

The following instructional plan is part of a GaDOE collection of Unit Frameworks, Performance Tasks, examples of Student Work, and Teacher Commentary for the Economics Social Studies Course.

Economics – Unit 6 – Personal Finance	
Elaborated Unit Focus	<p>In this unit, students will demonstrate their knowledge of personal finance concepts. Students will incorporate the theme of Incentives, analyzing how households can gain and lose through various forms of personal savings/investment, insurance, credit, and skill development. Students will apply the theme of Interdependency, evaluating how the potential gains and losses they predict could be affected by changing economic factors.</p>
Connection to Connecting Theme/Enduing Understandings	<p>Incentives</p> <ul style="list-style-type: none"> • Importance of investment and personal interest rates • Risk vs. Return • Credit • Importance of education • Taxes • Creating savings/investment plan, <p>Interdependency</p> <ul style="list-style-type: none"> • Role of insurance
GSE for Social Studies (standards and elements)	<p>SSEPF1 Apply rational decision making to personal spending and saving choices.</p> <p>a. Use a rational decision making model to evaluate the costs and benefits of post-high school life choices (i.e., college, technical school, military enlistment, workforce participation, or other option).</p> <p>b. Create a budget that includes a savings or financial investment plan for a future goal.</p> <p>SSEPF2 Explain that banks and other financial institutions are businesses that channel funds from savers to investors.</p> <p>a. Compare services offered by different financial institutions, including banks, credit unions, payday lenders, and title pawn lenders.</p> <p>b. Explain reasons for the spread between interest charged and interest earned.</p> <p>c. Give examples of the direct relationship between risk and return.</p> <p>d. Evaluate the risk and return of a variety of savings and investment options, including: savings accounts, certificates of deposit, retirement accounts, stocks, bonds, and mutual funds.</p> <p>SSEPF3 Explain how changes in taxation can have an impact on an individual’s spending and saving choices.</p> <p>a. Define progressive, regressive, and proportional taxes.</p> <p>b. Explain how an increase in sales tax affects different income groups.</p> <p>c. Explain the impact of property taxes on individuals and communities.</p> <p>SSEPF4 Evaluate the costs and benefits of using credit.</p> <p>a. Describe factors that affect credit worthiness and the ability to receive favorable interest rates including character (credit score), collateral, and capacity to pay.</p> <p>b. Compare interest rates on loans and credit cards from different institutions.</p> <p>c. Define annual percentage rate and explain the difference between simple and compound interest rates, as well as fixed and variable interest rates.</p> <p>SSEPF5 Describe how insurance and other risk-management strategies protect against financial loss.</p> <p>a. List and describe various types of insurance such as automobile, health, life, disability, and property.</p> <p>b. Explain the costs and benefits associated with different types of insurance, including deductibles, premiums, shared liability, and asset protection.</p>



Economics Frameworks for the Georgia Standards of Excellence in Social Studies

	<p>SSEPF6 Describe how the earnings of workers are determined in the marketplace.</p> <p>a. Identify skills that are required to be successful in the workplace, including positive work ethics, punctuality, time management, teamwork, communication skills, and good character.</p> <p>b. Explore job and career options and explain the significance of investment in education, training, and skill development as it relates to future earnings.</p>
<p>Connection to Literacy Standards for Social Studies (reading and/or writing)</p>	<p>L9-10 RHSS7, RHSS9</p> <p>L11-12 RHSS7, RHSS9</p>
<p>Connection to Social Studies Matrices (information processing and/or map and globe skills)</p>	<p>Information Processing 1, 3, 5, 9, 11, 14, 15, 16</p>

Essential Questions and Related Supporting/Guiding Questions

Enduring Understanding 1	<ol style="list-style-type: none"> 1. How can a rational plan for decision-making help achieve future goals? <ol style="list-style-type: none"> a. How are stocks and bonds traded in the market? b. How does budgeting help consumers balance income, spending and savings goals? c. How will varying degrees of knowledge, skills and abilities affect earnings? d. What is the role of education in building your financial security?
Enduring Understanding 2	<ol style="list-style-type: none"> 2. Why are banks and financial institutions important to the economy? <ol style="list-style-type: none"> a. Why is there a cost to credit? b. What is an APR, Annual Percentage Rate, and how does it relate to credit card use? c. How can the use of credit impact personal financial health?
Enduring Understanding 3	<ol style="list-style-type: none"> 3. How does practicing effective personal finance strategies improve my life? <ol style="list-style-type: none"> a. How do changes in tax rates and interest rates respectively affect individual's spending and saving behavior? b. Why do individuals carry different types of insurance? c. How is insurance used to manage risk? d. How do you evaluate risk?

