



**MassHire Cape & Islands
Workforce Board
Personal Financial Literacy
Toolkit
For Grades 9-12**



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Introduction

Welcome to the ***MassHire Cape & Islands Workforce Board Personal Financial Literacy Toolkit***. This toolkit is an online guided instruction that consists of three interactive modules. Each of the modules explore the concepts of financial literacy. Students grades 9 through 12 will participate in this toolkit to enhance their knowledge of personal finance education. The toolkit can be completed individually by a young adult or as an addition to an educator's instruction. Activities included in the modules support English Language Arts, Math, Social Studies and Economics. The learning modules also align with the Personal Financial Literacy High School standards that are outlined in the Massachusetts Curriculum Frameworks (HHS.PFL). A detailed description of the education standards can be found at the end.

In this Toolkit you will find:

- § Three guided modules that include problem solving and critical thinking activities that engage young adult learners in the exploration of key financial concepts.
- § Lesson plans that are designed to provide clear expectations and objectives. Most lessons include discussion questions, an interactive activity, and a suggestion for an extension piece. All lessons support Universal Design for Learning (UDL) to promote an inclusive learning environment.
- § A detailed answer key to all the activities included will be supplied at the end. Some answers may vary depending on the student's financial decision. In this case, an example will be provided.
- § Students will be introduced to new terms throughout each of the modules. For reference, a glossary is accessible at the end of the module.
- § Additional resources are organized at the end of the module. These are included for further research and to identify where the information provided throughout the module was located.
- § The education standards chart identifies which standards are met in each module. This chart exhibits a clear alignment with standards from HHS.PFL, ECON, ELA, and WIDA.



MassHire Cape & Islands Workforce Board Personal Financial Literacy Toolkit MODULE 1: CREDIT CARDS

Recommended Procedure (Instructor Led or Self-Study):

1. Warm-up Exercise
 - Introduce the definition of *credit*. Review the Vocabulary Practice: Multiple Meanings of Credit on **page 5**. Complete the follow-up activity, Multiple Meanings of Credit Review, on **page 6**. Follow the instructions provided. The **Answer Key** is located on **page 10**.
2. Credit Card Activity
 - Instructor's visit the following link to access *Teacher Guide*: [Getting A Credit Card and Using It Wisely](#)
 - Student's visit the following link to access *Student Worksheet*: [Getting A Credit Card and Using It Wisely](#)
 - Follow the instructions provided. The **Answer Key** is located on **page 10**.
3. Credit Card Statement Activity
 - Instructor's visit the following link to access *Teacher Guide*: [Analyzing Credit Card Statements](#)
 - Student's visit the following link to access *Student Worksheet*: [Analyzing Credit Card Statements](#)
 - Follow the instructions provided. You will need the following worksheet to complete the activity: [Sample Credit Card Statement](#). The **Answer Key** is located on **page 10**.
4. Making a Major Purchase
 - Complete the activity on **pages 7-9** to demonstrate an understanding of the material provided throughout this module. Follow the instructions provided. The **Answer Key** is located on **page 10**.

Additional Curated Lessons, Simulations, and Interactive Activities

1. Information provided by *Cape Cod Five*: [The Basics about Credit - How Its Calculated and How to Protect It](#)
 - This website gives easy to understand information about credit, credit scores, and why building credit is important.
 - Cape Cod Five recommends the app *MyCardRules*[™]. To learn more: [MyCardRules](#)
2. *Consumer Financial Protection Bureau* offers multiple, easily accessible lessons and teacher guides: [Youth Financial Education](#).
3. [EconEdLink: The Costs of Credit](#) provides an overview of credit cards, while also including multiple interactive activities. After a student completes an activity, there is an option to enter their teacher's email address to forward their completed worksheet.
4. [The Federal Trade Commission](#) offers easy to understand information on how to build your credit and to learn about the importance of your credit score.

Vocabulary Practice: Multiple Meanings of Credit

*The word credit has multiple different meanings and can be used as both a verb and a noun. Review the following definitions and examples provided below to help complete the practice exercise on **page 6**.*

Definition 1: The ability of a person to get products or services before they pay, based on the trust that the person will pay in the future.

Example: I often buy things on credit, but I will try to pay back the money I borrowed as soon as possible.

Definition 2: The money or payment received and recorded in an account.

Example: After you deposit a check into your bank account, it shows up as a credit.

Definition 3: The public praise for an action, usually given or received when people learn about the action.

Example: When the student received an award, she credited her family for their support.

Definition 4: A source of pride or something that reflects well on other people.

Example: The students' test scores were a credit to their teacher.

