

ADVERTISING AND MATH

KEY ECONOMIC CONCEPTS

- Advertising
- Choices
- Opportunity Costs



LESSON DESCRIPTION

This lesson uses the newspaper to explain that advertising is a cost of doing business. It requires business owners and managers to make choices about how they spend their financial resources.

TIME RECOMMENDATION

One class

RESOURCES NEEDED

Newspapers, pens/pencils and paper, calculators, rulers, Advertising Rate Chart

PROCEDURES

1. Explain to students that advertising is a cost of doing business. Business owners and managers often have to choose whether to advertise in the newspaper to increase their business or use other means to attract new customers. Remind students that making choices is an important part of operating a business, and businesses must have customers in order to remain open. So, when businesses spend money to advertising, they are not able to spend that money on other things.
2. Put students in groups and hand out copies of the newspaper. Ask students to select four or five advertisements that appeal to them.
3. Tell students that the cost of advertising is based on the size of the ad; newspapers charge by the “per column inch” (one inch deep and one column wide is one column inch).
4. Hand out an “Advertising Rate Chart” to each group. Have students calculate the costs of the different advertisements they selected. (Note: Explain that

color and special effects generally increase the costs, so they are actually calculating only the basic cost of the ad. Basic advertising rates are based on a newspaper's circulation. The larger the circulation, the higher the rate per "per column inch".

EXTENSION/ENRICHMENT ACTIVITIES

- Give students an advertising budget and let them decide how to spend it, using the attached rate chart. Be sure they can justify their decisions.
- Ask students to write a paper explaining the reasons they selected the advertisements; what features of the advertisement appealed to them or attracted their attention.
- Have the class debate the role of advertising: does it inform consumers about planned purchases or entice them to make unnecessary purchases?
- Have students examine advertisements before special events to determine the differences in how advertisers try to appeal to potential customers related to that event.
- Discuss how advertisers target different groups of people (by age, sex, race or ethnic background, and other characteristics)?

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ADVERTISING RATE CHART

(PER COLUMN INCH)

METROPOLITAN NEWS

MONDAY - SATURDAY

Front Section	Front Section with Color	Other Sections	Other Sections with Color	Classified Ads
20.00	25.00	18.00	22.00	10.00

SUNDAY

Front Section	Front Section with Color	Other Sections	Other Sections with Color	Classified Ads
25.00	30.00	22.50	27.00	12.25

SUBURBIA DAILY TIMES

MONDAY - SATURDAY

Front Section	Front Section with Color	Other Sections	Other Sections with Color	Classified Ads
18.00	20.00	14.00	16.25	7.50

SUNDAY

Front Section	Front Section with Color	Other Sections	Other Sections with Color	Classified Ads
20.00	23.25	16.00	21.00	10.00

COUNTRY WEEKLY NEWS

No Color	With Color			Classified Ads
10.00	15.00			3.50