Sample Instructional Activities/Assessments

College: Learning the Skills to Pay the Bills?

Students will read and annotate the article “College: Learning the Skills To Pay the Bills?” followed by answering the accompanying guided reading questions.

<p>GSE Standards and Elements</p>	<p>SSEPF1 Apply rational decision making to personal spending and saving choices.</p> <ul style="list-style-type: none"> a. Use a rational decision making model to evaluate the costs and benefits of post-high school life choices (i.e., college, technical school, military enlistment, workforce participation, or other option). b. Create a budget that includes a savings or financial investment plan for a future goal. <p>SSEPF6 Describe how the earnings of workers are determined in the marketplace.</p> <ul style="list-style-type: none"> a. Identify skills that are required to be successful in the workplace, including positive work ethics, punctuality, time management, teamwork, communication skills, and good character. b. Explore job and career options and explain the significance of investment in education, training, and skill development as it relates to future earnings.
<p>Literacy Standards Social Studies Matrices Enduring Understanding(s)</p>	<p>L9-10 RHSS7, RHSS9</p> <p>L11-12 RHSS7, RHSS9</p> <p>Information Processing 1, 3, 5, 9, 11, 14, 15, 16</p> <p>Incentives</p> <p>Interdependency</p>

Part 1

Task 1

Writing to Learn Strategy

GIST- Generating Interactions between Schemata and Texts

- GIST (Cunningham 1982) is a strategy designed to help students learn to write organized and concise summaries. Summaries restate only the author’s main ideas, omitting all examples and evidence used in supporting and illustrating points. For students who are at a loss as how to put a reading into their own words, GIST can be used as a step by step method.
- The teacher should begin with modeling the technique by coaching the class through a paragraph. After modeling assign a reading for students to do independently.

	1) Read the first sentence and summarize its contents in fifteen words or less.
	2) Read the second sentence and summarize the two sentences in fifteen words or less.
	3) Read the third sentence and summarize the three sentences in fifteen words or less.
	4) Continue until the paragraph is read.
	5) Then summarize the entire paragraph in fifteen words or less.

Economics Frameworks for the Georgia Standards of Excellence in Social Studies

Task 2

Resource Links:


- Page One “College: Learning the Skills To Pay the Bills?” article and guided questions
https://files.stlouisfed.org/files/htdocs/publications/page1-econ/2015-12-01/college-learning-the-skills-to-pay-the-bills_CE.pdf
Scott A. Wolla, "College: Learning the Skills To Pay the Bills?," Page One Economics, December 2015
- Harvard Library: PDF of “Interrogating Texts”
 - http://guides.library.harvard.edu/id.php?content_id=12548868

How to annotate:

While reading, students mark the pages for important information, text meaning or key details, ideas and questions.

Avoid using a highlighter! Use a pencil or pen to notate.

Suggested annotation strategies:

- In the margins, summarize in your own words key concepts.
- Bracket **[important]** passages.
- Connect related ideas with lines or arrows. 
- **Underline** important ideas/details
- Place asterisks * or exclamation points next to unusual or surprising details!!
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Economics Frameworks for the Georgia Standards of Excellence in Social Studies

Part 2

Using Geo FRED analyze the data for the “Bachelor’s Degree or Higher by County” to the “Median Household Income by County.”

- Bachelor’s Degree or Higher by County:
<https://geofred.stlouisfed.org/map/?th=oranges&cc=6&rc=false&im=user&sb&lng=-96.702&lat=38.117&zm=5&sl&sv&am=Average&at=Not%20Seasonally%20Adjusted,%205-Years,%20Percent&sti=757&fq=5-Years&rt=county&un=lin&dt=2012-01-01&ibs=10,20,30,40,50,60>
- Median Household Income by County
<https://geofred.stlouisfed.org/map/?th=pubugn&cc=5&rc=false&im=fractile&sb&lng=-84.3173&lat=34.1539&zm=9&sl&sv&rt=county&sti=1019&at=Not%20Seasonally%20Adjusted,%20Annual,%20Dollars&fq=Annual&am=Average&un=lin&dt=2014-01-01>

Using GEOFRED, pick three Georgia Counties and enter their data below (use a mix of urban, suburban, and rural areas).

County	Bachelor’s Degree or Higher (percent)	Median Household Income (dollars)

Explain the relationship the data exhibits.

“Soft Skills: Success May Depend on Them”

Students will read and annotate the article “Soft Skills: Success May Depend on Them” followed by answering the accompanying guided reading questions.