Definition 5: Recognition of a person's role in a movie or a television program, usually on a scrolling list at the beginning or end of a movie or television program.

Example: According to the credits, Tom Hanks plays the character Woody in the movie Toy Story.

Definition 6: The belief in the truth or reliance of something.

Example: I believe him. I give credit to his explanation.

Definition 7: Recognition by a school or college that a student has fulfilled a requirement leading to a degree.

Example: Most of the courses offered at Cape Cod Community College are 3 credit courses.

Multiple Meanings of Credit Review

Instructions: Read each sentence and match it with the correct definition of credit.

Example: His explanation has no credit with me because he has lied to me many times! Definition 6

1. You need 22 credits to graduate from Barnstable High School.
Definition ____
2. Born on Nantucket in 1993, Meghan Trainor is credited with writing and performing the #1 Billboard hit, “All About That Bass”.
Definition ____
3. I made the deposit to my bank in the evening, so I did not see the credit to my account until the next day.
Definition ____
4. Johnny’s excellent grades are a credit to his family.
Definition ____
5. Before you give credit to stories or quotes you see on social media, you should check the sources of information.
Definition ____
6. My good credit allowed me to purchase the car with a low finance rate.
Definition ____
7. My boyfriend likes to stay in his seat at the movie theater until after he sees the credits.
Definition ____

Making a Major Purchase

Instructions: Kim has just turned 21 years old. She has decided to apply for a credit card. Your mission is to find the best credit card for Kim. Utilizing the information you have learned throughout this module, complete the activity below. Fill in the blanks according to the credit card you have chosen. Click on one of the four credit cards below to help answer the following questions. Keep in mind that these are optional. You can research and find a different credit card company if you choose.

Discover Credit Card



Capital One Credit Card



American Express Credit Card



Visa Credit Card



Making a Major Purchase

1. Name of the Credit Card you chose: _____

2. What is the interest rate? _____

3. Are there fees associated with this card? Circle: Yes No

a. If yes, how much are the fees? _____

4. Why should Kim choose this card?

5. Kim's first purchase with the card is a \$200.00 TV. Kim has the cash to pay for the TV (about \$600.00 in a checking account) but decides to use a credit card to pay for it. Is this a good decision for Kim? Why or why not?

6. Could Kim use a debit card to pay for the TV? Circle: Yes No

a. If yes, explain why.

7. If Kim decides to use a credit card to pay for the TV, what advice would you give Kim about paying the credit card bill?

Making a Major Purchase

8. Kim decides to pay \$50 per month until the TV is paid for. How long will it take Kim to pay for the TV? _____

9. How much will Kim have paid in total by the time the TV is paid off?

10. What is the best way for Kim to manage paying for this TV?

Answer Key

Multiple Meanings of Credit Review

1. 7

2. 3

3. 2

4. 4

5. 6

6. 1

7. 5

Getting a Credit Card and Using It Wisely

- The answer key for the credit card activity is located in the [Teacher's Guide](#) on pages 4-5.

Analyzing Credit Card Statements

- The answer key for the credit card statement activity is located in the [Teacher's Guide](#) on pages 5-6.

Making a Major Purchase

- The answers for this activity are opinionated and are dependent upon the credit card the student chose.
- For Question 6, the answer is Yes. If she has enough money in her bank account to cover the cost of the TV, then the money would be immediately withdrawn.

Glossary

Bank: A financial institution and business that accepts deposits, makes loans, and handles other financial transactions.

Budget: A plan that outlines what money you expect to earn or receive (your income) and how you will save it or spend it (your expenses) for a given period of time; also called a spending plan.

Certificate of Deposit (CD): An account in which you deposit funds for a set term (e.g., six months or one, two, or five years), with a financial institution, with the promise of a set interest rate. For most CDs you cannot make deposits or withdrawals to the account during this term.

Checking Account: An account at a bank (sometimes called a share draft account at a credit union) that allows you to make deposits, pay bills, and make withdrawals.

Compound Interest: Interest credited daily, monthly, quarterly, semi-annually, or annually on both principal and previously credited interest.

Consumer: A person who buys or receives goods or services for personal needs or use and not for resale.

Credit Card Statement: A summary of how you have used your credit card for a billing period.

Credit Card: Amount of money a creditor is willing to loan another to purchase goods and services, based the expectation that the money will be repaid as promised with interest.

Credit Limit: A limit set by the credit card company on how much you can charge on the card it issued to you. You can use your credit card to make purchases up to your credit limit.

