



## SAVVY SHOPPING

### Key Concepts

How to choose among consumer goods and services; comparison shopping

### Summary

Students learn about the important role of information for successful purchasing. Consumers need information both about themselves and about the products offered in order to make good selections or decisions.

### Overview & Lesson Objectives

This lesson is intended for middle school students in sixth, seventh and eighth grades. The lesson teaches students how to gather information about consumer products and to compare goods. Students learn how to choose which products best meet their needs.

Students will be able to:

- Understand the role of their own needs, wants and goals in making good choices when purchasing
- Understand the importance of collecting and evaluating information about products on offer
- Explain how unit pricing works
- Balance the various factors at play in making good choices as a consumer

### Time Allocation:

15 - 20 Minute Prep

35 - 40 Minutes Engagement

### Materials:

- Copies of Unit Pricing Worksheet (one per student)
- Unit Pricing Worksheet (Teacher version)
- Product features worksheet (one per student)
- Retail catalogues, printed sheets from retailer web pages, or internet access
- Optional: Groceries or photos of groceries



## Lesson Begins: Setting the Stage

**State the Objective:** Tell the students what they will be able to do upon conclusion of the lesson.

*“Today we are going to learn about comparison shopping and how to evaluate consumer products.”*

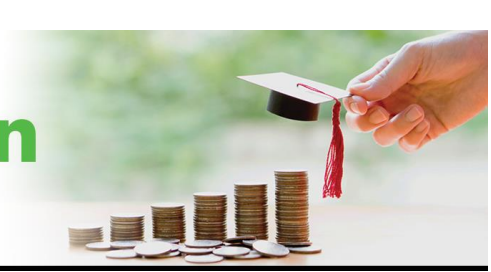
Begin by standing in front of the class and facing the students. Say: “I have a consumer in mind. This consumer is trying to choose what is the best item for her to buy: item A, item B, item C, or item D. Which one should she pick?”

Students will likely be confused by this. This is precisely the point. Let them be uncomfortable for a bit, allowing for confused expressions and whispers among them. Indeed, you may want to egg them on a bit: “What do you think? A, B, C, or D??? Which is the best one for her? Come on, we have a lot to cover today. What’s the answer?” In expressing their frustration, the students will likely arrive at the answer you are looking for: they cannot answer this question because they do not have sufficient information. They lack information about the consumer herself (e.g., what her needs or wants are, what her budget looks like, etc.) and they lack information about items A, B, C and D. They have no basis for knowing what is “best” because they do not know what the consumer’s criteria are. Nor do they know anything about the items that would enable them to distinguish one from another. What the students need is *information*.

Once the problems associated with the lack of information come to light, tell the students that “if you want to be a savvy consumer, one who makes smart choices when making purchases, you need information. You need to think about what it is you want from a product. You also need information about what you are getting in a product. Once you have this information, you will be in a position to make smart choices.”

Sometimes consumers need a lot of information to make smart choices. Ask the students if they can think of situations where they would need a good bit of information in order to make comparisons and make good decisions as a consumer. Examples may include “big ticket” items such as a car or expensive television or a vacation package or even relatively less expensive items such as an iPod or a mid-priced camera. There are many features associated with these items. And since the costs can be quite significant, one’s stake in getting it right is high. In other situations, less information is needed. (e.g., the 20 ounce sports drink vs. the 16 ounce one; the shoes found online vs. the ones at the mall). Personal preference or taste certainly plays a role. But it makes good sense (and cents!) to get the most for your money while satisfying your needs and/or wants (see TD Financial Education, Grades 6-8, lesson 3 to learn about creating a budget).

So, in today’s lesson we are going to talk about *comparison shopping* –ways that you, as a consumer, can compare goods and services and make good decisions. First, we’re going to look at what is a fairly straightforward version of comparison shopping: *unit pricing*. Then we are going to talk about more complex comparisons and the types of things consumers need to keep in mind.



