

FINANCIAL LITERACY LESSON PLAN

5E Instructional model, <http://sd54.org/science/5es/>

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GRADE: 12

SUBJECT: Civics for the Next Generation

UNIT/LESSON TOPIC: Household Budgeting Know-How for the 21st Century Learner

Brief Description: In order for students to gain access to credit, successfully apply for car loans and mortgages, and to afford household expenses, they must begin by understanding the requirements for running a household. This lesson is Part One of a two-part lesson series which first explores familial budgeting and then delves into Part Two, which focuses on the importance of applying for and properly utilizing credit.

Content Standards:

SS.12.E.9 simulate managing the income and expenses of a household:

- determine what makes up the cost of living and how it varies in different locations.
- savings for emergency situations and long-term goals.
- utilizing traditional and online banking services as well as examining fees, services, and hidden costs of checking, savings, debit cards, Certificates of Deposit, etc.
- construct, analyze and monitor personal budgets,
- examine the causes of bankruptcy and how to avoid them.
- complete Federal and State income tax forms and examine other state and local taxes.

SS.12.E.10 examine the advantages and disadvantages of different types of consumer debt to make sound financial decisions (e.g., home loans, credit card debt, automobile loans, pay-day loans and rent-to-own).

Financial Literacy Content Objective:

Earning Income, Buying Goods and Services, Saving, Using Credit, Financial investing

1. Engage:

A necessary step for all households is establishing and maintaining a household budget. A budget insures that a family is living within its means, meets its monthly obligations, and saves money towards the future. The reality of budgeting includes paying monthly student loans, saving enough money in order to make the necessary 20% down payment now required by banks in order to secure a home mortgage, paying for monthly home, auto and health insurance, and affording big ticket purchases such as a new set of tires or a set of braces.

Households must also prepare for unexpected—illness, loss of employment, or a major home repair. When students begin budgeting from the earliest days of adulthood, they are more likely to continue along the same, strong financial path. Students who learn how to budget will continue to use their credit cards for convenience spending and will have enough money saved to tackle any difficulty that may arise.

In order for students to gain access to credit, successfully apply for car loans and mortgages, and to afford household expenses, they must begin by understanding the requirements for running a household. The teacher will begin this lesson by sharing this engaging and statistic-filled You Tube video which runs for less than four minutes' total.

<https://www.youtube.com/watch?v=iLbkzB9ptX8>

After viewing the video with the students, the teacher will ask three questions in order to generate a classroom conversation.

1. What was one statistic offered by the video?
2. What is one way that Americans can avoid financial disaster?
3. How did this video make you feel about your financial future? How steps might you take today in order to avoid future pitfalls?

2. Explore:

During the Exploration section, the teacher will now ask the students to use active reading strategies, such as highlighting and circle key financial terms to explore the financial importance of budgeting by reading the articles below:

<https://www.daveramsey.com/blog/the-truth-about-budgeting/>

<https://www.everydollar.com/blog/budget-percentages>

<http://budgeting.thenest.com/percentage-income-should-rent-31823.html>

The teacher will ask the students to consider the articles' suggestions and which they believe would work for their own household. The students will also locate five (5) suggestions which will help the students when making personal budget decisions.

Students may take notes on the three documents, listing their five suggestions. Students will use these notes for a classroom discussion on the three articles. The teacher should ensure all students have enough time in order to read and annotate.

3. Explain:

Students will explore one of the four budgeting scenarios in the worksheet below:

<http://www.newpaltz.k12.ny.us/cms/lib/NY01000611/Centricity/Domain/166/Budgeting%20scenarios.pdf>

The teacher will mix up the worksheets amongst the class. They will pass one worksheet to each student. Students will locate a single classmate with the same worksheet and the partners will answer the questions together. After answering the questions, the partners will find another

partnership with the same worksheet. The teacher will give the groups time so they may check their answers. After checking for understanding, the groups will then share out their findings with the rest of the class.

Another version of this assignment would include students following the Jigsaw teaching method in order to answer each worksheet in order to consider multiple perspectives.

Here are the steps for a proper classroom Jigsaw: <https://www.jigsaw.org/#steps>

4. Elaborate/Extension:

To elaborate on what students have already learned within class, they will put their budgeting into practical use by employing the facilitator guide below.

https://secure.cfwv.com/images/wv/PDFs/RTS/Facilitators_Guides/Grade_7-12/G9_7-12_Money_Matters1.pdf

The teacher will need to print the materials ahead of time and spend at least 20-30 minutes the day before preparing for the lesson.

As an exit slip, students will need to use Twitter and a teacher generated hashtag such as #missbbudgeting in order to tweet about their simulation experience.

Students should tweet about whether they believe they could make it living on their salary and housing choice?

As an unplugged alternative, students can answer their exit slip question on a post-it note and students can post their results in a designated portion of the room such as a portion of wipe off board or the back of a door.

5. Evaluate:

Students will work with a trusted adult—parent, grandparent, neighbor, coach, counselor, or clergyman to recreate a family budget based on the adult's current finances. Students will use the budget below as a template.

https://www.consumer.gov/sites/www.consumer.gov/files/pdf-1020-make-budget-worksheet_for_m.pdf

The teacher will require students to write a first person account of their budgeting experience with their trusted adult. The student should consider the concerns, successes and questions that sitting down with someone in their actual life may generate and discuss these ideas with the trusted adult.

The actual budget should remain in the hands of the trusted adult. The student should instead use this as an opportunity to evaluate what they have learned in the lesson and how they will engage in the budget-making process as an adult.

For the first hand account, students should need to meet the minimum standards: Students will write five paragraph essay either handwritten (three pages) or a two page, double spaced, Times New Roman font-typed narrative. Students should follow the grammar standards previously set by the teacher.

The teacher can use a personal narrative rubric such as this one as an evaluation tool:
<https://www.tracy.k12.ca.us/sites/drhodes/Documents/Personal%20Narrative%20Rubric.pdf>