

Career and Life Management

Module 2 Resource Choices



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STUDENT NAME:

Resources: Who Decides What You Buy

Advertising and Consumerism



The Canadian Code of Advertising Standards defines Advertising as any paid message communicated with the intent to influence the choice, opinion, or behaviour of those addressed by the commercial messages.

Some points about advertising include:

- advertising is a form of persuasion
- advertising influences feelings
- Advertisements should be honest, accurate, fair and tasteful.

Using a dictionary, define the term **Marketing**: _____

Using a dictionary, define the term **Packaging**: _____

Influences in Marketing:

1. The Influences of Significant others.

Significant others - those people who "matter" the most to us, have influence on our opinions. These people often have a real effect on a person's buying decisions. Our families have often demonstrated "what to buy" and "how to buy" for us since childhood. For example, we are often influenced in what type of toothpaste, cereal, apple juice etc. to buy right from our early years!

A person's extended family and/or cultural background also influences purchases. Friends and a person's "peer group" also have an impact on consumer decisions. Many people, of various ages, are influenced to buy "trendy" items based on what their peer group is doing.

How might friends or family influence what you spend your money on? List and explain one example from your own life.

2. The Influence of Habit.

Consumer choices are mainly determined by habit. Consumers tend to buy what they have purchased in the past that has been satisfactory. Successful past purchases mean that you are more than likely to buy the same thing again! Advertisers spend a lot of money trying to change our ideas of what we should buy!

People are creatures of habit, and will often buy the same brand, or shop from the same store, over and over again. Identify one store you like to shop from or brand you like to buy. Why do you usually buy from them?

3. The Influences of Changes in Lifestyle.

When people have a change in their lifestyle such as a new job, a move away from parents, etc., they may change what they choose to buy. Changes in lifestyle may also mean an increase or decrease in the money you have to spend. Having more or less time for shopping can also change the way money is spent. For example, a person working 50 hours a week in an isolated forest area will have less time for shopping than someone who is right in the downtown core of the city. They may be making the same amount of money, but the isolated person will have less access to stores. Facts like "internet shopping" have changed this, but lifestyle change usually influences a person's purchasing decisions.

4. Influences of Changes in Personal Expectations.

Expectations change for various reasons but can include:

- change in age (child to adulthood)
- becoming a better consumer - knowing what to look for when shopping
- negative experiences with products
- conscious decisions to avoid purchasing or purchase something (e.g. avoiding products that are harmful to the environment).



Advertising

- a. On the chart below list 10 items you have purchased in the recent past. (This can include quite an assortment of things such as small inexpensive items e.g. movie tickets, a book etc, to more expensive or larger items such as clothing, sports equipment, a CD player etc.) Whenever possible, brand names of items should be given in your list.

- b. For each item on your list, name the influences for the purchase
 - advertising/marketing,
 - opinions of others,
 - habit,
 - changes in lifestyle,
 - changes of personal expectations

a. Item Purchased	b. Influence for Purchase
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

- c. Of the 5 influences, which one do you think influences your spending the most? Explain.

Resources: What are you Waiting For?

Taken from Lifechoices-Venturing out, Pearson Educational Inc., Pages 11-12.

According to news reports, large numbers of twenty and thirty year olds are migrating back to their parents' houses where they get a free roof over their heads and free use of the TVs, VCRs, gym equipment, and so forth. This trend is supposed to indicate that American has produced a new generation of freeloaders, who lack the gumption to go out in the world and make it on their own. There's a good side to this that we haven't heard much about, except in a recent headline in *The Wall Street Journal*: "Generation X Starts Saving for Retirement." The gist of the story is that the freeloading twenty-something who belong to the so-call lost generation, Generation X, have been quietly stashing away their loot. Apparently, there are more savers in this group than among their parents - the baby boomers who prefer buying things now to saving money for later. The Xers have realized that they can't count on social security to bail them out. They've watched their parents struggle to pay off credit-card debts, and they want to avoid repeating this mistake. They seek financial independence and they're working toward it while they're still at home, with their parents picking up the tab.

This is a very positive development, and we can only hope that more teenagers will follow in the footsteps of the twenty-something and not fall into the familiar trap of buying an expensive car. Many kids can't wait to do this. As soon as they land that first job, they become slaves to the car payments.

It's cool to drive around in a flashy new Camaro instead of a used Ford Escort, but that kind of cool is very costly in the long run. What's the price of cool? Considering the following two cases, Joe and Sally:

Joe

Joe gets a job as a clerk at Wal-Mart. He's living at home and saving every last dollar so he can make the \$2,000 down payment on a \$20,000 Camaro which the racing scoop on the hood. He takes out a car loan for the remaining \$18,000. His parents had to sign for the loan, but Joe is making the payments. It's a five year loan at 11.67 percent interest, so he sends \$400 to the finance company every month. He cringes the first time he seals the envelope, kisses \$400 goodbye, but he forgets all about that when he's driving around in the Camaro and his friends are telling him what a cool car it is.