## Lesson Continues

### Part 1: Unit Pricing

If possible, have some grocery items with you or printed pictures to show to the class. Have pairs (or more) of items from the same category of product but of differing sizes and (supposed) quality (e.g., some store brand, some national brand). Discuss how grocery stores can be confusing places with so many similar items from which to choose. Students who have helped with the grocery shopping for their family will likely be able to relate to this.

Explain that there is a system that stores use that is designed to help consumers compare products. It is called *unit pricing*. Unit pricing tells the consumer something important that is different from the price that you pay at the register. It provides an easy way for consumers to know how much they are paying for a given amount (or unit) of an item. This is important since products are packaged in different sizes (both within and across brands). Unit pricing allows consumers to compare grocery items packaged in different amounts. Unit prices are usually posted on the shelf where the product is located. (If possible, show the students an image of unit price information as found in grocery stores).

For example, one jar of spaghetti sauce may cost \$4.49 and another costs \$3.99. Assuming both brands are of similar quality, the one that costs \$3.99 would seem to be the better buy, right? But what about the sizes? Maybe you get more sauce for your money with the \$4.49 jar. The only way to tell is to know the cost *per unit* of sauce for each. Since sauce is measured in ounces, you need to know the cost per ounce (per *unit*) for each jar in order to make an accurate comparison.

In the case of the spaghetti sauce, let's say the \$4.49 jar contains 32 ounces of sauce and the \$3.99 jar contains 20 ounces. To determine the unit price divide the cost of the item by the number of ounces (or units) it contains.

$$\$4.49 \div 32 = 0.14 \text{ per ounce}$$

$$\$3.99 \div 20 = 0.20 \text{ per ounce}$$

In this instance, the sauce that costs more (\$4.49) provides a better value since you are getting more ounces or units of sauce for your money than with the less expensive jar.

Either as a class, individually, or in pairs, have the students work on unit pricing problems. (See Unit Pricing Worksheet). Review the problems together.

Students should note that finding the best value for money should not be the only consideration in making a purchase. Even if a larger size seems to represent a better value, it may not be the best buy if it doesn't conform with the needs, wants and/or goals of the consumer. Indeed, often, larger quantities ("family size," "value packs") have lower unit costs and thus, would seem to be the best buy. But, remind the students, savvy shoppers use information to make decisions and not just information about the products themselves. They also think about the needs, wants and/or goals (and the budget!) of the purchaser (themselves).



For example, if Marina is a single woman who does not really care for ricotta cheese, but needs a small amount for a special dish that she's preparing, should she buy the 15 ounce size that's \$3.99 or the 32 ounce size for 5.99? Consumers need to consider their own usage patterns and storage issues in determining whether an item truly represents a good value *for them*.

In sum, unit pricing provides useful information for consumers. It is a helpful tool that can be used in combination with other sources of information.

## Part 2: Assessing More Shopping Information

Just as unit prices help consumers by providing information that enables them to compare products, other forms of information also help consumers make good selections. The type of information one needs to consider varies by product. However, some basic questions can be applied to most consumer purchases. Again, the questions fall into two categories:

### Questions to ask about yourself:

- What am I trying to achieve with this purchase?
- How do I intend to use this product?
- What is my budget?

### Questions to ask about the product:

- What (functional) features does it have? Are they well-designed?
- What (stylistic) features does it have? (Do I like it?)
- Is it durable? (Do I expect it to last, given my intended use?)
- What are the costs?

At first glance, the cost of an item may seem like a straightforward issue. But as we saw with unit pricing, that's not always the case. Consumers need to be sure that they are considering all of the costs associated with each item they consider. That is, they need to have full (or, to the greatest extent possible) information. Ask the students to list factors that might affect the final cost of an item. These might include:

- Price
- Coupons or other discounts (e.g., buy one get second half price)
- Shipping and/or handling fees (e.g., for online purchasing)
- Sales tax
- Operating costs (e.g., will you need to buy expensive batteries? A SIM card or something similar? Other accessories necessary to use the item, such as ink for a printer?)
- Transportation to the retailer. For example, if gas costs \$4 per gallon then the round trip journey to a "bargain outlet" for a single purchase—with 4 gallons of gas used—that \$16 might be considered part of the purchase price. For what kinds of purchases might it be worth the travel costs?



