

Consumer *Spending*



The Wise Buyer
Shopping for Goods
Shopping for Services
Consumer Rights

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PREVIEW | The Wise Buyer

■ How much do you already know about the material in this unit? Circle letters or words to correctly complete the sentences. Answers are upside down at the bottom of the page.

1. You'll usually find lower prices at (discount / retail) stores.
2. Prices on seasonal items drop (before / after) the season is over.
3. The main reason businesses run ads is to (provide the facts / convince you to buy).
4. An estimate shows the (exact / approximate) cost of a repair job.
5. Great bargains on used items can often be found at (outlet malls / garage sales).
6. You can look up nearby thrift stores in the yellow pages of a (phone or online business directory / buyers' guide).
7. What can help you make wise buying decisions?
 - a. learning about the product and comparing different brands
 - b. believing everything the ad says about the product
 - c. rushing to buy any new product as soon as it's introduced
8. Which of these ads states a fact?
 - a. *Naturally good and delicious, too!*
 - b. *Hurry! Hurry! Sale ends tomorrow!*
 - c. *You won't believe our low prices!*
9. Which of these tips can help you control costly repair bills?
 - a. Ask more than one company to give you a price estimate.
 - b. Let the repair service decide what needs to be fixed.
 - c. Never accept rebuilt parts if new parts are available.
10. Where might you shop for bargains on used household items?
 - a. discount warehouses
 - b. flea markets
 - c. department stores

Answers: 1. discount 2. after 3. convince you to buy 4. approximate 5. garage sales 6. phone or online business directory 7. a 8. b 9. a 10. b

LESSON

1 Principles of Smart Shopping

Three simple steps can help you make wise buying decisions:

- **Learn about the product before you buy it.** Read a label to find out what's inside a package. Ask people who own similar products for their recommendation and note any complaints. Ask if they got a good buy and where they purchased the product.

Newspaper, magazine, and online ads or professional reviews can also give you facts about different brands. Compare prices using ads. Articles and customer reviews tell you more about how the product performs. Consumer or buyers' reports are also helpful. Buyers' reports or guides often test and grade products, showing which you can trust to last.

- **Compare what you've learned about different brands.** List the advantages/disadvantages of the different brands. This will help you compare. Tom is a lifeguard. He's looking for a lightweight, waterproof watch. He made a list to help him decide.
- **Consider your wants and needs.** Your wants and needs are as important as the amount you pay for something. Tom ended up choosing the watch that had fewer features and cost more because it was waterproof—a critical feature for his line of work.

WHERE TO SHOP

Where you shop can make a big difference on how much you pay.



Discount chains and buyer warehouses usually offer the lowest prices. It pays to know how much things cost before you shop at such stores. You won't get much customer service or advice. You often can't try on clothes there. These stores may sell a mix of high- and lower-quality brands.

Retail and specialty stores charge the highest prices. But they usually sell top-quality brands and offer good service. If you shop at retail stores, ask about upcoming sales. You can save a lot by waiting until then, when prices are lower.

WHEN TO SHOP

When you go shopping can be as important as where you shop. Don't rush to buy a new type of product the minute it's introduced. Several months later the price usually goes down. It often pays to wait!

Prices on seasonal items change, too. You'll pay less for a swimsuit at the end of summer. And you'll save money on a heater if you buy it in summer, not winter. Smart shoppers also wait for sales that occur after holidays like the Fourth of July. You can often learn about special sales through newspaper or TV ads or mailers.

■ **Thinking It Over:** Circle the number of each tip that can help you find the best buys.

1. Rush to buy the newest product the minute it's introduced.
2. Wait until the season is over to save on seasonal items.
3. Ask friends if they like owning similar products or brands.
4. Always buy the cheapest brand.
5. Read ads to learn facts about products, prices, and sales.
6. Compare different brands before making a purchase.
7. Even if they cost more, choose products that fit your needs.
8. Ask when a retail store is planning to have a sale.
9. Never shop at a retail store.
10. Read buyers' guides to learn how certain brands are rated.

■ **Key Vocabulary:** Match the **boldface** words with their definitions.

