



MIDDLE SCHOOL | UNIT 5

Making Major Financial Decisions

Title

What's in It for Them: Understanding a Source's Incentives

LEARNING OBJECTIVES

Students will:

- **discuss** how and when they decide to purchase a product.
- **perform** a Readers' Theatre-style skit.
- **analyze** the effectiveness of a salesperson's claims.
- **separate** claims rooted in evidence from claims that are not.
- **engage** in a whole-class discussion.
- **write** a claim statement.

Content Area

English Language Arts

Grades

6–8

Overview

Can you trust this salesperson? Students start this lesson by discussing how they decide whether to purchase an item they desire. Students will then perform Reader's Theatre-style skits and discuss three examples of a customer's interaction with a salesperson. After engaging in a teacher-led discussion, the students will work with a partner to "fact check" the salesperson's claims and separate statements rooted in fact from those that are not. They will then write their own claim statement to determine whether the salesperson's methods are effective in convincing a customer to buy a product.

Themes

Personal Finance: Making financial decisions

English Language Arts: Research, assessing credibility, speaking and listening, claim statements

Common Core English Language Arts Standards

W.6.1, W.7.1, W.8.1: Write arguments to support claims with clear reasons and relevant evidence

W.6.8, W.7.8, W.8.8: Assess the credibility and accuracy of each source

SL.6.3, SL.7.3, SL.8.3: Delineate a speaker's argument and specific claims, evaluating the soundness of the reasoning and the relevance and sufficiency of the evidence

Connect

How does this connect to the student?

Young people have an incredible amount of buying power and the ability to affect the decisions of marketers and advertisers. Generation Z is on track to be the largest generation of consumers by the year 2020, accounting for \$29 to \$144 billion in spending. Students can use their critical thinking skills to make sound decisions about how they use their buying power.

How does this connect to careers?

Multi-level Marketing Sales Associate: Also known as network or referral marketing, multi-level marketing models rely on non-salaried associates to sell a product to the public, often by word of mouth or direct sales. While multi-level marketing has existed for many decades, the use of the internet and social media have brought rise to many new MLM companies (e.g., LuLaRoe, Scentsy, and Rodan + Fields).

How does this connect to technology?

The internet and social media have revolutionized the advertising industry as companies vie for the purchasing power of young people. Companies like Amazon, for example, have made purchasing goods instantaneous, while celebrity influencers and sponsors endorse products with the goal of winning over young consumers.

Key Terms

Personal Finance: salesperson, marketing, advertising, commission

English Language Arts: credible, claim, evidence, accuracy, sufficient

Prepare

Background: Historically, teenagers have carried an incredible amount of purchasing power, and today's teens are no exception. Each year, teen purchases account for billions of dollars in spending power. In addition to spending their own money, adolescents influence their family's spending, too. With such potential to sway the economy and influence companies, adolescents are charged with a great deal of responsibility to evaluate claims made by advertisers before they make a purchase.

Students can use explicit strategies to evaluate the claims of advertisers, marketers, and salespeople to determine the effectiveness of persuasive techniques in advertising. Modeling via a Reader's Theatre-style skit can be especially effective in asking students to delineate a salesperson's claims and differentiate between those which are backed by evidence and those which are not.

In this lesson, students will use Reader's Theatre-style skits to role-play three different interactions between salespeople and teens. Four skits are provided in the materials. Review the skits in advance and decide which three will work best with your students. Each of the skits replicates a real-world scenario or encounter a teenager is likely to have. Each skit has three roles: a narrator, a teenager, and a salesperson. Once in their groups, students will perform the skits and stop after each one to discuss and fill out the **Skit Analysis Student Capture Sheet**. Once all groups have completed the three skits and filled out the handout, the teacher will bring the whole group back together to discuss the students' analysis.

Materials

- **Classroom Signs Activity Handouts**—one of each hung around the classroom in locations where students can easily gather
- **Student Reader's Theatre Scripts Student Handouts**—one of each per student
- **Skit Analysis Student Capture Sheet**—one per student
- ["To Buy or Not to Buy" That is the Question](#) **Unit 5 Student Video**

Engage

- Hang classroom signs around the room.
- Inform students that they will be getting up and moving around the room to the sign that best shows how strongly they agree or disagree with each statement read.
- Read statements from the list below and allow time for students to move to the sign that represents their answers. Discuss volunteers' reasons for their selection. Repeat with at least five of the statements.
 - If I try hard enough, I can usually convince my parents to buy me something I really want.
 - I am more likely to want something if one of my friends has it.
 - Celebrities get paid to wear certain items of clothing.
 - I put a lot of thought into the purchases I make.
 - I buy things without thinking too much about them.
 - The ads I see online are effective in getting me to buy something.
 - I read reviews (like the ones found on Amazon) before I purchase something.
 - I ask my parents' opinion about a product before I buy something.
 - Salespeople give me helpful advice when I'm shopping.
 - Salespeople are motivated by money.
- Direct students to move back to their seats.

