



**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 3: The Role of Banks, Saving for The Future & Financial Planning

#### Recommended Procedure (Instructor Led or Self-Study):

1. Warm-Up Exercise
  - Review the following key terms in the Glossary located on **pages 17-18**: *interest, interest rate, and compound interest*.
  - Visit the following link to understand the process of Compound Interest over a period of time: [Compound Interest Calculator-Savings Account Interest Calculator](#)
2. Certificate of Deposit Activity
  - Review the definition of *Certificate of Deposit* in the Glossary located on **page 17**.
  - Research and discover rates for CD's at the following link: [Best 1-Year CD Rates](#)
    - Note: This website will update with time.
3. The Role of Banks Activity
  - Watch [What We Do](#) to explore the Federal Reserve Bank. This video was produced by the Federal Reserve Bank of Chicago.
4. Short Story Activity
  - Read the short stories presented on **pages 5-7**.
  - Utilize the questions that follow each story as a guide to discussion or to complete as an assignment. The **Answer Key** is located on **page 15**.
5. Financial Decision Activity
  - Analyze the decision-making process for two graduating high school students.
  - Review the brief introduction on Marla and Jamison on **page 8**.
    - Read the directions carefully before moving onto the identity charts.
  - Review the identity charts.
    - Marla's chart is located on **page 9**.
    - Jamison's chart is located on **page 12**.
  - Complete the graphic organizers for both Marla and Jamison to apply this method of decision making. The **Answer Key** is located on **page 16**.
    - Graphic organizer for Marla is located on **page 10-11**.
    - Graphic organizer for Jamison located on **page 13-14**.

## Short Stories

**Instructions:** Read the following three short stories. After each story are comprehension questions. Read each question carefully and write your answers on a separate sheet of paper.

### Short Story 1:

“I have been friends with the same three people since we were in fifth grade. When we were younger, we would hang out every Friday. Now that we are sixteen years old, we can all drive, so instead of spending every Friday at home, we go out to eat. One of our favorite restaurants to eat at is Chipotle. My order is a chicken burrito with a large coke, it usually costs me around \$10. I saved my money from babysitting this summer, but now school is starting, and I do not have the time to work every day. My mom and I created a budget that would allow me to save for a car when I got my license this summer and the \$10 a week, for Fridays with my friends, was counted into the budget. However, now I must rearrange my spending for the school year. I really love hanging out with my friends, but I'm worried that I won't be able to afford our chipotle trips anymore and they'll have to go without me.” -  
**Caroline L.**

### Comprehension Questions:

1. How does this story reflect Caroline's values?
2. How much money does Caroline spend every month on chipotle?
3. What is a solution to this problem that you would tell Caroline?
4. How much would she save every year if she went to chipotle every other week? How much would she save if she went once a month? How much would she save if she did not go with her friends at all for one year?

## Short Stories

### Short Story 2:

“Every morning before school, I stop at Dunkin’ Donuts to get one of my favorite drinks, an iced caramel latte. I go to the Dunkin’ right next door to school, so I always end up bringing my drink inside and finishing it in my first period class. Since it is the first class of the day, everyone usually brings in a coffee, even my teacher. But last week something weird happened. I came in with my iced latte, like usual, and saw that my teacher had written on the white board that he was going to be announcing a class field trip. Later in class, when he had announced the field trip, he stated that the cost of the trip was going to be eight dollars. He told us that if we could not afford the trip, that we should come speak with him after class or at the beginning of class tomorrow. I knew both my parents were out of work right now and I had no money saved, so I could not pay for the trip. Before class the next day, I went to speak with him to explain my situation and tell him that I was not going to be able to afford the trip. He looked at me and then looked at my iced latte, shook his head and told me that he was not going to be able to help me pay for the field trip. I did not understand why.” - **Marissa W.**

### Comprehension Questions:

1. Why was Marissa surprised by her teacher’s response?
2. Why did the teacher say that he could not help Marissa pay for the class field trip?
3. If Marissa’s iced caramel latte costs \$3.50, how many lattes would she have to skip purchasing each morning to save enough money to go on the field trip?

