



Lesson 4: Credit and Borrowing

45 minutes

Facilitator background

The purpose of this document is to provide a script to guide classroom discussion and activity. While you will find suggested language, prompts, and timing throughout, these are all just recommendations that you can refer back to as needed. For more ideas, see *Appendix C: General Tips and Tricks for Leading a Classroom*.

As a facilitator, your goal is to have fun and encourage students to reflect on a topic they might have little familiarity with. There is no wrong way to do this! Students will learn something new and have fun doing it.

Objectives

After finishing this lesson, students will be able to:

- Determine when it would be best to spend cash or credit on a purchase
- List the positives and negatives of using cash and credit
- Define credit
- Distinguish between responsible and irresponsible borrowing practices

Key Questions

- When should you use cash to buy something?
- When should you use credit to buy something?
- What is a credit card? How does it work?
- What are the characteristics of a responsible borrower?

How to read this document:

The table below contains three columns:

- **SECTION** - This defines where you are in the lesson
- **DESCRIPTION** - These are the actual notes about what you will be doing or saying:
 - *Text that is italicized* and (in parenthesis) is meant to be additional instructions for you
 - "Text that is in quotes is meant to be examples of what you might say or ask"
- **DURATION** - This is the recommended timing for each section

Materials

- *PMI* worksheets (1 per pair of students)
- PMI key (for you)
- Chart paper and markers
- *Framer model* worksheets (1 per group of 4)
- Framer model key (for you)

Vocabulary Terms

- **Credit** - a loan that a person uses to pay for things, but is expected to pay back
- **Interest**- the extra fee charged for borrowing money, or the cost of borrowing money
- **Reliability**- being trustworthy; being responsible

Ahead of your visit (See Appendix A: School Visit Checklist):

- Make sure you have all the materials you need (including whether you need to have them cut out or copied)
- Read through this lesson plan. There are several opportunities for you to share about yourself that you might want to have prepared ahead of time.

SECTION	DESCRIPTION	DURATION
Opening	<p><i>It might be helpful to ask the teacher to have students start this lesson in their classroom gathering space, often on the rug somewhere.</i></p> <p>Introduce yourself, sharing information such as:</p> <ul style="list-style-type: none">• Title and day-to-day responsibilities. <i>(Remember these are elementary aged students, so try to simplify your explanations.)</i>	5 minutes
Activate Prior Knowledge Cash vs. Credit	<p>Credit vs. Cash:</p> <ul style="list-style-type: none">• “Today we will start off by talking about two different ways that you can pay for things - cash and credit.”<ul style="list-style-type: none">• “Raise your hand if you have ever paid for something using cash.”• “Cash is bills or coins that you can use to pay for something”• “Raise your hand if you have ever seen someone pay for something using a credit card”• “Credit cards are a type of payment where the person who uses the card is borrowing money from the credit card company. It’s not free money. It’s just a loan from the credit card company that they have to pay back at the end of every month. If you don’t pay it all back at the end of the month, you have to pay something called interest. Interest is like a fine or a penalty for not paying for your credit card bill. The hard part is, the more you don’t pay, the more interest you get charged by the credit card company. They don’t like it when you borrow money from them and don’t pay it back!”	5 minutes

SECTION	DESCRIPTION	DURATION
	<ul style="list-style-type: none"> • “There are different times that you would use cash and different times that you would use credit. Can you think of a time when it would make more sense to use cash?” Wait for students to raise their hands to offer ideas. <ul style="list-style-type: none"> • Answers will vary but might include for small purchases, when you don’t want to pay interest, if you want to carefully track your spending, etc. • Optional: Tell about a time when you decided to use cash instead of credit and what helped you make that decision. • “Can you think of times when it would make more sense to use credit instead of cash?” Wait for students to raise their hands to offer ideas. <ul style="list-style-type: none"> • Answers will vary but might include for larger purchases, to earn rewards/cash back, to purchase things online or through an app • Optional: Tell about a time when you decided to use credit instead of cash and what helped you make that decision. 	
<p>Activity PMI</p>	<ul style="list-style-type: none"> • Have students return to their desks/workspaces for this activity . • Pair students into partners, with the teacher’s help. • Let students know that there are pros and cons to using cash and credit. • Distribute the “PMI” worksheets <ul style="list-style-type: none"> • Students will work with their partners to brainstorm ideas fill out the PMI worksheets. • They should put pros/pluses in the P column, cons/ minuses in the M column, and interesting things to note in the I column. • Go over the worksheet and its components with the students. Ask them what questions they have. Don’t spend too much time on whole-class questions because you should walk around while they’re working. • Allow students time to work with their partner to complete these. (about 4-5 minutes) • Walk around and answer questions. • Debrief (3-4 minutes) <ul style="list-style-type: none"> • Let students know that there are many correct answers. Use the key to help you if students seem stuck. Ask for student volunteers to raise their hands and share their answers for each of the columns for both cash and credit. Don’t let them go on too long or start telling stories! • Collect worksheets and/or have students put them away so that they aren’t distracted for the next activity 	<p>7 minutes</p>

