

# Financial Wellness Workshop Module 6

Mental Health Association in Essex County  
February 15, 2017

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## Learning Agreements

- ▶ Start & end on time
- ▶ Confidentiality
  - ▶ No need to share personal financial information at any point during the workshop
- ▶ Cell phone free zone
- ▶ One conversation at a time
- ▶ The "Parking Lot"
- ▶ 3 before Me
- ▶ Respect each other
- ▶ All questions welcome

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## Workshop Modules

- ▶ Money Management
  - ▶ Assessing How You Manage Money
  - ▶ Creating a Budget
  - ▶ Credit
- ▶ Banking and Retirement
  - ▶ Managing Bank Accounts
  - ▶ Planning for Retirement
- ▶ Money in the Marketplace
  - ▶ Shopping & Housing

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## Module 6

### ▶ Objectives:

- ▶ Shopping Money Basics
- ▶ Low Cost Housing

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## Comparative Shopping

- ▶ Whether you want to rent a new apartment, buy a new television, or purchase laundry detergent, **comparative shop** to find the best deal. This means comparing the cost of different products or services.
- ▶ You can usually find a **less expensive alternative** to almost anything, but cheaper isn't always better. Paying \$20 for a pair of shoes that wear out in six months isn't a good deal if the \$35 pair lasts for two years.
- ▶ If you are thinking of buying a major appliance, remember that the cost of owning a home appliance has three components: the **purchase price**, **repair and maintenance costs**, and **operating costs**. So buying a more expensive energy-efficient refrigerator may save you money overall because your energy bill will be less.
- ▶ While it is impossible to find the best deal on everything, looking for a better price is often worth the time and effort.

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## Comparative Shopping Tips

- ▶ Use coupons wisely.
- ▶ Consider the location of the bargain.
- ▶ Consider buying in quantity.
- ▶ Avoid buying convenient food.
- ▶ Generic or plain-label products
- ▶ Consider buying many items you use regularly

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### Looking For the Best Deal

- ▶ If you are planning to buy a major appliance or electronic device, do some research first.
- 1. Visit different stores and check on prices.
- 2. Look in catalogs.
- 3. Call stores to ask about prices.
- 4. Visit reputable sites on the Internet

When looking for services, use similar techniques. Research different companies and consider options, features, price, and other characteristics. Once you have done your research, found a good product or service, can afford it, and want or need it, consider buying it.

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### Price Per Unit

- ▶ As mentioned earlier in this lesson, comparing the cost of a product through unit pricing is a way of finding the best buy.
- To find the unit price of a product, divide the selling price by the number of units. A unit can be an ounce, pound, quart, or liter, or the number of items in a package.
- For example, if a 12-ounce bottle of shampoo costs \$2.95 and a 15-ounce bottle costs \$3.50, which is the better buy?

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### Example

- ▶ You can use division to help you decide:

If you divide 2.95 by 12, you find that the shampoo is 0.246 cents per ounce.  
If you divide 3.50 by 15, you find that the shampoo is 0.233 cents per ounce.

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### Answer

The 15-ounce bottle of shampoo is the better buy at 0.233 cents per ounce. Buying the larger package is best if you use the product frequently and if it keeps for a while. However, be aware of expiration dates. Don't buy a large package if you can't eat or use it before it expires.

- ◆ Some stores feature the price per unit on the shelf label

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### Try This!

What's the better buy? Calculate the unit price and determine which product is the best buy:

- Two packs of printer paper for \$4.68
- Three packs of printer paper for \$6.10



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### Coupons, discount cards, sales, and rebates

1. Coupons
2. Discounts Cards
3. Sales
4. Rebates

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### Sales Tax

- ▶ It's good to know how much sales tax you will be paying on goods and services because it determines the total price. Many cities and states collect sales tax to cover various expenses.
- ▶ Sales tax is determined by finding a percentage of the purchase price. This percentage is called the **tax rate**.
- ▶ If the tax rate is 6 percent (6/100) and you buy a \$12 item, calculate the sales tax like this:
  1. 12 times 6/100 equals
  2. Convert 6/100 into a decimal: .06
  3. Multiply 12 by 0.06 to get 0.72
  4. At a tax rate of 6 percent, the sales tax on a \$12 item is 72 cents.

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### Try This!

Calculate the sales tax on a microwave oven that has a purchase price of \$185. The tax rate is 7 percent.

185 times 7/100 equals

Convert 7/100 into a decimal and multiply.




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### Layaway

If you don't have a lot of money to spend at once, consider buying items on **layaway**. Some stores offer this option, which allows you to make **payments** on your purchase until it is paid off. This buying option is usually provided as a free service.

- ▶ Here's how a typical layaway contract works:
  - ▶ You will be asked to pay a certain percentage down—20 to 30 percent—and then pay on the remaining balance in weekly installments.
  - ▶ You will be asked to pay a relatively small one-time layaway fee.
  - ▶ There is typically a set layaway period based on the amount of the purchase.
  - ▶ Payments must be paid regularly and on time.
  - ▶ If the layaway is not completed on schedule, the item will be returned to stock. A refund is usually issued. However, some stores may charge a certain percentage for a restocking fee.

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### Tips for becoming a savvy online or catalog shopper

- ▶ When making purchases online, make sure you are buying through a secure site. When you get ready to finalize your purchase on a secure site, you should see the http:// portion of the web address turn into https://. This protects personal information such as your credit card number. When a secure transaction occurs, your information is encoded and only the retailer's website can decode it.
- ▶ Look for a privacy policy to find out how or if your personal information will be shared with others.
- ▶ If purchasing an item on a website such as eBay, look at the seller's rating. This feedback from past customers will give you information on the quality and reliability of the seller.
- ▶ Make sure the site or catalog distributor is reputable. Many major retailers now have catalogs and/or online shopping sites.
- ▶ When viewing merchandise online, keep in mind that you can enlarge the picture to get a better view.
- ▶ Be sure to check the return policy and guarantee offered by an online or catalog retailer. Look for a toll-free number in case you encounter any problems.
- ▶ Save your receipt and any packaging from an item that comes in the mail in case you need to return it.
- ▶ Keep in mind the convenience of not having to drive to a store to compare prices, so determine shipping and handling costs on products you buy online or in a catalog.

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### Housing

By the end of this lesson, you should be able to:  
 Discuss different options for finding a place to live  
 Outline steps in the home-renting process

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### Finding a place to rent

Whether you want to move out of your parents' house or find a new apartment or house to rent, there are many options to consider. Before you start looking for a place to rent, ask yourself:

- ▶ Where do I want to live? Close to work, near downtown, on a public transportation route, or close to a park? In a large apartment building or a small one? In a large neighborhood or in a small one?
- ▶ What can I afford? Do amenities like a pool, exercise room, or community center matter?
- ▶ Will I consider sharing a place with someone? Would I rent the first floor of a house?
- ▶ Would I rent a house or a condominium?

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Questions?

Congratulations on completing the  
Financial Wellness Workshop.

Please take a moment to complete the  
course evaluation.



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