

Unit 3 - Credit and Debt Management

Content Area: **Special Education**
Course(s):
Time Period: **Semester**
Length: **4-5 weeks**
Status: **Published**

General Overview, Course Description or Course Philosophy

Consumer Economics

This class enables students to understand the difference between economic wants and needs, how to pursue their wants and fulfill their needs. The student will learn to prioritize their needs and manage their finances. The student will learn to categorize items as either goods or services. Students will learn that prices for goods and services vary based on the balance between supply and demand.

OBJECTIVES, ESSENTIAL QUESTIONS, ENDURING UNDERSTANDINGS

Students will understand that:

- there are different methods of borrowing/using money in order to pay for services and/or goods.
- effective management of one's credit and debts can have a tremendous impact on a person's financial well-being.
- there are different types of loans
- credit scores are crucial to a healthy financial life

Essential Question(s):

How can debt impact one's life?

How can building credit affect one's life?

CONTENT AREA STANDARDS

- 9.1.8.CDM.1: Compare and contrast the use of credit cards and debit cards for specific purchases and the advantages and disadvantages of using each.
- 9.1.8.CDM.2: Demonstrate an understanding of the terminology associated with different types of credit (e.g., credit cards, installment loans, mortgages, lines of credit) and compare and calculate the interest rates associated with each
- 9.1.8.CDM.3: Compare and contrast loan management strategies, including interest charges and total

principal repayment costs.

- 9.1.8.CP.3: Explain the purpose of a credit score and credit record, the factors and impact of credit scores.

RELATED STANDARDS (Technology, 21st Century Life & Careers, ELA Companion Standards are Required)

TECH.8.1.8.B.CS2	Create original works as a means of personal or group expression.
LA.RI.8.8	Delineate and evaluate the argument and specific claims in a text, assessing whether the reasoning is sound and the evidence is relevant and sufficient; recognize when irrelevant evidence is introduced.
NJSLSA.R7	NJSLSA.R7. Integrate and evaluate content presented in diverse media and formats, including visually and quantitatively, as well as in words.
TECH.8.1.8.A.1	Demonstrate knowledge of a real world problem using digital tools.

STUDENT LEARNING TARGETS

Declarative Knowledge

Students will understand that:

- Credit cards provide a person with a line of credit (amount of money they may borrow) ,as long as, they pay the minimum amount due each month for the amount that they borrowed.
- Debit cards are electronically connected to a persons bank account. The person may access up to the amount of money that they have in the bank.
- Credit or a credit line is the amount of money a person is trusted to borrow from that lender (one lending the money).
- Secured credit means a person promises to pay back the money that they are borrowing (ex. money for a house or car). If they do not, the lender may take back the asset that the person was trying to buy (ex. house or car).
- Unsecured credit means that a person is being trusted to pay back the amount that they have borrowed (ex. credit card or medical bill).
- When a person borrows money they must pay interest, a charge for borrowing the money. Unsecured credit normally has a higher interest rate than secured credit.
- A person's credit score can vary from 300 to 850 and is based off a credit report. The higher the number, the more financially trustworthy a person is believed to be.
- The credit report explains how a person handles their credit and debt accounts.

- Two methods for repaying debt are the snowball method (paying off the balance) and a high rate method (paying off interest rates).

Procedural Knowledge

Students will be able to:

- Compare and contrast a credit card and debit card.
- Explain the advantages and disadvantages of credit cards and debit cards.
- Identify different types of credit; such as, secured and unsecured.
- Define interest rate.
- Define credit score and credit report.
- Describe the snowball method and the high rate method.
- Demonstrate an understanding of how to manage your credit and debts.

EVIDENCE OF LEARNING

Formative Assessments

- observation
- one-on-one
- questioning
- graphic organizers
- anecdotal notes
- exit tickets

Summative Assessments

- graphic organizers
- homework
- culminating activity/project

RESOURCES (Instructional, Supplemental, Intervention Materials)

1. [Next Gen Personal Finance](#) : All lessons and resources can be accessed via this website. "Click" Curriculum and reference the "Units".
2. Great Webquest on TeachersPayTeachers called "Borrowing Money Webquest - Google Docs"

If you cannot access this, I have included several quizzes and online explorations that the students can use in tandem with teaching.

Debt Quiz: <https://play.howstuffworks.com/quiz/debt-quiz>

Borrowing Money: <https://www.proprofs.com/quiz-school/story.php?title=borrowing-money>

Financial Services (more difficult and not necessarily taught but could be a fun exploration/supplemental in case any student is interested): <https://www.federalreserveeducation.org/about-the-fed/structure-and-functions/financial-services/quiz>

INTERDISCIPLINARY CONNECTIONS

English/Language Arts - implementation of conventions of Standard English

Technology/Multi-Media - Audio/visual media analysis

Math - computations

Visual and Performing Arts - debate

Social Studies - ethics

ACCOMMODATIONS & MODIFICATIONS FOR SUBGROUPS

- listen to audio recordings of any text AND/OR follow along as the information is read aloud
- learn content from various sources including:
 - videos
 - audio
 - pictures
 - graphics
 - digital media
- work with text that is larger in size
- have any questions read aloud
- have any instructions in various forms (spoken aloud, written down, visually represented)
- have notes already typed out AND/OR lessons recorded and made available
- have outlines of lessons readily available
- dictate answers to a scribe AND/OR record answers on a device

- preferential seating options
- have small group settings available for students who need quiet to focus
- have sensory tools available (i.e. bands on chairs)
- allow for frequent breaks during the lesson
- use a timer to help with time management