Teach

- Show the ["To Buy or Not to Buy" That is the Question](#) to the whole class.
- Explain to students that they have a great deal of purchasing power and the ability to influence advertisers as well as the economy.
- Remind students that critical thinking skills they have learned in their core subjects can be applied to their everyday lives as they consider whether to make a purchase.
- Tell students that they will be performing, viewing, and analyzing skits involving a salesperson and a teenager. They will work in small groups to analyze the claims made by the salesperson, determine whether each claim can be verified using evidence, and decide if the information provided by the salesperson is helpful in purchasing a product.
- Divide the students into groups of nine to decide for themselves which person will play each role in skits one, two, and three.
- Distribute the **Skit Analysis Student Capture Sheet** to each student.

Pathway to Financial Success

In Schools

- Provide time after each skit for students to share the responses they recorded on the **Skit Analysis Student Capture Sheet**.
- Allow time for open discussion or debate if students have recorded different responses. Make sure the following points are emphasized:
 - **Feeling Green:** Some salespeople work on **commission**. This means that they earn a certain amount of money for making a sale, usually a percentage of the total amount sold. Commission is a motivating factor for some salespeople as they may depend on those earnings to supplement a base salary. Discuss how commission can affect the degree to which a consumer should trust a salesperson.
 - **Latest Headphones:** A salesperson may try to take advantage of an unaccompanied young person and hurry through a sale before the consumer has time to ask for permission or advice.
 - **Dream Vacation:** At times, a deal can seem “too good to be true.” It is important to approach these situations with extreme caution.
 - **Door to Door:** Some organizations exist primarily to raise funds for the community and contribute to the advancement of the youth in our society. These organizations sometimes hold fundraisers in which they sell a product for a profit. Any money raised during the sale of the product or service is then given back to the organization to provide opportunities for the people in the program. Discuss how this model is different from the way traditional businesses handle funds and how this might motivate a consumer to make a purchase from a “salesperson” in a community organization.

Conclude

- Direct students to submit an exit ticket responding to the following question: What did you learn today that you think will be important for you to remember three years from now? Why?

Extend

- **Research:** Direct students to do additional research about employees who work on commission and how much they typically make per sale. Challenge students to compare this to other ways people earn money including wages, salary, tips, and piecewise earnings.
- **Social Studies:** Encourage students to research steps the federal government has taken to regulate celebrity endorsements and discuss the challenges of enforcing these rules.
- **Technology:** Ask students to do a mini-research project on celebrity endorsements (with a focus on social media). Which celebrities make the most money from endorsements?

**STRONGLY
AGREE**

AGREE

DISAGREE

**STRONGLY
DISAGREE**

Skit Analysis

Fill out one chart following each of the Reader's Theatre performances you view during this lesson.

What product is being sold by the salesperson in this skit?	
What claims were made by the salesperson?	
Are these claims backed by evidence? Can they be verified?	
My claim statement: The information given by this salesperson would/would not be useful in purchasing a product.	

What product is being sold by the salesperson in this skit?	
What claims were made by the salesperson?	
Are these claims backed by evidence? Can they be verified?	
My claim statement: The information given by this salesperson would/would not be useful in purchasing a product.	

What product is being sold by the salesperson in this skit?	
What claims were made by the salesperson?	
Are these claims backed by evidence? Can they be verified?	
My claim statement: The information given by this salesperson would/would not be useful in purchasing a product.	

Reader's Theatre Skit 1: Feeling Green

NARRATOR: A teenage girl walks aimlessly around a clothing store, stopping at racks to touch items, looking with doubt at the items on the rack. A woman about ten years older approaches her and smiles.

Saleswoman: Hi, how are you today?

Girl: Oh, hi. I'm ok; just looking around.

Saleswoman: Looking for anything in particular?

Girl: Well, I have a school dance coming up on Friday, and I'm not sure what to wear.

Saleswoman: Fun! Tell me more about this dance.

Girl: Well, I guess it's casual; it's being held at our school. Mostly just pizza, dancing, and hanging out with friends.

Saleswoman: Oh, I can totally help! Let me go ahead and grab a few things for you. What's your name?

Girl: Samantha.

Saleswoman: Awesome, Samantha, I'll meet you over by the dressing rooms in a few minutes. Can I grab you something to drink while you wait?

Girl: Sure; I'll have some water.

Saleswoman: Great!

NARRATOR: A few minutes pass, and the saleswoman meets Samantha at the dressing room.

Saleswoman: You **MUST** try this on! It's a best seller this season.

Girl: Ok... I don't usually wear green, though... And, this is a lot more than I planned to spend.

