



JA FINANCIAL LITERACY®

Student Guide

UNIT 2: MONEY MANAGEMENT & FINANCIAL INSTITUTIONS

Topic 2: Consumer Decision-Making

NAME: _____

DATE: _____

PRE-QUIZ

Consumer Decision-Making

What + Why: A quick, ungraded check on what you already know—your answers help shape the learning ahead. It's okay not to know—just give it your best shot.

Instructions:

1. Answer each question as best you can.
 2. Circle the best answer for each question.
 3. Submit it when you're done.
-
1. Tyson is deciding between two pairs of shoes. One has a lower up-front cost, while the other is more durable and aligns with his goal of saving money over time. Which factor BEST explains Tyson's decision?
 - ☐ a. immediate cost compared to brand reputation
 - ☐ b. short-term cost vs. long-term value
 - ☐ c. popularity vs. advertising influence
 - ☐ d. peer opinion compared to personal preference
 2. A company advertises a product as "available for a limited time only" to encourage quick purchases. How does this strategy MOST likely influence consumer behavior?
 - ☐ a. It encourages consumers to carefully compare product features.
 - ☐ b. It creates a sense of urgency that reduces time spent evaluating the purchase.
 - ☐ c. It helps consumers better understand how the product works.
 - ☐ d. It ensures consumers will choose the highest-quality option.

3. Jani notices that the prices of everyday goods are increasing while her income stays the same. Which action would BEST help her maintain financial stability?
- ☐ a. purchasing large quantities of goods before prices rise further
 - ☐ b. wait for prices to return to normal
 - ☐ c. adjust her budget by prioritizing needs and reducing wants
 - ☐ d. use only cash or a debit card for purchases
4. How can frequent impulse buying MOST likely affect a person's personal well-being?
- ☐ a. It can create a cycle of regret and stress related to overspending.
 - ☐ b. It permanently lowers a person's social status among peers.
 - ☐ c. It eliminates interest in hobbies and activities over time.
 - ☐ d. It prevents a person from meeting any basic needs.
5. A student sees a trending product online and feels the urge to buy it immediately. Which strategy would be MOST effective in helping the student make a more thoughtful decision?
- ☐ a. purchasing the item quickly before it sells out
 - ☐ b. choosing the item based on its popularity
 - ☐ c. waiting 24 hours before deciding whether to buy it
 - ☐ d. using a credit card to delay the payment until the bill comes in the mail

NAME: _____

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CASE STUDY

Considering Car Choices

What + Why: Not all choices feel equal, and paying attention to why one stands out can change how decisions get made.

Supporting Materials:

Topic 2: Introduction (Case Study)

Car Choice & Influence Snapshot (Case Study)

**Instructions:**

1. Read the **Topic 2: Introduction** and **Car Choice & Influence Snapshot** information in the case study materials and consider:

- What makes the expensive car feel reasonable?
- Are there other choices Jordan may not be considering?

Be prepared to explain which details from the description influenced your thinking.

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ACTIVITY

Car Needs and Wants

What + Why: Knowing what you actually need can keep short-term excitement from driving long-term decisions.

Instructions:

1. With your group, decide which car feature belongs in either the “Needs” or “Wants” category.

Be ready to explain your group’s choices.

Needs	Wants

Car Features

Bluetooth connectivity

Cruise control

New tires

Touchscreen display

Enough trunk space for bags or gear

Sunroof

Reliable

Heated seats

Low monthly cost

Insurance affordability

High safety rating

Maintenance records included

Blind spot monitoring

Working heat and air conditioning

Sporty appearance

Newer model year

Premium sound system

Backup camera

Brand people trust

Mileage under 30,000

Warranty

4-Wheel Drive

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ACTIVITY

Trade-Off Comparisons

What + Why: Every purchase involves trade-offs, even when all options meet the same basic need.

Instructions:

1. With your partner, review the products shown.
2. Discuss the trade-offs involved with each option, including what is gained and what is given up.



Be prepared to share an example of a trade-off your partner noticed.

Comparison 1: Budget vs. Premium Smartwatch



vs.

**Trade-offs**

Comparison 2: Generic vs. Organic Skincare



vs.



