

# The Gifting Sense Glossary

## **Price**

The amount of money a store charges for something it sells.

## **Sales Tax**

An amount of money, in addition to the price, that is added to an item's total cost. Sales tax is charged by the government, but collected by stores. The government uses collected sales tax to pay for things like roads, schools, and hospitals. Sales tax rates vary by province or state.

## **Shipping**

An amount of money, in addition to the price, that a store (online or bricks & mortar) charges for boxing up and mailing, or sending by delivery service such as UPS, FedEx or DHL, what you have bought, to your home. Shipping rates are often a function of how big the item being shipped is, and how quickly you want it delivered.

## **Duty**

An amount of money, in addition to the price, that may also be added to an item's total cost. Duties are like sales taxes, in that they are collected for the government. They are added to the cost of items crossing an international border, e.g. between Canada and the United States. A duty is designed, among other things, to encourage shoppers to purchase locally made goods, versus import items made far away. Rates vary by the type of good, e.g. clothing versus sports equipment.

## **Cost-Per-Use of an Item**

The total cost of an item, including sales tax, shipping and duty if applicable, divided by the number of times you anticipate using that item. If the total cost of a new jacket is \$50 and you think you will wear it 50 times, the cost-per-use is \$1.00. The lower the cost-per-use, the better, as this means you are really using what you have bought, or asked someone else to buy for you. Gifting Sense Gift Surveys automatically calculate the cost-per-use of an item.

## **Total Cost of an Experience**

The total cost of an experience includes all the money that has to be spent to enjoy an outing, concert, or sporting event. These include the safe transportation, snack and souvenir costs for example of attending a professional hockey game, in addition to the price of a ticket to the game. Gifting Sense Gift Surveys automatically calculate the total cost of an experience.

## **Return Policy**

What will a store do if you want to return what has been bought? Can you get your money (versus a gift card) back if you decide you don't like the look or fit of something and it is still tagged and unworn? You always want to know a store's return policy before you make a purchase.

## **Warranty**

What will the company who makes what you bought do if your purchase doesn't work the way it is supposed to, or stops working altogether in a short period of time? Will they replace leaky rain-boots? Will they fix an oven that doesn't bake? You especially want to understand a manufacturer's warranty for larger purchases that can be expensive to replace or repair.

## **DIMS – Does It Make Sense?® Score**

A number between 1 and 10 that helps a young person understand if a wish-list item is more of a want (Score 1–6) or a need (Score 7–10).

## **Think Before You Buy**

Four words that encourage young people to develop strong personal finance skills. To learn to think before you buy, get into the habit of calculating the DIMS Score® for a potential purchase. Visit [giftingsense.org](http://giftingsense.org) and click on "Get-Started" to try this out today. It's free, safe and smart.