

# Unit 09: The Use of Credit as Part of the Financial Planning Process

Content Area: **Business**  
Course(s): **Investing**  
Time Period: **4 weeks**  
Length: **Weeks**  
Status: **Published**

## Unit Overview

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Students will analyze the use of credit as part of the financial planning process.

## Transfer

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Students will be able to independently use their learning to better set and achieve their own short- and long-term financial goals.

## Meaning

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## Understandings

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Students will understand...

- Describe the purpose and uses of credit.
- Identify types and sources of credit.
- Understand the costs associated with the use of credit.
- Explain how credit and debit cards work.
- Explain how installment loans work.
- Understand credit reports and credit scoring.
- Explain how to properly use credit.
- Explain bankruptcy, its impact on debt, and its effect on future financial plans.

## **Essential Questions**

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Students will keep considering...

- How can I describe the purpose and uses of credit?
- What are the types and sources of credit?
- What costs are associated with the use of credit?
- Can I explain how credit and debit cards work?
- How do installment loans work?
- What are credit reports and credit scoring?
- How can I properly use credit?
- Can I explain bankruptcy, its impact on debt, and its effect on future financial plans?

## **Application of Knowledge and Skill**

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### **Students will know...**

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Students will know...

- The purpose and uses of credit.
- Types and sources of credit.
- The costs associated with the use of credit.
- How credit and debit cards work.
- How installment loans work.
- Credit reports and credit scoring.
- How to properly use credit.
- Bankruptcy, its impact on debt, and its effect on future financial plans.

## **Students will be skilled at...**

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Students will be skilled at...

- Assessing the purpose and uses of credit.
- Identifying types and sources of credit.
- Analyzing the costs associated with the use of credit.
- Differentiating between how credit and debit cards work.
- Assessing how installment loans work.
- Analyzing credit reports and credit scoring.
- Applying concepts to properly use credit.
- Synthesizing bankruptcy, its impact on debt, and its effect on future financial plans.

## **Academic Vocabulary**

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Investing terms and concepts related to the use of credit as part of the financial planning process i.e. credit, debit card, credit card, credit score, etc.

## **Learning Goal 1**

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SWBAT: Analyze the use of credit as part of the financial planning process.

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|----------------|--|
| PFL.9.1.12.A.3 | Analyze the relationship between various careers and personal earning goals.   |
| PFL.9.1.12.A.9 | Analyze how personal and cultural values impact spending and other financial decisions.  |
| PFL.9.1.12.B.1 | Prioritize financial decisions by systematically considering alternatives and possible consequences.                           |
| PFL.9.1.12.B.6 | Design and utilize a simulated budget to monitor progress of financial plans.  |
| PFL.9.1.12.C.1 | Compare and contrast the financial benefits of different products and services offered by a variety of financial institutions. |
| PFL.9.1.12.C.2 | Compare and compute interest and compound interest and develop an amortization table using business tools.                     |
| PFL.9.1.12.C.3 | Compute and assess the accumulating effect of interest paid over time when using a variety of sources of credit.               |
| PFL.9.1.12.C.4 | Compare and contrast the advantages and disadvantages of various types of mortgages.   |
| PFL.9.1.12.C.5 | Analyze the information contained in a credit report and explain the importance of disputing inaccurate entries.               |

PFL.9.1.12.C.6	Explain how predictive modeling determines “credit scores.”
PFL.9.1.12.C.8	Identify the types and characteristics of predatory lending practices (e.g., payday loans, car title loans, high-risk mortgages).
PFL.9.1.12.C.9	Evaluate the implications of personal and corporate bankruptcy for self and others.
PFL.9.1.12.D.2	Assess the impact of inflation on economic decisions and lifestyles.
PFL.9.1.12.D.3	Summarize how investing builds wealth and assists in meeting long- and short-term financial goals.
PFL.9.1.12.D.13	Determine the impact of various market events on stock market prices and on other savings and investments.
PFL.9.1.12.E.2	Analyze and apply multiple sources of financial information when prioritizing financial decisions.
PFL.9.1.12.E.3	Determine how objective, accurate, and current financial information affects the prioritization of financial decisions.
CAEP.9.2.12.C.9	Analyze the correlation between personal and financial behavior and employability.

## **Target 1**

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SWBAT: Assess the purpose and uses of credit.

- SWBAT: Assess the purpose and uses of credit.

## **Target 2**

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SWBAT: Identify types and sources of credit.

- SWBAT: Identify types and sources of credit.

## **Target 3**

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SWBAT: Analyze the costs associated with the use of credit.

- SWBAT: Analyze the costs associated with the use of credit.

## **Target 4**

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SWBAT: Differentiate between how credit and debit cards work.

- SWBAT: Differentiate between how credit and debit cards work.

## **Target 5**

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SWBAT: Assess how installment loans work.

- SWBAT: Assess how installment loans work.

## **Target 6**

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SWBAT: Analyze credit reports and credit scoring.

- SWBAT: Analyze credit reports and credit scoring.

## **Target 7**

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SWBAT: Apply concepts to properly use credit.

- SWBAT: Apply concepts to properly use credit.

## **Target 8**

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SWBAT: Synthesize bankruptcy, its impact on debt, and its effect on future financial plans.

- SWBAT: Synthesize bankruptcy, its impact on debt, and its effect on future financial plans.

## **Summative Assessment**

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- Unit Test

## **Formative Assessment and Performance Opportunities**

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- Class Discussion
- Completion of Vocab
- Presentation of Ideas
- Review of worksheets/projects
- Teacher Observation
- Use of technological resources for quick assessment

## **Accommodations/Modifications**

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- Collaborate in small groups organized by student level and preference to apply the use of credit
- Extra problems for extra practice remediation and/or enrichment
- Quizlet

## **Unit Resources**

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- Wall Street Journal & other business publications
- Board Games
- Book Companion Website
- Chapter PowerPoints
- DECA Role Plays
- Desktop Computer
- Document Camera
- Guest Speakers
- Managing Your Personal Finances 6E
- Microsoft Excel
- Videos
- Workbook

## **Interdisciplinary Connections**

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MA.K-12.1	Make sense of problems and persevere in solving them.
MA.K-12.5	Use appropriate tools strategically.
LA.RST.11-12.4	Determine the meaning of symbols, key terms, and other domain-specific words and phrases as they are used in a specific scientific or technical context relevant to grades 11-12 texts and topics.
LA.WHST.11-12.9	Draw evidence from informational texts to support analysis, reflection, and research.