Trade-offs

Comparison 3: Cash for a Used Laptop vs. Financing a New Laptop



vs.



Trade-offs

Comparison 4: Takeout vs. Groceries



vs.



Trade-offs

NAME: _____

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ACTIVITY

Purchasing Power

What + Why: Put \$20 to the test and see how far it really goes—then vs. now.

Prices change over time, but paychecks don't always change at the same pace. Things that once felt affordable can take up more of a budget today, even when the dollar amount stays the same. This activity uses a familiar \$20 to explore how buying power has shifted and why that matters for everyday spending choices.

Instructions:

1. Use the CPI Inflation Calculator to compare how far \$20 goes today versus 1990.
2. For each listed item (gas, fast food meal, movie ticket), use the price today provided by your teacher.
3. Enter the price of the item today into the inflation calculator.
4. Keep the most recent available month and year shown on the calculator.
5. Select the same month in 1990 as the comparison date.
6. Select "Calculate."
7. Record the 1990 price shown by the calculator.
8. Use both prices to calculate how much \$20 could buy in each time period, rounding down to the nearest whole number.
9. Repeat these steps for each item in the table.
10. For the final row, choose and research the price of one item of your own, and repeat the process.
11. Complete the table and be ready to discuss what you notice.

Key Terms

- **inflation:** prices rising over time
- **purchasing power:** when prices rise, the same amount of money buys less

Item	1990 Price	Quantity You Could Purchase with \$20 in 1990	Today's Price	Quantity You Could Purchase with \$20 Today
Gallon of Gas 				
Fast-Food Meal 				
Movie Ticket 				
Item of Your Choice 				

NAME: _____

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INSTRUCTION

Inflation's Impact

What + Why: Money hasn't changed, but what it buys has—this explains the squeeze.

Prices change, but paychecks don't always change with them. Over time, everyday things like food, gas, and entertainment can take up more of a budget, even when income stays the same. In this activity, you'll look at familiar examples to understand how rising prices affect what money can buy and why that can make budgets feel tighter.

Use this page to record key ideas during instruction.

1. What happened to the quantities when comparing 1990 to today?
2. What causes this change, and what happens if income doesn't keep up?
3. If prices continue to rise at a similar rate over the next 20 years, how might that affect a major financial decision you expect to make as an adult (such as renting an apartment, buying a car, or starting a family)?

NAME: _____

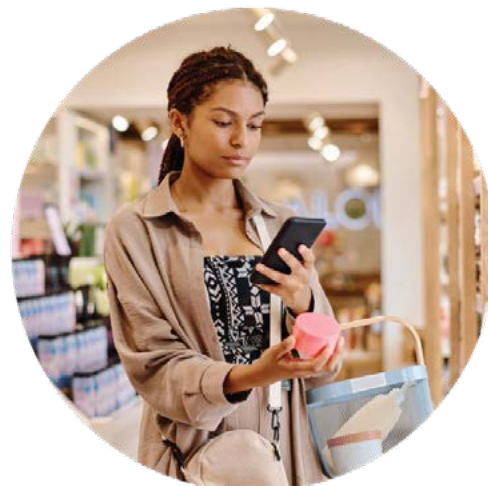
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ACTIVITY

Consumer Decision-Making Process

What + Why: Good spending decisions don't happen by accident. Map the process that makes them intentional.

