



# Consumerism

Momentum's Money Management Series



**momentum**

*Learn › Earn › Save › **THRIVE***



## Financial Literacy: Money Management Education

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This curriculum was made possible with funding from:



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By the end of this workshop, you will be able to...

- Define consumerism and its effects
- Recognize advertising and how it works
- List tips and strategies to control consumerism and spend less money
- Identify how you can make informed decisions about the products you purchase
- Define simple living and reflect on what makes life good

# Consumerism: What is Consumerism?

A consumer is someone who buys goods and services. This workshop is about being a smart and informed consumer. There are two definitions of consumerism:

1. The belief that it is good for people to spend a lot of money on products and services. This can lead to the idea that personal happiness comes from buying and owning things.
2. The protection of the consumer against misleading information, unfair pricing, and dangerous or poor-quality goods or services. As a consumer, you have both rights and responsibilities.

## Why We Spend Money

To be a wise consumer, you need to know where you spend your money and why. All of our purchases can be classified as needs or wants, but more importantly you need to know why you made each purchase. Think about what influences your decision making.



**Activity:**

### What do my purchases say?

In the space below list the last six items that you spent money on (groceries, clothing, rent, coffee, cigarettes, bills, etc.):

WHAT DO MY PURCHASES SAY?	
1.	4.
2.	5.
3.	6.

Look at the list of purchases that you made. With a partner, discuss these questions:

1. How did you feel when you bought each of these things? How do you feel now?
2. Why did you buy each of these items?

# Consumerism: **The Power of Advertising**

Businesses spend lots of money on advertising because they know that ads help to influence how people spend their money. There are many messages that advertisers use to change the way that you spend your money. Some examples of this are:

- Turning your wants into needs.
- Telling you that it is your right to have everything you want, and to have it now.
- Telling you that if you buy certain products, you will find happiness, success, or popularity.

These messages are hard to ignore, but if you understand how advertising works, you can have greater control over how you spend your money.

## **How Advertising Works**

Many of us can easily recognize brand name slogans and logos. The reason you can do this is because you see them over and over. Below are some of the strategies that advertisers use. Can you think of an example of these methods in commercials and ads that you have seen?

<b>Method</b>	<b>What the advertiser is doing</b>
Testimonials	Using famous people or experts to tell you that they like a product and you should use it too.
The Bandwagon Effect	Trying to get you to think, "If everyone else has this, then I want it too. "
Glittering Generalities	Using words that sound good but have little meaning.
Emotional Appeal	Trying to get you to buy things based on your feelings rather than facts.
Plain Folks Appeal	By using common people to advertise the product, they are trying to show that it is good for anyone, not just special people.
Scientific Appeal	Using survey results or statistical evidence to promote a product.

## Ad Busting!

Advertisements can be very powerful, but you can control the power of advertising by not believing everything you see or hear. “Ad Busting” is about asking some good questions when you see an advertisement.



**Activity:**  
**Ad Busting!**

Your facilitator will hand out some advertisements. When you look at the advertisement, ask yourself the following “Ad Busting” questions:

### AD BUSTING!

1. What product or service is the ad selling?
2. Companies often try to sell you a lifestyle, ideas, values and beliefs along with the product. What else is the ad trying to sell?
3. How does the ad make you feel?
4. Would you buy it? Why or why not?

**!** **REMEMBER**

You can practice ad busting anytime, anywhere!

“Advertising is the art of convincing people to spend money they don’t have for something they don’t need.”

-Will Rogers 1879-1935



Consumerism:

# Thoughtful Spending

Every item purchased has costs that go beyond the price tag. People often do not think about the total cost of a product, which includes what it cost to make a product, get that product to the consumer, and then dispose of it when it no longer works.

Purchasing goods and services can impact:

- People (yourself and others)
- Our environment
- The economy



To think about the total cost of a product, you can consider the following questions:



<b>People Costs</b>	<ul style="list-style-type: none"> <li>• Who is impacted when you buy this product?</li> <li>• Who made it? Who sells it?</li> <li>• Did people get paid fairly to make it or sell it?</li> <li>• Does this purchase affect any of your relationships?</li> </ul>
<b>Environmental Costs</b>	<ul style="list-style-type: none"> <li>• How does this purchase impact the environment?</li> <li>• What is this product and packaging made of?</li> <li>• What will you do with this product when it no longer works?</li> </ul>
<b>Economic Costs</b>	<ul style="list-style-type: none"> <li>• How will this purchase affect your budget?</li> <li>• Does this purchase support a local, national, or international business?</li> </ul>



**Activity:**

**The Total Cost of Consumerism**

Look at these two examples of kettles. As a class, brainstorm the people, economic, and environmental costs that are connected to a simple purchase.

