

Below Level Differentiation

■ Reading and Discussion Tips:

- When discussing the explanations to the test questions, provide students with the pre-test answer key so they can follow along. Students may use the explanations as a resource later when creating their board games.
- Help students categorize the items on the pre-test according to this list of topics: saving, budgeting, credit/loans, and buying and owning a home.
- If possible, expand the lesson by one day and invite a guest speaker to share information about financial fitness. You might ask a financial planner, a bank representative, or a teacher who specializes in economics to visit the class.

■ Activity Tips:

- Provide students with guiding questions to help them organize their ideas when creating the board game. Question examples:
 - What is the overall style of the game?
 - How will the players win points or move forward in the game?
 - How will the players lose points or move backward in the game?
 - How will the players learn about financial topics by playing the game?
 - How will a player win the game?
- You may want to encourage students to choose only one financial topic to cover in the board game rather than several.
- Meet with students individually for brief conferences during the group work period. Help students clarify their roles in the project and encourage them to ask any project-related questions.

■ Assessment Tips:

- You might allow students to write a short paragraph that explains how they contributed to the group project and take the explanation into consideration when assessing their work.

■ Optional Extension Tips:

- Provide students with samples of brochures.

Above Level Differentiation

■ Reading and Discussion Tips:

- To enrich discussion and understanding of the topic, challenge students to read articles about current trends, legislation, or other issues related to personal finance. Have students report their findings to the class or write an abstract of one of their readings.
- You may allow students to work ahead. For instance, give students the pre-test a day earlier than the first day of the lesson. Then ask students to investigate their responses on their own for homework. They can visit the “Recipes for Financial Fitness” web site (http://www.habitat.org/habitat_learns/nefe/index.html) to find the explanations to the items on the pre-test. If students do take the pre-test as scheduled in the lesson plan, then encourage them to formulate their own explanations regarding the items to sharpen their reasoning and logic skills.

■ Activity Tips:

- Encourage above-level students to take on leadership roles in their groups. They can help group members organize their ideas and clarify the necessary tasks related to the project. You may also allow students to work individually, especially if a student has expressed interest in investigating a financial literacy topic not discussed in class.
- You might extend the assignment by asking students to write a commercial or advertisement for their game.

■ Assessment Tips:

- If students worked individually on the project, you may allow them to present their board games to you or the class and award points accordingly. This would replace the “Group Work Habits” section of the rubric.

■ Optional Extension Tips:

- Students may also create a web page or a social media page dedicated to their topic rather than a brochure.

Grades 9–12

Objectives

Students will:

- test their knowledge of personal financial terms and concepts.
- create a board game that educates users about basic financial concepts.

Educational Standards

National Social Studies Standards

- Describe relationships among the various economic institutions that comprise economic systems such as households, business firms, banks, government agencies, labor unions, and corporations.
- Apply economic concepts and reasoning when evaluating historical and contemporary social developments and issues.
- Compare how values and beliefs influence economic decisions in different societies.

Scope

- 3 class periods (45 minutes each)

Materials

- markers
- large sheets of paper or poster board
- various sized note cards
- **Worksheet:** Financial Basics Pre-Test
- **Teacher Resource:** Pre-Test Answer Key
- **Teacher Resource:** Board Game Rubric

Lesson Plan

In this lesson, students will learn about basic components of personal finances and financial education. Students will create a board game that illustrates financial concepts and donate it to a Habitat for Humanity affiliate or community center.

■ Preparation:

Before beginning the lesson:

- Make copies of the “Financial Basics Pre-Test” for students and gather board game materials.
- Reserve the computer lab for student use.

■ Procedure:

Day 1 Introduce the topic of financial education.

1. Students take the “Financial Basics Pre-Test.”

- To begin class, ask students why it is important to know about concepts like savings, expenses, credit, and loans. Have students imagine what it might be like for a family who is not aware of how best to handle their money. Would they be able to save up money to buy a car? A house? Would they be able to afford educational expenses? Would they be able to deal with unexpected medical costs? Explain to students that not knowing basic aspects of personal finances can make life feel unpredictable and unstable. Tell students that there are many people in the world who lack this type of education.
- Distribute copies of the “Financial Basics Pre-Test” to students. Tell students that they should answer the questions on the test to the best of their knowledge. The test is not a graded assignment but rather a measure of what they may already know about personal finance.

2. Discuss the answers to the pre-test.

- Share the “Pre-Test Answer Key” with students. Pause after each item to allow students to ask questions about a concept. Explain to students that the concepts covered on the test are helpful for anyone to know,

but especially for those who are trying to afford more in life—like a house. Tell students that Habitat for Humanity has a special interest in educating the public about such matters. This is because the organization offers affordable loans to partner families who have taken the steps to put their finances in order and have a plan in place to be able to pay back the housing loan.

