

MONEY MANAGEMENT AND CONSUMERISM
MODULE

Time Frame Allotted: 1/6 year (9 hours)

Rationale

Teenagers at the intermediate level begin to assume more responsibility for both earning and spending money. They need information about managing money to help them form good habits related to spending and saving. An understanding of basic terminology, simple banking procedures, and budgeting principles is an asset as they assume more responsibility for the control and management of finances.

Wise consumer practices are in partnership with good money management. As students gradually acquire purchasing power and make many purchasing decisions independently, they need to be aware of strategies for wise spending as well as the techniques used in the marketplace by businesses to promote buying.

The Money Management and Consumerism Module aims to introduce students to some formalized concepts related to managing and spending money wisely. An exploration of attitudes towards money is followed by practical information related to family expenditures, budgeting, banking and credit. A section on consumerism encourages students to use critical thinking in responding to advertising, and to incorporate wise practices in shopping for goods. Principles of investigative buying and comparison shopping are introduced so that students become familiar with these concepts.

In this module, opportunities to discuss ideas and practise procedures enable students to assess their own knowledge and skills and develop them further. Learning activities that foster awareness and encourage action aim to prepare students to behave as responsible consumers. Recognition that consumers have numerous responsibilities as well as rights, and that strategies exist for successful interaction in the marketplace helps motivate and enable students to take a mature approach in their business dealings.

Money Management and Consumerism Module

Major Objective	Learning Objective
1. To become aware of some basic principles related to money management.	1.1 To explore attitudes and values that influence spending and saving. 1.2 To become aware of how the average Canadian family spends its money. 1.3. To understand basic terminology related to money management. 1.4 To understand and practise the processes used in making and following a budget. 1.5. To know and practise basic steps in using a bank account. 1.6 To understand the cost of credit and some advantages and disadvantages of using credit.
2. To consider and apply some basic principles of consumerism.	2.1 To evaluate the use of advertising. 2.2 To be aware of some sources of information as guides to buying. 2.3 To understand how to shop for quality and price. 2.4 To be aware of consumer rights and responsibilities. 2.5 To practise making a consumer complaint.

Major Objective: 1. To become aware of some basic principles related to money management.

Learning Objective: 1.1 To explore attitudes and values that influence spending and saving.

Related Content	Resources
1.1 Own ideas and experiences	1.1 <i>Creative Living</i> , Ch. 27.
1.1 Attitudes towards spending and saving	1.1 Activity Sheet, "Money Matters ... What's Your Opinion?", Teacher's Resource Package.
1.1 Factors that influence spending and saving: <ul style="list-style-type: none">- principles and goals- wants and needs- income- family situation and circumstances- lifestyle- where you live- availability of goods and services- advertising- educational level- age- debt and financial obligations- money management skills and other resources (others could be added to this list)	1.1 Activity Sheet, "Money Management Skills", <i>Creative Living</i> , Teacher's Resource Book, p. 55, #39. 1.1 Guide sheet, "Proverbs and Adages about Money", Teacher's Resource Package. 1.1 Guide Sheet, "A Fifty Dollar Find", Teacher's Resource Package. 1.1 Activity Sheet, "Spending Money", Teacher's Resource Package.

Suggested Instructional Strategies and Learning Activities

- 1.1a To develop student awareness of opinions about money, have them complete the questionnaire "Money Matters ... What's Your Opinion?", Teacher's Resource Package. Have them complete the follow-up activities on the questionnaire or have the class discuss responses. Why do people have different opinions about money?
- 1.1b Using the activity sheet "Money Management Skills", *Creative Living*, Teacher's Resource Book, have students assess their own abilities with respect to handling money.
- 1.1c Provide a collection of sayings or songs about money. Ask students to interpret the meaning of each saying or the message of each song, and to indicate whether they agree or disagree. The Guide sheet, "Proverbs and Adages About Money", Teacher's Resource Package, provides examples.
- 1.1d Ask students to write down what they would do if they found \$50.00 on the ground. Then have students look at examples describing the behaviour of four individuals, each of whom found \$50.00 on the sidewalk.

