



BUILDING FUTURES IN MANITOBA

TEACHING UNIT

General Topic:	Protecting Money and Assets
Unit Title:	Risk and Responsibilities
Grade Level:	Grade 8
Recommended Curriculum Area:	Language Arts
Other Relevant Curriculum Area(s):	Mathematics



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Possible Curriculum Integration Points

Grade 8 Language Arts Recommended

Outcomes

- **Express Ideas** – Explore diverse ideas to develop predictions, opinions, conclusions, and understanding.
- **Consider Others' Ideas** – Integrate new understanding with previous viewpoints and interpretations.
- **Develop Understanding** – Discuss the importance of reflecting on prior experiences and knowledge to revise conclusions and understandings.
- **Extend Understanding** – Reconsider initial understanding in light of new information, and ask clarifying questions; listen to diverse opinions and recognize ambiguity.
- **Prior Knowledge** – Make connections between previous experiences, prior knowledge, and a variety of texts, and apply them to new contexts.
- **Experience Various Texts** – Experience texts from a variety of forms and genres such as magazine articles, diaries, drama, advertisements and cultural traditions; compare own interpretations to those of others.
- **Ask Questions** – Formulate relevant main and subordinate questions on a topic to establish a purpose for gathering information.
- **Identify Personal and Peer Knowledge** – Access, record, and appraise personal and peer knowledge and understanding of a topic to establish an information base for inquiry or research.
- **Make Sense of Information** – Construct meaning using direct statements, implied meaning, and inferences; adjust rate of reading or viewing according to purpose, topic, density of information, and organizational patterns of text.
- **Evaluate Information** – Set aside personal bias to evaluate the relevance and importance of information collected; address information gaps for particular forms, audiences, and purposes.
- **Develop New Understanding** – Incorporate new information with prior knowledge and experiences; adjust inquiry and research strategies to accommodate changing perspectives and availability of pertinent information.
- **Generate Ideas** – Experiment with several ways to generate ideas and focus a topic.
- **Compare Responses** – Express personal reactions to a variety of experiences and texts and compare them with the reactions of others.
- **Work in Groups** – Take roles and share responsibilities as a group member.
- **Contribute to Group Inquiry** – Identify relevant personal knowledge of a topic and possible categories of questions and purposes for group inquiry or research.

Other Relevant Curriculum Area(s)

Grade 8 Mathematics

Outcomes

- 8.N.3 Demonstrate an understanding of percents greater than or equal to 0%.
- 8.N.8 Estimate the solution to and solve a problem involving positive rational numbers.

Relevant Economic Outcomes

- The concept of risk as it relates to the value of money, things you own, health and well-being, etc.
- Types of risk that exist
- Things people may own that they will need to protect
- Risks when using a debit card
- Risks when using a credit card
- Risks when writing a cheque
- Risks when using an ATM
- Risks that exist for possessions

Background Information

We live in a very material world. It is important for students to value things in life that don't require money. Life has many risks but some risks can be reduced when people are informed. Teens need to understand that risks can affect not only their finances, but also their health and happiness. As teenagers get older, they may have part time jobs. Companies will soon target them with offers of debit and credit cards. Before this happens it is important for students to recognize the risks involved. By recognizing the risks of debit and credit cards they can avoid future financial problems. Students will soon have bank accounts, (if they don't have one already). Therefore it is very important that they learn to use cheques and an ATM safely. They need to learn to use financial products and services safely.

Overview of the Unit

The first lesson is designed to motivate the students. It investigates the important things in life. Money doesn't buy everything isn't just a cliché. The students will read and discuss a moral about the important things in the life. The class will also discuss the risks involved in using debit and credit cards. The students will have an opportunity to play an online game to see if they can use debit and credit cards wisely. The final lesson gives the students a chance to learn how to properly write a cheque and safely use an ATM.

Estimated Time Frame: 5 periods – 60 minutes each

Suggested Implementation Strategy

Period 1 60 minutes – VALUES AND VALUABLES

- **Before the class starts**, make copies of the handouts.
- Begin the lesson by putting the students into small groups. Hand each group a copy of the Moral Story.
- Ask the groups to read the story and be prepared to respond to the message.
- Discuss the moral with the class, and see if they agree with it.
- Hand out chart paper to each group.
- Ask the groups to brainstorm and make a mind map of all the things that they have that need to be protected. They should list all the things they value that could be at risk of being lost.
- Ask the groups to circle all the things on their charts that required a financial purchase.
- The charts will be used next period.