3. Introduce the board game assignment.

- Tell students that they will be helping to educate others about financial matters by creating a board game. In small groups, students will choose a single topic (or a combination of topics) on which to base the board game. The topics may include the following:
 - savings (how to save smart)
 - credit cards/loans (what they are and what everyone should know about them)
 - debt (how to avoid it and how best to handle it)
 - home ownership (what it involves and what it takes to achieve it)
- Explain to students that the board game should have a catchy title, a directions sheet, a game board, game cards, and game pieces. Players should be able to learn about financial topics from the game and should find the game fun and challenging. Share with students the “Board Game Rubric” to inform them of all of the assignment expectations.

4. Direct students to appropriate resources to gather information regarding financial concepts.

- A good place to start is the “Recipes for Financial Fitness” page created by Habitat for Humanity and the National Endowment for Financial Education. You can locate it at http://www.habitat.org/habitat_learns/nefe/index.html.
- Advise students to assign each member of their group a section or topic to research as homework. Students should bring their completed research to the next class meeting.

Day 2 Students create their board games.

- Distribute large sheets of paper or poster board, markers, and note cards to students. Have them meet in their groups to begin to assemble their games.
- Students may use the computer to generate their

directions list and/or any questions or other game components if they prefer not to write out the information by hand.

- Remind students to construct game pieces as well. They may use found objects, such as key chains, buttons, or paper clips, to create game pieces.

Day 3 Students evaluate the board games.

- Place the completed board games at designated stations around the room.
- Have the small groups take a few minutes to play each game.
- Ask students to jot down the strengths of each game and how the game might be improved.
- Reconvene as a group. Collect the evaluation notes from students. Record the comments on the board. Allow groups to make any improvements to their games for homework. When games are in their final state, make arrangements to donate them to a local affiliate of Habitat for Humanity to share with families. You can find your local affiliate by visiting <http://www.habitat.org/local>. You may also decide to donate the games to a community center in your area.

■ Assessment:

Evaluate students’ board games according to the rubric on page 7.

■ Optional Extension:

Have students create informative brochures about other financial topics not covered, such as investing strategies and predatory lending scams, among others. Before students begin working on the brochures, review with them a few elements of effective print communication, such as:

- dividing the main topic into smaller topics
- using headings and bullets to organize information
- including diagrams, tables, charts, or other graphics that help the reader comprehend the information

Students should also include the URLs or contact information of national organizations that people can visit if they need more information on the subject. Have students create the brochures using publishing or word-processing software. Invite students to make copies of the brochures and hand them out to friends, family, and others in their community.

Financial Basics Pre-Test

Directions: Decide whether each statement is *True* or *False*. Write the answer on the line.

1. _____ As long as you pay your bills each month, you are considered to be in good financial health.

2. _____ Paying yourself first once you get your paycheck is a good financial decision.

3. _____ Owning a home will cost you the same amount of money as renting.

4. _____ Buying furniture is a sound investment.

5. _____ Your *cash flow* each month is your income minus your expenses.

6. _____ Interest is what you are charged when you carry a loan balance.

7. _____ Every credit card has the same APR, or Annual Percentage Rate.

8. _____ Money sitting in a savings account will not earn anything.

9. _____ Your credit score and credit history are important considerations when you apply for a mortgage (a loan to buy your house).

- 10.** _____ Making the minimum payment on a credit card balance is practicing good financial fitness.
- 11.** _____ You cannot improve your credit score.
- 12.** _____ When you sell your home, you are guaranteed to get the same amount of money that you paid for it.
- 13.** _____ Keeping a low balance on a credit card is a smart financial decision.
- 14.** _____ Credit cards are a financial scam and should be avoided.
- 15.** _____ Your credit score does not affect a loan's interest rate.

Pre-Test Answer Key

Directions: Read and discuss the answers and explanations below.

1. **FALSE** As long as you pay your bills each month, you are considered to be in good financial health.

Explanation: While paying bills is important, you need to do more than that to achieve financial fitness. If you never have anything left over after paying expenses, you will not be able to put anything into savings for future use or to achieve larger goals (like buying a house).

2. **TRUE** Paying yourself first once you get your paycheck is a good financial decision.

Explanation: Paying yourself first does not mean giving yourself money to spend on whatever your heart desires. It means designating some money as savings before using it for your expenses, making it a good financial decision. You can start off with as little as a few dollars, as long as you consistently put aside some money for your future goals or emergencies.

3. **FALSE** Owning a home will cost you the same amount of money as renting.

Explanation: Home ownership will cost you more. Not only will your mortgage payments (what you pay the bank each month to pay back the loan) most likely be higher than your monthly rent, but you will also take on the costs of home repair and maintenance.

4. **FALSE** Buying furniture is a sound investment.