## Short Stories

### Short Story 3:

"I listen to music every day. I could be working out or hanging out at home, either way I always have my AirPods in. For a while, I would only listen to music by searching songs on YouTube. But when I was not connected to WiFi I would use up all my family's data. This would make my mom upset and I would end up having to pay an extra twenty dollars a month towards my phone bill. I knew I had to find another way to listen to music. A lot of my friends listen to music through the app, Spotify. I had always thought about downloading it, but the free version does not let you listen to music when offline. I figured this app was no different than me using YouTube. But then my friend told me that if I sign up for Spotify Premium, I can listen to music anywhere, even when I am not connected to Wifi! Plus, because I am a student, I can sign up for the student plan, get my first three months free, and then it is only five dollars a month. This would save me an extra \$15 dollars a month now! I am loving listening to music through Spotify! I have decided to take the money that I am saving from not having to pay extra for data and put that money into my savings account to buy myself a new laptop for college! My mom loves this idea too! I can't wait to watch my savings account grow!" - **Ryan S.**

### Comprehension Questions:

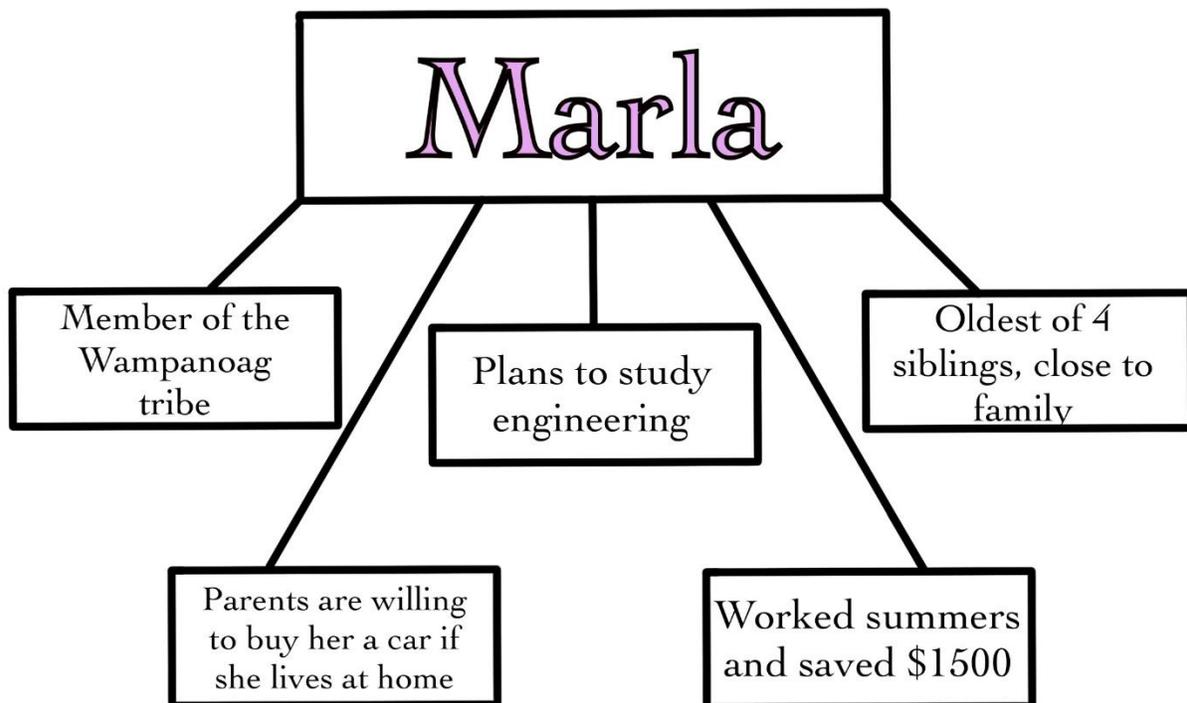
1. How does this story reflect Ryan's values?
2. Why is it a wise decision for Ryan to put his money into a savings account, rather than his checking account?
3. Considering that Ryan gets the first three months of Spotify free, if he signed up in September, how much money will he have saved come February?

