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Financial Literacy for Latino Immigrants: A Guidebook for ESL Teachers

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University of San Francisco

Financial Literacy for Latino Immigrants: A Guidebook for ESL Teachers

A Field Project Proposal Presented to
The Faculty of the School of Education
International and Multicultural Education Department

In Partial Fulfillment
Of the Requirements for the Degree
Master of Arts in Teaching English as a Second Language
International and Multicultural Education

by
Anna Braden

December 2020

Financial Literacy for Latino Immigrants: A Guidebook for ESL Teachers

In Partial Fulfillment of the Requirements for the Degree

MASTER OF ARTS

in

TEACHING ENGLISH TO SPEAKERS OF OTHER LANGUAGES

by
Anna Braden
December 2020

UNIVERSITY OF SAN FRANCISCO

Under the guidance and approval of the committee, and approval by all the members, this field project (or thesis) has been accepted in partial fulfillment of the requirements for the degree.

Approved:

Luz Navarrette Garcia
Instructor/Chairperson

November 30, 2020
Date

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ABSTRACT

Latino immigrants face many financial challenges in the United States. Language barriers exclude them from jobs as well as financial and consumer markets. Lack of familiarity with the U.S. financial system or bad experiences with financial systems in their home countries can create mistrust and lead to Latino immigrants being unbanked or underbanked. Consumer vulnerabilities may also be exploited as immigrants turn to nonbank financial services such as predatory lenders (check cashers, payday lenders, etc.). Lack of access to jobs and marketplaces results in lower income and less wealth accumulation. Over time this results in wealth inequality between Latino immigrants and the native-born population. Additionally, English as a second language (ESL) courses often cover personal finance in a cursory manner or with the focus of obtaining a job such as in vocational ESL (VESL) courses. Moreover, financial literacy books and courses are often geared toward the white middle and upper classes leaving both immigrants and low-income populations excluded. Because both wealth and financial knowledge are often transferred from parent to child, wealth inequality grows across generations.

The purpose of this project is to create a guidebook for ESL teachers to provide financial literacy instruction to Latino immigrants. The field project takes the form of a week by week curriculum framework that can be customized to the needs of the class. It covers a broad range of financial topics (budgeting, saving, investing, consumer protection, etc.). The lessons improve communicative competence by strengthening all language skills (listening, speaking, reading, and writing). Students will receive culturally responsive lessons that teach practical knowledge empowering them to have more control over their financial futures. The curriculum serves the dual purpose of improving English proficiency and increasing financial literacy which will help overcome barriers and decrease wealth inequality.

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CHAPTER I INTRODUCTION

According to Oxfam (2018), in 2017, 3.7 billion people saw no increase in wealth although the richest 1% obtained 82% of the world's wealth. A February 8, 2019 article by Fortune stated that in the United States the top 0.1% owns 20% of the wealth although the top 10% possess 70% of America's wealth (Bach, 2019). The Fortune article emphasized that the 400 richest Americans have tripled their wealth since the 1980s while the bottom 150 million Americans saw a 3.7% decline in wealth in the period from 1987 to 2014 (Bach, 2019). Wealth inequality has become such a significant concern that the UN made reducing inequality within and among countries Goal 10 of their Sustainable Development Goals (United Nations Development Programme, 2020). Wealth inequality is of particular importance to recent immigrants and their children.

Statement of the Problem

A May 2019 Department of Homeland Security report on Population Estimates of Lawful Permanent Residents in the United States as of January 2015 specified that 25% (3.3 million people) of Lawful Permanent Residents originated from Mexico which makes it the largest source of immigration to the U.S. (United States Department of Homeland Security, 2019). Foreign-born people constitute 12.9% of the U.S. population and over 6% of the foreign-born population is from Latin America (Mimura, Koonce, Plunkett, & Pleskus, 2015). Additionally, 20% of children in the U.S. are children of immigrants and over 50% of these children have parents with limited English proficiency (Dondero & Humphries, 2016). Furthermore, a language other than English is spoken by nearly 20% of the U.S. population (Njenga, 2016). This lack of English proficiency and financial literacy isolates immigrants from financial and consumer markets (Rojas, 2010).

Latino immigrants lack English proficiency and financial literacy which isolates them from consumer and financial markets (Adkins & Jae, 2010). Market isolation then creates consumer vulnerabilities (Northwood & Rhine, 2018). Consumer vulnerabilities diminish income in the short term and wealth in the long term (Chatterjee & Zahirovic-Herbert, 2014). When income and wealth are diminished larger gaps in wealth inequality are created between immigrant and native-born populations (Painter & Qian, 2016).

Unbanked households are largely composed of immigrants and low-income individuals (Faulkner, 2017). Latinos are more likely to be unbanked due to a lack of faith in banking institutions after enduring bank failures in their home countries (Njenga, 2016). Immigrants are more likely to be unbanked and thus use predatory lenders (Chatterjee & Zahirovic-Herbert, 2014). Being unbanked also leads to paying higher fees for services and lacks the protections provided by banks (Northwood & Rhine, 2018).

Existing financial literacy books cater to the middle and upper classes (Faulkner, 2017). Additionally, personal finance books largely focus on financial independence rather than financial survival which is the larger and more immediate concern of immigrants (Faulkner, 2017). Financial literacy materials do not reflect the lived experiences of low-income learners (Tisdell, Taylor, & Forte, 2013).

Although some culturally responsive financial education programs exist, no one has yet to create a comprehensive financial education curriculum that is culturally responsive and relevant to the Latino immigrant community (Barros Lane & Pritzker, 2016). English learners often do not learn the basic financial literacy skills they need to avoid becoming vulnerable consumers. This failure occurs because there is a lack of appropriate teaching materials geared toward immigrants and those who need the most basic understanding of financial concepts.

Purpose of the Project

The purpose of this field project is to improve the English proficiency and increase the financial literacy of Latino immigrants by providing ESL teachers with appropriate teaching materials. The project takes the form of a guidebook that presents a financial literacy curriculum framework for ESL teachers. The guidebook is written for ESL teachers who work with adult Latino immigrants who speak English at an intermediate or high level. It is not limited to school teachers and is perhaps more advantageously used by community-based ESL teachers at churches, nonprofits, and libraries who have already built relationships with the Latino immigrant community. Libraries in particular tend to already offer financial literacy assistance that caters to people in lower socioeconomic classes (Faulkner, 2017). Furthermore, participation levels increase when learning takes place at faith-based and community-based programs (Tisdell, Taylor, & Forte, 2013). The guidebook provides rough outlines of lesson plans for 16 different financial topics with suggested activities. However, the guidebook provides enough flexibility that teachers can adapt or skip suggested activities to suit their needs.

Wealth inequality can be decreased by increasing English proficiency and financial knowledge among immigrants (Barros Lane & Pritzker, 2016). Financial education is more effective when it is culturally responsive (Spraw Forte, 2013). Increasing financial literacy can create a ripple effect that transfers across families as well as acquaintances in the larger community (Viswanathan, Torrelli, Yoon, & Riemer, 2010). Providing a culturally responsive financial education curriculum for ESL teachers of Latino immigrants may increase both English proficiency and financial literacy which will improve financial outcomes and reduce wealth inequality between Latino immigrants and the native-born population.

To build wealth, Latino immigrants need a basic understanding of how the U.S. financial system works. English proficiency opens up access to better-paying jobs (Chiswick & Miller, 2010). Knowledge of financial literacy allows people to save and invest to build wealth. Wealth and financial knowledge are generational and can be passed down to younger generations (Gramatki, 2017). Financial knowledge can also be shared with community members.

The handbook is also culturally responsive. It provides ESL teachers with background information on financial systems in Latin America and historical financial crises that undermine the faith of Latino immigrants in financial systems. Latino immigrants lack trust in financial institutions and thus are more likely to be unbanked (Young, 2010). Explaining the stability of the U.S. financial system is the first step in teaching financial literacy to Latino immigrants. Moreover, the curriculum framework takes into account the challenges and needs faced by Latino immigrants in ESL learning such as time, location, childcare, and community building. It also addresses financial topics of concern to immigrants such as predatory lending, government assistance, or unemployment (Falkner, 2017). The curriculum also addresses Latino concerns such as remittances (Young, 2010). Additionally, the curriculum framework incorporates cultural elements of Latino culture such as food and games into the learning. It also addresses Latino financial practices such as the use of the *tanda*, a community rotating credit arrangement (Martin, 2009).

Furthermore, the guidebook includes vocabulary exercises. Authentic materials such as financial forms and websites are used to provide context. Also, family activities are included such as reading books about money to children in order to both share financial knowledge and honor the importance of family in Latino culture. Using whole family learning activities is culturally responsive (Robles, 2014). The activities are also interactive and learner-centered

featuring discussions and storytelling to provide meaning to the learning (Tisdell, Taylor, & Forte, 2013). The guidebook provides ESL teachers with a curriculum framework to teach a culturally responsive introduction to financial literacy for Latino immigrants.

Theoretical Framework

This project is guided by three second language acquisition (SLA) theories: 1) Bialystok's theoretical model of second language learning, 2) Desuggestopedia Approach, and 3) Communicative Language Teaching.

Bialystok's Model of Second Language Acquisition

Ellen Bialystok's (1978) theoretical model of second language learning featured elements of Stephen Krashen's Natural Approach theory (input hypothesis, implicit instruction, and monitor hypothesis) as well as Barry McLaughlin's automaticity model (explicit instruction and practice) but then included the additional element of Other Knowledge. Within the category of Other Knowledge, Bialystok incorporated cultural elements such as native language, food, music, and movies. I have chosen to use Bialystok's model as a framework because it is an eclectic approach that covers parts of other well-known theoretical models but integrates supplementary features to provide a more comprehensive framework. Additionally, because acculturation is a key contributor in determining how isolated immigrants are from markets, teaching ESL and financial literacy through cultural elements like television, film, music, and food can assist with integration and familiarizing students with the marketplace. Promoting Other Knowledge is particularly relevant because immigrants are often unfamiliar with American products, food, and shopping culture which leads to immigrants taking a trial and error approach in the consumer marketplace as with their affinity for buffets to try new foods (Viswanathan, Torelli, Yoon, & Riemer, 2010).

Desuggestopedia Approach

Suggestopedia was created in 1967 as an adaptation of the Direct Method but including elements like music and relaxation to help students learn psychologically using the power of suggestion (Lozanov, 1967). Suggestopedia was eventually renamed as the Desuggestopedia Approach and built on Lozanov's (1967) belief that students learn best when they are free from stress (Anderson & Larsen-Freeman, 2011). Much like Krashen's affective filter hypothesis, the desuggestopedia approach sought to create a safe and comfortable environment for students to learn by lowering psychological barriers. In the desuggestopedia approach, the environment and atmosphere play a large role. Food and drink help students relax. Additionally, activities that incorporate music, roleplay, games, songs, and props (masks, hats, etc.) create a fun and friendly atmosphere. This humanistic approach puts student comfort at the forefront and emphasizes a lack of deadlines, pressure, grades, and error correction. The goal instead is fluency, not accuracy. Students are encouraged to speak and build vocabulary and communication skills. Suggestopedia increases oral proficiency and motivation by creating a fun and relaxing learning environment (Zaid, 2014). Unlike many methods, desuggestopedia incorporates native language translation to create meaning and aid comprehension. I have chosen to use desuggestopedia as a framework because sharing food and stories promotes learning (Sprow Forte, 2013).

Communicative Language Teaching

Canale and Swain (1980) theorized Communicative Language Teaching (CLT) to focus on building communicative competence. CLT uses authentic materials (Anderson & Larsen-Freeman, 2011). Similar to the desuggestopedia approach, fluency and communication are emphasized although error correction is minimized (Canale & Swain, 1980). Additionally, as in desuggestopedia, CLT embraces the use of games, role-playing, and consideration of students'

feelings. It is situation-based focusing on real-life circumstances students will encounter so they can build pragmatic skills. I have chosen to use CLT as a framework because it uses authentic language and materials to prepare students for financial problems they may face and thus has real-world applications.

Significance of the Project

Wealth inequality continues to increase and to impact immigrants disproportionately. This wealth gap partially stems from a lack of trust and understanding of the U.S. financial system. The guidebook provides a curriculum framework for ESL teachers to provide instruction on financial literacy. It provides students with an overview of the U.S. financial system which helps to instill trust in the financial system. The guidebook covers 16 different topic areas of financial literacy to provide students with a wide range of knowledge for different financial situations they might encounter. Students will be empowered to take control of their finances. Improving English proficiency and financial literacy will help Latino immigrants in the acculturation process so they can be included in marketplaces to improve their financial outcomes. Moreover, financial knowledge will be shared across generations and throughout the community so that it has a multiplying effect.

The project is significant because it fills a gap in ELT materials by providing culturally responsive financial literacy materials for ESL teachers to use which are geared toward Latino immigrants and ESL students. This guidebook provides ESL teachers with a curriculum to enhance the financial literacy of Latino immigrants to help close the wealth gap. Furthermore, the project can provide an additional source of data for future researchers. It can also create a framework for other financial literacy programs by policy advocates.

Limitations of the Project

This project has a few limitations. It is geared toward students with at least an intermediate level of English proficiency. The project is also limited in that it can only reach immigrants who are able to attend the classes for two hours each week. Time, access to transportation, and location of the program will all impact attendance. The curriculum is also limited in that biases of the researcher creating it may impact content. Furthermore, the delivery of the content by teachers and the preconceptions they hold may limit the project. Additionally, although increased English proficiency and financial literacy will be able to help immigrants overcome some marketplace barriers, structural barriers such as ethnic or linguistic discrimination cannot be overcome nor can governmental barriers such as documentation or citizenship requirements.

Definition of Terms

Alternative financial services (AFS) and Non-bank financial services (NBFS) are terms often used to describe the array of financial services offered by providers that operate outside of federally insured banks and thrifts (hereafter referred to as “banks”). Check-cashing outlets, money transmitters, car title lenders, payday loan stores, pawnshops, and rent-to-own stores are all considered AFS providers. (Bradley, Burhouse, Gratton, & Miller, 2009)

Consumer market is the activity of selling goods or services to people for their own use, or a situation in which this happens (Cambridge Dictionary, n.d.)

Consumer vulnerability is a state of powerlessness manifesting when individual characteristics and fluctuating consumer states combine with structural and other socio-environmental elements to produce conditions where marketplace imbalances or harm may occur as a result of consuming marketing messages and/or products. That is, consumer vulnerability transpires when

consumers, perhaps unwittingly, yield control to external factors (e.g., marketers) to create fairness in the marketplace. (Adkins & Jae, 2010)

Financial education is the process by which people improve their understanding of financial products, services, concepts, so they are empowered to make informed choices, avoid pitfalls, know where to go for help and take other actions to improve their present and long-term financial well-being (United States Government Accountability Office [GAO], 2009)

Financial literacy is the ability to make informed judgments and to take effective actions regarding the current and future use and management of money. It includes the ability to understand financial choices, plan for the future, spend wisely, and manage the challenges associated with life events such as a job loss, saving for retirement, or paying for a child's education. (GAO, 2009)

Financial market is an organized institutional structure or mechanism for creating and exchanging financial assets. (Harvey, C., 2012)

Foreign-born refers to anyone who is not a U.S. citizen at birth. This includes those who have become U.S. citizens through naturalization. (United States Census Bureau, 2020)

Immigrant refers to someone who comes to live in a country from another country (Macmillan Dictionary, n.d.)

Language discrimination, Linguistic discrimination, and Linguicism are all terms that refer to the unequal treatment of individuals on the basis of their proficiency or their way of using the language. This may include the use of the mother tongue or of a second language, as well as the way of speaking, the accent, the precision of the vocabulary, and the grammar. (Harrison, 2013)

Limited English Proficient (LEP) Individuals are individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English (Limited English Proficiency, 2020; LEP.gov)

Native-born refers to anyone who is a U.S. citizen at birth, including people born in the United States, in Puerto Rico, in a U.S. Island Area (American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands), or abroad to a U.S. citizen parent or parents. (United States Census Bureau, 2020)

Unbanked means no member of the household has a bank account (Anderson, Strand, & Collins, 2018)

Underbanked means the household had a checking or savings account but also obtained financial products and services outside of the banking system. Specifically, a household is categorized as underbanked if it had a checking or savings account and used one of the following products or services from an alternative financial services (AFS) provider in the past 12 months: money orders, check cashing, international remittances, payday loans, refund anticipation loans, rent-to-own services, pawnshop loans, or auto title loans. (Federal Deposit Insurance Corporation [FDIC], 2017)

CHAPTER II REVIEW OF RELATED LITERATURE

Introduction

Development of English proficiency and financial literacy are prevalent among Latino immigrants. This absence of knowledge and language skills creates consumer vulnerabilities that isolate Latino immigrants from mainstream markets sending them instead into alternative financial services. Income gaps lead to substantial wealth gaps in the long-term and wealth inequality between Latino immigrants and native-born populations. Increasing English proficiency and financial literacy may decrease wealth inequality. Improving English proficiency can improve financial outcomes for Latino immigrants. This improvement holds especially true for immigrants who are excluded from mainstream financial markets due to language barriers (Adkins & Jae, 2010; Anderson, Strand, & Collins, 2018). Market access is essential because without access to mainstream financial markets immigrants become prey to businesses that focus on vulnerable consumers. Additionally, the unavailability of access to mainstream financial markets makes it more difficult to accumulate wealth due to limited options for saving and investing. From the literature, it appears that culturally responsive financial education can increase trust in financial institutions, decrease consumer vulnerability, and build community among immigrants (Barros Lane & Pritzker, 2016; Faulkner, 2017; Sprow Forte, 2013). Financial education can create a ripple effect that transfers financial knowledge across families as well as acquaintances in the larger community (Robles, 2014; Viswanathan, Torelli, Yoon, & Riemer, 2010). Although a few culturally responsive financial education programs have been developed and reviewed in the literature, a comprehensive financial education curriculum that is culturally responsive and relevant to the Latino immigrant community has yet to be created. (Barros Lane & Pritzker, 2016).

Chain reasoning is used to make the claim that financial education courses should be provided to Latino immigrants to provide the dual purpose of increasing financial literacy and English proficiency. I chose to use chain reasoning because the literature shows a set of 1:1 relationships of reasons and conclusions that forms an evidential chain leading to the conclusion that financial education should be provided. The literature review has seven sections. Each section represents a link in the chain of the claim justification. In the first section, the literature evaluates the English proficiency and financial literacy of Latino immigrants. In section two, the literature elaborates on how the insufficiency of English proficiency and financial literacy isolate immigrants from financial and consumer markets. In section three, the literature explains how market isolation creates consumer vulnerabilities. Section four goes on to demonstrate how consumer vulnerabilities diminish income in the short term and wealth in the long term. In section five, the literature expands on how diminished income and wealth create larger gaps in wealth inequality between immigrant and native-born populations. In section six, the topic of how wealth inequality can be decreased by increasing English proficiency and financial knowledge among immigrants is discussed. Finally, in section seven the claim is made that financial education courses should be provided to Latino immigrants to provide the dual purpose of increasing financial literacy and English proficiency.

English Proficiency and Financial Literacy

According to Adkins and Jae (2010), 72.6% of foreign-born people had a language other than English as their native language. Furthermore, 14% of the U.S. population spoke a language other than English at home (Adkins & Jae, 2010). In addition to the Adkins and Jae (2010) study, Barros Lane and Pritzker (2016) found that the number of people who spoke Spanish at home was around 37.6 million. Similarly, Painter and Qian (2016) mentioned that only 20% of Latino

immigrants are native English speakers. Meanwhile, a study by Rojas (2010) found that 53% of Latino immigrants had difficulty reading and writing in English whereas 17% had no English skills at all. In a study by Young, Shinnar, and Cho (2009) the average Latina immigrant knew only “a little” English. Notably, the absence of English proficiency posed more difficulties for Hispanic immigrants than legal status and unemployment (Viswanathan, Torelli, Yoon, & Reimer, 2010). Likewise, Adkins and Jae (2010) showed that English proficiency was an asset that allows people to participate in all aspects of U.S. society including business, voting, and markets.

English proficiency is linked to financial knowledge. Notably, Sprow Forte (2013) observed that low rates of financial literacy among Latinos were attributable to language issues. The savings rate of Latino parents was determined primarily by their English proficiency (Dondero & Humphries, 2016). To start with, Njenga (2016) showed that a shortfall in English proficiency served as a barrier to learning about financial services. Furthermore, Painter and Qian (2016) stated that English proficiency allowed familiarity and communication with financial personnel. Moreover, Painter and Qian (2016) established that lower English proficiency correlates to lower financial well-being. Indeed, Njenga (2016) stressed that English language proficiency increases retirement planning and confidence in the ability to meet long term needs.

