

The Good Life: Credit

SUBMITTED BY: Lee Jackson

SUBJECT(S): Personal Finance

GRADE LEVEL(S): 9, 10, 11, 12

≡ OVERVIEW:

This lesson introduces students to general financial literacy by learning about credit and borrowing. It is part of a series of “The Good Life” lessons, which all seek to help students identify strategies for using credit wisely, saving, spending and donating.

≡ NBEA STANDARD(S):

- Personal Finance, I. Personal Decision Making

≡ WHARTON GLOBAL YOUTH PROGRAM ARTICLE:

- [“The Fed Revealed: The Dangers of Monetary Policy”](#)

NBEA Standard(s):

IV. Personal Management Skills

Achievement Standard: Develop personal management skills to function effectively and efficiently in a business environment.

Common Core Standard(s):

Integrate and evaluate multiple sources of information presented in different media or formats (e.g., visually, quantitatively) as well as in words in order to address a question or solve a

problem.

Objectives/Purposes:

Following this lesson, students will be able to analyze real-world examples using their knowledge of financial literacy.

Other Resources/Materials:

Whiteboard or chart paper, question cards. The questions can also be completed using a PowerPoint + screen.

Tying It All Together:

Divide students into teams. Each question can be written on a card or on the bulletin board and covered. With the teacher as the host, students compete to answer questions or determine definitions about financial literacy (above). To begin, randomly select one team, or flip a coin. It may be necessary to complete a practice round.

Category 1: Credit

- What is credit?
- Who gives credit?
- Why is it important to have good credit?
- How do lenders decide who may have credit?
- How much credit is recommended?
- What is one advantage of having a credit card?
- What is one disadvantage of having a credit card?
- Name the three types of credit.
- How do the three types of credit differ?

Category 2: Budgeting

- What is a budget?
- Why is it necessary to have a budget?
- What is the difference between a want and a need? How can you tell?
- What is the difference between gross and net income?
- What expenditures should be included in a budget?

Practice Outside of the Classroom: Have students review their personal budgets.

What Worked and What I Would Do Differently: This worked well; however, it was very time-consuming to write each question on a card. Next time I would type the questions in PowerPoint to save time.

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