## Making A Financial Decision After High School

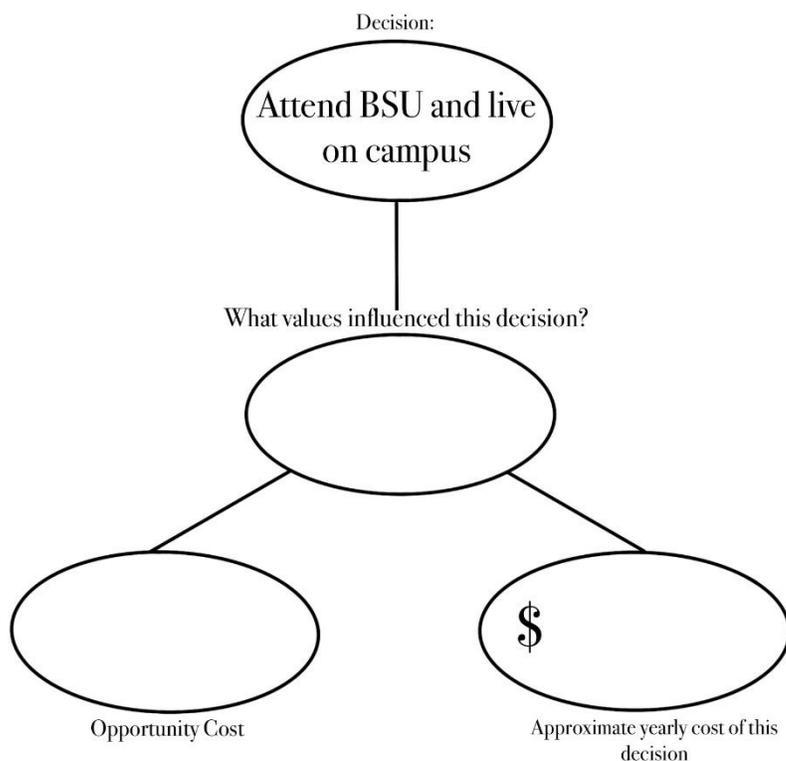
Marla and Jamison are both high school seniors and are residents of Mashpee, MA. Both students have applied to and were accepted at their first-choice college; Bridgewater State University. Marla and Jamison have a financial decision to make. The following are a few options that Marla and Jamison have to decide on; they should attend Bridgewater State University and live on campus, they should commute to Bridgewater State University and live at home, they should attend Cape Cod Community College for two years and then transfer to Bridgewater State University, or they should take a year or two off from school and enter the workforce for the time being.

**Instructions:** Review the identity charts for Marla and Jamison below. Each identity chart gives a brief overview of the student's life, while also presenting some factors that might influence their decisions. Consider the economic trade-offs for each decision and remember the definitions of the vocabulary terms introduced in *Module 2*: opportunity cost, scarcity, and unlimited wants. Note that the student's values are not explicitly stated in the identity charts, therefore you can decide what values might influence their decisions. There is no right or wrong answer to the final financial decision you choose for each student.