Discuss:

- ! What wants, needs, principles, and goals influenced each decision?
- ! Which example most closely matches what individual students would do?
- ! Which choice do students think was best? How does this reflect their own values?

The Guide sheet, "A Fifty Dollar Find", Teacher's Resource Package, provides examples.

- 1.1e Have students complete the activity sheet, "Spending Money", Teacher's Resource Package, to consider their own spending habits. Afterwards, discuss what their responses show about influences on spending.

Major Objective: 1. To become aware of some basic principles related to money management.

Learning Objective: 1.1 To become aware of how the average Canadian family spends its money.

Related Content	Resources
<p>1.2 Sources of income for families:</p> <ul style="list-style-type: none">! employment! unemployment insurance! social assistance! interest on savings and investments! gifts and inheritance <p>Major expenditures for families:</p> <ul style="list-style-type: none">! shelter (housing, furnishings, maintenance, and repair)! food! clothing! transportation! education (reading and writing)! personal and health care! tobacco and alcohol! taxes, security, gifts	<p>1.2 Statistics Canada</p> <p>1.2 Publications from banks and financial institutions.</p> <p>1.2 Reference sheet, "Expenditures in Canadian Families", (1986, figures), Teacher's Resource Package.</p> <p>1.2 Activity Sheet, "Household Expenses", Teacher's Resource Package.</p>
<p>Since family income, family size and family lifestyles differ, the proportion of income spent on various needs and wants varies considerably.</p>	

Suggested Instructional Strategies and Learning Activities

- 1.2a Ask students to list the major categories that they think use up most of a family's income. Discuss categories listed. Have students adjust their lists to include any missing categories.
- 1.2b Prepare and display a circle representing 100% of a family's income. (Use the most recent information available from Statistics Canada). Information is provided on the reference sheet, "Expenditures in Canadian Families", Teacher's Resource Package. Using pie shaped wedges, prepared in advance, divide the circle into sections proportionate to the "average" spending patterns of Canadian families. Ask students to try to label the wedges with the correct expenditure and approximate percentage. Compare their figures with the actual amounts. Do any of the categories surprise them? How would changes in family size or income affect each segment of the pie?
- 1.2c Have students use the activity sheet, "Household Expenses", Teacher's Resource Package, to estimate family expenses in each category. Ask them to complete the activity with their parents' help.

Major Objective: 1. To become aware of some basic principles related to money management.

Learning Objective: 1.3 To understand basic terminology related to money management.

Related Content	Resources
<p>1.3 Terms to define:</p> <p><i>money</i> - a flexible resource (with an agreed upon trading value) that can be traded for almost anything - a medium of exchange.</p> <p><i>money management</i> - a process of making and following a plan for using money, evaluating the results, and making necessary changes when needed</p> <p><i>budget</i> - a plan for the use of money</p> <p><i>income</i> - the money you take in and have available to spend (sources: earnings, interest on investments, gifts, and inheritances)</p> <p><i>expenses</i> -the things you spend your money on</p> <p><i>trade-offs</i> - giving up something you have or want in exchange for something you want more (e.g. giving up time to earn money) - trade-offs often apply to resources</p> <p><i>fixed expenses</i> - set expenses which you must pay regularly.</p> <p><i>flexible expenses</i> - expenses which don't stay the same, and which can be adjusted or eliminated when you change your budget.</p>	<p>1.3 <i>Creative Living</i>, Chapter 27.</p> <p>1.3 Activity Sheet, "Making Sense of Money Terms", Teacher's Resource Package.</p>

Suggested Instructional Strategies and Learning Activities

- 1.3a To help students become familiar with terms related to money management, have them review Chapter 27 and write definitions for the terms listed under Related Content.
- 1.3b Have students complete the puzzle on the activity sheet "Making Sense of Money Terms", Teacher's Resource Package, to reinforce their familiarity with the terms.

Major Objective: 1. To become aware of some basic principles related to money management.

