

Using a buying plan

Students read a scenario and then practice creating a buying plan and comparison shopping for a computer.

Learning goals

Big idea

A buying plan can help people when they purchase products or services.

Essential questions

- What is a buying plan?
- Why is a buying plan helpful?

Objectives

- Recognize times when having a buying plan may be useful
- Understand how to use a buying plan to make a major purchase

What students will do



- Discuss times when people may spend money on something expensive or important.
- Create a buying plan and practice comparison shopping for a computer.

NOTE

Please remember to consider your students' accommodations and special needs to ensure that all students are able to participate in a meaningful way.

KEY INFORMATION

Building block:

-  Executive function
-  Financial knowledge and decision-making skills

Grade level: Elementary school (4-5), Middle school (6-8)

Age range: 9-11, 11-14

Topic: Spend (Budgeting, Buying things)

School subject: CTE (Career and technical education), English or language arts, Math, Social studies or history

Teaching strategy: Competency-based learning

Bloom's Taxonomy level: Apply, Evaluate, Create

Activity duration: 45-60 minutes

National Standards for Personal Financial Education, 2021

Spending: 4-1, 4-2, 4-4, 4-5, 8-1, 8-2, 12-2, 12-3, 12-5, 12-9

Saving: 4-2, 8-1, 12-9

These standards are cumulative, and topics are not repeated in each grade level. This activity may include information students need to understand before exploring this topic in more detail.

Preparing for this activity

- While it's not necessary, completing the "[Understanding our money choices](#)" activity for grades 4-5 or the "[Bouncing ball money choices](#)" activity for grades 6-8 first may make this one more meaningful.
- Print copies of all student materials for each student, or prepare for students to access them electronically.

What you'll need

THIS TEACHER GUIDE

- Using a buying plan (guide)
[cfpb_building_block_activities_using-buying-plan_guide.pdf](#)

STUDENT MATERIALS

- Using a buying plan (worksheet)
[cfpb_building_block_activities_using-buying-plan_worksheet.pdf](#)

Exploring key financial concepts

When you want to buy something important or expensive, planning ahead can save you money and time, and reduce stress. Making a buying plan before you shop can give you time to think about things like what features you want and how much you want to spend, and that can help you make the choice that's right for you. Comparison shopping – the practice of comparing similar products or services so that you can think about each option's price, features, benefits, or problems – may help you make more informed buying decisions and help you stay within your budget. Comparison shopping is a good practice when you buy anything, but it's especially useful when you buy something expensive.

TIP

Because product prices and features change, students should be encouraged to always look for the most up-to-date information.

Teaching this activity

Whole-class introduction

- Ask students to share expensive or important items people can buy.
 - Examples include a new appliance, car, or computer.

- Ask them what kinds of things people may need to think about before they make a big purchase.
 - Share that some people think about how much the item will cost, what features they want, or what their choices are.
 - For example, if you're shopping for a cell phone, one model you're considering might have a better camera than another model you're interested in.
- Tell students that creating a buying plan is a good way to plan for a big purchase.
 - It will help you create a budget, figure out what options to look for, and comparison shop.
 - Explain that a budget outlines how much money you plan to earn, save, or spend.
 - Tell students that comparison shopping means researching your choices before you buy something.
- Explain that when you create and use a buying plan, it's good to ask yourself certain questions, such as:
 - What do I want to buy?
 - How much do I have to spend? What is my budget?
 - Which features are important to me?
 - What choices do I have?
 - Which choice works best for me?
- Be sure students understand key vocabulary:
 - **Budget:** A plan that outlines what money you expect to earn or receive (your income) and how you will save it or spend it (your expenses) for a given period of time; also called a spending plan.
 - **Buying plan:** A plan people use to identify and consider factors like cost, features, and choices as they prepare to make a purchase.
 - **Comparison shopping:** The practice of comparing prices, features, benefits, risks, and other characteristics of two or more similar products or services.

TIP

Visit CFPB's financial education glossary at consumerfinance.gov/financial-education-glossary/.

Individual work

- Distribute the “Using a buying plan” worksheet to each student.
- Tell students that they’ll read the scenario “Cameron buys a computer.”
 - They’ll use the information from the scenario to fill out the buying plan.
- Then they’ll answer the reflection questions.

Wrap-up

- Ask for volunteers to share their answers to the reflection questions.
- Ask students to imagine Cameron six months or a year later. Ask volunteers to share how they think Cameron would feel about his purchase then.

Suggested next steps

Consider searching for other [CFPB activities](#) that address the topic of spending, including budgeting or buying things. Suggested activities include [“Comparing video game subscriptions”](#) and [“Budgeting for a fun day with a friend”](#) for grades 6-8 and [“Bringing your own bag”](#) for grades 4-5.

Measuring student learning

Students’ answers on their worksheets and during discussion can give you a sense of their understanding.

The answer guide on the next page provides possible answers for the “Using a buying plan” worksheet. **Keep in mind that students’ answers may vary, as there may not be only one right answer.** The important thing is for students to have reasonable justification for their answers.

Answer guide

Buying plan chart

Cameron's budget Write the most Cameron has to spend.	Features and options Cameron wants List three features that are most important to Cameron.	Cameron's choices List what you think are Cameron's best, second-best, and third-best choices for a computer.	Your choice for Cameron Use your personal experiences and knowledge to choose a computer for Cameron to buy.
\$520 but he doesn't want to spend it all.	Answers will vary but may include: <ul style="list-style-type: none">▪ Software for homework▪ Able to play all his games▪ Wi-fi▪ Parts he can upgrade▪ Camera for online classes and video chat	Answers will vary.	Answers will vary.

Reflection questions

Answers will vary.