# Personal Finance 7086

# Unit C: Becoming a Responsible Consumer

		RBT Classification	Course Weight
C	BECOMING A RESPONSIBLE CONSUMER		20%
PF05.00	Understand consumer rights, responsibilities, and information.	B2	8%
PF05.01	Understand rights and responsibilities of consumers.	B2	4%
PF05.02	Compare consumer information for food, apparel, personal hygiene, and medicinal drug products.	B2	4%
PF06.00	Understand shopping options and practices for meeting consumer needs.	B2	12%
PF06.01	Understand basic shopping options and effective shopping practices.	B2	4%
PF06.02	Understand options and practices for meeting transportation needs.	B2	4%
PF06.02	Understand options and practices for meeting housing needs.	B2	4%

#### **Overview – Unit C: Becoming a Responsible Consumer**

This unit comprises 20% of instructional time and helps students understand the power they have in society as consumers. Students will learn how to make money work for them by becoming savvy shoppers---researching information for purchases and finding real "bargains." On the flip side, students will also become aware of pitfalls---including impulse buying and false advertising.

The first essential standard addresses **consumer rights and responsibilities and consumer information** by developing an understanding of individual rights as protected by law and what it means to be a responsible consumer. The first objective lays the foundation with an understanding of basic protections, agreed upon by society and written into law, applied to purchases of goods and services in the United States. The second objective focuses on comparing consumer information from product labels and packaging to make smart, informed decisions. Using items from home that include personal hygiene, medicinal drug, food, and even clothing products make the student aware of the benefits of reading labels before making consumer decisions.

The second essential standard shopping options and practices for meeting consumer needs. Objective one provides insight into the "pros" and "cons" of shopping in stores and shopping at home and ways to shop effectively, while getting the best product for your money. Students will learn how to compare products using several sources to determine what would be the best buy. The teacher should choose items that most teens use---such as, cell phone providers for your area, internet service providers, electronic music players, and laptops for comparison research. For the third objective, students will explore options for transportation needs. Students will have the opportunity to set their priorities for the type and kind of vehicle that fits their needs, do research on new and used vehicles, and investigate methods of financing. Activities in this objective include a field trip to a car dealership that sells new and used vehicles. Teachers who find the field trip difficult to arrange may elect to have students explore auto options online. Inviting an insurance agent to class to discuss types of auto insurance and premiums is an opportunity to involve community resources and to make students aware of how insurance is affected by the style, model, and accessories in a chosen vehicle. The final objective allows students to research housing options for different stages of life. Students focus on how to develop a list of wants and needs in searching for a living space. The teacher will benefit from using local real estate and apartment-finding books and securing an actual lease or rental agreement to use in class activities.

The key for success with this unit is to combine community resources and materials to give the standards and objectives a touch of reality. Preparing ahead of time, reading and using activities, and arranging for trips and speakers is a challenge for the teacher to provide a variety of life skills for student consumers. These activities are a highlight for the class and through word-of-mouth will result in other students signing up for this course.

COURSE:	Personal Finance 7086				UNIT C	Becoming a Responsible Consumer
ESSENTIAL STANDARD		5.00	B2 8%		Understand information	consumer rights, responsibilities, and .
OBJECTIVE:		5.01	B2	4%	Understand consumers.	rights and responsibilities of

#### **Essential Questions:**

What basic consumer rights are protected by law? What does it mean to be a responsible consumer?

#### **UNPACKED CONTENT**

#### **Rights of Consumers**

A basic set of protections, agreed upon by society and written into law, apply to purchases of merchandise and services in the United States. These rights of consumers include:

- Right to be safe
- Right to be informed
- Right to choose products and services
- Right to be heard
- Right to redress
- Right to consumer education
- Right to service
- Right to a healthy environment

#### **Responsibilities of Consumers**

Types of activities a consumer is expected to perform as part of a purchase decision. Each consumer responsibility parallels a consumer right.

- To use products safely
- To find and use information
- To choose purchases carefully
- To speak up
- To seek redress
- To learn
- To reward good service
- To promote a healthy, caring relationship with the environment

OBJECTIVE:	5.01	B2	4%	Understand rights and responsibilities of consumers.	
LINDA CIVED CONTENT					

#### UNPACKED CONTENT

#### **Exercising Consumer Rights and Responsibilities**

- To protect their rights in the marketplace, consumers should
  - Be their own advocates look out for their own interests as a consumer with rights
  - Be aware of the steps to take to resolve problems with products/services
  - Be aware of organizations that assist consumers in resolving complaints
  - Know when to seek help
- Sources of consumer protection
  - Government agencies---federal and state
  - Merchant services
  - Consumer advocate groups
- Components of a successful complaint
  - Greeting/salutation
  - Opening
  - Body
  - Closure
- Example---exercising consumer rights after purchasing a car
  - You have worked with your local car dealer and the problem remains unresolved
  - Go to <u>www.consumeraction.gov</u> to consult the Consumer Action Handbook (published by the Federal Citizens Information Center of the U.S. General Services Administration) to obtain contact information for automotive regional managers
  - Contact the manufacturer's regional manager to request assistance. (The local dealer's concern for profit may impair his/her ability to listen with an unbiased ear.)
  - Have your facts in order
  - Decide whether to register your complaint in person or by telephone, email, or letter
  - Be sure to include all essential components of an effective complaint---salutation/greeting, opening, body, and closure

OBJECTIVE:	5.01	Understand right consumers.	s and responsibilities of			
INSTRU	RELEVANCY TO OBJECTIVE					
1. Announce that this objective will enable students to understand rights and responsibilities of consumers. Tell students that rights of consumers were first identified by President John F. Kennedy in a message to Congress in 1962. Later presidents have added additional rights to this "Consumer Bill of Rights." Distribute copies or display as a visual <b>Appendix 5.01J, "Key</b>					To demonstrate personal relevance and to have students <b>RECOGNIZE</b> ( <b>A1</b> ) pre-purchase research processes and sources of product information they are	
<b>Terms."</b> Have studer in the opening assignr			ok up ui	mamma terms	already using	
Opening Assignment: a recent purchase of a cell phone, ipod, ear p discuss responses to th • Describe the proc • What sources of it what to purchase?	e item (camera, share and for purchase.					
Return to whole grou Compile a list of info students naming each	rmation	sources	and reco	ord the number of		
2. Preview and discuss the rights of consumers explained on Appendix 5.01A, "Consumer Rights" and listed in Appendix 5.01B, "Consumer Rights and Responsibilities."					2. To have students UNDERSTAND (B2) basic rights of consumers	
Have students use text find corresponding res			•		and their corresponding responsibilities	
Have students record add additional notes a remaining space. Discresponses with <b>Apper</b> additional information use <b>Appendix 5.01D</b> ,	estions. Check y." For responsibilities,					
3. List three of the rights safety, right to be info	_	3. To have students UNDERSTAND (B2)				
Have students use Con product comparisons of students report finding sound system, 24-spec product features, price	strategies for exercising their rights to safety, to be informed, and to choose as they research products to consider for purchase					
class of merchandise-	product features, prices, and product performance information.  Point out that the critical elements for comparison vary by the class of merchandisee.g., for sound systems, compare megahertz; for bicycles, compare gear systems.					

OBJECTIVE:	5.01	5.01 B2 4% Understand rig consumers.			nts and responsibilities of
INSTRU	RELEVANCY TO OBJECTIVE				
Tell students that <u>Con</u> Consumer's Union, w advocacy group.					
Ask students which rig exercising with this as (Rights to safety, be in	signme	nt and ex	plain the	ir answers.	
Ask students the follow	wing qu	estions:			
<ul> <li>What kinds of info <u>Reports</u> that would</li> </ul>					
<ul> <li>How would the in purchases?</li> </ul>	nformat	ion help y	ou make	e better	
What are some of (websites, brochuse)					
4. Have students work  Appendix 5.01E, "So out the four categorie (3) merchant services	4. To have students  UNDERSTAND (B2)  types of helps available from groups and agencies that provide consumer				
Give each student/pa Sticky Notes literacy sticky note per webs information: (1) wel available to consume exercise by using thi	protection				
a. Federal agencies- follow the "Consume Loans" and note wha time for students to f agencies listed on the	Credit and credit. Allow of other federal				

## Literacy Strategy:

**Sticky Notes** can be used as a literacy tool when the teacher tells students before they begin reading what he/she wants them to write. As they read/listen/view or after they read/listen/view, students can write down the information requested. The sticky note, then, becomes a way for students to hold their thinking and have specific information to remember and share with others during discussion.

OBJECTIVE:	5.01	B2	4%	Understand right consumers.	nts and responsibilities of
INSTR	RELEVANCY TO OBJECTIVE				
4. (continued)					
b. State agencies					
c. Merchant services business and find inf					
d. Advocacy groups Better Business Bure help available there.					
Have students/pairs a write on a separate st activity about exercis	rned from this				
5. Ask students to sl they or their families examples of problem	5. To have students UNDERSTAND (B2) ways to file a complaint				
Tell students that, in may need to express to remember that the Have students use <b>A</b> Successful Complaint from 5.01 Unpacked complaint.	and to provide a formativ assessment				
Have students visit verto "How to File a Colletter and a complain Appendixes 5.01 G/"Successful Verbal Evaluating Complain					
Pair students. Have ways of registering a conversation. Be sur of students. Have or dissatisfied customer employee. Have students or role play present and receive cactivity for partners to experience. Have students or received activity for partners to experience.					

OBJECTIVE:	5.01	B2	4%	Understand right consumers.	nts and responsibilities of		
INSTRU	RELEVANCY TO OBJECTIVE						
6. Have students do a conducting research in knowledge of their rig prepare on a note card rights to be safe, be in heard, redress, consumenvironment. Have eathem, one by one, "Wa right as a consumer consumer to be informatally sheet on the note incorrect responses re	6. To have students <b>APPLY</b> ( <b>C3</b> ) survey and data collection skills to assess high school students' overall understanding of their rights as consumers						
who offer a correct re- from all students. Pre class findings includir the number of student	Have students report the number and percentage of students who offer a correct response for each right. Compile findings from all students. Prepare an official research report for the class findings including the total number of students surveyed, the number of students responding correctly for each right, and the percentage of students responding incorrectly for each right.						
In the written research reporting the data, put of each right of consustudents who need a beconsumers, as well as personal finance, are if Finance course. Give research report and has surveyed. If paper research report interestance a research report	ce explanation a statement that a rights as e about 086 Personal en copies of the person they nting additional arrange to						

## **N** Numeracy Strategy:

To make a **Math-to-Life Connection** is to see a relationship between a math concept and a real-life situation. Finding math-to-life connections greatly increases the relevance of new information and skills being learned.

OBJECTIVE:	5.01	B2	4%	Understand rights and responsibilities of consumers.
REFERENCES				WEBSITES
Textbook Reference	<u>es</u> :			Federal Trade Commission www.ftc.gov
Campbell, Sally R. (2 Consumer, 7 <sup>th</sup> Ed. Ti Goodheart-Willcox C Campbell, Sally R. (2 Personal Finance, 8 <sup>th</sup> Illinois. Goodheart-V (Newer version, The Lowe, Ross E.; Malo Jacobson, Annette R. Education & Econom Illinois. Glencoe/Mc Wehlage, Nancy and (2006). Goals for Liv Park, Illinois. Goodh Inc.  Supplemental Refer Wehlage, N. and Lars Goals for Living: Ma Tinley Park, IL: The Company, Inc. Wehlage, N. and Lars Student Activity Guid Managing Your Reso The Goodheart-Willo	inley Pa Compan 2010). J Ed. Ti Willcox Confide uf, Cha (2003) nics, 5 <sup>th</sup> Graw-H Larson ving, 5 <sup>th</sup> neart-W	rk, Illinory, Inc. Foundation ley Park Companyent Consumer Consume	is.  ons of  y, Inc. oner)  nd oner ria,  y, Mary ley mpany,  . (2006). cox  . (2006). Living: ark, IL:	Federal Citizens Information Center of the U.S. General Services Administration Consumer Action www.consumeraction.gov Google www.google.com N.C. Department of Justice Attorneys General www.ncdoj.gov (changed to ".gov) Better Business Bureau www.bbb.org North Carolina Bar Association www.ncbsr.org Consumer Information Center www.pueblo.gsa.gov Consumer World www.consumerworld.org National Fraud Information Center www.fraud.org Consumer Product Safety Commission www.cpsc.gov Consumer Alert www.consumeralert.org U.S. Department of Justice www.justice.gov National Coalition Consumer Privacy Group www.nccprivacy.org SCAM SHIELD www.scamshield.com Internet Scam Busters www.scambusters.com SNOPES Internet scam information www.snopes.com

## OBJECTIVE 5.01

# APPENDIXES OF INSTRUCTIONAL SUPPORT MATERIALS

Appendix 5.01A	Consumer Rights
Appendix 5.01B	Consumer Rights and Responsibilities
Appendix 5.01C	Consumer Rights and Responsibilities KEY
Appendix 5.01D	Consumer Responsibilities
Appendix 5.01E	Sources of Consumer Protection
Appendix 5.01F	Components of a Successful Complaint
Appendix 5.01G	Making a Successful Written Complaint
Appendix 5.01H	Making a Successful Verbal Complaint
Appendix 5.01I	Receiving and Evaluating a Complaint
Appendix 5.01J	Key Terms
Appendix 5.01K	Prototype Assessment Items

## 5.01 SUPPLIES

	Wh	ere Supplies Are Used
Supplies Needed	Activity	Related Appendix/FEFE
		Lesson
Several copies, or online access, to <u>Consumer</u> <u>Reports</u>	#3	None
Sticky notes for each team of students	#4	Appendix 5.01C- "Sources of Consumer Protection"
Plain white paper for complaint letters	#5	Appendix 5.01D- "Components of a Successful Complaint"
5x8 note card, or cutting from card stock, for each student	#6	None

## Consumer Rights

Directions: Review these explanations and examples to aid in understanding consumer rights. Read each right like this example: "the right to be safe."

#### • To be safe

- Consumers are entitled to protection against dangerous goods and services
- As long as they are using products and services appropriately, according to directions
- Product testing and labeling intended to protect consumers from potential danger
- Sources of consumer protection: State and federal government agencies (e.g., Consumer Product Safety Commission) and consumer advocacy groups
- Laws protect with regard to credit, debt collection, product safety and usability

#### • To be informed

- About product and service performance, quality and price, and seller's reputation
- So consumers can make informed decisions about purchases
- Information needed depends on what is to be purchased and how it will be used
- Common sources of consumer information include advertising, product labels, warranties, articles in newspapers and magazines, salespersons, and other consumers.

#### • To choose products and services

- Multiple retailers selling similar goods and services at competitive prices
- Options needed so consumers can meet wants and needs using available resources
- Opportunity to select goods, services, and places to shop
- Laws discourage monopolies and encourage fair competition in the marketplace

#### • To be heard

- Right to speak up, be heard, and expect results
- Retailers and government agencies are interested in consumers' comments
- Voicing legitimate interests, comments, and complaints, either in person or in writing

#### To redress

- When consumer expectations are not met
- When products and services do not meet sellers' claims
- Right to have a fair settlement of the dispute, with some form of compensation

#### To consumer education

- Provides training to gain knowledge and skills to be effective consumers
- This course is one form of consumer education
- Nonprofits, banks, and credit unions often sponsor consumer education opportunities.

#### To service

- Expect convenience, courtesy, and responsiveness
- If treated rudely by a salesperson, complain to customer service or the manager
- To a healthy environment
  - Environment is non-threatening to the well-being of present and future generations
  - Both businesses and consumers responsible for taking care of the environment
  - Recycle, use energy-efficient technology, and reduce waste

#### Appendix 5.01B

## Consumer Rights and Responsibilities

Directions: Identify one responsibility to correspond with each right. Use remaining space to take notes on each right and responsibility.

Consumers have rights and accompanying responsibilities. Exercising consumer rights and responsibilities helps balance the best interests of consumers with the best interests of the marketplace.

RIGHTS	RESPONSIBILITIES
Right to safety	Responsibility to
Right to be informed	Responsibility to
Right to choose	Responsibility to
Right to be heard	Responsibility to
Right to redress	Responsibility to
Right to consumer education	Responsibility to
Right to service	Responsibility to
Right to a healthy environment	Responsibility to



## Consumer Rights and Responsibilities---KEY

Consumers have rights and accompanying responsibilities.

Exercising consumer rights and responsibilities helps to balance the marketplace.

RIGHTS	RESPONSIBILITIES
Right to safety	Responsibility to use products safely
Consumers should be protected against products that are hazardous	Consumers should use products as they are meant to be used.
Right to be informed	Responsibility to use information
Consumers should be protected against dishonest advertising, labeling, or sales practices. They should be given the facts needed to make informed choices.	Consumers should look for information about products they plan to buy and use it to compare and evaluate different brands and models.
Right to choose	Responsibility to choose carefully
Consumers should have the opportunity to select from a range of goods and services, make free choices of items for purchase, and choose place of purchase.	Consumers should use their buying power intelligently to encourage ethical business practices and safe, reliable products.
Right to be heard	Responsibility to speak up
Consumers should know that their interests will be considered in the making of laws.	Consumers should let public officials know their opinions about consumer issues.
Right to redress	Responsibility to seek redress
Consumers are entitled to swift and fair remedies for wrongs that are done.	Consumers should pursue remedies when products and services do not meet expectations.
Right to consumer education	Responsibility to learn
Consumers should have the opportunity to learn how to be effective consumers.	Consumers should take advantage of every opportunity to develop and improve consumer skills.
Right to service	Responsibility to reward good service
Consumers have the right to expect convenience, courtesy, and responsiveness from businesses.	Consumers should be courteous and responsive to businesses in return. They should show their appreciation for good service by patronizing businesses that provide it.
Right to a healthy environment	Responsibility to care for the environment.
Consumers have a right to live and work in an environment that is non-threatening to the well-being of present and future generations.	Consumers should respect the earth and overall environment by measures such as responsible waste disposals, preservation and conservation of natural resources.

#### Appendix 5.01D

## Consumer Responsibilities

Directions: Review these explanations and examples to aid in understanding consumer responsibilities. Read each responsibility like this example: "the responsibility to use products safely."

