



**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 2: ECONOMIC CHOICES & OPPORTUNITIES

Recommended Procedure (Instructor Led or Self-Study):

1. Warm-up Exercise
 - Listen to a podcast: [Opportunity Cost-The Economic Lowdown Podcast Series, Episode 1](#). This podcast series is produced by the St. Louis Federal Reserve Bank and it covers several economic principles and topics including opportunity costs, scarcity, and unlimited wants. Transcripts are included.
 - Instructors: If a class [registers](#) (free), educators can also access lesson plans and discussion questions.
2. Economic Decision-Making Activity
 - Read the article [Why Rich Kids Are So Good at the Marshmallow Test](#).
 - Instructor's visit the following link to access lesson plan: [Grade 9-12 Lesson: Opportunity Cost](#)
 - Student's visit the following link to access the video: [Don't eat the marshmallow!](#)
3. The True Story of Danubia C.S.
 - Review key terms and concepts on **page 5** before beginning reading.
 - Begin reading *The True Story of Danubia C.S.* on **pages 6-7**. Throughout the story, are comprehension questions to consider for group discussion or individual thought.
 - Complete the graphic organizer on **page 8**. The **Answer Key** is located on **page 10**.
 - Complete one or more of the extension activities located on **page 9**.

Additional Curated Lessons, Simulations, and Interactive Activities

1. *The Economics Center at the University of Cincinnati* provides the following detailed lesson plan for teaching about opportunity costs as they relate to college decisions: [Why It Matters: What is the "Real" Cost?](#).
2. *Consumer Financial Protection Bureau* submitted an article called, [The Teenage Years are for Practicing Money Decisions in a Safe Space](#). This article is also available in Spanish.
3. *Money Crashers* submitted an article that helps students weigh their choices as they move into the adult world: [7 Best Financial Decisions Young People Can Make to Get Ahead](#).
4. The following are three additional podcast channels that can be listened to via Apple Podcasts, Spotify, or directly from the links provided. All are a great resource to use as a guide for tips on personal finance:
 - a. [Radical Personal Finance](#)
 - b. [Girl Boss Radio](#)
 - c. [Listen Money Matters](#)

The True Story of Danubia C.S.

Review the following key terms and reading concepts provided below to help complete the practice exercise on **page 8**. Please refer to the glossary provided on **pages 11-12** for further guidance.

Key Terms:

Economic decision making

Scarcity

Opportunity cost

Unlimited wants

All of us make decisions. We might not realize that those decisions are financial decisions or economic decisions, but often they are. **Economic decision making** involves the concept of **scarcity**. Scarcity means there is not enough of what you want, so you must decide about what is best or the most important. One easy way to think about this is the number of hours in a day. In one day, you might have to work for 8 hours, commute to work for 1 hour, do chores for 2 hours, watch TV for 2 hours, exercise for 1 hour, eat three meals for 2 hours, and then sleep for 8 hours. Great 24 hours in a day! But what if you have a dentist appointment or you have to go to the grocery store or get a haircut? You now have a scarcity of hours in a day. Now you must make a choice because of scarcity. Almost every decision is because of scarcity and every decision has an **opportunity cost**. An opportunity cost is what you sacrifice when you choose one thing over another. Let's return to the hours in a day for example. If you decided to give up an hour of sleep so you can exercise, you are giving up the feeling of being rested because you've decided exercise is more important than that extra hour of sleep. People are never satisfied with what they have so we can say they have **unlimited wants**.

Almost every decision you make is an economic decision involving scarcity and each decision has an opportunity cost. We continue to make these decisions because of unlimited wants.

The True Story of Danubia C.S.

Let's take a look at the story of a young woman named Danubia as an example of economic decision making and opportunity cost. Danubia was born in Brazil and moved to the United States with her mother when she was 13 years old. She did not speak English and she also did not want to leave her family and friends behind. Danubia and her mother settled on Martha's Vineyard for one year before moving to Lowell, Massachusetts. This is where she began her freshman year of high school and stayed until halfway through her sophomore year. They then returned to the Vineyard where Danubia finished her high school education. Like all of us, Danubia had to make many financial and economic decisions throughout her life.

"My life on Martha's Vineyard was very sheltered, but I learned a new culture, the culture of the privileged. I believed that I too had the right to feel privileged, just for living in the United States. I did not let anyone's opinions interfere with my new-found independence. I started working at 14 years old and had 2-3 jobs in the summer. I made my own money! I traveled! My immigrant story was different than many because of the privileged way we live on the beautiful island of Martha's Vineyard."

Danubia did not have many choices at this point in her life, but you will see how soon she had to make some choices and learn how her decisions influenced her future.

After spending her freshman year and part of her sophomore year in Lowell, MA, Danubia moved back to the Vineyard. She went to school, but she also worked part-time and full-time in the summer. She enjoyed working, but she enjoyed earning money even more. She could not help but be influenced by the ads she saw on TV or the ones listed in her favorite magazines. She had a sense of style and now she was able to buy things that she wanted. Like many teenagers, she wanted a car, and when she graduated, she was able to afford a used one. She never went into debt, but she also did not save any money.

The True Story of Danubia C.S.

What is one choice Danubia made and what was the impact of that choice?

Danubia was a good student in high school, many of her teachers noted her leadership skills. She even acted as an unofficial translator for new students who arrived on the Vineyard from Brazil. After she left high school, she continued to work as a store manager and a waitress. During the summer months, Danubia could earn a good salary. With the money she earned, she was able to travel, wear nice clothes, and enjoy time with friends. She continued working for 4 years after graduating from high school.

