

Financial Literacy  
Resource Guide:  
Middle School Edition



FEDERAL RESERVE BANK *of* CLEVELAND

# Introduction

This resource guide focuses on financial literacy for middle school students and is divided into the six topic strands and further broken down by each content statement. Resources have been selected to best meet learning expectations.

## Table of Contents

### Topic 1: Financial Responsibility and Decision Making

Content Statement 1.....	4
Content Statement 2.....	4
Content Statement 3.....	5
Content Statement 4.....	6
Content Statement 5.....	6

### Topic 2: Planning and Money Management

Content Statement 6.....	8
Content Statement 7.....	8
Content Statement 8.....	9
Content Statement 9.....	9

### Topic 3: Informed Consumer

Content Statement 10.....	11
Content Statement 11.....	11
Content Statement 12.....	12
Content Statement 13.....	12
Content Statement 14.....	13

### Topic 4: Investing

Content Statement 15.....	15
Content Statement 16.....	16
Content Statement 17.....	16

### Topic 5: Credit and Debt

Content Statement 18.....	18
Content Statement 19.....	18
Content Statement 20.....	19
Content Statement 21.....	19
Content Statement 22.....	20

### Topic 6: Risk Management and Insurance

Content Statement 23.....	22
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TOPIC 1:

# Financial Responsibility and Decision Making

# TOPIC 1: FINANCIAL RESPONSIBILITY AND DECISION MAKING

## Content Statement 1

Financial responsibility entails being accountable for managing money to satisfy one’s current and future economic choices.

### Expectations for Learning

- Identify the differences between short- and long-term financial goals.
- Describe responsible ways to manage money.



#### Ways to Save:

In this episode of No-Frills Money Skills, “Ways to Save,” students learn that it is important to save for the unexpected, college, cars, and retirement. The video also explains the difference between a 401(k) and a Roth 401(k).



#### On the Move: Renting Basics (Middle School):

The February 2018 issue of *Page One Economics: Focus on Finance* focuses on an important milestone in transitioning to adulthood—getting your own place. The article discusses important topics related to renting, including careful preparation and effective planning, a realistic budget, weighing options to make the best choice, and understanding a lease.



#### Cards, Cars and Currency, Lesson 1: Keep the Currency:

In this lesson, students play a game to test their level of financial knowledge. Students learn the importance of financial literacy and the importance of taking responsibility for personal financial decisions.



#### Great Minds Think:

Use your web browser, mobile device, or tablet to play along with Monte the squirrel, our money expert, as he navigates how to make smart choices about money and teaches important lessons about personal finance topics. Use the [budgeting lesson plan](#) to supplement this interactive game.

## Content Statement 2

Financial responsibility involves life-long decision-making strategies, which include consideration of alternatives and consequences.

### Expectations for Learning

- List financial decisions made at different stages of life and factors that will affect those decisions.
- Explore how education and career decisions affect incomes and job opportunities.
- Understand there are often positive and negative consequences for financial decisions.



#### Saving for College:

Growing up means making big decisions, and decisions about college are among the most important. This episode of the Continuing Education video series, Saving for College, follows high school student Martina as she learns about the basics: the importance of investing in education, factors to consider when choosing a college, and ways to fund it.



#### On the Move: Mortgage Basics:

Buying a home is a major financial decision, and for young people in particular the entire process can seem overwhelming. Learn about mortgages and the steps people can take early in life to prepare themselves financially to buy a home.



#### Education vs. Unemployment:

What can be done to get people back to work? Students get the answer to this and other questions — including why education might be the best way to avoid unemployment in the future — in this short online module.



#### Soft Skills: Success May Depend on Them:

What skills do you need to develop for future success? Academics for sure, but soft skills are also important. Learn more about soft skills, the labor force, and unemployment in this issue of *Page One Economics: Focus on Finance*.



#### Invest in Yourself:

In this lesson, students learn about human capital. “Human capital” refers to the knowledge and skills that people obtain through education, experience, and training. People develop their human capital through education, on-the-job training, and practice. Introducing this concept to younger students can help them understand why school is valuable.