<p>GSE Standards and Elements</p>	<p>SSEPF1 Apply rational decision making to personal spending and saving choices.</p> <p>a. Use a rational decision making model to evaluate the costs and benefits of post-high school life choices (i.e., college, technical school, military enlistment, workforce participation, or other option).</p> <p>b. Create a budget that includes a savings or financial investment plan for a future goal.</p> <p>SSEPF6 Describe how the earnings of workers are determined in the marketplace.</p> <p>a. Identify skills that are required to be successful in the workplace, including positive work ethics, punctuality, time management, teamwork, communication skills, and good character.</p> <p>b. Explore job and career options and explain the significance of investment in education, training, and skill development as it relates to future earnings.</p>
<p>Literacy Standards Social Studies Matrices Enduring Understanding(s)</p>	<p>L9-10 RHSS7, RHSS9 L11-12 RHSS7, RHSS9 Information Processing 1, 3, 5, 9, 11, 14, 15, 16 Incentives Interdependency</p>

Resource Links:


- Page One “Soft Skills: Success May Depend on Them” article and guided questions
https://files.stlouisfed.org/files/htdocs/publications/page1-econ/2016-05-02/soft-skills-success-may-depend-on-them_CE.pdf
 Kris Bertelsen, "Soft Skills: Success May Depend on Them," Page One Economics, May 2016
- Harvard Library: PDF of “Interrogating Texts”
 - http://guides.library.harvard.edu/id.php?content_id=12548868

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“Education, Income, and Wealth”

Students will read and annotate the article “Education, Income, and Wealth” followed by answering the accompanying guided reading questions.

GSE Standards and Elements	<p>SSEPF1 Apply rational decision making to personal spending and saving choices.</p> <p>a. Use a rational decision making model to evaluate the costs and benefits of post-high school life choices (i.e., college, technical school, military enlistment, workforce participation, or other option).</p> <p>b. Create a budget that includes a savings or financial investment plan for a future goal.</p> <p>SSEPF2 Explain that banks and other financial institutions are businesses that channel funds from savers to investors.</p> <p>d. Evaluate the risk and return of a variety of savings and investment options, including: savings accounts, certificates of deposit, retirement accounts, stocks, bonds, and mutual funds.</p> <p>SSEPF6 Describe how the earnings of workers are determined in the marketplace.</p> <p>a. Identify skills that are required to be successful in the workplace, including positive work ethics, punctuality, time management, teamwork, communication skills, and good character.</p> <p>b. Explore job and career options and explain the significance of investment in education, training, and skill development as it relates to future earnings.</p>
Literacy Standards Social Studies Matrices Enduring Understanding(s)	<p>L9-10 RHSS7, RHSS9 L11-12 RHSS7, RHSS9 Information Processing 1, 3, 5, 9, 11, 14, 15, 16 Incentives Interdependency</p>

Resource Links:


- Page One “Education, Income, and Wealth” article and guided questions
https://files.stlouisfed.org/files/htdocs/publications/page1-econ/2017-01-03/education-income-and-wealth_TE.pdf
Scott A. Wolla and Jessica Sullivan, "Education, Income, and Wealth," Page One Economics, January 2017
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Use the savings goal calculator to achieve the goal of saving \$1,000,000. Follow the steps on the website to fill in the data in the chart.. Answer the questions that follow.

Compound interest calculator link:

<https://www.investor.gov/additional-resources/free-financial-planning-tools/compound-interest-calculator>

Click on “Savings Goal Calculator”

Step 1: Savings Goal

- Desired final savings.

Step 2: Initial Investment

- Amount of money you have readily available to invest.

Step 3: Growth Over Time

- Length of time, in years, that you plan to save.

Step 4: Interest Rate

- Your estimated annual interest rate.

Step 5: Compound It

- Frequency with which interest will be compounded.

Economics Frameworks for the Georgia Standards of Excellence in Social Studies

Investors	Step 1: Savings Goal (Same for each investor)	Step 2: Initial Investment (\$0 for all investors)	Step 3: Growth Over Time (Investor's current age minus retirement age of 65)	Step 4: Interest Rate (Average rate of return for the stock market including dividends)	Step 5: Compound It (All investments will be compounded monthly)	Monthly Contribution to Reach \$1,000,000 by 65
Investor 1: 22-year-old College Graduate just beginning to work and save for retirement	\$1,000,000	\$0		7%	Monthly	
Investor 2: 30 year old who thought they had plenty of time to save for retirement. Decides to start saving now.	\$1,000,000	\$0		7%	Monthly	
Investor 3: 45 year old who realizes retirement is coming soon and has not started saving	\$1,000,000	\$0		7%	Monthly	

Debrief Questions

1. To reach the goal of \$1 million, how much more will Investor 2 save per month than Investor1? What about Investor 3?
2. What might be an opportunity cost for early investment?
3. List some lifestyle changes Investor 1 could make to save for retirement (location housing, type car, etc.).
4. What are the incentives for early investment?
5. What is more important the amount invested or the amount of time? Explain

Individual Retirement Accounts

Students will read and annotate the article “myRa: A New Way To Save for Retirement” followed by answering the accompanying guided reading questions.

