

Creating a buying plan

Students practice creating a buying plan and apply this strategy to provide buying advice to others.

Learning goals

Big idea

A buying plan can be helpful when making major purchases.

Essential questions

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

Objectives

- Understand situations when a buying plan may be useful
- Apply a five-step buying plan process to making a major purchase

What students will do

- Discuss their personal experience with spending money on big-ticket items.
- Create buying plans for two big-ticket items they may purchase in the future.
- Write an advice blog to answer readers' questions about spending.

NOTE

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

KEY INFORMATION

Building block:

 Executive function

 Financial knowledge and decision-making skills

Grade level: High school (9-12)

Age range: 13-19

Topic: Spend (Budgeting, Buying things)

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

Teaching strategy: Competency-based learning

Bloom's Taxonomy level: Apply, Evaluate, Create

Activity duration: 75-90 minutes

National Standards for Personal Financial Education, 2021

Spending: 12-1, 12-2, 12-3, 12-5

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

Preparing for this activity

- While it's not necessary, completing the "Making spending decisions" activity first may make this one more meaningful.
- Print copies of all student materials for each student, or prepare for students to access them electronically.
- To support Spanish-speaking students, there is a Spanish version of this activity.
 - You can use just the worksheet available at https://files.consumerfinance.gov/f/documents/cfpb_building_block_activities_como-crear-un-plan-de-compras_tabla.pdf.
 - A Spanish version of the guide is available at https://files.consumerfinance.gov/f/documents/cfpb_building_block_activities_como-crear-un-plan-de-compras_guia.pdf.

What you'll need

THIS TEACHER GUIDE

- **Creating a buying plan** (guide)
cfpb_building_block_activities_creating-buying-plan_guide.pdf

STUDENT MATERIALS

- **Creating a buying plan** (worksheet)
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Exploring key financial concepts

As you reach adulthood, you'll likely make spending decisions about big-ticket items like a car or house. A buying plan can help you identify and consider factors like cost, features, and choices as you prepare to make a purchase. A buying plan encourages you to ask yourself questions such as:

- What do I want to buy? Where can I research my options (including price and specifications)?
- How much do I have to spend? What is my budget?
- What criteria or specifications am I looking for?

TIP

Because financial products, terms, and laws change, students should be encouraged to always look for the most up-to-date information.

- What are possible choices that can meet my criteria?
- Which choice works best for me?

Using a multi-step buying plan helps you use critical-thinking skills that can help you make informed financial choices.

Teaching this activity

Whole-class introduction

- Ask students to share any big-ticket items they, their families, or people they know have bought.
 - Examples may include a large appliance, car, TV, smartphone, or laptop.
- Ask them to share things they or people they know considered before they bought the item.
 - Examples may include figuring out a budget, researching and comparing products, or weighing the pros and cons of their choices.
- Read the “Exploring key financial concepts” section to students to explain buying plans.
- Be sure students understand key vocabulary:
 - **Budget:** A plan that outlines what money you expect to earn or receive (your income) and how you will save it or spend it (your expenses) for a given period of time; also called a spending plan.
 - **Buying plan:** A plan people use to identify and consider factors like cost, features, and choices as they prepare to make a purchase.

TIP

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

Individual or group work

- Distribute the “Creating a buying plan” worksheet, or have students access it electronically.
- Students can work individually, in pairs, or in small groups to complete this activity.
- Using the worksheet as a guide, consider doing a sample scenario of your choice together as a class so students can see the process in action.
- Ask students to use the worksheet to make a buying plan for two big-ticket items they may wish to purchase in the future.

- They should go through the entire process of researching different criteria, identifying different products or solutions, and then making a choice based on their needs and wants.
- Be sure to emphasize that an essential part of this process is explaining their choice. Being able to articulate how they made their choice is the best indication that they made a thoughtful and informed purchase.
- To help them further apply their knowledge of the decision-making process, students will analyze three hypothetical spending challenges in the “Creating a buying plan” worksheet and provide advice on how a buying plan can inform financial decisions.

Wrap-up

- Ask a few students to share their advice with the whole class. Use that as a jumping-off point for a deeper discussion about how buying plans can help consumers.
- If time allows, ask a few students to share their buying plans with the class.

Suggested next steps

Consider searching for other CFPB activities that address the topic of spending, including budgeting and buying things. Suggested activities include “Analyzing budgets” and “Conducting spending interviews”.

Measuring student learning

Students’ answers on their worksheets and during discussion can give you a sense of their understanding. **Keep in mind that students’ answers may vary, as there may not be only one right answer.** The important thing is for students to have reasonable justification for their answers.

If you choose to use the scoring rubric below to grade this activity, be sure to share it with all students so they know what criteria matter most and they can plan accordingly.

SCORING RUBRIC

Criteria	Possible points	Points earned
Created plan for two future purchases	40 (20 pts each)	
Responded to three advice column questions	60 (20 pts each)	
Total points	100	