### On the Court with Michael Jordan:

Students participate in a simulation to learn about choices, alternatives, opportunity cost and human capital. They learn the PACED decision-making model, apply the model and recognize that learning the model is an investment in themselves. Student groups build a tower with paper cups. Each group has different physical abilities based on an assigned level of human capital.



### Career Opportunities on the Road to Success:

Help students evaluate jobs in a variety of fields, some that require four years of college and comparable positions that don't with this infographic.



### The Art of Decision Making:

If you look at what psychologists consider to be high-level stressors, you'll find a list of about 40 life events. We have no control over many of these events, but for more than half, we do. So much of our stress and success in life depends on the decisions we make. In this short module, your students will learn the economic underpinnings of the need to make decisions, why every decision bears a cost, and how to make informed decisions. Near the end of the module, learners can address one of their current burning decisions by printing and filling out their own PACED decision-making template. In addition, the Discussion Board can be assigned to allow students to share their experience with you and the rest of class.

## Content Statement 3

Competencies (knowledge and skills), commitment (motivation and enthusiasm), competition (globalization and automation), training, work ethic, abilities, and attitude are all factors impacting one's earning potential and employability.

### Expectations for Learning

- Identify how various training and education options in high school and beyond can further one's employability.
- Evaluate individual interests and skill sets to identify potential careers.
- Explain how one can become more employable through training and education.



### Get an Education, Even if It Means Borrowing (Middle School):

Postsecondary education is expensive, but it may be the best investment you will ever make. You can save, and you can apply for scholarships. But if you come up short, don't discount the benefits of student loans. Learn about the costs and benefits of loans in this issue.



### Human Capital:

Use the infographic to show your students just how important it is for them to develop their human capital. "Why Develop Human Capital?" will help students clearly see the strong connection between their education level and their earning potential.



### Dream Today, Job Tomorrow: Building a Foundation for Career Success:

In this lesson students learn strategies that they can employ now to start preparing for their dream job or career. Students conduct an interview to collect anecdotal information about a real-life career progression experience. They will explore their current and potential human capital. Additionally, they learn about hard and soft skills important to job success and identify ways their current talents, interests, and extracurricular activities can form the building blocks of future careers.



### Employability Skills: A Toolkit for Success:

Use this infographic to explore the soft skills that can help students be successful and marketable in the job market.



### Personal Finance 101 Conversations—College Choice:

Whether choosing a community or technical college, a small private college, or a large urban university, there can be major life implications in picking a school and course of study. This video helps students develop a perspective and a framework for making these important decisions.



### It's Your Paycheck, Lesson 1: Invest in Yourself:

Students solve word puzzles with varying degrees of knowledge. They discover that more knowledge (human capital) leads to more productive outcomes. The students identify ways in which people invest in human capital and the link between investment in human capital and earning income.



### Soft Skills Video:

The video stresses the importance of academic preparedness and introduces soft skills and professionalism. By viewing examples using several workplace scenarios, students learn the about the importance of soft skills in the workplace, including communication, cooperation, work ethic, and many others. Students learn several key concepts about interviewing for, landing, and keeping a job.

## Content Statement 4

Income sources include job earnings and benefits, entrepreneurship, saving and investment earnings, government payments, grants, inheritances, etc. Workers can experience dramatic income dips and spikes from month to month.

### Expectations for Learning

- List and explain the different types of income, including earned and unearned.
- Explain the causes that affect income changes in specific jobs.



#### Dollars & Sense:

Dollars & Sense is a budgeting game for middle and high school students. Students select a lifestyle and budget for expenses and unexpected events.



#### Save and Spend Challenge:

We have a limited amount of money and lots of things to spend it on. The Save and Spend Challenge tasks participants with building a budget for a character and then analyzing that character's financial choices to discover how their saving, spending, and budgeting habits can affect financial outcomes.

## Content Statement 5

Taxes, retirement, insurance, employment benefits, and both voluntary and involuntary deductions impact take-home pay.

### Expectations for Learning

- List common deductions, such as insurance, taxes, and retirement.
- Understand the effect of deductions and withholdings on gross pay.
- Identify the difference between voluntary and involuntary deductions.



#### Individual Income Tax: The Basics and New Changes:

This two-part edition of the December 2018 issue of *Page One Economics: Focus on Finance* addresses basic facts about the federal individual income tax and changes in taxation laws in the 2017 Tax Cuts and Jobs Act.