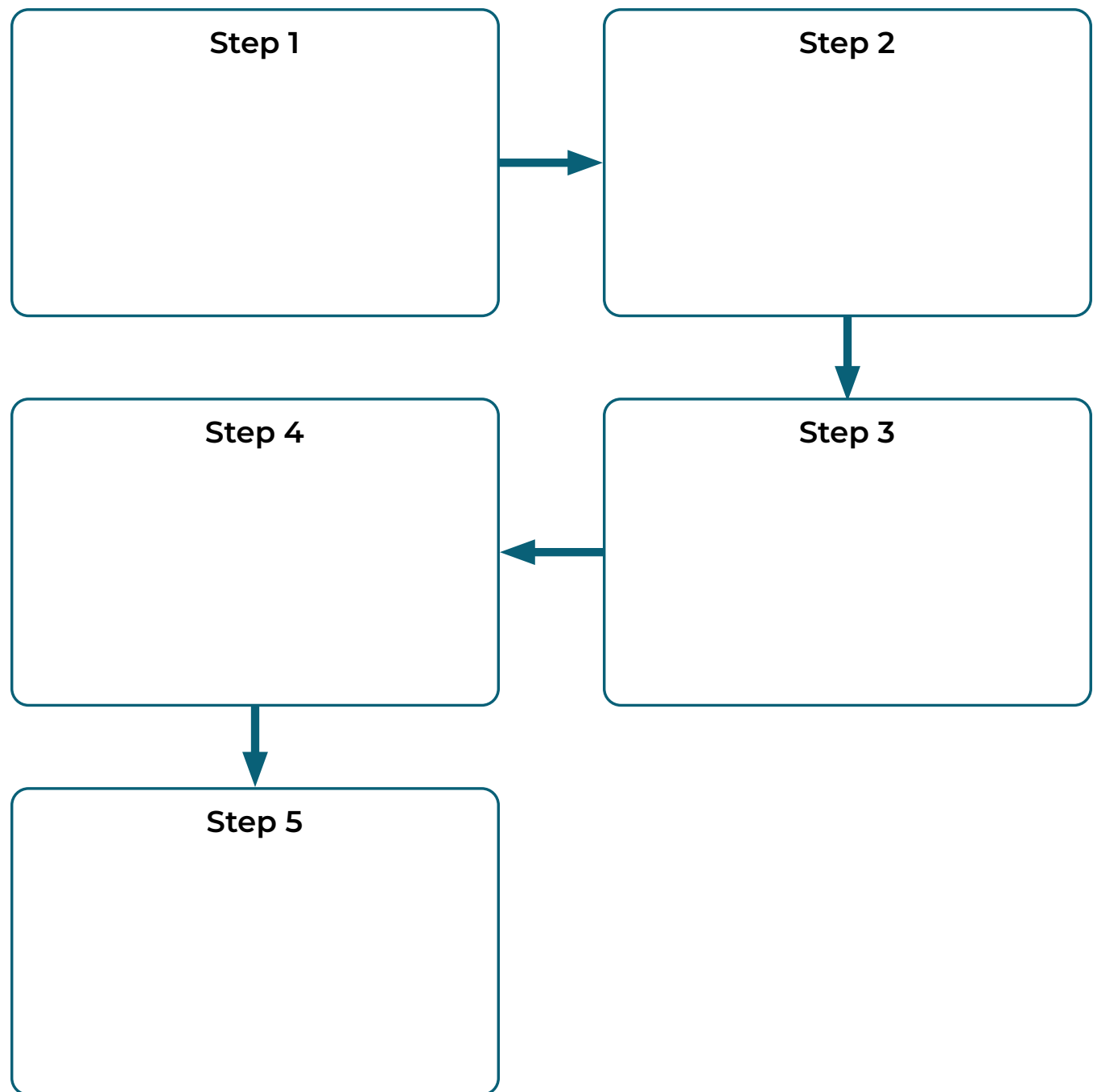
Everyday decisions—about time, money, priorities, or commitments—often feel rushed or overwhelming. Strong decisions don't usually happen all at once; they develop through a process of noticing a need, gathering information, comparing options, and reflecting on outcomes. This activity focuses on understanding that process so it can be applied to many types of decisions, including, but not limited to, spending choices.

**Instructions:**

1. With your partner, think of a purchase someone might make (for example: sneakers, a phone, or even a candy bar).
2. Review the five steps you've been given.
3. Arrange the steps in the order that makes the most sense.

Be ready to explain your purchase and why you and your partner chose the sequence you did.

Steps in the Consumer Decision-Making Process



Word Bank

Research Information

Compare Alternatives

Identify the Need or Goal

Reflect on the Outcome

Make the Decision

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ACTIVITY

Strategies for Stability

What + Why: Inflation changes the game, but the right moves can keep your money steady.

When prices rise, people don't always have the option to earn more right away. Instead, staying financially stable often means making thoughtful adjustments—deciding what matters most, slowing down certain spending, and planning ahead. This activity looks at how people respond to changing costs and the kinds of choices that can help them stay steady when money feels tighter.