Other (related) considerations might be:

- Does the product have a warranty?
- What is the retailer's return policy for the item? [Note: if an item was shipped to you, will you pay postage fees to return it?]

After these questions have been introduced, work as a class or divide the students into groups to consider the attributes of particular goods. Use the Savvy Shopping Product Features Worksheet to compare three or four items within the product category (or categories) you choose. Direct the students to retail websites (or printed copies of web pages) or provide catalogues of particular product groups, listing detailed information. Have each group of students (or the class) research a product to determine the features that a consumer would want to consider in order to make a good selection. (The students themselves can act as the consumer in these situations. What features matter most to them?) Each group (or the class) should list the various features associated with three or four products. Below are some suggestions for product categories and the features students/the class might consider:

**Laptop:** capacity; clarity; warranty; weight; style; quality of audio; ease of use; cost of operation (battery)

**Sleeping bag:** warmth; compactness; weight; style

**Cell phone:** clarity; design; storage; data plan; battery life; cost of operation (monthly phone bill)

**Digital Camera:** zoom; view finder; compactness; lens cap/cover; memory

Discuss the groups' findings. What types of features did they identify? Were they surprised by the number of details to consider? How did prices vary with the features? Were they able to use the information to make comparisons?

## Lesson Closes

Review the basic parameters of the lesson. Remind the students of how they could not answer the question you posed at the start because they lacked information about the consumer in question and about the products on offer. In this two-part lesson, the students learned about both a specific (*unit pricing*) and a more general way of assessing consumer goods and services. In both instances, having information was shown to be central to making good selections as a consumer. See the suggestion page for "Additional Engagement Opportunities/Resources", for additional ideas.



## Additional Engagement Opportunities / Resources

### Pair and Share:

Group students into pairs and ask each pair to exchange two or three new things learned during the day's lesson. Call on select pairs to share with the whole class what has been learned.

Sample questions:

- What is "Unit Shopping", and how can it be useful?
- What other type of information is helpful when comparing products?
- What is a warranty?
- Are coupons always useful? What should you consider when deciding to make a purchase based on a coupon?

### Imagine That!

We often take things for granted when they turn out well. It can be difficult to see the features that matter to us because good performance renders those features invisible (e.g., having a refrigerator that, well, refrigerates!). Have the students think about products they own or have owned that they enjoy (e.g., favorite sweater; flat screen TV; video game). Ask them to imagine that those items turned out to be clunkers. What might have gone wrong? What does that tell you about those features?

### Role Play

Assign some students to be salespeople and some to be consumers. Have the consumers ask questions of the salespeople about the various features of the product they are selling. Have the salespeople ask the consumer about how they will use the product, their budget, and/or their goals for the purchase.



## Educational Standards

### ***NJ Core Curriculum Content Standards for Personal Financial Literacy 2014:***

*Standard 9.1: 21<sup>st</sup> Century Life and Careers*

*Standard 9.1 Personal Financial Literacy:*

*9.1 A. Income and Careers: 9.1.8.A.2*

*9.1 B. Money Management: 9.2.8.B.4,*

*9.1 E. Becoming a Critical Consumer: 9.2.8.E.4*

### ***National Standards in K – 12 Personal Finance Education (from Jump\$tart Coalition) 2017:***

*Financial Decision Making:*

*Standard 1: “Recognize the responsibilities associated with personal financial decisions.”*

*Standard 2: “Use reliable sources when making financial decisions.”*

*Standard 4: “Make criterion-based financial decisions by systematically considering alternatives and consequences.”*

### ***National Content Standards in Economics (from Council for Economic Education) 2010:***

*Standard 2: Decision making*



## SAVVY SHOPPING UNIT PRICING WORKSHEET

Find the unit price for each item in the group. Which item offers the consumer the most product for his/her money?

