

DESE Model Curriculum

GRADE LEVEL/UNIT TITLE: 11-12/Credit

Course Code: 034303

CIP Code: 52.0803

COURSE INTRODUCTION:

This is an introductory course for Banking and Financial Support Services which also operates a student bank as the implementation practicum. This course also introduces the student to personal finance, including opening and maintaining a checking account, and credit card pitfalls and proper use, a very important skill for all young adults. It is designed to familiarize the student with all aspects of a typical bank including savings, loans, operations, and audit functions. It also covers the history of banking, the organizational structure, and the operations and marketing of a student bank.

COURSE RATIONALE

Financial literacy is essential in meeting the financial challenges of the 21st Century. The course provides valuable experience in running an actual bank while learning to analyze personal financial decisions, evaluate the costs and benefits of their decisions, recognize the rights and responsibilities as consumers, and apply the knowledge learned in school to financial situations encountered later in life.

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UNIT 8, DESCRIPTION: The development of a credit profile and the use and importance of credit reports. The 5 Cs of Credit.		SUGGESTED UNIT TIMELINE: 3 weeks				
		CLASS PERIOD (min.): 50 min.				
ESSENTIAL QUESTIONS:						
<ol style="list-style-type: none"> 1. What is the cost of damaging your credit through careless borrowing practices? 2. How can you build a credit history in order to borrow successfully at lowest interest cost, and how do you rebuild a damaged credit history? 3. How do you challenge erroneous entries to a credit report? 4. Why is there a relationship between a credit rating and the cost of obtaining credit? 						
ESSENTIAL MEASURABLE LEARNING OBJECTIVES	CCSS LEARNING GOALS (Anchor Standards/Clusters)	CROSSWALK TO STANDARDS				
		GLEs/CLEs	PS	CCSS	OTHER NBEA	DOK
1. Introduce the importance of credit lending through banking.					PF.VII.1 PF.VII.2 PF.VII.3-4	4
2. Explain the risks and responsibilities associated with using credit.					PF.VII.1 PF.VII.2 PF.VII.3-4	4
3. Identify the opportunity costs of credit decisions.					PF.VII.1 PF.VII.2 PF.VII.3-4	3
4. Identify methods of establishing and maintaining a good credit rating.					PF.VII.1 PF.VII.2 PF.VII.3-4	3
5. Evaluate the various ways of using credit and the costs of usage.					PF.VII.1 PF.VII.2 PF.VII.3-4	4
ASSESSMENT DESCRIPTIONS*: (Write a brief overview here. Identify Formative/Summative. Actual assessments will be accessed by a link to PDF file or Word doc.)						

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<p>*Attach Unit Summative Assessment, including Scoring Guides/Scoring Keys/Alignment Codes and DOK Levels for all items. Label each assessment according to the unit descriptions above (i.e., Grade Level/Course Title/Course Code, Unit #.)</p>	
Obj. #	INSTRUCTIONAL STRATEGIES (research-based): (Teacher Methods)
1,2,3	<p>1. Describe the various aspects of credit cards (i.e. grace period, APR, promotional rates, changing of payment due dates, methods of calculating interest, and fees). Show students the physical properties of a credit card/debit card (raised numbers, the sequencing of numbers for VISA versus MasterCard, the CVC on the back, the best method of signature block entry - suggest simply state “request ID”, the magnetic swipe strip)</p>
2,3,4,5	<p>2. Obtain a real Tri-Report, block out the name and address of the individual to use as an instructional aid. If none is readily available, ask a local bank for a copy of one they use for credit recovery classes. Review every line of entry and the meaning of each notation. (See attached Word file on explanation of a credit report.) Review line by line a Tri-report with individual identity information blanked.</p>
2,3,4,5	<p>3. Using 5 Cs of credit principles, explain the importance of each.</p>
4,5	<p>4. Use Consumer Credit Counseling Services for a guest speaker and to obtain printed reports. Local banks should have their contact information for nearest office.</p>
1,4,5	<p>5. Describe the legal and illegal forms of high cost credit (owner financing, title transfer, payday loans, rent-to-own agreements, pawn).</p>
Obj. #	INSTRUCTIONAL ACTIVITIES: (What Students Do)
1,2,3,4,5	<p>1. Students will research and write a strategy about how to develop a good credit rating. Discussion will include the costs of mistakes in borrowing when young which affect their borrowing ability and higher costs for years.</p>
4	<p>2. Encourage students to take the credit report home and cover the report in detail with their parents. Assign as homework for credit.</p>
3,4,5	<p>3. Instruct students to find the house they would like to buy by the time they are 26, and cost of the auto(s) they anticipate purchasing upon leaving college, and any other big ticket discretionary item. Using bankrate.com as a resource, calculate the monthly cost of house payment, car payment, college loan payment (assume national average debt for 4 years of college repayable over 10</p>

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years is \$27,253 as of 2012). Students will add the monthly payments to determine debt load and required earnings to support this debt. Fixed and discretionary debt load should not exceed 45% of gross monthly income. Students will write their findings and problem solve for whether the resources match the consumption.