## Making A Financial Decision After High School

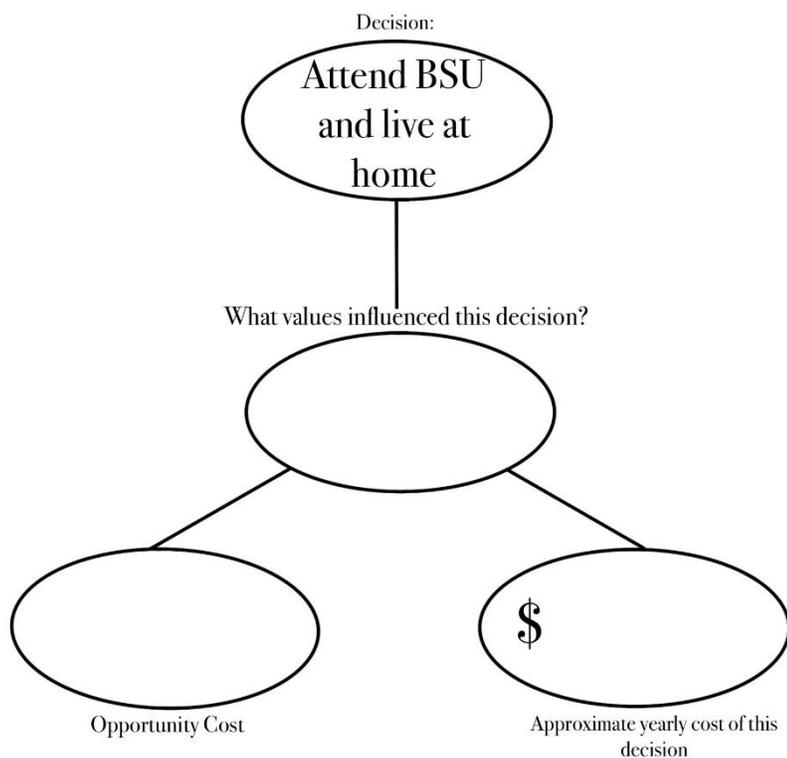


## Making A Financial Decision After High School



### Marla's Choices

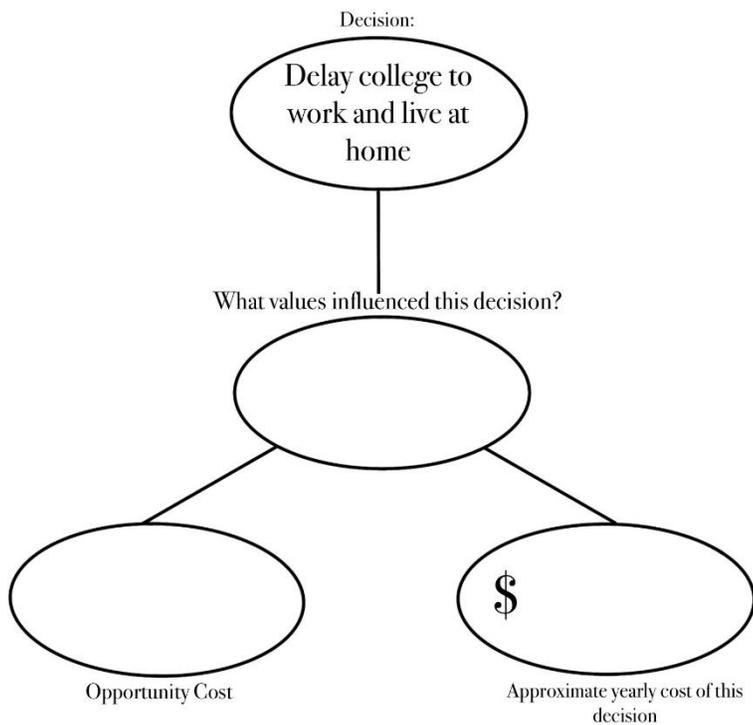
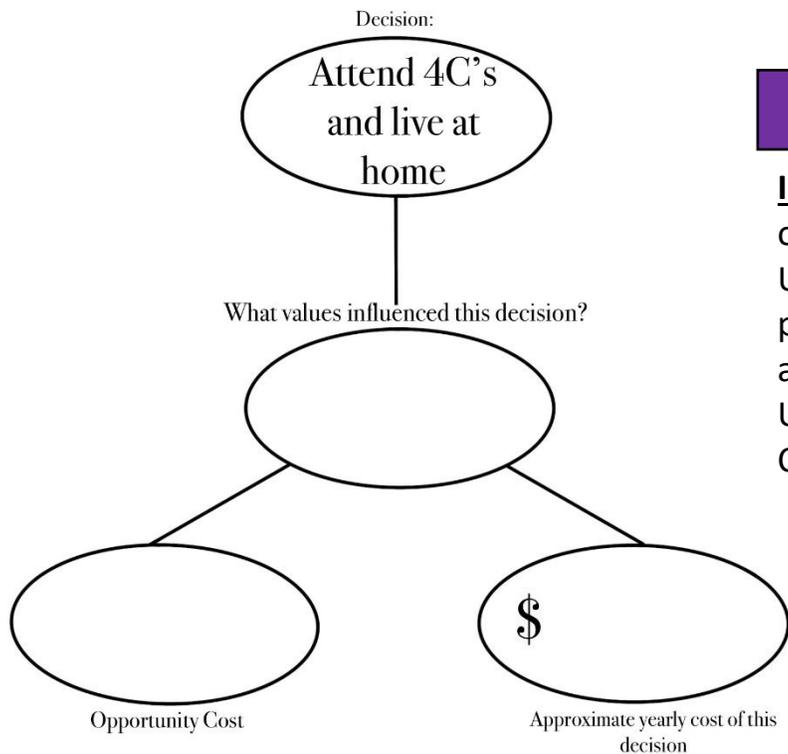
**Instructions:** Fill in each graphic organizer to the best of your ability. Use the links located in the resources page of the module to find the cost to attend both Bridgewater State University (BSU) and Cape Cod Community College (4C's).



