

# Unit 3: Banking and Credit (4 Week)

Content Area: **Business**  
Course(s):  
Time Period:  
Length: **Semester**  
Status: **Published**

## UNIT RATIONALE

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In this unit, the students learn the financial services offered by different institutions and how building and maintaining good credit can lead to financial security. Students will learn about the different financial services categories and be able to determine which one(s) provide the best financial benefits for them. Students will also learn about the advantages and disadvantages of using credit, as well as how to avoid getting into financial trouble.

## ESSENTIAL QUESTIONS

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- What is the role of banks and how do we use them?
- What does your credit score mean?
- How does "borrowing" shape the world we live in?
- How do you setup a personal financial management system?

## STANDARDS

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### NEW JERSEY STUDENT LEARNING STANDARDS: CONTENT AREA

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**New Jersey (NJSL) - Grades 9-12 - Career Readiness, Life Literacies, and Key Skills (2020)**

**9.1.12.CFR.4:**

Demonstrate an understanding of the interrelationships among attitudes, assumptions, and patterns of behavior regarding money, saving, investing, and work across cultures.

**9.1.12.CDM.1:**

Identify the purposes, advantages, and disadvantages of debt.

**9.1.12.CDM.2:**

Compare and contrast the advantages and disadvantages of various types of mortgages.

**9.1.12.CDM.3:**

Determine ways to leverage debt beneficially.

**9.1.12.CDM.4:**

Identify issues associated with student loan debt, requirements for repayment, and consequences of failure to repay student loan debt.

**9.1.12.CDM.5:**

Identify the types of characteristics of predatory lending practices and the importance of collateral (e.g., payday loans, car title loans, high-risk mortgages).

**9.1.12.CDM.6:**

Compute and assess the accumulating effect of interest paid over time when using a variety of sources of credit. (e.g., student loans, credit cards, auto loans, mortgages, etc.).

**9.1.12.CDM.7:**

Calculate a mortgage payment based on type of loan, down payment, credit score, and loan interest rate.

**9.1.12.CDM.8:**

Compare and compute interest and compound interest and develop an amortization table using business tools.

**9.1.12.CP.1:**

Summarize how one's credit history can affect finances, including loan terms, employment, and qualifying for loans.

**9.1.12.CP.2:**

Identify the advantages of maintaining a positive credit history.

**9.1.12.CP.3:**

Summarize factors that affect a positive credit rating, including on-time payments, debt versus available credit, length of open credit, and how often you apply for credit.

**9.1.12.CP.4:**

Identify the skill sets needed to build and maintain a positive credit profile.

**9.1.12.CP.5:**

Create a plan to improve and maintain an excellent credit rating.

**9.1.12.CP.6:**

Explain the effect of debt on a person's net worth.

**9.1.12.CP.7:**

Summarize factors that affect a particular credit scoring system.

**9.1.12.CP.8:**

Identify different ways you can protect your credit.

PFL.9.1.12.CFR.4	Demonstrate an understanding of the interrelationships among attitudes, assumptions, and patterns of behavior regarding money, saving, investing, and work across cultures.
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PFL.9.1.12.CP.8	Identify different ways you can protect your credit.

## **NEW JERSEY STUDENT LEARNING STANDARDS: CAREER READINESS, LIFE LITERACIES AND KEY SKILLS**

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PFL.9.1.12.CDM.6	Compute and assess the accumulating effect of interest paid over time when using a variety of sources of credit. (e.g., student loans, credit cards, auto loans, mortgages, etc.).
PFL.9.1.12.FI.1	Identify ways to protect yourself from identify theft.
PFL.9.1.12.FI.2	Explain ways to manage your accounts that maximize benefits and provide you with the utmost protection.
PFL.9.1.12.PB.1	Explain the difference between saving and investing.
PFL.9.1.12.PB.6	Describe and calculate interest and fees that are applied to various forms of spending, debt and saving.

## **NEW JERSEY STUDENT LEARNING STANDARDS: COMPUTER SCIENCE AND DESIGN THINKING**

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CS.9-12.8.1.12.CS.2	Model interactions between application software, system software, and hardware.
CS.9-12.8.1.12.CS.4	Develop guidelines that convey systematic troubleshooting strategies that others can use to identify and fix errors.
CS.9-12.8.1.12.NI.2	Evaluate security measures to address various common security threats.
CS.9-12.8.1.12.NI.3	Explain how the needs of users and the sensitivity of data determine the level of security implemented.
CS.9-12.8.1.12.NI.4	Explain how decisions on methods to protect data are influenced by whether the data is at rest, in transit, or in use.
CS.9-12.8.2.12.EC.3	Synthesize data, analyze trends, and draw conclusions regarding the effect of a technology on the individual, culture, society, and environment and share this information with the appropriate audience.
CS.9-12.8.2.12.ED.5	Evaluate the effectiveness of a product or system based on factors that are related to its requirements, specifications, and constraints (e.g., safety, reliability, economic considerations, quality control, environmental concerns, manufacturability, maintenance and repair, ergonomics).