Saleswoman: Just try it on; I promise you'll love it.

Girl: (stepping out of dressing room) What do you think?

Saleswoman: Oh my gosh, I love that color on you! It totally makes your eyes pop! You look just gorgeous!

Girl: You think so? I feel kind of weird in this bright green.

Saleswoman: Stop! You seriously look amazing. And I have the **PERFECT** jeans, shoes, and earrings to match.

Girl: Ok, if you say so!

Saleswoman: I'll go ahead and walk you up to the register.

Girl: Thanks!

Reader's Theatre Skit 2: Latest Headphones

NARRATOR: A teenage boy stops at a kiosk in the mall and looks at cell phones.

Salesperson: Hey there! Can I interest you in sampling some headphones?

Boy: No thanks. I'm just looking.

Salesperson: They're wireless—latest technology.

Boy: Fine.

Salesperson: These are exactly what's on trend right now. (He hands the headphones to the boy). A bunch of YouTubers are using them. After a simple one-tap setup, they connect automatically to your phone or other device. Totally compatible with the most popular phone brands. And, they have AMAZING battery life. You can talk and listen to music for hours with these things.

Boy: What if they break?

Salesperson: You come right back here and find me, and I'll replace them myself.

Boy: How much?

Salesperson: A hundred bucks. Way cheaper than other versions. Did I mention they turn off automatically when you take them out of your ears?

Boy: I should probably ask my mom first. Let me go find her, and I'll come right back.

Salesperson: I'm sure she'd be happy that you're saving money! This is the last pair I have though. If you wait, you might not get them. Hey—how about I give you a deal—75 bucks. That means you save 25% from the original price.

Boy: That is a really good deal. Ok; I'll take them!

Reader's Theatre Skit 3: Dream Vacation

NARRATOR: A teenager sits on the bus after school, looking out the window. He is wearing headphones and listening to music. His cell phone rings, but he does not recognize the number. Reluctantly, he picks up the phone.

Boy: Hello?

Salesperson: (over phone) Hello, Rick?

Boy: No, sorry. You must have the wrong number.

Salesperson: Oh, my apologies! Do you happen to have a free minute? I have an exciting opportunity that may be of interest to you.

Boy: Sure.

Salesperson: Well, I've just been notified that our travel agency has given permission to award five lucky families with an all-expenses paid, seven-day trip to Universal Studios in Orlando, Florida!

Boy: Seriously?! I hear Harry Potter World is amazing!

Salesperson: That's right! Would you like to hear some details about the trip?

Boy: Sure!

Salesperson: Orlando Vacation Packages Incorporated is offering you and your family a seven-day, all-expenses paid stay at a four-star resort. Your package will include a set of four round-trip tickets to Orlando, spacious accommodations, on-property dining options, transportation to and from the parks, and four all-access passes! You just have to make the trip within the next six months.

Boy: That's amazing!

Salesperson: I'm so glad you're taking advantage of this amazing deal. First, I need your address to mail your tickets.

Boy: (Reads address).

Salesperson: Now, I'll need you to send a \$200 deposit to hold your seats on the flight. Do you have a pen to write down the address of where to send it?

Boy: (reaching into pocket) Yes. Go ahead!

Reader's Theatre Skit 4: Door to Door

NARRATOR: A teenager relaxes alone at home, watching TV. The doorbell rings. They walk to the door, look through the peephole, and open it. A young student, about ten years old, stands on the doorstep carrying a folder filled with fliers.

Student: Hello! My name is Isabel, and I live down the street. I'm here today to offer you some delicious cookie dough to help raise money for my organization. They are fifteen dollars per bucket, and proceeds from all sales help benefit our school.

Teen: Fifteen dollars a bucket!? That seems overpriced. How many cookies does that make, and can you tell me more about how my money will be used?

Student: Sure! Here's a flier (hands them flier). With certain kinds you'll be able to make a few more cookies than others. Trust me—they are delicious! As for the money, we are hoping to build a new playground at our school. The one we have now is dangerous and needs to be taken down.

Teen: How much of the proceeds go directly to the school?

Student: We receive half of the money you spend. These sales are absolutely essential to our school. If we don't raise enough money, we won't be able to afford new play equipment. And they say it is really important for kids to get out and play during the day. Do you remember how awesome recess was when you were my age?

Teen: Do you have a website or phone number I can access if I have any questions about the product or how my money is being spent?

Student: Yep! Here is a pamphlet with all of the information you might need.

Teen: Ok. Hang on. I'll get money from my mom. (Pretends to go back inside and then returns.) I'll take three buckets, please.

Student: That'll be forty-five dollars.

Teen: (Handing her the money) Here you go.

Student: (Handing them the cookie dough) Thank you for supporting our school! I'll deliver your cookie dough as soon as it comes in next month! Have a great night!