

# Excessive Debt

## Summary

Students will learn about debt and the actions consumers can take in response to excessive debt and collection practices.

## Main Core Tie

Adult Roles and Financial Literacy

[Strand 3 Standard 2](#)

## Materials

- [Debt transparencies](#)
- [Vocabulary worksheet and key](#)

## Instructional Procedures

### Vocabulary

#### Primary Vocabulary

Debt

Assets

### Introduction/Pre-Assessment

Having a lot of debt can take a tremendous toll on you. It certainly makes it harder to achieve your financial goals because you're spending more and more of your income on debt payments. After a while, it can seem like there's just no hope of ever having enough money to keep up with your bills. And of course, struggles to pay your bills will probably show up negatively on your credit report, affecting your future ability to borrow money.

### 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: Discussion on Debt

Lesson plan on the practical money skills website.

Step #1: Go to [www.practicalmoneyskills.com](http://www.practicalmoneyskills.com)

Step #2: Click on At School, then click on Lesson Plans

Step #3: Click on *Lesson Thirteen: In Trouble*

Use the [Transparencies](#) (pdf) to go along with the class discussion.

#### Option 2: Guest Speaker

The Utah Bankers Association will send a guest speaker to your classroom. The Banker will teach on Credit. To schedule a banker click on [their website](#). Under the teacher heading you will see "click here for a request form".

### Summary/Evaluation

If you ever feel like you need to reduce your amount of debt, there is a way out.

Put away the plastic, and stop adding to your debt. Start living entirely on a cash basis again.

Make a personal commitment to repay all your debts. After all, they are your debts.

Find out exactly how bad it is-how much do you really owe?

Create a repayment plan that you can stick with.

There are two popular methods people use to tackle debt. One is to take any additional money you may have available and use it to pay off the debt with the smallest balance first. After you repay that balance, apply the same payment to the card or loan with the next smallest balance and continue the process until all debts are paid off. This method can be very rewarding because you see progress

quickly. The other popular method is to concentrate first on repaying the debt with the highest interest rate. This method will save you more in interest charges over time, but progress will be harder to see. Either method works as long as you're patient and persistent.

Authors

[CTE LESSON PLANS](#)