

EDUCATOR GUIDE



A LONG HISTORY

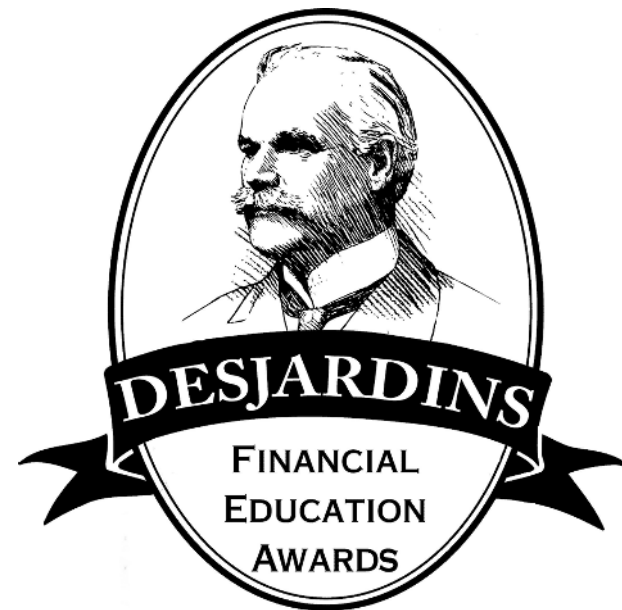
People Helping People.

Maine credit unions have a long history of providing financial education. Between volunteering to teach youth financial education in schools and hosting Financial Fitness Fairs, credit unions across the state collectively expose nearly 20,000 Maine students to financial literacy and money management concepts each year. Having long-believed the students of today are the community leaders of tomorrow, Maine credit unions recognize the importance of equipping the youth with the knowledge and skills they need to help them manage their money effectively.

Desjardins Financial Education Awards

CUNA created the Desjardins program to recognize leadership within the credit union movement on behalf of financial literacy for all ages. Naming the award after Alphonse Desjardins emphasizes the movement's longtime commitment to youth. Besides founding the first credit unions in Canada and the U.S., Desjardins pioneered youth savings clubs and in-school "banks," known as *caisses scolaires*. This award considers all activities supporting the personal finance education of members and non-members, including, but not limited to, face-to-face teaching using proprietary materials and curricula, as well as financial literacy leadership efforts.

In recognition of Maine credit unions' efforts, the Maine Credit Union League has been a consistent winner of the National Desjardins Youth Financial Education Award!



LESSON: **COMPARISON SHOPPING AND OPPORTUNITY COST**

Introduction: (5 minutes)

Greet the students. Tell them your name, describe what you do for work at the credit union, and share some fun information about yourself. Explain to the students that you're here volunteering on behalf of your credit union, an organization that is happy to teach people of all ages about saving and spending money. Additionally, explain that your credit union is also a place where people can safely keep their money.

Volunteer Tips

When speaking to young students, they often do best when seated on the floor in a semicircle around you. Ask the students to raise their hands when answering a question or if they have something to say.



Write your introduction notes and/or talking points here:

Discussion: (5 minutes)

With the students sitting at their desks, write the words “**Comparison Shopping**” on the board. Ask the students to raise their hands if they’ve ever been grocery shopping with their family before. Next, ask the students to raise their hands if they’ve ever seen a family member trying to decide between two items while grocery shopping. Call on a student and ask them, “What do you think your family member was thinking about while trying to decide what to buy?”

After listening to the student, explain that when someone is trying to decide between two or more items, they’re likely comparison shopping.



Define **comparison shopping** as:

The act of examining the similarities and differences between items, before purchasing, to get the best value for your money.

Tell the students that in order for people to determine the best value for their money, they need information to consider before making their decision.

Define **value for money** as:

The combination of cost, quality, quantity, and need when making a purchase.

On the board, write the letters “A, B, C, D.” Tell the students that each of these letters represents an option at the grocery store. Next, ask the students to raise their hands if they can tell you which option is best value. If nobody raises their hand, call on a student and ask them which option is the best value. It’s likely they won’t be able to answer.

Explain to the students that they struggled to come up with an answer because they lacked information about options A, B, C, and D. They don’t know the price, the size, the expiration date, or any other details that can determine the best value. In order for someone to be a

smart shopper, they need information to consider before making decisions.

Distribute the Maine Credit Unions Money Books and ask the students to turn to page 1.



Activity (5 minutes)

Tell the students that on page 1 of the Maine Credit Unions Money Book, they will learn how to take in information and use that knowledge when comparison shopping. Tell the students that at the top of page 1, there are words that can help people make well-informed decisions when shopping.

Explain that once you have defined a word(s) for the class, the students should draw a line--making a connection to the correct definition.