<p>GSE Standards and Elements</p>	<p>SSEPF2 Explain that banks and other financial institutions are businesses that channel funds from savers to investors.</p> <p>c. Give examples of the direct relationship between risk and return.</p> <p>d. Evaluate the risk and return of a variety of savings and investment options, including: savings accounts, certificates of deposit, retirement accounts, stocks, bonds, and mutual funds.</p> <p>SSEPF6 Describe how the earnings of workers are determined in the marketplace.</p> <p>a. Identify skills that are required to be successful in the workplace, including positive work ethics, punctuality, time management, teamwork, communication skills, and good character.</p> <p>b. Explore job and career options and explain the significance of investment in education, training, and skill development as it relates to future earnings.</p>
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Resource Links:


- Page One “myRA: A New Way To Save for Retirement” article and guided questions
<https://research.stlouisfed.org/publications/page1-econ/2016/01/04/myra-a-new-way-to-save-for-retirement/>
Shannon R. Smithers, "myRA: A New Way To Save for Retirement," Page One Economics, January 2016
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Stock Markets

Students will read and annotate the article “Stock Market Strategies: Are You an Active or Passive Investor?” followed by answering the accompanying guided reading questions. Students will follow this up by performing a Stock Market Scavenger Hunt.

GSE Standards and Elements	<p>SSEPF2 Explain that banks and other financial institutions are businesses that channel funds from savers to investors.</p> <p>c. Give examples of the direct relationship between risk and return.</p> <p>d. Evaluate the risk and return of a variety of savings and investment options, including: savings accounts, certificates of deposit, retirement accounts, stocks, bonds, and mutual funds.</p> <p>SSEPF4 Evaluate the costs and benefits of using credit.</p> <p>a. Describe factors that affect credit worthiness and the ability to receive favorable interest rates including character (credit score), collateral, and capacity to pay.</p> <p>b. Compare interest rates on loans and credit cards from different institutions.</p> <p>c. Define annual percentage rate and explain the difference between simple and compound interest rates, as well as fixed and variable interest rates.</p>
Literacy Standards Social Studies Matrices Enduring Understanding(s)	<p>L9-10 RHSS7, RHSS9 L11-12 RHSS7, RHSS9 Information Processing 1, 3, 5, 9, 11, 14, 15, 16 Incentives Interdependency</p>

Part 1

Resource Links:


- Page One “Stock Market Strategies: Are You an Active or Passive Investor?” article and guided questions https://files.stlouisfed.org/files/htdocs/publications/page1-econ/2016-04-01/stock-market-strategies-are-you-an-active-or-passive-investor_CE.pdf
Scott A. Wolla, "Stock Market Strategies: Are You an Active or Passive Investor?," Page One Economics, April 2016
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Part 2

Watch the following video before beginning:

How to Read Stock Tables for Dummies

<https://www.youtube.com/watch?v=nW93AyN8u5A>

Brain Pop Videos:

<https://www.brainpop.com/socialstudies/freemovies/stocksandshares/>

<https://www.brainpop.com/socialstudies/economics/stockmarket/>

Intro to Stocks Cartoon

http://www.teachertube.com/video/intro-to-stocks-cartoon-174997?utm_source=google&utm_medium=video&utm_campaign=preroll&utm_term=search&utm_content=video-ads

Stock Market Scavenger Hunt

Please place all your answers on a separate piece of paper.

