

## **Kids in the Marketplace Series**

### ***Kindergarten to Preteen in the Marketplace***

“Should I buy the black bike with the wide tires and twelve gears? Or maybe the red one with the carrier on the back and the pedal-generated front headlight? or...” Josh had been saving for a new bicycle for months. His birthday gave the fund an extra boost. What had seemed almost impossible, saving up to buy his own bike, would soon be a real possibility. He was excited, but scared. How could he make a choice? What was the right choice? He had never had this much of his own money before.

Schoolage kids have had many opportunities to observe how the marketplace works. They are familiar with products and services available to buy. They’ve cajoled and bargained with parents to buy them things or give them money to buy for themselves. In the early school years, many purchases are small ones for candy, toys, and food. Allowances and extra jobs give them pocket change that can grow to a sizeable amount. As they mature to pre-teen years, kids make even more independent purchases and often with their own money. Researcher James McNeal estimates the average ten year old makes about five trips to a store weekly!

Kids are comfortable and enjoy shopping as they move into their school years. Your child may seem to have mastered many of the skills that are necessary to be a good consumer, but there are holes in his knowledge and understanding. Children are continuing to build facts about the marketplace, connecting previously stored information to new information. Your goal is to identify the missing information, misinformation, and bad habits they have acquired.

Kindergarten, first and second graders are mastering the skills of reading, writing and math. These same skills are important to consumer literacy. Take advantage of their excitement in wanting to read. Newspaper ads, junk mail, and food labels provide a whole set of new ideas and practice opportunities. Reading ads aloud is a

**Advertisers have found the schoolage child to be a rich source of income. Six to eight year olds are estimated to spend \$3.80 week/ person and nine to eleven year olds to spend an average of \$4.80. This totals into a \$5 billion expenditure for both groups and an estimated purchase influence on adults of \$110 billion.**

great way to explore new consumer territory and practice phonics. Coupon clipping not only increases kids fine motor skills but also tells them that coupons are valuable and useful. Help them practice writing and spelling skills by writing the grocery list. Adding and subtracting skills mean they can begin to make change. Math will take on added value when your child realizes how useful it is that if the price of a hamburger is 2.99 and you give the cashier \$5; you get \$2 and a penny back.

Older school age children who have mastered reading begin to want to understand, asking what does it mean? Read food nutrition labels together. Ask questions about their favorite cereal like, "Why do you think this food is good for you?" They can read the box and tell you. Ask them to help you compare food ads, reading descriptions and price, and suggesting which would be the best buys. Learning multiplication makes figuring sales tax easy (helps you brush up on your multiplication tables too) and makes good math practice. This age will intensely study toy catalogs and Sunday store ads picking out their "I want" list. Channel this energy into decision making practice. Play a "if you could buy" game with them. If you could buy one of these, which would you buy and why? The "why" helps kids build reasoning skills and gives you the opportunity to talk about why we buy products. You may want to put budget constraints on it (i.e. choose one under \$20) as a reminder of budget limitations.

## Building Blocks To Consumer Skills

*School Age kids build consumer skills through:*

- ◆ satisfaction of product use- this cereal tastes good, keep buying it Mom
- ◆ imitating adult and peer role models- watching TV, school friends' new toys
- ◆ information processing- sorting through information, selecting and evaluating information related to products

*Schoolage kids are moving from perceiving information to inferring what the information means:*

- ◆ can understand decision making process because they begin to relate events in causal sequence
- ◆ can infer motives form advertising and salesperson information
- ◆ can use several information gathering strategies for a single decision

As our kids grow, they develop the persistence and self-control they need to save for a goal. Money may still burn a hole in their pocket, but they are learning to control the urge to spend and can work to achieve specific goals. Developmentally, kids begin more in-depth reasoning and are able to think things through and understand the consequences of their actions and choices. They experiences of their own and observed experiences from as others as a strong baseline for their own consumer behavior. Their information processing skills are

expanding. Seven to eleven year olds are able to take concrete, visible products and identify basic attributes and can sort and classify these products. When they see an ad for milk they will be able to classify it as a drink. They can probably even narrow it down to chocolate, whole, 2%, etc. By 11 many kids know the differences and feature between all kinds of electronic games and toys. They know why they prefer one over another. Sorting and classifying skills are valuable when they move into consumer decision making.

Schoolage kids continue to build on preschool language and mental imagery skills. They are adding to their perception skills, the ability to evaluate information, balance choices, and recognize trade-off costs. While your schoolage child may at times seem quite mature in their marketplace behavior, they may occasionally revert to previous preschool behavior. The desire for having the privileges of being a kid conflict with wanting to be an independent adult.

The schoolage child still listens to adult advice, covets parental time and input, and loves joint shopping trips and buying decisions. Peer opinion begins to take on more importance as the child moves through ages 10 and 11 towards teenage years. Eight to twelve is a terrific time to really share with kids the consumer skills you wan them to learn, a great time to allow loving trial and error mistakes in the marketplace. They bring a fresh enthusiasm and desire for information to the purchasing process. Money management

successes and failures build a foundation for future skills. Talk about poor choices, but don't make your child afraid to risk failure. These preteen years may be the last opportunity for parents to reinforce family values and consumer behaviors that you'd like your kids to have as adults. Help them develop self-confidence and feel secure in practicing new consumer skills. Your goal is to help your kids to develop a sequence of processing information and decision making that they can use in a variety of marketplace situations.