- To use products safely
  - Use products for their intended purposes and guard against carelessness
  - Read and follow manufacturer's directions for safe use of products
  - Benefit: protects consumers and others from potential harm
- To find and use information
  - Find and use information when planning a purchase
  - Conduct research on products before making a purchase
  - Consult several reputable sources to gather information about an intended purchase
  - Compare products (product features, costs, and warranties) and service policies
  - Benefit: optimum satisfaction from purchases
- To choose purchases carefully
  - Become knowledgeable about companies that produce products
  - Use buying power to support companies with ethical practices and reliable product
  - Benefit: increases the likelihood that purchase decisions meet consumer needs
- To speak up
  - Voice compliments as well as legitimate complaints
  - Being an effective communicator is important in getting your message heard
  - Register complaints promptly
  - Identify product defects and/or service problems
  - Contact a local or regional store manager or a consumer affairs department
  - File a complaint with the Better Business Bureau (BBB)
  - Benefit: provides feedback to sellers about product problems and deficiencies
- To seek redress
  - Actively pursue remedies when products do not meet expectations
  - Seek to exchange a faulty product for the same or a similar product
  - Use receipt or other proof of purchase to request a refund or an apology
  - Benefit: contributes to balance between sellers' and consumers' interests
- To learn
  - Learn skills needed to make informed, confident choices about purchases
  - Take courses related to consumer education
  - Benefit: builds consumer skills/confidence to function effectively in the marketplace
- To reward good service
  - Use buying power to support reliable sellers and service providers
  - Avoid buying from non-reputable companies
  - Benefit: helps reputable businesses thrive; makes it harder for shoddy businesses to operate
- To promote a healthy, caring relationship with the environment
  - Support companies whose practices sustain the environment
  - Purchase/use recycled products and those that contain recycled content
  - Avoid littering and use appropriate waste receptacles
  - Benefit: improves the quality of life for current and future generations

## Sources of Consumer Protection

Directions: Scan agencies and groups in the four categories to see the types of help they provide.



- Federal Trade Commission (FTC) Ensure fair transactions, product labels, privacy
- Department of Labor (DOL) Ensure fair and reasonable working conditions
- Food and Drug Administration (FDA) Protect against unsafe food, drugs, cosmetics
- Consumer Product Safety Commission (CPSC) Set safety standards for products
- Department of Housing and Urban Development (HUD) Supervises programs related to housing needs and fair housing opportunities
- United States Department of Agriculture (USDA) Inspects and sets standards for meat, poultry, and canned foods

# RETURNS

Sources of Consumer Protection

#### State Agencies

- Attorney General's Office

   takes legal action on
   behalf of the state and its
   citizens
- NC Cooperative Extension

   provides unbiased
   research-based consumer
   education and information

#### **Merchant Services**

- Warranty and return policies – provide guidelines for dissatisfied customers
- Consumer affairs departments – deal with consumer concerns and complaints

#### Consumer Advocacy Groups

- Better Business Bureau (BBB) provide reliability reports on businesses, accept consumer complaints
- News media provide consumer investigative reports
- National consumer organizations provide consumer advocacy, educational materials, product/service information

## Components of a Successful Complaint



A successful complaint has four components:

1.					
2.					
3.					
1.					
When a consumer Explain your answ	makes a compla er.	aint, he or she is e	xercising the righ	ıt to	·
Consumer compla sources of consum	ints are usually or er protection:	directed to a sour	ce of consumer pr	rotection. Name	at least 3 of 4
			7		
				_	

## Making a Successful Written Complaint



Directions: Write in the boxes the types of information requested in the text immediately above.

Components of a written complaint:

- Salutation/greeting
- Opening
- Body
- Closure

Identify the organization you will contact to make a complaint. Look in the U.S. General Services Administration's <u>Consumer Action Handbook</u> and select a company for this exercise. Write in the space below the company name and address and one of its products to be the subject of the complaint.

Company Name and Address	Product
Salutation or Greeting: The purpose of the salutation or greeting is to direct your complaint to a specific person or position and establish a pleasant rapport.  1) Identify to whom your complaint letter, email, or conversation will be directed:	
Opening: The purpose of the opening is to establish the raction 2) Write the first few lines of the letter or telephone contacting the person or position in the organization.	conversation to identify the reason you are
<b>Body:</b> The purpose of the body is to describe the details company's product and to request the desired remedy.  3) Describe the problem(s) or product defect(s) experts the problem are a specific remedy such as a refund, a creation of the problem are the	erienced.
<b>Closure</b> : The purpose of closure is to request a response 5) Request a written response within a specific time	•

## Making a Successful Verbal Complaint



Consumers commonly make their dissatisfaction known by making a verbal complaint. Verbal complaints can be made in person or over the phone.

Follow the tips below for making a successful verbal complaint.

#### • Act quickly

- o Address the situation as soon as you become aware of a problem.
- o Procrastinating may affect your ability to resolve the problem.

#### Address the right source

- o Usually a salesperson or operator can direct you to the appropriate person who can handle your complaint.
- o Complaining to top management, an owner, or regional manager is usually a last step.

#### Be specific and factual

- o Mention when you made the purchase.
- o Accurately describe the product or service purchased.
- o Describe the problem.
- o Be sure to have important papers such as an original sales receipts, bills, warranties, etc.

#### Be reasonable

- o Politely address the person handling your complaint.
- o State the problem calmly and clearly; refrain from being argumentative or accusatory.

#### Suggest a solution

- o Spell out what you want.
- o Do you expect a repair, replacement, refund, or apology?

#### Notes:



## **Receiving and Evaluating a Complaint**

Customer service employees listen to, evaluate, and respond to customer complaints.

- Listen carefully as your partner describes a product or service he/she purchased and was dissatisfied with.
- Be polite and courteous when the customer is making the complaint.
- Ask questions to gain additional information or clarify what the consumer says.
- Check the boxes below when each component of a success complaint is addressed.
- Take notes to share with your partner after this activity.

### **Problem was clearly and concisely stated?**

What is the problem?

## Desired action or remedy was clearly stated?

What does the consumer want?

# Consumer provided the required evidence such as receipts and product information to support the purchase and claim?

(Make sure you are knowledgeable about the store or company's policies for returns and exchanges.)

What evidence did the customer present?

## Customer was polite.

Was the customer polite?

Which source(s) of consumer protection should the consumer access *NEXT*?



## Key Terms: Consumer Rights and Responsibilities

Term	Definition					
General Terms						
good	A physical object that is purchased					
service	An action that is performed for someone's benefit  Examples: car repair, hair cut, internet connection, cell phone connection					
retailer	One who sells goods and services directly to consumers					
marketplace	All retailers' goods and services available to the general public					
merchandise	A product or physical item purchased Examples: clothes, video games, music discs, computer, cell phone					
consumable product	A product that typically provides a single use or period of use and is destroyed or dissapears as the consumer enjoys the product  Examples: food, cell phone montly service minutes, electricity, and gasoline					
durable product	A product that lasts for a long peirod of time and continues to be available to the consumer for more than a single use.  Examples: cars, washing machines, computers, cell phone					
warranty	A guarantee that a product is in good working order and will give good service for a reasonable amount of time. A full warranty has no specific limitations while a limit warranty does and must state what the limitations are. For example, a used car warranty might state that the dealer would be responsible for repairs on certain type of parts and equipment for a specifified timeframe. Consumers would be responsible for paying for other repairs not covered under the warranty.					
Consumer Resour	:ces					
government agency	An organization that operates as part of the state or federal government					
merchant services	Any helps provided to consumers by companies/stores/businesses					
consumer affairs department	A department of a business that communicates with customers about their rights and needs as consumers					
consumer advocate	A person or ogranization that works on behalf of consumers' interests and rights					
Better Business Bureau (BBB)	A nonprofit organization sponsored by private businesses that attempts to settle consumer complaints against local businesses					
consumer action panel	A group formed by a trade association to address consumer complaints					



## Key Terms: Consumer Rights and Responsibilities

Consumer Rights	A basic set of protections, agreed upon by society and written into law, that apply to purchases of merchandise and services in the United States
right to be safe	Being entitled to protection against potentially harmful goods and services
right to be informed	Being entitled to information about a seller's reputation, product and service performance, quality, and price
right to choose products and services	Having the opportunity to select goods, services, and places to shop
competition	A situation in which the same or similar goods and services are offered by more than one seller.
right to be heard	Having opportunities to make known likes, dislikes, and problems with products and services
right to redress	Being entitled to a fair and quick remedy to a wrong or loss
right to consumer education	Being entitled to training to gain knowledge and skills as consumers
right to service	Being entitled to convenience, courtesy, and responsiveness
right to a healthy environment	Being able to live in a safe, non-threatening environment
Consumer Responsibilities	Types of activities a consumer is expected to perform as part of a purchase decision
to use products safely	Read and follow manufacturers' directions for using a product
to find and use information	Find materials to compare sellers and products/services to be purchased
to choose purchases carefully	Make purchases from companies with reliable products and ethical business practices
to speak up	Let companies know when products/services are defective or below-standard
to seek redress	Pursue remedies whenever products/services do not meet expectations
to learn	Learn skills that prepare one to be a confident, informed consumer
to reward good service	Use your buying power to support reliable sellers and service providers
to promote a healthy caring relationship with the environment	Consider the effect on the environment of consumer practices, and support companies that consider the environment as well

## Prototype Assessment Items

Note: These prototype assessment items illustrate the types of items used in the item bank for this objective. All items have been written to match the cognitive process of the *understand* verb in the objective. Questions require students to find relevant examples (*Understand*), assign examples to categories (*classify*), detect correspondences and differences (*compare*), and understand cause and effect relationships (*explain*) with rights and responsibilities of consumers. These exact questions will not be used on the secured test, but questions in similar formats will be used.

These assessment items may be used as prototypes by teachers and students to generate similar items to comprise formative assessments for your classroom. This strategy is especially helpful during the field test year when classroom item banks are not available. Results of formative assessments should be used as feedback of levels of mastery and for making necessary adjustments of teaching and learning to improve students' achievement.

- 1. Which is an example of the consumer responsibility to promote a healthy, caring relationship with the environment?
- A. Janet wears gloves, protective clothing, and a mask when applying pesticides.
- B. Katrina saves coupons to help keep her grocery expenses as low as possible.
- C. Larry returned the spoiled meat to the market where he had bought it.
- D. Matt bought foods packaged in biodegradable materials whenever possible.

Answer: D

- 2. Victor purchased a circular wood saw from a large department store. He was in a hurry to finish his latest home improvement project and removed the blade guard to save time. Victor ignored the consumer responsibility to:
- A. learn.
- B. seek redress.
- C. use products safely.
- D. use information.

Answer: C

- 3. What do consumer advocacy groups and the Consumer Product Safety Commission have in common?
- A. Both are state agencies.
- B. Both protect consumers.
- C. Both represent consumers in lawsuits against big companies.
- D. Both write letters of complaint for consumers who have been treated poorly.

Answer: B

- 4. When the hedge trimmer she purchased from the local hardware store would not work properly, Tara was uncomfortable about taking it back, so she decided she would never shop at that store again. The **MOST LIKELY** cause of her dissatisfaction with the store was her failure to:
- A. do product research.
- B. follow manufacturer's instructions.
- C. speak up about legitimate dissatisfactions.
- D. use the product safely.

Answer: C

COURSE:	Personal Finance 7086			7086	UNIT C	Becoming a Responsible Consumer
ESSENTIAL STANDARI		5.00	B2	8%	Understan and inform	d consumer rights, responsibilities, nation.
OBJECTIV	E:	5.02	B2	4%		consumer information for food, ersonal hygiene, and medicinal drug

#### **Essential Questions:**

- How can consumers use information from product labels and packaging?
- How can consumers use product use and care information to make smart decisions?

#### UNPACKED CONTENT

#### **Consumer information for food products**

- Required information on food labels (by Food and Drug Administration)
  - Common name of the food; also includes form of food---chopped, whole, etc.
  - Net weight or volume
  - Name and address of the manufacturer, packer, or distributor
  - List of ingredients
  - Most food products are required to have a nutrition facts panel containing:
    - Serving size in both household and metric measures
    - Servings per container
    - ° Calories per serving and calories from fat
    - Percent Daily Values in grams or milligrams
- Voluntary information often found on food labels
  - Cooking directions and recipe ideas
  - Brand name---types of brands of food products:
  - Price information
  - Open dating

#### **Consumer information for apparel products**

- Information required by Federal Trade Commission (FTC), permanently stamped/sewn in
  - Manufacturer or seller or brand name identification
  - Fiber name and content by weight---e.g., 100% cotton
  - Country of origin, if not made in the USA
  - Care information stating ways to launder, dry, iron and/or dry clean
- Laws governing clothing and textile (apparel) products
  - Wool Products Labeling Act
  - Textiles Fiber Products Identification Act
  - Permanent Care Labeling Rule
  - Flammable Fabrics Act
- Other manufacturers' information on removable hang tags or sewn in
  - Size, name of color, designer's name
  - Special finishes that alter performance
- Quality of construction must be assessed by studying details of actual product

OBJECTIVE:	5.02	B2	4%	Compare consumer information for food, apparel, personal hygiene, and medicinal drug products.	
LINDACKED CONTENT					

#### UNPACKED CONTENT

#### **Consumer information for personal hygiene products**

- Personal hygiene products are also known as cosmetics and grooming aids---e.g., antiperspirants, dandruff shampoo, fluoride toothpaste, and sunscreen. Those that claim to affect the structure or function of the body are also classified as drugs. These must meet labeling requirements of the Food and Drug Administration (FDA).
  - Name and description (use) of the product
  - Ingredients listed from largest to smallest
  - Ingredients of hygiene products classified as "drugs' listed in one of two categories
    - "Active" for the ingredients which make the product effective
    - ° "Other" for the additional ingredients
  - Quantity by count, measure or weight
  - Country of origin if imported
  - Name and address of the firm marketing the product
  - Name of the manufacturer if it is different from the distributor
  - Warning/safe use instructions must be on products that could be harmful if misused
  - Tamper-resistant packaging required for liquid oral hygiene and vaginal products, eyedrops, and contact lens preparations
- Hygiene products classified as non-drug cosmetics do not claim to affect structure or function of the body. These do not require approval to use certain ingredients and do not have to show proof of performance.
- Because there are no laws governing use of terms on cosmetics labels, manufacturers are able to include information with limited or undetermined reliability to boost sales.
- Making informed purchasing decisions

#### Consumer information for medicinal drugs

- Medicinal drugs are regulated by the Food and Drug Administration (FDA)
- Drugs are available as generic drugs or by trade and brand names
- Types of drugs as defined by the FDA
  - Prescription drugs
  - Over-the-counter drugs
- Suggestions for making informed purchasing decisions
  - Check availability of generic substitutes for trade and brand name drugs
  - Ask if a drug is habit-forming and exercise caution when using
  - Exercise caution when using dietary supplements, as these are not tested or approved by the FDA or any other government agency and may not be safe or effective
  - Beware of websites that sell unapproved products or products that should only be obtained with a doctor's prescription---may be out of date, counterfeit, or contaminated
  - Avoid purchasing tobacco products, as data shows they are associated with heart and lung diseases, cancer, digestive problems, and infertility

					•	C C 1 1	
OBJECTIVE:	BJECTIVE: 5.02 B2 4% Compare consumer inform personal hygiene, and med						
	INSTR	UCTION	NAL ACT	• • • • • • • • • • • • • • • • • • • •		RELEVANCY TO OBJECTIVE	
<ol> <li>Display a few sample products representing food, apparel, personal hygiene, and medicinal drug products. These may be provided by teacher or have students bring in. Provide at least one product for every two students. Have students comment on what they see, responding to these questions:         <ul> <li>Do you recognize any of these products?</li> <li>What types of products do you see? (food, apparel, personal hygiene, and medicines)</li> <li>Do you use any of these products?</li> <li>How do you select products to purchase in each category?</li> <li>To what extent do you rely on label/packaging information?</li> </ul> </li> </ol>				1.	To demonstrate personal relevance and to have students <b>UNDERSTAND</b> ( <b>B2</b> ) types of product information found on labels and packaging		
Have students pair up and select one product to investigate. Allow 3 minutes for them to see how much new information they can learn about the product from label and packaging.							
this objective we	e will ta nd on la	ke a close bels and j	er look at packages	Discuss. Comment that in types of helpful consumer of food, apparel, personal			
products of the s <b>Product Label</b> breakfast bars, a	formation same type type type type type type type typ	on for Force and corison."  ts drinks, elect a pr	od Produmplete Ap Suggested but other coduct the	ppendix 5.02B, "Food d products include cereals, products may be selected as y frequently eat is a good	2.	To have students COMPARE (B2) consumer information found on food product labels and provide formative	
products; then, r	eturn to	whole gr	roup for f	ss findings for similar inal sharing and discussion. elp one prepare nutritious		assessment	
Brand vs. Name Have students su paragraphs descr	e Branc ummariz ribing th s. Ask o	l." ze what the ne advant each stud	ney learn	te FEFE 1.2.1, "Store  by writing three or more disadvantages of using store lude in their last paragraph at	3.	To have students COMPARE (B2) store brand products with name brand products	

OBJECTIVE:	5.02	B2	4%	Compare consumer information personal hygiene, and medicin			
	INSTRUCTIONAL ACTIVITIES						
<ul> <li>4. For homework, have each student select one food product and determine, among two sizes or brands of that product, which one:</li> <li>Has the lower unit price.</li> </ul>						To have students <b>COMPARE (B2)</b> unit prices of two similar products	
sure t	hat produ , then, the	icts are	of equal of	the better buy, one must be quality. If product quality is e lower unit price would be the			
• Is bet	ter for one	e who n	needs a lo	w-fat or low-sodium diet.			
• Accor	rding to th	ne ingre	dients lis	t, has better quality/flavor.			
• Accor	<ul> <li>According to open dating labeling, is the better choice.</li> </ul>						
Have each student turn in a written statement of which product he/she would buy and reasons for the response. Share findings and discuss; have students take notes of strategies used to determine better product choices.							
two produ	icts for a l that stude	label-re ents are	ading act	ts or have each student bring in ivity. These may include outer jackets, sweaters, etc. Hang	5.	To have students COMPARE (B2) consumer information found	
Have students review and the class discuss <b>Appendix 5.02C</b> , "Consumer Information for Apparel Products," then select two products and complete <b>Appendix 5.02D</b> , "Apparel Product Label Comparison."						on apparel product labels	
Have stud group, ask reasons fo	Form groups of four to compare findings for similar products. Have students take notes on other group presentations. In whole group, ask whether students would purchase items represented and reasons for their views. Discuss ways apparel labels can be used to help make smart clothing purchases.						