Learning Objective: 1.4 To understand and practise the processes used in making and following a budget.

Related Content	Resources
<p>1.4 <i>Budget</i> - a plan for the use of money. A budget matches your income with your expenses. It should meet your needs and reflect your goals.</p> <p>Steps in preparing and using a budget.</p> <ul style="list-style-type: none">! Estimate your income (if it varies, use the average)! List your expenses<ul style="list-style-type: none">a) fixed expensesb) flexible expenses! Decide on an amount to save.! Follow the budget as closely as possible. Record expenses and compare them with what you budgeted.! Make adjustments in either the budget or in how you spend your money, until you have a plan that works for you. <p>In summary; budgets are meant to help you, not to make life miserable. To achieve this, you must revise your budget regularly to reflect any needed changes in expenses, and changes in income. If your budget isn't working for you, analyze what is making you unhappy and change it.</p> <p>Remember, that budgets are plans for future spending and are intended to help you reach your goals.</p>	<p>1.4 <i>Creative Living</i>, Chapter 27.</p> <p>1.4 Activity Sheet, "Tamara's Finances", Teacher's Resource Package.</p> <p>1.4 Activity Sheet, "My Personal Finances", Teacher's Resource Package.</p>

Suggested Instructional Strategies and Learning Activities

- 1.4a Discuss with the class the steps in planning and using a budget, as listed under Related Content.
- 1.4b To have students practise record-keeping and calculations related to budgeting, have them complete the activity sheet, "Tamara's Finances", Teacher's Resource Package. As a follow-up, students could prepare a budget for Tamara.
- 1.4c Ask students to record their personal income and expenses over a two week period (or over four

weeks, if time is available). Have them account for their income and expenses using the Activity sheets, "My Personal Finances", Teacher's Resource Package. Have them reflect on their spending and their financial goals, then, set up a budget plan for a four week period. Have each report on how well the budget worked. What adjustments could be made to improve it?

Major Objective: 1. To become aware of some basic principles related to money management.

Learning Objective: 1.5 To know and practise basic steps in using a bank account.

Related Content	Resources
1.5 <i>Savings</i> - money put aside for future spending <i>Interest</i> - a fee paid for the use of money <i>Principal</i> - the amount of money you have in your bank account - also the amount borrowed in a loan transaction <i>Interest Rate</i> - a percentage of the principal that will be paid as interest on savings or on loans <i>Savings and Chequing Accounts</i> passbook deposit slip withdrawal slip cheques cheque register reconciliation form	1.5 <i>Creative Living</i> , Chapter 28. 1.5 Banks, Credit Unions: forms for deposits and withdrawals. 1.5 Activity Sheet, "What's Wrong With These Forms?", Teacher's Resource Package. 1.5 Activity Sheet, "Savings: Let Your Money Earn Money", Teacher's Resource Package. 1.5 Banking Forms, Teacher's Resource Package.

Suggested Instructional Strategies and Learning Activities

- 1.5a Invite a representative from a bank or credit union to discuss such topics as: bank accounts, other methods of saving, the benefits of saving, use of credit, loans, banking services.
- 1.5b Have an informal poll in class to determine what type of savings students tend to use (e.g., piggy bank, bank account, savings bonds, ...) and who manages these savings. Briefly discuss types of bank accounts and the advantages and disadvantages of each.
- 1.5c Have students learn the correct use of bank forms by filling out deposit and withdrawal slips for bank account transactions.
- 1.5d Have students analyze completed cheques, deposit and withdrawal slips, to locate errors. Activity sheet, "What's Wrong With These Forms?", Teacher's Resource Package, can be used for examples.
- 1.5e To help students become more aware of how money earns interest, have them complete the activity sheet, "Savings: Let Your Money Earn Money", Teacher's Resource Package.

Major Objective: 1. To become aware of some basic principles related to money management.

Learning Objective: 1.6 To understand the cost of credit and some advantages and disadvantages of using credit.