Instructions:

1. Work with your group to review the strategy you've been assigned:
 - Adjusting spending habits and priorities.
 - Researching and comparing prices and using substitutes.
 - Budgeting for "needs first."
 - Building a small buffer/emergency fund when possible.
2. Answer the four guiding questions provided.

Be prepared to share your strategy and answers with the class.

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ACTIVITY

Ripple Effect Mapping

What + Why: A single purchase can ripple through your life in ways you don't expect.

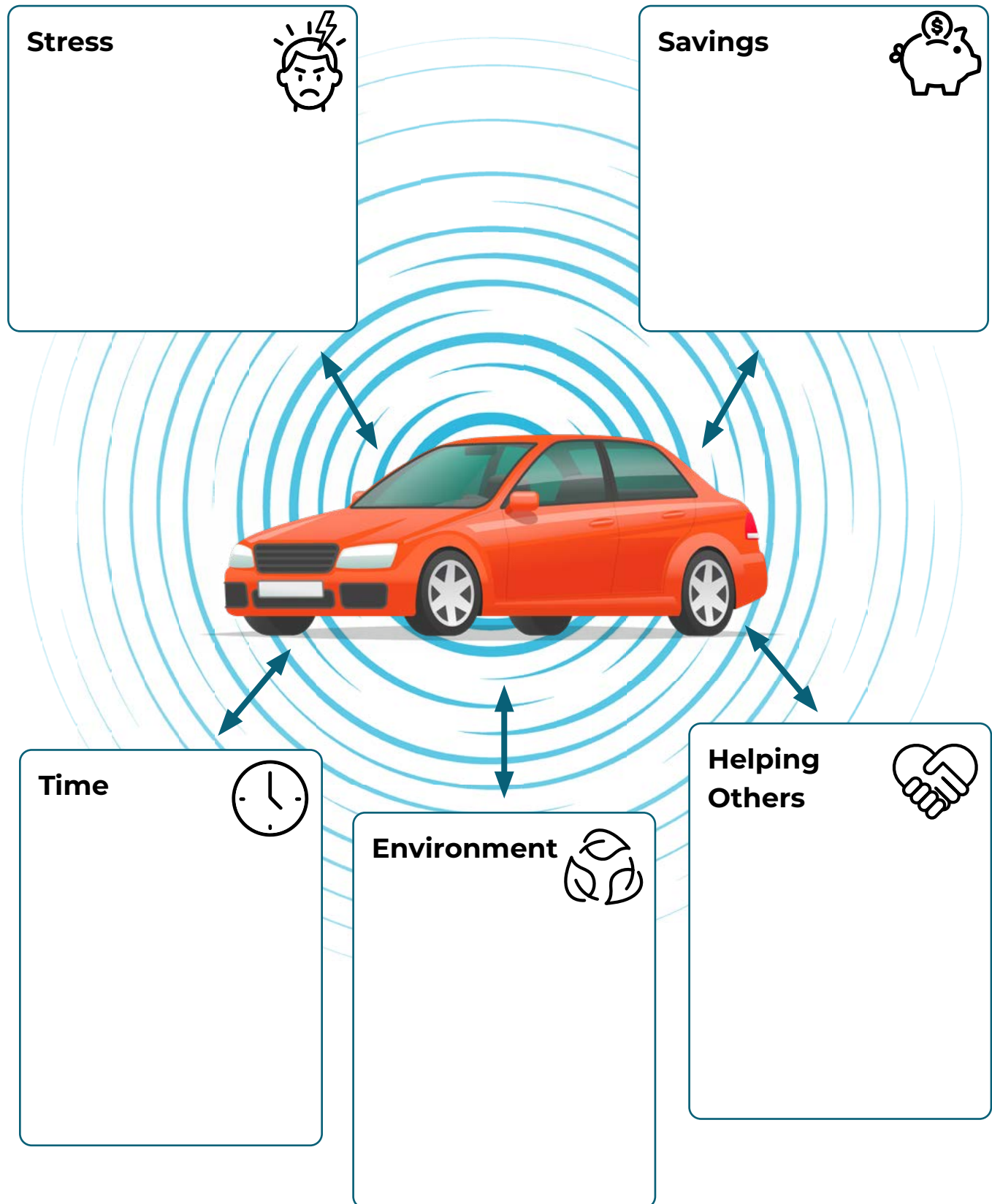
Big spending decisions don't exist in isolation. A single purchase can affect how much stress someone feels, how much flexibility they have later, and what opportunities stay open or closed over time. This activity looks at how one decision can create ripple effects across different parts of life, helping you think beyond the immediate cost and see the bigger picture.