#### It's Your Paycheck, Lesson 2: "W" Is for Wages, W4 and W2:

Students compute the gross pay for a fictional character named John Dough given his hourly wage and the number of hours worked. They compare gross pay to net pay. They learn what FICA and federal income taxes are. They learn the difference between voluntary and involuntary deductions. They learn how to complete a W-4 form and what a W-2 form is.



#### Taxes Infographic:

This infographic highlights that taxes are used to pay for the goods and services that different levels of government provide. It illustrates the types of local, state, and federal taxes and the expenditures made with those tax revenues. The three types of tax systems—progressive, regressive, and proportional—are discussed.



#### How Much Do I Pay in Taxes?:

This infographic features the types of taxes people pay on the things they buy, what they earn, and what they own. It shows the difference between gross and net income and illustrates the deductions, tax rate, tax liability, and tax credits that determine how much someone owes in taxes.

TOPIC 2:

# Planning and Money Management

# TOPIC 2: PLANNING AND MONEY MANAGEMENT

## Content Statement 6

Financial responsibility entails being accountable for managing money to satisfy one’s current and future economic choices.

### Expectations for Learning

- Devise a spending and savings plan (budget) for current short- and long-term goals, income, and expenses.
- Identify factors that could force an individual to change his or her budget.
- Prepare a monthly budget for a family or individual with consideration to income, savings goals, and taxes, as well as fixed and variable expenses.



#### Budgeting 101:

Budgeting is the most basic and most important tool in anyone’s financial toolbox. With this resource, students are given the hands-on opportunity to create budgets for fictional “Regan” during her sophomore year in nursing school, and as a recent graduate with an apartment and a new car. Using either Excel or Google docs, the students download our budgeting tool with space for their own budget, as well as the examples they created by establishing Regan’s budgets.



#### Money and Missed Opportunities:

Decisions, decisions. There are so many alternatives for when and how to spend money, and each decision has unseen costs, such as “opportunity costs.” Considering all these costs can complicate our spending decisions but can also make them better. Learn about the risks of ignoring unseen costs in this issue of *Page One Economics*®, “*Money and Missed Opportunities*.”



#### It’s Your Paycheck, Lesson 4: Your Budget Plan:

Students participate in “Beat the Financial Expert!”—a game that illustrates positive and negative spending behaviors. They analyze the “Beat the Financial Expert!” results, identify effective and ineffective budgeting behaviors and create a budget from a transaction history.



#### Also see:

[Great Minds Think](#) – under content statement 1

## Content Statement 7

Financial institutions offer a variety of products and services to address financial responsibility.

### Expectations for Learning

- Evaluate products and services from financial institutions that a student might use, such as checking and savings accounts, and discuss advantages and disadvantages of different products.
- Reconcile checking and savings account balances using both an account register and an electronic tool.



#### It’s Your Paycheck, Lesson 5: Savvy Savers:

Students calculate compound interest to identify benefits of saving in interest-bearing accounts. They learn the “rule of 72” and apply it to both investments and debt. They learn that there is a relationship between the level of risk for an investment and the potential reward or return on that investment.



#### Payment Parliament:

This lesson introduces students to different methods of payment for goods and services. The costs and benefits of each payment method are explored in a role playing round table discussion titled “Payment Parliament.” Students compare use of each payment option and learn how the Federal Reserve System processes all forms of payments for consumers.



#### It’s Your Paycheck, Lesson 3: Cash the Check and Track the Dough:

Students participate in an activity to learn about checking accounts, savings accounts and check cashing services. Students learn the components of a check, and they organize and enter information into an account register in order to determine the balance. Students learn why maintaining account records is important. Students balance a monthly account statement.



#### Personal Finance 101 Conversations—Banks and Alternatives:

Payday and auto title lenders, pawn shops, check-cashing services and prepaid cards provide alternatives to services offered by banks and credit unions. But what are the costs of using these alternative financial services? And how do they compare with using a bank or credit union?



## Content Statement 8

Financial experts provide guidance and advice on a wide variety of financial issues.

### Expectations for Learning

- Describe the role and responsibilities of a financial expert.
- Identify careers in financial services.



