



SCHOOLS, PARENTS AND STEM INDUSTRY LEADERS AGREE

FINANCIAL LITERACY

HELPS OUR KIDS LEARN TOGETHER

INTRODUCTION: FINANCIAL LITERACY COURSE

Calculus Roundtable's financial literacy course was designed to give students the tools and knowledge to succeed financially.



WHY FINANCIAL LITERACY?

Traditionally, financial literacy has focused on counting money and making currency exchanges. But what kids need to know is where the value of money comes from and where money is made, saved, and lost. A true financial literacy program gives kids skills that last a lifetime.



WHY CALCULUS ROUNDTABLE?

Calculus Roundtable is a proven expert in student-friendly, accessible culturally inclusive programs. Our award-winning programs give students the skills they need to be successful. In our nine years, we have served over 20,000 students in 6 states.



COURSE TOPICS



Understanding Currency



What Makes Money Grow?



Why Invest?



Managing Finances



How Banks Work



Money Math



Taxes

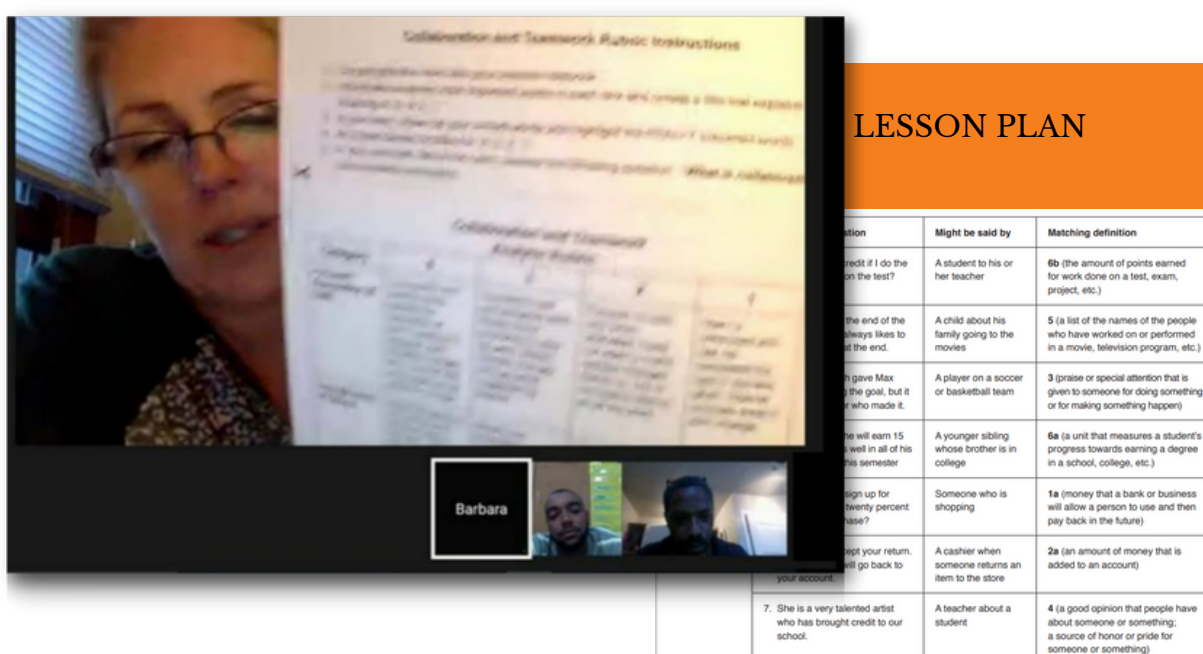


Saving for Retirement



Running a Business

Teacher Professional Development Available



CLIENT

"(CR) brought a great program to our school. I got to attend some of the classes and they were fantastic. I wanted to keep being a student."

Daniel Dennedy Frank
Principal
McKinley Elementary
Franklin McKinley School
San Jose, CA



Borrowing Basics

A lesson on credit and debt for grades 3–5

Preview

Lesson description

In this lesson, students will learn the basics of borrowing, including that credit is a form of a loan and that people who are likely to present more risk as a borrower will be charged a higher interest rate. The lesson begins with students considering the use of the word credit in various statements or questions. They learn that credit and credit cards are forms of borrowing. Students then review descriptions of other students and rank them from least to most risky as borrowers and discuss their answers.