1. Look up the difference between “Public & Privately held Corporations.” Using Google Finance, <https://www.google.com/finance> find the ticker symbols for the following companies: Target, Starbucks, Bank of America, Proctor & Gamble, Trump Resorts, Microsoft, Apple, Google (Alphabet), Toys R Us, Amazon, Exxon/Mobile, Ford, Chic-fil-a, General Electric and Nike. List the current price for each stock. Calculate how much 100 shares would cost you for each...100 x the price per share. Would be able to buy stock in all these companies? Why not?
2. Go to <https://www.google.com/finance> again. In the search box put in MCD. What company did you just look up and what is their stock currently selling for?
3. Still using the same company from #2, what has been their highest and lowest price in the last 1 month (use the graph)? What about the last 3 months? The last year? Is this company paying any dividends? How much (in dollars)?
4. Now search for DAL. What company is this? What do they produce? What is their stock currently selling for? Are they paying a dividend? How much? What is their 52-week high? 52-week low?
5. Search for BRK.A. What company is this? How much does one share of their stock cost? Are they paying a dividend? How much? Look up who the largest shareholder of Berkshire Hathaway? What position does this person hold at the company?
6. Go to the following website, [10 Best Stocks in the S&P 500 in 2016](#). List 5 of the top 10 companies and their return on investment. Read the information provided, pick two of the companies, and then explain very briefly why they are performing so well. Was there a common sector or industry?
7. Visit www.dividendinformation.com. Click on “Dividend Stock Calendar” tab at the top of the page. What company paid the highest dividend on the most current date? How much did they pay out per share? Explain what a dividend is and why someone might receive one. How much would you have received in dividends if you owned 100 shares of this stock?
8. Look up the corporation PVH. What are some of the brands they own? Many companies are owned by parent corporations. Go to the following website and take the “Pop Quiz” Brands and Their Parent Companies (Answers are at the bottom of the webpage). After taking the quiz, use the ticker symbols to look up 3 of the companies’ stock and write the current price of one share. <http://www.nasdaq.com/article/pop-quiz-brands-their-parent-companies-real-time-insight-cm180844> What does subsidiary mean?
9. Choose any two companies you haven't researched yet (think of products you buy or places you shop). Using the websites from previous questions above, identify the ticker symbol and look up the current stock price, 52 week high/low, & dividend. Remember, they may be a subsidiary of another company! Look at the price chart for the stocks for the past year. What do you think will happen with this stock in the next couple of months? Why? Use the websites you’ve discovered in this “hunt” to justify your answers.

Taxes

Students will read and annotate the article “Income Tax: Facts and Filings” followed by answering the accompanying guided reading questions.

<p>GSE Standards and Elements</p>	<p>SSEPF3 Explain how changes in taxation can have an impact on an individual’s spending and saving choices.</p> <ul style="list-style-type: none"> a. Define progressive, regressive, and proportional taxes. b. Explain how an increase in sales tax affects different income groups. c. Explain the impact of property taxes on individuals and communities..
<p>Literacy Standards Social Studies Matrices Enduring Understanding(s)</p>	<p>L9-10 RHSS7, RHSS9 L11-12 RHSS7, RHSS9 Information Processing 1, 3, 5, 9, 11, 14, 15, 16 Incentives Interdependency</p>

Part 1

Resource Links:


- Page One “Income Tax: Facts and Filings” article and guided questions
https://files.stlouisfed.org/files/htdocs/publications/page1-econ/2016-12-01/income-tax-facts-and-filings_TE.pdf
Jeannette N. Bennett, "Income Tax: Facts and Filings," Page One Economics, December 2016
- Harvard Library: PDF of “Interrogating Texts”
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Part 2

Three Types of Taxes

Progressive

- As Income _____: the % of Income Paid in Taxes _____ Example: _____

Proportional

- As Income _____: the % of Income Paid in Taxes _____ Example: _____

Regressive

- As Income _____: the % of Income Paid in Taxes _____ Example: _____

1. Acme Corp. earned a profit of \$1,000,000 last year and paid \$100,000 in corporate income taxes. Stark Industries paid \$20,000 in corporate income taxes on \$500,000 in revenue.
 - a. Calculate the tax rate for both companies:
 - i. Acme Corp. _____
 - ii. Stark Industries _____
 - b. What type of tax is the corporate income tax? _____
2. Kyra earned \$75,000 last year and paid \$15,000 in income taxes. Ryan earned \$35,000 last year and paid \$3500 in income taxes.
 - a. Calculate the effective tax rate for Kyra _____
 - b. Calculate the effective tax rate for Ryan _____
 - c. What type of tax is the Income Tax? _____
3. The sales tax for groceries is 3%. Kyra, who earns \$75,000 per year, lives alone and spends \$200 a month on groceries. While Ryan, who earns \$35,000 a year, has a family of four and spends \$400 a month on groceries.
 - a. Calculate the effective tax rate (percent of income spent on tax) for Kyra _____
 - b. Calculate the effective tax rate (percent of income spent on tax) for Ryan _____
 - c. What type of tax is the Sales Tax on food? _____
4. For 2016, the maximum taxable earnings amount for Social Security recipients is \$118,500. The Social Security tax rate for employees is 6.2 percent of their earnings per year.
 - a. Calculate the amount of taxes Kyra pays if she earns \$45,000 _____
 - b. Calculate the amount of taxes Ryan pays if he earns \$95,000 _____
 - c. Calculate the amount of taxes Brendan pays if he earns \$350,000. _____
 - d. What is the effective tax rate for Kyra? _____
 - e. What is the effective tax rate for Ryan? _____
 - f. What is the effective tax rate for Brendan? _____
 - g. What type of tax is Social Security on incomes up to the maximum taxable amount of \$118,500? _____
 - h. What type of tax is Social Security on incomes beyond the maximum taxable amount of \$118,500? _____

“Insurance: Managing Risk and Balancing Responsibility with Affordability”

Students will read and annotate the article “Insurance: Managing Risk and Balancing Responsibility with Affordability” followed by answering the accompanying guided reading questions. Complete the insurance summary using the website.

