

## Being a Good Consumer

A consumer is someone who purchases goods and services. Being a good consumer is being careful about how you spend your money. In other words, a good consumer spends money wisely.



### **Chew on This:** How to be a Good Consumer

Discuss what it takes to be a good consumer by seeing how many ways your kids can come up with to spend money wisely. Some examples may include:

- researching before buying
- making a list
- using coupons
- comparison shopping
- waiting for sales
- finding out who has what you want and asking about their experiences with it
- buying when you know it's a good value

These all teach your child that you want to get the best value for your dollar. And getting the best value for your dollar does not necessarily mean that you have to get the cheapest item out there. There are times when spending a little extra for good quality will save you money in the long run.

Then tell your kids that another great way to spend money wisely is to ask yourself *Three Money Questions* before you spend even a penny:

- Do I need it?
- Can I afford it?
- Does it add value to my life?

**Do I need it?** This gives kids practice in thinking about the difference between needs and wants. If the item is clearly not a need, and for kids this is the majority of their spending, then at least they have acknowledged that they are pursuing and willing to plunk money down for a want. Which leads us to...

**Can I afford it?** This one is simple - if they don't have the money, they can't afford it. This is a good opportunity to help your child create a goal and work towards it.

**Does it add value to my life?** This takes time to learn. And you may need to spend some time discussing what 'value' means. Most kids will insist that they can't live without the particular item/experience and will move forward with their purchase. Revisit their decision after several days or weeks by having them reflect on whether or not their choice truly enriched their life. In other words, was it worth spending the money on? And give them time. Through experience, they will come to understand the true meaning of 'value'.

The key to the *Three Money Questions* is to model them with your kids. When considering a purchase, talk through the questions out loud so that your kids can "see" how decision-making happens.

## Embracing Mistakes

*"The man who makes no mistakes does not usually make anything." John Edward Phelps*

Allowing your kids to make money mistakes while they're still under your tutelage is important. Better now when the mistakes are cheaper. Although you may find it hard to let your child spend money on something you just know is a poor choice, it's important to let them experience the consequence. Consider it controlled failure. The key is to have the money conversation afterward. *Why did you make that choice? Was it a good one? How could you do it differently in the future?* Kids don't necessarily know how to work through problems unless we teach them. And teaching them how to effectively manage money by using the power of mistakes is a priceless opportunity!

## Life is a Series of Choices

Piggy-backing on the previous section about making mistakes, learning how to make good choices is a very important life skill, not only in money but in other areas of our lives, as well. Since our choices can follow us for the rest of our lives, we need to teach kids how to make good ones. A good way to start is to ask them the reasoning behind their choices. *Why do you want to spend an extra \$100 for that cell phone?* This gives them pause to make sure they are choosing for the right reasons.

Another technique to use that encourages the positive choices your child has made is to acknowledge them. *“I notice you’ve been hanging out a lot with Olivia. What is it that you like about her as a friend?”* Depending on her age, she may not have the exact words to describe her feelings so you may need to offer some suggestions. *“Is she a good listener? Does she respect your ideas?”* etc. Not only does this help underscore that she has choices, but, again, you’re teaching her how to think through her choices.

And teaching kids how to think through their choices before making a decision can help when those choices become even bigger: *Should I overextend on my house payments so that I can have a huge yard?* or *What kind of person do I choose to spend the rest of my life with?* The answers they come up with can greatly influence the quality of life they end up living.

## Media Literacy

Media literacy is the ability to critique and analyze messages being sent to us through the media. And, boy, are we sent messages. Our kids are bombarded daily to spend money, look a certain way, and own certain things. Advertising **aimed at our kids** is a 15 billion dollar a year industry. It’s next to impossible to remove them from this exposure – ads are everywhere...on t-shirts, billboards, shopping bags, television, radio, buses... They’re even embedded into the TV shows we watch.

So we need to address the issue with our kids and teach them to think critically about the messages being sent. Advertising agencies are very good at getting us to think we need something when, in fact, we may not. They use celebrities and authority figures to help influence our spending decisions. And they’re very good at appealing to our desires to fit in, have fun, and be hip. But as a parent, you want your kids to grow up with your values, not those of a marketing agency. And, like a lot of things in this book, it begins with a conversation.



### Chew on This: Advertising

Ask your kids if they know what the Golden Arches are. Or what KFC stands for. Or any other symbol that you know your kids are familiar with. You can even hum them a jingle. Tell them that these symbols and tunes are the way a company brands its product. In other words, it’s the way they get parents and kids to quickly recognize them and, hopefully, buy their product or service.

Then use the following questions to get them to think about the messages they are being sent.

- What are some other brand names that you know?
- Where do you see ads?
- Who pays for the ads?
- Describe some of your favorite ads or commercials. Why do they appeal to you? Does it make you want to buy the product or service?
- Why do companies advertise?
- Is advertising a bad thing?
- What kind of techniques do companies use to get you to buy their product? (bright colors, a jingle, logos, etc.)
- What message is the ad trying to get across? (it’s the cool thing, a celebrity has it, wealthy people have it, it will make me happy, etc.)
- What affect does advertising have on our needs and wants?
- Do advertising messages encourage you to save more or spend more?
- Are there more facts or opinions in (this) ad?
- Is it okay for you not to have everything you see? Why?