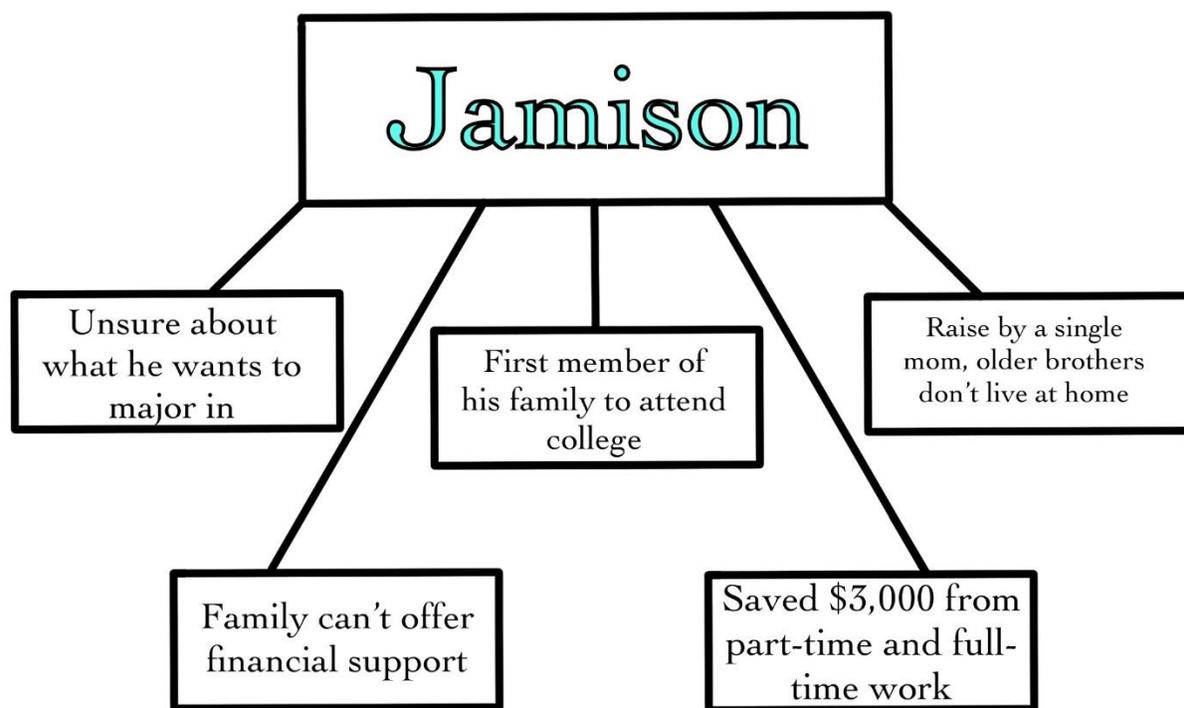
## Making A Financial Decision After High School

### Marla's Choices

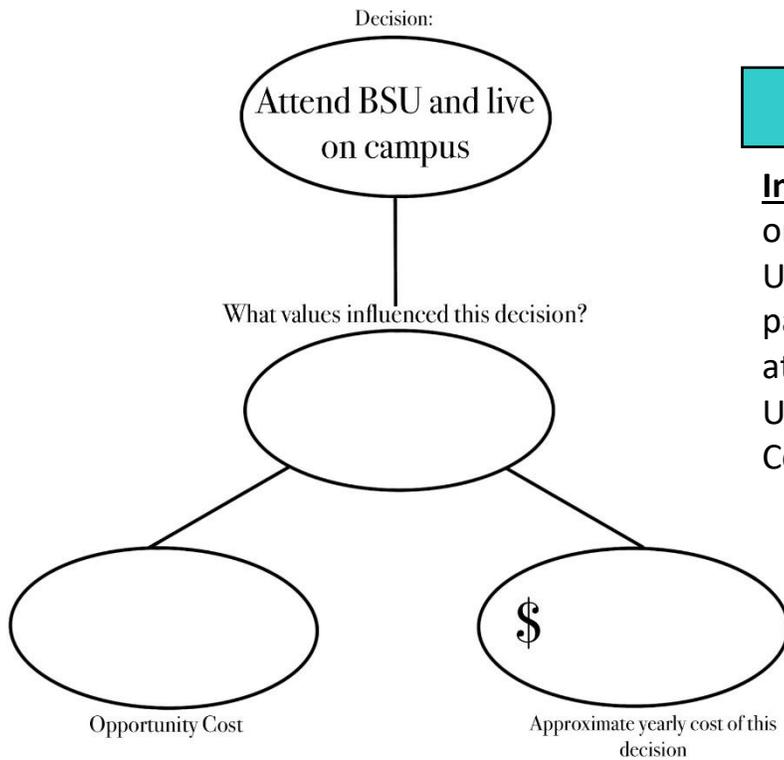
**Instructions:** Fill in each graphic organizer to the best of your ability. Use the links located in the resources page of the module to find the cost to attend both Bridgewater State University (BSU) and Cape Cod Community College (4C's).