Can anyone tell me the definition of price?

Define the following for the class

Tell the students to draw a line to the correct definition after you confirm it to the class.

After saying the word(s), consider engaging the students more by asking them to raise their hand if they think they know the definition.

Price..... The total amount of money needed to pay for an item or service.

Quality..... The judgment of how good or bad something is.

Quantity..... The total amount or how much there is of something.

Unit Price..... The cost of something compared to a particular unit of measurement, such as per ounce, liter, or pound.

Sale..... The selling of goods or services for a lower price than usual.

Review..... A report that gives someone’s opinion about the quality of a good or service.

Personal Preference The favoring of a certain good or service over other options.

After the students have matched up all the terms to their correct definitions, ask them to turn their Maine Credit Unions Money Books to page 2.



Activity: (10 minutes)

Tell the students that on page 2 of the Maine Credit Unions Money Book, they will be deciding what option is the best value for money in the featured scenario. Tell them to think about the terms they just learned about when making their decision. Read the following scenario for the students:

Jake is going to the grocery store to buy five chocolate chip cookies and he has \$9. Chocolate chip cookies are his favorite kind of cookie. The day before, Jake read a review for Super Duper Chocolate Chip Cookies, stating that particular brand didn't taste good. After walking around the grocery store, Jake found four different cookie options and needs some help figuring out which option is the best value for his money.

Ask the students to do some comparison shopping and circle what option they think is the best value for money. After they've made their choice, ask them to write a few sentences about why they made that decision. As the students are making their choices, walk around to discuss their decision-making process and help any students who may seem stuck.



After all the students have made their choices, ask the class to raise their hands if they're willing to share what they chose. Call on a student raising their hand and ask them why they feel the option they chose is the best value for money. After listening to the student, tell the class that **OPTION 2 is the best value for money.**

Explain the following:

With **OPTION 1**, the five single-wrapped Sweeties Chocolate Chip Cookies priced at \$1.50/each would end up costing Jake \$7.50.

With **OPTION 2**, the package of five Sweeties Chocolate Chip Cookies cost \$5--meaning the unit price is only \$1 per cookie instead of the pricier \$1.50 in option 1.

With **OPTION 3**, getting ten cookies on sale for only \$4 seems like a great deal. However, they're oatmeal raisin cookies and not chocolate chip cookies. Jake's personal preference is chocolate chip, so this wouldn't be the best value for money for him.

With **OPTION 4**, the package of five Super Duper Chocolate Chip Cookies costs \$5--just like in option 2. However, Jake read a poor review about Super Duper. If Jake bought them and they didn't taste good, that wouldn't be good value for money.

Activity: (10 minutes)

Ask the students to raise their hands if they think they know what impulse buying is. Call on a student and ask them to share with the class.

After listening to the student, define impulse buying as: A sudden, unplanned purchase based on emotions and feelings, rather than logic and planning.

Explain that impulse buying is not what smart shoppers should be doing. Smart shoppers plan ahead and have an idea of what they are going to buy before they make any purchases. For example, someone going into a store with the intention of only buying a new toothbrush shouldn't also end up buying a candy bar on the way out. If they also buy a candy bar, they're spending money they hadn't planned on spending.

Emphasize that being in control of spending habits plays an important role in maintaining a healthy financial life. If people spend all their money on impulse purchases, they might not be able to afford important needs like food, water, and shelter.

Ask the students why they think people impulse buy. Ask a student raising their hand or simply call on a student and ask them to share.

After listening to the student(s), explain that the two most common reasons why people impulse buy are because they're emotional or they think they're getting a good deal. When people are having a bad day or if they're feeling jealous about what others have, they may impulse buy, as it temporarily makes them feel better. People also impulse buy when they see what appears to be a good deal or sale. Explain that advertising deals and sales are often a tactic used by stores to get people to buy things they normally wouldn't.

As an example, tell the students that if a \$10 item they don't really need or want is on sale for \$5, they're not saving \$5 if they buy it. They're spending \$5 they shouldn't have.

Encourage the students to avoid impulse buying as they grow older, as being in control of their spending habits can help them achieve financial success.

IMPULSE BUYING

Give the students an example of a time you regretted making an impulse purchase.

- Why did you make the impulse purchase in the first place?
- How did you feel afterward?
- How could you have use that money differently?



Activity (5 minutes)

Ask the students to turn their Maine Credit Unions Money Books to page 3. Tell the students they'll be taking a quiz that will test the knowledge they've learned about comparison shopping and impulse buying. Explain to the students that you'll be going them through the quiz and that they can answer the question after you've read the question. Give the students the following quiz:



1.

What does quantity mean?