## PRE-ASSESSMENTS

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Discussion Prompts

## INSTRUCTIONAL PLAN

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## MODULE 2

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## LESSON 2.1

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# Lesson 2.1 Checking

**Student Learning Intentions (SLI) WALT:  
(We are learning to...)**

### Lesson 2.1 Checking

- Explain what a checking account is used for
- Understand the variety of ways they can deposit and withdraw funds from their checking account
- Explain the pros and cons of opening a checking account at a credit union
- Understand what the various components of a bank statement mean to interpret where their money goes

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<b>Student Learning Strategies</b>	<p>Discussion prompts</p> <p>Think-Pair-Share</p> <p>Peer Feedback</p> <p>Close read</p> <p>Short written responses</p> <p>Note-taking and Ed-Puzzle responses</p>		
<b>Success Criteria</b>	<p>Differentiate between different types of fees that banks charge when an account is overdrawn</p> <p>Read a checking account statement</p> <p>Understand what the various components of a checking account statement mean to interpret where their money goes</p>		
<b>Formative Assessment (drives instructional decisions)</b>	<p>Class Discussion</p> <p>Interactive after reading articles</p> <p>Graph analysis</p> <p>Exit Ticket</p>		
<b>Activities and Resources</b>	<p>Fine Print Checking Account Statement</p> <p>Online Bank Simulator</p> <p>Article: The Cost of being unbanked</p>		
<b>Suggested Modifications</b>			

# Lesson 2.2 Savings

<b>Student Learning Intentions (SLI) WALT: (We are learning to...)</b>	<ul style="list-style-type: none"><li>● Explain the difference between a checking and savings account</li><li>● Compare different savings vehicles such as a savings account, CD, and money market account</li><li>● Identify important criteria to consider when selecting a savings account</li></ul>
<b>Student Learning Strategies</b>	Discussion prompts Think-Pair-Share Peer Feedback Close read Short written responses
<b>Success Criteria</b>	Compare the features of regular savings accounts, money market accounts, and CDs Explain why CDs typically pay higher interest rates than regular savings accounts or interest-bearing checking accounts: Select a preferred location for a savings account based on comparison of interest rates and fees at different types of financial institutions
<b>Formative Assessment (drives instructional decisions)</b>	Class Discussion Interactive after reading articles Graph analysis Exit Ticket

**Activities and Resources**

Compare types of Savings accounts

Data Crunch: US Savings rate

Video: Difference between savings and checking

Video: Compound Interest

**Suggested Modifications**

**LESSON 2.3**

**Lesson 2.3  
Banking Fees**

**Student Learning Intentions (SLI) WALT:  
(We are learning to...)**

- Identify common checking and saving account fees and how to avoid them
- Explain how overdraft protection works and the impact of overdraft fees
- Compare overdraft policies at major US banks

**Student Learning Strategies**

Discussion prompts

Think-Pair-Share

Peer Feedback

Close read

Short written responses

Note-taking and Ed-Puzzle responses

<b>Success Criteria</b>	Explain how to avoid banking fees
<b>Formative Assessment (drives instructional decisions)</b>	Class Discussion Interactive after reading articles Graph analysis Exit Ticket
<b>Activities and Resources</b>	Article: Common Banking Fees and how to avoid them Video: Protection or Deception Compare Overdraft Fees
<b>Suggested Modifications</b>	

## LESSON 2.5

# Lesson 2.5 Strategies to Save

<b>Student Learning Intentions (SLI) WALT: (We are learning to...)</b>	<ul style="list-style-type: none"> <li>Identify various rules of thumb and strategies to save money</li> <li>Compare money saving apps</li> <li>Brainstorm short, medium and long-term savings goals</li> </ul>
<b>Student Learning Strategies</b>	Discussion prompts Think-Pair-Share Peer Feedback

	<p>Close read</p> <p>Short written responses</p> <p>Note-taking and Ed-Puzzle</p>
<b>Success Criteria</b>	Understand how and why to save money by using various strategies
<b>Formative Assessment (drives instructional decisions)</b>	<p>Class Discussion</p> <p>Interactive after reading articles</p> <p>Graph analysis</p> <p>Exit Ticket</p>
<b>Activities and Resources</b>	<p>Create Your own savings goals</p> <p>50/30/20 Guide Infographic</p> <p>Pay Yourself First</p>
<b>Suggested Modifications</b>	

## MODULE 4

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### LESSON 4.1

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## Lesson 4.1 Intro to Credit