## Making A Financial Decision After High School

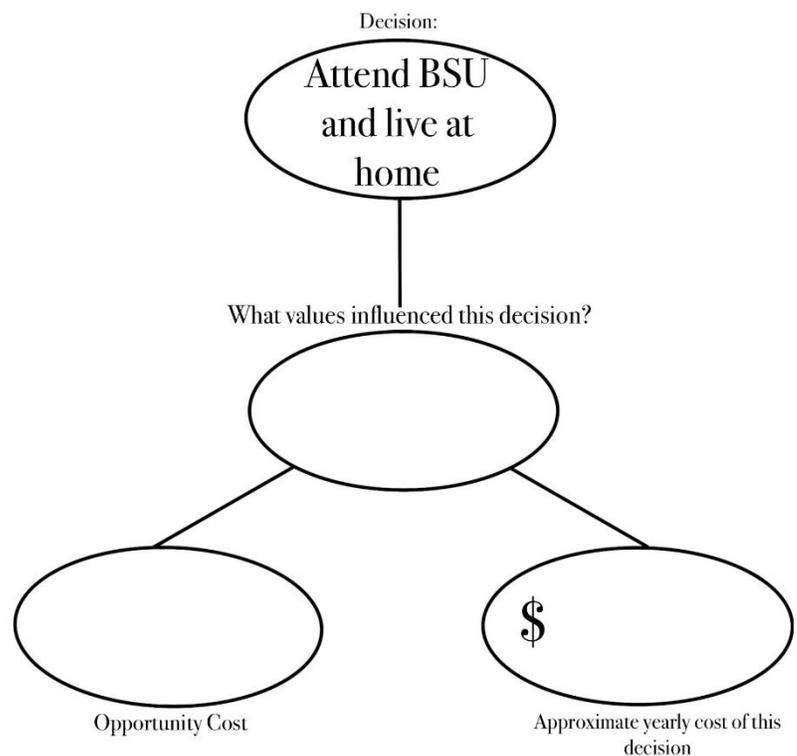


## Making A Financial Decision After High School

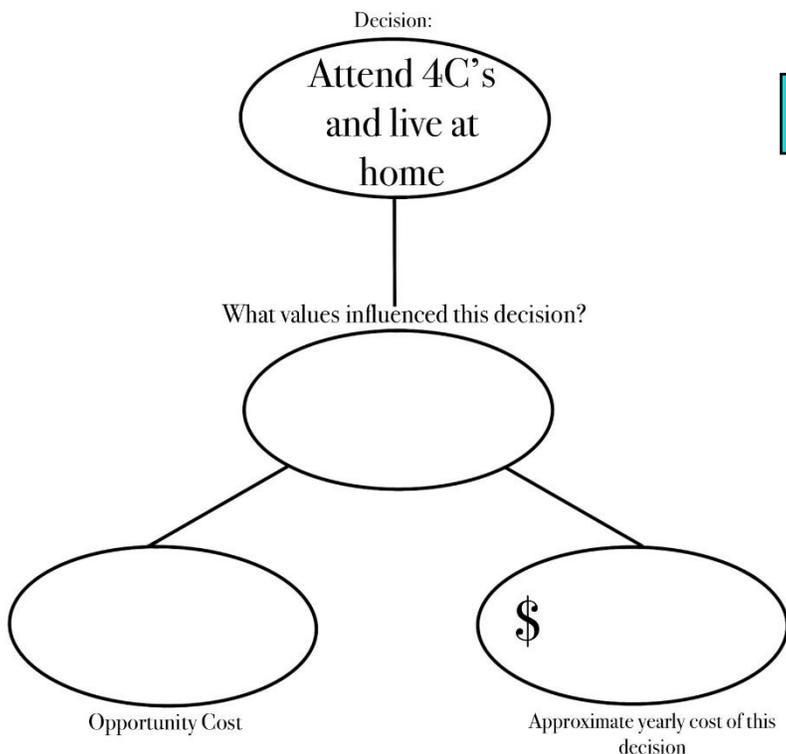


### Jamison's Choices

**Instructions:** Fill in each graphic organizer to the best of your ability. Use the links located in the resources page of the module to find the cost to attend both Bridgewater State University (BSU) and Cape Cod Community College (4C's).