What choice did Danubia make after high school?

After four years, she began to wonder if she should do something more with her life. With guidance from her high school counselor, she decided to attend Cape Cod Community College. This involved commuting from the Island while continuing to work to support herself and pay for school.

Did the decision to go back to school change the way Danubia lived her life?

After graduating from community college, Danubia decided it was time to leave the island to pursue new opportunities. She left Cape Cod and moved to Boston. She worked, got married, had a daughter, and graduated from UMASS Boston with a bachelor's degree. She found out that her passion was supporting parents and children. It was not always easy making ends meet and she often found herself in debt. She had student loans to pay and she had to care for her daughter, while paying for childcare.

Danubia said that having a child changed her way of thinking. Do you think her decision process changed as well?

While still at UMASS Boston, a friend suggested she apply to the Harvard School of Education. She did not think she would get in, but she decided to apply anyway. She realized that she loved learning and she wanted to have the skills to help parents and children who were dealing with poverty. Much to her surprise, she did get in and she made the decision to attend. She was still in debt. She had to take out more loans and use food stamps while she attended school.

Do you think a degree from Harvard is worth the sacrifice?

Today, Danubia has a job she loves, and she is no longer in debt. However, her job is not high paying. Therefore, she returns to the Island for the summer. She will spend her days working remotely and her evenings working at a high-end restaurant in Edgartown.

The True Story of Danubia C.S.

Instructions: Use the graphic organizer below to map out Danubia’s Economic Choices.

Danubia’s Economic Choices				
What choice did she have to make?	What values influenced her choice?	What was her decision?	Positive Result	Opportunity Cost
Choose to work during high school				
Choose what to do after high school				
Choose to pursue a college degree				
Choose if she should leave Martha’s Vineyard				
Choose to attend Harvard				
Choose to continue working with low income families				

The True Story of Danubia C.S. (Extension Activities)

Instructions: Choose one or more of the extension activities provided below. Read the question carefully and write your answers on a separate sheet of paper.

1. Danubia is the first to admit that she did not always make the best financial decisions. She was ambitious and always worked hard, but she did not have financial literacy knowledge like you do!

In Robert Kiyosaki's book, Rich Dad, Poor Dad, he writes "*Most people work for money — rich people have money work for them.*" How could this quote connect to the life of Danubia? If you could go back in time and advise Danubia, what advice would you give her? Are there any changes she could have made in her economic decision making that would have made her journey easier?

2. Danubia credits some of her success to interacting with some of the residents on Martha's Vineyard. What do you think she may have learned from them? How might this experience have benefitted her? Could these interactions also have been detrimental to her? If so, how?
3. Write your own true story! Think of a decision you have made and write about how your values influenced your decision, the result of your decision, and the opportunity cost of your decision.

Answer Key

Danubia's Economic Choices				
What choice did she have to make?	What values influenced her choice?	What was her decision?	Positive Result	Opportunity Cost
Choose to work during high school	She liked to buy herself nice things	She worked during high school	She got to buy things she liked	She did not save money
Choose what to do after high school	She liked her independence	She worked full-time	She traveled and was independent	She did not pursue her education
Choose to pursue a college degree	She strived to make an impact and had a passion for learning	She went to Cape Cod Community College	She received a degree	Her busy schedule affected her time, effort, cost, & money
Choose if she should leave Martha's Vineyard	She would pursue her degree and become a mom	She moved to Boston and went to UMASS	She got her degree	She was in debt
Choose to attend Harvard	She could continue her passion for helping others and her love of learning	She went to Harvard	She has a degree from Harvard	She was in debt and had to go on food stamps
Choose to continue working with low income families	She could provide for her daughter, pay off her debt, and do work she loves	She went back to Martha's Vineyard to work as a waitress	She gets to spend the summer on Martha's Vineyard	She has to work two jobs

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

- [Consumer Financial Protection Bureau: Financial Terms Glossary](#)

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

Topic 1. Earning and spending income [T1]

Supporting Question: What is the most important thing to look for in a job?

1. Explain that people choose jobs for which they are qualified based on a variety of factors, such as job satisfaction, independence, salary, opportunities to learn and grow, benefits such as health insurance coverage, retirement plans, and location.
2. Explain why wages and salaries are determined by the labor market, and how changes in economic conditions (such as a recession) or the labor market (such as business shift from coal to oil or natural gas) can affect changes in a worker's income or may cause unemployment.
3. Analyze the impact of federal income tax rates on people of different income levels in the United States from 1950 to the present.
4. Describe the impact of advertising and social media on purchasing decisions; use data to research the effects of media sources on purchases of durable goods (such as cars or appliances) or more temporary goods and services (such as shoes, clothes, cosmetics, or transportation).
5. Give examples of ways people can pay for goods, services, or charitable donations (e.g., cash, credit or debit card, check, mobile phone payment, layaway plan, rent-to-own) and analyze the costs and benefits of each method of payment.
6. Explain the state and federal governments' roles in consumer protection.

The WIDA English Language Proficiency Standards and Resource Guide

Source: [Model Performance Indicators \(MPIS\) and Their Elements](#)

Graphic Supports, RG-22-23

The most commonly used graphic support associated with social, instructional and academic language is the graphic organizer. Graphic organizers, such as semantic maps, venn diagrams or T charts, are useful tools for ELLs. These graphic supports allow students to demonstrate their understanding of ideas and concepts without having to depend on or produce complex and sustained discourse. It cannot be assumed, however, that ELLs understand the concept behind and automatically know how to use particular graphic organizers. Therefore, teachers must model examples of their use and give students time to practice with each one.