GSE Standards and Elements	<p>SSEPF5 Describe how insurance and other risk-management strategies protect against financial loss.</p> <p>a. List and describe various types of insurance such as automobile, health, life, disability, and property.</p> <p>b. Explain the costs and benefits associated with different types of insurance, including deductibles, premiums, shared liability, and asset protection.</p>
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Part 1

Resource Links:


- Page One “Insurance: Managing Risk and Balancing Responsibility with Affordability” article and guided questions https://files.stlouisfed.org/files/htdocs/publications/page1-econ/2017-02-01/insurance-managing-risk-and-balancing-responsibility-with-affordability_TE.pdf
Kris Bertelsen, "Insurance: Managing Risk and Balancing Responsibility with Affordability," Page One Economics, February 2017
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- Connect related ideas with lines or arrows. 
- **Underline** important ideas/details
- Place asterisks * or exclamation points next to unusual or surprising details!!
- **Circle** words or information you don't understand.
- Rank your annotations based on their importance to the passage, **1, 2, 3, 4, 5.**

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Part 2 Use the following website to complete the Insurance Summary:

<http://www.360financialliteracy.org/Topics/Insurance/General-Insurance-Topics/Types-of-Insurance>

Type of Insurance	Purpose	Explanation of Examples of Coverage
Automobile		Collision: Liability: Comprehensive:
Health		Basic Health: Major Medical: Dental and Vision:
Renter's		Reimbursement:
Homeowners		Physical Damage: Loss or Theft: Liability:
Disability		Replacement Income:
Life		Term Life: Whole Life:

Credit Scores

Students will discover what makes up a credit score and research the three C's of credit, Character, Collateral, and Capacity.

<p>GSE Standards and Elements</p>	<p>SSEPF4 Evaluate the costs and benefits of using credit.</p> <ul style="list-style-type: none"> a. Describe factors that affect credit worthiness and the ability to receive favorable interest rates including character (credit score), collateral, and capacity to pay. b. Compare interest rates on loans and credit cards from different institutions. c. Define annual percentage rate and explain the difference between simple and compound interest rates, as well as fixed and variable interest rates
<p>Literacy Standards Social Studies Matrices Enduring Understanding(s)</p>	<p>L9-10 RHSS7, RHSS9 L11-12 RHSS7, RHSS9 Information Processing 1, 3, 5, 9, 11, 14, 15, 16 Incentives Interdependency</p>

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Use the following links to complete the activity:

Infographic

<https://bettermoneyhabits.bankofamerica.com/en/credit/how-to-improve-your-credit-score>

Fed Video Explanation

<https://www.stlouisfed.org/education/continuing-education-video-series/episode-1-understanding-how-a-fico-credit-score-is-determined>

1. What Makes Up a Credit Score?

35% _____

30% _____

15% _____

10% _____

10% _____

2. What do the Numbers Mean?

Scores:

Below 580 _____

580-669 _____

670-739 _____

740-799 _____

800+ _____

3. What is the United States National Average Credit Score? _____

4. One way to improve your score: _____

5. One way you can hurt your score: _____

6. Explain the three C's of Credit:

a. Character _____

b. Collateral _____

c. Capacity _____

7. Decide if the statements effect your Character, Collateral, or Capacity.

	Character, Collateral or Capacity
Your ability to pay bills on time	
The amount of money you owe (debt)	
Your employment history	
Your current salary	
How long you've held your current job	
How much you owe on your house	

8. Go to the following website to determine your current “Credit Score.”

<http://earning-credit.herokuapp.com/students/6866>

Enter in the information under “First Time Students”:

- a. First Name
- b. Your Teacher's Email Address

Under “Credit Score” click on “Take the Pre-Survey”

Each of the five questions help determine your credit worthiness. Classify each question’s purpose as determining Character, Collateral or Capacity.

	Character, Collateral or Capacity
What was your score on the most recent test in this class?	
In this class, how many assignments have you missed OR turned in late?	
At what age, did you first save some of your OWN money? (Savings can be kept in many places, from piggy bank to bank savings account.)	
In how many clubs/organizations are you involved this year? These may include school sports teams and clubs, community organizations, jobs, religious and political groups.	
When was the last time you asked your parents for money (not for a required school activity)?	