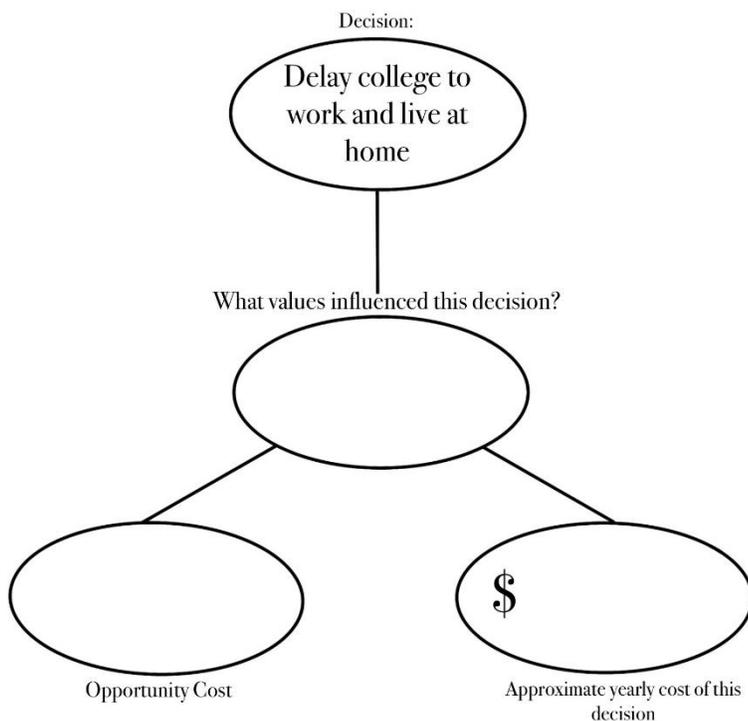


## Making A Financial Decision After High School



### Jamison's Choices

**Instructions:** Fill in each graphic organizer to the best of your ability. Use the links located in the resources page of the module to find the cost to attend both Bridgewater State University (BSU) and Cape Cod Community College (4C's).



# Answer Key

## Short Story 1:

1. Caroline values her time with friends and the bond that she has with them. She also values working and saving her money.
2. She spends \$10 a week which adds up to about \$40 every month.
3. Multiple answers: She could talk to her friends and tell them that she cannot afford to go anymore, she could go every other week, or she could go once a month. She should ask her friends if they would like to do something else on Fridays that does not cost any money.
4. Caroline would save \$240 every year if she went to Chipotle every other week. Caroline would save \$360 if she went once a month. Caroline would save \$480 if she did not go with her friends at all for one year.

## Short Story 2:

1. Marissa was surprised by her teacher's response because he said he would help those students who could not afford to go on the class field trip, but he said he could not help her.
2. The teacher said that he could not help Marissa pay for the class field trip because he sees her come into class each morning with a medium iced latte. He knows that if she has the money to pay for the latte, then she should be able to find the money to pay for the field trip, even if that means skipping purchasing a latte every morning.
3. If Marissa skipped stopping at Dunkin' for three days in a row, she would have saved \$10.50. This would be more than enough money for her to pay for the class field trip.

## Short Story 3:

1. This story reflects Ryan's values because it shows that Ryan understands the importance of saving money. Even if Ryan could afford the extra twenty dollars a month, he still knew he had to find a way to make a change and begin saving. He knew this would be beneficial to him in the future.
2. It is a wise decision for Ryan to put his money into a savings account, rather than a checking account, because his debit card is connected to his checking account. Any money that Ryan spends is automatically withdrawn from his checking. Therefore, Ryan would never be able to budget or save his money. The money in his savings account will also gain interest.
3. September through November are free. December through February he would save at least forty-five dollars.