- The cost of something compared to a particular unit of measurement, such as per ounce, liter, or pound.
- False
- The use of logic and planning rather than emotion or feelings.
- The favoring of a certain good or service over other options.

2.

Smart shoppers take the time to compare two or more different options before spending any money.

- False

3.

Even if you don't want or need something, you should buy it because it's on sale.

- True

4.

What does value for money mean?

- A good deal, sale, or discount.
- The total amount needed to pay for an item or service.
- A report that gives someone's opinion about the quality of a good or service.

5.

Define comparison shopping.

Accept similar answers as correct.

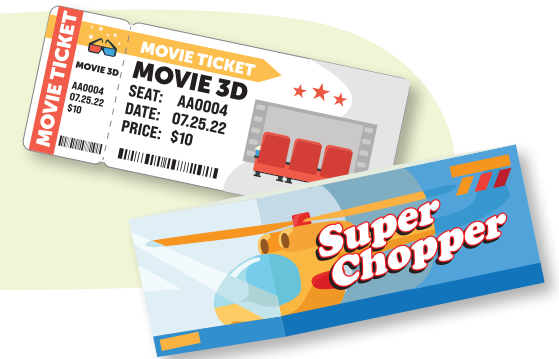
After asking all of the questions, go back through and reveal the answers.

Discussion (5 minutes)

Write the words "Opportunity Cost" on the board. Explain to the students that when it comes to making purchases, people can't have everything they want. Tell the students that people don't earn unlimited amounts of money from working their job. Money is limited, so people need to make choices and every choice involves an opportunity cost.

Define **opportunity cost** as:

The trade-off of making one choice over another.



As an example, tell the students the following scenario:

"Let's say you have \$10 in your pocket. There is a new movie showing in theaters that you really want to see and a ticket to watch it costs \$10. However, before you make it to the movie theater, you stopped at the store and bought a toy with that money. The opportunity cost in this scenario is your visit to the movie theater. Because you made a choice to spend that money on something else, you can no longer afford to go to the movies."

Tell the students that every time they spend money in the future, they won't be able to spend that money on something else. Explain that it's important to think about the pros and cons of each purchase instead of impulse buying, as every expense means there's an **opportunity cost**--something they won't be able to have instead.

Explain to the students that opportunity cost also applies to things other than money, like space or time.

For example:

Space - Jake needs to decide whether to turn the empty room in his house into a guest room or an office space. If he chooses to make the room an office space, the opportunity cost is that his guests won't have a comfortable place to sleep when they visit.

Time - Jake has an hour before he needs to be at the airport. He can either read a few chapters of his book or watch an episode of his favorite television show. If he chooses to watch the show, the opportunity cost is that he won't be able to read his book.

Explain that whatever the decision is, there will always be an opportunity cost. The goal is for the decision you make to be of more value than the opportunity cost. Thank the students for listening and have them turn their Maine Credit Unions Money Books to page 4.

Activity (10 minutes)

Tell the students that on page 4 of the Maine Credit Unions Money Book, they will be testing the knowledge they learned today by completing a comparison shopping and opportunity cost-themed crossword puzzle. Explain that they will need to solve the puzzle by matching the listed words in the word bank with the correct definitions.

Walk around the room as the students work on their crossword puzzles. If a student looks like they are stuck or need assistance, help them get started by solving one puzzle with them.



ACROSS

1. The cost of something compared to a particular unit of measurement, such as per ounce, liter or pound.
5. A sudden, unplanned purchase based on emotions and feelings, rather than logic and planning.
6. The act of examining the similarities and differences between items, before purchasing, to get the best value for your money.
10. The total amount of how much there is of something.
11. A report that gives someone's opinion about the quality of a good or service.

DOWN

2. The favoring of a certain good or service over other options.
3. The combination of cost, quality, quantity, and need when making a purchase.
4. The trade-off of making one choice over another.
7. The judgment of how good or bad something is.
8. The total amount of money needed to pay for an item or service.
9. The selling of goods or services for a lower price than usual.

After all the students have completed their crossword puzzles, thank them for their participation today. Tell the students to take their Maine Credit Unions Money Book home and look at pages 5 and 6. Explain that on page 5, they will find a list of all the definitions they learned today and can continue to familiarize themselves with them. Tell the students that on page 6, they can complete a comparison shopping and opportunity cost-themed word search to test their word recognition.



LOOKING AHEAD

GRADE 5

In this upcoming lesson, students in the 5th Grade will learn about budgeting. Effective money management starts with a goal and a thoughtful plan for saving and spending. The students will be challenged by scenarios, in which they will be faced with paying for expenses, saving for emergencies, and prioritizing their needs and wants--all on a limited set income.



THANK YOU, CREDIT UNION VOLUNTEERS!

Your time and commitment to financial education are important and appreciated.