Financial literacy is determined by tests of financial knowledge. Several tests have been conducted that compare the financial literacy rates of immigrants compared to the native-born population. Mimura et al. (2015) demonstrated that students scored higher on financial knowledge tests when they received financial information from their parents. Likewise, Gramatki (2017) also underscored the importance of parents in the formation of the financial

literacy of children. However, whereas Mimura et al. (2015) focused on parents as sources as financial information in comparison to other sources, Gramatki (2017) focused on how socioeconomic status and parental occupation impacted the financial literacy of children. The study by Gramatki (2017) emphasized that in assessments of financial literacy, scores were highest with increased socioeconomic status and proficiency in the test language. Thus, native speakers outscored immigrants. Subsequently, Gramatki (2017) went on to elucidate that second-generation immigrants scored better on financial literacy tests than first-generation immigrants implicating that native language acquisition by the second generation is instrumental in score increases.

Immigrants have lower rates of financial literacy than native-born populations (Dondero & Humphries, 2016). The degree of financial literacy can vary by group. Young, Shinnar, and Cho (2009) indicated that Hispanic immigrants, specifically, had low levels of financial literacy. By the same token, Njenga (2016) built on this by noting that Hispanic immigrants had less confidence in financial matters and were less likely to plan for retirement. In contrast, Faulkner (2017) took a broader view and showed that ESL immigrants and refugees were less financially literate and at a greater financial risk than other demographic groups. Meanwhile, Gramatki (2017) provided the rationale for the findings of both Dondero & Humphries (2016) and Faulkner (2017) by explaining that immigrants and refugees were less financially literate than native-born populations because migration led to people experiencing different financial systems, occupations, economic statuses, and social statuses, which impacted the financial literacy of children. As families adapt to the new language, culture, and financial system, the difference between native and immigrant students in financial literacy is reduced such that second-generation immigrants have more knowledge than first-generation immigrants.

According to Mimura, Koonce, Plunkett, and Pleskus (2015), knowledge of the U.S. financial system was less prevalent among immigrants and children of immigrants than non-immigrants. Both Gramatki (2017) and Mimura et al. (2015) stressed that parents played a pivotal role in the financial literacy of children. Hispanic immigrants received less financial information from their parents than other racial and ethnic groups (Mimura et al., 2015). With regard to financial knowledge, Mimura et al. (2015) showed that whereas first-generation immigrants obtained financial information from the Internet and other media, third-generation immigrants obtained financial information from their parents. To illustrate, Mimura et al. (2015) mentioned that first-generation immigrant college students attained more financial information from college than parents or friends with Hispanic students receiving the least financial information from parents. Furthermore, Mimura et al. (2015) commented that third-generation students were more likely to get financial information from parents and friends whereas first-generation students were more likely to procure financial information from the media or the Internet. Language barriers and differences in financial knowledge come together to prevent immigrants from participating in markets, demonstrating the need for financial education courses for immigrants.

Market Isolation

Developing English proficiency and financial preliteracy isolate immigrants from financial and consumer markets. Adkins and Jae (2010) indicated that limited English proficient (LEP) immigrants were excluded from the mainstream marketplace through discrimination or marginalization and around 25% of foreign-born individuals in the U.S. are linguistically isolated and consequently isolated from various consumer and financial markets. Market isolation can impact “consumption, saving, home ownership, business formation, investment and retirement”

(Chatterjee & Zahirovic-Herbert, 2014, p. 346). Furthermore, as Anderson et al. (2018) showed, various factors impacted isolation as indicated by the many households that would like to have bank accounts but are deterred by distrust of banks, fees, language barriers, or bad credit.

Northwood and Rhine (2018) showed that the inadequacy of knowledge about financial options created isolation from financial structures. Consequently, Northwood and Rhine (2018) demonstrated that immigrant families, especially Latino families, were more likely to be unbanked or underbanked and use nonbank financial services such as check cashers, pawnshops, or payday lenders than native-born families. Notably, Northwood and Rhine (2018) emphasized that higher income, education, homeownership, U.S. citizenship, and use of bank accounts lowered the odds of a family using nonbank financial services.

Ethnicity, language difficulties, and unfamiliarity with marketplaces impact consumer decisions and bank usage of immigrants (Northwood & Rhine, 2018; Viswanathan, Torelli, Yoon, & Riemer, 2010). To start, Rojas (2010) demonstrated that Latino immigrants chose to use nonbank services due to the convenience of language, location, and hours in addition to comfort. Specifically, Njenga (2016) found that language barriers can serve as an obstacle to immigrants seeking to procure benefits or information about financial services thus isolating them from financial institutions. Moreover, as Northwood and Rhine (2018) showed, Latinos were more likely to use nonbank financial services regardless of banking or immigrant status, which confirmed the earlier findings by Rojas (2010) about the importance of convenience and comfort. Meanwhile, Viswanathan et al. (2010) demonstrated that language barriers impacted consumer behavior through emotion, along with financial knowledge, by forcing ESL consumers to use visual cues, trial and error, avoidance, dependence on others, preplanning, and other strategies to compensate for shortfalls of English proficiency in the marketplace. Barriers that isolate

immigrants from markets thus limit their options leaving them vulnerable to predatory practices. These barriers can be mitigated by providing financial education in conjunction with ESL education.

Consumer Vulnerabilities

Market isolation creates consumer vulnerabilities. Language and acculturation contribute to consumer vulnerability because limited English proficiency impacts the acculturation process and the vulnerability of immigrants in the U.S. marketplace (Adkins & Jae, 2010). Acculturation is a process experienced by immigrants beginning with excitement, followed by culture shock, then gradual recovery, and finally near or full recovery. Immigrants who remain in the culture shock stage will remain isolated from markets whereas those who integrate through either the gradual recovery or near or full recovery stages will be less isolated as they increase marketplace participation. In the first place, Adkins and Jae (2010) showed that integration or isolation in society due to language barriers impacted consumer vulnerability whereas the level of English proficiency and acculturation determined the type of consumer vulnerability not to mention the level of vulnerability. For example, Adkins and Jae (2010) illustrated that consumer vulnerability could manifest in the form of being overcharged, having fewer product choices, making suboptimal product choices, purchasing unintended items, leaving the marketplace without desired items, engaging in inequitable marketplace exchanges, or prolonging shopping interactions.

Like Adkins and Jae (2010), Anderson et al. (2018) showed that language barriers could create consumer vulnerability in different ways. In contrast, Anderson et al. (2018) differed in that they focused on the impact of limited English proficiency as it pertained to banking and how that further impacted consumer vulnerability. Language barriers and being unbanked contribute

to consumer vulnerability and the use of predatory lenders (Anderson et al., 2018). Moreover, Anderson et al., (2018) showed that the majority of unbanked households made the switch to electronic payments but the transition was slowest among the most vulnerable consumers. Notably, Anderson et al. (2018) stressed that minorities, low-income households, and SSI recipients were most likely to be unbanked and use alternate financial services (AFS) such as check cashers, pawnshops, or payday lenders. More importantly, Young et al. (2009) observed that Hispanic immigrants were more likely to be victims of predatory lending, fraud, high check-cashing fees, higher mortgage rates, and higher rates of loan denials.

Much like Anderson et al. (2018), Northwood and Rhine (2018) discussed how unawareness about financial options and being unbanked lead to the use of nonbank financial services thus creating consumer vulnerabilities. Furthermore, Northwood and Rhine (2018) went on to show that due to their predominantly unbanked and underbanked status, immigrants were more likely to use nonbank financial services thus creating consumer vulnerabilities. Moreover, Rojas (2010) showed that Latino immigrants had consumer vulnerabilities due to exclusion from mainstream financial institutions. Additionally, Northwood and Rhine (2018) mentioned that isolation from financial structures created consumer vulnerabilities because it leads to the use of nonbank financial services, which not only fail to provide consumer protections but tend to prey on vulnerable consumers such as immigrants. Consumer vulnerabilities leave immigrants paying higher fees, which impacts their ability to save and build wealth. Increasing financial literacy helps to educate immigrants about financial options, fees, and predatory practices, which allows them to optimize spending, lower fees, and consequently build wealth.

Diminished Income and Wealth

Consumer vulnerabilities diminish income in the short term and wealth in the long term. Whereas Adkins and Jae (2010) focused on the role of immigrant integration on consumer vulnerabilities, Chatterjee and Zahirovic-Herbert (2014) focused on the role of immigrant integration on wealth accumulation. To start with, Chatterjee and Zahirovic-Herbert (2014) demonstrated that integration impacts investing and asset ownership. Chiefly, Chatterjee and Zahirovic-Herbert (2014) noted that due mainly to a barrier to access, immigrants avoided investing and had a lower rate of participation in financial markets compared to native-born Americans, which decreased wealth accumulation. Correspondingly, Chatterjee and Zhirovic-Herbert (2014) elaborated that immigrants that had been in the U.S. for a shorter time, as well as immigrants from culturally different countries, are less likely to invest or own assets and that immigrants from Mexico, in particular, owned few financial assets. Moreover, immigrants are more likely to build wealth if they live in areas with smaller populations of immigrants because they are encouraged to integrate into society (Chatterjee & Zahirovic-Herbert, 2014).

The absence of English proficiency can isolate immigrants from financial institutions, which can have both short and long-term impacts on saving (Njenga, 2016). As with Chatterjee and Zahirovic-Herbert (2014), the finances of native-born and immigrant populations were compared by Dondero and Humphries (2016) who stated that financial literacy and relationship with financial institutions impacted savings behavior. Meanwhile, Njenga (2016) noted that language barriers, education levels, and income affected retirement planning. Accordingly, Njenga (2016) elaborated that Hispanics had less earning power, lower savings levels, less education, and less access to employer-sponsored retirement benefits. As a result, Njenga (2016) further demonstrated that because of their years of low earnings, Hispanics received lower levels

of Social Security benefits (\$8,497 for Hispanics vs \$10,621 for whites) in retirement. Likewise, Dondero and Humphries (2016) showed that limited English proficiency and unfamiliarity with the U.S. higher education system made it difficult for immigrants to navigate financial options. Lower income leads to lower wealth accumulation among immigrants, which leads to wealth gaps in comparison to the native-born population. Building English proficiency increases income and financial literacy increases investing and retirement planning, which again underscores the necessity of financial education for Latino immigrants.

Wealth Gaps

Diminished income and wealth create larger gaps in wealth inequality between immigrant and native-born populations. There is a difference in the financial knowledge of native-born students and immigrant students. (Gramatki, 2017; Mimura et al., 2015). First, Mimura et al. (2015) showed that financial knowledge did not just impact individuals and their immediate families but generations of families. Next, Mimura et al. (2015) observed that financial knowledge in immigrants increased by generation due to parental financial knowledge.

Cultural financial practices can impact savings and financial well-being within a larger community (Martin, Goldman, & Jimenez, 2009). Dondero and Humphries (2016) noted that the financial behavior of native-born and immigrant populations was different in terms of college savings and investments. Specifically, Dondero and Humphries (2016) established that Asian immigrant parents were more likely to save and Latino immigrant parents are less likely to save than white U.S.-born parents but among parents who do save the same amount is saved.

Much like the work of Adkins and Jae (2010), Young, Shinnar, and Cho (2009) discussed how acculturation impacted the financial behavior of immigrants. To begin, Young et al. (2009) stated that age at immigration and documentation status impacted the financial behavior of

immigrants. Importantly, Young et al. (2009) noted that immigrating at an older age increased the likelihood of remitting money and offering assistance to newcomers. Additionally, Young et al. (2009) also mentioned that permanent residents remitted more than citizens and those from countries other than Mexico remitted more often. Moreover, Young et al. (2009) indicated that permanent residents were also more likely than citizens to use nonbank financial services.

For both natives and immigrants, whites had the most wealth and Blacks the least with Asians and Latinos in the middle (Painter & Qian, 2016). Furthermore, Painter and Qian (2016) elaborated that Asian and white immigrants had less wealth than native-born ethnic counterparts. Meanwhile, Njenga (2016) demonstrated that various challenges create an inadequacy in preparedness for retirement by Hispanic immigrants. Wealth gaps will continue to grow without intervention. Financial education provides the necessary intervention to decrease wealth gaps.

Decreasing Wealth Inequality

Wealth inequality can be decreased by increasing English proficiency and financial knowledge among immigrants. Higher levels of English language proficiency, increased time spent in the U.S., naturalization, and U.S. education increased the wealth of immigrants (Painter & Qian, 2016). Furthermore, Painter and Qian (2016) stated that integration issues such as English language proficiency, citizenship, U.S. education, and length of U.S. residency impacted wealth accumulation. To illustrate, Dondero and Humphries (2016) noted that saving increased with English proficiency and years of residency in the U.S. Meanwhile, Barros Lane and Pritzker (2016) mentioned that culturally sensitive financial education could improve financial outcomes for participants. Finally, Painter and Qian (2016) stated that ethnic and linguistic discrimination served as barriers to financial markets resulting in increased wealth inequality between native-born and immigrant populations.

Earnings increase with increases in English language requirements of occupations in conjunction with the English proficiency of workers (Chiswick & Miller, 2010). First of all, Chiswick and Miller (2010) indicated that English language proficiency impacted worker job performance and earnings depending on whether the job has low or high English requirements. Moreover, Chiswick and Miller (2010) noted that English language proficiency determined earnings within an occupation more than between occupations. Financial education must be provided to decrease wealth inequality.

Financial Education

Financial education courses should be provided to Latino immigrants to provide the dual purpose of increasing financial literacy and English proficiency. Many researchers advocate that financial literacy programs directed at immigrants be provided to increase financial outcomes (Adkins & Jae, 2010; Njenga, 2016; Robles, 2014; Young et al., 2009). In addition, Chatterjee and Zahirovic-Herbert (2014) stated that a combined financial literacy and ESL program geared toward immigrants may increase wealth accumulation. In a recent study, Barros Lane and Pritzker (2016) concluded that “Financial education as a Latino-specific intervention is virtually uncharted territory, but it must be explored to design and implement interventions to increase financial capability among this population” (p. 425).

There exists a paucity of consensus regarding the effectiveness of financial education programs for Latinos and how to structure future programs (Barros Lane & Pritzker, 2016). Robles (2014), along with Barros Lane and Pritzker (2016), showed that financial education was more effective when it was culturally responsive and leveraged family relationships. Furthermore, Barros Lane and Pritzker (2016) state that financial education is more effective when it is adapted to be culturally sensitive to the group that is being taught. Additionally,

Robles (2014) indicated that culturally responsive teaching involved leveraging cultural capital together with addressing knowledge differences that arose from cultural differences.

Financial education is shaped by the financial goals and the audience (Faulkner, 2017). Furthermore, Faulker (2017) mentioned that there was a disconnect between the audiences for financial literacy books and financial education programs. Moreover, Faulkner (2017) indicated that personal finance book collections in libraries were geared toward the middle and upper class whereas library financial literacy programs were geared toward the lower class. Next, Faulkner (2017) commented that financial books also focused on financial independence whereas library programming focused on financial survival. Finally, Faulkner (2017) noted that library financial literacy programs provide basic foundational knowledge geared to low-income populations.

Financial decisions are a family affair (Robles, 2014). First, Robles (2014) stated that whole-family learning was culturally responsive and leveraged cultural capital and family relationships to build financial knowledge across generations. Next, Robles (2014) noted that whole-family learning could increase the effectiveness of financial education, especially for cultures that highly value family relationships.

In a similar way to Barros Lane and Pritzker (2016), Sprow Forte (2013) showed that culturally responsive teaching impacted financial literacy among Latinos. Furthermore, Sprow Forte (2013) demonstrated that financial education was more effective when it acknowledged cultural backgrounds and involved the sharing of food and stories. Moreover, Sprow Forte (2013) noted that acknowledging cultural backgrounds and strengths improved financial literacy.

Pedagogy impacts student learning (Tisdell, Taylor, & Forte, 2013). First, Tisdell et al. (2013) showed that how immigrants acquired financial information determined their financial literacy and subsequent financial decisions. Second, Tisdell et al. (2013) noted that financial

educators were a key source of financial information for immigrants. Third, Tisdell et al. (2013) mentioned that teacher beliefs impacted the effectiveness of lessons in addition to how students utilized what they learned. Next, Tisdell et al. (2013) indicated that most financial literacy educators believed the purpose of their teaching was to educate students in making informed financial choices and understand financial information. Finally, Tisdell et al. (2013) demonstrated that teacher beliefs determined the content they taught along with the methods and materials they used.

Summary

Within the existing literature, there is ample data on barriers Latino immigrants encounter in issues of personal finance. Barriers identified in the literature include (a) limited English proficiency, (b) unfamiliarity with U.S. financial systems, (c) dearth of relevant consumer education material, and (d) inaccessibility to banks (Adkins & Jae, 2010; Dondero & Humphries, 2016; Faulkner, 2017; Rojas, 2010). Culturally responsive financial education though not eliminating the barriers does appear to lower the barriers (Barros Lane & Pritzker, 2016; Mimura et al., 2015; Robles, 2014; Sprow Forte, 2013). A crucial gap identified in the literature is the paucity of studies on the outcomes of financial education for Latino immigrants in adult ESL courses. Evidence of this gap is that most of the available literature focuses on assessing financial literacy or the consequences of financial preliteracy among immigrants (Gramatki, 2017; Njenga, 2016). This gap in the literature is significant because adult ESL courses often neglect financial education thus leaving immigrants vulnerable in the consumer marketplace and culturally responsive, effective curriculums are needed to counterbalance the wealth inequality that Latino immigrants face.

By providing culturally responsive financial education to Latino immigrants, wealth inequality can be decreased in the United States. Financial education increases both financial literacy and English proficiency. Consequently, immigrants are less isolated from consumer and financial markets and have fewer consumer vulnerabilities. By reducing or eliminating consumer vulnerabilities income increases in the short term and wealth increases in the long term. Increased income and wealth lead to decreased wealth inequality. The field project provides the culturally responsive curriculum necessary to provide financial education to Latino immigrants.

CHAPTER III

THE PROJECT AND ITS DEVELOPMENT

Brief Description of the Project

The project consists of a guidebook for teaching financial literacy to adult Latino ESL students. The curriculum is geared toward Latino immigrants because they are disproportionately impacted by wealth inequality as compared to other immigrant groups as well as the native-born population (Chiswick & Zahirovic-Herbert, 2014; Dondero & Humphries, 2016). The guidebook provides a comprehensive overview of personal finance topics. It consists of 16 two-hour lesson plans geared toward intermediate level adult ESL learners. Topics covered include: the U.S. financial system, banking, budgeting, cutting expenses, jobs/income, saving, investing, credit, loans, shopping, consumer protections, taxes, insurance, housing, financial assistance, and estate planning. Authentic materials such as brochures and forms are incorporated into lessons. The lesson plans provide a general framework of topics, vocabulary, and activities that can then be customized by teachers. As each lesson plan is independent in nature rather than cumulatively building on prior lessons, teachers are free to use their discretion in choice of topics to meet the needs of their students. Teachers are also able to incorporate the use of educational applications and technology at their discretion.

The goal of the project is to increase the communicative competence of students. As such, emphasis is on vocabulary and fluency rather than grammar and accuracy. Comprehension and comprehensibility are the focus. The curriculum serves to build the confidence of students in their English skills as well as to lessen the effects of culture shock to help integrate immigrants for inclusion in financial and consumer markets. The financial knowledge learned in classes will be able to be shared with family and community members. The increased financial literacy will

empower Latino immigrants to advocate for themselves and avoid becoming consumer victims. English proficiency will also improve over the course of the class which over time will improve financial outcomes and decrease wealth inequality.

The guidebook is organized into four sections. The first section provides an introduction and discusses the ideal setting and target population that the guidebook is geared toward. It also establishes the focus of the guidebook as vocabulary driven pragmatic skills for listening and reading comprehension. Moreover, the introduction provides teachers with some background history on the economic history of Latin America’s various financial crises to provide insight into Latino mistrust of financial institutions and the need to establish faith in the U.S. financial system. A screenshot of the background history provided is presented in Figure 1.

Figure 1

Screenshot of Table of Economic History of Latin America

| Year | Country | Financial Issue |
|-------------|------------------------------|------------------------------------|
| 1970s-1980s | All Latin American countries | Debt crisis |
| 1970 | Argentina | New currency peso ley |
| 1975 | Chile | New currency Chilean peso |
| 1975 | Uruguay | New currency nuevo peso |
| 1980s-1990s | Peru | Hyperinflation |
| 1982 | Chile | Economic crisis |
| 1982 | Uruguay | Currency devaluation |
| 1983 | Argentina | New currency peso argentino |
| 1985 | Bolivia | Hyperinflation |
| 1985 | Argentina | New currency austral |
| 1985 | Peru | New currency inti |
| 1987 | Bolivia | New currency boliviano |
| 1991 | Peru | New currency nuevo sol |
| 1992 | Peru | Banking crisis |
| 1992 | Argentina | New currency peso convertible |
| 1993 | Mexico | New currency nuevo peso |
| 1993 | Uruguay | New currency peso uruguayo |
| 1994 | Venezuela | Banking crisis |
| 1994 | Mexico | Economic crisis Currency crisis |
| 1994 | Brazil | New currency Brazilian real |

The second section of the guidebook provides teachers with information on how to use the curriculum framework. It explains how each unit is designed. It describes the layout of the template format of the units. It also specifies that all of the exercises and activities are samples that can be adapted to suit the needs of the students. It also suggests ways to adapt the materials including the use of educational technology.

