

## \$500 can stretch far for gifts

By Jayne O'donnell

To see video of how our Frugal Family cut holiday costs, go to [money.usatoday.com](http://money.usatoday.com) or [abcnews.com](http://abcnews.com). Search for "Frugal Family Challenge."

The Zacek family of North Carolina learned how to really find a deal online, got the scoop on refurbished technology and was reminded that making a gift basket can be much cheaper than buying one.

Those lessons helped keep them on track to meet or beat their agreed-to budget of \$500 to cover gifts for their family of four. The Zaceks are participants in the Frugal Family Challenge, a project created by USA TODAY and ABC's Good Morning America Weekend. With help from a money coach and a technology expert, they set and tried to stay within a budget for Christmas.

Sue and Eldon Zacek originally planned to spend almost \$1,200 on their children, 12 and 15, and each other. But with worries about job security — they work in the troubled banking and the auto-racing industries — they knew they needed to spend less.

Eldon, admittedly the spender of the family, agreed on a \$500 total for the family, in consultation with GMA technology contributor Becky Worley and Olivia Mellan, a money coach, author and therapist.

After doing most of their shopping by last week, the family spent \$265. That leaves about \$200 for the children to spend on each other, their father and stocking stuffers.

"The family did great," Mellan says. "This shows what a family can do (when it) consciously plans holiday spending, slows down the process, sets realistic spending limits and talks to all the family members in advance about how they are cutting back."

"I'm amazed at these numbers myself," Sue says.

Eldon was able to buy his gifts using American Express card reward points. Eldon has a NASCAR consulting business — his contract expires at the end of January — and uses his AmEx card for business and personal expenses.

Because we're helping the Zaceks keep their gifts somewhat secret, we'll say only that one of Sue's biggest savings was on a gift Eldon asked for that retailed for about \$1,800. Sue was able to find a comparable item for \$600 from a different brand, but it was still well over what she could afford to spend. Worley taught Sue how to quickly search online for products with the same keyword attributes to find the gift at the best price. Sue was able to buy Eldon's more pragmatic gift for less than \$100.

Sue also got her daughter a comparable present that cost half the price of the gift pack 12-year-old Valerie had wanted. And Eldon is saving money by using his computer skills to create one gift.

Sue got free shipping on all the gifts bought online. She found the deals by doing an Internet search using the name of the website she was about to buy from and the words "coupon code."

## Objectives

- ▶ Read the article “\$500 can stretch far for gifts”
- ▶ Explore two shopping websites that have new and used items
- ▶ Analyze what the full cost of a gift is (including shipping) and how to get the best price
- ▶ Assemble a class list of tips for frugal and meaningful gift-giving

## Preparation

Each student will need:

- ▶ A copy of the article “\$500 can stretch far for gifts”
- ▶ A copy of the lesson
- ▶ Internet access

## Read the article and answer discussion questions (15 minutes)

1. How much were the Zaceks originally planning to spend on their two children and themselves for Christmas?
2. After taking the Frugal Family Challenge, how much did the whole family have to spend on each other?
3. One gift the father requested was \$1800 originally. How did the mother find a similar gift at a price she could afford?
4. What other creative ways did the parents find for getting gifts at prices within their budget?
5. Which holidays do you celebrate that include gift giving?
6. How do you decide what to give another person? Is price a factor? How have you found gifts at prices you could afford?

## Amazon and eBay (30 minutes)

In the far left-hand column of the graphic organizer on Page 4, write down four people you need to buy a gift for. Then, in the first column, brainstorm gifts you are interested in purchasing for each person, and in the second column, indicate the approximate cost of each gift. You have a virtual budget of \$250 to purchase gifts for all four people on your list. Now that you have an idea of what you're shopping for, go to [www.amazon.com](http://www.amazon.com), one of the world's largest shopping sites.

At the top of the Amazon site is a box that says “All Departments.” If you click on that, you will see a drop down menu that lists specific departments. Look at your gift list and choose a department that would be appropriate for one of those gifts. If you're not sure what department to find a gift in, you can just type in the gift item in the blank white box to the right of the “All Departments” menu. For example, imagine that Aunt Susie wants argyle socks for her dachshund. On Amazon, type in “argyle socks.” More options show up beneath the search box like “argyle socks men,” “argyle socks women” and “argyle socks calendar.” Enter “argyle socks dog.” You'll see some argyle socks with dogs and some dog items that mention argyle socks, but no socks for dogs. It could be Aunt Susie will have to settle for argyle socks with a dachshund on them for herself. So we can scratch that one off our list. If your search is specific, fewer random items will show up.

Once you find the item you are looking for, be sure to write down the best price for it. Some items may be new and some used. If you're willing to purchase used, choose the best price for the kind of condition you're willing to take. An excellent used book will have a description next to it that may indicate the owner can't even tell if the book has been read, which means your gift recipient will probably not know the book wasn't purchased new. This might be a good choice to get just what your loved-one wants at a very good price. Make sure to keep shipping costs in mind when calculating the purchase price.

Once you've priced all your items at Amazon, do the same thing at eBay, an auction and shopping site, at [www.ebay.com](http://www.ebay.com). Like the Amazon site, you can enter your item in the blank box at top left. You can then choose an appropriate department or “Category” in the box to the right of the blank box. The more specific you are in your search, the more likely you'll find what you're looking for right away, without a lot of tedious searching. When you find the item (or a similar item) you want in an acceptable condition, write down the price with shipping on your graphic organizer. Do this for all of the items.

Now add up the totals at the bottom.

### **Debrief/Application Questions** (15 minutes)

Answer the following questions:

1. How much would it cost to buy all your items from Amazon? How much would it cost to buy all your items from eBay? How many items would you be able to purchase and stay within your \$250 budget?
2. Compare the two sites. Which had the lower prices for your items?
3. Have you searched these sites before? What do you like about them? What do you dislike about them?
4. Two hundred and fifty dollars might seem a little high for you to spend on four people at any holiday. In your head, think about how much you would realistically spend on gifts for a holiday like Christmas or Hanukkah. Would you be able to purchase these same items with this new budget?
5. What other great ideas could you share with your classmates for purchasing or creating ideal gifts at affordable prices, e.g., tips for shopping, tips for shipping, home-made gift ideas, websites that are a good value, coupon sites, etc.? Write these on the board.

	Gift Ideas	Approximate cost of gift	eBay price + shipping	Amazon price + shipping
<b>Person #1</b>	1.			
	2.			
	3.			
<b>Person #2</b>	1.			
	2.			
	3.			
<b>Person #3</b>	1.			
	2.			
	3.			
<b>Person #4</b>	1.			
	2.			
	3.			

**TOTAL:**