## **N** Numeracy Strategy:

To make a **Math-to-Life Connection** is to see a relationship between a math concept and a real-life situation. Finding math-to-life connections greatly increases the relevance of new information and skills being learned.

OBJECTIVE:	5.02	B2	4%	Compare consumer information personal hygiene, and medicin	
	INSTR	RUCTIO	ONAL AC	CTIVITIES	RELEVANCY TO OBJECTIVE
6. Have students review and the class discuss Appendix 5.02E, "Consumer Information for Personal Hygiene Products." For homework, select two personal hygiene products and complete Appendix 5.02F, "Personal Hygiene Product Label Comparison." Have students guess which products are cosmetics and which are drugs. Share/discuss findings. Summarize for students how to tell if a product is a drug or a cosmetic. Discuss words used to market individual products. Refer to Appendix 5.02I, "Key Terms," to clarify meanings of terms.					6. To have students  COMPARE (B2)  consumer  information found  on personal  hygiene product  labels
7. Have students review and the class discuss <b>Appendix 5.02G</b> , "Consumer Information for Medicinal Drug Products." For homework, select two medicinal drug products from their home medicine cabinets and complete the "Medicinal Drug Product Label Comparison," Appendix 5.02H. Discuss findings in class. Stress the importance of selecting medicinal drugs with a doctor's recommendation or prescription, both for effectiveness in relieving symptoms and eligibility for insurance coverage.					7. To have students  COMPARE (B2)  consumer  information on  two medicinal  drug products
about a pa select mos Or, permi NOT yet o to emphas	nir of procest signific t students compared size findir	lucts co ant info to sele . Enco ngs in a	impared in ormation is ct another urage stud n original	ter to show what they learned in class. Challenge students to revealed by the comparison. It pair of products that were dents to use their creative ideas way, to be brief and focused, known about the products.	8. To have students  COMPARE (B2)  product information findings and relate these to personal shopping decisions
Display po Walk. As on a note information					
posters an	d to ask a	nd ansv	ver questi	for class discussion of the ions. Have students turn in e door at the end of class.	

## Literacy Strategy:

A **Gallery Walk** is similar to a person walking through an art gallery looking at paintings. In the classroom, students look at student work, which might be in the form of a poster, paper, or other format. Gallery walks are most effective when the teacher gives students a task to do as they look at other student work. For example, the teacher might want students to take notes or give feedback to the writer(s) on a sticky note.

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## OBJECTIVE 5.02

# APPENDIXES OF INSTRUCTIONAL SUPPORT MATERIALS

Appendix 5.02A	Consumer Information for Food Products
Appendix 5.02B	Food Product Label Comparison
Appendix 5.02C	Consumer Information for Apparel Products
Appendix 5.02D	Apparel Product Label Comparison
Appendix 5.02E	Consumer Information for Personal Hygiene Products
Appendix 5.02F	Personal Hygiene Product Label Comparison
Appendix 5.02G	Consumer Information for Medicinal Drug Products
Appendix 5.02H	Medicinal Drug Product Label Comparison
Appendix 5.02I	Key TermsConsumer Information
Appendix 5.02J	Prototype Assessment Items

## 5.02 SUPPLIES

	Wh	ere Supplies Are Used
Supplies Needed	Activity	Related Appendix/FEFE
		Lesson
Display of products with labels	#1	None
<ul> <li>Representing food, apparel, personal</li> </ul>		
hygiene, and medicinal drug products		
Minimum one product per student		
Sample packaged food products: cereal,	#2	Appendix 5.02A-
breakfast bars, sports drinks, etc.		"Food Product Label
		Comparison"
• 5 different products2 of each including a	#3	FEFE 1.2.1-
store brand and name brand		Store Brand vs. Name
• Place cards for stations labeled 1, 2, 3, 4, 5		Brand
Brown paper bag or cardboard box		
• An example of each brandgeneric, store, and name		
• 3 items of 2 different products to sample (1 store and 1 name brand)		

## 5.02 Supplies, continued

	Where Supplies Are Used	
Supplies Needed	Activity	Related Appendix/FEFE Lesson
<ul> <li>Serving containers, as Dixie cups</li> <li>Markers to label serving containers</li> <li>Place cards labeled 1, 2, 3</li> <li>Calculators</li> </ul>		
Clothing brought from home with readable labels	#5	Appendix 5.02B- "Apparel Product Label Comparison"
Bottles/cans of hygiene products shampoo, hand cream, etc.	#6	Appendix 5.02C- "Personal Hygiene Product Label Comparison"
Several over-the-counter medicinal drug productsaspirin, creams, etc.	#7	Appendix 5.02D- "Medicinal Drug Product Label Comparison"
<ul><li>Posterboard/paper for each student</li><li>Markers</li></ul>	#8	None

#### Consumer Information for Food Products

Directions: Use these explanations and examples to aid in understanding consumer information for food products.

- Required information on food labels (by Food and Drug Administration)
  - Common name of the food; also includes form of food---chopped, whole, etc.
  - Net weight or volume
  - Name and address of the manufacturer, packer, or distributor
  - List of ingredients
    - Must be listed largest to smallest by weight
    - All additives must be listed
    - ° The term *artificial* must be stated if artificial flavors are used
    - ° Even foods with a standard of identity established with FDA must include this
  - Most food products are required to have a nutrition facts panel containing:
    - ° Serving size in both household and metric measures
    - ° Servings per container
    - ° Calories per serving and calories from fat
    - ° Percent Daily Values in grams or milligrams for
      - \* Total fat, saturated fat, and trans fat
      - \* Cholesterol
      - \* Sodium, including all forms of salt
      - \* Total carbohydrate, including sugars and dietary fiber, as well as starches
      - \* Protein, including both animal and vegetable sources
      - \* Percentages of Daily Values for vitamin A, vitamin C, calcium, and iron per serving; amounts of other vitamins and minerals may also be listed
- Voluntary information often found on food labels
  - Cooking directions and recipe ideas
  - Brand name---types of brands of food products:
    - ° National brands---products with nationally advertised, well-known trade names
    - Store brands/private labels---products sold only in a particular chain of stores
    - ° Generic brands---products that do not have a brand name
  - Price information
    - ° Price of the item---may not be on the individual product, but only on shelf tag
    - ° Some stores have scanners to check prices using Universal Product Code (UPC)
    - ° Unit price---cost per unit of measurement (ounce, pound, etc.)
    - ° Unit price useful for comparing sizes and brands to determine best buys
  - Open dating
    - Indicates dates foods should be used for optimum quality, flavor, and nutrition
    - o 20-plus states require open-dating, but federal law does not require it
      - 2 Sell by, or pull, date---last date a product should be sold
      - 2 Freshness date---last date you can expect highest quality of a food product
      - Expiration date---last date a food product should be used
      - Pack date---date a food product was processed or packaged

#### Appendix 5.02B

## Food Product Label Comparison

information provided on the package.

Directions: Using one store brand and one national brand of the same food product, compare information found on the label required by the Food and Drug Administration (FDA). Complete the chart and respond to questions that follow.

Type of Information	Product #1	Product #2
Brand		
~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~		
Statement of Identity		
Quantity		
Quantity		
Ingredients		
_		
Serving Size		
N		
Nutrient Amount/Serving		
Calories		
Calories from Fat		
Total Fat		
G 1E .		
Saturated Fat		
Trans Fat		
Tails Tat		
Cholesterol		
Sodium		
T . 1 C . 1 . 1 . 1		
Total Carbohydrates		
Dietary Fiber		
Dictary Trees		
Sugars		
Protein		
D.		
Date		
Type of Date (sell by/pull, pack,		
freshness, or expiration date?)		
Name and address of		
producer/company		
noctions.		

$\mathbf{Q}$	uestions:
1.	What could be a reason the FDA requires the name and address of the producer/company listed on food
	products?
	p. 10 and
2	In addition to the information required by the EDA many community often include additional information on
۷.	In addition to the information required by the FDA, many companies often include additional information on
	labelse.g., storage requirements, recipes, etc. Select one of these two packages and list the additional

#### Appendix 5.02B, continued

## Food Product Label Comparison

Does the package include information about storage of the food item before opening? If so, what?		
Does the package include information about storage of the food item after opening? If so, what?		
	below to compare the nutritional informat st 3 similarities and 3 differences between	
	compare open-dating information found o	
		-
	possible about the shelf life of each produc	t.
	possible about the shelf life of each produc	t.
	possible about the shelf life of each produc	t.
Summarize below the r	possible about the shelf life of each produc	Product 2

#### Appendix 5.02C

#### **Consumer Information for Apparel Products**

Directions: Use these explanations and examples to aid in understanding consumer information for apparel products.

- Information required by Federal Trade Commission (FTC), permanently stamped/sewn in
  - Manufacturer or seller or brand name identification
  - Fiber name and content by weight---e.g., 100% cotton
  - Country of origin, if not made in the USA
  - Care information stating ways to launder, dry, iron and/or dry clean
- Laws governing clothing and textile (apparel) products
  - Wool Products Labeling Act---products with wool must be labeled with percent and type of fiber---new or virgin wool, reprocessed or reused; enforced by FTC
  - Textiles Fiber Products Identification Act---label with generic name, fiber content, and percent of each fiber by weight, country of origin (if imported); enforced by FTC
  - Permanent Care Labeling Rule---label best way to clean product---methods, temperatures for washing, drying, pressing, and dry cleaning; enforced by FTC
  - Flammable Fabrics Act---sets flammability standards for children's sleepwear, other apparel, carpets, rugs, and mattresses; enforced by Consumer Product Safety Commission
- Other manufacturers' information on removable hang tags or sewn in
  - Size, name of color, designer's name
  - Special finishes that alter performance
    - Stain-resistant---spills remain on surface until wiped away; less likely to soak in and leave stains
    - ° Permanent press---fabric resists wrinkling during wear and when laundered
    - ° Fire-retardant or flame-resistant---resists flame; does not burn quickly
    - ° Anti-static---resists buildup of static electricity; less likely to cling
- Quality of construction must be assessed by studying details of actual product
  - Seams, hems, zippers, and fasteners are smooth, secure, flat, and not puckered
  - Fabric designs are matched at seams; collars flat; pockets and trims straight

## **Apparel Product Label Comparison**

**Part One**—Required vs. Voluntary Information: Labels and hangtags are used to provide consumer information about apparel products. Certain types of information are required by law; other types are voluntary. Read all attached labels on two apparel products of your choice and record findings in appropriate categories on the first chart.



Required	Apparel Product 1	Apparel Product 2
Name of manufacturer, store, and/or brand name		
Percentage of fiber content by weighte.g., 100% wool		
Country of origin		
Basic care instructionshow to wash, dry, iron, or otherwise care for		
Voluntary		
Size		
Fabric finishes		
Special care warningse.g., use of bleach, treatment for bright colors, etc.		
Other, specify		

**Part Two---**Regulations Affecting Apparel Labels. Research online or in textbooks to find the main requirements of laws affecting apparel labeling. Record your findings in the chart below.

Laws	Main Requirements
Wool Products Labeling Act	
Textiles Fiber Products Identification Act	
Permanent Care Labeling Rule	
Flammable Fabrics Act	

#### Consumer Information for Personal Hygiene Products

Directions: Use these explanations and examples to aid in understanding consumer information for personal hygiene products.

- Personal hygiene products are also known as cosmetics and grooming aids---e.g., antiperspirants, dandruff shampoo, fluoride toothpaste, and sunscreen. Those that claim to affect the structure or function of the body are also classified as drugs. These must meet labeling requirements of the Food and Drug Administration (FDA):
  - Name and description (use) of the product
  - Ingredients listed from largest to smallest
  - Ingredients of hygiene products classified as "drugs' listed in one of two categories
    - ° "Active" for the ingredients which make the product effective
    - ° "Other" for the additional ingredients
  - Quantity by count, measure or weight
  - Country of origin if imported
  - Name and address of the firm marketing the product
  - Name of the manufacturer if it is different from the distributor
  - Warning and safe use instructions must be on products that could be harmful if misused
  - Tamper-resistant packaging required for liquid oral hygiene and vaginal products, eye- drops, and contact lens preparations
- Hygiene products classified as non-drug cosmetics do not claim to affect structure or function of the body. Examples include lipstick, nail polish, certain hair care products, face creams, and teeth whiteners. These do not require approval to use certain ingredients and do not have to show proof of performance. FDA <u>can</u> remove harmful cosmetic products from the market.
- Because there are no laws governing use of terms on cosmetics labels, manufacturers are able to include information with limited or undetermined reliability to boost sales.
  - dermatologist-tested---manufacturer does not have to provide information about test
  - hypoallergenic---implies that the product is less likely to cause an allergic reaction
  - fragrance-free---the product contains none or small amounts of fragrance ingredients
  - natural---implies that the product came from a plant or animal source
  - noncomedogenic---the product claims not to clog the pores
  - vitamin-enriched---vitamins have been added to the product
- Suggestions for making informed purchasing decisions
  - Ask for recommendations from friends and family members
  - Keep in mind that needs and suitability of products varies from one person to another
  - Judge quality of products more by quality of ingredients than by price
  - Read directions thoroughly; pay attention to warnings
  - Read ingredients lists closely; keep track of ingredients that cause reactions
  - Immediately stop using any product that causes redness or irritation
  - When possible, buy small samples to test new products
  - Avoid buying sets of products containing items you've not used before
  - Return products that yield negative results; some offer money-back guarantees
  - Evaluate safety, effectiveness, economy, and need before purchasing

## Personal Hygiene Product Label Comparison



Directions: Using two personal hygiene products, compare information found on the label on each product. Complete the chart and respond to questions that follow.

Type of Information	Product #1	Product #2
Name of product		
Description/use of production		
Ingredients list		
Ingredients classed as "active" or "other"		
Quantity by count, measure, or weight		
Country of origin if imported		
Name of marketing firm/distributor		
Address of marketing firm/distributor		
If different than distributor, name of manufacturer		
If could be harmful if misused, warning and safe use instructions		
Tamper-resistant packaging		
Additional manufacturers' information designed to sell productspecify:		

# Personal Hygiene Product Label Comparison

### Questions

1.	ased on the kinds of information found on the label, would you infer that Product 1 is rug or as a cosmetic? Explain your answer; be specific.	classed as a
2.	ased on the kinds of information found on the label, would you infer that Product 2 is rug or as a cosmetic? Explain your answer; be specific.	
	ompare the two products. List below the top 5 similarities.	
٦.	1	
	2	
	3	
	4	
	5	
4.	ompare the two products. List below the top 5 differences.	
	1	
	2	
	3	
	4	
	5	
5.	ummarize below the most significant findings from your comparison. State whether yurchase Product #1 and Product #2 and explain why for each product.	ou would
	- <del></del>	

### Consumer Information for Medicinal Drug Products

Directions: Use these explanations and examples to aid in understanding consumer information for medicinal drug products.

- Medicinal drugs are regulated by the Food and Drug Administration (FDA)
- Drugs are available as generic drugs or by trade and brand names
  - Generic drugs are sold by their common name, chemical composition, or class
  - Generic drugs usually cost much less than trade/brand drugs
  - Generic drugs have the same ingredients and effectiveness as trade/brand drugs
  - Patients may request doctors to substitute a generic equivalent for another drug
- Types of drugs as defined by the FDA
  - Prescription drugs
    - Available only by written order from a doctor
    - Stronger, more effective than over-the-counter drugs
    - May have side effects, especially if taken improperly
    - Health insurance will cover costs of some
    - FDA requires labels on prescription drugs to contain pharmacist's name, address, and phone number; prescription number; date of prescription; names of doctor and patient; directions for use; expiration date; and whether renewable
  - Over-the-counter drugs
    - Available without a written order from a doctor
    - Considered safe if taken according to directions
    - Sometimes not covered by health insurance
    - FDA requires labels on over-the-counter drugs to contain:
      - \* Name and address of manufacturer, packer, or distributor
      - **Quantity of contents**
      - \* Purpose of medication
      - \* Directions for use/storage
      - \* Recommended dosages
      - Length of time medicine may be taken
      - Cautions for times to avoid use
      - Possible side effects and interactions with other medicines
      - Active ingredients and quantity per dose
      - Other ingredients
      - Habit-forming properties
      - Expiration date
- Suggestions for making informed purchasing decisions
  - Check availability of generic substitutes for trade and brand name drugs
  - Ask if a drug is habit-forming and exercise caution when using
  - Exercise caution when using dietary supplements, as these are not tested or approved by the FDA or any other government agency and may not be safe or effective
  - Beware of websites that sell unapproved products or products that should only be obtained with a doctor's prescription---may be out of date, counterfeit, or contaminated
  - Avoid purchasing tobacco products, as data shows they are associated with heart and lung diseases, cancer, digestive problems, and infertility

### Medicinal Drug Product Label Comparison

Directions: Select one prescription product and one over-the-counter product that were designed for similar purposes. Compare information found on the labels of these two medicinal drug products. Complete the chart and respond to questions that follow. Use blank lines at bottom of chart for additional information found on drug product containers.

Product		Product
	Name of manufacturer	
	Address of manufacturer	
	Quantity	
	Purpose of medication	
	Directions for use	
	Directions for storage	
	Recommended dosage	
	Length of time medicine may be taken	
	Cautions for times to avoid use	
	Possible side effects	
	Possible interactions with other medicines	
	Active ingredients and quantity per dose	
	Other ingredients	
	Habit-forming properties	
	Expiration date	
		Quantity  Purpose of medication  Directions for use  Directions for storage  Recommended dosage  Length of time medicine may be taken  Cautions for times to avoid use  Possible side effects  Possible interactions with other medicines  Active ingredients and quantity per dose  Other ingredients  Habit-forming properties

# Medicinal Drug Product Label Comparison

### Questions

1.	Does the prescription drug you evaluated provide all the labeling information required by law?  Explain your answer.
2.	Does the over-the-counter drug you evaluated provide all the labeling information required by law? Explain your answer.
3.	Why do you think the over-the-counter product requires more information placed on the label than the prescription drug? Explain your answer in detail; be specific.
4.	Compare the two products. List below the top 3 similarities.  1
5.	3 Compare the two products. List below the top 3 differences.  1 2 3
6.	Summarize below the most significant findings from your comparison. State whether you would prefer to use the prescription drug or the over-the-counter drug and explain why.