# Answer Key

## Possible Answers for Marla

	Values that might influence this decision	Opportunity Cost	How much will it cost?
Attend BSU and live on campus	Independence, collaboration with other students, being part of a community	Because she is paying for college, she probably will not have a lot of extra money for going out. Her family will miss out on her helping with younger siblings	Students should research to find out the cost of BSU. In this case the cost of school
Attend BSU and live at home	Close to family, wants to support family	Money spent on gas/car could be invested or used to pay for college instead of a loan	Same as above
Attend 4C's and live at home	Close to family, more free time, or time to do work	Might cost her an additional year of school because of her major, additional year of income after graduation	Same as above
Work for a year or two before going to college	Independence, saving money, not going into debt	Delaying her true profession and the income she would earn as an engineer	Same as above

## Possible Answers for Jamison

	Values that might influence this decision	Opportunity Cost	How much will it cost?
Attend BSU and live on campus	Independence, collaboration with other students, being part of a community	Jamison may not be able to work and save money as he had done previously	Students should research to find out the cost of BSU. In this case the cost of school
Attend BSU and live at home	Helping out his mother, earning money to help out	Money spent on gas/car could be invested or used to pay for college instead of a loan	Same as above
Attend 4C's and live at home	More time to keep working	Delaying career that might pay more money, but since he is undecided about his career path, it is hard to know	Same as above
Work for a year or two before going to college	Independence, saving money, not going into debt	If he is going into a profession where he will earn more money, he is delaying getting this kind of work, but since he is undecided, this option might not have a large opportunity cost	Same as above

# 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.

# Resources<sup>1</sup>

- [Bridgewater State University](#)
- [Cape Cod Community College](#)
- [Consumer Financial Protection Bureau: Financial Terms Glossary](#)
- [MassTransfer](#)

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<sup>1</sup> 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 2. Saving Money [T2]

*Supporting Question: What can banks do for customers?*

1. Recognize that banks and other financial institutions are businesses that loan funds received from depositors to borrowers.
2. Explain the relationship between principal (the initial amount of money deposited in a bank by a person), interest (the amount earned from a bank, usually annually), and compound interest (interest earned on the principal and the interest already earned).
3. Explain the difference between the real interest rate of return on savings (adjusted for inflation) and the nominal interest rate.
4. Research and report on government policies such as individual retirement accounts and educational savings plans, analyzing their effectiveness as incentives for saving.
5. Analyze the effectiveness of government agencies such as the Federal Reserve System, the Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation and state banking departments in protecting the safety of the nation's banking system and consumer interests.
6. Formulate a savings or financial investment plan for a future goal (e.g., college or retirement).

## The English Language Development Standards

Source: [WIDA English Language Development Supports](#)

### ELD STANDARD, P-104

104

GRADES 11-12



#### ELD STANDARD 1: Social & Instructional Language

EXAMPLE TOPIC: Informed decisions (College & career)

**CONNECTION:** *Common Core Reading Standards for Informational Texts, Integration of Knowledge & Ideas #7:* Integrate and evaluate multiple sources of information presented in different media or formats (e.g., visually, quantitatively) as well as in words in order to address a question or solve a problem.

**EXAMPLE CONTEXT FOR LANGUAGE USE:** Students review college or career marketing materials (e.g., print or online) according to personal preferences (e.g., affordability, location, time commitment, requirements, interest) to make informed decisions on post-secondary options.

**COGNITIVE FUNCTION:** Students at all levels of English language proficiency EVALUATE post-secondary options.

	Level 1 Entering	Level 2 Emerging	Level 3 Developing	Level 4 Expanding	Level 5 Bridging	Level 6 – Reaching
READING	Sort information on post-secondary options from multiple sources with visual support with a partner	Identify important information (e.g., by highlighting) on post-secondary options from multiple sources with visual support with a partner	Categorize (e.g., best, maybe, unlikely) post-secondary options from multiple sources using illustrated graphic organizers	Make judgments about post-secondary options from multiple sources using illustrated graphic organizers (e.g., checklists of types of evidence)	Draw conclusions on post-secondary options from claims in multiple sources of information	

**TOPIC-RELATED LANGUAGE:** Students at all levels of English language proficiency interact with grade-level words and expressions, such as: priorities, vocation/trade, merit scholarship, cost of living, room and board, professional reference, résumé-building