NO PREP

Making a Major Purchase

Includes: Student reading, case study, differentiated questions, teacher key

Name: Period: Date:

Making a Major Purchase

When the Stakes Justify the Process

Nobody runs a formal decision process to buy a sandwich, and nobody should. Major purchases are different, and they are worth defining precisely rather than by feel. A purchase is major when it is expensive relative to your income, when it is difficult or costly to reverse, when it commits you to ongoing costs, or when getting it wrong causes real disruption. A car, a laptop, a mattress, a phone plan, an apartment, and a set of tires all qualify for most households, and the dollar amount that makes something major differs from one budget to another. What these decisions share is that the consequences persist. A bad sandwich is over in ten minutes. A bad car follows you for years through payments, repairs, and insurance. Because the stakes

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Research Before Anyone Is Selling to You

Good research begins with the need rather than the product, which means writing down what the item has to accomplish before looking at any options. A student who writes that a laptop must run video editing software, last a full school day on battery, and survive four years has just built criteria that eliminate most of the market in about a minute. Separate those criteria into requirements, which are non-negotiable, and preferences, which are pleasant. Salespeople and product pages are organized around features, and features only matter when they serve a requirement

you identified yourself. Sources matter as much as effort. Independent testing organizations that accept no advertising provide the most reliable comparisons. Reviews from verified purchasers are useful in aggregate rather than individually, and the informative ones are usually the three-star reviews, since one-star and five-star reviews cluster at the emotional extremes and say less about ordinary use. Read for patterns instead of anecdotes, because ten separate reviews describing the same failure at month eight is data and one furious review is not. Be alert to incentivized and fake reviews, which cluster in short bursts of similar phrasing and arrive without verified purchase markers. Ask people who own the item and have lived with it for a year, since the questions that matter most, about durability and regret, cannot be answered by anyone still inside the return window. Check total cost of ownership rather than purchase price alone. Write the findings down before you go anywhere, because research you cannot recall under pressure on a sales floor is research you did not really do.

The Price Is Not the Cost

The most expensive mistake in major purchasing is comparing sticker prices, because the sticker is only the first installment. Total cost of ownership adds every dollar the item will require across its useful life: purchase price, taxes and fees, delivery and installation, insurance, fuel or electricity, consumable supplies, maintenance, likely repairs, and eventual disposal, minus whatever it is worth when you are finished with it. A car is the clearest illustration, since two vehicles at identical prices can differ by thousands of dollars a year once insurance, fuel efficiency, repair frequency, and depreciation are counted. Depreciation, the loss of value over time, is frequently the largest single cost of owning a vehicle and it is invisible because no one ever sends a bill for it. Printers are the household version of the same trap, sold cheaply and priced permanently through ink. Consumables deserve a specific check on anything that requires them, including filters, blades, pods, and proprietary batteries, since a manufacturer that controls the supply controls the real price. Financing changes the arithmetic again. A payment amount is not a price, and stretching a loan across more months lowers the payment while raising the total paid substantially. Compare the total finance charge and the annual percentage rate rather than the monthly figure, since the monthly figure is what a seller uses to make an unaffordable purchase feel manageable. Zero-percent promotional offers

are real but usually conditional, and deferred interest terms can retroactively charge the entire period if the balance is not cleared exactly on time.

In the Room With Someone Who Sells for a Living

Once you are at the point of purchase you are dealing with a trained professional whose income frequently depends on the outcome, and it helps to expect that rather than resent it. Know your walk-away number before the conversation starts and write it down, because a number decided in advance is far harder to argue with than a feeling. Never disclose the maximum you can spend, and never negotiate on the monthly payment, which is the most common way an unaffordable total gets disguised. Where prices are negotiable, and they are on vehicles, furniture, appliances, and many services even when it is not advertised, negotiate one number at a time and settle the price of the item before discussing trade-ins, financing, or add-ons, since bundling those together is what obscures the math. Expect add-ons at the end. Extended warranties, protection plans, fabric treatments, and prep fees carry high margins, which is why they appear after you have mentally committed. Extended warranties are occasionally worthwhile on expensive items with genuinely high repair rates, and are usually poor value on inexpensive or highly reliable ones, particularly when a credit card already extends the manufacturer warranty. The strongest position in any negotiation is genuine willingness to leave, and it only exists if you have another option. Timing helps as well, since end-of-month and end-of-model-year periods carry real pressure to move inventory. Before signing anything, read it against everything you were told.