# Key Terms: Consumer Information

Term	Definition			
Consumer information for food products				
statement of identity	The name of a food			
net weight/net volume	The actual weight or volume of food, excluding the weight of the container			
Manufacturer	The company that makes or produces the food product			
Packer	The company that puts the food product into packages for retail selling			
Distributor	The company that transfers the food product from manufacturer to seller			
national brand	A well-known, nationally advertised trade name of product			
store brand	A store name used as the trade name of a product; only sold in one chain of stores			
generic brand	A product that does not have a brand name			
shelf tag	A label attached to the front edge of a store shelf containing price information			
UPC	Universal Product Code; labeling containing price information read by scanning			
unit price	The cost per unit of measurement (ounce, pound, etc.) of a product			
open dating	Labeling to show dates foods should be used for best quality, flavor, and appeara			
sell by/pull date	Last date a food product should be used			
freshness date	Last date you can expect highest quality of a food product			
expiration date	Last date a food product should be usede.g., yeast or baby formula			
pack date	Date a food product was processed or packagede.g., with canned goods			
Consumer informatio	n for apparel products			
fiber name	The name of a thread/yarn used to make fabric for apparel or other textile productse.g., cotton, wool, silk, linen, polyester, acrylic, acetate, nylon			
content by weight The percentage of total fiber in a textile product represented by one sing				
country of origin  The nation in which the apparel product was made				
care information Recommended ways to launder, dry, iron, dry clean, etc.				
ewn-in label A fabric label that has been permanently attached to an apparel product with sti				
nang tag A paper tag that has been temporarily attached to an apparel product				
finish	A treatment that alters the performance of the fabric			
stain-resistant	A finish that makes fabrics less likely to absorb and retain stains			
Permanent press	A finish that makes fabrics less likely to wrinkle and retain wrinkles			
fire-retardant	A finish that slows the spread of flames by burning slowly			

### Appendix 5.02I, continued

# Key Terms: Consumer Information

Consumer information for personal hygiene products				
personal hygiene drug	A product that claims to affect the structure of function of the body			
personal hygiene cosmetic	A product that does not claim to affect the structure of function of the body			
active ingredients	Elements in a product that make the product effective			
"other" ingredients	Additional ingredients other than those that make the product effective			
tamper-resistant	Packaged to make it clear whether the product has been opened since packaged			
Jurisdiction	Authority, a right to			
Reliability	Demonstrated or proven effectiveness			
dermatologist-tested	Tried by a doctor specializing in healthy skin; proof of this not required by law			
Hypoallergenic	Less likely to cause an allergic reaction; proof not required by law			
fragrance-free	Contains none or small amounts of fragrance ingredients; proof not required			
Natural	Comes from a plant or animal source; proof not required by law			
Noncomedogenic	Will not clog the pores; proof not required by law			
vitamin-enriched	Vitamins have been added to the product; proof not required by law			
Consumer information for m	nedicinal drug products			
prescription drug	Medicine available only by written order from a doctor			
over-the-counter drug	Medicine available without a written order from a doctor			
Pharmacist	A person licensed to sell prescription drugs with written order from a doctor			
expiration date	Date after which a medicinal drug is no longer safe and effective to use			
Renewable	A prescription that allows a consumer to purchase refills			
Dosage	Amount and frequency of a medicinal drug that may be taken safely			
side effect	Other physical conditions, usually unwanted, that result from taking a medicinal druge.g., nausea, headache, diarrhea			
interaction with other medicines	Side effects that result from having two or more medicinal drugs in the body at one time			
habit-forming	Likely to lead to addiction			

## Prototype Assessment Items

Note: These prototype assessment items illustrate the types of items used in the item bank for this objective. All items have been written to match the cognitive process of the *compare* verb in the objective. Questions require students to identify similarities and differences between products. These exact questions will not be used on the secured test, but questions in similar formats will be used.

These assessment items may be used as prototypes by teachers and students to generate similar items to comprise formative assessments for your classroom. This strategy is especially helpful during the field test year when classroom item banks are not available. Results of formative assessments should be used as feedback of levels of mastery and for making necessary adjustments of teaching and learning to improve students' achievement.

1. Sheila compares ingredients in Luke's Mayonnaise and Magic Salad Dressing. Which product is the better choice for Sheila's low-fat diet?

Luke's Mayonnaise		
<b>Nutrition Facts</b>		
	% Daily Value	
Total Fat	18%	
Saturated Fat	8%	
Cholesterol	4%	
Sodium	3%	
Total Carbohydrate	0%	

Magic Salad Dressing				
<b>Nutrition Facts</b>				
	% Daily Value			
Total Fat	2%			
Saturated Fat	0%			
Cholesterol	1%			
Sodium	6%			
Total Carbohydrate	1%			

- A. Luke's Mayonnaise
- B. Magic Salad Dressing
- C. Either is a good choice
- D. Neither is a good choice

Answer: B

- 2. Jane is comparing a 16-ounce can of broth that sells for \$1.19 with a 32-ounce can that sells for \$1.99. Which has the lower unit price?
- A. 16-ounce can
- B. 32-ounce can
- C. Unit price is the same
- D. Not enough information to determine unit prices

Answer: B

- 3. Which food product would be a wise purchase on March 1 of the current year?
- A. A can of lima beans with a pack date of February 5, same year
- B. A package of fresh chicken wings with a *pull date* of February 27, same year
- C. A package of fresh carrot sticks with a freshness date of February 13, same year
- D. Cans of liquid baby formula with an expiration date of February 25, same year

Answer: A

- 4. Lucas is looking for easy-care shirts to wear to work in the mall. Which is the best choice for Lucas?
- A. 100% cotton knit shirts, wash in cold water, bright colors separately, lay flat to dry
- B. 100% linen shirts, hand wash cold water, hang to dry, steam-press
- C. 100% silk woven shirts, dry clean only
- D. 65% polyester/35% cotton shirts, machine wash warm, tumble dry, remove promptly

Answer: D

## Prototype Assessment Items, continued

- 5. Which labeling clearly indicates the hygiene product is a drug and must meet FDA requirements?
- A. "Fluoride toothpaste with active ingredient sodium monofluorophosphate"
- B. "Fragrance-free moisturizing therapy gel for sunburned, dry, irritated skin"
- C. "Vitamin-rich aroma spa body lotion for healthy, vibrant and conditioned skin"
- D. "White-strips with noticeable whitening after 3 days"

Answer: A

- 6. Hilda is looking for a product to relieve acid indigestion safely, effectively, and economically. Which is the best choice?
- A. Generic, over-the-counter acid reducer tablet
- B. Dietary supplement guaranteed to aid digestion and regularity
- C. Well-known brand name liquid with caution statement about sleepiness and other side effects
- D. Chewable tablet on website guaranteed to end indigestion fast

Answer: A

COURSE   Personal Finance 7086					UNIT C	Becoming a Responsible Consumer
ESSENTIAL	6.00	B2	12%	Unde	rstand shopp	ing options and practices for meeting
STANDARD:	0.00		1270		ımer needs.	
OBJECTIVE:	6.01	B2	4%	Unde pract		shopping options and effective shopping

#### **ESSENTIAL QUESTIONS:**

- Where can consumers go to shop for goods and services?
- What are the pros and cons of shopping options?
- What practices help consumers make wise decisions when they shop?

#### UNPACKED CONTENT

#### **Shopping Options**

- Options for shopping in stores
  - Retail stores obtain goods from wholesale sources and sell directly to consumers.
  - Department stores sell a wide variety of goods and services from a single store.
  - Warehouse clubs and superstores offer price advantages and wide product selection.
  - Factory outlet stores are owned by the manufacturer or distributor of the merchandise.
  - Discount stores sell certain lines of merchandise at lower prices.
  - Consignment or thrift stores sell used merchandise at greatly reduced prices.
  - Specialty stores sell specialized goods/services --- e.g., shoe shops and gas stations.
- Options for shopping at home
  - Door-to-door---salesperson comes to home, either by invitation or not
  - Catalog shopping --- shopper calls on telephone to buy goods listed in a catalog
  - Telemarketing seller calls on telephone to sell goods or services
  - T-commerce shopping in response to ads on television
  - E-commerce buying goods and services on the Internet, including Internet auctions
- Pros and cons of shopping in stores

PROS	CONS
Variety of merchandise in one area or under one roof	Takes time to buy costly items
Close to home for last-minute or emergency shopping	Limited space
Offers special prices with a membership card	Picked-over merchandise
Malls offer special attractions and promotions for	Large crowds on sale days and
customers	weekends
Can try on clothes	Must find a place to park
Items are easy to exchange	
Offer payment plans	
Offer store credit cards	
Can work with knowledgeable sales people	
Stores offer special servicese.g., gift wrapping	

	OBJECTIVE:	6.01	B2	4%	Understand basic shopping options and effective shopping practices.
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#### UNPACKED CONTENT

• Pros and cons of shopping at home

PROS	CONS
Buy any time seven days a week	May not know the physical location of the seller
Can obtain special orders	Must have a credit card to pay
Will deliver	May not understand exactly what is being bought
Can purchase on the spot with TV remote control or computer mouse	Must check seller's privacy policy before giving personal/financial information
Buy from the comfort and convenience of home	Must keep a complete record of each transaction
Can buy from a worldwide market	Offers that sound too good to be true may not be
	Must check exchange policies; may be more costly or difficult to exchange items
	Will have shipping and handling costs added
	Must check reliability, legitimacy, and security of sellers before buying
	Cannot see or feel quality, size, and/or true color

#### **Effective Shopping Practices**

- Basic effective shopping practices
  - Plan before you shop
  - Comparison shop for products and services
  - Shop wisely in stores and at home
- Plan before you shop
  - Decide if shopping at home or shopping in stores is most appropriate
  - Where there is a choice, decide whether it is advisable to purchase goods or services
  - Check reliability and services of stores and distance-sellers
  - Decide when to buy
- Comparison shop for products
  - Research the product --- become familiar with various forms of the product
  - Compare products --- brand name, store brands, and generics; size of packages, features
  - Understand warranties that guarantee quality standards of products
  - Talk to people who have made the same purchase
  - Check the Internet for consumer information, magazines, and other publications
- Comparison shop for services
  - Identify a person(s) or a business(es) that provide the desired service
  - Check qualifications --- skills, reliability, and professional ethics
  - Interview the service-provider; ask for demonstrations/work samples
  - Check the provider's references and his/her record with the Better Business Bureau
  - Check to see if provider is licensed, bonded, or insured
  - Pay close attention to terms of agreements, and read carefully before signing

OBJECTIVE:	6.01	B2	4%	Understand basic shopping options and effective shopping practices.
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#### **UNPACKED CONTENT**

- Shop wisely in stores
  - Consider the value of time and energy, as well as money, when shopping
  - Handle money, cash, and credit cards with care
  - Get receipts and sales slips; file in an organized place
  - Deal fairly and honestly with others in the marketplace
  - Report unfair/dishonest business practices to proper authorities
- Shop wisely at home
  - Know name and physical location of seller
  - Understand what you are buying, all details of sale, and description of product
  - Compare prices with other retailers
  - Only buy from secure sites
  - Check seller's privacy policy before giving out personal and financial information
  - Pay by credit card
  - Find out delivery date, return and refund policy
  - Check product promptly when delivered

OBJECTIVE: 6.01 B2 4% Understand basic shopping option shopping practices.					options and effective		
	INSTRUCTIONAL ACTIVITIES						
to <b>FEFE 1.</b> 2 an opening related to pu	<ol> <li>Display a pair of jeans and several other items of clothing. Refer to FEFE 1.2.2, "Wise Shopping Practices," pages 1-3, to guide an opening discussion about shopping options and practices as related to purchases of clothing.</li> <li>Distribute Appendix 6.01M, "Key Terms" for student reference.</li> </ol>						
brainstorm and list in a bubble type  To compile map titled that reads 'Place one l  Have stude spend montextbooks, shopping d where they  Have stude time, on the whether the Have stude initials und Count initials und Represents	here's Menames of bubble. It is sof item to the finding the findin	Iy Mone of stores/of Call times they personal stores of the store of the cook yellows, and on the cook yellows, and the cook yello	ey?" Alloother placene; have sturchase at oster-board Money?" res" and a f of the buyals/sticky ne larger mow pages, aline to se Add other ticky note eath the apof in-store rger bubblo presented who sticky note to develon the ror pe	s a visual, Appendix w students one minute to es where they spend money tudents list <u>under</u> each each place. d to create a larger bubble In advance, prepare a label nother, "Home Shopping." bble map. notes to write places they nap. Have students scan ads in local papers, local e if they listed all places places as needed. s into position, one at a ppropriate labels to show or at-home shopping. le map and enter their where they spend money. ote with a total number. op and post Pictorial rcentage of students in the e places represented.	2. To demonstrate personal relevance and have students <b>EXEMPLIFY (B2)</b> shopping options		

### **N** Numeracy Strategy:

Through **Pictorial Representations**, students draw pictures or diagrams or construct lists, tables, or graphs in order to identify connections, recognize patterns, and build meaning. Pictorial representations may be done by hand or by computer and range from very simple diagrams to complex, multi-dimensional drawings.

OBJECTIVE:	OBJECTIVE: 6.01 B2 4% Understand basic shopping practices.						
	INSTRUCTIONAL ACTIVITIES						
scan inform Content un students co show as a v options are	3. Provide textbooks or other available references. Have students scan information about shopping options in 6.01 Unpacked Content under "Options in stores" and "Options at home." Give students copies of <b>Appendix 6.01B, "Shopping Options"</b> or show as a visual and have students construct organizers. As options are discussed, have students graphically organize key facts about each option. Discuss; answer questions.						
and Cons Distribute and Cons	4. Have student pairs follow directions in Appendix 6.01C, "Pros and Cons Paddles" to make two paddles per pair of students. Distribute copies or display as a visual Appendix 6.01D, "Pros and Cons Checklist." Follow Appendix 6.01E, "Teacher's Guide to PowerPoint" to complete "Pros & Cons Auction."						
-	5. Follow steps in Appendix 6.01F, "Teacher's Guide to PowerPoint" to view PowerPoint on "Shopping Practices."						
6. To gain practice in "Rule #1, Plan before you shop," have students collaborate to do a co-curricular class project through their career technical student organization. Have students select a target group with whom to teach Rule #1 and apply the rule as they plan/assemble resources for the project. Have students use Appendix 6.01G, "Project Assignment: Shopping Skills" to guide the planning and implementation of the project. Students will also find helpful Appendix 6.01H, "Using the FCCLA Planning Process to Strengthen Shopping Skills." Consult also <a href="www.fbla_pbl.org">www.fbla_pbl.org</a> and <a href="www.deca.org">www.deca.org</a> for any new resources that may become available after the printing of this guide.  IL To begin planning, use Think-Ink-Pair-Share. Have students think about a target group to serve, write down ideas, then pair and share. Return to whole-group to share, narrow down, select one concern and a project target group, and write a project goal.					6. To have students UNDERSTAND (B2) effective shopping practices		

# Literacy Strategy:

**Think-Ink-Pair-Share** is like a Think-Pair-Share except students write about an announced topic or write a response to a question before pairing with a neighbor and sharing.

OBJECTIVE:	6.01	B2	4%	Understand basic shopping shopping practices.	ng opt	tions and effective
I	NSTRU	ICTION A	AL ACTI	VITIES	F	RELEVANCY TO OBJECTIVE
"what, who, students to f 6.01 Unpact	when, collow sed Con	where, he trategies atent as th	ow, etc." for plann ney locate	plan of work to include of the project. Remind ing before you shop from materials and supplies e element of the project:		
<ul><li>Clip loc</li><li>Catalog</li></ul>	al ads a search l	nd analyz oest mail	ze shoppii -order sou	roducts or services. ng locations. arces of products. es of specific items.		
students use Skills" to re "Rubric for	Appenort resi	dix 6.011 ults of pr t Planni	I <b>, "Projec</b> ojects. U <b>ng"</b> for se	rget group. Have  t Report: Shopping se Appendix 6.01J, elf, peer, and teacher ngs and make decisions.		
project, reference program boowww.fcclair	r to "Co oklet, <u>Fi</u> <u>c.org</u> . rg for a	nsumer ( nancial F Consult ny new r	Clout" in t Fitness, av also <u>www</u> esources t	v.fbla pbl.org and that may become		
complete <b>FF</b> Have studen	EFE less ts comp three ty	son 1.2.2 dete activ ypes of je	<b>"Wise S</b> lyities in the eans using	hopping Practices." ne "Body" of the lesson g the FEFE 1.2.2.A1	7.	To have students COMPARE (B2) costs and quality features of garments,
comparison brochures to	shoppii serve a	ng. Have as a comp	e students parison gu	earch strategies for develop bifold or trifold uide when shopping for ecific products.		computers, and/or other products
<ul><li>Man</li><li>Com</li><li>Parts</li><li>Price</li></ul>	t of thei ufacture puter fe in purc inform	r wants a ers' informatures, po hase pac- ation	and needs mation erformand kage/parts	res: for a new computer ce, quality, materials s to buy separately ased and why		
	n obtaii	ned, deci	sions mad	and discuss with a partner le, and reasons for ortfolios.		