#### Finance Career Pathway:

This flow chart from the Ohio Department of Education outlines the finance career pathway, careers within financial services, and courses one could expect to take in pursuing those careers.



#### Focus on Finance:

Students are introduced to the importance of financial services through the “Banking for Safety” online video. They read information about services offered through financial institutions and identify their own service preferences. Students compare institutions listed and choose the one that best meets their needs.(use pages 43-51) [Corrected video link](#)

## Content Statement 9

Planning for and paying local, state, and federal taxes is a financial responsibility.

### Expectations for Learning

- Identify how tax money is used to benefit individuals and communities.
- Calculate the impact of taxes on an individual’s income and spending.



#### Filling out the W-4:

Required each time you start a job, the W-4 form and worksheet are used to determine the amount your employer should withhold from your check for federal income taxes. This brief video will show students the basics of taxes, dependents, and exemptions.



#### Lesson 4A: What Are Taxes For?:

Students participate in an activity that demonstrates why it is necessary for the government to provide some goods and services. They also participate in an activity to understand why the government redistributes some tax revenue as income to others.



#### Lesson 4B: Understanding Taxes:

Students discuss factors that make various taxes different: bases, rates, structures, methods of collection, and the level of government imposing the tax. They learn a simple tax formula and information about four common types of taxes (income, payroll, sales, and property). Students apply this knowledge to calculate for three households the total taxes paid and the net income based on their gross income and expenditures.



#### Also see:

[It's Your Paycheck](#), [Lesson 2: "W" Is for Wages, W4 and W2](#) – under content statement 5

TOPIC 3:

# Informed Consumer

# TOPIC 3: INFORMED CONSUMER

## Content Statement 10

An informed consumer makes decisions on purchases that may include a decision-making strategy to determine if purchases are within their budget.

### Expectations for Learning

- Explain the factors a consumer considers before making a purchase.
- Explain how advertising may impact a consumer's decision when making a purchase.



#### Fees, Fees, and More Fees:

It All Adds Up: Rent-to-own and “buy here, pay here” make it easy to get what you want. But what are the real costs that you will pay for this convenience compared with what you'd pay using more-traditional financing, such as loans or credit cards?



#### Using the PACED Model to Make a Decision:

This animation video describes the PACED decision-making process.



#### PACED Pretzels:

Students learn about the five-step PACED decision-making process. They watch a video that explains the PACED model and how Sarah uses the process to decide which pet to adopt. They complete a decision-making grid for a family trying to decide what to do for dinner tonight. In groups, the students participate in a taste test to determine the best mini pretzel based on criteria established during a classroom discussion. They learn about ways to complete a decision-making grid for criteria with different weights.



#### Advertising: Dollars and Decisions:

Consumers see or hear thousands of advertisements each day. This issue of *Page One Economics*®: *Focus on Finance* reviews advertising history and the strategies used in ads use to create demand and influence consumer tastes and preferences.



#### The Endowment Effect:

Shopping for and owning things are exciting and emotional experiences. We take time and energy thinking about what to buy and the role it will play in our lives. In this *Page One Economics*®: *Focus on Finance* article, we look at the endowment effect—how we place more value on items we own than on items we don't.



#### The Anchoring Effect:

Consumers often measure whether they got a good deal on a purchase by the difference between the original price and a sale price. The bigger the difference is, the better the deal feels. The original price a consumer is exposed to becomes a reference point, or an anchor. The April 2021 issue of *Page One Economics*® *Focus on Finance* explains the anchoring effect and the role it plays in the decision-making process when it comes to what consumers are willing to pay for a good or service.



#### Also see:

[The Art of Decision Making](#) – under content statement 2.

## Content Statement 11

Consumer advocates, organizations and regulations provide important information and help protect against potential consumer fraud.

### Expectations for Learning

- Identify ways consumers can identify fraud and protect themselves from becoming a victim of fraud.
- Explain actions consumers can take if they believe they have been victims of fraud.
- Describe consumer protections provided to citizens through government and consumer agencies.



