

What's on a receipt?

 *There's a difference between a bargain and a scam.*

 *It's a good habit to shop around and compare prices before you buy.*



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The activity

Use this activity with your child to explore shopping and estimating what you'll pay at the register. This is an introduction to the critical thinking skills, attitudes and habits, and basic financial decisions common when spending money. The price of an item isn't always the same as the amount you pay at checkout, because of sales taxes. Your child can start developing the habit of estimating costs and mentally budgeting as you go.

Set up

Print out this activity sheet for your next shopping trip and practice rounding up to include sales tax and estimating the price you'll pay at the register.

What to do

Help your child understand how shopping totals are affected by sales taxes in your area. Point out prices to your child and discuss how something that's a specific price will be more at the checkout counter. On a future shopping trip, use the Round Up as You Go worksheet to help your child estimate total costs, including taxes.

This activity can help children in middle childhood develop healthy money habits, which is important to day-to-day money management as adults..

Things to talk about

Based on what your child discovers through the activity, consider ways he or she could follow through. Each shopping trip is an opportunity to expand on the basic idea. For example, together you could:

-  Look at a recent shopping trip receipt and compare the total prices with and without taxes
-  Have your child keep a tally of shopping items on a future trip and estimate the total costs, including taxes, before you check out
-  Discuss how taxes at a grocery store can differ from a gas station, or a big box store

Round up as you go

When you're in the store, you might not have time to stop and calculate sales taxes. But if you don't think about it, you might be surprised at the checkout. As you shop, use a rule of thumb: Round up each item to get an estimate of the total cost. Examples: round up \$2.99 to \$3.00 and \$1.25 to \$1.50.

Sample receipt

BIG BOX STORE	
123 MAIN ST. ANYWHERE, U.S.A.	
PURCHASE:	
SOCKS	\$2.99
PAPER TOWELS	\$4.99
SOAP	\$2.49
BIRTHDAY CARD	\$4.49
APPLES - QTY 3 1	\$2.00 *
MILK	\$3.50 *
BREAD	\$2.25 *
TOMATO SOUP	\$1.50 *
TAX (7.0%) 2	\$1.05
TOTAL 3	\$25.26
CASH	\$25.26
CHANGE DUE	\$0.00
TRANSACTION # 1469425964-001	
07/24/2021 6:36 PM	
THANK YOU	

- 1 Quantity and weight** – items are sometimes listed by quantity and by weight, especially groceries like fruit.
- 2 Sales tax** – sales taxes vary by stat and county. There also may be more than one sales tax.
- 3 Total** – the total is \$25.26, including taxes.

How was this total calculated?

First, calculate the total of all the items. This comes to \$24.21.

Next, take a look at taxes. The first four items on the receipt are taxed. (The items marked with * aren't taxed in this example.) Add these up and multiply by 0.07 for the 7% sales tax. The tax on just the four taxable items comes to \$1.05.

Add \$24.21 and \$1.05 and the total you'll pay at the register is \$25.26.

If you had rounded up the taxable items, you'd have gotten a total of \$25.25, which is very close to the actual total.

Shopping estimator

What are you buying?	Price	Round Up
1	\$	\$
2	\$	\$
3	\$	\$
4	\$	\$
5	\$	\$
6	\$	\$
7	\$	\$
8	\$	\$
9	\$	\$
10	\$	\$
Estimated total, including taxes		\$
Total from your receipt		\$
How close was your estimate?		\$