OBJECTIVE:	6.01	B2	4%	Understand basic shoppi shopping practices.	ng op	tions and effective
I	NSTRU	ICTION A	AL ACTI	VITIES	]	RELEVANCY TO OBJECTIVE
Practices" and which they nee pair and discus Facilitate a clas differences in n	highlight to ask swith properties discussions ties, and uestions	th information to the control of the control of partners the control of partners of the control	nation thans. Provide informer practices. goods (p. f. agreement agreement agreement than the second of the second	roducts) and services, ents. Have students take ney have a clear	8.	To have students UNDERSTAND (B2) effective shopping practices
question:  → Now options change Have each study	that I less and property?	nave com ractices, l hange pa	pleted thinow will in	is study of shopping my shopping habits a partner and read what ther discussion.	9.	To have students SUMMARIZE (B2) shopping options and effective shopping practices
_		_		objective in Appendix 6.0 or to further reinforce cond		-

OBJECTIVE:	6.01	B2	B2 4% Understand basic shopping options and effective shopping practices.				
	REI	FERENC	CES	WEBSITES			
Textbook References:  Campbell, Sally R. (2004). The Confident Consumer, 7 <sup>th</sup> Ed. Tinley Park, Illinois. Goodheart-Willcox Company, Inc.  Campbell, Sally R. (2010). Foundations of Personal Finance, 8 <sup>th</sup> Ed. Tinley Park, Illinois. Goodheart-Willcox Company, Inc. (Newer					Family Economics and Financial Education (FEFE) –NC Curriculum Package –  www.fefe.arizona.edu  1.2.2 Wise Shopping Practices  "Savvy Shopping"		
Lowe, Ross Jacobson, A Education & Glencoe/Mo	version, <u>The Confident Consumer</u> )  Lowe, Ross E.; Malouf, Charles A.; and Jacobson, Annette R. (2003). <u>Consumer Education &amp; Economics</u> , <u>5<sup>th</sup> Ed.</u> Peoria, Illinois. Glencoe/McGraw-Hill.  Wehlage, Nancy and Larson-Kennedy, Mary				Other Websites: Financial Fitness, National Program		
(2006). <u>Go</u> Illinois. Go				Finley Park, any, Inc.	www.fcclainc.org Unit pricing lesson plan		
Supplemen Life on You 64, 214			e/McGra	aw-Hill, pages	http://www.emints.org/ethemes/resources/S00001755.shtml Comparison shopping lesson http://www.moneyinstructor.com/wsp/		
FCCLA Fir CD-ROM, (				l Program- fcclainc.org	wsp0042.asp Online shopping tips		
Consumer I	Reports	Shoppi	ng Smai	<u>ts</u>	http://www.privacyrights.org/fs/fs23- shopping.htm		
Comparisor	Comparison Shopping magazine			http://www.onguardonline.gov/			

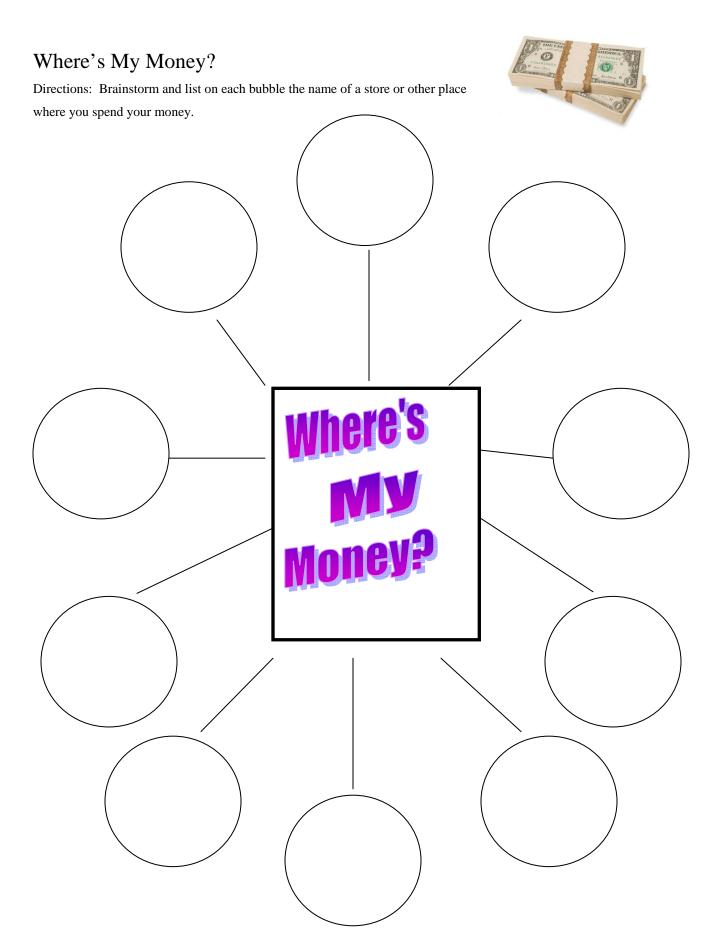
# APPENDIXES OF INSTRUCTIONAL SUPPORT MATERIALS

Appendix 6.01A	Where's My Money?
Appendix 6.01B	Graphic Organizer: Shopping Options
Appendix 6.01C	Pro and Con Paddles
Appendix 6.01D	Pros and Cons Checklist
Appendix 6.01E	Teacher's Guide to PowerPoint Activity: Pros/Cons Auction
Appendix 6.01F	Teacher's Guide to PowerPoint: Shopping Practices
Appendix 6.01G	Project Assignment: Shopping Skills
Appendix 6.01H	Using the Planning Process to Strengthen Shopping Skills
Appendix 6.01I	Project Report: Shopping Skills
Appendix 6.02J	Rubric for Project Planning
Appendix 6.01K	Effective Shopping Practices
Appendix 6.01L	Optional Assignments-Shopping Options/Practices
Appendix 6.01M	Key TermsShopping Options & Practices
Appendix 6.01N	Prototype Assessment Items

### 6.01 SUPPLIES

	Wh	ere Supplies Are Used
Supplies Needed	Activity	Related Appendix/FEFE
		Lesson
• Items of clothing, including a pair of jeans	#1	FEFE 1.2.2-
		Wise Shopping Practices
Large poster-board	#2	Appendix 6.01A-
• Labels "Shopping in Stores" & "At Home"		"Where's My Money?"
Sticky notes		
Phone books, local papers, shopping flyers		
Plain white paper and markers		
Make Pro and Con paddles/cards for	#4	Appendix 6.01C and D-
auction2 per pair of students		"Pros and Cons
		Paddles/Checklist"
• 3 pairs of new jeans	#7	FEFE 1.2.2.A1-
		Savvy Shopping

Appendix 6.01A



# **Shopping Options**

Directions: Use this graphic organizer to take notes on options for shopping in stores and options for shopping at home.

# Shopping in Stores

Retail Stores	Department Stores	Warehouse Clubs and Superstores	Factory Outlet Stores	Discount Stores
Consignment	or Thrift Stores		Specialty	y Stores
		5 8		
		5		

# Shopping at Home

Door-to-Door	Catalog Shopping	Telemarketing
T-commerce		E-commerce
1 -commerce		13-commerce

### Pro and Con Paddles

Directions: Make one copy of this page per two students in the class. Cut out four rectangles. Attach "Pro" and "Con" for each shopping option back to back on a tongue depressor, pencil, or popsicle stick.









# Pros and Cons Checklist



Directions: Check one of the four "Pro" or "Con" columns for each message.

In Stores			At Home	
PRO	CON	Message	PRO	CON
		1. Close to home for last minute or emergency shopping		
		2. Malls offer special attractions and promotions for customers		
		3. Can obtain special orders		
		4. Items are easy to exchange		
		5. Limited space		
		6. Takes time to buy costly items		
		7. Picked-over merchandise		
		8. Stores offer special servicese.g., gift wrapping		
		9. Large crowds on sale days and weekends		
		Must check seller's privacy policy before giving personal financial information		
		11. Can try on clothes		
		12. Has special prices with a membership card		
		13. Can work with knowledgeable sales people		
		14. Must keep a complete record of each transaction		
		15. Offer store credit cards		
		16. Offer payment plans		
		17. May not understand exactly what you are buying		
		18. Buy any time 7 days a week		
		19. Can purchase on the spot with TV remote control		
		20. Variety of merchandise in one area		
		21. Must find a place to park		
		22. Must check reliability, legitimacy, and security of sellers before buying		
		23. Will deliver		
		24. If the offer sounds too good to be true, then it probably is not		
		25. Can buy from the comfort and convenience of your own home		
		26. Buy goods and services from a worldwide market		1
		27. Will have shipping and handling costs added		1
		28. May not know the physical location of the seller		1
		29. Must have a credit card to pay		1
		30. Must check exchange policy		

### Teacher's Guide to PowerPoint Activity

# **Pros and Cons Auction**

Slide Numbers	Instructions for Teacher	Instructions for Students
1	Ask students to explain what is meant by the words <i>pro</i> and <i>con</i> .	Offer their understandings of terms.
2	Announce that the object of the Pros and Cons Auction is to classify the pros and cons of shopping in stores and the pros and cons of shopping at home.	Listen.
3	Ask one student to read the directions aloud.	Listen; ask questions for clarification.
4	Use this slide as a sample question to do together as a class. Read the words aloud in unison. Ask:  1. Does this relate to shopping in stores or shopping at home?  2. Does this sound like something positive (a pro) or something negative (a con)?  3. Which paddle should then be raised?	Read the slide together.  Offer responses to the questions and discuss.  Hold up the correct paddle.
5-33	Remind students to think through the types of questions used in slide 4 to be able to decide the category in which each slide belongs. Give partners a moment to confer after each slide before checking responses. Lead discussion on any responses that show different views.	Conferring with partners, hold up the appropriate paddle each time a different slide is shown.  Be prepared to explain your choices.

### Teacher's Guide to PowerPoint:

# **Shopping Practices**

Slide Numbers	Instructions for Teacher	Instructions for Students
1	Note that knowing your shopping options is the first step toward becoming a smart shopper. The second step is to learn effective shopping practices.  Ask students what they think is meant by the word <i>practices</i> . Guide discussion toward such synonyms as <i>habits</i> , <i>actions</i> , <i>and routines</i> . Shopping practices are the things that a shopper does over and over.	State what you think is meant by the word <i>practices</i> .  Think about the things you do over and over when you are shopping. List some examples and label these as "My Shopping Practices."
2	Read the slide aloud.  Ask students to write down the 3 rules, then highlight the action verbs in the list. Then have them list the adjectives and adverbs that modify, qualify, or alter the meaning of the verbs. Ask them to explain why these modifiers are very important to the meaning of the 3 basic rules.	Write down 3 basic rules for effective shopping. Highlight action verbs. Explain the role of modifiers in these three rules.
3	Read the bullets. Instruct students to "doodle" in their notes to show what this information makes them think of. Reread the bullets aloud, pausing after each one.	"Doodle" what this slide makes you think of. Be prepared to share with others.
4-8	Ask for two student volunteers for each slide. Ask one to read the bullets aloud and the other to offer commentary or an example to show what they think the slide means.	Volunteer to either read the words on the slide or to offer followup commentary.
9	Same as slide 3	Same as slide 3
10-13	Same as slide 4-8	Same as slide 4-8
14	Same as slide 3	Same as slide 3
15	Same as slide 4-8	Same as slide 4-8
16-17	Ask for a student volunteer to read each slide aloud.	Either "doodle" or write in your notes what each of these slides means.

#### Appendix 6.01G

### Project Assignment: Shopping Skills

Task: Use your knowledge of personal finance to do a class project to strengthen shopping skills of a target group and encourage others to become more effective shoppers. Follow these steps adapted from the FCCLA Planning Process<sup>1</sup> for a successful project.

- 1. **IDENTIFY CONCERNS:** Brainstorm target groups with whom you could share information about shopping that would be helpful for them---e.g., middle school students, another class in your school, exceptional children, teen parents, the PTA, etc. Looking at the unpacked content for 6.01, focus on a segment of that content that would be helpful to share with these target groups. Narrow to top three target groups and content.
- 2. **SET A GOAL:** Select one target group and one segment of content around which to develop your project. Write your goal for the project.
- 3. **FORM A PLAN:** Develop a plan for a way to achieve the goal.

1. WHAT activity will take place?	
What will be the name of the event?	
2. <b>WHO</b> will do what?	
How will people be recognized?	
3. <b>WHEN</b> will it happen?	
Is the timetable realistic?	
4. <b>WHERE</b> will it take place?	
In class, out of class, other location?	
5. <b>HOW</b> will it happen?	
Are there any barriers to deal with?	
Any alternatives to be handled?	
6. <b>HOW MUCH</b> will it cost?	
What is the budget? Where will supplies be	
obtained?	
7. WHAT RESOURCES will be used?	
People, products, places, times, etc.	
8. HOW EVALUATE?	
How will you know if you reached your goal?	

- 4. **ACT:** Use available resources to carry out your plan. Seek input from fellow members.
- 5. **FOLLOW UP:** Evaluate how well the completed project met your stated goal. Identify what worked well and what needs improvement.

<sup>&</sup>lt;sup>1</sup> Family, Career and Community Leaders of America, Reston, Virginia, fcclainc.org

#### Appendix 6.01H

### Using the FCCLA Planning Process<sup>2</sup> to

### Strengthen Shopping Skills

Directions: Follow these steps to plan ways to strengthen shopping skills of a target group of people.

#### Step 1. Identify concerns.

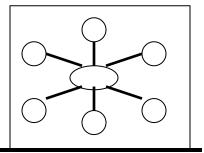
#### Ask some key questions:

What are some common mistakes that are made when shopping? How can shoppers of all ages learn how to plan before they shop? What strategies can be used to teach people to comparison shop?

#### For step 1, GENERATE ...

Brainstorm ideas for strengthening shopping skills, grouping similar ideas together and recording them on an idea web. Narrow to top 3 ideas; then select one idea to develop for your project.

# IDENTIFY CONCERNS



#### Step 2. Set a goal.

#### Ask these key questions:

What is our goal for improving shopping skills of the target group? Is this goal achievable and measurable?

### SET A GOAL

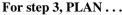
#### For step 2, PURPOSE . . .

Write in your own words your class goal(s) for this project.

#### Step 3. Form a plan.

#### Ask these key questions:

What strategies will be used? How, when and where will these strategies occur? How will the class members interact with the target group? What resources will be required? Are there any costs involved? How will these costs be managed?



Develop an original project plan that includes the answers to these questions.

### FORM A PLAN

#### Step 4. Act.

#### Ask these key questions:

How can I best use available resources to implement this plan? Under what conditions should I flex my plan and try other alternatives?



#### For step 4, ACT . . .

Share your plan with those responsible for the target group. Implement the plan.

#### Step 5. Follow up.

#### Ask these key questions:

What worked? What didn't? What could be changed for greater success in the future?



#### For step 5, EVALUATE ...

Write down elements that worked well and things to change when planning future activities with this group.

Unit C: Becoming a Responsible Consumer

<sup>&</sup>lt;sup>2</sup> Learn, Live, Lead; North Carolina Guidebook to FCCLA Chapters, NC FCCLA



# Project Report: Shopping Skills

Task: Use this form to summarize and report your project. Attach a bibliography of resources used.
1. List concerns you brainstormed for this project and circle those in the top 3 after you narrowed them.
2. Write your goal statement
3. Summarize your plan for achieving your stated goal. What strategy for strengthening shopping skills did your class select, and why did you choose this?
4. Describe the steps you followed to carry out your plan. Did you seek input? If so, from whom?  When? Did you revise your plan? Have you planned your presentation to the class?
5. How well did the completed project meet the stated goal? What worked well? What did not? Did you receive feedback from your teacher and those in the target group? How was that feedback helpful?

# Rubric for Project Planning

Directions: Use this rubric to evaluate planning of your shopping skills class project. Record points earned for each criterion in the right-hand column.

Criteria	Possible Points									
	2 points	4 points	6 points	8 points	10 points					
1. Target groups/content areas brainstormed  No groups/content brainstormed		1-2 target groups/content topics brainstormed	3-4 target groups/content topics brainstormed	5 target groups/content topics brainstormed	3 or more target groups and 3 or more content topics brainstormed					
_	1 point	2 points	3 points	4 points	5 points					
2. Project goal clearly written	No goal	Goal is neither well-written, clear, nor attainable	Goal is 1 of the 3 well-written, clear, of attainable	Goal is 2 of the 3 well-written, clear, and/or attainable	Goal is well-written, clear, and attainable					
	1 point	2 points	3 points	4 points	5 points					
3. WHAT portion of plan clearly written	Activity/event is neither named nor described	Activity/event is named, but not described	Activity/event is poorly named and poorly described	Activity/event is well named, but poorly described	Activity or event is well named and described					
	4 points	8 points	12 points	16 points	20 points					
4. WHO portion of plan clearly written			A person is named responsible for all but 2-3 tasks A person is named responsible for all but one task		A person is named responsible for each task listed					
5. WHEN	2 points	4 points	6 points	8 points	10 points					
5. WHEN portion of plan clearly written	No evidence of when each task will be done	Times for all tasks but 3+ are shown; few realistic	Times for each task but two are shown; some are realistic	Time for each task but one is shown; most times are realistic	Time for each task to be done is shown; all time are realistic					
( WHEDE	2 points	4 points	6 points	8 points	10 points					
6. WHERE portion of plan clearly written  No specified locations where tasks will be done		All but three+ locations specified	All but two tasks specify locations	All but one task specifies location	All tasks specify locations where they will be done					
7. HOW portion	1 point	2 points	3 points	4 points	5 points					
of plan clearly written	No ways to achieve project goals are stated	A few ways to achieve project goals are clear	Some ways to achieve project goals are clear	Most ways to achieve project goals are clear	Ways to achieve project goals are clear					
8. HOW MUCH	1 point	2 points	3 points	4 points	5 points					
portion of plan clearly done	Neither budget nor sources of supplies provided	Budget or sources of supplies provided, not both	Neither budget nor sources of supplies is clear	Sources of supplies clear, but budget unclear	Budget, sources of supplies are clear and accurate					
0. XVII A.T.	1 point	2 points	3 points	4 points	5 points					
9. WHAT RESOURCES portion of plan clearly done	There is no list of resources provided	List of resources is skimpy, quite incomplete	List of resources does not include all types of resources	List of resources is somewhat thorough, almost complete	List of resources of all types is thorough and complete					
10. HOW TO	2 points	4 points	6 points	8 points	10 points					
EVALUATE portion of plan clearly done	No evaluation method is stated	Evaluation method will not show at all how to tell if goal was reached	Evaluation method will only partly show how to tell if goal was reached	Evaluation method will not clearly show how to tell if goal was reached	An effective method for evaluating project clearly described					

### **Effective Shopping Practices**

Directions: Review this information sheet to aid in understanding effective shopping practices.