Period 2 60 minutes – CREDIT CARDS

- **Before the class starts**, make a class set of the handout.
- Begin the lesson by asking the class to look again at the circled items on their charts.
- How were they paid for?
- Were any of the purchases made with a debit card or a credit card?
- Ask the students to explain the difference between a debit card and a credit card.

Answers should be somewhat like this:

A debit card is a small, coded card that enables its user to make purchases as if he or she were using cash. For each purchase, a charge is made to the card user's checking or savings account, and the amount charged is withdrawn from their account immediately.

A credit card is a small, coded card that enables its user to make purchases by borrowing the amount immediately by electronic transfer of money from the card issuer. For purchases, the card user agrees to repay the card issuer for the amount borrowed, according to terms specifying minimum monthly payments plus fees and interest charges.

- Tell the class that today we will look at credit cards.
- Ask the class to estimate how many dollars Canadians charge on credit cards a year. (It is over \$300 billion.)
- Organize the class into small groups. Handout the press reports included. Explain to the students that these statistics are excerpts from reports by CBS News and Canadian Press, Leger Marketing.
- Ask the students to read the reports and be prepared to discuss the risks involved in using credit cards.
- Start the discussion. Students may be shocked to see how much money people owe.
- If they are not shocked about the amount, ask them how much debt they think is acceptable?

Period 3 **60 minutes – DEBIT CARDS**

- In this period students will access an article on Debit Card risks at the following website:
http://www.ehow.com/list_6737056_risks-debit-cards.html
- This can be shown on a smart board, or overhead projector.
- After reading, the students will be asked to write a summary of what they have learned in the last 2 periods about the risks of using credit and debit cards. It will be handed in at the end of the class.
- If the class finishes early, read the following facts about credit and debit cards.
Do you know what happens if you lose your card and don't report it?
 - Your loss is **limited to \$50** if you notify the financial institution **within two business days** after learning of a loss or theft of your card or code.
 - You could lose as much as \$500 if you do not tell the card issuer within two business days after learning of a loss or theft.
 - If you do not report an unauthorized transfer that appears on your statement within 60 days after the statement is mailed to you, you risk **unlimited loss** on transfers made **after the 60-day period**. That means you could lose all the money in your account plus your maximum overdraft line of credit, if any.

If this information is not given in this period add this information to the beginning of the next class.

Period 4 **60 minutes – DEBIT/CREDIT GAME**

- The class will use computers to play a game called "Celebrity Calamity." Tell the students as players they will become financial managers for stars who spend beyond their means. It teaches the value of minimizing credit card finance charges, avoiding late fees and making good APR choices.
Here is the link: <http://financialentertainment.org/play/celebritycalamity.html>

Period 5

60 minutes

- **Before the class starts**, download and print sample cheque worksheets at the following website: <http://www.dltk-kids.com/t.asp?b=m&t=http://www.dltk-kids.com/crafts/miscellaneous/image/bchques.gif>

Also make the necessary number of copies of “Safety Tips for using an ATM” and cut the information sheets into strips for each group - e.g., each group will get a strip of paper containing three or four tips, depending on the number of groups.

(Handout included)

WRITING A CHEQUE

- Start the period by accessing the following website that teaches how to properly fill out a cheque. http://www.ehow.com/how_4811557_fill-out-check-canada.html

SAFETY TIPS FOR USING AN ATM

- Next the class will be divided again into small groups. Each group will have a sheet with three or four tips about how to use an ATM machine safely. Allow a few minutes for the groups to read the tips and decide who will read aloud to the class.
- End the period by having the groups take turns reading aloud to the class and discussing how each safely tip reduces risk.

Possible Evaluations

1. Assess the mind maps and group discussion about the important things in life.
2. Mark the summaries about credit and debit card risks.
3. Observe the students’ abilities playing the game.
4. Assess the group activities.
5. Observe the cheque writing ability by looking to see if the cheques have been filled out properly.

