Budget Bunny
Financial Youth Training

Teacher Resource | **4.1**

Lesson Plan Grade Level:

4th Grade

Jump Start National Standards for Financial Literacy

Becoming a Smart Consumer

Financial Decision Making

Standard 1. Recognize the responsibilities associated with personal financial decisions.

Standard 2. Use reliable resources when making financial decisions.

Standard 4. Make criterion-based financial decisions by systematically considering alternatives and consequences.

Standard 8. Use a personal financial plan.

Lesson Description & Objectives:

In this lesson, students will begin to understand the purchasing alternatives available to them and practice techniques for finding the best price on a product they want to buy. The students will discuss and apply reliable information and systematic decision making of personal financial decisions.

What students will know:

- Financial choices that people make have benefits, costs, and future consequences
- A first step toward reaching financial goals is to identify wants and needs and rank them in order of importance
- Thoughtful decision making can help people make money choices they do not later regret
- Advertising may include efforts to persuade people to buy as well as to provide information about the product or service

Materials Needed:

- Online access
- Store coupons and catalogs that advertise those items
- Budget
- List of expenses

Missouri Math Standards

4.E.4.B

Conduct a public cost-benefit analysis.

What students will be able to do:

- Before making a decision, they can compare the advantages and disadvantages of alternative choices
- Gather information about goods and services from many sources to make wise buying decisions
- Use reliable resources when making financial decisions using comparison-shopping techniques
- Analyze how pre-purchase research affects satisfaction when making a spending decision
- Identify reliable sources of information when comparing products

Terms:

- Price
- Consumer
- Purchase
- Alternatives
- Product
- Comparison shopping

Procedure

Attention Grabber:

Have you ever wanted to purchase an item from the store and noticed the same product from a different brand had a different price? We all want to stretch our money as far as it will go, but being a wise consumer requires the right information and plenty of practice.

Prior Knowledge:

Discuss items students like to purchase. Then ask students if they noticed price differences and discuss. Are things more or less expensive in stores or online? Do different companies charge different prices?

Write a list of items students like to purchase on the board, as well as what they have noticed about the prices of these items.

Learning Activity:

Whole Group Learning

Today we are going to discuss the concept of comparison-shopping. You will learn the many alternatives you have as a consumer by practicing the steps necessary to make an informed buying decision. First, we will think together about strategies to use when purchasing an item. Then, you will work to make sense out of the vast array of buying options at the grocery store. This lesson will help you practice smart shopping concepts and generalize them to real-life situations. Explain that we have many choices today regarding where and how we shop. Talk about why it’s important for a wise shopper to make comparisons between products and shopping sources before spending their money. Point to the list on the board. Here’s a list of what we want to purchase, let’s think about how to be a smart consumer. Choose one item off the list.

Do a quick search online and find the price of the item from different retail stores. Use a chart to compare prices for the item.

Explain that being a consumer involves decision-making. Encourage students to consider alternatives before making a selection. Review factors other than the purchase price that should be used in comparing products before determining the best buy for a person’s money.

- Compare shopping sources: store, by mail, or online. Point out factors that may make one source better than another. (i.e.ease of purchasing the item, availability, when you will receive the item, store or online coupons, warranties, return policy, etc.)
- Compare items: Define terms like “brand name,” “generic brand,” “discount store,” “thrift store.” Pay attention to quality as well as price when buying an item that they want to last for a long time or that is healthy. Consider how advertising might affect what a consumer purchases?

Comparison Choices Activity:

Final Activity for Small Groups of Students

Explain that the class will work together to plan a classroom party or meal. First, as a whole group, decide on a menu and put small groups in charge of certain items. Students will then conduct a virtual shopping trip to buy the items they'll need such as games and/or snacks. Students research the price for each alternative. Have students check the store's advertisements to compare prices, make a list of specific brands/sizes, and cut coupons for needed items beforehand, if available. Ask them which selection they would make and why. Then discuss the different alternatives. Encourage students to gather appropriate information to make wise buying decisions. Discuss factors to consider when comparing products. Finally, calculate the final total and assess their savings.

Closing:

Once students have finished, ask them to explain what was most surprising about price comparing.

- Do you see adults conduct price comparisons?
- Why is price comparing an advantage?
- How can NOT doing a price comparison impact your budget?

Differentiation

- Students may work independently, partners, or small groups
- Students can search for additional items to compare

Continue the Learning

Teachers and families can continue the learning beyond what we have done together today.

Today I learned...

- How to compare the advantages and disadvantages of alternative choices before making a decision
- Use reliable resources when making financial decisions using comparison-shopping techniques

Questions to spark discussion

How can I gather information about goods and services from many sources to make wise buying decisions?

Extend the learning at home or school

- Activity 1: Conduct a blind taste test of various cola drinks: Pepsi, Coke, and a store brand. As students sample brands A, B and C, record their preferences on the board. Talk about their reactions. Were they able to identify which drink was the store brand? Which did they like best? Stress that sometimes a generic or store brand is as good as, or better than, a brand name product, and is usually cheaper.
- Activity 2: Have your child choose a pair of shoes they would like to purchase. They should select an item that could be purchased from a variety of sources. Ask them to write down the name of the item, its price, and the stores that may carry it. Remind them to be specific about the brand name and brand features. Stores don't always carry identical products, even though the brand name may be the same. Brainstorm a list of shopping sources (app delivery, different retail stores, online, etc). Some factors to compare are price, features, benefits, and store policies. Is there a warranty on the item (warranty - a product's written guarantee if something goes wrong within a set period of time, it will be repaired or replaced free of charge.)?

Books

- *Better Than A Lemonade Stand!: Small Business Ideas for Kids* by Daryl Bernstein
- *Finance 101 for Kids: Money Lessons Children Cannot Afford to Miss* by Walter Andal
- *The Everything Kids Money Book* by Brette McWhorter Sember

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Student Worksheet | **4.1**

CREDIT AND DEBIT

Instructions: Using the list of items from the board, choose one to complete the following chart.

What do I want?	
What quality do I need? (usage, longevity, warranty)	
How much can I spend?	
Where will I shop? (availability)	

Instructions: Do a quick search online and find the price of the item from different retail stores. Use a chart to compare prices for the item.

Item	Price #1	Price #2	Price #3

This Lesson Plan, a **FREE** resource for classroom teachers and other educators, was thoughtfully developed by The Soulard Education Center and made possible by Stifel Bank & Trust and the United Way of Greater St. Louis. Find additional lesson plans and more at **www.BUDGETBUNNY.com.**

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