The third section of the guidebook contains 16 units on financial literacy topics. Each unit begins with the unit objectives and an activity to activate prior knowledge. The units then introduce vocabulary and provide exercises to check understanding of the vocabulary. Once the students have learned the vocabulary, each unit continues on to show a YouTube video that provides an overview of the unit topic. Afterwards, there is a reading comprehension activity that uses a financial website for content. Each reading comprehension activity is followed by a True/False question exercise to check reading comprehension. Next, each unit provides a discussion activity that can be done as a whole class, small group, or pair work depending on the size of the class. Finally, there is a family activity which involves reading a children's book that deals with financial literacy.

The fourth section of the guidebook provides a reference section with links to the videos and websites used, a list of the children's books used in the family activities, and a glossary of all the vocabulary terms used throughout the 16-unit guidebook. The list of YouTube videos is a table that provides the source, video length, and URL link of the video. The list of children's books is an alphabetical list with title and author. The glossary is an alphabetical list of all the vocabulary words introduced in the curriculum.

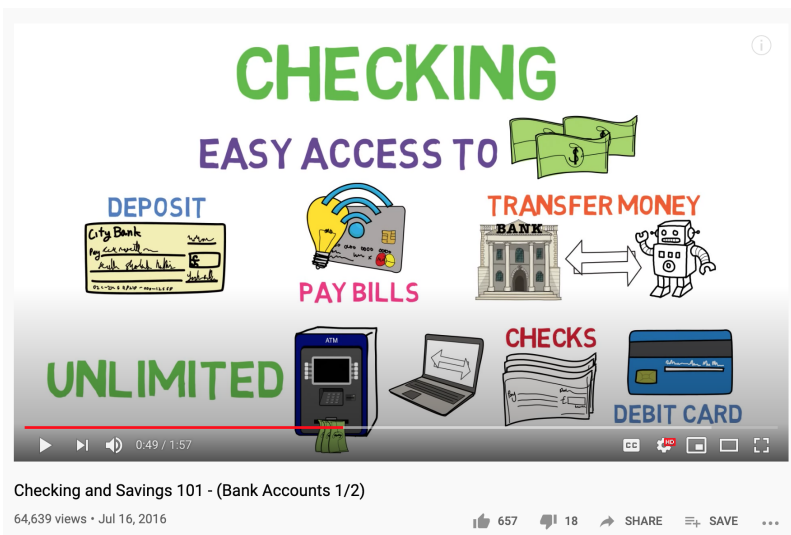
Development of the Project

The project was developed through a corpus analysis. In the first stage of development, financial websites were reviewed to determine popular topics of discussion in order to choose unit topics for the curriculum. After a review of the websites, it was determined that there were 16 main areas of personal finance that were commonly discussed so it was decided to do a 16-unit curriculum. The 16 units are: the U.S. financial system, banking, budgeting, cutting expenses, jobs/income, saving, investing, credit, loans, shopping, consumer protections, taxes, insurance, housing, financial assistance, and estate planning.

In the second stage of development, YouTube videos were reviewed to find short videos that discussed each of the unit topics in the curriculum. Videos needed to be less than five minutes in length in order to fit into the two-hour class time and allow for other activities. Additionally, the videos needed to use language that was comprehensible to English learners. It was also important for the videos to provide visuals so that financial concepts could be easily understood. A screenshot of the YouTube video used in Unit 2 is presented in Figure 2.

Figure 2

Screenshot of the YouTube Video Used in Unit 2



In the third stage of development, realia such as financial websites were reviewed for incorporation into the lesson plans. Each website was connected to the topic of the unit. For instance, for the unit on the U.S. financial system, the website for the FDIC was used. The websites were used for reading comprehension activities. A screenshot of the website reading comprehension activity for Unit 1 is presented in Figure 3.

Figure 3

Website Reading Comprehension Activity from Unit 1

Reading Comprehension

Visit the FDIC FAQ website <https://www.fdic.gov/deposit/deposits/faq.html> and read it with students.

Activity 1

Have students answer True or False for the following questions.

- T/F 1. The FDIC protects your deposits if an FDIC insured bank fails.
- T/F 2. FDIC deposit insurance covers up to \$100,000.
- T/F 3. Depositors need to apply for FDIC insurance.
- T/F 4. There is no way to tell if a bank is FDIC insured.

In the fourth stage of development, children's books that deal with financial literacy issues were reviewed for incorporation as family activities within the curriculum. It was important to select books that directly corresponded to each of the unit topics. Additionally, the books chosen were geared toward elementary school aged children. A screenshot of the Resource Guide listing the books used in family activities is presented in Figure 4.

Figure 4

Resource Guide of Books Used in Family Activities

Resource Guide: Family Activities

Books

Alexander, Who Used to Be Rich Last Sunday by Judith Viorst.

The Berenstain Bears Dollars and Sense by Stan and Jan Berenstain.

A Chair for My Mother by Vera Williams.

The Coin Counting Book by Rozanne Williams.

Home by Carson Ellis.

If You Made a Million by David Schwartz.

It's a No Money Day by Kate Milner.

Joseph Had a Little Overcoat by Simms Taback.

Lemonade in Winter by Brian Karas.

Money Madness by David Adler.

The Monster Money Book by Loreen Leedy.

Popsicle Insurance by George Jack.

A Spoon for Every Bite by Joe Hayes.

Taxes, Taxes by Nancy Loewen.

Those Shoes by Maribeth Boelts.

The Westing Game by Ellen Raskin.

When Times are Tough by Yanitzia Canetti.

Why Did I Get This Credit Card? by Twyla Prindle.

The Wrench by Elise Gravel.

In the final stage of development, vocabulary was introduced and then exercises and activities were created to check student understanding of the material presented through the realia. A screenshot of the vocabulary introduction for Unit 1 is presented in Figure 5.

Figure 5

Screenshot of the Vocabulary Introduction for Unit 1

Introduce Vocabulary

| Word | Definition |
|--|--|
| Bank | A business that holds and manages money |
| Credit union | A bank with lower fees that is formed by a group of people with the same job |
| Securities | A financial investment |
| Securities and Exchange Commission (SEC) | Part of the government that regulates securities |
| Federal Deposit Insurance Corporation (FDIC) | Agency that provides deposit insurance to U.S. depository institutions to maintain financial stability and public confidence in the financial system |
| Federal Reserve | Central bank of the U.S. that controls the monetary system and provides stability |
| Household | People who live together in the same home |
| Business | A company that provides a good or service |
| Depository institution | A bank or other financial institution that holds money for people |
| Financial market | Places that allow money to flow between governments, investors, and businesses |
| Monetary policy | How the central bank controls the flow of money in the economy, usually through changing interest rates |
| Predatory lender | A business that uses dishonest means to get people to take out loans with high interest that they cannot pay back |
| Insurance | Something you buy from a company so you get a payment if something bad happens |

Fill in the blank, matching, and writing activities were provided for vocabulary comprehension.

True/False questions were used for reading comprehension. A screenshot of the fill in the blank and matching exercises for Unit 1 is presented in Figure 6.

Figure 6

Screenshot of Fill in the Blank and Matching Exercises for Unit 1

Exercise 2:

Have students write in the letter of the definition on the right that matches the word on the left.

- | | | | |
|----------|-----------|----|--|
| _____ 1. | Household | a. | Part of the government that regulates securities |
| _____ 2. | SEC | b. | A business that holds and manages money |
| _____ 3. | bank | c. | Agency that provides deposit insurance to U.S. depository institutions to maintain financial stability and public confidence in the financial system |
| _____ 4. | FDIC | d. | People who live together in the same home |

Exercise 3:

Have students use one of the following words in the sentence blanks.

| | | | |
|-----------|----------|--------------|-----------------|
| household | business | Credit union | Monetary policy |
|-----------|----------|--------------|-----------------|

1. Teachers save their money in a _____.
2. My husband and children are members of my _____.
3. _____ impacts the interest on my car loan.
4. I want to open a _____ that sells dolls.

Discussion questions were also provided both to provide speaking practice and to further enhance comprehension of the unit topic. For certain units, cultural elements were also incorporated. American songs about money were used as listening and dictation activities. Games were also used to aid in comprehension of how some financial elements such as tandas

functioned. Both American games like musical chairs and Latino games like loteria were used as part of the curriculum.

The project consists of 16 lesson plans which incorporate cultural elements not addressed by existing financial literacy books as well as realia that students can utilize to gain experience. The use of authentic materials provides students with pragmatic knowledge and skills that can be used in their financial lives. The realia were also evaluated for vocabulary and materials that can present challenges or comprehension issues. The exercises were then constructed to aid comprehension.

The Project

The project in its entirety can be found in the appendix.

CHAPTER IV

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Lack of English proficiency as well as lack of financial literacy isolate Latino immigrants from consumer markets (Adkins & Jae, 2010). This market isolation creates consumer vulnerabilities which diminish income in the short term and wealth in the long term (Chatterjee & Zahirovic-Herbert, 2014; Northwood & Rhine, 2018). The diminished income and wealth create larger gaps in wealth inequality between immigrant and native-born populations (Painter & Qian, 2016). Wealth inequality can be decreased by increasing English proficiency and financial knowledge among immigrants. Existing financial literacy books target middle-class and upper-class native-born populations (Faulkner, 2017). The lack of culturally responsive financial literacy materials geared toward low-income, immigrant, and Latino populations makes this project all the more important. As such, financial education courses should be provided to Latino immigrants for the dual purposes of increasing English proficiency and financial literacy.

The guidebook provides a financial literacy curriculum framework for ESL teachers who work with Latino immigrants. The curriculum helps to close the wealth gap by empowering students to take control of their financial futures. The curriculum helps to increase income by increasing English proficiency. Additionally, the financial literacy provided by the curriculum allows immigrants to integrate into financial markets and avoid predatory market practices that diminish wealth. Moreover, the financial knowledge allows Latino immigrants to better prepare for retirement by familiarizing them with United States financial systems, workplace investment plans, Social Security, insurance, and estate planning issues. Finally, the financial knowledge learned by the curriculum has a multiplying effect as it is shared by students with family

members and members of the community. Another possible benefit is that the framework may inspire other policy advocates to incorporate financial literacy programs in ESL programs for adult immigrants of all ethnicities as well as for children in school programs.

Recommendations

The project is geared toward intermediate-level adult Latino immigrants in ESL programs. While it can be incorporated by any ESL program, it is ideally incorporated by ESL providers who have existing relationships with Latino communities such as churches, nonprofits, and libraries. When community-based or faith-based programs act as centers of learning, participation levels increase (Tisdell, Taylor, & Forte, 2013).

Additionally, because Bialystok's Model of Second Language Acquisition and the Desuggestopedia Approach are part of the framework, it is highly recommended that all class meetings include a potluck, BBQ, or other food presentation in addition to the incorporation of movies, songs, books, and games. Immigrants often take a trial and error approach in the consumer marketplace as seen with their affinity for buffets as a mechanism to try unfamiliar American foods (Viswanathan, Torelli, Yoon, & Riemer, 2010). Moreover, learning is promoted when food and stories are shared (Sprow Forte, 2013). As such, incorporating a buffet or taste testing different foods to compare brands and prices may be an effective approach.

An additional recommendation regarding the incorporation of the Desuggestopedia Approach is that the course not use grades, deadlines, and error correction but instead provide a low stress and relaxing atmosphere that focuses on learning through practice. Moreover, as part of Desuggestopedia, students should be free to use their native language to aid comprehension. Worksheets and other learning materials can include translations side by side or underneath the English text. Games, songs, and music are all used to promote a relaxing atmosphere for

students. The curriculum framework incorporates games such as musical chairs, loteria, and The Price Is Right but teachers are encouraged to find ways to gamify other lessons. One suggestion for gamification is to use game based educational applications such as Kahoot, Quizlet, or EdPuzzle for the vocabulary and reading comprehension sections. One way to gamify the music and songs is by incorporating things like karaoke.

Communicative Language Teaching (CLT) builds communicative competence through the use of role play and authentic materials (Anderson & Larsen-Freeman, 2011; Canale and Swain, 1980). Because Communicative Language Teaching is part of the framework, it is recommended that situational role play of real-life encounters in the financial world be used. Students can role play discussions with bank employees or store employees. Authentic materials should also be incorporated such as brochures from banks or sales flyers from stores. Additionally, in order to provide culturally responsive financial education, it is important to provide the classes at a time and location convenient for the Latino community that requires minimal travel and does not conflict with work or other obligations. Another culturally-responsive part of the framework provides for whole-family learning by inviting any and all family members to attend the class. Children in particular should be welcomed in the course both so childcare does not provide an obstacle to attendance and so certain parts of the curriculum (such as reading picture books about personal finance to children) can be conducted. Finally, because the curriculum provides a financial literacy framework, teachers should adapt it as necessary to meet the needs of their students. While the guidebook provides suggested vocabulary and activities, the curriculum should be amended to suit the English and financial literacy level of the students. Moreover, while lessons are presented in a certain order, teachers can skip or rearrange lessons to provide more responsive education to the students.

The curriculum framework is flexible and can be adapted to meet the needs of students at different levels. Additionally, educational technology can help adapt materials for different levels or create a fun or playful atmosphere. Using educational technology can also assist teachers with incorporating Bloom’s taxonomy into the curriculum. Teachers can use their favorite educational applications or use tools like the Padagogy Wheel to find educational technology that corresponds to different Bloom’s levels. A screenshot of the Padagogy Wheel from the Designing Outcomes website is presented in Figure 7.

Figure 7

Screenshot of the Padagogy Wheel from the Designing Outcomes website

The Home of the Padagogy Wheel

With the Padagogy Wheel Model, teachers have an at-hand reference that ties apps to specific learning outcomes directly connected to modern pedagogies and theories. They can easily sit with the wheel during lesson planning time to find tools that will best aid their students or use it during class time to extend or deepen learning towards a specific 21st century skill or content area. *This connection of theory, practice, and application makes the Padagogy Wheel an invaluable resource that should be on the wall of every classroom.*

188 Suggested Educational Apps available

188 Suggested Educational Apps available

Developed by Alan Carrigan
Designing Outcomes
Adelaide South Australia
Email: alan@designingoutcomes.com

The Padagogy Wheel is a Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License. Based on a work at <http://www.designingoutcomes.com>

<http://bit.ly/1PWENGVI>

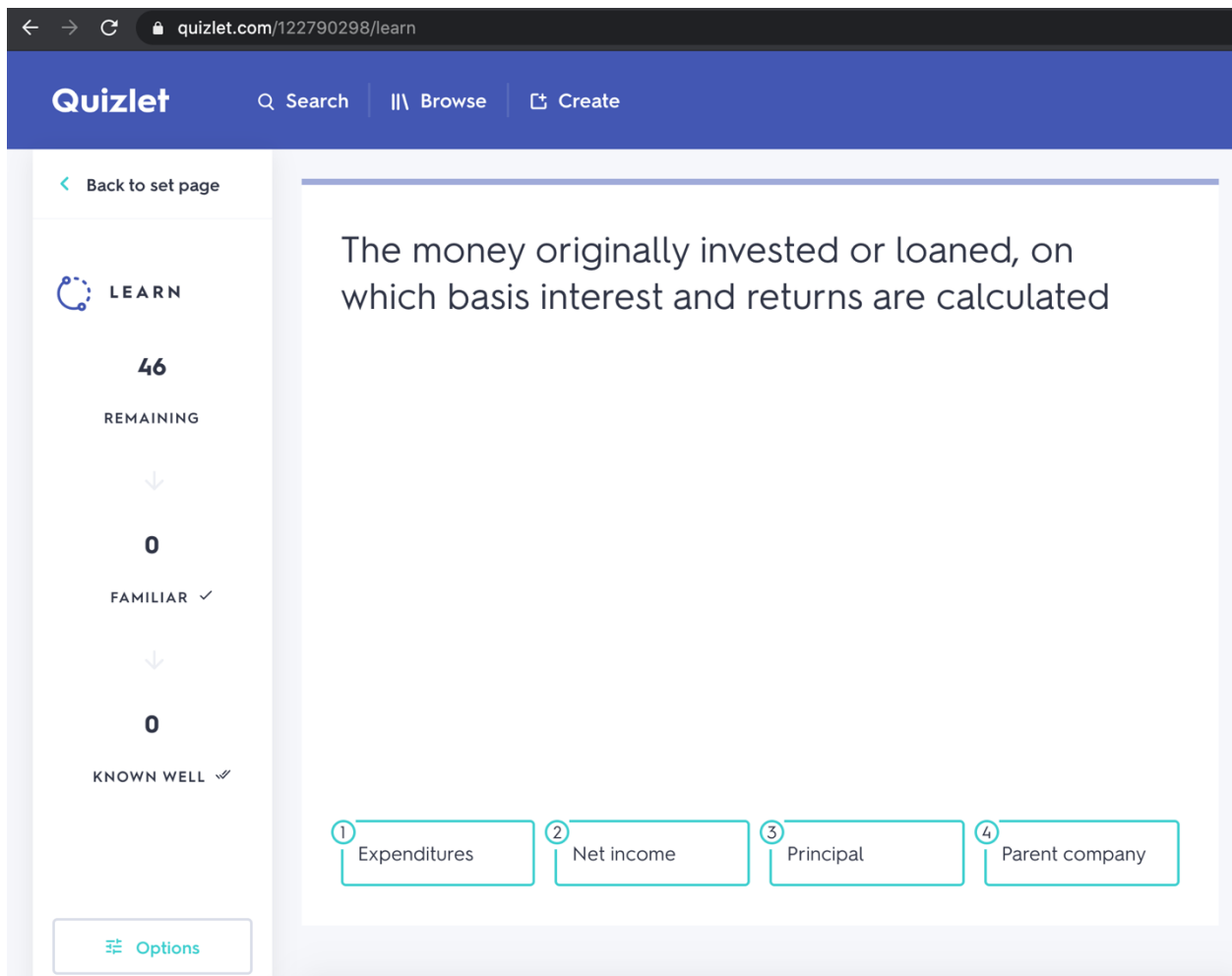
<http://bit.ly/1y8outpedagogy>

"The Padagogy Wheel - It's Not About The Apps, It's About The Pedagogy"

For learning vocabulary, either Kahoot or Quizlet can be used for practice learning definitions or for taking vocabulary quizzes. Both Kahoot and Quizlet allow for the use of pictures which suits students at lower levels. More complicated definitions can be used for more advanced students. Students can do either individual or group activities. Quizlet has a study mode which offers flashcards, learn, write, spell, or test options as well as a play mode which offers games. A screenshot of a sample vocabulary learning practice activity on Quizlet is presented in Figure 8.

Figure 8

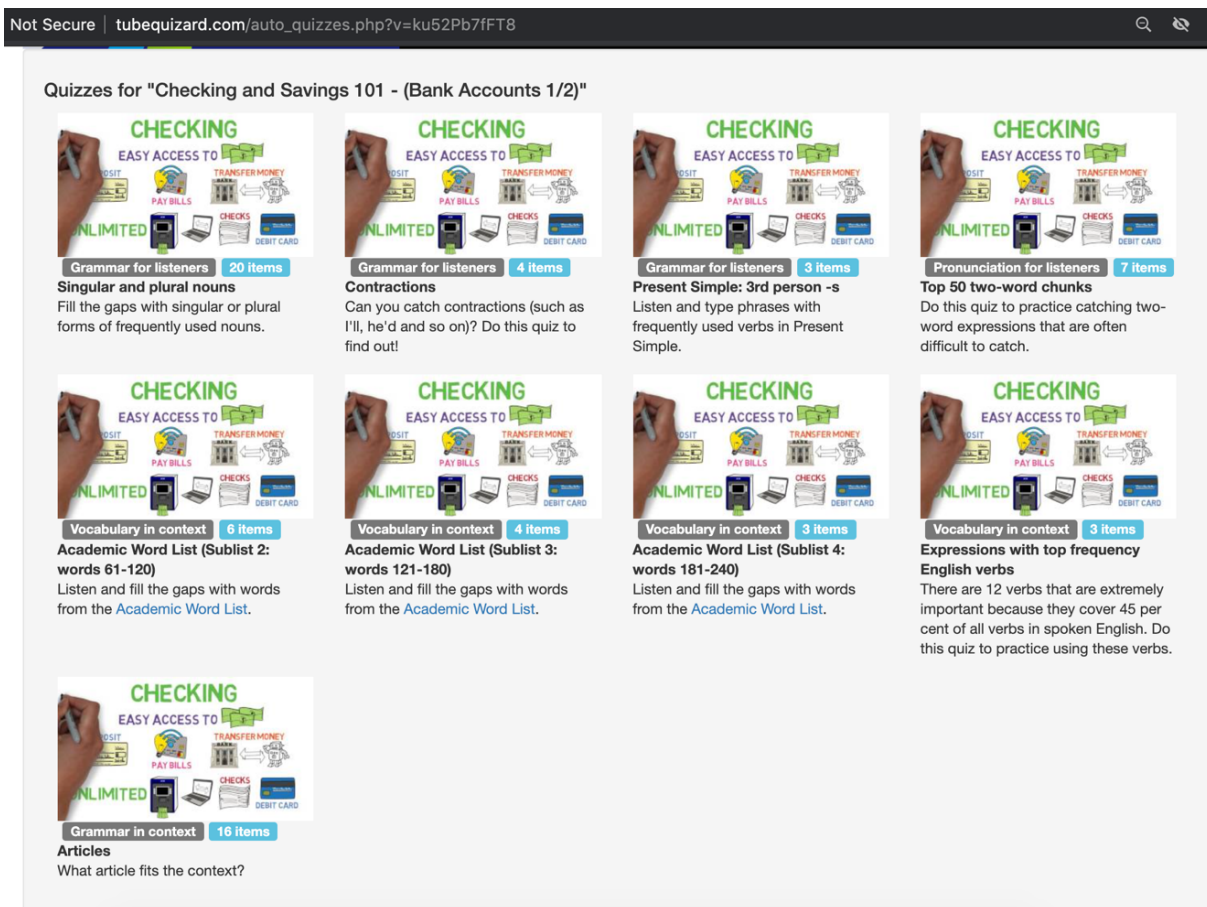
Screenshot of a sample vocabulary learning practice activity on Quizlet



The curriculum framework includes a number of YouTube videos that introduce students to the topic of the unit. The framework uses the videos only to provide background knowledge and to reinforce vocabulary introduced in the unit. However, teachers can use educational apps to adapt the lessons for students at different levels or teach things aside from vocabulary such as grammar or pronunciation. TubeQuizard is an application which provides ready made activities for existing YouTube videos. A screenshot of sample TubeQuizard activities offered for the YouTube video from Unit 2 is presented in Figure 9.