#### 1. Plan before you shop

- Decide if shopping at home or shopping in stores is more appropriate
- Where there is a choice, decide whether it is advisable to purchase goods (products) or services.
  - Goods (products) have clearly identified prices; prices of services may be harder to determine.
  - Quality of goods can be reviewed and rated before purchasing; quality of services is reflected after purchasing through performance.
- Check reliability and services of stores and distance-sellers
  - Reliability --- only respectable businesses that will back up their claims
  - Services --- payment methods accepted; return and refund policies; knowledge of sales staff; special services (gift wrap, special orders, delivery; repairs/maintenance)
- Decide when to buy
  - Whether to buy now with cash or credit or save for purchase at a later time
  - When possible, wait for a sale
  - Avoid impulse buying

#### 2. Comparison shop for products (goods)

- Research the product --- become familiar with various forms of the product
- Compare products --- brand name, store brands, and generics; size of packages, features
- Understand warranties that guarantee quality standards of products
  - Implied warranty product is in proper condition and does what is intended
  - Written warranty goes beyond implied warranty, provides written guarantee
  - Full warranty must provide all five standards stated in Magnuson-Moss Act
  - Limited Warranty –does not meet one/more of the Magnuson-Moss standards
- Talk to people who have made the same purchase
- Check the Internet for consumer information, magazines, and other publications

## **Effective Shopping Practices**

#### 3. Comparison shop for services

- Identify a person(s) or a business(es) that provide the desired service
- Check qualifications --- skills, reliability, and professional ethics
- Interview the service-provider; ask for demonstrations/work samples
- Check the provider's references and his/her record with the Better Business Bureau
- Check to see if provider is licensed, bonded, or insured
- Pay close attention to terms of agreements, and read carefully before signing
  - Obtain an *estimate*---total expected cost, in writing, for performing the service.
  - Work orders---give authority to the service provider to perform services.
  - o Contracts---signed by all parties involved in an agreement, are legally binding
  - o Service warranties---guarantee certain quality standards of performance

#### 4. Shop wisely in stores

- Consider the value of time and energy, as well as money, when shopping
- Handle money, cash, and credit cards with care
- Get receipts and sales slips; file in an organized place
- Deal fairly and honestly with others in the marketplace
- Report unfair/dishonest business practices to proper authorities

#### 5. Shop wisely at home

- Know name and physical location of seller
- Understand what you are buying, all details of sale, and description of product
- Compare prices with other retailers
- Only buy from secure sites
- Check seller's privacy policy before giving out personal and financial information
- Pay by credit card
- Find out delivery date, return and refund policy
- Check product promptly when delivered

# Optional Assignments---Shopping Options and Practices

OBJECTIVE:	6.01	B2	4%		ions and effective shopping
OPTIONA	L ASSIC	GNME	NTS IF	practices.  TIME PERMITS	RELEVANCY TO OBJECTIVE
<ol> <li>Complete activities in <u>Life on Your Own</u>, Glencoe/McGraw-Hill</li> <li>"So Many Stores So Little Time," page 64</li> <li>"Shopping Smarts – Types of Stores," page 214</li> </ol>					1. To have students UNDERSTAND (B2) many types of stores available as shopping options
Consumer  • "Outle	Applicatet Shoppi	ions wo	rkbook, ctivity C	Education and Economics, Glencoe/McGraw-Hill CA-13, pages 39-40 A-21, pages 57-58	2. To have students  UNDERSTAND (B2)  options for shopping in outlet stores and for buying items in bulk
Math for C	onsumer	<u>s</u> workł	ook, Gl	ucation and Economics, lencoe/McGraw-Hill Activity 2, page 11	3. To have students UNDERSTAND (B2) options for shopping in outlet stores and for buying items in bulk
<ul> <li>4. Have students complete one of the following activities to demonstrate understanding of shopping options:</li> <li>A six-room house recently purchased is in need of a complete interior paint job. Your paint service has been asked to submit a bid for this job. In writing, what qualifications would your paint service include in the bid to provide top-notch service in order to be hired?</li> </ul>					4. To have students INTERPRET (B2) the pitfalls and benefits of contracting for services, both from the perspective of the service provider and that of the service user
news provi your servi Inclu roam any s charg waiti (Con	ave been paper to der that varea. Income and had informing and had been ges spelled by the confidence of the confidence				

# Key Terms: Shopping Options & Practices



Term	Explanation
Shopping in Stores	
retail store	Obtains goods from wholesalers to sell to consumers
wholesale	Obtains goods from suppliers to sell to retailers
department store	Sells a variety of goods and services in a single store
warehouse club and super store	Offers price advantages and wide product selection to its members
discount store	Sells certain lines of merchandise at below-average prices
consignment store	Sells used merchandise at reduced prices
thrift	The quality of being frugal, using resources wisely
specialty store	Sell goods and services for specialized purposes
Shopping at Home	
door-to-door sales	Salesperson comes to home, either by invitation or not
catalog shopping	Shopper calls on telephone to buy goods listed in a catalog
telemarketing	Seller calls on telephone to sell goods or services
T-commerce	Shopping in response to ads on television
E-commerce	Buying goods and services on the Internet, including Internet auctions
Shopping Practices	
reliability	Being able to depend on a person or business to back up their claims
services	Special consumer features offered by a store or other seller
impulse buying	Buying on the spur of the moment, without planning
warranty	A guarantee that a product will perform up to specified standards; four types are implied, written, full, and limited warranties
estimate	A total expected cost, in writing, for performing a service
work order	Gives authority to a service provider to perform services
contract	Legally binding papers signed by all parties in an agreement
service warranty	Guarantees certain quality standards of performance

### Prototype Assessment Items

Note: These sample items illustrate the types of items used in the item bank for this objective. All items have been written to match the cognitive process of the *understand* verb in the objective with primary emphasis on *classify* questions. Questions require students to place examples into categories of types of stores, types of home shopping, pros and cons of shopping at home/in stores, types of service work agreements, and effective shopping practices. These exact questions will not be used on the secured test, but questions in similar formats will be used.

These assessment items may be used as prototypes by teachers and students to generate similar items to comprise formative assessments for your classroom. This strategy is especially helpful during the field test year when classroom item banks are not available. Results of formative assessments should be used as feedback of levels of mastery and for making necessary adjustments of teaching and learning to improve students' achievement.

- 1. Hank wants to shop for holiday gifts for his family members in just one store. What type of store would **MOST LIKELY** be the best place to shop?
- A. Consignment store
- B. Department store
- C. Specialty store
- D. Thrift shop

Answer: B

- 2. Buying a baby bed as the highest bidder on an online shopping site is an example of which type of home shopping?
- A. Door-to-door
- B. Internet auction
- C. T-commerce
- D. Telemarketing

Answer: B

- 3. Jerry purchased a used golf cart on an Internet auction. When the golf cart arrived, he discovered that the cart was damaged and did not contain the battery. Which pro or con of shopping at home does this illustrate?
- A. Con---may have shipping and handling costs added
- B. Con---may not understand exactly the condition of what is being bought
- C. Pro---can purchase on the spot
- D. Pro---will deliver

Answer: B

- 4. The bricklayer gave Mr. Smith an itemized list of costs for the proposed job of building a wall around his property. This is an example of which type of service work agreement?
- A. Contract
- B. Estimate
- C. Service warranty
- D. Work order

Answer: B

- 5. Regina interviewed several painting contractors before selecting one to paint her house. Which effective shopping practice is this?
- A. Plan before you shop
- B. Comparison shop products
- C. Comparison shop services
- D. Shop wisely in stores

Answer: C

COURSE	E Personal Finance 7086					UNIT C	Becoming a Responsible Consumer		
ESSENTIA	L	6.00	B2	12%	Unde	rstand shopp	ing options and practices for meeting		
STANDAR	RD:	0.00 B2 1270 const		consumer needs.					
OBJECTIV	/E•	E: 6.02 B2 4% Un		Unde	Understand options and practices for meeting				
ODJECTIV	L.	$0.02$ $B_2$ $4\%$ trans			trans	ansportation needs.			

#### **ESSENTIAL QUESTION:**

- What are the options for meeting transportation needs?
- How can consumers make wise decisions when they set priorities, do the research, and obtain insurance when shopping for vehicles?

#### UNPACKED CONTENT

#### Steps in meeting transportation needs

#### 1. Consider options for transportation needs

- Public transit
- Taxicabs
- Walking, bicycling
- Motorcycle, moped
- Carpooling

#### 2. Set priorities

- Make a list of wants and needs for a vehicle
- Take into consideration:
  - What you can afford
  - Where and when it will be used
  - Who will be driving the vehicle
  - Where you live as it affects the type of heating/cooling system
- Consider whether to purchase an automobile, truck, or van

#### 3. Do the research

- Research used vs. new vehicles
  - Used vehicle---often a good option for a first-time buyer because fits budget needs
  - New vehicle---the challenge is to find a vehicle to match one's needs, wants, and budget
- Research where to buy
- Research makes and models---important factors to consider
- Research prices
  - Used vehicles---book value is the estimated value of a given make, model and model year
  - New vehicles---types of prices
- Research options for financing
  - Up front costs---made when signing lease---includes deposit, taxes, and registration fees
  - Leasing---monthly payments in exchange for exclusive use of vehicle for specified time
    - Residual value---worth of vehicle end of lease; higher residual = lower payments
    - o End-of-lease costs cover
  - Buying---buyer takes out a loan and pays for the vehicle with monthly payments---costs more than paying cash because includes interest on amount borrowed
    - o Dealer financing---easy, on-the-spot source

OBJECTIVE:	6.02	B2	4%	Understand options and practices for meeting transportation needs.

#### UNPACKED CONTENT

#### 4. Obtain automobile insurance

- Basic types of auto insurance
  - Liability insurance covers when liable for an accident where others are injured or killed
  - Collision insurance pays for loss or damages to insured person's car due to accident
  - Comprehensive physical damage insurance pays for losses due to fire, theft, falling objects
  - Medical payments coverage pays insured's medical expenses resulting from accident
  - No-fault auto insurance pays claims regardless of who is at fault
  - Underinsured motorist insurance covers difference between liability coverage and underinsured motorist and the amount of losses
  - Rental reimbursement covers costs of renting a car while yours is being repaired
- Premiums vary according to
  - Amount of coverage the more you buy, the higher the premium
  - Driver classification age, sex, marital status of driver
  - Driving record and habits---high-risk drivers find it harder to buy insurance
  - Marriage status
  - State of residence
  - Number of cars insured
  - Cost of vehicle---higher rates for luxury cars
  - Whether young driver has completed a driver's education course
  - Amount of deductible---amount insured pays before insurance company pays on claim

OBJECTIVE: 6.02 B2 4% Understand options a transportation needs.						nd practices for meeting			
INSTRUCTIONAL ACTIVITIES						RELEVANCY TO OBJECTIVE			
<ol> <li>Display the phrase "On the Go." Ask students how many hours of a typical weekday they spend at home, and how many are spent "on the go" away from home. Ask the same question about a typical weekend day.  Have students brainstorm and display a list of modes of transportation/transportation options used to get them where they need to go. Be sure that basic transportation options listed in 6.02 Unpacked Content are included.  Distribute copies of "Key Terms," Appendix 6.02E or display as a visual. Discuss meanings of terms new to students and use as a reference throughout this study.</li> </ol>					1.	To establish personal relevance and to have students begin to UNDERSTAND (B2) transportation options			
2. Ask students to draw a <b>T-chart</b> in their notes and make a list of their wants and needs for a vehicle. If students are not old enough to drive, have them think about their wants and needs for their first vehicle in the future. Share results and discuss why certain things were classed as "needs" and others as "wants."					2.	To have students begin to UNDERSTAND (B2) wants and needs as they affect choice of vehicle			
Ask students to think about whether their lists of wants and needs reflect consideration of:  What they can afford  Where and when the vehicle will be used  Who will be driving the vehicle  Where they live as it relates to the type of heating and cooling system required in the vehicle.  Discuss the advantages and disadvantages of owning an									
3. Have students in a vehicle. Follow steps in "Researching"	make a	3.	To have students UNDERSTAND (B2) steps in researching before purchasing a						

# Literacy Strategy:

A **T-chart** is an organizer with two columns that looks like the letter "T." Though the T-chart is often used for Cornell note-taking, in this instance it is used as a way to separate desirable features in a vehicle into two categories as wants and needs.

OBJECTIVE:	6.02	Understand options and practransportation needs.	ctices for meeting		
	RELEVANCY TO OBJECTIVE				
4. Use "Which N distribute copie to cost and othe each question f column. Discu	4. To have students INFER (B2) conclusions about transportation options				
"Check It Ou Remind studer	t, Do th nts that v ection as	e Math, with this	Buy the 'assignment	Preview the assignment <b>Vehicle," Appendix 6.02B.</b> nt, they will make a <b>Math</b> information about a vehicle	5. To have students APPLY (C3) math skills to calculate the total cost of a
Prior to trip, te desirable featu display as a vis <b>Needs"</b> to help	hypothetical vehicle purchase and to provide formative				
Tell students the the vehicle the them that they develop their of the field trip, reof their vehicles offer the cost is still	assessment				
Option: Adap	t this act	tivity to	an online	search.	
PowerPoint and	activitie	S.		nobile Insurance" to complete	6. To have students UNDERSTAND
Distribute copies Auto Insurance agent to speak w information from various vehicles.	(B2) steps in obtaining vehicle insurance				
Discuss the Jump regarding automo		_	-	red" as it relates to state laws er responsibility.	

### **N** Numeracy Strategy:

To make a **Math-to-Life Connection** is to see a relationship between a math concept and a real-life situation. Finding math-to-life connections greatly increases the relevance of new information and skills being learned.

OBJECTIVE:	6.02	B2	4%	Understand of transportation	ptions and practices for meeting needs.
	REFE	RENCE	WEBSITES		
Textbook Reference Campbell, Sally Ed. Tinley Company, Inc.	y R. (200		Family Economics and Financial Education (FEFE) –NC Curriculum Package – www.fefe.arizona.edu		
Campbell, Sally Finance, 8 <sup>th</sup> Ed Willcox Compa	. Tinley any, Inc.	Park, Ill	• 16.2 Researching an     Automobile      • 16.1 Automobile Insurance		
Lowe, Ross E.; Annette R. (200 Economics, 5 <sup>th</sup> Glencoe/McGr	03). <u>Cor</u> <u>Ed.</u> Peo	nsumer <u>E</u>	Other Websites: New Cars:		
Wehlage, Nancy and Larson-Kennedy, Mary (2006). <u>Goals for Living, 5<sup>th</sup> Ed.</u> Tinley Park, Illinois.  Goodheart-Willcox Company, Inc.					www.carbuyingtips.com/carintro.html www.edmunds.com/new- cars/?mktcat=gnauto&kw=buying+car& mktid=ga198563
					www.consumerreports.org/cro/cars/car- buying-advice/index.htm
					www.insidercarsecrets.com/car-buying- tips.html
					Used Cars:
					www.carbuyingtips.com/used.htm www.samarins.com/check/simplecheck.ht ml
				www.ftc.gov/bcp/edu/pubs/consumer/aut os/aut03.shtm	
					consumer facts
					www.kbb.com
					Kelly Blue Book online

7086 Personal Finance

# APPENDIXES OF INSTRUCTIONAL SUPPORT MATERIALS

Appendix 6.02A Which Mode Is Best?

Appendix 6.02B Check It Out, Do the Math, Buy the Vehicle

Appendix 6.02C Meeting Transportation Needs

Appendix 6.02D Options for Automobile Insurance

Appendix 6.02E Key Terms-Transportation Options

Appendix 6.02F Prototype Assessment Items

### 6.02 SUPPLIES

	Where Supplies Are Used				
Supplies Needed	Activity	Related Appendix/FEFE			
		Lesson			
• None					

### Which Mode Is Best?

Directions: Use this graphic organizer to analyze three basic modes of transportation and to draw conclusions about which is best in three specific types of locations.

	Public Transit	Automobile	Motorcycle	Conclusion What is the best mode of transportation?
1. What would be the costs of each mode of transportation?				
2. If you lived in a large city, such as New York City or Los Angeles, what would work well or not so well about this mode of transportation?				
3. If you lived in a suburban area, what would work well or not so well about this mode of transportation?				
4. If you lived in a rural area, what would work well or not so well about this mode of transportation?				

## Check It Out, Do the Math, Buy the Vehicle

Directions: Have students prepare a checklist of things to look for and a list of desired features in a vehicle. Use this to gather information on a vehicle of their choice during the field trip to a dealership.

CHECKI	IST			
	Check		FEATURES	S
Things to				
Look For/Ask	<b>✓</b>			
About				
			PRICE INFORMA	ATION
			T MCL I (I OM)	11011
		Notes:		

### Meeting Transportation Needs

Directions: Review this information to aid in understanding steps and options for meeting transportation needs.