SECTION	DESCRIPTION	DURATION
<p>New Learning <i>Responsible Borrowing</i></p>	<ul style="list-style-type: none"> • “Credit card owners have to be responsible borrowers. This means that they only spend money that they are able to pay back to the credit card company. Even if you don’t have a credit card, though, you can still be a responsible borrower when you are borrowing things from friends or family members.” <ul style="list-style-type: none"> • Ask students what would make them want to lend something to a friend and what would make them not want to lend something to a friend... in essence, what would make someone a responsible or irresponsible borrower. Be careful here - they will want to share lengthy stories, which is fine, but you’ll have to cut them off politely! • <i>Optional: Share about a time that you lent something to a friend who was irresponsible and what happened as a result.</i> 	<p>3 minutes</p>
<p>Activity <i>Frayer Model</i></p>	<ul style="list-style-type: none"> • Keep students at their desks/workspaces for this activity . • Put students into groups of 4, with the teacher’s help. Since they were just in pairs, you could easily join 2 pairs together. • Distribute the “<i>Frayer Model</i>” worksheets <ul style="list-style-type: none"> • Students will work with their groups to brainstorm ideas and fill in the sections of the Frayer model. See the key for ideas and hints for students who are stuck. • Go over the worksheet and its components with the students. Ask them what questions they have. Don’t spend too much time on whole-class questions because you should walk around while they’re working. • Allow students time to work with their groups to complete these. (2-3 minutes) • Walk around and answer questions. • Debrief (3-4 minutes) <ul style="list-style-type: none"> • Bring students back to the class gathering space with their completed Frayer Models. • Create a blank class Frayer Model on the chart paper to record student ideas. • Ask for student volunteers to raise their hands and share their answers for each of the sections. • Record their ideas on the chart paper. • Let students know that there are many correct answers. 	<p>7 minutes</p>

SECTION	DESCRIPTION	DURATION
Activity Skits	<ul style="list-style-type: none"> • “Now that we’ve learned about being responsible borrowers as well as when to use cash and credit, we’re going to put our new knowledge into practice by doing some skits.” • With the teacher’s help, divide students into 4 groups • Give each group a scenario card. Scenario cards have a main theme and several ideas underneath. Students can choose from one of the ideas or come up with their own, as long as it fits with the main theme. • Let students know that they will have about 10 minutes to create their skit, with 5 minutes at the end to perform them for the class. • While they rehearse, walk around the room and give hints/help/encouragement when needed. • After 10 minutes, gather students back in the class gathering space to perform their skits. <ul style="list-style-type: none"> • Have the group share their main theme before they begin. • After each skit, have a brief class discussion about how their skit showed that main theme. <ul style="list-style-type: none"> • <i>Example: “Their theme was responsible borrowing friend, and they showed someone who said please and thank you. How is that a responsible borrower?”</i> 	15 minutes <i>(if time allows)</i>
Closing and Reflection	<p>To wrap up the whole lesson, ask the students to share with a partner:</p> <ul style="list-style-type: none"> • 3 things I learned are... • 2 questions I still have are... • 1 thing that stuck with me is... <p>Ask for a couple of volunteers to share aloud with the whole class.</p>	2-3 minutes

Scenario Cards

Scenario Card 1

Irresponsible Borrowing Friend

Ideas:

- Friend borrows money but never pays it back
- Friend borrows something but returns it broken/damaged
- Friend borrows something without asking and loses it

Scenario Card 2

Responsible Borrowing Friend

Ideas:

- Friend asks before they borrow something and returns it on time
- Friend borrows something and returns it in good shape
- Friend borrows money and returns it with interest!

Scenario Card 3

Irresponsible Credit Card User

Ideas:

- Someone who buys something extremely expensive with their credit card but can't pay it back
- Someone who doesn't keep track of what they're buying on their credit card
- Someone who gets a credit card just because it looks cool and doesn't know how to use it properly

Scenario Card 4

Responsible Credit Card User

Ideas:

- Someone who pays their credit card bill on time
- Someone who carefully thinks about whether to use cash or credit to buy something
- Someone who decides not to buy something because even though they could on their credit card, they know they couldn't pay it back

Name _____

Date _____

Plus Minus Interesting: Cash vs. Credit

Directions: Fill out each section of this PMI thinking about the pluses, minuses, and interesting things about using cash or credit to pay for things.

Cash

Plus	Minus	Interesting

Credit

Plus	Minus	Interesting

ANSWER KEY**Plus Minus Interesting: Cash vs. Credit**

Directions: Fill out each section of this PMI thinking about the pluses, minuses, and interesting things about using cash or credit to pay for things.