#### Trick\$ of the Trade – Red Flags:

By listening to hundreds of undercover tapes of fraudsters pitching investment scams and other financial frauds, researchers were able to isolate the different persuasion tactics cons use. Learning to recognize these tactics can help consumers avoid being victims. This brief video from Trick\$ of the Trade: Outsmarting Investment Fraud series will introduce the red flags of persuasion used to perpetrate financial fraud.



### Five Tips to Protect Your Online and Financial Security:

Episode four of the Continuing Feducation Video Series, Online Financial Security offers five tips for protecting your online and financial security.



### Protecting Your Identity and Other Assets Game:

This game and its resources can help you understand how to protect your identity and other assets.



### What to Know About Identity Theft:

Learn what identity theft is, how to protect yourself against it, and how to know if someone has stolen your identity.

## Content Statement 12

Compare bank terms before opening an account.

### Expectations for Learning

- Compare the terms and conditions of the consumer-lending statements from two or more financial institutions to determine which one is better for a given consumer.



### Banking Basics:

There are many reasons to keep your money in a bank or credit union. This issue of *Page One Economics®: Focus on Finance* describes what banks, online banks, and credit unions are and outlines things to consider when choosing where to have an account as well as the type of account to open.



### Types of Savings Accounts:

Choosing a savings account is an important financial decision that can help people achieve their financial goals. Banks offer customers a variety of options when it comes to savings accounts. This lesson focuses on the following three types of savings accounts: traditional, money market, and certificate of deposit. Students will learn the characteristics of each type of account and participate in two activities and develop an informative brochure utilizing what they have learned.

## Content Statement 13

Consumer protection laws help safeguard individuals from fraud and potential loss.

### Expectations for Learning

- Explain how protection laws may shield individuals from fraud and potential loss.
- Review a bank statement and a credit card statement to become familiar with transaction postings.



### Ways to Help Protect Your Identity:

This video from the Federal Trade Commission highlights routine steps we can all take to protect our personal information and reduce our risk of identity theft.



### IdentityTheft.gov Helps You Report and Recover from Identity Theft:

Is someone using your personal information to open new accounts, make purchases, or get benefits? Learn how to report identity theft from this video from the Federal Trade Commission.



### Also see:

[It's Your Paycheck, Lesson 3: Cash the Check and Track the Dough](#) - under Content Statement 7

## Content Statement 14

Planned purchasing decisions factor in direct (price) and indirect costs (e.g. sales/use tax, excise tax, shipping, handling, and delivery charges, etc.).

### Expectations for Learning

- Identify the difference between direct and indirect costs.
- Compare the overall costs of goods and services from various distributors, such as retail and online.
- Compute sales tax on comparable items in different tax localities.



#### **Cars and Cash: What to Know Before You Go:**

Do your students have the information they need to know before buying a car? Aside from knowing what they want in a vehicle, they'll need to know about budgeting and credit before they start car shopping. Students will learn some car-buying basics in this *Page One Economics*<sup>®</sup>: *Focus on Finance* essay.



#### **Do You Want an Extended Warranty with That?:**

Before buying an extended warranty or a service contract for your home, a car, or an appliance, be sure to read the fine print and weigh the costs and benefits.

TOPIC 4:

# Investing

## Content Statement 15

Using key investing principles, one can achieve the goal of increasing net worth.

### Expectations for Learning

- Identify different types of liabilities and assets.
- Describe ways to increase net worth.
- Discuss factors that can impact the value of investments.



#### It's Your Paycheck, Lesson 5: Savvy Savers:

Students calculate compound interest to identify benefits of saving in interest-bearing accounts. They learn the “rule of 72” and apply it to both investments and debt. They learn that there is a relationship between the level of risk for an investment and the potential reward or return on that investment.



#### Get Into Stocks:

Students learn some investing basics in the, “Get Into Stocks” video from the Federal Reserve Bank of St. Louis’s series, No-Frills Money Skills. Through the story of a local ice cream cart owner trying to expand her business, students learn about the process by which companies become publicly owned and traded by issuing stock. Students learn key terms, such as capital gains and dividends, and discover how the prices of stocks are affected by how successful a company is.



#### Tools for Enhancing The Stock Market Game™: Invest it Forward™ Understanding Capital Markets:

The first video in the Tools for Enhancing the Stock Market Game™: Invest it Forward™ video series is Understanding Capital Markets. This video defines stocks and bonds and provides an explanation of what capital markets are and how they work.