Follow-up Activities

1. Read another article called - "Should kids carry credit cards?"
<http://articles.moneycentral.msn.com/Banking/CreditCardSmarts/should-kids-carry-credit-cards.aspx>
2. Play another online game that shows how to control credit.
<http://www.controlyourcredit.gov/#frontdesk/05>
3. Get parents involved in safety for the children. <http://kids.yahoo.com/parents/online-safety/1703/1-->
This website is written for parents. How can I teach my children about risks online if I have never used the Internet?
4. Purchase a Board Game for Teaching Use of Credit Cards.
 - **Thrive Time for Teens** Board game: age 13+ Players are faced with decisions such as buying cars, managing expenses, charitable giving, using credit and paying for college. \$29.95
 - **Beat Debt** Board game: age 10+ Use your disposable income for investing or paying off credit card debt. The first person to pay off debt and have an investment balance of \$5,000 wins. \$39.99
 - **Paid Off!** Card game: age 10+ Teaches strategies to avoid credit card debt. Pay off credit cards while keeping opponents from doing so. \$24.99
 - **Charge Large** Board game: age 12+ Purchase buildings and businesses with a combination of cash and credit and watch your credit-card limits increase. To win, you need to have zero debt. \$24.99

Modifications or Suggestions for Different Learners

1. The teacher can engage different learners in the discussions by directing appropriate questions to them. Instead of a summary, the pupils can be asked orally what they have learned about credit and debit cards. If necessary, the students can be partnered to play the internet game.

Handouts / Resources

1. Moral Story – Academic Tips.org.
2. How Stolen Debit Cards Affect You, By Justin Pritchard, About.com Guide
3. CBS News Report April 22, 2009
4. CBS News report by Tom McFeat, CBC News Online, September 12, 2006
Canadian Press report – Leger Marketing, 507 Place d'Armes, Suite 700, Montreal, Quebec H2Y 2W8
5. Celebrity Calamity Game – <http://www.financialentertainment.org/>
6. Debit Card article – eHow Money
7. Safety Tips for ATM – Arrowhead Credit Union, CA

A Moral Story about Life

A philosophy professor stood before his class with some items on the table in front of him. When the class began, wordlessly he picked up a very large and empty mayonnaise jar and proceeded to fill it with rocks, about 2 inches in diameter.

He then asked the students if the jar was full. They agreed that it was.

So the professor then picked up a box of pebbles and poured them into the jar. He shook the jar lightly. The pebbles, of course, rolled into the open areas between the rocks.

He then asked the students again if the jar was full. They agreed it was.

The professor picked up a box of sand and poured it into the jar. Of course, the sand filled up everything else.

He then asked once more if the jar was full. The students responded with a unanimous “Yes.”

“Now,” said the professor, “I want you to recognize that this jar represents your life. The rocks are the important things – your family, your partner, your health, your children – things that if everything else was lost and only they remained, your life would still be full.

The pebbles are the other things that matter – like your job, your house, your car.

The sand is everything else. The small stuff.”

“If you put the sand into the jar first,” he continued “there is no room for the pebbles or the rocks. The same goes for your life.

If you spend all your time and energy on the small stuff, you will never have room for the things that are important to you.

Take care of the rocks first – the things that really matter. Set your priorities.

The rest is just sand.”

by AcademicTips.org

Tom McFeat, CBC News Read this report about Canadians debt.

INDEPTH: PERSONAL FINANCE : Buy now, pay later: Canadians and debt

On the surface, the problem seems big, dangerous, even out of control. We're talking about Canadians' ever-growing affair with debt. Getting into it. Trying to get out of it. And then piling on more of it.

Personal bankruptcies are near record highs. In 2003, for the first time ever, the average Canadian household owed more than its annual take-home pay. We carry 74 million credit cards – three for every Canadian over the age of 18. Credit counselling agencies say they're busier than ever. Students are often graduating with accumulated debt of \$25,000 or more. Consumer debt levels are rising much faster than incomes and have been for years. Savings rates are at record lows.

CBS News

There's a new study out that offers an eye-popping view of how teenagers view money and debt. Conducted by the brokerage firm Charles Schwab, the “Teens & Money” survey reports that:

Given the choice, almost one in three (29 percent) teens would prefer buying things with a credit card than cash. This represents a 61% increase over last year (18%).