After the Money Is Gone

The final step is the one almost everyone skips, and it is the reason people repeat the same mistake with the next major purchase. Evaluating the decision afterward turns a transaction into experience. Keep the paperwork in one place, including receipts, warranty documents, the signed contract, and any registration required for coverage, since warranty claims fail more often over missing documentation than over disputed defects. Register the product where registration is required for warranty service, and note the warranty expiration on a calendar rather than trusting memory, because knowing coverage ends in three weeks changes what you do about a developing problem. Then, several months later, ask the honest questions. Did it solve the problem you originally defined, or the one you were sold? Which

criteria turned out to matter and which did not? Did the total cost land where you estimated? What would you check next time that you did not check this time? That last question is the entire value of the exercise, because it converts one purchase into a permanently better process. Households that make consistently good major decisions are rarely smarter shoppers than everyone else. They are the ones who wrote down what they needed, counted the whole cost instead of the price, refused to decide inside someone else's deadline, and paid attention afterward to whether it worked.

Key Information: Major Purchase Decisions

Detail	Information
Major Purchase	Costly, hard to reverse, or committing you to ongoing expense
Requirements vs. Preferences	Non-negotiable needs separated from pleasant extras
Best Reviews	Three-star reviews and patterns; extremes say least about normal use
Total Cost of Ownership	Price plus fees, fuel, supplies, maintenance, repairs, minus resale
Depreciation	Loss of value over time; often a vehicle's largest single cost
Payment Trap	Longer loans lower the payment and raise the total paid
Negotiating Rule	Settle the item price before trade-in, financing, or add-ons
After the Sale	Keep paperwork, register for warranty, calendar the expiration

Case Study: Jaylen Buys His First Car

Jaylen is eighteen, has three thousand dollars saved, and needs a car to reach a job twenty minutes outside town. At the second lot he visits, a salesperson shows him a sedan listed at nine thousand four hundred dollars and immediately begins talking in monthly payments, offering one hundred eighty-nine dollars a month and asking whether that fits his budget. Jaylen says it does. The salesperson mentions the price is good through today only and slides over a folder with an extended protection plan already included on the second page. Jaylen notices that nobody has told him the length of the loan or the interest rate, and that his own list, written at his kitchen table two nights earlier, has three items on it he has not asked about: repair history, fuel economy, and what his insurance would cost for this model. He also realizes he has not asked the price of the car since he walked in, only the payment.

1. Explain what the salesperson accomplishes by discussing monthly payments instead of price, and what Jaylen needs to ask to see the real cost.

2. Jaylen's own list has three unanswered items. Using the reading, explain why those items matter as much as the sticker price.

Multiple Choice

1. Which reviews does the reading identify as usually the most informative?

    a) Three-star reviews describing ordinary use

    b) The most recent reviews posted on the listing

    c) One-star reviews reporting product failures

    d) Five-star reviews from verified purchasers

2. What is depreciation, and why does the reading call it invisible?

a) Rising repair costs; they arrive gradually over years

b) Loss of value over time; no one ever sends a bill for it

c) Fuel and insurance costs; they are paid to other companies

d) Interest added to a loan; it is buried in the contract

3. What does the reading advise about negotiating a major purchase?

a) Accept add-ons early to gain leverage on the price

b) Give the seller your maximum budget up front

c) Negotiate the monthly payment down as far as possible

d) Settle the item's price before trade-in or financing

Matching

Write the letter of the correct definition on the line next to each term.

Term	Definition
1. ___ major purchase	A) An optional paid plan covering repairs beyond the standard coverage
2. ___ total cost of ownership	B) A buy that is costly, hard to reverse, or commits you to ongoing expense
3. ___ depreciation	C) A non-negotiable criterion the item absolutely has to satisfy
4. ___ requirement	D) Every dollar an item costs across its life, minus its resale value
5. ___ extended warranty	E) The loss of an item's value over time as it ages and is used

Fill-in-the-Blank

1. The loss of value over time is called _____.

2. Adding every lifetime cost gives total cost of _____.

3. A non-negotiable criterion is a _____, not a preference.

Short Answer

Answer each question in 2-4 complete sentences.

1. Explain why the reading says extending the time between wanting and buying is the best defense.

2. Why is comparing sticker prices described as the most expensive mistake in major purchasing?

3. Explain what evaluating a purchase months later accomplishes that evaluating it immediately cannot.