#### Tools for Enhancing The Stock Market Game™: Invest it Forward™ Wealth Creation for All: The second video in the Tools for Enhancing the Stock Market Game™:

Invest it Forward™ video series is Wealth Creation for All. This video emphasizes the importance of developing the saving habit early. It explains the importance of establishing an emergency fund and explains that once people have established an emergency fund they might consider investing in the capital markets to meet their financial goals. The video defines stocks, bonds, interest, and compound interest, and provides an explanation of what capital markets are.



#### Building Bridges:

The third video in the Tools for Enhancing the Stock Market Game™: Invest it Forward™ video series is “Building Bridges.” This video explains how cities and towns participate in capital markets to finance infrastructure in their communities.



#### Life Goals:

This video in the Tools for Enhancing the Stock Market Game™: Invest it Forward™ video series shows how saving early, then investing, can help young people attain longer-term goals such as education, employment, entrepreneurship, buying a home, and retiring.



#### Capital Markets:

Capital markets connect businesses seeking funds with individuals seeking to earn income by investing in stocks and bonds. Capital markets include the stock market and the bond market. In this module, students will learn how capital markets help keep the economy moving and provide opportunities for businesses, entrepreneurs, and investors to achieve their goals.



#### Lesson 1A: The Wealth Game—Factors for Success:

Students play “The Wealth Game” (based on “Market Exchange and Wealth Distribution: A Classroom Simulation” by Robert B. Williams, Journal of Economic Education, Fall 1993). Students are given an initial set of colored beads with defined values that determine their wealth in one of three categories: poor, middle-class, or rich. Their task is to increase the value of their wealth by trading their beads with other students. Individual student outcomes of the game are discussed in terms of the four primary determinants of wealth: natural abilities, effort, motivation, and luck.

## Content Statement 16

Investment strategies must take several factors into consideration, such as compounding interest, costs, fees, tax implications and the time value of money.

### Expectations for Learning

- Demonstrate how compound interest affects an investment at 10, 20, 30 and 40 years.
- Compare the administrative costs (fees) and taxes of various investment products.



#### Getting Real About Interest Rates:

Do you know the difference between nominal and real interest rates? If you're not sure, then it's time to "get real" about interest rates. In this episode of The Economic Lowdown, you will learn how inflation influences the real return on your deposits, how it impacts borrowers and lenders differently, and why price stability—a responsibility of the Federal Reserve System—is important.



#### Growing Money:

In this episode of No-Frills Money Skills, economic education specialist Kris Bertelsen explains compound interest, or "Growing Money."



#### No-Frills Money Skills Video Series—Mutual Benefit:

In this episode of the No-Frills Money Skills Video Series, "Mutual Benefit," students learn what investment companies are and how mutual funds work. The video shows the difference between savings and investing and the importance of understanding risk versus reward.



#### Predicting the Future:

What is the future value of an asset or cash at a specified date in the future that is equal in value to a specified amount today? You can use a formula to determine that—the future value formula. In this module you will learn more than the formula. You will learn why knowing the future value is such an important concept to understand when planning your financial future.



#### A Story of Interest (and Supervision):

Explore the concepts of interest, savings, budgeting, and the Fed's supervisory responsibilities in promoting the safety and soundness of the financial system.

## Content Statement 17

Government agencies are charged with regulating providers of financial services to help protect investors.

### Expectations for Learning

- Describe the roles of government agencies and protections they offer to investors.



#### Fed Functions: Consumer Protections and Community Development:

Students will hear a brief description of how the Federal Reserve promotes Consumer Protections and Community Development, one of the central bank's five key functions.



#### Understanding Bonds:

"Understanding Bonds" is a video in the Federal Reserve Bank of St. Louis's series, "No-Frills Money Skills." The video host employs high-tech tools to foil Miss Information in her attempts to misguide investors. The video provides viewers with information about government bonds, corporate bonds, coupon and non-coupon bonds, and the potential risks and return of investments.



TOPIC 5:

# Credit and Debt

# TOPIC 5: CREDIT AND DEBT

## Content Statement 18

Credit is a contractual agreement in which a borrower receives something of value now and agrees to repay to lender at some later date.