Almost three in ten teens (29%) are already in debt.

Few teens say they have learned how to use a credit card responsibly, only (24%).

Most teens (51%) agree that it is easier to buy things with a credit card than cash.

Leger Marketing

41.8% of Canadians who have at least one credit card mentioned not knowing the rate of interest charged by their main credit card company.

Although credit card holders estimated the average credit card interest rate to be 13.5%, it is nonetheless important to point out that 4.1% did not think they paid any interest at all. 1.5% of respondents thought they paid less than 5%, 12.8% between 5.1 and 10%, 7.5% between 10.1 and 15%, 24.1% between 15.1 and 20% and 3.6% mentioned thinking that the interest rate they paid was greater than 20%.

We also noted that 40.6% of those who said they paid the minimum required amount of their total credit bill, did not know the interest rate they were paying. Moreover, 48.3% of those who paid their bill upon receipt did not know the interest rate either. This was also the case for 33.3% of those who said they owed more than \$500 to a credit card company on the day of the survey.

Finally, we noticed that 37.9% of Canadians who rarely or never paid their bills before the due date did not know the interest rate.

At the time of the survey, each card holder owed an average amount of \$1269 to credit card companies.

Twenty Tips for Safe ATM Use

Choosing an ATM

- Tip 1** Where possible, use ATMs with which you are most familiar. Alternatively, choose well-lit, well-placed ATMs where you feel comfortable.
- Tip 2** Scan the whole ATM area before you approach it. Avoid using the ATM altogether if there are any suspicious-looking individuals around or if it looks too isolated or unsafe.
- Tip 3** Avoid opening your purse, bag or wallet while in the queue for the ATM. Have your card ready in your hand before you approach the ATM.
- Tip 4** Notice if anything looks unusual or suspicious about the ATM indicating it might have been altered. If the ATM appears to have any attachments to the card slot or key pad, do not use it. Check for unusual instructions on the display screen and for suspicious blank screens. If you suspect that the ATM has been interfered with, proceed to another ATM and inform the bank.
- Tip 5** Avoid ATM's which have messages or signs fixed to them indicating that the screen directions have been changed, especially if the message is posted over the card reader. Banks and other ATM owners will not put up messages directing you to specific ATMs, nor would they direct you to use an ATM which has been altered.
- Tip 6** Be especially cautious when strangers offer to help you at an ATM, even if your card is stuck or you are experiencing difficulty with the transaction. You should not allow anyone to distract you while you are at the ATM.
- Tip 7** Check that other individuals in the queue keep an acceptable distance from you. Be on the look-out for individuals who might be watching you enter your PIN.
- Tip 8** Stand close to the ATM and shield the keypad with your hand when keying in your PIN (you may wish to use the knuckle of your middle finger to key in the PIN).
- Tip 9** Follow the instructions on the display screen, e.g. do not key in your PIN until the ATM requests you to do so.
- Tip 10** If you feel the ATM is not working normally, press the Cancel key and withdraw your card and then proceed to another ATM, reporting the matter to your financial institution.
- Tip 11** Never force your card into the card slot.
- Tip 12** Keep your printed transaction record so that you can compare your ATM receipts to your monthly statement.
- Tip 13** If your card gets jammed, retained or lost, or if you are interfered with at an ATM, report this immediately to the bank and/or police using the help line provided or nearest phone.
- Tip 14** Do not be in a hurry during the transaction, and carefully secure your card and cash in your wallet, handbag or pocket before leaving the ATM.
- Tip 15** Memorize your PIN (if you must write it down, do so in a disguised manner and never carry it with your card).
- Tip 16** Never disclose your PIN to anyone, whether to family member, bank staff or police.
- Tip 17** Do not use obvious and guessable number for your PIN like your date of birth.
- Tip 18** Change your PIN periodically, and if you think it may have been compromised, change it immediately.
- Tip 19** Set your daily ATM withdrawal limit at your branch at levels you consider reasonable.
- Tip 20** Regularly check your account balance and bank statements and report any discrepancies to your bank immediately.

* Please note that you should show the same precautionary care when using your card(s) at a POS (point of sale) pinpad terminal in a retail environment or at a restaurant or when conducting transactions online, telephonically or when writing cheques.