Related Content	Resources
<p>1.6 <i>Credit</i> - the use of future money for present day spending</p> <p><i>Interest</i> - a fee paid for the use of money</p> <p><i>Principal</i> - review from 1.5</p> <p><i>Interest Rate</i> - review from 1.5</p> <p><i>Credit Rating</i> - an indicator of your reliability as a borrower</p>	<p>1.6 <i>Creative Living</i>, Chapter 28.</p> <p>1.6 Activity Sheet, "Credit: Friend or Foe?", Teacher's Resource Package.</p> <p>1.6 Activity Sheet, "Money Matters", <i>Creative Living</i>, Teacher's Resource Book, p. 56, #40.</p> <p>1.6 Activity Sheet, "The Cost of Credit", Teacher's Resource Package.</p>
<p>Advantages of Using Credit:</p> <ul style="list-style-type: none">! convenience! ability to take advantage of special sales! use of item while paying for it! ability to purchase large items you can't save for! ability to deal with emergencies! increased standard of living! establishment of a credit reputation or credit rating! security: easier and safer than carrying cash <p>Disadvantages of Credit:</p> <ul style="list-style-type: none">! may increase dollar cost of items! makes impulse buying easy! may promote negative spending habits! takes away future spending options! credit payments may become a burden	

Suggested Instructional Strategies and Learning Activities

- 1.6a Have students consider their attitudes regarding the use of credit by having them read and respond to the case studies "Credit: Friend or Foe?", Teacher's Resource Package. Follow with a discussion of these questions:
- ! What are good reasons for using credit?
 - ! What are poor reasons for using credit?

- ! When should credit use be encouraged?
- ! When should credit use be avoided?

- 1.6b Have students read Chapter 28 to locate and define terms related to credit:
 - credit
 - interest
 - principal
 - rate of interest
 - credit rating
- 1.6c Have students calculate and compare the costs of using credit by completing the activity sheet, "Money Matters", *Creative Living*, Teacher's Resource Book.
- 1.6d Use the problems on the activity sheet, "The Cost of Credit", Teacher's Resource Package, to have students consider the dollar cost of using credit.
- 1.6e Have students discuss the advantages and disadvantages of saving in advance to make a purchase versus buying on credit and paying later.

Major Objective: 2. To consider and apply some basic principles of consumerism.

Learning Objective: 2.1 To evaluate the use of advertising.

Related Content	Resources
<p>2.1 Benefits of Advertising:</p> <ul style="list-style-type: none">! informs about products and services! may provide useful information! may reduce prices by increasing sales volume (this may also lead to higher prices in some cases) <p>Disadvantages of Advertising:</p> <ul style="list-style-type: none">! may create excessive demand for goods, a drain on resources! may spread misinformation or create a false sense of being informed! may increase stress on consumers (need for status; increased wants; excessive spending with less financial security) <p>Techniques Used in Advertising</p> <ul style="list-style-type: none">! testimonial! emotional appeals<ul style="list-style-type: none">- self improvement- status- popularity! self-indulgence or rewards! comparisons	<p>2.1 <i>Creative Living</i>, Chapter 29.</p> <p>2.1 Collections of advertisements from magazines and other sources.</p> <p>2.1 Activity Sheet, "Advertisements: Their Messages", Teacher's Resource Package.</p> <p>2.1 Activity Sheet, "Evaluating Advertisements", <i>Creative Living</i>, Teacher's Resource Book, p. 57, #41.</p> <p>2.1 <i>Creative Living</i>, Teacher's Annotated Edition, Teacher's Manual, Chapter 29, pp. 52-53.</p>