### Expectations for Learning

- Describe the difference between a loan from a bank and one from a payday lender.
- Identify the terms that may exist within a loan.



#### Fast Cash and Payday Loans:

Payday loans are convenient and provide fast cash. The April 2019 edition of *Page One Economics®: Focus on Finance* takes a look at the structure and fees that make these loans costly.



#### Banks and Alternatives:

Payday and title lenders, pawn shops, check-cashing services and prepaid cards can be convenient financial services. How do they compare to the traditional providers of such services—banks and credit unions. What are the costs and benefits of using alternative financial services, as well as of going to a bank or credit union?

See also “[Banks and alternatives](#)” under content statement 7



#### It's Your Paycheck, Lesson 7: Creditors' Criteria and Borrowers' Rights and Responsibilities:

Students discuss key terms related to credit and learn how creditors use capacity, character, and collateral as criteria for making loans. Students learn about credit rights and responsibilities and identify the rights and responsibilities of using credit.



#### Give EII Credit:

Using some form of credit is a necessity for most adults. Unfortunately, some people misuse credit, and the consequences can be devastating. The earlier young people learn about credit, the more likely they are to use it responsibly as adults. In this short module, your students will learn what credit is, why people use credit, and how interest can affect the final cost of a good or service when bought on credit.



#### A Loan at Last:

This role play activity introduces students to the loan process involved in buying a car. They learn about credit history and credit reports, as well as the importance of being a credit worthy consumer.

## Content Statement 19

Debt is an obligation owed by one party to a second party.

### Expectations for Learning

- List types of debt.
- Discuss the impact debt may have on individuals and families.



#### What is the Best Strategy for Paying off Credit Card Debt?:

Most of us use credit cards, and many of us have credit card debt. Economists and personal finance gurus disagree on the best strategies for paying off that debt across multiple credit cards. Check out our February 2023 issue of *Page One Economics®: Focus on Finance* to see why.



#### Downsize Your Debt:

Students will learn about the problems associated with debt by viewing “The Dangerous Pet” PowerPoint. They will be introduced to budgeting as a way to track their income and spending. Students will participate in a group activity where they plan ways to earn income to pay off their debt. Two assessment options are included.

## Content Statement 20

Effectively balancing credit and debt helps one achieve some short- and long-term goals.

### Expectations for Learning

- Discuss situations that positively or negatively impact an individual's credit score.



#### **Continuing Feducation Video Series—Understanding How a FICO Credit Score is Determined:**

Episode one of the series, Understanding How a FICO Credit Score is Determined, provides a short overview of credit scores—how they are determined and why they are important.



#### **Credit Bureaus: The Record Keepers:**

Credit bureaus have evolved into big businesses. The December 2017 issue of *Page One Economics*®: *Focus on Finance* addresses the growth of credit bureaus and how the credit reports they maintain affect both lenders and borrowers.



#### **Credit History: The Evolution of Consumer Credit in America:**

This article, brought to you by the Federal Reserve Bank of Boston, documents how borrowing has evolved since the 1800s. Travel, technology and telecommunication enabled millions of people to move from rural areas to cities where they earned enough income to afford more than the bare necessities. Installment buying allowed consumers to bring home more products. Read how the view of who can use credit (and to what end) has changed.



#### **Professor Finance & Fed Boy Meet the Catastrophe Clan:**

This lesson, with the accompanying role play, introduces students to the costs and benefits of credit. It explains credit terms and the “Three C’s of Credit” that lenders use to qualify consumers for loans. Learning about the CARD Act will help students understand the financial details involved in using credit, as well as their rights as consumers. The assessment asks students to write tips for the wise use of credit, which should help them in developing better financial decision-making.

## Content Statement 21

Financial documents and contractual obligations inform the consumer and define the terms and conditions of establishing credit and incurring debt.

### Expectations for Learning

- Evaluate several credit cards offers and choose the best card based on criteria such as interest rate, late fees, rewards programs, and annual fees.
- Explain the consequences of paying the minimum payment when making a monthly credit card payment.



#### **The Amazing \$2,000 Pizza:**

This episode in the Continuing Feducation Video Series, The Amazing \$2,000 Pizza, emphasizes the importance of using credit cards responsibly.



