

# consumerism

DECIDE FOR YOURSELF!



**Financial Literacy**  
MONEY MANAGEMENT EDUCATION



**Financial Literacy: Money Management Education**

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## LEARNING GOALS

- 1 Develop awareness about consumerism and its effects.
- 2 Develop awareness about advertising and how it works.
- 3 Build ability to control consumerism in order to live more simply.

FINANCIAL LITERACY



CONSUMERISM



# what is consumerism?

Have you ever thought your life would be better if you bought a certain product?  
That's consumerism!

**Consumerism** comes from the word consume:

- Consume: Buy; use up; waste.
- Consumer: Someone who consumes; a purchaser of goods and services.
- Consumerism: Belief that personal happiness comes from buying and consuming goods.

Some people describe consumerism as a disease, called affluenza: "a painful, contagious, socially transmitted condition of overload, debt, anxiety and waste, resulting from the pursuit of more".

Source: *de Graff, (2002)*

Consumerism affects almost everyone, but particularly those who must have the newest, best, coolest thing that comes out in the market. The problem is, often you don't need the latest thing. If you learn how to tell the difference between what you need and what you want, you'll end up with less money-related stress and less junk that you never use.



## why do we spend money?

1. Write down some reasons why people spend money:

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2. Write down some reasons why YOU spend money:

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# needs and wants

Needs are the essentials required for everyday living.

Wants are the things that would be nice to have, but are not necessary for everyday living.

Usually telling the difference between a need and a want is easy. Just ask yourself: “Would I be able to survive if I didn’t have this item?” If the answer is “no”, the item is likely a need. If the answer is “yes”, then that item is a want. For example, we can probably all agree that paying rent would be a need and diamond earrings would be a want.

But in our society, there are many different ways to meet each of our needs. Make sure your need isn’t just a want in disguise!



	Needs	Wants
<b>Personal items</b>	<ul style="list-style-type: none"> <li>• Jeans</li> <li>• Haircut</li> </ul>	<ul style="list-style-type: none"> <li>• Designer jeans</li> <li>• Haircut and highlights at a fancy salon</li> </ul>
<b>Household items</b>	<ul style="list-style-type: none"> <li>• Frying pan</li> <li>• Blanket</li> </ul>	<ul style="list-style-type: none"> <li>• Deluxe grill</li> <li>• Electric blanket</li> </ul>
<b>Food and drink</b>	<ul style="list-style-type: none"> <li>• Meals</li> <li>• A cold drink</li> </ul>	<ul style="list-style-type: none"> <li>• Eating out regularly</li> <li>• Slurpee®</li> </ul>
<b>Transportation</b>	<ul style="list-style-type: none"> <li>• Bus or train</li> <li>• Car</li> </ul>	<ul style="list-style-type: none"> <li>• Taxi</li> <li>• Expensive car bought with a loan</li> </ul>



## WHAT IS IN YOUR SHOPPING BAG?

- Need: \_\_\_\_\_
- Want: \_\_\_\_\_



# the power of advertising

Companies spend a great deal of money on advertising because they know ads turn our wants into needs. For example, does every child really need back-to-school clothes? Or do they just want them so they can keep up with what they see on TV?

Advertisers want us to believe that it is our right to have everything we want, and to have it now.

The message of advertising is that by buying certain products, we will find happiness, success, or popularity. Temptation is hard to resist. Can you really buy happiness?

By spending money on items we want but don't need, we may go over budget and end up worrying about how we will make our money last until our next pay cheque.

## HOW ADVERTISING WORKS

It is the advertisers' job to sell by getting us hooked on their product. The goal is to get you to spend money. Here's how it works:

- *Advertising tempts us.* Attractive advertising calls to us to indulge and buy a product we may not need.
- *Advertising encourages us to constantly change our style.*
- *Advertising builds peer pressure.* To be like or better than everyone else, we buy items that are too expensive for us or things we can't use and sometimes things we don't even want! Often we regret spending the money.
- *Advertising forms and reshapes our values.* Things that used to be luxuries—like cell phones and fancy coffees—have been turned into needs.
- *Advertising encourages us to get rid of the “old” and buy the “new”.* This works well for advertisers because it is hard for us to keep up. There is always something newer to buy!
- *Advertising cheers us along in the consumerism race.* Dropping out of this race is tough, but staying in it is tougher.
- *Advertising targets children.* Children are the fastest growing, and most influential, group of consumers. Canadian kids, between the ages of 9 and 14 have \$2.9 billion in disposable income and influence \$20 billion in household purchases. More and more parents today are asking for their children's input. This is called Kidfluence.

Source: *YTV kid and tween report (2002)*

- *Advertising creates desires in us!*

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

Will Rogers 1879-1935



## WHAT DOES ADVERTISING SAY?

Think about the advertising you see or hear every day. What is each advertisement saying? For example, a car ad may tell you the car is safe and reliable or the car is flashy and you will look and feel younger, successful and even sexy driving it!



## Did you know...

Flyers make up 40% of all the mail we receive. A newspaper is two-thirds ads and a magazine is at least 50% ads!

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## AD BUSTING!

Pick your favourite ad and take a closer look:

1. What product is the ad really selling?

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2. What else is the ad trying to sell?

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3. How does the ad make you feel?

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4. Would you buy it?

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5. Why or why not?

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## WHERE IS ADVERTISING?

Ads are everywhere! Take one minute to write down 6 places you see or hear ads. Try to think of some of the more unusual places ads might appear.

- |   |       |   |       |
|---|-------|---|-------|
| 1 | _____ | 4 | _____ |
| 2 | _____ | 5 | _____ |
| 3 | _____ | 6 | _____ |





# Control Consumerism

It's true that consumerism and advertising are working to get you to buy. Have you ever considered the consequences to all this consumption?