9. After honestly answering the questions and clicking submit survey, enter your credit score.

10. What was the best interest rate you were eligible for? _____

11. Under “Credit Score” click on “Take the Post-Survey”

Each of the five questions help determine your credit worthiness. Classify each question’s purpose as determining Character, Collateral or Capacity.

	Character, Collateral or Capacity
Imagine you are 30 years old. You will face many bills – including rent or mortgage, possibly diapers and daycare, college loans, utilities, and transportation costs. How many times in one year do you anticipate you would be late on a payment?	
Imagine you are 30 years old. Not including a mortgage (to buy a home), how much consumer debt do you expect to have? Include student loans, car loans, credit card and any other debts.	
At what age, did you first save some of your OWN money? (Savings can be kept in many places, from piggy bank to bank savings account.)	
Imagine you are 30 years old. At what age did you first apply for a credit card or loan?	
Imagine you are 30 years old. How many of the following accounts do you currently have: Credit cards, mortgages, retail finance, auto loans, student loans, other loans?	
Imagine you are 30. How many times have you applied for a loan or new credit card in the past 6 months?	

12. After honestly answering the questions and clicking submit survey again, enter your credit score.

13. What was the best interest rate you were eligible for? _____

14. Compare the interest rates and payments on a \$20,000 car for different credit scores (use the data from the website in question 11).

Use the link to access an “Auto Loan Calculator.”

<http://www.bankrate.com/calculators/auto/auto-loan-calculator.aspx>

Credit Score	Principal or Loan Amount (New Car)	Terms or How Many Months?	Interest Rate	Monthly Payment	Total Cost= Principal + Interest
720	\$20,000				
600	\$20,000				
480	\$20,000				

15. How much can keeping a good credit score save you?

Credit Cards

Students will define APR and compare interest rates on credit cards from different institutions.

<p>GSE Standards and Elements</p>	<p>SSEPF4 Evaluate the costs and benefits of using credit.</p> <ul style="list-style-type: none"> b. Compare interest rates on loans and credit cards from different institutions. c. Define annual percentage rate and explain the difference between simple and compound interest rates, as well as fixed and variable interest rates.
<p>Literacy Standards Social Studies Matrices Enduring Understanding(s)</p>	<p>L9-10 RHSS7, RHSS9 L11-12 RHSS7, RHSS9 Information Processing 1, 3, 5, 9, 11, 14, 15, 16 Incentives Interdependency</p>

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1. Survey the local stores in your community which honor credit cards. Which cards are used? At what kind of firm is each card used? Compile the data collected and reproduce it in the form of a chart or table to indicate the number and type of firms that use credit cards.
2. Use the link to answer the question: What is an APR?
<https://bettermoneyhabits.bankofamerica.com/en/credit/what-is-apr>
3. Compare Credit Card offers from 4 different institutions:
<https://wallethub.com/credit-cards/>

Credit Card Company				
Card Network (Visa, MC, Amex, Discover)				
Purchase APR				
Rate Type (Fixed or Variable)				
Annual Fee				
Reward Credits?				
Minimum Credit Score (Limited, Bad, Fair, Good, or Excellent)				

Which Credit Card would you recommend to a recent college graduate starting out at their first job? Justify your answer.

Culminating Unit Performance Task

Personal Finance Board Game

Students will create a Personal Finance board game.

<p>GSE Standards and Elements</p>	<p>SSEPF1 Apply rational decision making to personal spending and saving choices.</p> <ul style="list-style-type: none"> a. Use a rational decision making model to evaluate the costs and benefits of post-high school life choices (i.e., college, technical school, military enlistment, workforce participation, or other option). b. Create a budget that includes a savings or financial investment plan for a future goal. <p>SSEPF2 Explain that banks and other financial institutions are businesses that channel funds from savers to investors.</p> <ul style="list-style-type: none"> a. Compare services offered by different financial institutions, including banks, credit unions, payday lenders, and title pawn lenders. b. Explain reasons for the spread between interest charged and interest earned. c. Give examples of the direct relationship between risk and return. d. Evaluate the risk and return of a variety of savings and investment options, including: savings accounts, certificates of deposit, retirement accounts, stocks, bonds, and mutual funds. <p>SSEPF3 Explain how changes in taxation can have an impact on an individual’s spending and saving choices.</p> <ul style="list-style-type: none"> a. Define progressive, regressive, and proportional taxes. b. Explain how an increase in sales tax affects different income groups. c. Explain the impact of property taxes on individuals and communities. <p>SSEPF4 Evaluate the costs and benefits of using credit.</p> <ul style="list-style-type: none"> a. Describe factors that affect credit worthiness and the ability to receive favorable interest rates including character (credit score), collateral, and capacity to pay. b. Compare interest rates on loans and credit cards from different institutions. c. Define annual percentage rate and explain the difference between simple and compound interest rates, as well as fixed and variable interest rates. <p>SSEPF5 Describe how insurance and other risk-management strategies protect against financial loss.</p> <ul style="list-style-type: none"> a. List and describe various types of insurance such as automobile, health, life, disability, and property. b. Explain the costs and benefits associated with different types of insurance, including deductibles, premiums, shared liability, and asset protection. <p>SSEPF6 Describe how the earnings of workers are determined in the marketplace.</p> <ul style="list-style-type: none"> a. Identify skills that are required to be successful in the workplace, including positive work ethics, punctuality, time management, teamwork, communication skills, and good character. b. Explore job and career options and explain the significance of investment in education, training, and skill development as it relates to future earnings.
<p>Literacy Standards Social Studies Matrices Enduring Understanding(s)</p>	<p>Information Processing 1, 3, 5, 9, 11, 14, 15, 16</p> <p>Incentives</p> <p>Interdependency</p>