Figure 9

Screenshot of sample TubeQuizard activities for Unit 2 YouTube video



Students can use video applications such as Flipgrid or bulletin board applications such as Padlet to share stories with fellow students. They can talk about shopping experiences they have had or do a show and tell with American products or services they have tried along with a review of whether they would recommend the products or services to fellow students. The EdPuzzle and Quizizz applications can be used for reading comprehension. Teachers can also have students use photo and video scavenger hunt applications such as GooseChase to have students find examples of financial elements (banks, ATMs, price lists, receipts, sales flyers, etc.) in the real world. GooseChase helps to gamify financial education while providing students with local examples of financial concepts. Additionally, students can use image-based content creation tools such as Buncee to introduce themselves to other students and discuss financial topics.

Another way for teachers to make lessons more fun is through the use of people and places. Teachers can invite guest speakers such as bankers, financial planners, estate lawyers, and store managers to give presentations to classes. Students can also go on field trips to local places to explore financial concepts. Classes can visit banks, restaurants, stores, or other places. There are many ways teachers can adapt lessons in the curriculum framework both to adjust for student learning levels and to make learning more interesting.

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APPENDIX

See attached field project

Financial Literacy for Latino Immigrants



by Anna Braden

Introduction

This curriculum framework is meant as a guide for ESL teachers to teach basic financial literacy concepts to Latino immigrants. Ideally, it would be used by teachers at places trusted by the community such as churches, nonprofits, or schools. Classes should be offered at a time and location that is convenient for students. The setting should be informal and have more of a potluck or party feel and include food and drink in addition to the lesson to be taught for that day. Families should be invited and children included.

In addition to teaching basic language skills and vocabulary, classes should showcase American culture. Movies, television, music, and books that involve financial literacy should be used. Teachers should create a safe and comfortable environment that is fun and friendly. Activities should involve roleplay, games, songs, and props. Moreover, there should be a lack of deadlines, pressure, grades, or error correction since the goal is fluency and not accuracy. Additionally, since the main goal is comprehension students should be able to use their native language to enhance meaning. Translations can be side by side with English. Students' feelings should be taken into account.

There should also be a focus on real life circumstances and building pragmatic skills. Teachers should also use realia such as forms, receipts, and sales flyers. Students should be shown as many authentic materials as possible. Lessons should also include visiting and discussing various financial websites such as those for banks, stores, and government agencies that handle consumer protections.

Latinos in particular would be helped by this curriculum to help them better understand and gain faith in the U.S. financial system due to the history of banking crises, bank runs, economic crises, hyperinflation, new currencies, and financial instability in Latin America.

| Year | Country | Financial Issue |
|-------------|------------------------------|------------------------------------|
| 1970s-1980s | All Latin American countries | Debt crisis |
| 1970 | Argentina | New currency peso ley |
| 1975 | Chile | New currency Chilean peso |
| 1975 | Uruguay | New currency nuevo peso |
| 1980s-1990s | Peru | Hyperinflation |
| 1982 | Chile | Economic crisis |
| 1982 | Uruguay | Currency devaluation |
| 1983 | Argentina | New currency peso argentino |
| 1985 | Bolivia | Hyperinflation |
| 1985 | Argentina | New currency austral |
| 1985 | Peru | New currency inti |
| 1987 | Bolivia | New currency boliviano |
| 1991 | Peru | New currency nuevo sol |
| 1992 | Peru | Banking crisis |
| 1992 | Argentina | New currency peso convertible |
| 1993 | Mexico | New currency nuevo peso |
| 1993 | Uruguay | New currency peso uruguayo |
| 1994 | Venezuela | Banking crisis |
| 1994 | Mexico | Economic crisis Currency crisis |
| 1994 | Brazil | New currency Brazilian real |
| 1998 | Ecuador | Economic crisis |
| 1999 | Argentina | Economic crisis |
| 1999 | Brazil | Economic crisis |
| 2000 | Ecuador | New currency US dollar |
| 2001 | Argentina | Bank run |
| 2001 | El Salvador | New currency US dollar |
| 2002 | Uruguay | Banking crisis Bank run |
| 2004 | Surinam | New currency Surinamese dollar |
| 2008 | Venezuela | New currency bolivar fuerte |
| 2009 | Venezuela | Banking crisis |
| 2012 | Venezuela | Economic crisis |
| 2014 | Brazil | Economic crisis |
| 2016 | Venezuela | Currency crisis Hyperinflation |
| 2018 | Venezuela | New currency bolivar soberano |

Table constructed using data sourced from various Wikipedia articles on Latin American countries.

How to Use The Curriculum Framework

The curriculum framework is divided into 16 different units on the topic of financial literacy. Each unit is designed to supply activities for a two-hour class. Instructors can pick and choose which activities to do. They can also adapt the activities to suit the needs of their students. The framework is meant to serve as an example or starting point. The activities provide samples but they should be adapted to cater to the needs of the students. The exercises and activities can be adapted and used in worksheets, PowerPoint, Kahoot, Quizlet, or in other ways depending on the teachers and students.

Each unit follows a template such that it is set up in a similar manner. The units open with the objectives of the unit. Next comes an activity to activate prior knowledge. Then a list of vocabulary that will be featured in the unit. After the vocabulary is introduced, exercises help students consolidate the meaning of the vocabulary words. Next, there is a YouTube video that provides an overview of the unit topic and features several vocabulary words. Each video is less than five minutes long. Afterwards, there is a reading comprehension section that uses a website on the topic to provide authenticity, meaning, and context on the unit topic. These are examples and should be adapted to suit students. For example, the Walgreens website link shows a newer sales flyer than the screenshot but instead of a Walgreens sales flyer teachers can use a sales flyer for a local store where students shop. Following each reading passage, there are True/False questions to check comprehension. Next, there is a discussion section. Depending on the size of the class, the discussion questions can be used as a whole class, small group, or pair work. Finally, there is a family activity so that families can include children in the learning and do an age appropriate activity on the unit topic. Family activities are designed to be done with elementary school age children.

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Unit 1: U.S. Financial System

Lesson Objectives

- Introduce students to the topic of the U.S. financial system
- Activate prior knowledge students have on the U.S. financial system
- Introduce students to new vocabulary words regarding the U.S. financial system
- Apply unit concepts to the lives of the students

Activate Prior Knowledge

Do a KWL chart with students on the topic of the U.S. financial system.

Discussion / Pair Work / Group Work

Have students discuss the following questions in pairs or groups:

1. What was the financial system in your country like?
2. What different currencies have you used?
3. Do you trust the U.S. financial system?

Introduce Vocabulary

| Word | Definition |
|--|--|
| Bank | A business that holds and manages money |
| Credit union | A bank with lower fees that is formed by a group of people with the same job |
| Securities | A financial investment |
| Securities and Exchange Commission (SEC) | Part of the government that regulates securities |
| Federal Deposit Insurance Corporation (FDIC) | Agency that provides deposit insurance to U.S. depository institutions to maintain financial stability and public confidence in the financial system |
| Federal Reserve | Central bank of the U.S. that controls the monetary system and provides stability |
| Household | People who live together in the same home |
| Business | A company that provides a good or service |
| Depository institution | A bank or other financial institution that holds money for people |
| Financial market | Places that allow money to flow between governments, investors, and businesses |
| Monetary policy | How the central bank controls the flow of money in the economy, usually through changing interest rates |
| Predatory lender | A business that uses dishonest means to get people to take out loans with high interest that they cannot pay back |
| Insurance | Something you buy from a company so you get a payment if something bad happens |

Activities

Exercise 1:

Writing – have students use at least 5 vocabulary words and write at least 5 sentences to describe the U.S. financial system.

Exercise 2:

Have students write in the letter of the definition on the right that matches the word on the left.

- | | |
|--------------------|---|
| _____ 1. Household | a. Part of the government that regulates securities |
| _____ 2. SEC | b. A business that holds and manages money |
| _____ 3. bank | c. Agency that provides deposit insurance to U.S. depository institutions to maintain financial stability and public confidence in the financial system |
| _____ 4. FDIC | d. People who live together in the same home |

Exercise 3:

Have students use one of the following words in the sentence blanks.

| | | | |
|-----------|----------|--------------|-----------------|
| household | business | Credit union | Monetary policy |
|-----------|----------|--------------|-----------------|

1. Teachers save their money in a _____.
2. My husband and children are members of my _____.
3. _____ impacts the interest on my car loan.
4. I want to open a _____ that sells dolls.



Exercise 4:

As a class, watch the YouTube video *Fed Functions: Promoting Financial System Stability*. (Source - Federal Reserve, Time - 2:53)

<https://www.youtube.com/watch?v=RyLhKDWWH60>

Reading Comprehension

Visit the FDIC FAQ website <https://www.fdic.gov/deposit/deposits/faq.html> and read it with students.

ABOUT RESOURCES ANALYSIS NEWS 

Deposit Insurance FAQs

Q: What is the FDIC?
A: The FDIC (Federal Deposit Insurance Corporation) is an independent agency of the United States government that protects you against the loss of your insured deposits if an FDIC-insured bank or savings association fails. FDIC insurance is backed by the full faith and credit of the United States government.

Q: What is deposit insurance?
A: FDIC deposit insurance covers the depositors of a failed FDIC-insured depository institution dollar-for-dollar, principal plus any interest accrued or due to the depositor, through the date of default, up to at least \$250,000. For example, if a person had a CD account in her name alone with a principal balance of \$195,000 and \$3,000 in accrued interest, the full \$198,000 would be insured, since principal plus interest did not exceed the \$250,000 insurance limit for single ownership accounts.

Q: What happens when a bank fails?
A: Though unlikely, bank failures do occur and the FDIC responds in two capacities. First, as the insurer of the bank's deposits, the FDIC pays insurance to depositors up to the insurance limit. Historically, the FDIC pays insurance within a few days after a bank closing, usually the next business day, by either (1) providing each depositor with a new account at another insured bank in an amount equal to the insured balance of their account at the failed bank, or (2) by issuing a check to each depositor for the insured balance of their account at the failed bank.


Some deposits that exceed \$250,000 and are linked to trust documents or deposits established by a third party broker may have a short wait so that their accounts can be reviewed to determine the amount of deposit insurance coverage available to them. The amount of time involved depends on how long it takes for the depositor to provide supplemental information to the FDIC so that we can complete the insurance determination.

Second, as the receiver of the failed bank, the FDIC assumes the task of selling/collecting the assets of the failed bank and settling its debts, including claims for deposits in excess of the insured limit. If a depositor has uninsured funds they receive the insured portion of their funds quickly, as described above. They may also, however, recover some portion of their uninsured funds (their remaining claim on the failed bank) from the proceeds from the sale of failed bank assets. It can take several years to sell off the assets of a failed bank. As assets are sold, however, depositors who had uninsured funds usually receive periodic payments (on a pro-rata "cents on the dollar" basis) on their remaining claim.


Q: How can I get deposit insurance?
A: Depositors do not need to apply for FDIC insurance. Coverage is automatic whenever a deposit account is opened at an FDIC-insured bank. If you want your funds insured by the FDIC, simply make sure you are placing your funds in a deposit account at an FDIC-insured bank and that your deposit does not exceed the insurance limit for that ownership category.

Q: How do I find out if a bank is FDIC-insured?
A: To determine if a bank is FDIC-insured, you can ask a bank representative, look for the FDIC sign at your bank, call the FDIC at 877-275-3342, or you can use the FDIC's BankFind tool. BankFind allows you to access detailed information about all FDIC-insured institutions, including branch locations, the bank's official website address, the current operating status of your bank, and the regulator to contact for additional information and assistance.

Coverage
Q: How much deposit insurance coverage do I qualify for?
A: The standard deposit insurance amount is \$250,000 per depositor, per FDIC-insured bank, per ownership category. For a basic category-by-category overview of FDIC deposit insurance coverage, you can use the [Account Categories tool](#).



FDIC Working With Customers Copy link
Jelena McWilliams



FDIC The Safest Place for Your Money Copy link
Jelena McWilliams
FDIC CHAIRMAN

Activity 1

Have students answer True or False for the following questions.

- T/F 1. The FDIC protects your deposits if an FDIC insured bank fails.
- T/F 2. FDIC deposit insurance covers up to \$100,000.
- T/F 3. Depositors need to apply for FDIC insurance.
- T/F 4. There is no way to tell if a bank is FDIC insured.

Family Activity (for elementary school aged children)

Read the book *Money Madness* by David Adler.

Read the book *The Coin Counting Book* by Rozanne Williams.

Unit 2: Banking

Lesson Objectives

- Introduce students to the topic of banking
- Activate prior knowledge students have on the topic of banking
- Introduce students to new vocabulary words regarding banking
- Apply unit concepts to the lives of the students

Activate Prior Knowledge

Do a KWL chart with students on the topic of banking

Introduce Vocabulary

| Word | Definition |
|------------------------------------|---|
| Savings account | A bank account where people hold money which gains interest |
| Checking account | A bank account that provides checks that can be used to withdraw money from the account to make payments |
| Money market account | A deposit account that pays higher interest than a savings account and provides checks to withdraw money but has a higher minimum deposit requirement |
| Certificate of Deposit (CD) | Money deposited into a bank for a fixed period of time at a set interest rate |
| Automatic Teller Machine (ATM) | A machine at a bank that you can use to deposit or withdraw money |
| Balance | Amount of money |
| Check | A piece of paper with your bank information that you can use instead of cash to pay for things |
| Deposit | Money you put into a bank |
| Overdraft | A fee paid to a bank when you try to take out more money than you have |
| Monthly service fee | A fee paid to a bank each month for managing your money |
| Electronic Funds Transfer (EFT) | Moving money electronically from one bank or account to another |
| Withdrawal | Money you take out of a bank |
| Direct deposit | When a paycheck is deposited electronically to a bank account |
| ATM card | A plastic card used at an ATM machine to move money in and out of your bank |
| Debit card | A plastic card used to pay for things using money from your bank account |
| Personal Identification Number PIN | A secret number you enter at an ATM to access your bank account |

Activities

Exercise 1:

Writing – have students use at least 5 vocabulary words and write at least 5 sentences to describe banking.

Exercise 2:

Have students write in the letter of the definition on the right that matches the word on the left.

- | | |
|------------------------|---|
| ____ 1. Check | a. A machine at a bank that you can use to deposit or withdraw money |
| ____ 2. ATM | b. A piece of paper with your bank information that you can use instead of cash to pay for things |
| ____ 3. Overdraft | c. When a paycheck is deposited electronically to a bank account |
| ____ 4. Direct deposit | d. A fee paid to a bank when you try to take out more money than you have |

Exercise 3:

Have students use one of the following words in the sentence blanks.

| | | | |
|---------|-----|-----------------|-------|
| balance | PIN | savings account | check |
|---------|-----|-----------------|-------|

1. Instead of using cash I will write a _____.
2. I need to check my _____ to see how much money I have left in the bank.
3. When I use the machine at the bank I need to enter my _____.
4. If I have extra money, I can put it in a _____ so it gains interest.

Exercise 4:

As a class, watch the YouTube video *Checking and Savings 101*.

(Source - MoneyCoach, Time - 1:57)

<https://www.youtube.com/watch?v=ku52Pb7fFT8>

Reading Comprehension

Visit the First Republic Bank website <https://www.firstrepublic.com/personal/checking/basic-checking?bodylink=basic-checking> and read it with students.

Basic Checking

First Republic's Basic Checking account is a good option if you do not maintain a high balance and conduct only a small number of transactions every month.

Product Details

- Minimum opening balance of \$25 and a low monthly service fee of \$3
- No fee for the first eight (8) checks cleared during the statement period. Each check cleared thereafter is charged \$1.00.
- Available with ATM Card
- FDIC-insured to legal maximum

FEATURED SERVICES

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Gain access to your accounts, transfer funds and pay bills quickly and securely from the convenience of your home or mobile device with our online and mobile banking offerings.

Personal Banking Services

At First Republic, we pride ourselves on providing a high level of client service as standard. For all the classic banking services we offer, your personal banker will work with you to determine the best solution to fit your needs.



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Our Relationship Managers are ready to tailor financial solutions to suit your individual needs.

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[Money Market Savings](#)

[ATM Rebate Checking](#)

[Classic Checking](#)

Activity 1

Have students answer True or False for the following questions.

T/F 1. The minimum to open an account is \$100.

T/F 2. There is a \$3 monthly service fee.

T/F 3. An ATM Card comes with the Basic Checking account.

T/F 4. The Basic Checking account is FDIC insured.

Discussion / Pair Work / Group Work

Have students discuss the following questions in pairs or groups:

1. Do you use a bank?
2. What do you think are the advantages and disadvantages of using a bank?
3. Do you use checks or money orders?

Family Activity (for elementary school aged children)

Read the book *The Berenstain Bears Dollars and Sense* by Stan and Jan Berenstain.

Unit 3: Budgeting

Lesson Objectives

- Introduce students to the topic of budgeting
- Activate prior knowledge students have on the topic of budgeting
- Introduce students to new vocabulary words regarding budgeting
- Apply unit concepts to the lives of the students

Activate Prior Knowledge

Do a KWL chart with students on the topic of budgeting

Introduce Vocabulary

| Word | Definition |
|------------------|---|
| Budget | A plan that lists income and expenses and tracks your money and how it is spent |
| Fixed expense | A cost that stays the same e.g. rent |
| Variable expense | A cost that changes (e.g. utilities) |
| Income | Money you earn |
| Debt | Money you owe |
| Asset | Something you own that is worth something |
| Mortgage | Money you owe on a loan to pay for a house |
| Rent | Money you pay to use an apartment, room, or house owned by someone else |
| Credit | Borrowing money to buy now and pay later |
| Investment | Something you buy to make more money |
| Car payment | Money you owe on a loan to pay for a car |
| Utilities | Services used by people like electricity, gas, or telephone |

Activities

Exercise 1:

Writing – have students use at least 5 vocabulary words and write at least 5 sentences to describe budgeting.

Exercise 2:

Have students write in the letter of the definition on the right that matches the word on the left.

- | | |
|------------------------|--|
| _____ 1. Asset | a. A plan that lists income and expenses and tracks your money and how it is spent |
| _____ 2. Utilities | b. A cost that stays the same e.g. rent |
| _____ 3. Fixed expense | c. Something you own that is worth something |
| _____ 4. Budget | d. Services used by people like electricity, gas, or telephone |

Exercise 3:

Have students use one of the following words in the sentence blanks.

| | | | |
|------------------|------------|------|----------|
| variable expense | investment | debt | mortgage |
|------------------|------------|------|----------|

1. A car loan is a type of _____.
2. My electric bill is a _____ because it is different every month.
3. The monthly bill I pay for the house I own is my _____.
4. I want to make an _____ in the stock market.

Exercise 4:

As a class, watch the YouTube video *The Importance of Budgeting*.

(Source - Tribeca Financial, Time - 2:25)

<https://www.youtube.com/watch?v=j1Vwth0B8I8>

Exercise 5:

Loteria is a game similar to bingo but with pictures. Play loteria but assign financial concepts to the cards. The new Millennial edition set of loteria has financial concepts already assigned to many cards.

Reading Comprehension

Visit the Consumer.gov website <https://www.consumer.gov/articles/1002-making-budget#!what-to-do> and read it with students.

Managing Your Money Credit, Loans and Debt Scams and Identity Theft Toolbox

print
AAA text size
listen

How do I make a budget?

Write down your expenses. Expenses are what you spend money on. Expenses include:

Bills:

- bills that are the same each month, like rent
- bills that might change each month, like utilities
- bills you pay once or twice a year, like car insurance

Other expenses, like:

- food
- gas
- entertainment
- clothes
- school supplies
- money for family
- unplanned expenses, like car repairs or medical bills
- credit card bills

You might have bills that change every month. Look at what you paid for the same month last year. You might need \$200 for your gas bill in January, but \$30 in July.