1. ____ **advantages**
 2. ____ **seasonal**
 3. ____ **discount**
 4. ____ **brand**
 5. ____ **quality**
 6. ____ **consumers**
- a. related to a certain time of the year
 - b. buyers
 - c. a product type or name
 - d. how well something is made
 - e. a low or marked-down price
 - f. good points or benefits

■ **Everyday Math**

Julian decided he should buy a second pair of glasses. The glasses and frame cost \$161.50 at his regular store. Then Julian saw this newspaper ad:

Super Savings at The Eye Site!
Glasses and Frame Sale
2 for \$299
(regular price \$169 each)
Save \$70 with purchase of two.

Julian needs only one pair of glasses. How much more would he pay if he bought just one pair at The Eye Site? \$_____

Would Julian really save \$70 if he bought two pair of glasses at The Eye Site instead of his regular store? _____

Explain your answer.

■ **On Your Own**

Think of an item you're planning to purchase. List the advantages and disadvantages of one brand.

NAME OF ITEM: _____

BRAND: _____

ADVANTAGES: _____

DISADVANTAGES: _____

LESSON

2 Interpreting Ad Copy

Ads try to convince you to buy or do something. First, ad writers try to get your attention:

WAIT! READ THIS . . .
HURRY! LIMITED TIME ONLY

Then they try to sell you a “deal”:

DON'T MISS OUT! SUPER SAVINGS!
UNBELIEVABLY LOW PRICES!

If an ad says “All items now on sale for half price,” that’s a fact. “Unbelievably low prices” is not a fact. It’s an opinion. An opinion is an idea or feeling that some may agree with, others may not.

See if you can tell the difference between fact and opinion. Read the six ads below. Find the three ads that state a fact (a provable truth).

LIMITED OFFER. ACT NOW!
ALL ITEMS ON SALE TILL MAY 31
ALL SHOES UNDER \$25.00
SHOES PRICED FOR EVERY BUDGET
HOT BUYS FOR SUMMER
60-QUART ICE CHEST - ONLY \$26.99

Why is it important to interpret ads correctly? Ads can help you compare prices and locate the best buys. You can use ads to find a service you might need or learn about special sales or new products. Just ignore the opinions. Look only for the facts.

Misleading Words. Ad writers use words like *new*, *fresh*, *natural*, *improved*, or *healthy* to make their products sound good. Don’t be misled. Look for facts to help you decide if these words are true.

“Forever Fresh,” for example, is an appealing name for butter. But butter doesn’t stay fresh forever. Smart shoppers use expiration dates to determine how fresh something is.


Comparatives. Nearly all ads use comparatives. These are words that end in *-er*, like *brighter*, *faster*, *smoother*. Always ask: “Brighter than what?” “Smoother than what?” If the ad doesn’t say, it’s simply someone’s opinion.

Exaggerations. Ad writers tend to exaggerate or overstate the facts. They do this to get your attention, and to urge you to act right away. Here’s one example:

Every morning the people
in *your* town wake up to
billions of allergens.

PROTECT YOURSELF NOW!

Allergy-Free
is on the job!



You should question ads that exaggerate. Do these billions of allergens really bother people? Is this a problem that you need to solve? The ad doesn’t say.

■ **Thinking It Over**

1. The main purpose of ads is to
 - a. give facts about the product.
 - b. get you to buy or do something.
 - c. share their opinions.
2. Smart shoppers question ads and pay attention only to the
 - a. opinions.
 - b. comparatives.
 - c. facts.
3. Ads can be useful if they help you
 - a. exaggerate.
 - b. compare prices.
 - c. spend your money.
4. Ads can also help you
 - a. learn about special sales.
 - b. prove something to someone.
 - c. learn what's good for you.

■ **Key Vocabulary:** Use the first letters as clues.

1. A *fact* is information you can p_____.
2. An opinion simply states what someone thinks or f_____.
3. Ads often use words like *fresher*, *brighter*, or *smoother*. These words are called c_____.
4. Ads often overstate or e_____ a need.
5. Words like *fresh* or *healthy* can be m_____ if you don't know the facts.

