. Each visit costs Lucia \$30 plus the tip for her manicurist. Should Lucia continue going to the nail salon every week?

Scenario 6

Diego likes streaming movies on his tablet to relax from studying. He's considering upgrading his \$7/month standard Netflix subscription to a \$23/month premium to avoid

ads and add his roommate to his account. However, he also needs to save money for next semester's books. What should he do?

Scenario 7

Mira often feels bored and lonely. When she feels this way, she tends to impulse-buy things from Amazon that she already has or doesn't need, such as beauty products and clothing. Mira's Amazon account is linked to her credit card, and half of her monthly paycheck is often required to pay her credit card bill. What should Mira do?

Scenario 8

Ishan enjoys stopping at McDonald's for dinner on his way home. However, a McDonald's Quarter-Pound with Cheese is now \$6.39, an Order of Fries is \$3.29, and Coke is \$2.29, which has increased to over ten dollars daily. His weekly meal costs are now over \$50. Ishan needs to eat; what should he do?

Purchasing Decision Strategy:

Everyone makes choices about spending. When you make those choices, consider the following strategy **SAVED**.

Stop for a mental break before making a decision,

Ask questions about the product or service,

Verify and check the actual cost and

Decide whether the costs and value of the product or service are worth it.

Purchasing Decisions Resources:

You Tube

Needs and Wants | What's the Difference? Money Instructor 3.46 minutes

<https://www.youtube.com/watch?v=myYnm793xBY>

Personal Finance Basics: Beginners Guide | Money Instructor 5.19 minutes

<https://www.youtube.com/watch?v=WiH2T933xn8&list=PL8ILVzj8ksWbp5dB4d708jyiogmxBugcF&index=27>

Consumer Financial Protection Bureau

Use a buying plan

https://files.consumerfinance.gov/f/documents/cfpb_building_block_activities_using-buying-plan_worksheet.pdf.

Planning for life events and large purchases

https://files.consumerfinance.gov/f/documents/cfpb_your-money-your-goals_events-purchases_tool_2018-11.pdf

Commodity Futures Trading Commission

Six warning signs of online financial romance frauds

<https://www.cftc.gov/LearnAndProtect/AdvisoriesAndArticles/RomanceScam.html>

Community Connections:

Autistic Self Advocacy Network

The Right to Make Choices

<https://autisticadvocacy.org/wp-content/uploads/2016/02/Easy-Read-OSF-For-Families-v3.pdf>

Glossary Financial Terms:

Consumer Financial Protection Bureau:

<https://www.consumerfinance.gov/consumer-tools/educator-tools/youth-financial-education/glossary/>