Write down how much money you make. This includes your paychecks and any other money you get, like child support.

Subtract your expenses from how much money you make. This number should be more than zero. If it is less than zero, you are spending more money than you make. Look at your budget to see what you do not need or what you could spend less on.

How do I use my budget?

You can use your budget every month:

- At the beginning of the month, make a plan for how you will spend your money that month. Write what you think you will earn and spend.
- Write down what you spend. Try to do this every day.
- At the end of the month, see if you spent what you planned.
- Use the information to help you plan the next month's budget.

Activity 1

Have students answer True or False for the following questions.

T/F 1. Rent is a type of expense.

T/F 2. You do not need to include the cost of food in a budget.

T/F 3. Some bills change each month.

T/F 4. You should subtract how much money you make from your expenses.

Discussion / Pair Work / Group Work

Have students discuss the following questions in pairs or groups:

1. How can a budget help people?
2. Do you think it is better to rent or own?

Family Activity (for elementary school aged children)

Read the book *Those Shoes* by Maribeth Boelts.

Read the book *When Times are Tough* by Yanitzia Canetti.

Unit 4: Cutting Expenses

Lesson Objectives

- Introduce students to the topic of cutting expenses
- Activate prior knowledge students have on the topic of cutting expenses
- Introduce students to new vocabulary words regarding cutting expenses
- Apply unit concepts to the lives of the students

Activate Prior Knowledge

Do a KWL chart with students on the topic of cutting expenses

Introduce Vocabulary

| Word | Definition |
|----------------|---|
| Sale | When prices are lowered |
| Coupon | A piece of paper or digital item that gives you a discount on an item |
| Rebate | Money you get back when you buy something |
| Thrift shop | A store that sells used items at a discount |
| Bulk | Large amounts of items |
| Bundle | Things that are grouped together at a lower cost |
| Negotiate | To try to reach an agreement |
| Clearance sale | When items are sold for cheap to get rid of them |
| Refinance | To change the terms of a loan to get a better interest rate |
| Consolidate | To combine multiple debts into a single one |
| Refund | Money that is given back to you when you return an item to a store or are unhappy with service you received |

Activities

Exercise 1:

Writing – have students use at least 5 vocabulary words and write at least 5 sentences to describe cutting expenses.

Exercise 2:

Have students write in the letter of the definition on the right that matches the word on the left.

- | | |
|-----------------|--|
| _____ 1. Refund | a. When prices are lowered |
| _____ 2. Sale | b. Money you get back when you buy something |
| _____ 3. Rebate | c. A piece of paper or digital item that gives you a discount on an item |
| _____ 4. Coupon | d. Money that is given back to you when you return an item to a store or are unhappy with service you received |

Exercise 3:

Have students use one of the following words in the sentence blanks.

| | | | |
|--------|-------------|--------|--------|
| coupon | thrift shop | refund | bundle |
|--------|-------------|--------|--------|

1. Goodwill is an example of a _____.
2. I clipped a _____ from a magazine to get a discount on butter.
3. AT&T gave me a discount because I combined my phone and cable service in a _____.
4. My fan broke, so I took it back to the store for a _____ to get my money back.

Exercise 4:

As a class, watch the YouTube video *How to Save Money on Everyday Expenses*.

(Source - Bank of America, Time - 3:50)

https://www.youtube.com/watch?v=GH_JLA-fkBY

Reading Comprehension

Visit the Walgreens website

<https://www.walgreens.com/offers/offers.jsp/weeklyad?view=weeklyad> and read it with students.



2/\$6 with card
Frito-Lay Chips
5 to 11.25 oz.
Select varieties.



COUPON SAVINGS
5.99 with card
OR
4.99
with card & \$1 off coupon*
Blue Diamond Almonds 16 oz.

buy 2 get 3rd **FREE** mix & match hair care with card

Includes shampoos, conditioners, styling products, hair color, appliances and accessories. Offer good in store and at Walgreens.com now thru 10/31/20 with card

ONLINE COUPON
9.99 with card
OR
9.74
with card & 25¢ off coupon*



Paper Towels or Bath Tissue
• Bounty, 6 rolls
• Charmin, 6 super mega or 9 mega rolls

ONLINE COUPON
2.99 with card
OR
1.99
with card & \$1 off coupon*



Laundry Care Downy, Tide Simply or Bounce. Select varieties.

buy 1 get 1 **FREE** with card
Arm & Hammer Laundry Care • Detergent, 43.75 or 50 oz. or 17 or 21 pk. • Scent Booster, 15 oz.



1.88 with card
Nature Valley or Fiber One Snacks Select varieties.

REVLON ALMAY

Register Rewards* \$5 off on next purchase when you buy 2 participating products*
Revlon or Almay Cosmetics

Nº7

buy 1 get 1 **50% off*** with card
Nº7 Cosmetics or Skin Care*
Select varieties.

As seen on TV

ONLINE COUPON
buy 1 get 1 **50% off*** with card + \$3 off coupon on 2*



Tampax Tampons or Always Pads or Pantliners. Select varieties.

COUPON SAVINGS
2/\$5 with card & \$1 off Walgreens coupon on 2*

M&M's Share Size or Mars Minis Candy. Select varieties.

L'ORÉAL PARIS

COUPON SAVINGS
buy 1 get 1 **50% off*** with card
Walgreens coupon†
L'Oréal Eye and Lip Cosmetics

buy 1 get 1 **40% off*** with card
Neutrogena or Clean & Clear Skin Care
Select varieties.

ONLINE COUPON
9.99 with card OR **8.49** with card & 1.50 off coupon*
\$6 in rewards = 6000 bonus points when you buy 3**



Pampers Jumbo Pack Diapers or Easy Ups Select varieties.

Activity 1

Have students answer True or False for the following questions.

T/F 1. There is a \$1 coupon available for Blue Diamond Almonds.

T/F 2. You need to buy 4 hair care products to get one free.

T/F 3. M&Ms are on sale 2 for \$6.

T/F 4. Doritos are \$3.00 each if you buy 2 or \$3.79 each if you buy one.

Discussion / Pair Work / Group Work

Have students discuss the following questions in pairs or groups:

1. Do you do anything to cut expenses?
2. Have you ever requested a refund for anything?

Family Activity (for elementary school aged children)

Read the book *Joseph Had a Little Overcoat* by Simms Taback.

Read the book *A Spoon for Every Bite* by Joe Hayes.

Unit 5: Jobs & Income

Lesson Objectives

- Introduce students to the topic of jobs & income
- Activate prior knowledge students have on the topic of jobs & income
- Introduce students to new vocabulary words regarding jobs & income
- Apply unit concepts to the lives of the students

Activate Prior Knowledge

Do a KWL chart with students on the topic of jobs & income

Introduce Vocabulary

| Word | Definition |
|-----------------|--|
| Salary | A fixed amount of money you are paid for work |
| Wage | Money you are paid for work by the hour |
| Tip | Additional money given to you for providing good service |
| Gross pay | Pay received before taxes |
| Net pay | Pay received after taxes |
| Withholding tax | Money removed from your paycheck to pay income taxes |
| Social Security | An income tax that removes money from your paycheck so it can be paid to you when you are older |
| Overtime | Money you are paid for working extra hours |
| Taxes | Money you pay to the government |
| Occupation | Job |
| Paycheck | Money you earn for work you do |
| W-4 | IRS tax form Employee's Withholding Certificate, used to withhold taxes from an employee's paycheck |
| W-2 | IRS tax form Wage and Tax Statement, used to report annual wages and taxes paid |
| 1099-Misc | IRS tax form Miscellaneous Income, used to report annual income for independent contractor or freelance work |

Activities

Exercise 1:

Writing – have students use at least 5 vocabulary words and write at least 5 sentences to describe jobs and income.

Exercise 2:

Have students write in the letter of the definition on the right that matches the word on the left.

- | | |
|--------------------|---|
| _____ 1. W-2 | a. IRS tax form Miscellaneous Income, used to report annual income for independent contractor or freelance work |
| _____ 2. Salary | b. IRS tax form Wage and Tax Statement, used to report annual wages and taxes paid |
| _____ 3. Overtime | c. A fixed amount of money you are paid for work |
| _____ 4. 1099-Misc | d. Money you are paid for working extra hours |

Exercise 3:

Have students use one of the following words in the sentence blanks.

| | | | |
|-----|----------|----------|-------|
| tip | paycheck | overtime | taxes |
|-----|----------|----------|-------|

1. I was paid _____ because I worked more than 40 hours this week.
2. The waitress receives a _____ for providing good service.
3. I pay federal and state _____ on my income.
4. My job gives me a _____ twice a month.

Exercise 4:

Have students listen to the song “She works hard for the money” by Donna Summer or “Money, money, money” by ABBA as a dictation activity.

Exercise 5:

As a class, watch the YouTube video *Understanding Your Paycheck*.

(Source - Paxton/Patterson, Time - 1:59)

https://www.youtube.com/watch?v=XQ0f87stf_o

Reading Comprehension

Visit the Credit.com website <https://www.credit.com/personal-finance/how-to-read-your-paycheck-stub/> and read it with students.

How to Read a Paycheck Stub

A pay stub generally includes the following information.

| Pay Period: 01/01/2020 - 01/31/2020 | | | | | | 01/31/2020 | |
|-------------------------------------|------------------|----------------|------------|--------------------|----------------|----------------|------------|
| 1 | GROSS PAY | CURRENT | YTD | TAXES | 2 | CURRENT | YTD |
| | Salary | ===== | ===== | Federal Income Tax | ===== | ===== | ===== |
| | Overtime Pay | ===== | ===== | State Income Tax | ===== | ===== | ===== |
| | | | | Social Security | ===== | ===== | ===== |
| | | | | Medicare | ===== | ===== | ===== |
| | OTHER PAY | CURRENT | YTD | DEDUCTIONS | CURRENT | YTD | |
| | | ===== | ===== | 401k | ===== | ===== | |
| | | | | Child Care | ===== | ===== | |
| | BENEFITS | CURRENT | YTD | SUMMARY | CURRENT | YTD | |
| | Sick | ===== | ===== | Total Pay | ===== | ===== | |
| | Vacation | ===== | ===== | Taxes | ===== | ===== | |
| | | | | Deductions | ===== | ===== | |
| | | | | 4 | NET PAY | | ===== |

1. Your gross pay, or the total amount of money that you earned that pay period.
2. Withholdings for federal taxes, state taxes, health insurance premiums, Social Security and Medicare, which largely account for the difference between your taxable earnings and net pay.
3. Other deductions and benefits, such as child care payments, retirement contributions and paid time off.
4. Your net pay, or the amount of money that you get to take home with you—this is the amount the paycheck is actually made out for

Activity 1

Have students answer True or False for the following questions.

- T/F 1. A pay stub includes the pay period.
- T/F 2. Gross pay and net pay are the same thing.
- T/F 3. Social Security is a type of tax withholding.
- T/F 4. Vacation time is shown on pay stubs.

Discussion / Pair Work / Group Work

Have students discuss the following questions in pairs or groups:

1. What do you think are the advantages or disadvantages to being a W-2 employee compared to being a 1099-Misc independent contractor?
2. Have you ever worked at a job with tips? How were the tips divided?

Family Activity (for elementary school aged children)

Read the book *Lemonade in Winter* by Brian Karas.

Unit 6: Saving

Lesson Objectives

- Introduce students to the topic of saving
- Activate prior knowledge students have on the topic of saving
- Introduce students to new vocabulary words regarding saving
- Apply unit concepts to the lives of the students

Activate Prior Knowledge

Do a KWL chart with students on the topic of saving

Introduce Vocabulary

| Word | Definition |
|---------------------------|---|
| Savings account | A bank account where people hold money which gains interest |
| Checking account | A bank account that provides checks that can be used to withdraw money from the account to make payments |
| Money market account | A deposit account that pays higher interest than a savings account and provides checks to withdraw money but has a higher minimum deposit requirement |
| Certificate of Deposit CD | Money deposited into a bank for a fixed period of time at a set interest rate |
| Deposit | Money you put into a bank |
| Interest | Money a bank pays you for money you've deposited |
| Emergency fund | Money saved to use for future emergencies like injuries or car repairs, usually 3-6 months of wages |
| Short term goal | A goal you hope to complete in the near future, usually 1 year |
| Long term goal | A goal you hope to complete in the far future, usually more than 5 years away |

Activities

Exercise 1:

Writing – have students use at least 5 vocabulary words and write at least 5 sentences to describe saving.

Exercise 2:

Have students write in the letter of the definition on the right that matches the word on the left.

- | | |
|---------------------------|---|
| _____ 1. Interest | a. A bank account where people hold money which gains interest |
| _____ 2. Deposit | b. A bank account that provides checks that can be used to withdraw money from the account to make payments |
| _____ 3. Checking account | c. Money you put into a bank |
| _____ 4. Savings account | d. Money a bank pays you for money you've deposited |

Exercise 3:

Have students use one of the following words in the sentence blanks.

| | | | |
|----|----------|----------------------|---------|
| CD | interest | money market account | deposit |
|----|----------|----------------------|---------|

1. My savings account earns 1% _____.
2. I put my money in a one year _____ that pays interest.
3. I _____ my paycheck into my bank account.
4. I opened a _____ because it pays a higher interest rate and lets me write checks.

Exercise 4:

Have students listen to the song "If I had \$1,000,000" by Barenaked Ladies as a dictation activity.

Exercise 5:

As a class, watch the YouTube video *How to Set up Your Emergency Fund*.

(Source - TD Ameritrade, Time - 3:52)

<https://www.youtube.com/watch?v=IrA2xv4vEPM>

Reading Comprehension

Visit the Nerd Wallet website <https://www.nerdwallet.com/article/banking/savings/emergency-fund-why-it-matters> and read it with students.

What is an emergency fund?

An emergency fund is a bank account with money set aside to cover large, unexpected expenses, such as:

- Unforeseen medical expenses.
- Home-appliance repair or replacement.
- Major car fixes.
- And, costliest of all, unemployment.

» Skip ahead to see some of our recommended high-yield savings accounts

Why do I need an emergency fund?

Emergency funds create a financial buffer that can keep you afloat in a time of need without having to rely on credit cards or take out high-interest loans. It can be especially important to have an emergency fund if you have debt, because it can help you avoid borrowing more.

"One of the first steps in climbing out of debt is to give yourself a way not to go further into debt," says NerdWallet columnist Liz Weston.

NerdWallet Guide to COVID-19

Get answers about stimulus checks, debt relief, changing travel policies and managing your finances.

EXPLORE OUR GUIDE

How much should I save?

The short answer: Up to half a year of expenses.

The long answer: The right amount for you depends on your financial circumstances, but a good rule of thumb is to have enough to cover three to six months' worth of living expenses. If you lose your job, for instance, you could use the money to pay for necessities while you find a new one, or the funds could supplement your unemployment benefits. Start small, Weston says, but start.

Having even \$500 saved can get you out of many financial scrapes. Put something away now, and build your fund over time.

Activity 1

Have students answer True or False for the following questions.

T/F 1. An emergency fund can help with unexpected expenses.

T/F 2. You do not need an emergency fund if you have debt.

T/F 3. You should save 3-6 months of expenses in an emergency fund.

T/F 4. An emergency fund must be saved all at one time.

Discussion / Pair Work / Group Work

Have students discuss the following questions in pairs or groups:

1. What do you think is the best way to save money?
2. Do you think it is helpful to have savings goals?

Family Activity (for elementary school aged children)

Read the book *A Chair for My Mother* by Vera Williams.

Unit 7: Investing

Lesson Objectives

- Introduce students to the topic of investing
- Activate prior knowledge students have on the topic of investing
- Introduce students to new vocabulary words regarding investing
- Apply unit concepts to the lives of the students

Activate Prior Knowledge

Do a KWL chart with students on the topic of investing

Introduce Vocabulary

| Word | Definition |
|-----------------------------------|---|
| Stock | A share in a company |
| Bond | Investing money by providing a loan and receiving interest |
| Mutual fund | A fund that allows you to buy shares in different companies |
| Individual Retirement Account IRA | A bank account with tax benefits that lets you save money for retirement |
| 401k | An investment for retirement made through the company you work for |
| Bear market | When stocks decrease |
| Bull market | When stocks increase |
| Capital gains | Money you make from selling your assets |
| Dividend | Money paid by a company to people who own stock |
| Prospectus | A document provided by a company with details about its stock |
| Diversification | To put money into different investments to lower risk |
| Annuity | An investment that pays you a fixed amount of money each year |
| Margin | Buying an investment with borrowed money |
| Portfolio | The group of investments a person owns |
| Broker | A person who buys and sells stocks |
| Financial planner | A person who helps people meet financial goals |
| Fiduciary | A person who manages finances for people and who must protect their financial interests |

Activities

Exercise 1:

Writing – have students use at least 5 vocabulary words and write at least 5 sentences to describe investing.

Exercise 2:

Have students write in the letter of the definition on the right that matches the word on the left.

- | | | |
|----------|------------|--|
| _____ 1. | Prospectus | a. A person who manages finances for people and who must protect their financial interests |
| _____ 2. | Stock | b. A document provided by a company with details about its stock |
| _____ 3. | Bond | c. A share in a company |
| _____ 4. | Fiduciary | d. Investing money by providing a loan and receiving interest |

Exercise 3:

Have students use one of the following words in the sentence blanks.

| | | | |
|-------|------|-------------|-----------|
| stock | 401k | bear market | portfolio |
|-------|------|-------------|-----------|

1. I enrolled in a _____ through my job.
2. I bought a share of _____ in Disney.
3. All of my investments are part of a _____.
4. In 2008, there was a _____ and the economy was bad.

Exercise 4:

Have students listen to the song “Stock market blues” by Hank Williams, Jr. as a dictation activity.

Exercise 5:

As a class, watch the YouTube video *Why Invest?*.

(Source - MoneyCoach, Time - 3:52)

<https://www.youtube.com/watch?v=x7msE3tx8QI>

Reading Comprehension

Visit the The Balance website <https://www.thebalance.com/what-are-stocks-3306181> and read it with students.

What Are Stocks?

Stocks represent ownership in a publicly-traded company. When you buy a company's stock, you become part-owner of that company. For example, if a company has 100,000 shares and you buy 1,000 of them, you own 1% of it. Owning stocks allows you to earn more from the company's growth and gives you shareholder voting rights.

- **Alternative name:** Shares, Equity

How Stocks Work

Companies sell stocks to gain additional funds to grow their business, launch new products, or pay off debt. The first time a company issues stocks to the public is called the [initial public offering](#) (IPO). After the IPO, stockholders can resell their shares on the [stock market](#)—where prices are driven by supply and demand.^[1]

The more people selling a stock, the lower the price will drop; the more people buying a stock, the higher the price will rise. Generally, people buy or sell stocks based on expectations of corporate earnings or [profits](#). If traders think a company's earnings are high or will rise further, they bid up the price of the stock.

One way that shareholders make a return on their investment is by selling shares at a higher price than they were purchased. If a company doesn't do well, and its shares decrease in value, its shareholders could lose part or even all of their investment when they sell.



Note: The profit made from selling a stock is known as capital gains.

The other way shareholders profit is through [dividends](#), which are quarterly payments distributed on a per-share basis out of a company's earnings. It is a way to reward and incentivize stockholders—the actual owners of the company—for investing. It's especially important for companies that are profitable but may not be growing quickly.

Activity 1

Have students answer True or False for the following questions.

T/F 1. You become a part-owner of a company when you buy its stock.

T/F 2. An initial public offering is the last time a company issues stock to the public.

T/F 3. Shares are another word for stocks.

T/F 4. You cannot lose money by investing in stocks.

Discussion / Pair Work / Group Work

Have students discuss the following questions in pairs or groups:

1. Have you ever invested money?
2. How do you decide how much risk to take when investing?
3. Do you think using a financial planner would be helpful?

Family Activity (for elementary school aged children)

Read the book *If You Made a Million* by David Schwartz.

Unit 8: Credit

Lesson Objectives

- Introduce students to the topic of credit
- Activate prior knowledge students have on the topic of credit
- Introduce students to new vocabulary words regarding credit
- Apply unit concepts to the lives of the students

Activate Prior Knowledge

Do a KWL chart with students on the topic of credit

Introduce Vocabulary

| Word | Definition |
|----------------------------|---|
| Credit card | A card used to pay for goods and services now and pay later |
| Annual Percentage Rate APR | The rate of interest you pay on money you borrow |
| Installment | A regular payment you make on a loan |
| Late fee | A fee you pay for making a payment late |
| Annual fee | A fee you pay each year for using a credit card |
| Billing cycle | The time between each bill |
| Cash advance | Cash you get using a credit card |
| Balance transfer | Moving money from one account to another |
| Convenience check | A check provided by a credit card provider that allows people to pay for things |
| Collateral | Property you promise to give someone if you cannot repay a loan |
| Cosigner | A person who signs a loan agreement with you and agrees to pay it back if you cannot |
| Credit bureau | An organization that tracks a person's credit history and helps businesses decide whether to provide credit to a person and what interest to charge |
| Finance charge | Interest you pay on a loan or credit card when you do not pay the amount due on time |
| Down payment | Part of a total payment on an item that allows you to pay for the rest later |
| Line of credit | The amount of money a person can borrow |

Activities

Exercise 1:

Writing – have students use at least 5 vocabulary words and write at least 5 sentences to describe credit.