■ **Everyday Math**

Men's boots at Shoe City regularly sell for \$59.99. This weekend they will be on sale for \$32. How much will Evan save if he buys the boots on Saturday instead of Wednesday? \$_____

■ **Fact vs. Opinion:** Write **O** or **F** to tell whether the ad is an *opinion* or *fact*.

1. ___ *Save on Our Huge Selection of Top Name Brands!*
2. ___ *Don't Delay! Sale Ends Tomorrow.*
3. ___ *Nobody Does It Better!*
4. ___ *Naturally Fresh. Picked with Loving Care.*
5. ___ *Labor Day Super Sale—All School Supplies Half Off!*
6. ___ *Perk Up! The perfect way to start your day.*
7. ___ *Buy Two for \$4.50 (Individual Price: \$3.99)*
8. ___ *Fresh Strawberries Picked Today—Only 99¢ a Carton*

■ **On Your Own**

Imagine you have invented a product. Then, on a piece of paper, write an ad to convince someone to buy it. Use words that make the product sound great. Use comparatives. Exaggerate. Include only one small fact. See if your classmates can ignore your opinions and find the one little fact.

LESSON

3 Avoiding Unexpected Costs

Kayla bought a new shower head and handles for her bathtub. Then she called a plumber to install her new fixtures. The plumber gave her a written estimate. An *estimate* is a guess as to what the job will cost. The plumber's estimate showed that the job would cost around \$160 in labor.

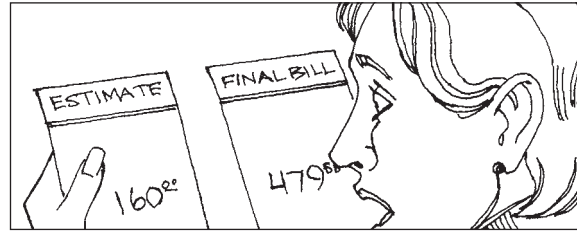
After agreeing to the price, Kayla signed the estimate. This *authorized*, or gave permission, for the plumber to do the work. When the job was done, however, the plumber handed her a bill for \$479.50.

She was shocked. The final bill was nearly triple the amount of the estimate! Kayla hadn't carefully read the paper that she'd signed. But unfortunately, her signature had authorized the plumber to do any extra work that he felt was needed. The plumber said her old pipes wouldn't fit her new bathroom fixtures. He charged her extra for replacing the old pipes. He also charged for removing and replacing several tiles from the bathtub wall.

Kayla didn't believe the extra work was needed. But she had to pay the bill anyway. There was nothing else she could do. Has a similar situation ever happened to you? Can you think of any ways to avoid such expensive surprises?

HOW TO PROTECT YOURSELF

- Always get more than one estimate for a job. Estimates are usually free. (If they're not, don't use that repair service.) Kayla should have asked at



least one other plumber to bid on the job. Another plumber might have warned her about matching new fixtures to old bathtub pipes.

- Before you sign an agreement, make sure you know what you're authorizing. You might want to change the agreement before you sign the paper. To protect herself, Kayla could have written something like this on her plumbing agreement: *"Further authorization needed if charges will be more than \$250."*
- If you have parts replaced, ask to see the old ones. Kayla should have asked to see the old and new pipes to prove that the pipes were replaced, and that new parts were used.
- Make sure you're not getting rebuilt parts when you're charged for brand new parts. Note: Rebuilt parts are cheaper, and some are just as good as new ones. Ask about rebuilt parts ahead of time. If the repair service claims to use only new parts, make sure to ask them to prove it.
- Report any repair service that cheats you. Your state's consumer protection agency may be able to help you get your money back. You'll need to keep copies of your estimates and bills in order to prove that you were cheated.

■ **Thinking It Over:** Write **T** for *true* or **F** for *false*.

1. ____ If you authorize a service, you must pay for it.
2. ____ You don't really need to read service agreements.
3. ____ Sometimes it pays to change an agreement before you sign it.
4. ____ It usually costs money to get repair estimates.
5. ____ You can often lower repair bills by asking for rebuilt parts.
6. ____ If the service can't show you your old parts, it may mean they didn't replace them.

■ **Key Vocabulary**

1. A *price estimate* is not an exact price. It's simply a good _____.
2. When you *authorize* repairs, you _____
_____.
3. To authorize a written agreement, you have to place your _____ on the paper.