### CEREAL

Item	Size	\$ Price	\$ Price per Unit
<b>General Mills Cheerios</b>	18 ounces	\$4.79	
<b>General Mills Cheerios</b>	14 ounces	\$3.99	
<b>Store Brand Toasted Oats</b>	14 ounces	\$2.50	

### OLIVE OIL

Item	Size	\$ Price	\$ Price per Unit
<b>Colavita Extra Virgin Olive Oil</b>	17 ounces	\$9.99	
<b>Capatriti Extra Virgin Olive Oil</b>	101 ounces	\$21.49	
<b>Goya Extra Virgin Olive Oil</b>	8.5 ounces	\$4.29	
<b>Fillipo Berrio Olive Oil</b>	16.9 ounces	\$7.39	





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# Financial Education



## SAVVY SHOPPING UNIT PRICING WORKSHEET

### POPCORN

Item	Size	\$ Price	\$ Price per Unit
Smartfood White Cheddar Popcorn	9 ounces	\$2.99	
Smartfood White Cheddar Popcorn (12 pack of snack sized bags)	7.5 ounces	\$3.99	

### ICE CREAM

Item	Size	\$ Price	\$ Price per Unit
Breyer's Chocolate Crackle Vanilla with Crispy Chocolate Layers Ice Cream	1.5 quart	\$5.49	
Dove Vanilla Milk Chocolate Ice Cream Bars (3 count)	8.67 ounces	\$3.99	
Ben and Jerry's Chocolate Fudge Brownie Ice Cream	1 pint	\$4.79	

Example of per Unit price sticker:





## SAVVY SHOPPING UNIT PRICING WORKSHEET – TEACHER ANSWER KEY

Find the unit price for each item in the group. Which item offers the consumer the most product for his/her money?

### CEREAL

Item	Size	\$ Price	\$ Price per Unit
General Mills Cheerios	18 ounces	\$4.79	.27
General Mills Cheerios	14 ounces	\$3.99	.29
Store Brand Toasted Oats	14 ounces	\$2.50	.18

### OLIVE OIL

Item	Size	\$ Price	\$ Price per Unit
Colavita Extra Virgin Olive Oil	17 ounces	\$9.99	.59
Capatriti Extra Virgin Olive Oil	101 ounces	\$21.49	.21
Goya Extra Virgin Olive Oil	8.5 ounces	\$4.29	.50
Fillipo Berrio Olive Oil	16.9 ounces	\$7.39	.44



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# Financial Education



## SAVVY SHOPPING UNIT PRICING WORKSHEET – TEACHER ANSWER KEY

### POPCORN

Item	Size	\$ Price	\$ Price per Unit
Smartfood White Cheddar Popcorn	9 ounces	\$2.99	.33
Smartfood White Cheddar Popcorn (12 pack of snack sized bags)	7.5 ounces	\$3.99	.53

### ICE CREAM

Item	Size	\$ Price	\$ Price per Unit
Breyer's Chocolate Crackle Vanilla with Crispy Chocolate Layers Ice Cream	1.5 quart (48 ounces)	\$5.49	.11
Dove Vanilla Milk Chocolate Ice Cream Bars (3 count)	8.67 ounces	\$3.99	.46 (1.33/bar)
Ben and Jerry's Chocolate Fudge Brownie Ice Cream	1 pint (16 ounces)	\$4.79	.30

Example of per Unit price sticker:





## SAVVY SHOPPING PRODUCT FEATURES WORKSHEET

Product category: sleeping bags (sample)

Item:	Price:	Other cost considerations	Feature 1	Feature 2	Feature 3	Feature 4
Whisper Lite	\$89.99	Lifetime guarantee; Free shipping (possible cost if returned)	Lightweight (3 lbs 10 oz)	Comfortable to 30 degrees	Carry bag included	Neon colors!



## SAVVY SHOPPING PRODUCT FEATURES WORKSHEET

Product category:

Item:	Price:	Other cost considerations	Feature 1	Feature 2	Feature 3	Feature 4