UNIT RESOURCES: (include internet addresses for linking)

Attached support files: Credit Report Explanation, 12 myths about bankruptcy, Credit Cards from Hell, Average Credit Statistics, Credit Card Applications, Credit Score Breakdown, Homeowners Who Walk-Credit Issue, Improving Your Credit Score, Lifetime Cost of Bad Credit, The 5 Cs of Credit, 10 Things That Can Kill A Home Loan, 5 Mistakes of Home Buying, Banking Opportunity Cost Quiz – key

Suggestion: Contact Consumer Credit Counseling Services for a representative to visit about credit advice and stories of credit gone badly

Textbook suggestion: Banking & Financial Systems, 2013 by The Goodheart-Willcox Company, Inc.: print 139781605257785

Textbook suggestion: Personal Finance, 2012 by Kapoor, Dlabay, Hughes - McGraw-Hill: print 139780073530697

Textbook suggestion: Banking Systems, 2nd edition 2010, Cengage Learning: eText 139781439028483, print 139780538449281

Resources @ MCCE:

BE 13.1397 M112 - Mathematics & Economics: Connections for Life, Grades 9-12

Rich MacDonald, Lisa Breidenbach, Evelyn L. Doetschman

NEW YORK, NY, NATIONAL COUNCIL ON ECONOMIC EDUCATION, 2003.

BOOK — This publication shows how mathematics concepts and knowledge can be used to develop economic and personal financial understandings. Lessons include: The Nature of Demand; The Nature of Supply; Profit Mathematics; Cash or Annuity?; Tax Math; The Mathematics of Savings; The Mathematics of Credit Card Interest and Fixed Payments.

BE DVD ROM 30.1 - Financing Your Future

National Council on Economic Education

NEW YORK, NY, NATIONAL COUNCIL ON ECONOMIC EDUCATION, 2007.

DVD ROM — This personal finance program is for high school teachers and their students. Contains five videos that cover topics such as investing in one's own human capital, developing a banking relationship, understanding credit and debt, and creating a budget. Each segment is complemented with three standards-based classroom lesson plans that teachers, parents and mentors can use to reinforce the concepts demonstrated in the program. The DVD has both video clips and teaching resources. Place the DVD in your DVD player to view the video clips. Place the DVD in your computer to view the teaching resources.

BE DVD ROM 31 - Taking Credit for Your Credit: Financial Fitness for Young Adults, Part 2

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Film Ideas, Inc.

WHEELING, IL, FILM IDEAS, INC., 2005.

DVD ROM — Credit can be a double-edged sword. It offers us the ability to purchase things we might need and want without spending cash but then ties us to the debt that has been created. Understanding the importance of this trade-off is crucial. This program is designed to reach young earners before serious credit problems begin. 20 minutes.

BE DVD ROM 31.1 - Credit Basics: Simple Strategies for Smart Credit

Linx Educational

JACKSONVILLE, FL, LINX EDUCATIONAL, 2009.

DVD ROM — This program explains that credit can be a valuable financial tool, but it can also be trouble. Discusses credit and why you need it, how to build it and what it can do for you (both good and bad.) Also learn about credit card use and the different credit card options available. Grades 9 - Adult. 27 minutes.

BE DVD ROM 31.2 - Using Credit Cards Wisely: Take Charge!

Learning Seed

CHICAGO, IL, LEARNING SEED, 2010.

DVD ROM — This program is designed to help students understand how credit cards actually work, the different types of cards available, and how to use them to your advantage. See how to select the card that's right for you, how to read your monthly statement, and ways to protect yourself as you conquer the world of credit cards. 25 minutes.

BE DVD ROM 31.3 - Credit, Borrowing, and Debt-Personal Finance Essentials: Financial Literacy for Young Earners

Meridian Production

NEW YORK, NY, MERIDIAN PRODUCTION, 2011.