Suggested Instructional Strategies and Learning Activities

- 2.1a To help students realize the pervasiveness of advertising, ask them to write a brief description of an ad they have seen or heard on TV, in magazines, or on the radio. Choose an ad from the examples and poll the class to determine:
- (a) how many have heard the ad?
 - (b) how many have purchased the particular product or have it in their homes?
 - (c) how many have a similar product in their homes?
 - (d) how many think the product is essential?
- Follow with a discussion of the impact of advertising on day-to-day activities and decisions. What is beneficial about advertising? What disadvantages result from advertising?
- 2.1b Collect a variety of advertisements from magazines, newspapers, etc.
- ! Discuss one or two examples with respect to
 - (a) the selling technique(s) used
 - (b) the useful information presented
 - (c) the meaningfulness of words or phrases used
 - ! Continue by having students use the activity sheet, "Advertisements: Their Messages", Teacher's Resource Package, to record their perceptions of selling techniques and information presented in several advertisements. Have them rate each ad according to the value of the information it contains.
 - ! Discuss students responses about selling techniques and information in ads. Which do students think has the greater impact, the `sales pitch' or the actual information presented?
- 2.1c Have students evaluate advertising techniques by completing the activity sheet, "Evaluating Advertisements", *Creative Living*, Teacher's Resource Book.
- 2.1d Choose from the activities described in *Creative Living*, Teacher's Annotated Edition, Teacher's Manual, pp. 52-53 "After the Lesson" to expand students' familiarity with advertising and its impact.

Major Objective: 2. To consider and apply some basic principles of consumerism.

Learning Objective: 2.2 To be aware of some sources of information as guides to buying.

Related Content	Resources
2.2. ! Sources of information <ul style="list-style-type: none">- knowledgeable others- consumer reports- consumer magazines- government departments e.g. Consumer and Corporate Affairs- Better Business Bureau (others may be added)	2.2 <i>Creative Living</i> , Chapter 29. 2.2 <i>Canadian Consumer Magazines</i> . 2.2 Consumer Reports.
! Valuable background information: <ul style="list-style-type: none">-types of stores (quality, variety, service, pricing)- quality features in various consumer items (clothing, furnishings, ...)- sales calendars- awareness of personal wants, needs and goals that influence the features you require and the degree to which you will use the item purchased- knowledge of guarantees, warranties, service agreements	2.2 "The Shop and Save Calendar", Teacher's Resource Package. 2.2 Activity Sheet, "Bargain Hunters", Teacher's Resource Package.
Investigative Buying: Seeking information about products and services prior to spending, in order to make wise decisions.	

Suggested Instructional Strategies and Learning Activities

- 2.2a Ask students to pretend they finally have the money to make a major purchase. (Item(s) can be suggested by teacher or students.) Have each one jot down what s/he will do in making the purchase. Collect the "purchase plans" and read several aloud. Where have students put most of the emphasis:
- consumer research?
 - comparison shopping?
 - making the purchase?
- Use their ideas to lead into a discussion about investigative buying. Consider these questions:
- What information is worth considering?
 - Where can this information be located?
 - What is the value of investigative buying?
- 2.2b (i) Using suggestions from students and teacher, create a list of resources for consumers to use in finding out about various products and services.
- (ii) Display a number of pamphlets and articles from these sources. Have students read selected items and report orally to their classmates about what they learned and how it could influence buying.
- 2.2c Have students read *Creative Living*, Chapter 29, to become familiar with types of sales and specials and to understand their value. Have them refer to the "Shop and Save Calendar", and complete the activity sheet, "Bargain Hunters", Teacher's Resource Package. Follow with a discussion of the advantages and disadvantages of waiting for sales.

Major Objective: 2. To consider and apply some basic principles of consumerism.

Learning Objective: 2.3 To understand how to shop for quality and price.

Related Content	Resources
2.3 Terms comparison shopping unit pricing Factors influencing purchases: ! Aspects of Quality - performance - durability - convenience - maintenance - safety ! Price ! Suitability The wise consumer: ! deals with reliable businesses ! reads labels and instruction booklets ! shops and compares prices, quality and service ! carefully reads warranties and guarantees ! understands any contracts and agreements signed ! asks the following before spending: "Do I need this?" "Can I afford it?" "Is it worth the money?" "Are better options available?"	2.3 <i>Creative Living</i> , Chapter 30. 2.3 Activity Sheet, "A Shopping Checklist", <i>Creative Living</i> , Teacher's Resource Book, p. 59, #43. 2.3 Activity Sheet, "Comparison Shopping", Teacher's Resource Package.

