



LifeSmarts U Personal Finance Lesson Decision Making: Lesson Plan

Lesson Description:

Students will learn to identify and analyze common decision-making strategies, as well as examine marketplace influences on consumer purchases.

Lesson Objectives:

- Identify and explain common decision-making strategies.
- Predict the unintended consequences of financial decisions.
- Analyze the impact media has on perceived needs and wants.

Time:

2-3 class periods

Background:

Behavioral economists tell us that not all decisions we make are rational. Decision-making strategies are influenced by needs and wants, as well as variety of other factors. We know the financial decisions to save money do not easily combat the influences to spend, and that learning to manage money is both a skill and a habit. With this country's recent history of family savings being at an all-time low, and over-spending at an all time high, learning to analyze why and how decisions are made can be an important consumer skill.

Materials:

- Reading—*Making Financial Decisions*
- PowerPoint Presentation—*Why DID I Buy That?*
- Power Point Notes
- Activity—*Who MADE Me Buy That?*
- Activity Instructions—*Who MADE Me Buy That?*

Procedures

Day 1:

1. Distribute reading -- *Making Financial Decisions*, have students read silently.
2. View PowerPoint Presentation -- *Why DID I Buy That?*
3. Engage class in discussion throughout the PowerPoint using the discussion prompts provided in the PowerPoint notes.

Day 2:

1. Distribute activity -- *Who MADE Me Buy That?*
2. Brainstorm the "information sources" that seek to influence consumer decisions, using the activity instruction sheet for additional information. Record the brainstorm on the board.
3. Divide class into groups of 2-3 students. Assign each group one "information source" listed on the board. Ask them to discuss and complete the activity -- *Who MADE Me Buy That?*. Ask each small group to select a representative to present their ideas to the whole group.
4. Discuss the results with the class, using discussion questions provided.



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5. On the back of the student activity worksheet ask students to list all the decisions they make in a twenty-four hour period.
6. Ask students to review the decisions they make during a twenty-four hour period and write about how their personal decisions are affected by “information sources.”

Discussion Questions:

1. Are most teenagers aware of the variety of sources that attempt to influence purchasing decisions? Explain, giving specific examples.
2. Do teenagers have unrealistic expectations about their ability or desire to purchase “wants”? Explain.
3. Teenagers and adults sometimes purchase goods or services because of a “cool factor.” List some examples of goods and of services. What makes these items “cool?”
(Goods: iphone, BluRay, Wii, Chuck Taylor shoes—Services: tattoos, hair highlights, spray on tan, cosmetic surgery, teeth whitening)
4. Could the ability to identify and analyze the factors that attempt to influence spending help you refocus on financial goals? Why or why not?
5. What daily decisions, if any, are influenced by media, peers, and parents?

Differentiating Instruction Tips:

1. Extend the *Who Made Me Buy That?* activity by assigning students to research the restrictions on television advertising to children.
2. Duplicate the questions in the PowerPoint notes and ask students to write responses. Assign questions to groups of 2-3 students and allow time for small group discussion.
3. Ask students to bring in examples of advertising that illustrates the blurring of the “wants” and “needs” that occurs in youth culture.
4. Assign students to apply the common decision-making strategies discussed in the PowerPoint Presentation to the decisions they recorded on their personal list decisions made in a 24 hour period. Analyze the results to determine if they follow a pattern.