**Instructions:**

1. Work with your group to review the purchase shown at the center of the Ripple Effect Map.
2. Use the map to identify ways this purchase could affect different areas of life.
3. Add notes explaining how each ripple effect connects to the purchase.

Be prepared to share one or two ripple effects your group identified.

Ripple Effect Mapping



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ACTIVITY

Impulse Interrupters

What + Why: Before the impulse wins, this helps you pick a smarter response.

Instructions:

1. Work with your group to review each cause for impulse buying.
2. For each one, choose the strategy(ies) you think would work best to interrupt the impulse.
 - Wait 24 hours before buying
 - Set a spending limit first
 - Needs vs. wants check
 - Unsubscribe from marketing notifications
 - Compare prices or alternatives
 - Discuss the purchase with an accountability partner
3. Provide your reasoning for the strategy(ies) chosen.

Be prepared to share your ideas with the class.

Key Terms

- **impulse buying:** making an unplanned purchase in the moment, often without thinking through the cost or consequences

Causes of Impulse Buying	Strategy(ies)	Reasoning
Boredom spending		
Stress spending		
“Treat yourself” moments		
Fear of missing out (FOMO)		
Peer pressure		
Ads, sales, or limited-time deals		

Strategies to Manage Impulse Buying

1. Wait 24 hours before buying
2. Set a spending limit first
3. Needs vs. wants check
4. Unsubscribe from marketing notifications
5. Compare prices or alternatives
6. Discuss the purchase with an accountability partner

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REFLECTION

Negotiations

What + Why: You already negotiate more than you think—this activity helps you use that skill when money is on the line.

Negotiation isn't limited to big purchases or formal situations. It often shows up in everyday moments when people ask questions, explain constraints, or look for better options.

- Asking a landlord if the first month's rent can be reduced.
- Requesting a lower interest rate on a credit card.
- Convincing your parents to extend your curfew for homecoming.

These same approaches can apply when making purchases, sometimes without realizing negotiation is even happening. This reflection helps you recognize those connections and think about how negotiation fits into your own spending decisions.

Reflect

Think about a time you negotiated successfully in everyday life.

- What strategies did you use?
- How could those same strategies work when making a purchase?

Key Terms

- **negotiation:** a discussion between two sides to reach an agreement on the terms of a deal

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ACTIVITY

Financially Me: Smart Spending Strategies

What + Why: Break down the money strategies that help people stay in control.

From Ideas to Impact

Every day, people make spending choices that affect how much flexibility they have later—sometimes without realizing it. The strategies explored in this topic are tools people use to stay in control of their money, especially when costs rise or temptations pop up. In this activity, you'll pull those ideas together and think about how to communicate them clearly so others can make more intentional spending decisions too.

Your Smart Spending Strategies work will become the Financially Me component of your FinanceFolio for this topic.

Instructions:

1. Choose one format from the options provided.
2. Include the required number of strategies and explain how they help manage spending or support long-term financial stability.
3. Use at least one realistic, student-relevant example to show how a strategy could be used.

Option 1: Consumer Tips Brochure

A tri-fold or digital brochure that gives practical tips for careful spending.

- At least 2 consumer strategies that help manage spending challenges
- A brief explanation of why each strategy matters
- One example of how the strategy could be used by a student

Option 2: PSA (Public Service Announcement)

A short written, audio, or video PSA aimed at teens about avoiding spending traps and building stability.

- A clear message about living below your means
- At least 2 consumer strategies
- A call to action (what the viewer should do differently)

Option 3: Consumer Strategy Guide

A “Think Before You Spend” guide with checklists or quick rules.

- Common spending challenges
- Matching strategies for each challenge
- Short explanations showing how the strategy helps in that situation

Submission:

Turn in your completed work to your teacher.

