



MIDDLE SCHOOL | UNIT 5

## Making Major Financial Decisions

### Title

# Can't Trick Me

### LEARNING OBJECTIVES

Students will:

- **consider** influences on their personal spending habits.
- **understand** strategies consumers can take to make better spending decisions.
- **develop** a rationale for using a specific consumer strategy in their own lives.

### Content Area

Financial Literacy: Family and Consumer Sciences and Business

### Grades

6–8

### Overview

*What influences you to purchase things? How can you avoid spending money unnecessarily?* The lesson begins with students playing a game in which they consider factors that may have influenced their decision to buy items. Together as a class, students fill in a T-chart listing factors that influence people's spending decisions. Students then watch a video and learn about strategies they can take to be better consumers. In small groups, students consider how they can apply these strategies in their own lives.

### Themes

**Personal Finance:** Buying Goods and Services

**Family and Consumer Sciences:** Consumer and Family Resources

**Business:** Personal Finance

## National Standards for Personal Financial Literacy

**Council for Economic Education and Jump\$tart Coalition for Personal Financial Literacy, 2021**

**II. Spending 4-3** When people make a decision to use money for a particular purpose, they incur an opportunity cost in that they cannot use the money for another purpose.

**II. Spending 4-5** Price, spending choices of others, peer pressure, and advertising about a product or service can influence purchase decisions.

## Pathway to Financial Success

In Schools

**II. Spending 8-2** Making an informed purchase decision requires a consumer to critically evaluate price, product claims, and quality information from a variety of sources.

**II. Spending 8-3** When evaluating information about goods and services, a consumer can better assess the quality and usefulness of the information by understanding the incentives of the information provider.

## National Standards for Family and Consumer Sciences Education

**National Association of State Administrators of Family and Consumer Sciences, 2018**

**2.6.2** Apply financial management principles to individual and family financial practices.

**2.7.1** Demonstrate management of individual and family finances by applying reliable information and systematic decision making.

## National Standards for Business Education

**National Business Education Association, 2023**

**Personal Finance I.1.2** Explain how every individual defines wants and needs differently.

**Personal Finance I.1.3** Apply opportunity costs and trade-offs to personal decisions.

**Personal Finance I.1.5** Recognize the consequences of economic choices.

**Personal Finance I.1.11** Examine the impact of advertising, peer pressure, and family history on personal financial decisions.

**Personal Finance V.1.8** Use reliable consumer resources to collect information for making buying decisions about durable and nondurable goods.

**Personal Finance V.1.9** Describe consumer rights, responsibilities, and remedies, giving examples of each.

## Connect

### How does this connect to the student?

Students encounter advertisements and product endorsements in both obvious and subtle ways. This activity encourages students to become more savvy consumers and to question the motive of a source of information.

### How does this connect to careers?

**Influencer:** Many young people dream of becoming a famous “YouTuber” or gamer. While many people make money this way, it requires developing a considerable following. There are also laws influencers must follow, especially as it relates to disclosing relationships with sponsors.

### How does this connect to technology?

Technology has changed the way people receive and consume advertisements. Information gathered about people’s online habits help advertisers identify potential consumers and provide ads they think will motivate them to make specific purchases.

# Pathway to Financial Success

In Schools

## Key Terms

Consumer, advertisements, influence, bias, rights, responsibilities, social media influencer, opportunity cost

## Prepare

**Background:** Why are children, adolescents, and teens the target of so much advertising? The answer lies not only in their own purchasing power but also in the purchases they influence. From requesting specific cereals or snacks to asking for the newest media streaming service or a piece of technology for their birthday, young people have a significant influence on the spending of adults.

As a result, young people regularly encounter **advertisements** and other **influences** aimed at getting them—or the adults in their lives—to make specific purchases. Traditional methods of advertising (print ads, commercials, and billboards) have been joined by newer forms, including **social media** influencers, in-game and video ads, and more. At the same time, technology now enables companies to track consumer behavior by monitoring online interactions. This activity seeks to help students explore the many ways in which they consume advertising and understand strategies they can take to be better consumers.