DVD ROM — This program provides practical information about credit card use, credit reports, credit problems, and managing debt. Viewers learn about how to build a credit history and raise a low credit score—and why this is important. The program explains various credit card fees, charges, and rates, and cautions against relying on cash advances. Mortgages, home equity loans, and the more costly “alternative” loans are covered as well. The program closes with strategies for getting and staying out of debt. Highlights include applying for a car loan, a checklist of warning signs of financial irresponsibility, and ways to fix credit problems. 37 minutes.

BE DVD ROM 31.4 - House of Cards: America's Mortgage Meltdown

Films Media Group

PRINCETON, NJ, FILMS MEDIA GROUP, 2009.

DVD ROM — CNBC Original documentary investigates the origins of the global economic crisis through eyewitness accounts from mortgage

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brokers, investment bankers, naive home buyers, and equally naive investors—as well as former Federal Reserve chairman Alan Greenspan, who encouraged shifts away from traditional lending during the early and mid-2000s. Viewers encounter ex-CEOs of companies that targeted subprime borrowers, credit rating officials who enthusiastically widened the definition of the AAA rating, and a hedge fund manager who profited from the housing crash by investing in credit protection. 90 minutes.

BE DVD ROM 31.5 - Understanding Credit Basics: Know the Score!

Learning Seed

CHICAGO, IL, LEARNING SEED, 2010.

DVD ROM — Introduction to credit basics that describes what credit is, how it is used, and what types of credit are available – including school loans, car loans and mortgages. The viewer is introduced to the importance of credit history and the understanding of how credit is measured and what a credit score means. Viewers have the opportunity to learn ways to establish and maintain good credit, as well as tips to overcome bad credit. 23 minutes.

FCS DVD ROM 53 - 21st Century Money Management: Credit Cards

C. W. Publications

STERLING, IL, C.W. PUBLICATIONS, 2005.

DVD ROM — One of a series of five DVDs packed with information about banking in the new millennium. Not only are the basics of opening and maintaining accounts covered, but these DVDs also teach viewers how to manage their money successfully. Special focus is given to online banking functions and resources. Series titles include: Checking Accounts; Savings; Credit Cards; Loans; Financial Planning. Grade 7 - Adult. 20 to 25 minutes.

FCS DVD ROM 55 - Charge It: Credit Card Secrets

Learning Seed

LAKE ZURICH, IL, LEARNING SEED, 2002.

DVD ROM — Use Charge It! to teach your students "secrets" that credit card issuers might prefer stay hidden. Show your students how to select the best credit card to match their spending habits. Show how marketing gimmicks such as teaser rates and instant cash "checks" can be expensive traps. Show how to use a credit card responsibly and understand its hidden costs. Teach how to read a credit card statement, how to protect your consumer rights, how to avoid credit card theft, and how to resolve billing disputes. Learn in what ways a credit card can be safer than checks or cash. 24 minutes.

FCS DVD ROM 59 - Can I Make It On My Own?

C.W. Publications

STERLING, IL, C.W. PUBLICATIONS, 2003.

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DVD ROM — In this new docu-drama, students will see how Eric handles the financial and social obligations of leaving home and living on his own. He must find a place to live, handle his personal finances, make that first trip to the grocery store, learn to live with his roommate, pay his bills, try to control his credit card debt, and much more. Teacher resources included. 30 minutes.

FCS KIT 18.1 - Buy Now, Pay Later: Credit 101 Student-Centered Learning Pack

The Curriculum Center for Family and Consumer Sciences

LUBBOCK, TX, THE CURRICULUM CENTER FOR FAMILY AND CONSUMER SCIENCES, 2009.

KIT — Packet provides topic background for the teacher; then each lesson takes the teacher step-by-step through activities. Additional information is provided for essential questions, skill focus, objectives and outcomes, assessments, resources, and related FCCLA programs. Lessons guide students to an in-depth understanding of credit and what it involves. Lessons include: Credit – What Do You Know?; Why Use Credit?; Getting Credit – Are You Worthy?; What’s the Score and Why Does It Matter?; Credit – What Does It Cost?; Minimum or Maximum; Credit – More Than You Can Afford; Drowning in Debt; Identity Theft; The Game of Credit.

FCS VIDEO 187 - Credit Card Cautions

Meridian Education Corp.

BLOOMINGTON, IL, MERIDIAN EDUCATION CORP., 2000.

VIDEO — An overview on how credit cards work. Guides teens and young adults on card safety, purchase decisions, rates, and finance charges. Tells stories of credit card users and abusers. Informs credit card users on how and where to get help. 30 minutes