Suggested Instructional Strategies and Learning Activities

- 2.3a To determine and evaluate personal shopping habits, have students complete the activity sheet, "A Shopping Checklist", *Creative Living*, Teacher's Resource Book. Follow with a discussion about students' buying practices and satisfaction with their purchases.
- 2.3b Following a class review of standards of quality and comparison shopping, have students practise comparison shopping using the activity sheet "Comparison Shopping", Teacher's Resource Package.

An alternative would be to have a group of students shop for and compare various items in a particular category.

Major Objective: 2. **To consider and apply some basic principles of consumerism.**

Learning Objective: 2.4 **To know consumer rights and responsibilities.**

Related Content	Resources
2.4 Consumer Rights The right to: ! safety ! honesty ! information ! choice ! be heard	2.4 <i>Creative Living</i> , Chapter 31, 32. 2.4 Activity Sheet, "Consumer Court", <i>Creative Living</i> , Teacher's Resource Book, p. 60, #44. 2.4 Activity Sheet, "Responsible Consumers", <i>Creative Living</i> , Teacher's Resource Book, p. 61, #45.
Consumer Responsibilities ! to be honest in business transactions ! to be considerate of others ! to use products safely ! to avoid wasting resources ! to seek information ! to keep receipts ! to report problems and unsatisfactory products to retailers, manufacturers, and Consumer Affairs officers.	

Suggested Instructional Strategies and Learning Activities

- 2.4a Ask students to describe situations in which they felt unfairly treated as consumers. These could be written and placed in a "Pet Peeves of Purchasers" box. Use these stories to stimulate class discussion about rights and responsibilities of consumers.
- 2.4b Have students work in groups to made decisions about the cases in the activity sheet, "Consumer Court", *Creative Living*, Teacher's Resource Book. Ask them to determine whether any consumer rights were violated or responsibilities neglected.
- Have them share their decisions and explanations with the class.
- 2.4c Ask students to independently complete the activity sheet, "Responsible Consumers", *Creative Living*, Teacher's Resource Book. Then have them work in small groups to compare opinions and reworded statements.

Major Objective: 2. **To recognize and practice wise consumer practices to increase purchasing/personal satisfaction.**

Learning Objective: 2.5 **To practise making a consumer complaint.**

Related Content	Resources
<p>2.5 Making a Consumer Complaint in Person:</p> <ul style="list-style-type: none">! determine if problem is covered by warranty! accurately record what is wrong with the product! contact the business where the purchase was made! clearly and briefly state the problem! propose a solution to the problem <p>Making a Consumer Complaint in writing involves preparing a letter that includes the following:</p> <ul style="list-style-type: none">! your name and address! the date! name, title, and address of the person being written to! details about product (name, style and model number) or service! name and address of place of purchase! date of purchase! copies of receipts, bills or warranties! simple and brief explanation of the problem! suggested solution	<p>2.5 <i>Creative Living</i>, Chapter 31.</p> <p>2.5 Activity Sheet, "Reason for Complaint", Teacher's Resource Package.</p>

Suggested Instructional Strategies and Learning Activities

- 2.5a Have students review the information about making complaints, *Creative Living*, Chapter 31. Continue by having students critique the letters in "How Would You React?", *Creative Living*, p. 219.
- 2.5b Use the resource "Reason for Complaint", Teacher's Resource Package, to provide students with examples of situations where a consumer might want to return merchandise or make a complaint.

For each situation, have students role play in small groups of 3 or 4, as follows:

- ! one student as complainant
- ! one student as receiver of complaint
- ! one or two students as observers

After each "play", the observers should jot down comments as follows:

- (a) responsible actions that were demonstrated
- (b) suggestions for improvement

Save these for later discussion. Continue by having students change roles to act out new situations.

Follow with a class summary of "Do's" and "Don'ts" for making complaints.