A few months later, there are scratches on the door and stains on the carpet and nobody is oohing and aahing when the Camaro pulls into the parking lot. It's just another car by then, but Joe is stuck with the payments. To be able to afford the car and a date to ride in the car, he works extra night shifts, which means he's too busy to catch many dates.

At the end of five years, he's sick of the Camaro, which lost its cool a long time ago. He has finally paid off the car loan, which cost him an extra \$6,000 in interest charges. Now between the loan and the original purchase price, Joe has invested \$26,000 in this car, not including taxes and fees, insurance premiums, gas, oil, and maintenance.

At this point, the Camaro has dents and stains and the engine sounds a bit rough. If he sold the thing he could get maybe \$5,000 for it. So what he's got to show for his \$26,000 investment is a \$5,000 car that he doesn't even want any more.

Sally

Sally also lives at home and works at the Wal-Mart checkout line a few feet away from Joe, but she didn't buy a cool car. She took the \$2,000 she'd saved up and bought a used Ford Escort. Since Sally paid cash, she didn't have car payments. So instead of spending \$400 a month to the finance company, she invested \$400 a month in a mutual fund for stocks.

Five years later, when Joe was mailing out his last car payment, the value of Sally's mutual fund has doubled. Between the doubling of the fund itself and the steady stream of \$400 contributions to the fund, Sally has an asset of nearly \$30,000. She also has the Escort, which gets her back and forth OK, and she never worries about dents and stains because she never thought of her car as an investment. It's only transportation.

Why do you think Joe bought a new Camero? Explain your thinking.

Why do you think Sally bought a used Escort? Explain your thinking.

Who do you think made the better decision? Explain your thinking.

Resources: Managing your Money

Think about something significant you or a family member purchased in. Ask yourself the questions below to determine if you or your family member did enough research.

- a. Item Purchased: _____
- b. Answer the following questions

Ask yourself these questions before buying:

- Do you need this? _____
- Could it be rented or borrowed? _____
- Could you of use something you already had instead? _____
- Can you afford this? _____
- Did you read and gathered as much information as you could before choosing the product or service? _____
- Was it the best price for the quality you chose? _____
- Will there be any other costs with this purchase? _____
- Can you return this? _____

Understand what the advertising and the labeling says, and what they mean.

- Did you confirm that the item is really being sold for the advertised price, and with the advertised conditions? _____

Ask questions and get answers before you buy.

- Did you talk to sales people and ask questions? _____
- If the article is not being sold in a store, did you get the seller's "promises" in writing. _____

Shop wisely.

- Did you comparison shop? _____
- Did you shop out-of-season, e.g. clothing sales at the end of the season?

- Did you watch for advertisement of sales? _____
- Did you check prices from month to month before purchasing the item? _____

Know a store's return/exchange/refund policy.

Are you aware of the following policies on items bought in the store?

- Most stores require a receipt to give a refund or credit. _____
- Items for refund must be in "store-bought" condition. _____
- Some stores having sales will not give refunds or credit on sale items. _____
- Some stores only refund for "in store credit" _____

Reflecting:

Do you think you did enough research into your purchase? Why or why not?

Resources: Relationships

People in healthy relationships have the following characteristics:

- listen to you and take your feelings and ideas seriously
- talk openly and honestly with you about what matters to them
- never use threats of harm, violence or suicide to get his/her own way
- never hit, punch, kick, bite, slap, push or otherwise strike out in anger or jealousy
- not try to control what you do, where you go or who you talk to
- respect you, and say good things to you and about you
- enjoy spending time with you, and show it whether alone with you or in a group
- trust you, and earn your trust by keeping your confidences
- allow you to enjoy the activities and people that matter to you
- accepts your limits about sexual activity, every time

HONESTY QUIZ

For each of the following situations, answer whether or not the individual is justified in their actions.

Question:	Yes or No? Explain.
Norma sees a wealthy person drop money while exiting a limousine. On the ground she finds \$100. Norma is low on rent money and finds it hard to make ends meet. Norma knows she needs the money more than the person who dropped it. Is she justified in keeping the money?	
Gertrude sees her friend Ethyl tagging the wall with a homophobic slur. Ethyl sees Gertrude but no one else witnesses this happening. Later that day the principal asks anyone with information to come forward. Is Gertrude justified in not reporting this?	
Herman's best friend Ollie has a new girlfriend, Krystaal. Herman has overheard Krystaal say mean things to her friends about Ollie. Ollie asks Herman what he thinks of her, and Herman says she is "nice." Herman knows that Ollie is head over heels for his girlfriend, and doesn't want to hurt Ollie's feelings. Is Herman justified in his response?	
Asif goes to Tim Horton's and they give him back too much change. Once outside the store, he realizes they gave him \$4 extra back. Since it wasn't his mistake and he is running late, should Asif feel guilty for keeping the money?	
Frank finds an iphone in the washroom at school. He has always wanted a smart phone and knows a friend who can unlock it for him. Is Frank justified in keeping the phone?	
Charlotte is writing a test and realizes the teacher has left the answer key accidentally on the chalkboard. Is Charlotte justified in copying the answers?	
Salima is given a homework assignment to draw an object from observation. Instead she traces the image from a magazine. Is this plagiarism?	