Economics Frameworks for the Georgia Standards of Excellence in Social Studies

Create an Economics Board Game - Your task is to design and create a board game suitable for teaching the basic terms and concepts of personal finance to middle and high school students. Create an original and enjoyable game, because you will present your game by teaching other students how to play your game. Finally, construct the actual game, including all its components and a set of clearly written instructions. As you design and create the game, do not assume that the players have any prior knowledge of economics or personal finance.

Possible personal finance concepts your board game may address:

1. Post high school life choices- college, technical school, military enlistment, workforce participation, or other option
2. Budgeting and Savings
3. Evaluate the risk and return of a variety of savings and investment options, including: savings accounts, certificates of deposit, retirement accounts, stocks, bonds, and mutual funds.
4. The use of credit cards and APR
5. Purchases using loans from banks or credit unions.
6. Types of insurance such as automobile, health, life, disability, and property.
7. Different types of taxes.
8. Skills that are required to be successful in the workplace, including positive work ethics, punctuality, time management, teamwork, communication skills, and good character.

**The key to a good game is to make sure your game not only states the concepts, but also takes the time to explain their importance using real world scenarios.

Board game must include:

- Objective of the game – what is the purpose?
- Rules and directions
- Game contents, board, and a box

Help with design:

Article to help with the design of your board game:

<https://hubpages.com/games-hobbies/Board-Game-Design-Elements-of-a-Game>

Questions to ask yourself:

- How many players will there be?
- How long should the game be?
- What choices will the player make, and when will they make them?
- How will the player make these choices?
- How will one player's choice impact the other players?
- How will the players interact with each other?
- Are there any choices that can be made by one player, but not by the others?
- How does the game progress? Is it strictly turn-based, or is it in rounds with phases?
- What actions will the player be able to take?
- How will the outcome of an action be determined?
- What is the player's goal?
- How can the player win?
- Keep the mechanics of the game simple, but not too simple!

Rubric

Georgia Department of Education

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Economics Frameworks for the Georgia Standards of Excellence in Social Studies

	3	2	1	Score
Contents of the Game Contains an objective and the rules and directions are clear and concise.	Objective is clear and concise. Rules and directions are easy to follow.	Objectives, rules, and directions are evident, but are a bit problematic or clumsy.	Objective is unclear and rules and objectives are difficult to understand.	
Post high school life choices	3+ examples of post high school life choices were addressed.	Less than 3 examples of post high school life choices were addressed.	Only 1 example of a post high school life choices was given.	
Budgeting and Savings	A budget plan that includes savings and financial goals.	A budget including savings, but no goals were mentioned.	Concept was not addressed.	
Investment	A variety of savings and investment options were included, as well as the relative risk and return of each investment.	Savings and investment were evident.	Concept was not addressed.	
Credit Cards	Acquiring and using a credit card is part of the game. The credit card's APR was applied in one situation.	Acquiring and using a credit card is evident.	Concept was not addressed.	
Banks and Credit Unions	Explains the difference between banks and credit unions.	Banks and/or credit unions are used in the board game.	Concept was not addressed.	
Types of insurance	Multiple types of insurance are used. Deductibles and premiums are elements of the game and are explained.	Multiple types of insurance used.	Concept was not addressed.	
Types of taxes	An example of a progressive and regressive tax is utilized and applied properly.	Only one type of tax is evident.	Concept was not addressed.	
Workplace skills	Skills that are required to be successful in the workplace were utilized on multiple occasions in the game.	Skills that are required to be successful in the workplace were utilized once.	Concept was not addressed.	