Explanation: While new furniture might improve your quality of life, it is not necessarily a sound investment. Furniture, like many consumer goods, depreciates over time. That means it won't be worth as much as you paid for it if you choose to sell it later on.

5. **TRUE** Your *cash flow* each month is your income minus your expenses.

Explanation: Your cash flow is the amount of money you have after you have paid your expenses from your income. This is an important figure to know when planning and sticking to a monthly budget. You can have a negative cash flow if your expenses are greater than your income.

6. **TRUE** Interest is what you are charged when you carry a loan balance.

Explanation: Interest is a percentage of the loan that you owe the lending institution (known as *principal*).

7. **FALSE** Every credit card has the same APR, or Annual Percentage Rate.

Explanation: Credit cards (or loans) can have different APRs, or interest rates. You need to pay close attention to this number because the higher the percentage, the more you will owe the lending institution for taking out the loan. This means you may be paying back interest for a longer period of time before you can even start paying back the principal.

- 8. FALSE** Money sitting in a savings account will not earn anything.

Explanation: Banks will offer you an interest rate when you start a savings account with them. This means that they will pay you a percentage of your savings for keeping your money in the account.

- 9. TRUE** Your credit score and credit history are important considerations when you apply for a mortgage (a loan to buy your house).

Explanation: Your credit score is a number that gives a lending institution some idea of how good you have been with paying back the money you borrowed previously, such as the money you borrowed when using a credit card to pay for something. This number also reflects whether you paid your bills on time and how much of a risk you are to the lending institution. Your credit history will provide similar information and includes your payment history for things like rent, utilities, and insurance. This information is vital to those who are considering you for a mortgage.

- 10. FALSE** Making the minimum payment on a credit card balance is practicing good financial fitness.

Explanation: Making the minimum payment on a credit card bill means that you are simply paying back the interest you owe the lender. You won't ever get to paying off the actual money you borrowed if you pay back only the interest. Making minimum payments will lower your credit score as well.

- 11. FALSE** You cannot improve your credit score.

Explanation: A low credit score can be improved by making some changes to the way you pay your bills. For instance, paying any overdue bills, paying bills on time, and making the entire (not the minimum) payment can, over time, improve your credit.

- 12. FALSE** When you sell your home, you are guaranteed to get the same amount of money that you paid for it.

Explanation: There are no guarantees when it comes to the price for which you can sell your home. You may make or lose money on your home depending on current housing market conditions as well as the condition of your house.

- 13. TRUE** Keeping a low balance on a credit card is a smart financial decision.

Explanation: A low balance means that you have made purchases with the credit card that are not very expensive. When you get a credit card, you are assigned a credit limit, or the amount you can borrow up to when making purchases. You never want to go over your credit limit, but you also don't want to borrow the full extent of your limit either (even if you are paying it off each time you borrow it). When doing so, you are becoming more of a "risk" to the lending institution. Borrowing low amounts means you will have a higher probability of paying them off on time than if you had borrowed large amounts.

- 14. FALSE** Credit cards are a financial scam and should be avoided.

Explanation: Credit cards can be very helpful to individuals. For instance, if you have an unexpected cost or a large cost, credit cards allow you the convenience of not having to pay the bill immediately. Credit cards can also help an individual to practice good credit. Good credit is a sign other lending institutions, such as those that provide housing loans, will look for when assessing your risk.

- 15. FALSE** Your credit score does not affect a loan's interest rate.

Explanation: The percentage you will pay a lender in interest is based on your credit score. If you have had poor credit in the past (you did not pay your bills on time, or you made only the minimum payments or skipped payments), you may have a higher interest rate than someone who paid his or her bills regularly and on time.

Board Game Rubric

	Exceeds Expectation (4)	Meets Expectation (3)	Partly Meets Expectation (2)	Fails to Meet Expectation (1)
Accuracy of Information	All information is well-researched and accurate.	Most of the information is well-researched and accurate.	Some of the information is accurate.	Little to none of the information is accurate.
Purpose	Game is very effective in teaching financial concepts to players.	Game is effective in teaching financial concepts to players.	Game is somewhat effective in teaching financial concepts to players.	Game is not effective in teaching financial concepts to players.
Creativity	Game shows strong creativity and originality.	Game is creative and original.	Game lacks creativity or originality.	Game is unoriginal or incomplete.
Organization and Completeness	Game includes all components and is highly logical and extremely user-friendly.	Game includes all components and is organized and user-friendly.	Game lacks one or two components and organization.	Game lacks more than two components and is not user-friendly.
Group Work Habits	Student takes an obvious role in the researching and idea-generating stages of the assignment. Student is highly motivated and stays on task.	Student takes a role in the researching and idea-generating stages of the assignment. Student is motivated and stays on task for the most part.	Student assists in group work but does not show notable motivation or interest in the assignment.	Student does not take part in group work.