## costs of consumerism

1 Personal

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2 Social

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3 Environmental

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4 Future

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But there are lots of ways you can control consumerism, before it controls you.

### FOLLOW THE 24-HOUR RULE

When you see something and you like it so much that you must have it, what do you do? If your first impulse is to charge it to your credit card or buy it with cash, STOP and THINK!

Before you buy, ask yourself:

- Do I need this? Do I need it now?
- Will I use it? What could I use instead?
- Do I want to clean, maintain or care for it?
- Would I buy it if I had to pay cash?
- Could I borrow it from someone instead?
- Is there anything I already own that I could substitute for it?
- Can I afford it?
- How many hours will I have to work to pay for it?
- Next week, will I be happy I bought it?

Walk away and give yourself 24 hours to think about it. 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.



## Remember!

Keep the **Stop, Look and Listen** card in your wallet as a reminder to think before you buy.



### Stop, Look & Listen!

**If you are about to spend money on impulse, ask yourself and answer:**

- Do I **WANT** or **NEED** this?
- Am I buying this **ONLY** because it's on sale?
- Would I buy this if I had to pay cash?
- Am I buying because I'm upset or feeling down?
- Tomorrow, will I be happy I bought this?
- If I charge this to my credit card, will I be able to pay it off at the end of the month?
- How else can I make myself feel better **NOW**?



## AVOID SUPER-SIZING WHEN YOU SPEND

It's easy to spend more than we planned. Try the following:

- Don't super-size everything you buy.
- Don't buy packages of services or goods you won't use.
- Don't buy in bulk when you don't consume in bulk.
- Don't buy an item with more features than you need.

## HERE ARE SOME MORE TIPS AND IDEAS FOR YOU TO CONSIDER.

(You can add your own ideas to the bottom of the list.)

- Don't let a salesperson or an ad pressure you.
- Know what triggers your spending (e.g. impulse buying) and plan around that.
- Take a shopping list with you to the store and buy only what's on the list.
- **Know your Consumer Rights and Responsibilities.**
- Set goals for your wants so you can treat yourself without going into debt.
- Don't be a walking advertisement. Avoid clothing that displays brand names.
- Buy no-name products that are as good as the named brands.
- Buy good quality items that will last.
- Research and compare products and prices before you buy.
- Reduce, reuse and recycle.
- Take care of your things so they last.
- Buy second-hand goods at thrift stores or garage sales.
- Repair instead of replace.
- Make your own gifts or give the gift of time, like babysitting, gardening or running errands.
- Enjoy activities that are free or nearly free, like borrowing a CD from the library, taking your kids to a playground, going for a walk with a friend or

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- Other ideas: \_\_\_\_\_

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- Other ideas: \_\_\_\_\_

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# living simply

Simple living, or “voluntary simplicity”, is an alternative to consumerism. It is not about living in poverty or going without. It is about becoming aware of what is most important to you and living in a way that supports what you value.

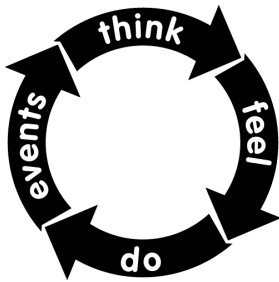
It is also about being aware of your consumption and buying. It is about making conscious choices in the spending of your limited financial and personal resources. It is about adding value and comfort not clutter and stress.

Living simply is not simple and it does not happen overnight. However, this approach to living may assist you in reaching your money management goals.

To start, let's take a look at your relationship with money.



## Remember! Think-feel-do



How we think about money impacts how we feel about money, which leads us to do certain things with our money. What we do leads to other events, which impact how we think and feel all over again. Change occurs through awareness of our thoughts, feelings and actions. How will you create new possibilities for yourself.



## IMPORTANT TO ME

Ask yourself:

- What people, things or activities do I want to include in my life?

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- What is most important, or “enough”, for me?

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- What do I want to get rid of?

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## THE GOOD LIFE

Think of a good time in your life – a time of well-being, happiness and reward.

- What were you doing?

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- Who were you with?

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- What made the experience happy and energizing?

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- Did you need material goods to make your experience memorable? If so, what were they?

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- What, if anything, is preventing you from repeating this experience or others like it?

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- How can you have more experiences like this?

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## Remember!

It is not how much we have,  
but how much we enjoy, that  
makes happiness

Charles Spurgeon 1834- 1892

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# Resources

## Online

***Better Business Bureau.***

[www.bbb.org](http://www.bbb.org)

***Canadian consumer information gateway.***

[www.consumerinformation.ca](http://www.consumerinformation.ca)

Information on consumer complaints, identity theft and spam.

***Consumer Affairs - Industry Canada***

<http://consumer.ic.gc.ca>

***Consumer's Association of Canada***

[www.consumer.ca](http://www.consumer.ca)

***Consumer reports.***

[www.consumerreports.org](http://www.consumerreports.org)

***Financial Consumer Agency of Canada***

[www.fcac-acfc.gc.ca](http://www.fcac-acfc.gc.ca)

***Health Canada***

[www.hc-sc.gc.ca](http://www.hc-sc.gc.ca)

***Media Awareness Network***

[www.media-awareness.ca](http://www.media-awareness.ca)

***Service Alberta***

[www.servicealberta.ca](http://www.servicealberta.ca)

## Books

***Secrets of Simplicity***

Mary Carolmagno, 2008.

***The Simplicity Reader: (others on this topic).***

Elaine St. James. 1998

***Voluntary simplicity: 2nd edition***

Duane Elgin, 2009

***Your money or your life: Transforming your relationship with money and achieving financial independence.***

Joe Dominguez and Vicki Robin, 1999.