

ECON: Shrinkflation

A product's unit price can be helpful in comparison shopping, making sure you're not paying more money for less of a product. But did you know that you should also be comparing the products you buy to...themselves?! Making products smaller while keeping the price the same is a sneaky way of raising prices. In this activity you'll discuss how shrinkflation affects consumers and create your own plan to downsize a product in hopes that consumers won't notice the difference.

Part I: What is Shrinkflation?

Watch the video, ["How To Deal With Shrinkflation"](#). Then, answer the questions.

1. List some of the reasons companies cite as to why they're making the decision to downsize their products while keeping the price the same.

2. Which would you prefer: For companies to continue making their products smaller, or if you would rather them just raise their prices. Why?

3. The video claims one of the best ways to deal with shrinkflation is to keep track of the size of the products you buy. Do you already do this? If not, do you think it's something you would consider doing? Explain your answer.

4. Do you think companies will begin to increase the size of their products if the price of materials starts to stabilize? Why or why not?

Part II: To Whom It May Concern

Think of a product that you have purchased in the past. Pretend that you went to the store to buy it again and noticed that it's been downsized! Write a letter to the CEO of the company who produces the product expressing your feelings about their decision to downsize their products, the impact it will have on your finances, what you're considering doing instead of buying their product, and how you would like them to resolve the issue. Be sure to reference the specific product(s) you're writing about in your letter.

To Whom It May Concern,

[Craft your letter here]

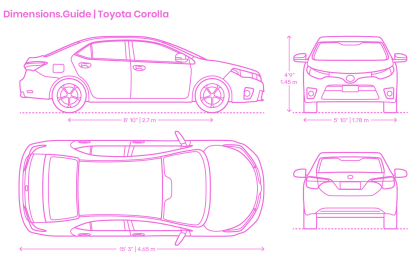
Sincerely,

[Your name here]

Part III: Think Anyone Will Notice?

Pretend you work for a consulting firm, and your boss has chosen you to lead a new project. They've noticed your keen eye for detail and your sharp financial mind and they want you to help save their clients some money.

Search the internet for five examples of products that could easily be downsized without consumers noticing. Include a picture of the item and a description of your strategy to downsize the product. An example has been provided.

| | Product Photo | Description of downsizing strategy |
|-----|---|--|
| Ex: |  | <i>The 2020 Toyota Corolla has a length of 8' 10". To save costs on materials, I would reduce the length of each vehicle by six inches to 8' 4". I would leave the height and width the same so it wasn't as noticeable.</i> |
| #1 | | |
| #2 | | |

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| #3 | | |
| #4 | | |
| #5 | | |