<b>Student Learning Intentions (SLI) WALT: (We are learning to...)</b>	<ul style="list-style-type: none"> <li>• Identify the major types of credit and their characteristics</li> <li>•</li> </ul>
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	<p>Understand the three basic components of lines of credit: principal, interest rate, and term</p> <ul style="list-style-type: none"> <li>• Define net worth and how it is calculated</li> </ul>
<p><b>Student Learning Strategies</b></p>	<p>Discussion prompts</p> <p>Think-Pair-Share</p> <p>Peer Feedback</p> <p>Close read</p> <p>Short written responses</p> <p>Note-taking and Ed-Puzzle responses</p>
<p><b>Success Criteria</b></p>	<p>Compare the cost of borrowing \$1,000 by means of different consumer credit options</p> <p>Give examples of unsecured and secured loans</p>
<p><b>Formative Assessment (drives instructional decisions)</b></p>	<p>Class Discussion</p> <p>Interactive after reading articles</p> <p>Graph analysis</p> <p>Exit Ticket</p>
<p><b>Activities and Resources</b></p>	<p>Loan Basics Video</p> <p>Infographic: What is My Net Worth</p>
<p><b>Suggested Modifications</b></p>	

**LESSON 4.2**

**Lesson 4.2**  
**Young People and Credit Cards**

<p><b>Student Learning Intentions (SLI) WALT: (We are learning to...)</b></p>	<ul style="list-style-type: none"> <li>Enumerate the differences between debit, prepaid debit, and credit cards</li> <li>Identify at least 3 ways a young adult can gain access to a credit card, even before they are 21</li> <li>Read a Schumer Box</li> </ul>
<p><b>Student Learning Strategies</b></p>	<p>Discussion prompts</p> <p>Think-Pair-Share</p> <p>Peer Feedback</p> <p>Close read</p> <p>Short written responses</p> <p>Note-taking and Ed-Puzzle responses</p>
<p><b>Success Criteria</b></p>	<p>Explain how credit card grace periods, methods of interest calculation and fees affect borrowing costs</p> <p>Explain how a borrower's credit score can impact their cost of credit and their ability to get credit</p>
<p><b>Formative Assessment (drives instructional decisions)</b></p>	<p>Class Discussion</p> <p>Interactive after reading articles</p> <p>Graph analysis</p> <p>Exit Ticket</p>
<p><b>Activities and Resources</b></p>	<p>Comparing Credit and Debit Cards</p> <p>Credit card options</p> <p>Fine Print Schumer Box</p>

**LESSON 4.3**

**Lesson 4.3  
Using Credit Cards Wisely**

**Student Learning Intentions (SLI) WALT: (We are learning to...)**

- Explain why a person may need or want to use credit
- Explain how a credit card works in terms of making purchases and managing payments
- Understand how interest is charged and how to avoid or minimize it

**Student Learning Strategies**

Discussion prompts  
Think-Pair-Share  
Peer Feedback  
Close read  
Short written responses  
Note-taking and Ed-Puzzle responses

**Success Criteria**

Describe how failing to repay a loan can negatively impact a person's finances and life

**Formative Assessment (drives instructional decisions)**

Class Discussion  
Interactive after reading articles  
Graph analysis  
Exit Ticket

<b>Activities and Resources</b>	EdPuzzle: <i>Credit Card Debt Explained</i>  Compare Shopping with Interest
<b>Suggested Modifications</b>	

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## MODULE 5

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### LESSON 5.3

# Lesson 5.3

## Managing Credit: Your Credit Score

<b>Student Learning Intentions (SLI) WALT: (We are learning to...)</b>	<ul style="list-style-type: none"> <li>• Compare the percentage of people in different credit score bands</li> <li>• Explain what a credit score is and how one is calculated</li> <li>• Analyze the different methods available to view their credit score</li> <li>• Critique different credit score scenarios and formulate a plan on how to improve credit scores</li> </ul>
<b>Student Learning Strategies</b>	<p>Discussion prompts</p> <p>Think-Pair-Share</p> <p>Peer Feedback</p> <p>Close read</p> <p>Short written responses</p>

	Note-taking and Ed-Puzzle responses
<b>Success Criteria</b>	<p>Identify the main factors that are included in credit score calculations</p> <p>Explain how a borrower's credit score can impact their cost of credit and their ability to get credit</p> <p>Recommend ways that a person can increase their credit score</p>
<b>Formative Assessment (drives instructional decisions)</b>	<p>Class Discussion</p> <p>Interactive after reading articles</p> <p>Graph analysis</p> <p>Exit Ticket</p>
<b>Activities and Resources</b>	<p>Data Crunch: What is the Average Credit Score by Age</p> <p>Video: What is a Credit Score?</p> <p>Interactive: FICO Credit Scores</p>
<b>Suggested Modifications</b>	

## REFLECTIONS

Discussion Prompts

## INTERDISCIPLINARY CONNECTIONS: NEW JERSEY STUDENT LEARNING STANDARDS FOR ELA, SOCIAL STUDIES, SCIENCE AND/OR MATHEMATICS

MA.S-ID.B	Summarize, represent, and interpret data on two categorical and quantitative variables
MA.N-Q	Quantities
MA.S-IC	Making Inferences and Justifying Conclusions
MA.S-IC.B.6	Evaluate reports based on data.