Exercise 2:

A tanda is a form of rotating credit association. It allows individuals to pool their money together to serve as a way of saving money and getting credit. Participants contribute a set amount of money on a regular basis often weekly or monthly. The contributions are made for a set period of time until every participant receives back all the money they put in. For instance, if ten participants each contribute \$100/week for 10 weeks then by the end of the 10 week period each participant will have received \$1,000. A different person receives the full amount each week.

Have students play musical chairs with play money to show how position impacts their participation in a tanda. Start with 10 students in chairs arranged in a circle. Distribute \$1,000 of play money, Monopoly money, handmade, etc. to each student in a chair. Have the teacher serve as the banker. Each student hands \$100 to the banker at the start of the game. Students stand, a chair is removed, and music plays. When the music stops the student left without a seat has the first position in the tanda and receives \$1,000 from the banker. All students playing the game both with a seat and out of the game pay the banker \$100 and new rounds are played following the same instructions until all students are out of the game and have been paid \$1,000. At the end of the game, have students discuss how it felt to have certain positions in the tanda and whether they would have chosen a different position.

Exercise 3:

Have students write in the letter of the definition on the right that matches the word on the left.

- | | | |
|----------|---------------|--|
| _____ 1. | Collateral | a. An organization that tracks a person's credit history and helps businesses decide whether to provide credit to a person and what interest to charge |
| _____ 2. | Cosigner | b. A regular payment you make on a loan |
| _____ 3. | Installment | c. Property you promise to give someone if you cannot repay a loan |
| _____ 4. | Credit bureau | d. A person who signs a loan agreement with you and agrees to pay it back if you cannot |

Exercise 4:

Have students use one of the following words in the sentence blanks.

| | | | |
|--------------|---------------|----------|-------------|
| down payment | credit bureau | late fee | credit card |
|--------------|---------------|----------|-------------|

1. Mastercard is one brand of _____.
2. I paid a 20% _____ when I bought my house.
3. I checked my credit report with the _____.
4. I had to pay a \$35 _____ because I did not pay my bill on time.

Exercise 5:

Have students listen to the song “Ka-ching!” by Shania Twain as a dictation activity.

Exercise 6:

As a class, watch the YouTube video *Credit Cards 101*.

(Source - MoneyCoach, Time - 3:44)

<https://www.youtube.com/watch?v=0ddgrHehprk>

Reading Comprehension

Visit the Nerd Wallet website <https://www.nerdwallet.com/article/credit-cards/credit-cards-101> and read it with students.

Credit card basics

WHAT IS A CREDIT CARD?

A **credit card** is a plastic or metal card that allows you to access a line of credit offered by the bank that issued the card. Every time you pay for something with a credit card, you're borrowing money from the card issuer to cover the purchase. You then have to pay that money back, either in full at the end of the month or over time.

HOW DO CREDIT CARDS WORK?

When you're approved for a credit card, the bank authorizes a credit limit — the maximum amount you can borrow — to be used at your discretion. Your credit limit will depend on such factors as your income, your other debts and how much available credit you have on other cards.

Payment networks — Visa, Mastercard, Discover and American Express — process credit card transactions. They make sure that the money for the purchase gets to the merchant and that the correct cardholder gets billed.

When your bill comes, you have the option of paying a certain minimum amount, paying the whole balance in full, or paying some amount in between. Paying just the minimum every month is ultimately the most expensive option, since it will cost you the most in interest. Paying in full is the best option; when you pay in full each month, you get a **grace period** that allows you to avoid paying any interest on purchases at all.

Your credit card issuer reports your payments to the credit bureaus, the companies that prepare credit reports. Your payment history counts for 35% of your **credit score** — a three-digit number that indicates how risky it would be to lend you money. You must pay at least the minimum by the due date every month to avoid late fees and potential damage to your credit score.

HOW DO CREDIT CARDS DIFFER FROM OTHER CARDS?

A **debit card** is linked to your checking account; debit card purchases automatically pull money out of your account. You're using your own money to pay for things rather than borrowing it. Some debit cards earn rewards, but they generally pale in comparison to credit card rewards. Debit cards also have weaker **fraud protections**.

A **prepaid debit card** isn't linked to a checking account; instead, you "load" money onto the card, and you can only spend as much as you've loaded. These cards often charge many fees you wouldn't pay with a regular debit card. Prepaid debit cards offer **some protections**, and they come with limitations. For example, some prepaid debit cards don't offer ATM access or mobile banking. Also, not all merchants accept them.

Neither debit cards nor prepaid cards will affect your credit scores, because using them does not involve borrowing money. Only a credit card will affect your credit score.

Activity 1

Have students answer True or False for the following questions.

T/F 1. A credit card allows you to borrow money and pay it back later.

T/F 2. There is no limit to how much you can borrow with a credit card.

T/F 3. You must pay the full amount when you receive your credit card bill.

T/F 4. There is no difference between credit cards and debit cards.

Discussion / Pair Work / Group Work

Have students discuss the following questions in pairs or groups:

1. What do you think are the advantages and disadvantages of having a credit card?
2. Would you ever cosign a loan with someone?

Family Activity (for elementary school aged children)

Read the book *Why Did I Get This Credit Card?* by Twyla Prindle.

Unit 9: Loans

Lesson Objectives

- Introduce students to the topic of loans
- Activate prior knowledge students have on the topic of loans
- Introduce students to new vocabulary words regarding loans
- Apply unit concepts to the lives of the students

Activate Prior Knowledge

Do a KWL chart with students on the topic of loans

Introduce Vocabulary

| Word | Definition |
|-----------------|---|
| Loan | Amount of money you borrow |
| Principal | The original amount of a loan that does not include interest |
| Interest | A fee you pay to borrow money |
| Term | The length of time you will repay money you borrow |
| Credit rating | A letter grade judgement about how likely a business is to repay debt |
| Credit score | A number that shows how likely a person is to repay debt |
| Creditor | A person you owe money to |
| Owe | To need to pay money to someone you borrow money from |
| Promissory note | A document that says you agree to pay back money you borrow |
| Borrow | To receive money that you will pay back later |
| Default | Failure to pay money you owe |

Activities

Exercise 1:

Writing – have students use at least 5 vocabulary words and write at least 5 sentences to describe loans.

Exercise 2:

Have students write in the letter of the definition on the right that matches the word on the left.

- | | |
|-----------------------|---|
| _____ 1. Creditor | a. A number that shows how likely a person is to repay debt |
| _____ 2. Loan | b. Failure to pay money you owe |
| _____ 3. Default | c. Amount of money you borrow |
| _____ 4. Credit score | d. A person you owe money to |

Exercise 3:

Have students use one of the following words in the sentence blanks.

| | | | |
|-----------|-----------------|------|--------|
| principal | promissory note | term | borrow |
|-----------|-----------------|------|--------|

1. My mortgage had a 30 year _____.
2. The loan _____ is the amount I borrowed that does not include interest.
3. To take out a car loan, I had to sign a _____.
4. I will _____ money from the bank to pay for a car.

Exercise 4:

As a class, watch the YouTube video *Loans 101*.

(Source - MoneyCoach, Time - 3:42)

<https://www.youtube.com/watch?v=fuiiJuB7tJs>

Reading Comprehension

Visit the Rocket Mortgage website <https://www.rocketmortgage.com/learn/what-is-a-mortgage> and read it with students.

A Simple Definition Of A Mortgage

Before we dive in, let's talk about some mortgage basics. First, what does the word "mortgage" even mean?

A simple definition of a mortgage is a type of loan you can use to buy or **refinance** a home. Mortgages are also referred to as "mortgage loans." Mortgages are a way to buy a home without having all the cash upfront.

Who Gets A Mortgage?

Most people who buy a home do so with a mortgage. A mortgage is a necessity if you can't pay the full cost of a home out of pocket.

There are some cases where it makes sense to have a mortgage on your home even though you have the money to pay it off. For example, **investors** sometimes mortgage properties to free up funds for other investments.

To qualify for the loan, you must meet certain eligibility requirements. Therefore, a person who gets a mortgage will most likely be someone with a stable and reliable income, a **debt-to-income ratio** of less than 50% and a decent **credit score** (at least 580 for FHA loans or 620 for conventional loans).

What's The Difference Between A Loan And A Mortgage?

The term "loan" can be used to describe any financial transaction where one party receives a lump sum and agrees to pay the money back.

A mortgage is a type of loan that's used to finance property. A mortgage is a type of loan, but not all loans are mortgages.

Mortgages are "secured" loans. With a secured loan, the borrower promises collateral to the lender in the event that they stop making payments. In the case of a mortgage, the collateral is the home. If you stop making payments on your mortgage, your lender can take possession of your home, in a process known as foreclosure.

Activity 1

Have students answer True or False for the following questions.

T/F 1. A loan used to buy a house is called a mortgage.

T/F 2. You are more likely to get a mortgage if you have a bad credit score.

T/F 3. Loans have eligibility requirements.

T/F 4. A foreclosure is when the lender takes your home because you did not pay.

Discussion / Pair Work / Group Work

Have students discuss the following questions in pairs or groups:

1. When do you think it is a good idea to take out a loan?
2. Have you ever compared interest rates on loans?

Family Activity (for elementary school aged children)

Read the book *The Monster Money Book* by Loreen Leedy.

Unit 10: Shopping

Lesson Objectives

- Introduce students to the topic of shopping
- Activate prior knowledge students have on the topic of shopping
- Introduce students to new vocabulary words regarding shopping
- Apply unit concepts to the lives of the students

Activate Prior Knowledge

Do a KWL chart with students on the topic of shopping

Introduce Vocabulary

| Word | Definition |
|--------------|--|
| Store | A business where you buy things |
| Receipt | A piece of paper that shows what you paid for something |
| Fitting room | A place in a store where you can try on clothes to see if they fit |
| Mall | A place with many stores |
| Price | The amount of money you pay for something |
| Brand | The name of a product made by a company |
| Generic | A product that does not have a name brand |
| Customer | A person who pays a business for something |
| Barcode | Lines and numbers on a product that is scanned by a machine |

Activities

Exercise 1:

Writing – have students use at least 5 vocabulary words and write at least 5 sentences to describe shopping.

Exercise 2:

Have students write in the letter of the definition on the right that matches the word on the left.

- | | |
|------------------|--|
| _____ 1. Receipt | a. The name of a product made by a company |
| _____ 2. Generic | b. A piece of paper that shows what you paid for something |
| _____ 3. Barcode | c. A product that does not have a name brand |
| _____ 4. Brand | d. Lines and numbers on a product that is scanned by a machine |

Exercise 3:

Have students use one of the following words in the sentence blanks.

| | | | |
|---------|------|--------------|-------|
| receipt | mall | fitting room | price |
|---------|------|--------------|-------|

1. I shop at the _____ because it has many stores.
2. I went to the _____ to try on the dress to see if the size was right.
3. I looked at the sign on the store shelf to see the product _____.
4. My _____ lists everything I bought at the store and how much I paid.

Exercise 4:

As a class, watch the YouTube video *Brand Name vs Generic*.

(Source - AsapSCIENCE, Time - 3:29)

<https://www.youtube.com/watch?v=dkyv1S9k4k4>

Exercise 5:

As a class, watch episodes of *The Price Is Right* and play along. Alternately, create games similar to those used on *The Price Is Right* so students can guess product prices.

Reading Comprehension

Visit the Money Crashers website <https://www.moneycrashers.com/name-brand-vs-generic-products-grocery-store/> and read it with students.

Comparing Prices

Store brands, also known as house brands or **private label brands**, are not manufactured by the stores that sell them. Instead, food companies make these products, sell them to stores at a low cost, and allow stores to put their own labels on them.

Some store brands, such as some of the products found at Trader Joe's, come from small food producers that can't easily market their products on their own. For these companies, converting their products into private label brands is the easiest way to get them into stores. However, most private label brands are made by the same large companies that produce leading name brands. Offering up their products as store brands allows them to put their manufacturing capacity to good use and earn extra money.

Store brands are cheaper than name brands for two reasons:

- **No Development Costs.** Food companies have to spend money on researching and developing their products. They have to test different recipes and hire focus groups until they find a formula that customers like. Store brands don't have these costs because they simply stick a new label on a product that's already been developed.
- **Lower Marketing Costs.** Big name brands also spend a lot of money on advertising and promotion. It's very costly to turn a brand into a household name and to **persuade people to choose it** over other brands. Store brands avoid these costs because every product they sell carries the same label. They can focus on marketing the store itself, rather than pay separately to advertise each individual product in their line.

Burt Flickinger III, a retail consultant interviewed by Consumer Reports, notes that store brands are generally at least 20% to 25% cheaper than comparable name brands. On top of that, many stores back up their house brands with a money-back guarantee. If you buy the store brand and find it disappointing, the store will refund your money with no questions asked. In fact, stores like **Hannaford** and **Giant Eagle** offer to pay double your money back if you aren't satisfied with their store brands.

Activity 1

Have students answer True or False for the following questions.

T/F 1. Another name for store brands is private label brands.

T/F 2. Stores make the products that have store labels on them.

T/F 3. Store brands are more expensive than name brands.

T/F 4. Some stores will give you a refund if you do not like the store brand you buy.

Discussion / Pair Work / Group Work

Have students discuss the following questions in pairs or groups:

1. Do you check your receipts to make sure they are correct?
2. Do you think there is a difference between brand name and generic products?

Family Activity (for elementary school aged children)

Read the book *Alexander, Who Used to Be Rich Last Sunday* by Judith Viorst.

Unit 11: Consumer Protections

Lesson Objectives

- Introduce students to the topic of consumer protections
- Activate prior knowledge students have on the topic of consumer protections
- Introduce students to new vocabulary words regarding consumer protections
- Apply unit concepts to the lives of the students

Activate Prior Knowledge

Do a KWL chart with students on the topic of consumer protections

Introduce Vocabulary

| Word | Definition |
|------------------------------|---|
| Better Business Bureau BBB | An organization where customers can complain about companies and get help with problems |
| Federal Trade Commission FTC | Part of the government that keeps customers safe |
| Consumer rights | Rights that protect customers |
| Fraud | The crime of lying to people to take their money |
| Warranty | An agreement by a company to repair or replace an item purchased by a person within a set period of time |
| False advertising | Advertising that uses false information |
| Bait and switch | Luring customers into a store with the promise of a cheap item but trying to sell them something more expensive |
| Pyramid scheme | Selling investments in a dishonest way that uses money from some lenders to pay others until people lose money |
| Class action | A lawsuit filed by a group of people with the same problem |
| Lemon law | A law that protects people when they buy products with poor quality |
| As-is | In the current condition |
| Scam | A plan to cheat people out of money |

Activities

Exercise 1:

Writing – have students use at least 5 vocabulary words and write at least 5 sentences to describe consumer protections.

Exercise 2:

Have students write in the letter of the definition on the right that matches the word on the left.

- | | |
|--------------------------|--|
| _____ 1. Warranty | a. A plan to cheat people out of money |
| _____ 2. Bait and switch | b. Part of the government that keeps customers safe |
| _____ 3. FTC | c. Luring customers into a store with the promise of a cheap item but trying to sell them something more expensive |
| _____ 4. Scam | d. An agreement by a company to repair or replace an item purchased by a person within a set period of time |

Exercise 3:

Have students use one of the following words in the sentence blanks.

| | | | |
|-----------|-------|-----|--------------|
| lemon law | as-is | BBB | class action |
|-----------|-------|-----|--------------|

1. The torn jacket was being sold _____.
2. There is a _____ to protect people from buying bad cars.
3. I was unhappy with the service at the hotel, so I filed a complaint with the _____.
4. They filed a _____ lawsuit because they all bought broken products from the same company.

Exercise 4:

As a class, watch the YouTube video *Consumer Protection Law*.

(Source - Norhajarani Sulaiman, Time - 2:28)

<https://www.youtube.com/watch?v=SC-Sig5I41c>

Reading Comprehension

Visit the California Office of the Attorney General website <https://oag.ca.gov/consumers/general/cars#lemon> and read it with students.

California Lemon Law

The California Lemon Law (Civ. Code, § 1793.22) protects you when your vehicle is defective and cannot be repaired after a “reasonable” number of attempts. In such instances, the manufacturer must either replace or repurchase the vehicle—whichever you prefer.

- The Lemon Law applies to most vehicles purchased or leased in California that are still under a manufacturer’s new car warranty. Members of the Armed Forces, who are stationed in or are residents of California, are protected by the Lemon Law even if their vehicles were purchased or registered outside of California.
- The Lemon Law also applies to used vehicles when they are still under a manufacturer’s new car warranty. Any remaining time left on the warranty protects the car’s new owner.
- Lemon vehicles that are bought back by dealers and then resold must be identified as a “lemon law buyback” and have a “lemon” sticker on their door. When lemon buybacks are not properly disclosed and sold “as is,” the buyer may still have rights under the Lemon Law. For additional information, see [Lemon Law Buyback Vehicles](#).

There are certain guidelines for determining when a “reasonable” number of repair attempts have been made before you may be entitled to a refund or replacement vehicle. For additional information, see the Department of Consumer Affairs publication entitled [Lemon-aid for Consumers](#).

Even when the Lemon Law does not apply in your case, other state and federal laws may protect you. These include laws that prohibit deceptive practices and require vehicles to meet minimum safety standards. For complete advice concerning your legal rights, you should consult your own attorney.

Auto Repair Shops

All auto repair shops must be registered with the California Bureau of Automotive Repair (CBAR). To check if a repair shop is registered or if there has been any disciplinary action taken against it visit the [CBAR website](#) or contact them at (800) 952-5210.

By law, a vehicle repair shop must give you a written estimate before it makes any repairs. The repair shop cannot charge you more than the estimate without your permission. Ask if there is a charge for the estimate. After you receive the estimate, feel free to go to another shop for a second opinion.

To report a problem you are having with your repair shop or to file an online complaint, visit the [California Bureau of Automotive Repair](#). CBAR will investigate your complaint and may be able to help you by negotiating with the repair shop on your behalf.

For additional information about auto repair shops and your rights check out “[A Consumer’s Guide to Auto Repair](#)”.

Activity 1

Have students answer True or False for the following questions.

T/F 1. Cars that are under a new car warranty are protected by the Lemon Law.

T/F 2. The Lemon Law never applies to used cars.

T/F 3. A repair shop must give you a written estimate before repairing your car.

T/F 4. You can be charged more than the estimate.

Discussion / Pair Work / Group Work

Have students discuss the following questions in pairs or groups:

1. Has anyone ever tried to scam you out of money?
2. Have you ever filed a complaint with the BBB?
3. What consumer rights do you think people should have?

Family Activity (for elementary school aged children)

Read the book *The Wrench* by Elise Gravel.

Unit 12: Taxes

Lesson Objectives

- Introduce students to the topic of taxes
- Activate prior knowledge students have on the topic of taxes
- Introduce students to new vocabulary words regarding taxes
- Apply unit concepts to the lives of the students

Activate Prior Knowledge

Do a KWL chart with students on the topic of taxes

Introduce Vocabulary

| Word | Definition |
|------------------------------|---|
| Internal Revenue Service IRS | The part of the government that collects income taxes |
| Tax deduction | An amount removed from a total |
| Tax credit | An amount on which you do not need to pay taxes that reduces your total due |
| Adjusted Gross Income AGI | Total income after costs are removed |
| Audit | When the IRS reviews your tax records |
| Dependent | A person in your household that you pay expenses for and can deduct on your taxes |
| FICA tax | Taxes removed from your paycheck to pay for Social Security |
| Income tax | Tax you pay on money you earn |
| Property tax | Tax you pay on property you own |
| Sales tax | Tax you pay when you buy an item |
| Penalty | A fee you pay for paying your taxes late |
| Withholding tax | Money removed from your paycheck to pay income taxes |

Activities

Exercise 1:

Writing – have students use at least 5 vocabulary words and write at least 5 sentences to describe taxes.

Exercise 2:

Have students write in the letter of the definition on the right that matches the word on the left.

- | | | | |
|----------|-------------|----|---|
| _____ 1. | IRS | a. | Tax you pay when you buy an item |
| _____ 2. | Sales tax | b. | Money removed from your paycheck to pay income taxes |
| _____ 3. | Dependent | c. | The part of the government that collects income taxes |
| _____ 4. | Withholding | d. | A person in your household that you pay expenses for and can deduct on your taxes |

Exercise 3:

Have students use one of the following words in the sentence blanks.

| | | | |
|---------------|--------------|-----------|-----------|
| tax deduction | property tax | sales tax | dependent |
|---------------|--------------|-----------|-----------|

1. My daughter is my _____.
2. I get a _____ for investing in a traditional IRA.
3. At the store I pay _____.
4. Every year I pay _____ on my house.