Credit Score: A measure of creditworthiness based on an analysis of the consumer's financial history, often computed as a numerical score, using the FICO or other scoring systems to analyze the consumer's credit. A creditor's evaluation of a person's willingness and ability to pay debts as judged by character, capacity, and capital; a mathematical model used by lenders to predict the likelihood that bills will be paid as promised.

Credit: Amount of money a creditor is willing to loan another to purchase goods and services, based the expectation that the money will be repaid as promised with interest.

Debit Card: A card used to pay for goods and services directly from a checking account by transferring funds electronically from one's checking account to the store's account to pay for a purchase; also called check cards.

Debt: The entire amount of money owed to lenders.

Direct Deposit: Money electronically sent to your bank account, credit union account, or prepaid card.

Fixed Expenses: Expenses that cost the same amount every time.

Glossary

Fraud: An illegal act that occurs when people try to trick you out of your personal information and your money.

Gross Income: Total pay before taxes and other deductions are taken out.

Income: Any money an individual receives.

Interest Rate: A percentage of a sum borrowed that is charged by a lender or merchant for letting you use its money. A bank or credit union may also pay you an interest rate if you deposit money in certain types of accounts.

Interest: Interest is the additional amount you will pay to a lending institution to borrow money. In terms of savings, interest is the additional amount you will earn for having your money in a bank account or other savings vehicle.

Investment: Setting aside money for future income, benefit, or profit to meet long-term goal; using savings to earn a financial return.

Loan: Money that needs to be repaid by the borrower, generally with interest.

Opportunity Cost: Cost of the next best use of your money or time when you choose to buy or do one thing rather than another.

Overdraft: An overdraft occurs when you don't have enough money in your account to cover a transaction, but the bank pays the transaction anyway.

Paycheck: A check for your salary or wages made out to you.

Principal: In the lending context, principal is the amount of money that you originally received from the creditor and agreed to pay back on the loan with interest. In the investment context, it is the amount of money you contribute with the expectation of receiving income.

Salary: Compensation received by an employee for services performed. A salary is a fixed sum paid for a specific period of time worked, such as weekly or monthly.

Sales Tax: A tax on retail products based on a set percentage of the retail price.

Savings Account: An account at a bank (sometimes called a share savings account at a credit union) used to set aside money and that pays you interest.

Taxes: Required payments of money to governments, which use the funds to provide public goods and services for the benefit of the community as a whole.

Wage: Compensation received by employees for services performed. Usually, wages are computed by multiplying an hourly pay rate by the number of hours worked.

Resources¹

- [Bankrate: Credit Card Calculator](#)
- [Capital One: Credit Card Calculator](#)
- [Consumer Financial Protection Bureau: Analyzing Credit Card Statements](#)
- [Consumer Financial Protection Bureau: Financial Terms Glossary](#)
- [Consumer Financial Protection Bureau: Getting a Credit Card and Using It Wisely](#)

¹ Utilize these additional resources to research further information on financial literacy and to identify where we have gathered the information provided throughout this module.

Education Standards

High School Standards for Personal Financial Literacy

Source: [Personal Financial Literacy in the Massachusetts Curriculum Frameworks](#)

2018 History and Social Science Curriculum Framework

HSS.PFL.T3.1 Recognize that a credit card purchase is a type of loan from the financial institution that issued the credit card, that financial institutions may charge a fee for credit card use, and that credit card interest rates tend to be higher than those for other types of loans.

HSS.PFL.T3.2 Explain why some banks offer credit at low introductory rates that increase when a consumer makes a late payment or misses a payment.

HSS.PFL.T3.3 Explain what a credit bureau does, what a credit rating is and the factors from an individual's credit history that may lead to denial of credit; explain the potential uses of credit reports and scores (e.g., in hiring or renting decisions or the setting of insurance premium rates).

HSS.PFL.T3.4 Research and report on the long-term consequences for borrowers of failure to repay loans, such as negative entries in a credit report, repossession of property, garnishment of wages, the inability to obtain loans in the future, and bankruptcy.

HSS.PFL.T3.5 Explain a consumer's rights for full disclosure of credit terms for a loan and for a free copy of his or her own credit report so that the consumer can verify it.

HSS.PFL.T3.6 Formulate a credit plan for purchasing a major item such as a car or home, comparing different interest rates.

English Language Development Supports

Source: 2012-ELD-Standard, P.5, Features of Academic Language in WIDA Standards

Dimension	Performance Criteria	Features
Word/Phrase	Vocabulary usage (Specificity of word or phrase choice in communication)	<ul style="list-style-type: none"> • General, specific, and technical language • Multiple meanings of words and phrases • Nuances and shades of meaning • Collation and idioms