Objectives

Students will be able to:

- Explain that credit cards are a form of a loan
- Describe how risk relates to interest when using credit
- Give examples of risky borrowing behaviors

Lesson at-a-glance

Section	Purpose	Approximate time
Introduction	Introduce the presenter and the topic of the lesson	5 minutes
Activity: Defining credit	Students examine a series of statements and questions and learn that the word credit can have different meanings	15–20 minutes
Activity: Rank the risk	Students evaluate scenarios and decide which represent the greatest credit risk	15–25 minutes
Closing	Students are encouraged to think about their use of credit in the future	5 minutes
Total time		40–55 minutes

Prepare

Materials: *Arrive prepared.*

- **Credit card**—for display purposes only
- **The many meanings of credit handout**—one copy per student
- **Definitions of credit handout**—one copy per student
- **The many meanings of credit answer key and facilitation guide**—one per facilitator
- **Rank the risk handout**—one copy per student or pair of students
- **Scissors**—one per student or pair of students (OPTIONAL)
- **Borrowing Basics post assessment**—one for each student (OPTIONAL)

Background: *Understand the topic.*

At the elementary school level, students should understand that using **credit** means borrowing money and that people generally pay **interest** when they borrow. Most elementary school students, however, will not have learned about percentages or how to calculate them. As a result, discussions about **interest rates** should be simple. Avoid discussion about specific rates amounts or how they might be calculated.

When presenting lessons on credit, be sure to remain neutral on the use of credit. Share both the benefits or advantages of using credit as well as the potential risks or disadvantages. At this age, stick to the basics, such as the ability to pay for large purchases and the risk of spending too much. More advanced considerations such as the impact on a person's credit report or credit score should be saved for when they are older.

Vocabulary: *Use grade-appropriate definitions.*

- **Credit:** A financial tool that allows a person to buy something now and pay for it later.
- **Credit card:** A card issued by a financial institution that gives the holder access to credit for purchases and other transactions.
- **Interest:** Money paid at a specified rate for money that is borrowed, deposited in a bank, or owed to a lender.
- **Interest rate:** The rate at which a lender charges a borrower or that a financial institution offers a person who deposits money there.

Delivery: *Decide on the format.*

This lesson can be conducted with an entire class or in small groups. For each activity, there are several facilitation options provided. Be sure to review the options in advance and determine which one will work best given the setting, number of facilitators, etc. In some cases, the facilitation option you select will influence the number of handouts needed.

Borrowing Basics

The many meanings of credit handout

Directions: Read each statement or question and decide who might say it and why.

1. Will I get extra credit if I do the bonus problem on the test?
2. We stayed until the end of the movie. My dad always likes to see the credits at the end.
3. At first, the coach gave Max credit for scoring the goal, but it was really Trevor who made it.
4. My brother said he will earn 15 credits if he does well in all of his college classes this semester.
5. Do you want to sign up for credit and save twenty percent on today's purchase?
6. Yes, we can accept your return. A credit of \$25 will go back to your account.
7. She is a very talented artist who has brought credit to our school.
8. I will need to check your credit before lending you the money.
9. Did I get credit for the coupon code I used?

Borrowing Basics

Definitions of credit handout

Credit /kredit/ noun (plural credits)

1. a: money that a bank or business will allow a person to use and then pay back in the future
b: a record of how well you have paid your bills in the past
2. a: an amount of money that is added to an account
b: an amount of money that is subtracted from the amount that must be paid
3. praise or special attention that is given to someone for doing something or for making something happen
4. a good opinion that people have about someone or something; a source of honor or pride for someone or something
5. (credits [plural]) a list of the names of the people who have worked on or performed in a movie, television program, etc.
6. a: a unit that measures a student's progress towards earning a degree in a school, college, etc.
b: the amount of points earned for work done on a test, exam, project, etc.