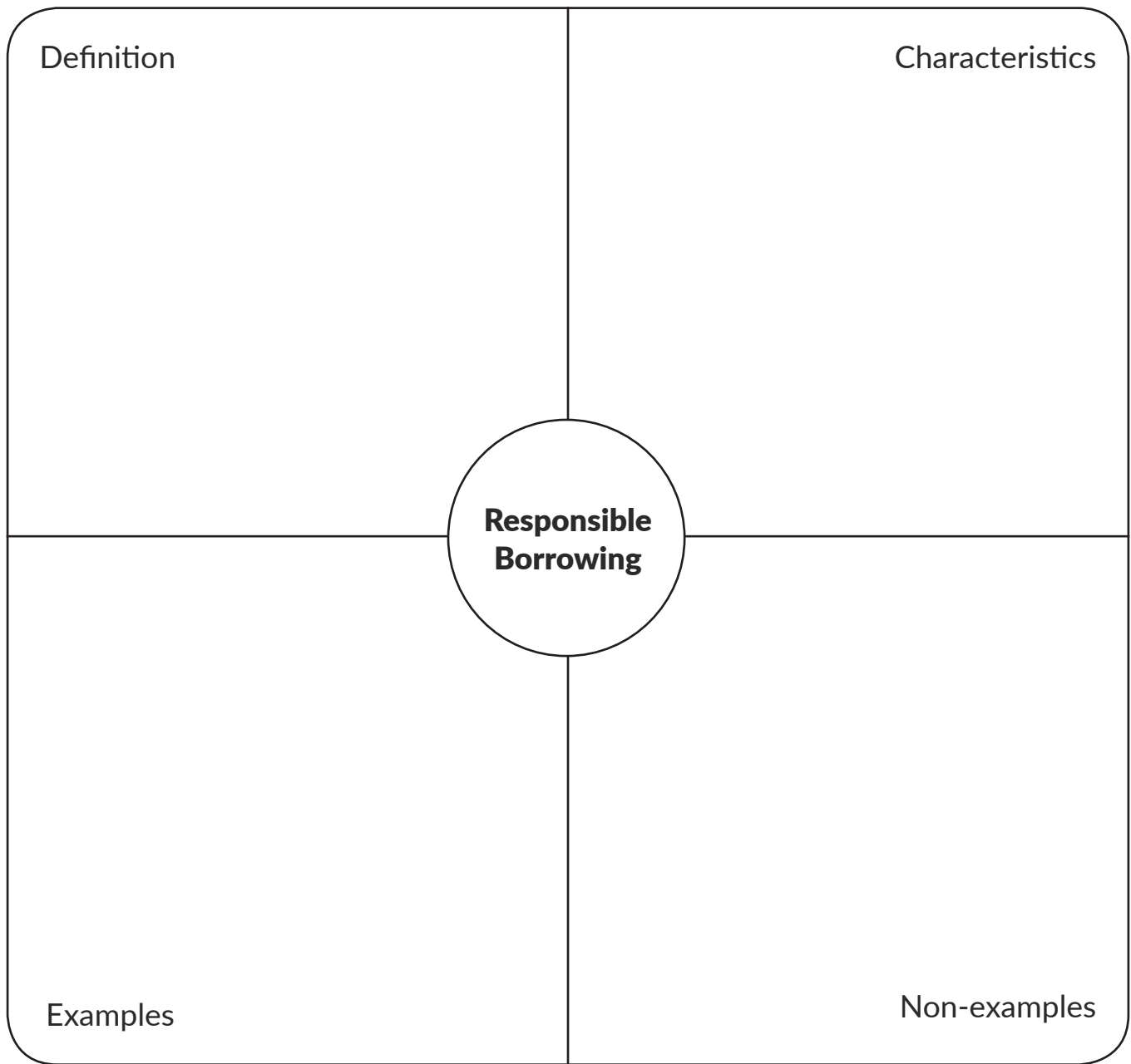
Cash

Plus	Minus	Interesting
<ul style="list-style-type: none"> • <i>If you only have \$20, you only spend \$20</i> • <i>Item is paid for right away</i> • <i>You don't owe any more money</i> • <i>You don't owe interest</i> 	<ul style="list-style-type: none"> • <i>Unsafe to carry around a lot</i> • <i>Can't use it online or in an app</i> • <i>Clunky to carry</i> • <i>Not great for large purchases</i> • <i>No tracking unless you write it down yourself</i> 	<ul style="list-style-type: none"> • <i>Can't track what you're buying - you're being sneaky!</i> • <i>Some cash looks cool and has historical figures on it</i>

Credit

Plus	Minus	Interesting
<ul style="list-style-type: none"> • <i>Safer than carrying a lot of cash</i> • <i>You can make payments over time</i> • <i>Buy necessary big ticket items</i> • <i>Can earn rewards/cash back</i> 	<ul style="list-style-type: none"> • <i>Easy to overspend and get into debt</i> • <i>Can be stolen by someone and used</i> • <i>Some places don't accept credit cards</i> • <i>You get in big trouble if you don't pay it back and have to pay interest</i> 	<ul style="list-style-type: none"> • <i>Can earn cool rewards like cash back, travel</i> • <i>Can customize credit cards with your own design or photo</i>

Frayer Model: Responsible Borrowing



Frayer Model: Responsible Borrowing