#### 1. Consider options for meeting transportation needs

- Public transit---widely available in cities; costs less than owning a vehicle; no responsibilities of vehicle ownership; quality, cost, safety, and reliability varies from one city to another
- Taxicabs---Convenient, but very costly; may be difficult to find in some situations
- Walking, bicycling---economical choice within short distances; less protection in foul weather
- Motorcycle, moped---convenient, less expensive to buy and operate, conserve energy, require less parking area, easy to maneuver; high accident rate, especially on major highways/in heavy traffic
- Carpooling---economical when convenient; saves energy, parking problems; reduces traffic

#### 2. Set priorities

- Make a list of wants and needs for a vehicle
- Take into consideration:
  - What you can afford
  - Where and when it will be used
  - Who will be driving the vehicle
  - Where you live as it affects the type of heating/cooling system
- Consider whether to purchase an automobile, truck, or van

#### 3. Do the research

- Research used vs. new vehicles
  - Used vehicle---often a good option for a first-time buyer because fits budget needs
    - Depreciates more slowly and costs less to insure
    - o Look for one-to-two-year-old vehicle
    - o Check "Buyer's Guide" sticker on window
    - Slightly-used vehicles may still have factory/dealer warranty, others have no warranty at all; ask about extended existing warranty or new 12-month or 12,000-mile warranty
    - Look for defects disclosure sheet- describes repairs/replacements done----if car has been in an accident---may need to have vehicle inspected by an independent technician
    - Ask about previous owner and maintenance records
    - Research performance, safety and service records for make and model on Internet
    - Superstores, dealers, and manufactures sell *certified used cars*---received thorough mechanical and appearance inspection and necessary repairs and replacements
    - Check Official Used Car Guide and Kelly Blue Book for information on used vehicles
  - New vehicle---the challenge is to find a vehicle to match one's needs, wants, and budget
    - o Choice of features for safety, performance, economy, appearance, and convenience
    - Standard features at no extra cost; extra options and features add significantly to cost
    - o Choose between a domestic (American-made) and an imported (foreign-made) vehicle
- Research where to buy
  - Traditional dealerships represent one or two manufacturers, selling new and/or used
  - The Internet, a source of information on makes, models, ways to lease and purchase
  - Auto superstores sell new and used vehicles from huge inventories
  - Private sellers, classified ads, and auctions---sold "as is," receive no warranty

#### Appendix 6.02C, continued---Meeting Transportation Needs

- Research makes and models---important factors to consider
  - Safety---brakes, airbags, head restraints
  - Reliability---check consumer magazines and Internet for quality and reliability marks
  - Fuel economy---type of fuel used and miles per gallon
  - Power and performance---acceleration, handling, braking, and acceleration
  - Comfort and convenience---headroom, legroom and storage for cargo
  - Insurance rates vary according to data tables on repair costs of various makes/models
  - Warranties---generally provide for repair/replacement of defective parts during warranty period
- Research prices
  - Used vehicles---book value is the estimated value of a given make, model and model year
  - New vehicles---types of prices
    - o Invoice price---the price the dealer pays the manufacturer
    - O Base Price---the price of a vehicle with standard equipment
    - Options and option packages---features available at extra cost or special prices
    - Manufacturer's suggested retail price (MSRP)---Base price + price options installed by manufacturer + manufacturer's transportation charge
    - Sticker price---Dealer's initial asking price as found on the sticker on the window
- Research options for financing
  - Up front costs---made when signing lease---includes deposit, taxes, and registration fees
  - Leasing---monthly payments in exchange for exclusive use of vehicle for specified time
    - Acquisition fee
    - Capitalized cost---price for the leased car
    - o Capitalized cost reduction---similar to down payment; results in lower monthly payment
    - Lease term---length of the lease---24, 36, or 48 months
    - Options to purchase vehicle at end of lease or to extend lease
    - Interest rate should be lower than with new car loan rates
    - Monthly payments---made by lessee---pays for vehicle depreciation- difference between vehicle's original value and value at end of lease period
    - Residual value---worth of vehicle end of lease; higher residual = lower payments
    - End-of-lease costs cover penalty charge for ending lease early, expense of "disposing" of the vehicle, fee if mileage limit is exceeded, any significant wear and tear to vehicle
  - Buying---buyer takes out a loan and pays for the vehicle with monthly payments---costs more than paying cash because includes interest on amount borrowed
    - o Dealer financing---easy, on-the-spot source
      - \* Get separate quotes for cost of car and charge for auto financing
      - \* Check financing terms of other sources
      - \* Check online to compare rates and terms
      - \* Dealer will hold title of vehicle as collateral until vehicle is paid for
    - o Installment loan---secured at banks, credit unions, finance companies, savings and loan
      - \* Paid in monthly installments
      - \* Lending institution holds title of vehicle for collateral until loan paid
      - \* Variables that affect loan
        - ✓ Size of payment depends on length of time to repay loan
        - ✓ Annual percentage rate the higher the rate the more money paid
        - ✓ The amount of money borrowed
- **4. Obtain automobile insurance** (This step to be addressed on Appendix 6.02D)

### Options for Automobile Insurance

Directions: Review this information to aid in understanding options for automobile insurance.

#### 4. Obtain automobile insurance

- Basic types of auto insurance
  - Liability insurance covers when liable for an accident where others are injured or killed
  - Collision insurance pays for loss or damages to insured person's car due to accident
  - Comprehensive physical damage insurance pays for losses due to fire, theft, falling objects
  - Medical payments coverage pays insured's medical expenses resulting from accident
  - No-fault auto insurance pays claims regardless of who is at fault
  - Underinsured motorist insurance covers difference between liability coverage and underinsured motorist and the amount of losses
  - Rental reimbursement covers costs of renting a car while yours is being repaired
- Premiums vary according to
  - Amount of coverage the more you buy, the higher the premium
  - Driver classification age, sex, marital status of driver
  - Driving record and habits---high-risk drivers find it harder to buy insurance
  - Marriage status
  - State of residence
  - Number of cars insured
  - Cost of vehicle---higher rates for luxury cars
  - Whether young driver has completed a driver's education course
  - Amount of deductible---amount insured pays before insurance company pays on claim



# **Key Terms:** Transportation Options

Term	Explanation
Options for Meeting Transp	portation Needs
public transit	Public modes of transportation available in citiesbus, subway, trolley
carpooling	Grouping with others to share rides to and from work
Buying a Vehicle	
depreciate	To decrease in value
disclosure sheet	Describes any repairs or replacements done on a used care
make	The brand of a vehicle
model	A line of vehicles made by a specific company, such as Ford Taurus
domestic	American-made
imported	Foreign-made
auto superstore	Dealerships with huge inventories of new and used vehicles
fuel economy	Type of fuel used and miles per gallon
power	A vehicle's ability to accelerate for speed
performance	A vehicle's ability to handle, brake, and accelerate on the road
invoice price	The price the dealer pays the manufacturer
base price	The price of a vehicle with standard equipment
options	Features available at extra cost or special prices
manufacturer's suggested retail price	Base price + price options installed by manufacturer + manufacturer's transportation charge
sticker price	Dealer's initial asking price as found on the sticker in the vehicle window
up front costs	Costs when signing a leasedeposit, taxes, and registration fees
leasing	Monthly payments in eschange for exclusive use of vehicle for a time
capitalized cost	Price for a leased care
capitalized cost reduction	Payment similar to down payment that results in lower monthly payment
lease term	Length of the leaseusually, 24, 36, or 48 months
option to purchase	At end of lease, the alternative to purchase the leased vehicle
residual value	The worth of a leased vehicle at the end of the lease
installment loan	A loan to be repaid in equal payments

# Key Terms: Transportation Needs



Term	Explanation
Automobile Insurance	
liability insurance	Covers when liable or responsible for an accident where others are injured or killed
collision insurance	Pays for loss or damages to insured person's care due to accident
comprehensive physical damage insurance	Pays for loss or damage not resulting from a collisione.g., fire, theft, falling objects
no-fault auto insurance	Pays claims regardless of who is at fault
underinsured motorist insurance	Covers difference between liability coverage and underinsured motorist and the amount of losses
rental reimbursement	Covers costs of renting a care while yours is being repaired
premium	The cost for insurance coverage for the term of the insurance policy
deductible	The amount an insured person must pay before the insurance company pays on a claim

## Prototype Assessment Items

Note: These sample items illustrate the types of items used in the item bank for this objective. All items have been written to match the cognitive process of the *understand* verb in the objective with primary emphasis on compare, classify, and infer questions. Questions require students to find advantages and disadvantages (compare), place examples in categories (infer), and draw conclusions from presented information (infer). These exact questions will not be used on the secured test, but questions in similar formats will be used.

These assessment items may be used as prototypes by teachers and students to generate similar items to comprise formative assessments for your classroom. This strategy is especially helpful during the field test year when classroom item banks are not available. Results of formative assessments should be used as feedback of levels of mastery and for making necessary adjustments of teaching and learning to improve students' achievement.

- 1. A disadvantage of this mode of transportation is that costs are higher than other modes.
- A. Bicycling
- B. Carpooling
- C. Public transit
- D. Taxicabs

Answer: D

- 2. Nicole is listing features she wants and needs in her new car. Which step in meeting transportation needs is this?
- A. List transportation options
- B. Set priorities
- C. Do the research
- D. Obtain automobile insurance

Answer: B

- 3. Nate is comparing motorcycles and services available at a small local dealership with those in a much larger city dealership. Which type of research for a vehicle purchase is this?
- A. Researching options for financing
- B. Researching prices
- C. Researching used vs. new vehicles
- D. Researching where to buy

Answer: D

- 4. An advantage for a first-time buyer of buying a used car instead of a new one is that used cars:
- A. are less likely to need repairs and replacements.
- B. are more likely to be affordable for younger buyers.
- C. decrease in value more quickly than new cars.
- D. may have been involved in prior accidents.

Answer: B

#### Appendix 6.02F

Prototype Assessment Items, continued

- 5. Sally bought her new car from a dealer that represented *Ford* manufacturers. Which is **MOST LIKELY** true of Sally's new car?
- A. Was bought from a traditional dealership
- B. Was bought on Internet auction
- C. Will not have a warranty
- D. Will only be available for leasing, not buying

Answer: A

- 6. When researching makes and models of trucks, Andy checked trucks for headroom, legroom, and seating. Which factor to consider when buying vehicles is this?
- A. Comfort and convenience
- B. Fuel economy
- C. Power and performance
- D. Reliability

Answer: A

- 7. Joey discovered that features like leather seats, sun roof and special rims are available on new cars at an extra cost. Which type of pricing is this?
- A. Base price
- B. Book value
- C. Invoice price
- D. Options and options packages

Answer: D

- 8. Brad needs to find an installment loan where his monthly payments will be as low as possible. One condition of this is having:
- A. a longer term to repay the loan.
- B. to obtain financing from a bank.
- C. to lease, rather than buy, a vehicle.
- D. to obtain financing from the a dealership.

Answer: A

- 9. When Blake's car slid on ice off the road into a tree, his insurance paid for the injuries to his passenger. Which type of insurance is this?
- A. Collision
- B. Comprehensive physical damage
- C. Liability
- D. Medical

Answer: C

COURSE Perso	nal Finar	ice 708	6		UNIT C	Becoming a Responsible Consumer	
ESSENTIAL	6.00	B2	DZ 12% consu		rstand shopp	ing options and practices for meeting	
STANDARD:	0.00	DZ			consumer needs.		
OBJECTIVE:	6.03	B2			ds. derstand options and practices for meeting housing		

#### **Essential Questions:**

- What are the options for meeting housing needs?
- What are advantages/disadvantages of renting and things to look for before signing a lease?
- What are advantages/disadvantages of buying and procedures in buying a home?

#### UNPACKED CONTENT

### **Options for meeting housing needs**

- Housing wants and needs
  - Number of persons in family
  - Stage of individual/family life cycle
  - How individuals/family prefer to spend their time
  - What one can afford
  - Preferred housing location---e.g., educational, work, and shopping opportunities
- Types of housing---choice based on wants and needs
  - Apartments buildings that houses more than one family in separate living units
  - Condominium buildings that house more than one family; person owns the unit occupied
  - Cooperative a person buys shares in a corporation that owns/manages the property; owners pay for their share of maintenance and service costs, building mortgage and taxes
  - Single-family houses custom-built, development, modular, or kit houses/townhouses
  - Manufactured "mobile" homes singe-wide or double-wide moveable home
  - Duplex a building that contains two separate living units
  - Townhouse a dwelling of two or three stories that attaches at sidewalls to other units
  - Residence hall usually college/university campuses; available to attending students only
- Basic housing options
  - Renting/leasing---paying a security deposit and monthly payments to a landlord
  - Buying---purchasing with cash or a down payment plus monthly mortgage payments

### Renting/leasing

- Renting/leasing has both advantages and disadvantages
  - Advantages
    - Fewer financial responsibilities, less financial risk
    - More free time due to fewer maintenance responsibilities
    - Greater mobility
  - Disadvantages
    - No equity
    - Less authority to make changes in the living space
    - No tax benefits

	OBJECTIVE:	6.03	B2	4%	Understand options and practices for meeting housing needs.
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#### UNPACKED CONTENT

### Renting/leasing, continued

- Things to inspect in rental units before signing a lease
  - Exteriors neat and well-maintained
  - Common areas in good condition
  - Safety and security
  - Inside the unit---size, space, appliances, furnishings, maintenance, privacy, noise, etc.
  - Utilities and systems---heat, air, plumbing, etc.
- Understanding lease agreements
  - Terminology
  - Conditions

### **Buying**

- Buying has both advantages and disadvantages
  - Advantages
    - OBuying is an investment and increases one's wealth
    - Have authority to make changes in the living space
    - oThere are tax benefits
  - Disadvantages
    - oGreater costs and financial responsibilities
    - oGreater financial risk
    - Less mobility
    - oIf buying jointly, relationships become complicated
- Procedures in purchasing a home
  - Find an appropriate home to meet your needs
  - Make an offer
  - Meet contingencies conditions that must be met in order for the deal to occur---e.g.,
     ability to obtain financing, inspectors' reports, completion of repairs, selling prior home
  - Reach an agreement offer and counteroffer to meet price
  - Qualify for a loan
  - Attend the closing with seller, lender (bank representative), real estate agents, attorney(s)
- Cost of buying a home
  - Down payment
  - Closing costs
  - Monthly loan payments
  - Continuing costs
  - Escrow account
- Types of mortgages and special loans
  - Conventional fixed rate mortgage
  - Adjustable rate mortgage (ARM)
  - FHA loans Federal Housing Administration
  - VA loans Department of Veterans Affairs

OBJECTIVE:	6.03	B2	4%	Understand options and pra housing needs.	actio	ces for meeting
	INSTR	UCTION	AL ACTI	IVITIES		RELEVANCY TO OBJECTIVE
books and apar stations, etc. R You have have alway you will not have, but of apartment your needs Have students of Home." If des	tment-fi dead alou just land ys wante eed, ther could liv finder b s and, ho complete ired, have a have ea	nder bood ad the fol- led your fol- ded to live. In think ab- e withour ooks, loc opefully, see Appender of studen	ks found in lowing:  First real just thing in the sout thing in the sound of your first food with the sound of your first work in the write his lower in the sound in the soun	e" along with real-estate in grocery stores, gas  bb in an area where you cout the type of housing is you would like to eal estate and types of housing that fit our wants as well.  "My First Dream in pairs, discussing their is/her own individual	1.	To establish personal relevance and to have students UNDERSTAND (B2) housing choices to meet wants and needs
2. Follow direction Locate a Living OPTIONAL: S	2.	To have students UNDERSTAND (B2) housing options				
<ul> <li>NOTE: You will need real-estate and apartment finder books for the next activities. These may be picked up at real-estate offices, grocery stores, convenience stores, and post offices.</li> <li>3. Distribute copies, or display as a visual, Appendix 6.03B, "Housing Options." Distribute real estate books (one per student) and have students follow instructions to complete the assignment. If desired, pair students and allow them to work together, but require a complete worksheet from each student. Note the importance of answering every question and thinking before responding.</li> </ul>						To have students COMPARE(B2) housing options, including renting and buying
When students someone read to graphically org						
Distribute copi "Finding a Pla	ppendixes 6.03C and D, a Home." Use these to udents will learn about					
Follow direction vs. Owning a						
	-			, "See the Advantages of e Advantages of Buying."		

ОВ	JECTIVE:	6.03	B2	4%	Understand options a housing needs.	nd p	ractices for meeting
	IN	STRUC	CTIONAL	ACTIVI			RELEVANCY TO OBJECTIVE
	<ul> <li>4. For this activity, note that students will need calculators and access to local newspapers or real estate books showing homes for sale and their asking prices.</li> <li>Make a Math-to-Life Connection by having students complete Appendix 6.03G, "Deposit and Interest."</li> </ul>						To have students  UNDERSTAND (B2) how to calculate initial deposit and amount of interest when purchasing homes
	5. If time permits and for additional help with preparing students to read lease agreements, understand security deposits and renters' insurance, follow directions in the "Body" to complete <b>FEFE 1.9.5, "Securing a Living Space."</b>						To have students UNDERSTAND (B2) how to read a lease, make security deposits, and obtain renters' insurance
6.	6. Sketch a ladder on construction paper or use a miniature Christmas decoration ladder. Copy on one sheet of card stock and cut apart <b>Appendix 6.03H</b> , "House and Ladder." Form six groups; give each group one strip. Have groups place strips in the correct order to represent the steps in buying a home. Discuss any steps that seem to present difficulties.						To have students UNDERSTAND (B2) steps in buying a home and to provide formative assessment
<b>IL</b>	7. Have a <b>Pop</b> they have learn will most bene	7.	To have students SUMMARIZE (B2) what they know about meeting housing needs				

### **N** Numeracy Strategy:

To make a **Math-to-Life Connection** is to see a relationship between a math concept and a real-life situation. Finding math-to-life connections greatly increases the relevance of new information and skills being learned.

### **L** Literacy Strategy:

A **Popcorn Review** is an effective speaking strategy. Students are asked randomly to share one piece of information they have learned. Students pop up, one after the other, to contribute a quick idea, just the way popcorn kernels swell and pop up as they are heated. Popcorn Review is also a great strategy for brainstorming sessions.

6.03	B2	otions and practices for meeting housing				
REFE	RENCE	WEBSITES				
Park, Illi y R. (201	nois. G 10). <u>Fou</u>	Family Economics and Financial Education (FEFE) –NC Curriculum Package – www.fefe.arizona.edu				
any, Inc. sumer)  Malouf, 03). Cor	(Newer , Charles <u>isumer</u> <u>H</u>	<ul> <li>9.2 How to Locate a Living Space</li> <li>1.9.3 Renting vs. Owning a Home</li> <li>1.9.5 Securing a Living Space</li> </ul>				
aw-Hill.				Other Websites: Mortgage Calculator		
ng, 5 <sup>th</sup> Ed llcox Cor	l. Tinley mpany, I	www.mortgagecalculator.org www.realestate.yahoo.com/calculators/ayment.html  Home buying tips http://homebuying.about.com/od/buyingahome/bb/shopping1sttime.htm				
ht Move,'	"(Video					
				Tips on leases <a href="http://sbttraining.bridgeport.edu/pages/4">http://sbttraining.bridgeport.edu/pages/4</a> 936.asp		
	REFE erences: y R. (200 Park, Illi y R. (200 any, Inc. sumer) y Malouf 03). Cor Ed. Pec aw-Hill. ey and La eg, 5 <sup>th</sup> Ed lcox Cor Resource	REFERENCE  erences:  y R. (2004). The Park, Illinois. G  y R. (2010). Fou Tinley Park, Illiany, Inc. (Newer Sumer)  Malouf, Charles 03). Consumer I Ed. Peoria, Illin aw-Hill.  ey and Larson-Ke ag, 5 <sup>th</sup> Ed. Tinley lcox Company, I	REFERENCES  Perences:  y R. (2004). The Confid Park, Illinois. Goodhear  y R. (2010). Foundation  y R. (2010). Foundation  note in the park, Illinois. Goodhear  y R. (2010). Foundation  y R. (2010). Foundation  note in the park, Illinois. Goodhear  y R. (2010). Foundation  note in the park, Illinois.  y And Larson-Kennedy,  note in the park, Illinois.  Resources:  In Move," (Video) Camb	REFERENCES  Park, Illinois. Goodheart-Willcox  y R. (2010). Foundations of Personal Tinley Park, Illinois. Goodheart- any, Inc. (Newer version, The sumer) Malouf, Charles A.; and Jacobson, O3). Consumer Education & Ed. Peoria, Illinois. aw-Hill. by and Larson-Kennedy, Mary (2006). ag, 5 <sup>th</sup> Ed. Tinley Park, Illinois. lcox Company, Inc.		