### **What Did You Do With Your Money Last Week?**

What skills does your child already have? Each one, even in the same family, will have different money management and marketplace skills. Knowing the ones that they have begun to master and the one that need practice will help you make a plan to be sure that they have those skills you want them to have. Some of the consumer concepts that your schoolage child should have an understanding about are found on the next page.

**CONSUMER CONCEPTS  
YOU WANT TO BE SURE YOUR  
SCHOOLAGE CHILD HAS A  
CLEAR UNDERSTANDING OF:**

1. Private property. Some things are his, some are family, some are other's or the store's
2. If he wants something, he can often buy it or trade for it
3. Buying and trading cost something, they have a price
4. There are limitations to what he can buy or trade. Those limitations include budget constraints, family values- it's wrong, or it's not for sale.
5. There are many choices in the marketplace; to not choose is a choice.
6. The same type of product does not always cost the same price.
7. Product quality often varies within a product category
8. Stores are different, they sell similar items at different prices, they sell different things
9. Customer service and store friendliness varies
10. A heavily advertised name brand is not necessarily the best product at the best price
11. Needs and wants are different. What is the reason for the purchase?
12. Decision making sequence
13. Information gathering can help make really good decisions
14. Redress is possible when a product is disappointing

How will you know if they have those skills? Watch what they buy, how they make decisions, and what they say about how they and others are

spending their money. On a rainy day, when your child says she/she has nothing to do, or when you are feeling a really close relationship- timing is everything- ask her to list everything she spent in the last week, every nickel, dime and penny, every day, and what it was for. It might look like the table below.

Then discuss with your child how he/ she felt about those expenditures. Were they food or snack items, or video games that were enjoyed for the moment and then gone? Did she buy sneakers, a blouse, or earrings that she could wear, use or show off? Why did she "need" them?

Did she give some to a charity of mission groups or buy a birthday gift for a friend? Did she wish that she'd made a different choice? Then talk about savings. What is the savings goal? How close is it to being realized? Does she need encouragement that the goal can be reached? If savings is for special shoes, or a bike, or a CD player, is it time to begin to sort through the choices? Window shopping for a goal can help motivate saving behavior as well as start the process of practicing good buymanship.

After you've discovered what your child already knows, go back to Topic #1 and see if what your kids know and practice match the goals you set for them. You may want to change or intensify your education efforts in certain areas.

## Decision Making

Schoolage children have begun to organize in their minds the order of events. They are building a memory bank of consumer experiences and consequences. They have detailed images of products and product categories and attributes. Product representation may not be accurate since it is often based on information from observation (TV, media, peers) and some experience. All kids learn quickly the disappointment of buying an advertised action toy and discovering that it doesn't do what TV implied it could. This is where product reality meets marketing image. A few bad experiences give kids a healthy skepticism of product promotions.

Kids this age are ready to understand the decision making

sequence. This sequence will provide a sound basis for all their marketplace interactions as they move into adulthood. Encourage them to use the sequence to help them make choices.

In helping your kids in the consumer process, teach them to ask the right questions about the product- this will help them evaluate the item they want to buy in light of cost, special features, and making quality- price trade offs to get real value and satisfaction. A good way to teach them is to ask the questions yourself when you buy a product. Tell them why you are asking those questions and what you do with the information you receive. Your success in obtaining product and service information will be a model kids can remember and imitate.

What I Bought:		What I Saved:		What I Gave:	
Candy	\$ .99	Bike fund	\$ 2.00	Gift for Sarah	\$ 7.22
Video game	7.77			Church	1.00
Apple juice	1.29.				
Total					
\$_____		\$_____		\$_____	

### THE DECISION MAKING SEQUENCE

1. IDENTIFY the problem- is it a need? A want? How does it relate to my goals?
2. What are the ALTERNATIVES and SOLUTIONS to the problem?
3. What INFORMATION do I need to make a choice? Where can I get that information?
4. Based on the information I have what is my best CHOICE?
5. AM I HAPPY with the purchase? What could I do if I'm not? Should I have done something different?

We can teach a five year old to ask if a toy train comes with a battery, but only as he grows older, into the schoolage years, does his understanding of why he needs this information become clear. These can be exciting years for developing a close relationship with your child and helping him learn how to evaluate and respond to new marketplace experiences.

## Endnotes

1. McNeal Kids as Customers, Maxwell Macmillen, New York, 1992, p.46.
2. Horst Stipp, "new Ways to Reach Children" American Demographics, August, 1993, p.54.
3. Scott Ward, Daniel B. Wackman, Ellen Wartella, How Children Learn to Buy, Sage Publications, Beverly Hills, 1977.

## Additional Resources

Florence Cherry, "Ages and Stages of  
of  
the Middle-years Child, Part I: Six to Eight Year Olds," "Part II: Nine to Eleven Year Olds," Cornell Cooperative Extension.  
Rosaleen Mazur and Barbara Pine  
"The Middle Years: Six –Eleven,"  
Cornell Cooperative Extension

Written by Lois Wright Morton, Department of Consumer Economics and Housing, New York State College of Human Ecology, Cornell University, Ithaca, NY 14853.

Updated by Maria Pippidis, Family & Consumer Science Educator, University of Delaware. April 2002.