Adapted from the Learner's Dictionary by Merriam-Webster (www.learnersdictionary.com)

Borrowing Basics

The many meanings of credit answer key and facilitation guide

Statement or question	Might be said by	Matching definition
1. Will I get extra credit if I do the bonus problem on the test?	A student to his or her teacher	6b (the amount of points earned for work done on a test, exam, project, etc.)
2. We stayed until the end of the movie. My dad always likes to see the credits at the end.	A child about his family going to the movies	5 (a list of the names of the people who have worked on or performed in a movie, television program, etc.)
3. At first, the coach gave Max credit for scoring the goal, but it was really Trevor who made it.	A player on a soccer or basketball team	3 (praise or special attention that is given to someone for doing something or for making something happen)
4. My brother said he will earn 15 credits if he does well in all of his college classes this semester	A younger sibling whose brother is in college	6a (a unit that measures a student's progress towards earning a degree in a school, college, etc.)
5. Do you want to sign up for credit and save twenty percent on today's purchase?	Someone who is shopping	1a (money that a bank or business will allow a person to use and then pay back in the future)
6. Yes, we can except your return. A credit of \$25 will go back to your account.	A cashier when someone returns an item to the store	2a (an amount of money that is added to an account)
7. She is a very talented artist who has brought credit to our school.	A teacher about a student	4 (a good opinion that people have about someone or something; a source of honor or pride for someone or something)
8. I will need to check your credit before lending you the money.	Someone who works for a bank	1b : a record of how well you have paid your bills in the past
9. Did I get credit for the coupon code I used?	Someone who is shopping to the cashier	2b (an amount of money that is subtracted from the amount that must be paid)

Borrowing Basics

Rate the risk handout.

<p>Jamal is the kind of kid who writes down every single assignment in his planner. He never turns in projects late and always returns things that he borrows. You can always count on him to do what he promises.</p>	<p>Bekah is your best friend in the whole world. You've known her since you were three years old. She is like a sister to you. But, she's often forgetful. You are always afraid she will lose your things when she borrows them.</p>
<p>Colby is new to your school and is really quiet. You've tried talking to him but he's still pretty shy. You worked on a project together in science class. You two worked well together, but you still don't feel like know him very well.</p>	<p>You and Ashanti borrow things from each other all the time. You know you can always count on her to return your things to you in great condition and on time. You do the same with everything you borrow from her.</p>
<p>Cameron is always losing stuff. Last month he used your soccer ball at practice because he forgot his own. At the end of practice, he accidentally took it home with him. He keeps saying he will bring it to practice but you still haven't seen it. You are wondering if you will ever see it again.</p>	<p>Ali and Alex are the most popular kids in school. They are twins and are known for being really nice to classmates. Their mom is the principal at a nearby high school, and everyone loves when she comes to volunteer.</p>

Borrowing Basics

Post-assessment

Section 1: Please select the correct answer for each of the following questions.

- Which of the following definitions of credit describes using a credit card?
 - Money that a bank or business will allow a person to use and then pay back in the future
 - A record of how well you have paid your bills in the past
 - An amount of money that is subtracted from the amount that must be paid
 - The amount of points earned for work done on a test, exam, project, etc.
- People who are considered very risky borrowers are likely to pay more _____ when they borrow money.
 - attention
 - commission
 - credit
 - interest
- Which of the following people are likely to be charged the LOWEST amount of interest?
 - A person who has never borrowed money before.
 - Someone who borrows money all the time from many different sources
 - A person who has a history of borrowing money and paying it back on time
 - Someone who borrows money and rarely returns it

Section 2: Please choose the number on the scale that best indicates how strongly you agree or disagree with the following statements:

	Strongly disagree				Strongly agree
I understand that using credit means borrowing money.	1	2	3	4	5
I feel confident making decisions about credit.	1	2	3	4	5
I am interested in learning more about using credit.	1	2	3	4	5

Section 3: Circle your grade level.

K 1 2 3 4 5 6 7 8 9 10 11 12

Borrowing Basics

Post-assessment I Answer key

Section 1: Please select the correct answer for each of the following questions.

1. Which of the following definitions of credit describes using a credit card?
 - a. **Money that a bank or business will allow a person to use and then pay back in the future**
 - b. A record of how well you have paid your bills in the past
 - c. An amount of money that is subtracted from the amount that must be paid
 - d. The amount of points earned for work done on a test, exam, project, etc.
2. People who are considered very risky borrowers are likely to pay more _____ when they borrow money.
 - a. attention
 - b. commission
 - c. credit
 - d. **interest**
3. Which of the following people are likely to be charged the LOWEST amount of interest?
 - a. A person who has never borrowed money before.
 - b. Someone who borrows money all the time from many different sources
 - c. **A person who has a history of borrowing money and paying it back on time**
 - d. Someone who borrows money and rarely returns it