THE TOTAL COST OF CONSUMERISM	
#1 - Electric Kettle 	#2 - Stove Top Kettle 
• \$29.99	• \$49.99
• 1.7L capacity	• 2.8L capacity
• Boils fast with auto shut off	• Whistles when water has boiled
• Made of plastic	• Made of stainless steel
• Made in China	• Made in China
• Lasts about 5-8 years	• Lasts 15+ years
• Sold at a small business	• Sold at a national chain store



**THINK ABOUT IT**

1. Which kettle would you purchase and why?
  
  
  
  
  
  
  
  
  
  
2. Is there another way to get this item?



# Consumerism: Ways to Control Consumerism and Spend Less

When you see something you like so much that you must have it, what can you do?

## Stop, Look and Listen



**Stop** and ask yourself:

- How will this affect me and my budget?
- Is this a good value for my money?
- Is there something else I will not be able to buy if I buy this now?
- How many hours will I have to work to pay for this?



**Look** around:

- Compare the item with products in other stores before you buy.
- Look for the best quality and price.



**Listen** to yourself:

- Why are you making this purchase?
- If you feel nervous or guilty, listen to your instincts and wait before you spend your money.



### THINK ABOUT IT

#### Try the 24-hour Rule:

If an item costs more than a certain amount, walk away and give yourself 24 hours to think about the purchase. Most likely, when you wake up the next day, that thing will no longer seem as important to have as it did the day before.

What helps you to control your spending?



**Activity:**  
**Spending Less**

We all have to spend money regularly. There are many ways that we can get both what we need and what we want while spending less money.

Below there are four categories for things that you might spend money on regularly. Work with others to share different ways to spend less in each of these areas. Write down a few tips that you can use later.

**Groceries and Meals**



**Utilities and Bills**



**Entertainment and Activities**



**Clothing and Gifts**




# Consumerism: Being an Informed Consumer

In the first part of this workshop, we talked about the first definition of consumerism. Now we are going to talk about the second definition of consumerism, which is all about **consumer protection**. This is the group of laws and organizations designed to make sure that you are protected as a consumer.

## Consumer Rights and Protections

As a consumer, it's important to know your rights when it comes to the goods and services you purchase. You have the power to choose who you want do business with. There are rules and laws in place to protect you from **fraud** or companies acting in dishonest or unfair ways.

 **DEFINITIONS**

**Fraud:** the crime of using dishonest methods to take something valuable from another person.

## Who regulates consumer rights and protections?

Both the Federal and Provincial Governments in Canada have laws to protect the consumer. Below you can see what types of laws each level of government looks after.

Who?	What?	Where to Get Additional Information
<b>Federal Government</b>	<ul style="list-style-type: none"> <li>• Consumer product safety</li> <li>• Food safety</li> <li>• Consumer product packaging and labelling</li> <li>• Anti-competitive practices, such as price fixing and misleading advertising</li> <li>• Privacy complaints</li> </ul>	<b>Canadian Consumer Handbook</b> consumerhandbook.ca
<b>Provincial Government</b>	<ul style="list-style-type: none"> <li>• Buying goods and services</li> <li>• Contracts</li> <li>• Landlord and tenant responsibilities</li> <li>• Purchase, maintenance, or repair of motor vehicles</li> <li>• Credit reporting agencies and the practices of collection agencies</li> </ul>	<b>Service Alberta</b> servicealberta.ca  <b>Utilities Consumer Advocate</b> ucahelps.alberta.ca

## Fraud Prevention

Every year, Canadians lose millions of dollars to the activities of criminals who try to trick us with online, mail, door-to-door, and telephone scams. It's important to be aware of frauds and scams so that you can identify them easily.



### **Activity:**

### **What scams do you know?**

As a class, discuss:

1. What are some scams you are aware of?
2. What are some warning signs to look out for?



### **RESOURCES**

The Government of Canada provides a list of current scams at the **Canadian Anti-Fraud Centre** ([antifraudcentre-centreantifraude.ca](http://antifraudcentre-centreantifraude.ca)).



## **What to do if you are a victim of fraud**

If you or someone you know becomes a victim of identity theft or financial fraud, or if you have been approached by a fraudster, here's what to do:

1. Stay calm and write down what happened.
2. Contact your bank.
3. Contact your local police.
4. Contact the Canadian Anti-Fraud Centre (1-888-495-8501).
5. Contact Equifax (1-800-465-7166) and TransUnion (1-800-565-2280). You may want to put a fraud alert on your credit report.

