

# Credit and Saving

## Summary

Students will identify and compare types of credit and their costs, define credit ratings, calculate the cost of credit, and identify ways to save and the reasons for saving.

## Materials

- [Vocabulary Credit and Saving Teacher Key and Student Worksheet](#)
- [Vocabulary definitions](#)
- [Credit vocabulary list](#)
- [Credit/Saving vocabulary student worksheet](#)
- [Credit Basics teacher reference material](#)
- [Credit PowerPoint presentation](#)
- [Credit PowerPoint note-taker](#)
- [Calculate the Cost of Credit worksheet](#)
- [Credit Application Evaluation](#)
- [Credit Match Review](#)
- [Credit Match Review key](#)
- [Value of Savings lecture notes](#)
- [Value of Savings worksheet and key](#)
- [Value of Savings transparencies](#)
- [Who Protects Savers? transparencies](#)
- [Age Groups activity materials](#)
- [FCCLA Financial Fitness information sheet](#)

## Instructional Procedures

### Vocabulary

Use the [Vocabulary Credit and Saving Teacher Key and Student Worksheet](#) (pdf).

### Primary Vocabulary

Interest  
Collateral  
Cosigner  
Default  
Bankruptcy  
Garnishment  
Credit  
Annual Percentage Rate (APR)  
Credit Rating (FICO)

### FCCLA Activity Option

Refer to the [website on financial fitness](#).

Banking Basics - Conquer bank accounts, credit, and investments  
Cash Control - Track and plan personal spending  
Making Money - Sharpen on-the-job financial fitness  
Consumer Clout - Become a savvy spender  
Financing Your Future - Apply financial skills to real life

### Introduction/Pre-assessment

Show the video Nouveau Riche. When the video is over, have the students write down their overall feelings and opinions regarding what they just viewed. (Contact KSL or the USOE, Financial Literacy State Specialist for information on how to obtain this video.)

#### Content Outline, Activities and Teaching Strategies

(All options do not necessarily need to be taught. Select ones to cover standards and objectives and according to your district policies.)

##### Option 1: Vocabulary activity

Tape the [vocabulary definitions and terms](#) (pdf) under the chairs in the classroom. Hand out the [Student Vocabulary Sheet](#) (pdf) to fill in during this activity. Have the students find each other that have the matching word and definition. As the students read their word and definition out loud, the rest of the class should be writing down the definition. Have the definitions displayed one at a time on a [transparency](#) (pdf) or inserted in to a power point so that lower readers can see the definitions. As each definition is read, give more specific examples for deeper understanding.

##### Option 2: PowerPoint and Lecture/Discussion

Use the [Credit Basics Teacher Reference Material](#) (pdf) and [Credit PowerPoint](#) (pdf) to discuss credit. Have students fill in [Credit PowerPoint Note-Taker](#) (pdf) during the presentation.

##### Option 3: Cost of Credit

Access to computers is needed for this assignment. Students will complete the [Calculate the Cost of Credit Worksheet](#) (pdf) to calculate credit over the life of the loan for three different types of purchases.

##### Option 4: Evaluating Credit Cards

Evaluate three different [Credit Card Applications](#) (pdf) comparing finance charges, interest, late fees, closing costs, annual fees, etc.

##### Option 5: Credit Match Review

Match the definition with the word in the [Credit Match Review](#) (pdf). Place the correct letter in the space provided. A [Credit Match Review key](#) (pdf) is for teacher use.

##### Option 6: Value of Savings

Using the [Value of Savings Lecture Notes](#) (pdf), [Value of Savings Transparencies](#) (pdf), and [Who Protect Savers Transparencies](#) (pdf) present the information on the value of savings. Have students fill out the [Value of Savings Worksheet](#) (pdf).

##### Option 7: Age Group Activity for Savings

Use the [Age Groups activity document](#) (pdf).

Put Age Group Titles signs around the room on white paper, laminate them on poster board, or write them on butcher paper

Divide students into small groups and have each group brainstorm activities and events that would require savings for their assigned age group.

Discuss the results of each age group and emphasize that savings needs to be a part of our financial plan no matter what age we are.

##### Option 8: Savings and Checking

Go to the website <http://www.handsonbanking.org/en/>.

(You can print off a guide or you can use the information in order to have a hard copy of one.)

#### Unit Three: Savings and Checking

##### Section One: Savings

P. 41 -- Earning Interest -- Simple and Compound

P. 45 -- Savings Deposit Worksheet

P. 48 -- Saving Withdrawal Worksheet

P. 51 -- Saving Register Worksheet

P. 54 -- Saving for Long Term Goals Worksheet

##### Option 9: Guest Speaker

Contact a local banker to come speak to the class about banking and credit information.

#### Summary/Evaluation

Consumer credit permits the use of future income to satisfy present needs and wants. Credit is a service for which consumers pay. Wisely used credit can help consumers raise their standard of living.

Credit can be a way to enjoy things in life but self-discipline must be instilled at a young age when dealing with money. Recognizing needs vs. wants and understanding how interest works will help to use credit wisely. Saving is a necessary part of life and can reap great rewards as interest works for you instead of against you.

#### Authors

[CTE LESSON PLANS](#)