DISCUSSION ON HONESTY

When is it important to be honest? Describe situations.

When is it acceptable to lie or omit truth? Describe situations.

Which scenario was the easiest for you to decide? What made it so easy to make your decision?

Which scenario was the hardest for you to decide? What made it so difficult to make your decision?

Reflection

1. Explain a time when you chose to deceive or lie? Why did you need to do this?

2. Do you believe honesty is important to healthy relationships? Why or Why not?

Resources: Maintaining Positive Relationships

Using a dictionary, define **conflict**.

Think of a time in your life when you were in a conflict with a friend or family member.

What were you fighting or arguing about?

How did you try to resolve your conflict?

Was this effective? Why or why not?

Conflict between people is a fact of life - and it's not necessarily a bad thing. In fact, a relationship with frequent conflict may be healthier than one with no observable conflict. Conflicts occur at all levels of interaction - at work among friends, within families and between relationship partners.

Once you find yourself in a conflicted situation with someone else, it is important to reduce the emotional charge from the situation so that you and the other person can communicate rationally about the conflict and resolve it. **Good communication skills are essential to resolving conflict quickly and effectively.**

Below, you will find a list of examples of poor communication skills. For each example of poor communication skills, provide an example of good communication skills.

EXAMPLES OF POOR COMMUNICATION SKILLS	EXAMPLES OF GOOD COMMUNICATION SKILLS
<ul style="list-style-type: none">• Yelling at one another• Aggressive or standoffish body language• Interrupting• Not listening• Not considering the other person's perspective• Having to be right• Not accepting criticism• Speaking more than you listen• Making generalizations• Blowing things out of proportion• Not being open-minded	<p><i>Ex. Speaking at a reasonable volume</i></p> <p><i>Ex. Warm, or calm, body language</i></p> <hr/>

Summative Task

Joe lent Craig some money 6 weeks ago. He has not asked for the money back but knows that Craig started a new part-time job 3 weeks ago and feels he should now have the cash to repay him.

Amanda has known Joanne since 3rd grade. She has covered for Joanne several times, saying that they are having a sleep-over when in fact Joanne has been staying with her boyfriend. Amanda no longer wants to lie and feels used in this situation.

Maya and Leticia consider themselves best friends. Recently Maya has noticed that Leticia has been losing a lot of weight. She sees Leticia passing on food and has heard her claiming that she is “fat” to other friends. Maya is now very concerned for her friend but is not sure how Leticia will react if she raises the subject.

/15 Marks

Summative Task: Managing Money

Where does your money come from?

1. List your current source(s) of income.

2. What do you expect to be your source(s) of income in the near future?

3. How do you decide what to purchase?

4. What factors do you think influence your purchasing decisions?

In the space below, fill out a current **monthly** budget for yourself.

Income	
Job	
Parents or Family	
Other (Scholarship, grant, etc.)	
Explain:	
Total Income	
Expenses	
Rent or Room and Board	
Utilities (Water & Electricity)	
Phone	
Groceries	
Car Payments	
Insurance	
Gas	
Entertainment (Movies, Cable, etc.)	
Dining/Snacking Out	
Clothes	
Etc.	
Explain	
Total Expenses	
Net Income (Total Income – Total Expenses)	

Where does most of your money come from?

Where does most of your money go?

At the end of the month, are you saving money or going into debt? What are your plans for the money you save, or the money you owe?

Looking at your budget, what is one thing you would like to do differently? Explain.

/15 Marks

Summative Task: Case Studies

In addition to learning about smart monetary choices, we learned about relationships and how to handle difficult situations. In the space below, you will be presented with 3 social situations. Jon, Amanda, and Maya are each in difficult

Joe lent Craig, his best friend, \$100 six weeks ago. He has not asked for the money back but knows that Craig started a new part-time job three weeks ago and feels he should now have the cash to repay him.

How do you think Jon should handle this situation? Why?

How do you think Craig will react? Why?

What if Craig told Joe that he needed the money to fix his car? Does this change how Jon should handle the situation?

Amanda has known Joanne since 3rd grade. She has covered for Joanne several times, saying that they are having a sleep-over when in fact Joanne has been staying with her boyfriend. Amanda no longer wants to lie and feels used in this situation.

How do you think Amanda should handle this situation? Why?

How do you think Joanne will react? Why?

What if Joanne told Amanda that her family would kick her out of the house if they found out she was staying with her boyfriend? Does this change how Amanda should handle the situation?

Maya and Leticia consider themselves best friends. Recently Maya has noticed that Leticia has been losing a lot of weight. She sees Leticia passing on food and has heard her claiming that she is “fat” to other friends. Maya is now very concerned for her friend but is not sure how Leticia will react if she raises the subject.

How do you think Maya should handle this situation? Why?

How do you think Leticia will react? Why?

What if Leticia told Maya that her boyfriend said he would dump her if she didn’t lose weight? Does this change how Maya should handle the situation?
