

## **Section 2—Financial Basics**

**Title of Lesson/Subject:** *Credit and You*

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### **Contact Information**

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**Time Allotment:** 1-2 50 minute class periods

**Grade Level or Target Audience:** Family and Consumer Sciences 7-8<sup>th</sup> grade

### **ND FCS Content Standards:**

2.0 Evaluate management practices related to the human, economic, and environmental resources.

### **Key Economic Concepts:**

- Credit
- Credit Cards
- Loans

### **Brief Description:**

In these lessons, middle-school students (grades 6-8) calculate and compare the total cost of paying for a purchase with cash compared to paying for it over time with a credit card. Students evaluate the characteristics of responsible borrowers.

### **Learner Objectives:**

The student will:

- Evaluate the costs associated with borrowing money.
- Recognize the advantages and disadvantages of making purchases with a credit cards and paying for them over time.
- Distinguish between consumer loans and buying over time on credit cards.

### **Introduction:**

Use these or similar questions to start students thinking about this concept and how it relates to them:

- What does it mean to “take personal responsibility” for something? Give an example of a situation where you have taken responsibility for making sure something got done.
- Have you ever borrowed money from someone? What kind of agreement did you make with them about paying the money back? Did you keep your promise?
- Have you ever loaned money to someone? What kind of agreement did you make about getting paid back? Did you put your agreement in writing?
- Why might someone want to make a purchase with a credit card rather than paying cash?

**Materials Needed:**

- Hands on Banking CD/on-line version

**Audio/Visual Equipment Needed:**

- Computer or calculator

**Lesson Outline:**

- Introduction
- Key points for credit/credit cards
- Activity

**Resources:**

Wells Fargo Banks, (2003). Power of credit. Retrieved , , from Hands On Banking Web site: [www.handsonbanking.org](http://www.handsonbanking.org).

**Activities:**

- Discussion
- Credit Activity
- Loan Activity

**Application/Assignment:**

- Extra practice worksheet on figuring credit

**Evaluation Plan:**

- Extra practice worksheet will be graded