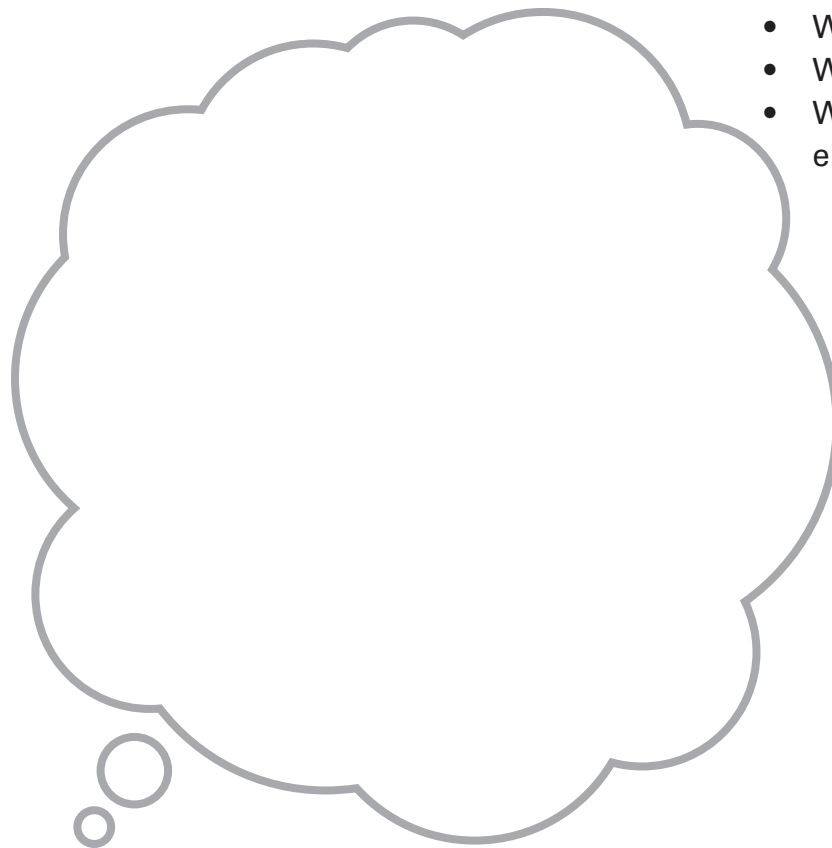
# Consumerism: Living Simply

Each of us spends money on things that we both need and want. As individuals, we each need to make decisions about what we are purchasing. Simple living is about paying attention to what we purchase, buying less, and remembering that buying stuff does not bring lasting happiness.



## **Activity:** **Your Best Life**

Think of a good time in your life – a time of well-being, happiness, and reward. In the space below, draw or write about this experience. Think about the following questions to help you recall this time:



- What were you doing?
- Who were you with?
- What made the experience enjoyable and energizing?

“It is not how much we have, but how much we enjoy, that makes happiness.”  
- Charles Spurgeon



### **THINK ABOUT IT**

Did you need to buy anything to make your experience memorable? If so, what? What, if anything, is preventing you from repeating this experience or others like it? How can you have more experiences like this?

# Consumerism: Moving Forward

In this workshop, you have learned about:

- What consumerism is and how it affects your spending
- Advertising and how it impacts you
- Ways that you can control consumerism and spend less money
- How you can think beyond the price tag when you buy a product
- Simple living and reflecting on what makes your best life



**Activity:**

## Moving Forward

As you leave this class today, commit to some actions that will help you to control consumerism and live your best life.



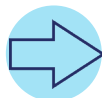
**Start:**

**What is one action, task, or activity that you will start to live your best life?**



**Stop:**

**What is one behaviour to stop or things to get rid of to live your best life?**



**Change:**

**How will you commit to this change? What steps will you will take to do this?**



## Consumerism: **Resources**

**Story of Stuff** [storyofstuff.org/movies/story-of-stuff/](http://storyofstuff.org/movies/story-of-stuff/)

**Canadian Consumer Information Gateway** [consumerinformation.ca](http://consumerinformation.ca)

**Canadian Consumer Handbook** [consumerhandbook.ca](http://consumerhandbook.ca)

**Service Alberta** [servicealberta.ca](http://servicealberta.ca)

**Utilities Consumer Advocate** [ucahelps.alberta.ca](http://ucahelps.alberta.ca)

**Canadian Anti-Fraud Centre** [antifraudcentre-centreantifraude.ca](http://antifraudcentre-centreantifraude.ca)

### **Simple Living:**

There are many websites focused on simplicity. You'll need to read a few to find the philosophy that makes sense to you. Start by searching online for "living simply."