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DATE: _____

CASE STUDY

Jordan's Decision-Making Process

What + Why: Before making a decision, it helps to see what's actually on the table.

Big decisions—like buying something expensive or committing to a long-term choice—rarely happen all at once. People often talk through priorities, consider different paths, and rethink what's really possible before moving forward. Taking time to organize those pieces can change how confident a decision feels. This activity gives you a chance to practice that kind of thinking.

**Supporting Materials:**

Car Choice & Influence Snapshot (Case Study)

Consumer Decision-Making Process (completed previously)

Jordan's Decision-Making Process Rubric

Instructions:

1. With your group, review the **Car Choice & Influence Snapshot** case study materials. (It may be helpful to reference the **Consumer Decision-Making Process** handout for details about the steps in this decision-making process.)
2. Complete the **Jordan's Decision-Making Process** handout using the case details.
3. You will not be making a decision in this activity. Focus on the first three steps in the consumer decision-making process. You'll be gathering the information Jordan needs to eventually make a solid financial decision.

1. Step 1: Identify the Need or Goal:

What choice does Jordan need to make?

2. Step 2: Research Information:

What things matter to Jordan in this situation?

What are Jordan's constraints?

3. Step 3: Compare Alternatives:

What are some possible choices Jordan could consider?

What are the impacts and potential trade-offs of these options?

4. After answering the questions, discuss your answer to Supporting Question 2 as group, using the decision-making process as lens for your thinking:

- How can using the decision-making process help showcase how values, peer pressure, and advertising are influencing Jordan's car choice?

Jordan's Decision-Making Process Rubric:

Criteria	4 - Strong	3 - Proficient	2- Developing	1- Beginning
Identification of Need or Goal	Clearly and accurately explains the decision Jordan faces and connects it to independence, transportation needs, and financial stability.	Accurately identifies the decision Jordan must make.	Identifies part of the decision but lacks clarity or completeness.	Misidentifies the decision or provides minimal explanation.
Research: Priorities & Constraints	Clearly separates priorities, constraints, and outside influences using specific evidence from the case study.	Identifies priorities and constraints with some supporting details.	Lists some priorities or constraints but blends categories or lacks evidence.	Provides limited or inaccurate information about priorities or constraints.
Comparison of Alternatives	Identifies multiple realistic options and explains impacts and trade-offs (cost, reliability, influence, long-term impact) using evidence.	Identifies reasonable options and notes basic trade-offs.	Lists options but provides limited analysis of impacts or trade-offs.	Provides few options or little analysis of impacts.
Use of Evidence & Financial Concepts	Consistently uses evidence from the case study and correctly applies financial concepts (trade-offs, influence, budgeting, stability).	Uses some evidence and applies relevant financial concepts accurately.	Limited use of evidence or inconsistent application of concepts.	Little to no evidence used; minimal connection to financial concepts.
Focus on Process (Not Final Decision)	Fully focuses on organizing decision elements and the first three steps of the decision-making process without arguing for a final choice.	Mostly focuses on organizing the decision, with minor drift toward selecting an option.	Some focus on process but shifts toward choosing a car prematurely.	Primarily argues for a final choice rather than organizing decision elements.
Analysis of Influences (Supporting Question 2)	Clearly explains how values, peer pressure, and advertising are shaping Jordan's car choice and uses specific steps from the decision-making process to show where and how those influences appear. Supported with evidence from the case.	Identifies how at least two influences affect Jordan's thinking and connects them to the decision-making process with some supporting detail.	Identifies one influence but the connection to the decision-making process is vague or lacks case evidence.	Mentions influence without explanation or does not connect it to the decision-making process.

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POST-QUIZ

Consumer Decision-Making

What + Why: You made it to the end of the topic! This quick, ungraded quiz shows how your thinking has grown since the pre-quiz.

Instructions:

1. Answer each question as best you can.
 2. Circle the best answer for each question.
 3. Submit it when you're done.
-
1. Tyson is deciding between two pairs of shoes. One has a lower up-front cost, while the other is more durable and aligns with his goal of saving money over time. Which factor BEST explains Tyson's decision?
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3. Jani notices that the prices of everyday goods are increasing while her income stays the same. Which action would BEST help her maintain financial stability?
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