Appendix 6.03A	My First Dream Home
Appendix 6.03B	Housing Options
Appendix 6.03C	Renting a Place to Live
Appendix 6.03D	Buying a Home
Appendix 6.03E	See the Advantages of Renting?
Appendix 6.03F	See the Advantages of Buying?
Appendix 6.03G	Deposit and Interest
Appendix 6.03H	House and Ladder
Appendix 6.03I	Key TermsHousing Options
Appendix 6.03J	Prototype Assessment Items

### 6.03 SUPPLIES

	Wh	ere Supplies Are Used
Supplies Needed	Activity	Related Appendix/FEFE
		Lesson
• 2-3 real estate books and apartment finder	#1	Appendix 6.03A-
books per student		"My First Dream Home"
Markers	#2	FEFE 1.9.2-
Poster-board		How to Locate a Living
Tape		Space
Calculators	#4	Appendix 6.03E-
Newspapers, real estate books		"Deposit and Interest"
Real estate and apartment finder books	#5	Appendix 6.03B-
Scissors and glue-sticks		"Housing Options"
- C		
One or more actual leases for students to	#6	FEFE 1.9.5-
read		Securing a Living Space
Strips to make ladder	#7	Appendix 6.03F-
		"House and Ladder"

# My First Dream Home

Directions: Read and respond to each numbered prompt as directed.

1. You have just landed your first real job in an area where you have always wanted to live. Make a list of needs you will have for housing. Next, make a list of things you would like to have, but could live without, if necessary.

NEEDS	WANTS

2. From real-estate books for homes, condominiums, and apartments, locate an ad for three types of housing that will fit your wants and needs. Remember, you are just starting this new job! Cut out and attach below, and on back of page and additional pages as needed, ads, pictures, and any other information on your three housing selections.

(Attach information about your housing selections here . . . )

# My First Dream Home

3. Ar	swer the following questions to help you make the necessary housing decisions:
a.	Describe the town, climate and social opportunities of the area where you found the new job.
b.	What will your cost of living include? (In addition to rent or house payments, remember costs of utilities, parking, meals, etc)
c.	Do you think that having a roommate would help with expenses?
d.	Describe your new lifestyle, both during the week and on weekends?
e.	What is the neighborhood like?
f.	Is any information included in the real-estate ads that would help make your final decision? List the information from the ads.
g.	Decide on one of your top three selections and explain how this place would meet your needs and wants.
h.	How do you see your housing needs and goals changing in ten years?

# **Housing Options**

Directions: For each type of housing:

- 1. Define the type of housing.
- 2. Using a real-estate and apartment finder book, find an example of each type of housing. Cut the picture and description for the example and glue it next to the definition on this page.
- 3. Describe the family, couple or single who might live in each type of housing. (Note the number of bedrooms in housing option only two people per bedroom is allowed by fire code.)

1.	Manufactured home	Example:
	Definition:	
	Description of occupants for whom housing is suited:	

2. Apartment	Example:
Definition:	
Description of occupants for whom housing is suited:	

# Housing Options

3.	Condominium	Example:
	Definition:	
	Description of	
	occupants for whom housing is	
	suited:	

4. Custom-built home	Example:
Definition:	
Description of	
Description of occupants	
for whom housing is suited:	

# Housing Options

D 1	Example:
Duplex	
Definition:	
Description of	
occupants	
for whom housing is suited:	
suited.	
	Example:
Townhouse	Example:
Townhouse Definition:	Example:
	Example:
	Example:
Definition:	Example:
Definition:  Description of	Example:
Definition:  Description of occupants	Example:
Definition:  Description of occupants for whom housing is	Example:
Definition:  Description of occupants	Example:
Definition:  Description of occupants for whom housing is	Example:
Definition:  Description of occupants for whom housing is	Example:
Definition:  Description of occupants for whom housing is	Example:

Directions: Read the case study and answer the questions that follow.

Case Study: Mr. and Mrs. Brown have one child, a five-year-old boy. They are expecting another child, a girl, in three months. Mr. Brown has taken a new job in another state. He will be in a position to entertain at home, and likes to jog in the afternoons and on weekends. Mrs. Brown runs a small craft business from her home that she wishes to continue. They have two cars and need space for the five-year-old to play. They want to live in an area close to schools and, possibly, a park or recreation area.

From the examples of housing options you selected above, decide on the one that best meets the Browns' needs.

l.	From the examples of housing options you selected above, describe the one that best meets the Browns' needs.	
2.	List the reasons you think this would be suitable housing for the Browns.	
١.	If there are characteristics of the housing selection that are not ideal, explain how you think the Browns would be able to make it work.	

## Renting a Place to Live

Directions: Review this information to aid in understanding renting.

- Advantages of Renting/Leasing
  - Fewer financial responsibilities, less financial risk
  - More free time due to fewer maintenance responsibilities
  - Greater mobility
- Disadvantages of Renting/Leasing
  - No equity
  - Less authority to make changes in the living space
  - No tax benefits
- Things to inspect in rental units before signing a lease
  - Exteriors
    - oGrounds maintenance
    - oParking for residents and guests
  - Common areas
    - oHallways in good condition
    - oLaundry area
    - Storage for tenants
    - Mail delivery
  - Safety and security
    - oControlled access to buildings
    - Lock on doors and windows
    - OSmoke detector, fire sprinklers and fire exits
  - Inside the unit
    - Size and number of rooms
    - oFloors and walls in good condition
    - •Window open, close, and lock
    - oFurnished or unfurnished
    - Major appliances in working order
    - OSigns of pests
    - ONoise from other units or street
  - Utilities and systems
    - •Heating and air conditioning with temperature controls
    - Working plumbing
    - Storage space
    - OWater quality and pressure
    - oCable TV and phone hookup
    - oLight fixtures and electrical outlet



- Understanding lease agreements
  - Terminology

lease
lessee
lessor
security deposit
sublet
condition
eviction

- Conditions
  - oWhen rent is due and penalty for late and non-payment
  - oUtilities included
  - •Furnishing and appliances included in unit
  - Length of lease, renewal of lease and giving notice of moving out
  - oPaint, wallpapering, added shelving, other decorating
  - oPets allowed
  - Roommates
  - Who pays for upkeep, maintenance, and repairs

# Buying a Home

Directions: Review this information to aid in understanding buying a home.

- Advantages of buying
  - Buying is an investment and increases one's wealth
  - Have authority to make changes in the living space
  - There are tax benefits
- Disadvantages of buying
  - Greater costs and financial responsibilities
  - Greater financial risk
  - Less mobility
  - If buying jointly, relationships become complicated
- Procedures in purchasing a home
  - Find an appropriate home to meet your needs
    - ° Know your price rage, characteristics of home needed, age of home, size, possible area
    - ° Check Classified ads major newspapers, ads placed by real estate agencies
    - ° Visit open houses interested buyers can walk through a home that is for sale
    - ° Work with real estate agents who buy/sell homes; access to multiple listing service
  - Make an offer
    - Let the seller know you are serious about buying
    - Deposit earnest money
  - Meet contingencies conditions that must be met in order for the deal to occur---e.g., ability to obtain financing, inspectors' reports, completion of repairs, selling prior home
  - Reach an agreement offer and counteroffer to meet price
  - Oualify for a loan
  - Attend the closing with seller, lender (bank representative), real estate agents, attorney(s)
- Cost of buying a home
  - Down payment part of the purchase price that is paid in cash up front
  - Closing costs refers to various fees that must be paid by the buyer or the seller at the time the purchased is finalized
  - Monthly loan payments mortgage payment paid every month
  - Continuing costs property tax, insurance, associated fees
  - Escrow account funds in a bank account which are held in trust to pay taxes and insurance when due
- Types of mortgages and special loans
  - Conventional fixed rate mortgage interest rate and monthly payment amount remains the same for the life of the loan
  - Adjustable rate mortgage (ARM) interest rate changes to reflect changes in economy; may change yearly; monthly payment will increase
  - FHA loans Federal Housing Administration insure loans to low- and moderate-income families who might not otherwise qualify for a mortgage
  - VA loans Department of Veterans Affairs insure loans to people who have served in the military, no down payment required



# See the Advantages of Renting?

Directions: Read the scenario and follow the instructions.

#### Scenario:

There is an apartment available six blocks from the college campus where you will begin classes in September. You are trying to convince your parents of the advantages of renting the apartment for the school year instead of staying in a dorm.

Make a list of the advantages for renting this apartment that you can present to your parents. To be well-prepared, also make a list of the disadvantages of renting the apartment and think about ways to minimize these disadvantages.

Write below how you would present this information to your parents.

Advantages:	Words for Presenting This to Parents:
<u>Disadvantages:</u>	
Disauvaillages.	
Disadvantages.	
<u>Disadvantages.</u>	
<u>Disadvantages.</u>	
<u>Disauvantages.</u>	
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<u>Disauvantages.</u>	
<u>Disadvantages.</u>	
<u>Disauvantages.</u>	

### See the Advantages of Buying?

Directions: Read the scenario and follow the instructions.

#### Scenario:

You are going to college and want to find off-campus housing to purchase. Through your research you have discovered that over a period of four years schooling, possible advanced degrees, and the opportunity of a career in the area, it could be an advantage to buy living space now and later sell it for a return on your money.

Make a list of the advantages and disadvantages for this type of off-campus housing. After making your list, design a flyer that could be distributed around campus to find roommates to share in this housing venture.

	,
Advantages:	Flyer for Finding Roommates:
<u>Disadvantages:</u>	

# Deposit and Interest

Directions: Form teams of two or three students each. Each team will need a calculator and local newspaper or real estate books showing homes for sale and their asking prices. Using your calculator, calculate deposits and interest as instructed.

1.	Find a home of interest to your team and record the asking price here:	
2.	A typical down payment on a home is 10% of the asking price. At this rate, how much mone is needed for the down payment? Record the amount of the down payment:	
3.	If this amount is paid as a deposit, what will be the amount left to be borrowed to purchase the home? Record the amount to be borrowed here:	
4.	Go online to Google, or call a local bank, and find out the current national mortgage interest rate. Record the amount of the mortgage interest rate for a 30-year mortgage here:	
5.	The total amount of money borrowed to purchase the home is called the principal. Find the amount of the principal from this worksheet and record the amount here:	
6.	Use the mortgage calculator at <a href="www.realestate.yahoo.com/calculators/payment.html">www.realestate.yahoo.com/calculators/payment.html</a> , <a href="www.mortgagecalculator.org">www.mortgagecalculator.org</a> , or a similar internet site to calculate the interest to be paid for the purchase of this home. Enter the principal, interest rate, and 360 months or 30 years as the payment period. Record the amount of interest to be paid:	
7.	How does the amount of interest to be paid compare with the principal? In other words, the interest is what percent of the principal? Record the percentage here:	
8.	Take a minute to write your reactions to the amount of interest required to purchase this home. Were you surprised? Would you have expected the amount to be lower or higher?	
9.	Why is shopping around for best interest rates so important when making large purchases such as homes?	

### House and Ladder

Teacher Directions: Make one copy on colored card stock of this page. Cut apart on lines and scramble strips. Form six teams of students. Randomly give each team one paper strip. Have teams place strips in order on the ladder.

### Find a home

Know your price range \* Know your needs \* Check Classifieds \* Visit open houses \* Work with real estate agent

### Make an offer

Let the seller know you are serious about buying \* Make an initial offer \* Deposit earnest money

### Meet contingencies

Secure financing \* Obtain building inspectors' reports \* Complete repairs \* Sell current home

### Reach an agreement

Offer \* Counteroffer \* Offer \* Counteroffer \* As needed until an agreement is reached

### Qualify for a loan

Talk with lending institution(s) to find out what's required \* Compare closing costs \* Select preferred lending institution \* Submit information to lending institution to determine that you qualify for a loan

### Attend the closing

Know all charges due at closing---points, appraisal fee, title search fee, recording fees, credit report fees, loan application fees, real estate broker's fees, attorney's fees \* Seller provides property survey \* Receive title\*

Open escrow account if required by lender

# **Key Terms: Housing Options**



Term	Explanation		
Options for Meeting Housing Needs			
apartment	A building that houses more than one family in separate living units		
condominium	A building that houses more than one family; each person owns walls and air space of the unit		
cooperative	A person buys shares in a corporation that owns the property; owners pay fees for maintenance and service costs, building mortgages, and taxes; co-op determines management, restrictions, and operating policies		
single-family house	A custom-built, development, modular, or kit house or townhouse		
manufactured "mobile" home	A single-wide or double-wide moveable home		
duplex	A building that contains two separate living units		
townhouse	A dwelling of two or three stories that attaches at sidewalls to other units; each person owns walls and air space plus property rights and yard of the unit		
residence hall	A living space on college/university campuses available to attending students only		
rent/lease	To pay a security deposit and monthly payments to a landlord		
buy	To purchase with cash or through a down payment plus monthly mortgage loan payments		
Renting/Leasing			
maintenance	Tasks involved in keeping a home liveable and functionalcutting grass, changing light bulbs, making minor repairs, painting, cleaning gutters		
mobility	The ability to move quickly and easily		
equity	Ownership; the value of property owned		
tax benefit	Any condition that qualifies a person for a tax credit or deductible expense		
lease	A legal agreement between a landlord and a tenant stating terms agreed upon by both		
lessee	A person who leases or rents a living space		
lessor	A person who owns a living space that is rented/leased; a landlord		
security deposit	Money paid by lessee to lessor in advance of occupance of living space; used to pay costs of any damages done to property while occupied		

# **Key Terms: Housing Options**



Term	Explanation			
Renting/Leasing, continued				
sublet	When a tenant finds another person to live in his/her leased space			
condition	Any stipulation or requirement that is agreed upon in a lease			
eviction	A legal notice to a lessee to move out of a property			
Buying				
Classified ads	Newspaper ads showing available homes for sale			
open house	An opportunity for interested buyers to walk through a home that is for sale			
real estate agent	A professional person who buys and sells homes			
earnest money	A deposit to prove that a buyer is serious about purchasing			
contingency	Any condition that must be met in order for a home buying deal to occur			
down payment	Part of the purchase price for a home that is paid in cash up front			
closing	The final step in buying a home where conditions of purchase are met; all parties must be presentbuyer, seller, lender, real estate agent, attorney			
closing costs	Fees that must be paid by buyer or seller at the time purchase is finalized			
monthly loan payments	Mortgage payments paid by the buyer to the lender each month			
continuing costs	Property ytax, insurance, and associated fees			
escrow account	Money in a bank account held in trust to pay taxes and insurance when due			
conventional (fixed rate) mortgage	Interest rate and monthly payment amount remains the same for the life of the loan			
adjustable rate mortgage (ARM)	Interest rate changes to reflect changes in economy; may change yearly; monthly payment will increase			
FHA loan	A loan from Federal Housing Administration; insures loans to low- and moderate-income families who might not otherwise qualify for a mortgage			
VA loan	A loan from Veterans Affairs; insures loans to people who have served in the military, with no down payment required			

## Prototype Assessment Items

Note: These sample items illustrate the types of items used in the item bank for this objective. All items have been written to match the cognitive process of the *understand* verb in the objective with primary emphasis on *classify* questions. Questions require students to place examples in categories. These exact questions will not be used on the secured test, but questions in similar formats will be used.

These assessment items may be used as prototypes by teachers and students to generate similar items to comprise formative assessments for your classroom. This strategy is especially helpful during the field test year when classroom item banks are not available. Results of formative assessments should be used as feedback of levels of mastery and for making necessary adjustments of teaching and learning to improve students' achievement.

- 1. Tara's grandmother, who uses a walker, is moving into a smaller apartment to make home maintenance easier for her. Which housing want or need should she consider when selecting housing?
- A. Cost of utilities
- B. Freedom to decorate as she wishes
- C. Space to entertain friends
- D. Whether there are steps inside and outside

Answer: D

- 2. The Smiths have two small, school-age children and need room for them to play outside safely. Which type of housing would **BEST** match his housing wants and needs?
- A. A condominium in a retirement development
- B. A manufactured home on a large lot
- C. A townhouse with two or three stories
- D. An apartment in a large complex

Answer: B

- 3. The Bartons are a busy, dual-career family with three young children. They decided to rent a home for a two-year stay in a new town. Which advantage of renting is this?
- A. Fewer tax benefits
- B. Greater mobility
- C. Less authority to make changes
- D. No equity building up

Answer: B

- 4. The Nortons asked how many parking spaces they were allotted before they signed a lease to rent. Which thing to inspect in rental units is this?
- A. Common areas
- B. Exterior
- C. Inside the unit
- D. Utilities and systems

Answer: B

- 5. Before signing, Lawrence read carefully when rent was due, the amount of penalty for late payment, and all of the conditions of renting the apartment. What type of document is this?
- A. Lease agreement
- B. Lease waiver
- C. Rental application
- D. Security deposit

Answer: A

- 5. The young couple enrolled their child in a quality day care, but their house payment is so high, they have only a little extra money to work with. Which disadvantage of buying is this?
- A. Complications of joint buying
- B. Greater costs and financial responsibilities
- C. Greater financial risk
- D. Less mobility

Answer: B

- 7. The Nasons met with the banker, home-owner, and realtor to pay all costs, sign documents, and obtain ownership. Which step in purchasing a home is this?
- A. Find an appropriate home to meet your needs
- B. Make an offer
- C. Reach an agreement
- D. Attend the closing

Answer: D

- 8. The Nelsons put \$4,000 in a special bank account to be held in trust until time to pay taxes and insurance for their new home. Which cost of buying a home is this?
- A. Closing costs
- B. Down payment
- C. Escrow account
- D. Monthly loan payment

**Answer: C** 

- 9. Cal Vance, who served twenty years of military duty, obtained a loan to buy a new home with no down payment required. Which type of mortgage or special loan is this?
- A. Adjustable rate mortgage
- B. Conventional fixed rate mortgage
- C. FHA loan
- D. VA loan

**Answer: D**