TOPIC
Making Responsible Choices

SUBJECT AREA
Math

RELATED SUBJECT AREAS
Social Studies, Economics

LESSON OBJECTIVES
Students will:
• Discuss media promotions, such as billboards, newspapers, TV, radio, magazines, labels on clothes, and so on.
• Identify where media promotions are and to whom they are aimed
• Comparison shop to find out the cost of cool
• Learn how to be a smart consumer

IMPORTANT TERMS
advertisement, branding, generic brand, name brand, comparison shopping, opportunity cost

INTERACTIVE EXTENSION
Students practice shopping for clothing on a $200 budget. The following is the Web address for the interactive activity that complements this lesson:

http://www.citigroup.com/citigroup/financialeducation/curriculum/teens.htm and click on "What is the Cost of Cool?"

(Continued on next page)
**Introduction**
Students need to be aware of the cost impact for buying name brand items versus generic brand items in order to make informed spending decisions. In this lesson, students will develop an understanding of the price they pay to look cool.

**Teaching Strategies and Learning Activities**

- Throughout the lesson, emphasize the Important Terms.

- Ask, “What brand of jeans or pants are you wearing?” “What made you buy that brand?”

- Ask, “Where do you find advertisements for your favorite brands?” “What do you think the purpose of advertising is?”

- Explain to students the difference between **branding** and advertising.

- Divide the class into pairs. Have students use the catalogs, websites, or printouts from websites, and **comparison shop** for three items, such as jeans, tennis shoes, and backpacks. Instruct students to research prices from at least four stores, finding items that range in price from cheap to expensive as well as popular **name brands** and **generic brands**.

- Have students create a table to record their findings.

- Have students calculate the difference between the lowest priced item and the highest priced similar item, and record this number on their chart.

- Have students find the average price for the items (add up all the prices, low to high, then divide by the number of items) and record those numbers on their chart.

- Have students find the medium priced item (list the items in rank order of price, low to high, then find the item that falls exactly in the middle) and record it on their chart.

- As a class, discuss the pros and cons of buying name brands versus generic brands. Ask, “Why do you think the cost of name brand items is more expensive than a similar item in a generic brand?” (to pay for the commercials, billboards, and so on to make the name brand one that is recognized by consumers) “Who ultimately pays for that marketing and advertising to get the message to the public?” (consumers) Review the impact of advertising on buying habits.

- As a class, discuss the concept of **opportunity cost**, that is, giving up the freedom to buy one thing in order to buy something else. Have students explain what else they might have bought with the money they saved by

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**Teaching Notes**

*(Continued from previous page)*

www.spiegel.com
www.stussy.com
www.target.com
www.tommy.com
www.walmart.com

- Writing paper, one sheet per pair, another sheet per student

- Poster boards, one per small group

- Copies of **Student Questionnaire**, one per student

**TIP:** Remind students that the focus of the activity is to compare values of similar items by comparison shopping. Whether or not students like the selection of items is irrelevant to the purpose of the activity.
buying the less expensive or generic brand jeans. On the chalkboard, write the question: *Is the opportunity cost worth the cost of cool?* Divide the class into two groups. Have the groups debate whether or not it is worth the opportunity cost to wear expensive or brand name jeans.

- Divide the class into small groups. Distribute poster boards to each group. Have students create a poster entitled “Smart Shopping Tips.” Hang posters in the classroom.

- Review the Important Terms.

**Evaluation**

Have students write a paragraph about their findings and the cost of cool.

Use the *Student Questionnaire* as an activity assessment.
ACTIVITY ASSESSMENT

The student questionnaire on the following page was developed specifically to assess the knowledge of students in Grades 6-8. You are free and encouraged to use this questionnaire in various formats. Refer to the Student Questionnaire section on page 4 of the Facilitator’s Guide Introduction for suggestions on how to use and implement it.

Student Questionnaire: What Is the Cost of Cool?
Answer Key

1. a
2. d
3. c
4. c
Instructions: Please circle the answer to each question below to the best of your ability. You are not expected to know all the answers; we are interested in simply learning about your general knowledge of personal finance.

Name: _____________________________________________________________

Date: _____________________

What Is the Cost of Cool?

1. Which of the following is true about well-known brands?
   a. They tend to cost more than unknown brands.
   b. They are generally lower quality than unknown brands.
   c. People don’t want them as much as unknown brands.
   d. They tend to cost less than unknown brands.

2. Why do companies advertise their products?
   a. Because it’s free
   b. To show off how good the company is
   c. To make sure people know any problems with their products
   d. To sell more goods and make money

3. If Alexis buys a pair of designer jeans for $125 rather than a store brand for $30, what has she given up?
   a. Being labeled a “fashion diva”
   b. A more expensive product
   c. Money she could use to buy other things she wants
   d. A more prestigious label

4. Susie’s friends all come from wealthier families and receive larger allowances than she does. To keep up with her friends, Susie is forced to take money from a savings account that her grandmother set up to help pay for her college education. What is the problem with this?
   a. Her friends won’t like this.
   b. She will earn more interest on her savings.
   c. She may not have enough money left for college.
   d. It will teach her how to budget better.

Thank you for taking the time to complete this questionnaire!