Exercise 4:

As a class, watch the YouTube video *Taxes 101*.

(Source - MoneyCoach, Time - 4:05)

https://www.youtube.com/watch?v=Z2r_apNMTeM

Reading Comprehension

Visit the TaxSlayer website <https://www.taxslayer.com/blog/first-time-filing-heres-what-you-need-to-know/> and read it with students.

Essential tax terms

Withholding – A withholding is a certain amount of money that is taken out of your paycheck each pay period and sent to the IRS for federal income taxes. Your withholdings pay your tax bill throughout the whole year, but they are only an estimated amount. When you file your return, the IRS can see if you paid too much or too little. If you paid too much, you get a refund. If you paid too little, you'll owe more taxes at tax time.

Credit – A tax credit is an amount of money that is used to lower how much you owe in taxes. Sometimes, a credit can come back to you as a refund even if you don't owe any taxes. Other credits are non-refundable, so if you don't owe any taxes, you don't get any money back.

Deduction – A deduction is a dollar amount you can subtract from your taxable income. As your taxable income is reduced, the amount you owe in taxes also decreases.

Adjusted Gross Income (AGI) – Your AGI is not the same as your taxable income. It is your total earnings minus some specific deductions, also known as "adjustments" or "above-the-line" deductions. Your AGI is used to determine if you are eligible for even more deductions and credits that are taken "below the line."

[Click here for more tax terms you need to know before filing.](#)

Why you should file taxes

If you have been earning income and money is being withheld from your paycheck for income taxes, you may be entitled to a tax refund. One thing is for sure: you won't get your refund if you don't file your taxes.

Are you a dependent? If someone else claims you as their dependent and they include your income on their return, you cannot file a return for the same income. But if you earn more than \$12,000, you should be filing your own return. You can still be claimed as a dependent even if you file your own taxes.

Basic tax forms

If you work a regular job, you should receive a **Form W-2** in January from your employer. If you work multiple jobs, you will have more than one W-2. You will need to collect all of them before you begin filing your tax return.

If you have a side hustle and you are paid as a contractor, you will get a **Form 1099** that includes your income information.

If you have student loans, your financial institution should send you a **Form 1098-E** with your necessary tax information. If you have taxable scholarships, you'll receive a **1098-T**.

Activity 1

Have students answer True or False for the following questions.

T/F 1. Money removed from your paycheck is known as withholding.

T/F 2. Credits and deductions lower the taxes you owe.

T/F 3. If you earn less than \$12,000, you should file your own tax return.

T/F 4. You receive Form 1099 if you work a regular job.

Discussion / Pair Work / Group Work

Have students discuss the following questions in pairs or groups:

1. Do you file your own taxes or have someone else file it for you?
2. Have you ever looked at the tax withholding on your paystubs?

Family Activity (for elementary school aged children)

Read the book *Taxes, Taxes* by Nancy Loewen.

Unit 13: Insurance

Lesson Objectives

- Introduce students to the topic of insurance
- Activate prior knowledge students have on the topic of insurance
- Introduce students to new vocabulary words regarding insurance
- Apply unit concepts to the lives of the students

Activate Prior Knowledge

Do a KWL chart with students on the topic of insurance

Introduce Vocabulary

| Word | Definition |
|-------------------------------|---|
| Health insurance | Insurance that pays for medical care |
| Car insurance | Insurance that pays for car repairs |
| Homeowner's insurance | Insurance that pays for damage to a home |
| Renter's insurance | Insurance that pays for damage to a rental property |
| Dental insurance | Insurance that pays for dental care |
| Flood insurance | Insurance that pays for flood damage |
| Earthquake insurance | Insurance that pays for earthquake damage |
| Life insurance | Insurance that pay when someone dies |
| Policy | An agreement with insurance terms |
| Deductible | The amount you pay when you make an insurance claim |
| Quote | An estimated price |
| Actual cash value ACV | The replacement cost of an item minus depreciation |
| Insured | A person with an insurance policy |
| Additional living expense ALE | Money paid to a person by their insurance company when they are displaced from their home |
| Appraisal | An opinion about the condition or worth of something |
| Claim | A request for an insurance payment |
| Conditions | Rules that an insured must follow to keep insurance coverage |
| Declarations page | The page of an insurance policy that has information about the policy such as insured, term, and limits |
| Endorsement | A change to an insurance policy |
| Loss | The reason for an insurance claim |
| Loss of use | When you are unable to use your property due to damage |
| Replacement cost value RCV | The amount it costs to replace something |

Activities

Exercise 1:

Writing – have students use at least 5 vocabulary words and write at least 5 sentences to describe insurance

Exercise 2:

Have students write in the letter of the definition on the right that matches the word on the left.

- | | |
|----------------------|---|
| _____ 1. Deductible | a. A change to an insurance policy |
| _____ 2. Appraisal | b. A request for an insurance payment |
| _____ 3. Claim | c. An opinion about the condition or worth of something |
| _____ 4. Endorsement | d. The amount you pay when you make an insurance claim |

Exercise 3:

Have students use one of the following words in the sentence blanks.

| | | | |
|--------|-------------------|-------|------------|
| policy | declarations page | quote | deductible |
|--------|-------------------|-------|------------|

1. I got a life insurance _____ to see how much it would cost.
2. My _____ lists all of the legal information about my insurance.
3. I have to pay a _____ before my insurance company will make a payment on a claim.
4. The insurance _____ has information about what insurance I bought.

Exercise 4:

As a class, watch the YouTube video *How to Get Renters Insurance*.

(Source - MoneyCoach, Time - 2:38)

https://www.youtube.com/watch?v=sz6hZp6Zk_I

Reading Comprehension

Visit the Uphelp website <https://www.uphelp.org/renters-insurance-101-what-does-renters-insurance-cover> and read it with students.

How much does renters insurance cost?

Jim Armitage, an insurance agent in Arcadia, Calif., says a typical renters policy costs between \$120 and \$200 a year, depending on the value of the property that's insured.

A basic policy costs about \$120 per year and generally provides \$10,000 in personal property coverage, \$100,000 in liability insurance, and medical payment coverage of \$1,000 per person for each accident, he says.

For most clients, Armitage recommends a minimum of \$25,000 in personal property coverage, \$300,000 in personal liability insurance, and \$100,000 per person in medical payments coverage. This policy typically costs \$200 per year.

What does renters insurance cover?

When you buy renters insurance, your possessions are protected against losses from fire or smoke, lightning, vandalism, theft, windstorms, explosives and water damage not caused by floods. Most policies also have off-premises coverage, so that property taken outside of the home remains covered.

Just like home insurance, a renters policy provides liability protection. Up to your policy limits, it will pay for the losses of people who are injured or suffer property damage because of your actions, or the actions of members of your household.

If you become the target of a lawsuit, your liability coverage will pay your legal bills, says Kevin Foley, a New Jersey insurance agent.

A basic policy typically covers the replacement of lost property at actual cash value, Foley says. When making cash-value payments, insurance companies depreciate lost or damaged items based on their age.

For example, if you owned a five-year-old desk that was stolen, the actual cash value would be what you would have to pay for a used desk of the same age and condition.

If the desk were covered at its full replacement cost, you'd receive the price of a new desk of similar quality and have no out-of-pocket costs, minus your deductible.

A typical renters policy deductible is \$500, says Michael Barry, a spokesman for the nonprofit Insurance Information Institute.

Armitage says upgrading to full-replacement coverage typically would raise your annual premiums by about 10 percent. For basic coverage costing \$120 per year, that's an extra \$12.

Renters who own expensive items, such as artwork and collectibles, should consider buying a floater policy for extra protection, Armitage says. For example, a renter typically can purchase a floater for jewelry valued at \$5,000 for about \$75 per year.

What if your home becomes uninhabitable?

A renters policy covers additional living expenses (ALE), in case you're forced to temporarily move while your home is repaired. This coverage will pay for hotel bills, restaurant meals, and other expenses caused by your forced move, Armitage says.

Activity 1

Have students answer True or False for the following questions.

- T/F 1. A typical renters insurance policy costs over \$1,000 a year.
- T/F 2. Renters insurance protects people against things like fire and theft.
- T/F 3. Actual cash value and full replacement cost pay the same amount for items.
- T/F 4. ALE pays for hotels and meals when you are forced to move during a repair.

Discussion / Pair Work / Group Work

Have students discuss the following questions in pairs or groups:

1. Do you think it is a good idea to have insurance?
2. What kind of insurance do you think is most important?

Family Activity (for elementary school aged children)

Read the book *Popsicle Insurance* by George Jack.

Unit 14: Housing

Lesson Objectives

- Introduce students to the topic of housing
- Activate prior knowledge students have on the topic of housing
- Introduce students to new vocabulary words regarding housing
- Apply unit concepts to the lives of the students

Activate Prior Knowledge

Do a KWL chart with students on the topic of housing

Introduce Vocabulary

| Word | Definition |
|------------------|---|
| Rent | Money you pay to use an apartment, room, or house owned by someone else |
| Mortgage | Money you borrow to buy a house |
| Lease | An agreement that allows you to use a building |
| Landlord | A person who rents a place to someone |
| Tenant | A person who rents a place from someone |
| Equity | The value a person has in their home based on what the home is worth minus debts owed on the home |
| Security deposit | Money you pay to a landlord held in case you damage the property |
| Down payment | Part of a total payment on an item that allows you to pay for the rest later |
| Foreclosure | When the bank takes away a property after someone fails to pay back the amount they borrowed |
| Eviction | When someone is forced to leave a property they are renting because they fail to pay rent |
| Sublet | To rent a property that you rent from someone else |
| Closing | When the sale of a house is finalized |
| Rent control | A law that limits the cost of a rental |

Activities

Exercise 1:

Writing – have students use at least 5 vocabulary words and write at least 5 sentences to describe housing.

Exercise 2:

Have students write in the letter of the definition on the right that matches the word on the left.

- | | |
|-----------------------|--|
| _____ 1. Rent | a. Money you borrow to buy a house |
| _____ 2. Down payment | b. Money you pay to use an apartment, room, or house owned by someone else |
| _____ 3. Mortgage | c. When someone is forced to leave a property they are renting because they fail to pay rent |
| _____ 4. Eviction | d. Part of a total payment on an item that allows you to pay for the rest later |

Exercise 3:

Have students use one of the following words in the sentence blanks.

| | | | |
|--------------|----------|------|------------------|
| rent control | landlord | rent | security deposit |
|--------------|----------|------|------------------|

1. I had to pay a _____ in case I damaged the apartment.
2. I pay _____ on the apartment I live in.
3. The owner of my apartment who I pay rent to is the _____.
4. I live in a city with _____ so the landlord can only raise the rent a certain amount each year.

Exercise 4:

As a class, watch the YouTube video *Mortgages 101*.

(Source - MoneyCoach, Time - 3:33)

<https://www.youtube.com/watch?v=U21TjxBFw64>

Reading Comprehension

Visit the Apartment Guide website <https://www.apartmentguide.com/blog/know-the-components-of-an-apartment-lease-agreement/> and read it with students.

Apartment lease terms and rent details

How long is the lease for? How much is the rent, and when do you have to pay it? What happens when the lease is up? This will spell out a lot of specifics: are you **month-to-month**, or **leasing for a fixed term**, how do you **renew** or **terminate** the lease? If it's well-written, a lot of potential causes of conflict can be avoided. The more things are spelled out in advance, the fewer problems you'll have caused by uncertainty of how to handle them later.

Read more: [Everything You Need to Know About Month-to-Month Leases](#)

Deposits and fees

In this section, you'll find any deposits or fees associated with the rental of this specific apartment. Common deposits include **security deposits** and **pet deposits**. Common fees include late payment fees and returned payment fees.

Apartment lease regulations

You can't do just anything with your apartment once you're in there. This section is going to tell you what you can do in the apartment in a variety of areas. A few of many possibilities this could cover:

- **Guests:** Can your friend just come and stay with you for a month?
- **Keys:** How many copies of the key can you make and give to other people? What happens if you lose a key?
- **Pets:** Are any pets allowed? Are all pets allowed? Are there restrictions, such as **no large dog breeds**?
- **Painting/decorating:** Can you paint the walls if you don't like the color, or are you not allowed to even nail pictures to the wall?
- **Smoking policy:** Is it allowed in your apartment, or anywhere else in the building? What are the consequences for smoking?
- **Subletting:** **Can you sublet out your apartment or not?**
- **Illegal activity:** Can you be evicted for illegal activity, such as drug dealing? (The answer is almost always yes.)

Read more: [Understand Your Lease Before Signing It](#)

What's provided in the unit

If there's more than just an empty apartment, somewhere in the lease will be a list of what's included: appliances, furniture, etc. Damage to anything provided by the landlord can be taken out of your security deposit, so having them all listed is important.

Activity 1

Have students answer True or False for the following questions.

T/F 1. An apartment lease tells you how long the lease is for and how to renew it.

T/F 2. Security deposits are a common type of apartment deposit.

T/F 3. Guests can stay in your apartment as long as they like.

T/F 4. Pets are always allowed in apartments.

Discussion / Pair Work / Group Work

Have students discuss the following questions in pairs or groups:

1. Would you prefer to rent or own?
2. Do you think rent control is a good idea?

Family Activity (for elementary school aged children)

Read the book *Home* by Carson Ellis.

Unit 15: Financial Assistance

Lesson Objectives

- Introduce students to the topic of financial assistance
- Activate prior knowledge students have on the topic of financial assistance
- Introduce students to new vocabulary words regarding financial assistance
- Apply unit concepts to the lives of the students

Activate Prior Knowledge

Do a KWL chart with students on the topic of financial assistance

Introduce Vocabulary

| Word | Definition |
|----------------------------------|--|
| Food stamps | Pieces of paper that allow the poor to buy food |
| Consumer credit counseling | An organization that helps you find solutions to financial problems |
| Medicaid | Part of the government that pays for medical care for poor people |
| Food bank | A place that provides food for the poor |
| Grant | Money given to people by the government |
| Subsidy | Money paid by the government to reduce the price of an item |
| Subsidized housing | Housing that receives a subsidy from the government to lower prices and make it affordable for low income people |
| Section 8 | Part of the Housing Act that allows for payment of rental housing to private landlords by low income people |
| Welfare | Money paid by the government to poor people |
| Supplemental Security Income SSI | Money paid by the government to elderly people who are poor or to people who are blind or disabled |
| Unemployment benefits | Money paid by the government to people who have lost their job |

Activities

Exercise 1:

Writing – have students use at least 5 vocabulary words and write at least 5 sentences to describe financial assistance.

Exercise 2:

Have students write in the letter of the definition on the right that matches the word on the left.

- | | |
|--------------------------------|--|
| _____ 1. Medicaid | a. Part of the government that pays for medical care for poor people |
| _____ 2. Unemployment benefits | b. Money paid by the government to reduce the price of an item |
| _____ 3. Subsidy | c. A place that provides food for the poor |
| _____ 4. Food bank | d. Money paid by the government to people who have lost their job |

Exercise 3:

Have students use one of the following words in the sentence blanks.

| | | | |
|-----------|-----------|-----------------------|----------------------------|
| food bank | Section 8 | unemployment benefits | consumer credit counseling |
|-----------|-----------|-----------------------|----------------------------|

1. When I lost my job, I received _____.
2. The advertisement for the apartment said I could use a _____ voucher.
3. I went to _____ to get help with my debt.
4. I did not have enough money for groceries so I went to a _____

Exercise 4:

As a class, watch the YouTube video *Unemployment insurance benefits overview*.

(Source - Idaho Department of Labor, Time - 3:46)

<https://www.youtube.com/watch?v=8yzUgT-hVPA>

Reading Comprehension

Visit the California EDD website <https://edd.ca.gov/unemployment/Eligibility.htm> and read it with students.



To receive Unemployment Insurance (UI) benefit payments, you must meet all eligibility requirements when filing a claim **and** when certifying for benefits.

Requirements to File a Claim

When filing for UI benefits, you must have earned enough wages during the base period to establish a claim, and be:

- Totally or partially unemployed.
- Unemployed through no fault of your own.
- Physically able to work.
- Available for work.
- Ready and willing to accept work immediately.

A base period is a specific 12-month term the EDD uses to see if you earned enough wages to establish a UI claim. To learn how we determine your base period, review [How Unemployment Benefits are Computed \(DE 8714AB\) \(PDF\)](#).

Your weekly benefit amount (WBA) ranges from \$40 to \$450. To get an estimate of what you will receive, use the [UI Benefit Calculator](#).

For more information about how the EDD calculates a UI claim, review the following resources:

- [How Unemployment Benefits are Computed \(DE 8714AB\) \(PDF\)](#)
- [A Guide to Benefits and Employment Services \(DE 1275A\) \(PDF\)](#)
- [California Employer's Guide \(DE 44\) \(PDF\)](#)

Weekly Benefits Certification Requirements

You must meet eligibility requirements each week that you certify for benefits. You must be:

- Physically able to work.
- Available for work.
- Ready and willing to accept work immediately.

To request benefit payment, you must [certify for benefits](#) by submitting a certification online, by phone or by mail. If the information on the certification shows that you did not meet eligibility requirements, we will schedule a phone interview to determine your eligibility. If you disagree with our decision to reduce or deny benefits, you may file an appeal.

Important: Most UI customers are required to [register for CalJOBS](#) and create an online resume that can be viewed by employers. You must meet this requirement within 21 days of receiving your *Notice of Requirement to Register for Work* (DE 8405) form. Failure to meet this requirement can result in a delay or loss of UI benefits. Watch [How to Register for CalJOBS and Post a Resume \(YouTube\)](#) for more information.

What Happens If You Quit or Get Fired

The EDD will schedule a phone interview to discuss your claim and circumstances. If you quit, you must prove good cause for quitting. If you are fired, your employer must prove there was misconduct. Either party can disagree with the decision and file an appeal.

Activity 1

Have students answer True or False for the following questions.

T/F 1. To receive unemployment benefits you must be totally or partially unemployed.

T/F 2. You must be physically able and available for work to qualify for UI benefits.

T/F 3. The weekly benefit amount is over \$450.

T/F 4. You must do a phone interview if you quit or get fired.

Discussion / Pair Work / Group Work

Have students discuss the following questions in pairs or groups:

1. If you ran a food bank, what do you think would be important to make it successful?
2. Do you think the government should subsidize housing?
3. Do you think unemployment benefits provide enough support to people who have lost their jobs?

Family Activity (for elementary school aged children)

Read the book *It's a No Money Day* by Kate Milner.

Unit 16: Estate Planning

Lesson Objectives

- Introduce students to the topic of estate planning
- Activate prior knowledge students have on the topic of estate planning
- Introduce students to new vocabulary words regarding estate planning
- Apply unit concepts to the lives of the students

Activate Prior Knowledge

Do a KWL chart with students on the topic of estate planning

Introduce Vocabulary

| Word | Definition |
|-------------------------------|---|
| Estate planning | Planning for how to handle money and property after death |
| Will | A document that says what to do with your money and property after your death |
| Power of attorney | A document that gives a person the power to make decisions for something if they are unable to make them themselves |
| Beneficiary | A person who receives money or property after someone dies |
| Estate | All of someone's property and money |
| Living will | A document that says what decisions should be made if someone cannot make the decisions themselves |
| Trust | A document that gives someone legal control of your money |
| Codicil | A change to a will |
| Heir | A person with legal rights to property when another person dies |
| Executor | A person in charge of handling another's will |
| Gift tax | A tax you pay when giving money to people over a certain amount |
| Estate tax | A tax you pay on the estate of a dead person |
| Intestate | Without a will |
| Probate | The legal process that determines a will is proper |
| Medicare | A government system used to pay for medical care of old people |
| Social Security | An income tax that removes money from your paycheck so it can be paid to you when you are older |
| Transfer on death designation | Designating a beneficiary to receive money without having to go through probate |

Activities

Exercise 1:

Writing – have students use at least 5 vocabulary words and write at least 5 sentences to describe estate planning.

Exercise 2:

Have students write in the letter of the definition on the right that matches the word on the left.

- | | | | |
|----------|---------|----|---|
| _____ 1. | Codicil | a. | All of someone's property and money |
| _____ 2. | Probate | b. | A change to a will |
| _____ 3. | Estate | c. | A document that says what to do with your money and property after your death |
| _____ 4. | will | d. | The legal process that determines a will is proper |

Exercise 3:

Have students use one of the following words in the sentence blanks.

| | | | |
|------|-------------|----------|-------------------|
| will | beneficiary | Medicare | power of attorney |
|------|-------------|----------|-------------------|

1. My bank account lists my son as a _____.
2. I signed a _____ so someone can make medical and financial decisions for me if I am in the hospital.
3. The elderly pay for their medical care with _____.
4. I wrote a _____ so people know what to do with my property when I die.

Exercise 4:

As a class, watch the YouTube video *Estate Planning 101*.

(Source - MoneyCoach, Time - 3:53)

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

Reading Comprehension

Visit the Nolo website <https://www.nolo.com/legal-encyclopedia/what-is-will.html> and read it with students.

A will, sometimes called a "last will and testament," is a document that states your final wishes. It is read by a county court after your death, and the court makes sure that your final wishes are carried out.