## Materials

- **Never Have I Ever Activity Handout**—one copy (Optional: Cut into strips.)
- **Whiteboard or flipchart and markers**
- ["To Buy or Not to Buy" That is the Question](#) **Unit 5 Student Video**

## Engage

- Inform students that you are going to play a game with them called Never Have I Ever.
- Explain the directions.
  - Students will begin the game holding up all ten fingers.
  - Each time you read a “Never Have I Ever” statement they will need to decide if they have ever taken the action you described. If so, they will put one finger down.
  - Repeat until you have read all of the statements.
- Read each statement from the **Never Have I Ever Activity Handout**. If desired, you can cut the statements into slips and draw them from a pile to randomize the order.
- Pause after some questions to allow students to share their experiences.
- Once all statements have been read, ask students with four or more fingers still showing to stand. Then, those with five stay standing, etc., until you have only the students with the most fingers up still standing.
- Acknowledge the students with the most fingers still up as being the student(s) least likely to be influenced into making a purchase by media, advertising, or peers.

## Teach

- Ask students to reflect on factors that influence people’s spending decisions that were mentioned during the game.
- Create a T-chart and label the left side, “Influences.” In this column, make a list of the factors students can recall and supplement, as needed, by rereading the statements. Examples include advertisements, product placement on shows, packaging, in-app ads, and YouTubers.
- Challenge students to name other factors they believe influence people’s spending decisions and add them to the list.

## Pathway to Financial Success

In Schools

- Ask students if they believe it is possible to completely avoid factors that would encourage them to make unwise spending decisions.
- Inform students that you are going to play a video about spending decisions. Let them know that you want them to listen for both factors that influence people's purchases as well as strategies people can take to be savvy consumers. Tell them to take notes on scratch paper as they watch the video.
- Play the video, ["To Buy or Not to Buy" That is the Question](#) (3:06).
- Revisit the Influences side of the T-chart. Ask students if they heard any influences in the video that are not already listed. If so, add these to the list.
- Label the right side of the T-chart, "Strategies." Prompt students to name strategies they heard in the video and add them to the chart. Examples include:
  - Don't make quick decisions. Wait a day or two.
  - Decide if something is a want or a need.
  - Ask yourself if you can afford the item.
  - Determine if you are getting the best deal.
  - Figure out why you want the item.
  - Consider what you won't be able to do with the money if you spend it now. (This is called the **opportunity cost** of the decision.)
  - Think about the cost of an item in terms of time it would take you to earn the money.
  - Enlist the help of friends. Ask if they like the item or would be willing to let you try it if they already own it.
  - Check out online reviews.
  - Compare prices and return policies.
  - Don't let a sale trick you into spending money.

## Conclude

- Divide students into small groups and assign one of the strategies to each group.
- Allow time for the students to work in groups and discuss ways that they could apply the assigned strategy in their own lives. Ask a spokesperson from each group to share one or more ideas with the class.
- Direct students to submit an exit ticket answering the question: Describe something that influences your spending decisions and a strategy you can take to be a savvier shopper.

## Extend

- **Language Arts:** Expand upon your discussion of influences by examining whether or not sources of information are reliable with materials from the [What's in It for Them: Understanding a Source's Incentives](#) activity.
- **Technology:** Many students are interested in starting a YouTube channel or using other forms of social media. Invite students to watch the Federal Trade Commission's brief video, [Advice for Social Media Influencers](#). Challenge students to consider whether influencers they have seen follow the advice.
- **Research:** Invite students to research how much money famous "influencers" earn from product endorsements, ads on their videos and websites, etc. Challenge students to consider how they can tell if information is unbiased and can be trusted.
- **Social Studies:** Introduce students to legislation such as the Children's Online Privacy Protection Act (COPPA) which limits how much data can be collected by companies from children under the age of 13. Discuss whether this legislation is needed and/or if additional protections should be put into place to protect young people.

Never have I ever...clicked on an ad while watching a video online.

Never have I ever...looked up a website that was shown on TV.

Never have I ever...bought a product that I saw on a show or movie.

Never have I ever...bought something from an online ad.

Never have I ever...wanted to enter a giveaway that I saw on a food or beverage container.

Never have I ever...bought an add-on in an app or video game.

Never have I ever...made an in-app purchase because it was on sale.

Never have I ever...wanted a product because my favorite YouTuber was sponsored by the company.

Never have I ever...bought something I did not need just because it was on sale.

Never have I ever...watched an ad or video so I could continue using a game, app, or streaming service for free.

Never have I ever...wanted two of something just because there was a BOGO (buy one get one) offer.

Never have I ever...bought an energy drink because I saw someone else drinking it.

Never have I ever...wanted to buy merchandise from a popular YouTuber or gamer.

Never have I ever...asked to get a music or video streaming service because my friend has it.

Never have I ever...asked for shoes because I saw them online or in a magazine.

Never have I ever...wanted new technology (phone, gaming system, earbuds, tablet, etc.) just because it was the newest version.

Never have I ever...searched for something online and then seen ads for similar items.