#### **It's Your Paycheck, Lesson 6: Credit Reports:**

Students learn and discuss the advantages and disadvantages of using credit. They read a scenario about a young person's use of a credit card and answer questions regarding repayment. They learn about credit history, credit reports and credit-reporting agencies.

## Content Statement 22

Many options exist for paying for post-secondary education opportunities.

### Expectations for Learning

- Describe the differences between a grant, loan, and scholarship.
- Research the advantages and limitations of various career opportunities.



#### **Personal Finance 101 Conversations – Financial Aid 101:**

This short video will help students get their bearings in a seemingly endless sea of financial-aid options. Grants, scholarships, loans—you name it—we cover -- it in this informative clip.



#### **Get an Education, Even if It Means Borrowing:**

Postsecondary education is expensive, but it may be the best investment you will ever make. You can save, and you can apply for scholarships. But if you come up short, evaluate the benefits of student loans. Learn about the benefits and costs of loans in this issue.



#### **Career Clusters:**

In this lesson, students will complete a Venn diagram to learn about various occupations and identify skills and interests that align with their career preference. In addition, students will complete a worksheet that includes follow-up questions to assess their career path based on the Venn diagram.

TOPIC 6:

# Risk Management and Insurance

## Content Statement 23

Safeguards exist that help protect one’s identity, money, and property.

### Expectations for Learning

- List ways individuals can safeguard their personal information and protect against identity theft.
- Explain how warranties and insurance can safeguard identity, money and property.



#### **Bankruptcy: When All Else Fails:**

Many people find themselves in financial trouble, but it is good to know there are options available should you need serious financial help. The April 2018 bonus edition of *Page One Economics®: Focus on Finance* discusses earning income, budgeting, late payments, and collections. It introduces the basics of legal protection offered in the form of bankruptcy and describes some potential consequences of filing a bankruptcy case.



#### **Insurance: Managing Risk and Balancing Responsibility with Affordability:**

When tragedy strikes, how do people avoid bearing all of the costs of their loss? Learn more in this issue of *Page One Economics®: Focus on Finance*.



#### **Insurance: Protecting Yourself from Damage:**

“Insurance: Protecting Yourself from Damage” is a video in the Federal Reserve Bank of St. Louis’s series, “No-Frills Money Skills.” This episode begins with examples of activities with varying amounts of risk and introduces insurance, explaining how it is used to transfer or reduce risk. With a story about a homeowner, students learn several key insurance-related concepts and terms.



#### **No-Frills Money Skills Video Series—Understanding Car Insurance: Premiums and How Coverage Works, Segment one:**

“Understanding Car Insurance: Paving the Way” is a video in the Federal Reserve Bank of St. Louis’s series, “No-Frills Money Skills.” In Segment one, students learn that people pay premiums to insurance companies to buy protection from financial loss. Two radio talk show callers’ questions are used to discuss liability coverage, including its legal aspects, and how typical car insurance coverage works.



#### **No-Frills Money Skills Video Series—Understanding Car Insurance: Losses, Deductibles and Types of Coverage, Segment two:**

“Understanding Car Insurance: Paving the Way” is a video in the Federal Reserve Bank of St. Louis’s series, “No-Frills Money Skills.” In Segment two, students learn about who is responsible for losses, how a deductible is applied to a covered loss, and different types of coverage available on car insurance policies, including comprehensive, collision, and medical payments coverage.



#### **No-Frills Money Skills Video Series—Understanding Car Insurance: Applying for Coverage, Segment three:**

“Understanding Car Insurance: Paving the Way” is a video in the Federal Reserve Bank of St. Louis’s series, “No-Frills Money Skills.” In the final segment, students learn about the insurance application and underwriting process. The segment includes a description of some of the personal and vehicle information that insurance companies use to establish rates and determine eligibility.



#### **Renters and Homeowners Insurance:**

**Renters and Homeowners Insurance: When the Unexpected Happens.** Do your students know what to do if disaster strikes and they lose their personal belongings? If they have insurance, they’ll have financial help. Students learn about types of coverage and insurance basics in this *Page One Economics®: Focus on Finance*.