What a Will Does

Most people use a will to leave instructions about what should happen to their property after they die. However, you can also use a will to

- Name an executor.
- Name guardians for children and their property.
- Decide how debts and taxes will be paid.
- Provide for pets.
- Serve as a backup to a living trust.

You *shouldn't* try to use a will to:

- Put conditions on your gifts. (I give my house to Susan if she finishes college.)
- Leave instructions for final arrangements.
- Leave property for your pet.
- Make arrangements for money or property that will be left another way. (Property in a trust or property for which you've named a pay-on-death beneficiary.)

To learn more, read [What a Will Won't Do](#). If you want to do any of these things, get help from a lawyer.

What Are the Legal Requirements of a Will

There are very few legal requirements for wills. To make a will in any U.S. state, you must:

- Know what property you have and what it means to leave it to someone after your death. Legally, this is called having "capacity" and it is also known as being "of sound mind."
- Create a document that names beneficiaries for at least some of your property.
- Sign the document.
- Have the document signed by two witnesses.

No state requires your will to be notarized, although you may use a notarized self-proving affidavit that will make your will easier to get through probate after your death.

A few states allow you to make a handwritten "holographic" wills, that don't have to be signed by witnesses. However, handwritten wills should only be used when you do not have time to make a formal will because they are much more susceptible to challenge after your death.



You can make your will quickly and easily, using [Nolo's Quicken WillMaker Plus software](#).

How to Write a Will

You can write a will yourself, or you can hire a lawyer to write one for you. If you write one yourself, you'll want to find a good will template to help you. To learn more about finding and using a good will template read [Using a Will Template](#) and [Types of Will Templates](#).

There are no magic words that must be used to create a will. The best advice for writing your own will is to find a good will writing tool to help you. It should help you use clear, unambiguous language to accurately describe your wishes. It should also explain your options and help you decide what to include in your will. For example,

- Do you want to name several levels of executors?
- Do you want to name more than one executor to work together?
- Do you want to name guardians for your children or their property?
- Do you want to create a trust for your children, so that they receive your property when their older than 18?

Activity 1

Have students answer True or False for the following questions.

T/F 1. A will is a document that states your final wishes for after your death.

T/F 2. You can use a will to name guardians for your children after you die.

T/F 3. A will does not need to be signed by witnesses.

T/F 4. You cannot write a will yourself.

Discussion / Pair Work / Group Work

Have students discuss the following questions in pairs or groups:

1. What do you think is the most important part of estate planning?
2. How would you choose someone to be your power of attorney?
3. Who do you think people should choose as beneficiaries?

Family Activity (for elementary school aged children)

Read the book *The Westing Game* by Ellen Raskin.

Resource Guide: YouTube Videos

| Unit | Source | Length | Title | Link |
|------|-------------------|--------|---|---|
| 1 | Federal Reserve | 2:53 | <i>Fed Functions: Promoting Financial System Stability.</i> | https://www.youtube.com/watch?v=RyLhKDWWH60 |
| 2 | MoneyCoach | 1:57 | <i>Checking and Savings 101.</i> | https://www.youtube.com/watch?v=ku52Pb7fFT8 |
| 3 | Tribeca Financial | 2:25 | <i>The Importance of Budgeting.</i> | https://www.youtube.com/watch?v=j1Vwth0B8I8 |
| 4 | Bank of America | 3:50 | <i>How to Save Money on Everyday Expenses.</i> | https://www.youtube.com/watch?v=GH_JLA-fkBY |
| 5 | Paxton/Patterson | 1:59 | <i>Understanding Your Paycheck.</i> | https://www.youtube.com/watch?v=XQ0f87stf_o |
| 6 | TD Ameritrade | 3:52 | <i>How to Set up Your Emergency Fund.</i> | https://www.youtube.com/watch?v=IrA2xv4vEPM |
| 7 | MoneyCoach | 3:52 | <i>Why Invest?.</i> | https://www.youtube.com/watch?v=x7msE3tx8QI |
| 8 | MoneyCoach | 3:44 | <i>Credit Cards 101.</i> | https://www.youtube.com/watch?v=0ddgrHehprk |

| Unit | Source | Length | Title | Link |
|------|---------------------------|--------|--|---|
| 9 | MoneyCoach | 3:42 | <i>Loans 101.</i> | https://www.youtube.com/watch?v=fuiiJuB7tJs |
| 10 | AsapSCIENCE | 3:29 | <i>Brand Name vs Generic.</i> | https://www.youtube.com/watch?v=dkyv1S9k4k4 |
| 11 | Norhajarani Sulaiman | 2:28 | <i>Consumer Protection Law.</i> | https://www.youtube.com/watch?v=SC-Sig5I41c |
| 12 | MoneyCoach | 4:05 | <i>Taxes 101.</i> | https://www.youtube.com/watch?v=Z2r_apNMTeM |
| 13 | MoneyCoach | 2:38 | <i>How to Get Renters Insurance.</i> | https://www.youtube.com/watch?v=sz6hZp6Zk_I |
| 14 | MoneyCoach | 3:33 | <i>Mortgages 101.</i> | https://www.youtube.com/watch?v=U21TjxBfw64 |
| 15 | Idaho Department of Labor | 3:46 | <i>Unemployment insurance benefits overview.</i> | https://www.youtube.com/watch?v=8yzUgT-hVPA |
| 16 | MoneyCoach | 3:53 | <i>Estate Planning 101.</i> | https://www.youtube.com/watch?v=cMoaGEpffds |

Resource Guide: Reading Comprehension

Apartment Guide website <https://www.apartmentguide.com/blog/know-the-components-of-an-apartment-lease-agreement/>

The Balance website
<https://www.thebalance.com/what-are-stocks-3306181>

California EDD website
<https://edd.ca.gov/unemployment/Eligibility.htm>

California Office of the Attorney General website
<https://oag.ca.gov/consumers/general/cars#lemon>

Consumer.gov website
<https://www.consumer.gov/articles/1002-making-budget#!what-to-do>

Credit.com website
<https://www.credit.com/personal-finance/how-to-read-your-paycheck-stub/>

FDIC FAQ website
<https://www.fdic.gov/deposit/deposits/faq.html>

First Republic Bank website <https://www.firstrepublic.com/personal/checking/basic-checking?bodylink=basic-checking>

Money Crashers website <https://www.moneycrashers.com/name-brand-vs-generic-products-grocery-store/>

Nerd Wallet website <https://www.nerdwallet.com/article/banking/savings/emergency-fund-why-it-matters>
<https://www.nerdwallet.com/article/credit-cards/credit-cards-101>

Nolo website
<https://www.nolo.com/legal-encyclopedia/what-is-will.html>

Rocket Mortgage website
<https://www.rocketmortgage.com/learn/what-is-a-mortgage>

TaxSlayer website <https://www.taxslayer.com/blog/first-time-filing-heres-what-you-need-to-know/>

Uphelp website <https://www.uphelp.org/renters-insurance-101-what-does-renters-insurance-cover>

Walgreens website
<https://www.walgreens.com/offers/offers.jsp/weeklyad?view=weeklyad>

Resource Guide: Family Activities

Books

Alexander, Who Used to Be Rich Last Sunday by Judith Viorst.

The Berenstain Bears Dollars and Sense by Stan and Jan Berenstain.

A Chair for My Mother by Vera Williams.

The Coin Counting Book by Rozanne Williams.

Home by Carson Ellis.

If You Made a Million by David Schwartz.

It's a No Money Day by Kate Milner.

Joseph Had a Little Overcoat by Simms Taback.

Lemonade in Winter by Brian Karas.

Money Madness by David Adler.

The Monster Money Book by Loreen Leedy.

Popsicle Insurance by George Jack.

A Spoon for Every Bite by Joe Hayes.

Taxes, Taxes by Nancy Loewen.

Those Shoes by Maribeth Boelts.

The Westing Game by Ellen Raskin.

When Times are Tough by Yanitzia Canetti.

Why Did I Get This Credit Card? by Twyla Prindle.

The Wrench by Elise Gravel.

Glossary

| Word | Definition |
|---------------------------------|--|
| 1099-Misc | IRS tax form Miscellaneous Income, used to report annual income for independent contractor or freelance work |
| 401(k) | An investment for retirement made through the company you work for |
| Actual cash value (ACV) | The replacement cost of an item minus depreciation |
| Additional living expense (ALE) | Money paid to a person by their insurance company when they are displaced from their home |
| Adjusted Gross Income (AGI) | Total income after costs are removed |
| Annual fee | A fee you pay each year for using a credit card |
| Annual Percentage Rate (APR) | The rate of interest you pay on money you borrow |
| Annuity | An investment that pays you a fixed amount of money each year |
| Appraisal | An opinion about the condition or worth of something |
| As-is | In the current condition |
| Asset | Something you own that is worth something |
| ATM card | A plastic card used at an ATM machine to move money in and out of your bank |
| Audit | When the IRS reviews your tax records |
| Automatic Teller Machine (ATM) | A machine at a bank that you can use to deposit or withdraw money |

| Word | Definition |
|------------------------------|---|
| Bait and switch | Luring customers into a store with the promise of a cheap item but trying to sell them something more expensive |
| Balance | Amount of money |
| Balance transfer | Moving money from one account to another |
| Bank | A business that holds and manages money |
| Barcode | Lines and numbers on a product that is scanned by a machine |
| Bear market | When stocks decrease |
| Beneficiary | A person who receives money or property after someone dies |
| Better Business Bureau (BBB) | An organization where customers can complain about companies and get help with problems |
| Billing cycle | The time between each bill |
| Bond | Investing money by providing a loan and receiving interest |
| Borrow | To receive money that you will pay back later |
| Brand | The name of a product made by a company |
| Broker | A person who buys and sells stocks |
| Budget | A plan that lists income and expenses and tracks your money and how it is spent |
| Bulk | Large amounts of items |
| Bull market | When stocks increase |

| Word | Definition |
|-----------------------------|--|
| Bundle | Things that are grouped together at a lower cost |
| Business | A company that provides a good or service |
| Capital gains | Money you make from selling your assets |
| Car insurance | Insurance that pays for car repairs |
| Car payment | Money you owe on a loan to pay for a car |
| Cash advance | Cash you get using a credit card |
| Certificate of Deposit (CD) | Money deposited into a bank for a fixed period of time at a set interest rate |
| Certificate of Deposit (CD) | Money deposited into a bank for a fixed period of time at a set interest rate |
| Check | A piece of paper with your bank information that you can use instead of cash to pay for things |
| Checking account | A bank account that provides checks that can be used to withdraw money from the account to make payments |
| Checking account | A bank account that provides checks that can be used to withdraw money from the account to make payments |
| Claim | A request for an insurance payment |
| Class action | A lawsuit filed by a group of people with the same problem |
| Clearance sale | When items are sold for cheap to get rid of them |
| Closing | When the sale of a house is finalized |
| Codicil | A change to a will |

| Word | Definition |
|----------------------------|---|
| Collateral | Property you promise to give someone if you cannot repay a loan |
| Conditions | Rules that an insured must follow to keep insurance coverage |
| Consolidate | To combine multiple debts into a single one |
| Consumer credit counseling | An organization that helps you find solutions to financial problems |
| Consumer rights | Rights that protect customers |
| Convenience check | A check provided by a credit card provider that allows people to pay for things |
| Cosigner | A person who signs a loan agreement with you and agrees to pay it back if you cannot |
| Coupon | A piece of paper or digital item that gives you a discount on an item |
| Credit | Borrowing money to buy now and pay later |
| Credit bureau | An organization that tracks a person's credit history and helps businesses decide whether to provide credit to a person and what interest to charge |
| Credit card | A card used to pay for goods and services now and pay later |
| Credit rating | A letter grade judgement about how likely a business is to repay debt |
| Credit score | A number that shows how likely a person is to repay debt |
| Credit union | A bank with lower fees that is formed by a group of people with the same job |
| Creditor | A person you owe money to |

| Word | Definition |
|------------------------|---|
| Customer | A person who pays a business for something |
| Debit card | A plastic card used to pay for things using money from your bank account |
| Debt | Money you owe |
| Declarations page | The page of an insurance policy that has information about the policy such as insured, term, and limits |
| Deductible | The amount you pay when you make an insurance claim |
| Default | Failure to pay money you owe |
| Dental insurance | Insurance that pays for dental care |
| Dependent | A person in your household that you pay expenses for and can deduct on your taxes |
| Deposit | Money you put into a bank |
| Deposit | Money you put into a bank |
| Depository institution | A bank or other financial institution that holds money for people |
| Direct deposit | When a paycheck is deposited electronically to a bank account |
| Diversification | To put money into different investments to lower risk |
| Dividend | Money paid by a company to people who own stock |
| Down payment | Part of a total payment on an item that allows you to pay for the rest later |

| Word | Definition |
|--|--|
| Down payment | Part of a total payment on an item that allows you to pay for the rest later |
| Earthquake insurance | Insurance that pays for earthquake damage |
| Electronic Funds Transfer (EFT) | Moving money electronically from one bank or account to another |
| Emergency fund | Money saved to use for future emergencies like injuries or car repairs, usually 3-6 months of wages |
| Endorsement | A change to an insurance policy |
| Equity | The value a person has in their home based on what the home is worth minus debts owed on the home |
| Estate | All of someone's property and money |
| Estate planning | Planning for how to handle money and property after death |
| Estate tax | A tax you pay on the estate of a dead person |
| Eviction | When someone is forced to leave a property they are renting because they fail to pay rent |
| Executor | A person in charge of handling another's will |
| False advertising | Advertising that uses false information |
| Federal Deposit Insurance Corporation FDIC | Agency that provides deposit insurance to U.S. depository institutions to maintain financial stability and public confidence in the financial system |
| Federal Reserve | Central bank of the U.S. that controls the monetary system and provides stability |

| Word | Definition |
|--------------------------------|--|
| Federal Trade Commission (FTC) | Part of the government that keeps customers safe |
| FICA tax | Taxes removed from your paycheck to pay for Social Security |
| Fiduciary | A person who manages finances for people and who must protect their financial interests |
| Finance charge | Interest you pay on a loan or credit card when you do not pay the amount due on time |
| Financial market | Places that allow money to flow between governments, investors, and businesses |
| Financial planner | A person who helps people meet financial goals |
| Fitting room | A place in a store where you can try on clothes to see if they fit |
| Fixed expense | A cost that stays the same (e.g. rent) |
| Flood insurance | Insurance that pays for flood damage |
| Food bank | A place that provides food for the poor |
| Food stamps | Pieces of paper that allow the poor to buy food |
| Foreclosure | When the bank takes away a property after someone fails to pay back the amount they borrowed |
| Fraud | The crime of lying to people to take their money |
| Generic | A product that does not have a name brand |
| Gift tax | A tax you pay when giving money to people over a certain amount |

| Word | Definition |
|-------------------------------------|--|
| Grant | Money given to people by the government |
| Gross pay | Pay received before taxes |
| Health insurance | Insurance that pays for medical care |
| Heir | A person with legal rights to property when another person dies |
| Homeowner's insurance | Insurance that pays for damage to a home |
| Household | People who live together in the same home |
| Income | Money you earn |
| Income tax | Tax you pay on money you earn |
| Individual Retirement Account (IRA) | A bank account with tax benefits that lets you save money for retirement |
| Installment | A regular payment you make on a loan |
| Insurance | Something you buy from a company so you get a payment if something bad happens |
| Insured | A person with an insurance policy |
| Interest | Money a bank pays you for money you've deposited |
| Interest | A fee you pay to borrow money |
| Internal Revenue Service (IRS) | The part of the government that collects income taxes |
| Intestate | Without a will |

| Word | Definition |
|----------------|--|
| Investment | Something you buy to make more money |
| Landlord | A person who rents a place to someone |
| Late fee | A fee you pay for making a payment late |
| Lease | An agreement that allows you to use a building |
| Lemon law | A law that protects people when they buy products with poor quality |
| Life insurance | Insurance that pay when someone dies |
| Line of credit | The amount of money a person can borrow |
| Living will | A document that says what decisions should be made if someone cannot make the decisions themselves |
| Loan | Amount of money you borrow |
| Long term goal | A goal you hope to complete in the far future, usually more than 5 years away |
| Loss | The reason for an insurance claim |
| Loss of use | When you are unable to use your property due to damage |
| Mall | A place with many stores |
| Margin | Buying an investment with borrowed money |
| Medicaid | Part of the government that pays for medical care for poor people |
| Medicare | A government system used to pay for medical care of old people |

| Word | Definition |
|----------------------|---|
| Monetary policy | How the central bank controls the flow of money in the economy, usually through changing interest rates |
| Money market account | A deposit account that pays higher interest than a savings account and provides checks to withdraw money but has a higher minimum deposit requirement |
| Money market account | A deposit account that pays higher interest than a savings account and provides checks to withdraw money but has a higher minimum deposit requirement |
| Monthly service fee | A fee paid to a bank each month for managing your money |
| Mortgage | Money you owe on a loan to pay for a house |
| Mortgage | Money you borrow to buy a house |
| Mutual fund | A fund that allows you to buy shares in different companies |
| Negotiate | To try to reach an agreement |
| Net pay | Pay received after taxes |
| Occupation | Job |
| Overdraft | A fee paid to a bank when you try to take out more money than you have |
| Overtime | Money you are paid for working extra hours |
| Owe | To need to pay money to someone you borrow money from |
| Paycheck | Money you earn for work you do |
| Penalty | A fee you pay for paying your taxes late |

| Word | Definition |
|--------------------------------------|---|
| Personal Identification Number (PIN) | A secret number you enter at an ATM to access your bank account |
| Policy | An agreement with insurance terms |
| Portfolio | The group of investments a person owns |
| Power of attorney | A document that gives a person the power to make decisions for something if they are unable to make them themselves |
| Predatory lender | A business that uses dishonest means to get people to take out loans with high interest that they cannot pay back |
| Price | The amount of money you pay for something |
| Principal | The original amount of a loan that does not include interest |
| Probate | The legal process that determines a will is proper |
| Promissory note | A document that says you agree to pay back money you borrow |
| Property tax | Tax you pay on property you own |
| Prospectus | A document provided by a company with details about its stock |
| Pyramid scheme | Selling investments in a dishonest way that uses money from some lenders to pay others until people lose money |
| Quote | An estimated price |
| Rebate | Money you get back when you buy something |
| Receipt | A piece of paper that shows what you paid for something |
| Refinance | To change the terms of a loan to get a better interest rate |

| Word | Definition |
|--|---|
| Refund | Money that is given back to you when you return an item to a store or are unhappy with service you received |
| Rent | Money you pay to use an apartment, room, or house owned by someone else |
| Rent control | A law that limits the cost of a rental |
| Renter's insurance | Insurance that pays for damage to a rental property |
| Replacement cost value (RCV) | The amount it costs to replace something |
| Salary | A fixed amount of money you are paid for work |
| Sale | When prices are lowered |
| Sales tax | Tax you pay when you buy an item |
| Savings account | A bank account where people hold money which gains interest |
| Scam | A plan to cheat people out of money |
| Section 8 | Part of the Housing Act that allows for payment of rental housing to private landlords by low income people |
| Securities | A financial investment |
| Securities and Exchange Commission (SEC) | Part of the government that regulates securities |
| Security deposit | Money you pay to a landlord held in case you damage the property |
| Short term goal | A goal you hope to complete in the near future, usually 1 year |

| Word | Definition |
|------------------------------------|--|
| Social Security | An income tax that removes money from your paycheck so it can be paid to you when you are older |
| Stock | A share in a company |
| Store | A business where you buy things |
| Sublet | To rent a property that you rent from someone else |
| Subsidized housing | Housing that receives a subsidy from the government to lower prices and make it affordable for low income people |
| Subsidy | Money paid by the government to reduce the price of an item |
| Supplemental Security Income (SSI) | Money paid by the government to elderly people who are poor or to people who are blind or disabled |
| Tax credit | An amount on which you do not need to pay taxes that reduces your total due |
| Tax deduction | An amount removed from a total |
| Taxes | Money you pay to the government |
| Tenant | A person who rents a place from someone |
| Term | The length of time you will repay money you borrow |
| Thrift shop | A store that sells used items at a discount |
| Tip | Additional money given to you for providing good service |
| Transfer on death designation | Designating a beneficiary to receive money without having to go through probate |
| Trust | A document that gives someone legal control of your money |

| Word | Definition |
|-----------------------|--|
| Unemployment benefits | Money paid by the government to people who have lost their job |
| Utilities | Services used by people like electricity, gas, or telephone |
| Variable expense | A cost that changes (e.g. utilities) |
| W-2 | IRS tax form Wage and Tax Statement, used to report annual wages and taxes paid |
| W-4 | IRS tax form Employee's Withholding Certificate, used to withhold taxes from an employee's paycheck |
| Wage | Money you are paid for work by the hour |
| Warranty | An agreement by a company to repair or replace an item purchased by a person within a set period of time |
| Welfare | Money paid by the government to poor people |
| Will | A document that says what to do with your money and property after your death |
| Withdrawal | Money you take out of a bank |
| Withholding tax | Money removed from your paycheck to pay income taxes |