■ **Recalling Details:** Circle the tips that can help you avoid costly surprises on repair bills.

1. Get more than one estimate for a repair job.
2. Let the repair person decide which repairs are needed.
3. Ask if rebuilt parts can be used to lower your repair bill.
4. Be certain that new parts were used by asking to see the old parts.

■ **Everyday Math**

Raj needed the clutch replaced on his old car. *He authorized \$850 for the job.* This included \$400 for the new clutch and \$450 for labor. When he picked up his car, he was presented with this bill.

Description	Parts	Labor	Total
New starter	\$257.65		257.65
New flywheel	\$200.00		200.00
New clutch set	\$458.69		458.69
New left drive axle	\$200.00		200.00
New right drive axle	\$200.00		200.00
		675.00	675.00
	Total Parts:		\$1,316.34
	Total Labor:		\$675.00
	Subtotal:		\$1,991.34
	Total Tax:		\$99.57
TOTAL AMOUNT DUE:			\$2,090.91

1. How much was Raj charged for parts that he didn't authorize?
\$ _____
2. The labor was higher than the estimate by how much?
\$ _____
3. The clutch cost more than the estimate by how much?
\$ _____
4. Raj reported this company to his state consumer agency. They helped. He had to pay only \$450 for labor, \$458.69 for the clutch, and \$45.43 in taxes. How much money did Raj get back?
\$ _____

■ **On Your Own**

On another piece of paper, write about a service that cost you too much. What did you learn from the experience? Explain what you might do differently next time.

LESSON

4 Searching for Bargains

Are you a bargain hunter? A *bargain* is a very good deal on something. When you're shopping for bargains, look for these terms:

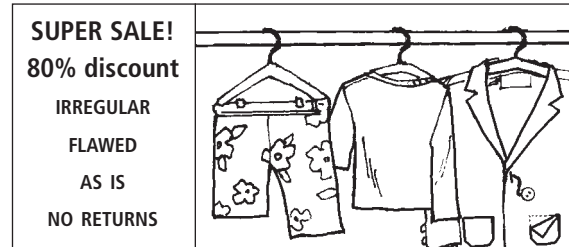
- **irregular** or **flawed** If you see these words on a label, the product is new and usually performs fine, but isn't quite perfect.
- **as is** This term also shows that the product isn't perfect. There may be a missing button, small scratch, or stain on the item, and the price will be greatly reduced. Warning: You can't return "as is" items and get your money back. Be sure you'll be happy with an "as is" bargain before you pay for it.
- **outlets** An outlet is a store that sells name brands at greatly reduced prices. A *factory* outlet sells items made by one company or factory. A *retail* outlet sells leftover items no longer being stocked at department stores.

FINDING USED BARGAINS

Bargain hunters save millions of dollars each year by shopping for used goods. Many used goods are in good shape, but make sure to inspect these items carefully before purchasing. You usually cannot return used goods.

Use online directories or the yellow pages in your phone book to find stores that sell used items. Look especially for *consignment stores* and *thrift shops*.

Individuals sell high-quality used furniture and clothing items through consignment shops. You can find great bargains at these stores. Thrift shops also sell used items. Usually, the items



are donated or given to the store. Thrift shops often support a charity such as a hospital or church. Be sure to ask if the thrift shop offers "half price days" or other special bargain days.

You can also find terrific bargains by reading the classified ads online or in your newspaper. Prices in classified ads aren't always firm. An ad might say *OBO*, which stands for "or best offer." This means the seller might sell the item for less. If you offer a lower price and the seller accepts, you can save even more money.

Some classified ads also announce *estate sales* and *bazaars* or *benefit sales*. An estate sale usually takes place after someone dies. The family is selling items from the deceased person's home. Bazaars or benefit sales are held to raise money for a good cause. At these sales, people donate crafts, food, and all sorts of used items to be sold at bargain rates.

Garage and yard sales are good places to find bargains too. They often take place on weekends.

Flea markets and swap meets are a lot like giant garage sales. They're usually held every weekend in large outdoor areas, such as fairgrounds or parking lots. Anyone may reserve a spot to sell new or used items at the flea market.