



Sharing the Power of Learning

The Minnesota Literacy Council created this curriculum with funding from the MN Department of Education. We invite you to adapt it for your own classrooms.

Intermediate Level (CASAS reading scores of 201-220)

Borrowing & Saving: Week 2

Unit Overview

This is a 2-week unit where students will become familiar with checking and savings accounts, as well as borrowing options for money emergencies. They will read informational paragraphs and use graphic organizers to identify main/supporting ideas and compare/contrast discussion topics. They will also calculate interest earned (savings) and interest to be paid (loans). Additionally, they will identify areas in a monthly budget where they can save money, and will use simple math to balance a budget.

Focus of Week 2

- Discuss three loan options (credit cards, bank loans, borrowing money from someone)
- Read informational paragraphs for the main/supporting ideas
- Use graphic organizers to organize information
- Calculate interest to be paid
- Identify *modals* and *main verbs* in present tense sentences

Borrowing & Saving Unit: Week 2, Monday

Objectives <i>Learners will be able to...</i>	Materials
<p>Life skill: Calculate monthly expenses.</p> <p>Literacy: Read a table for information.</p> <p>Listening/speaking/Grammar: Use the verbs “have” and want” appropriately in the present tense to express monthly expenses.</p> <p>Transitions: Use simple addition/subtraction to balance a budget; Use a venn diagram to compare/contrast loan options.</p>	<p>Make Student Copies</p> <ul style="list-style-type: none"> • Textbook: <i>Stand Out 4, 2nd ed.</i>, p. 36 • Handout: Venn Diagram • Handout: Grammar Practice <p>Make Single Copies or Reference</p> <ul style="list-style-type: none"> • Borrowing Money • <u>Volunteer Manual, 2012</u>: Ball Toss, p. 46 <p>Props, Technology, or Other Resources</p> <ul style="list-style-type: none"> • ELMO or overhead projector • Calculators

Lesson Plan

Review: Life Skill/Transitions (25mins)

Description: Ss will calculate monthly expenses and balance a budget.

Materials/Prep: make copies of ***Stand Out 4, 2nd ed.*, p. 36**; calculators; ELMO or overhead projector.

Activity 1: Literacy/Transitions (40-50mins)

Description: Ss will discuss three different borrowing options and then use a venn diagram to compare/contrast the information.

Materials/Prep: make one copy of ***Borrowing Money*** and several copies of ***Venn Diagram***; ELMO or overhead projector.

Activity 2: Grammar/Listening/Speaking (25-30mins)

Description: Ss will discuss the different meanings of “have to” vs. “want to” and then conjugate those verbs in the present tense (the emphasis being on the *third person* conjugation).

Materials/Prep: make copies of ***Grammar Practice***; reference ***Volunteer Manual, 2012: Ball Toss, p. 46***.

Wrap-up

As a class, generate a list of five things everyone learned today.

Teacher Directions: Review: Life Skill/Transitions

- **Materials:** *Stand Out 4, 2nd ed., p. 36*; calculators; ELMO or overhead projector

Step 1: Setting the Context

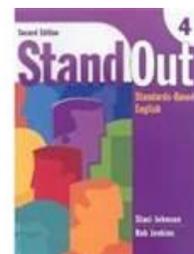
Ask your class what they learned about last week and discuss (*checking and savings accounts; why it's important to save money; balancing a budget*). Then write the following equation on the board: $\$500 + \$250 = \underline{\hspace{2cm}}$. Then ask your class: *What is the TOTAL?* Explain what "total" means in this context (*the sum*) if necessary. Next, write the following equation on the board: $\$500 - \$250 = \underline{\hspace{2cm}}$. Ask your class: *What is the DIFFERENCE?* Explain "difference" means (*subtracting*) in this context if necessary. Afterward, ask your Ss how these two terms apply to calculating a budget? Discuss. (This is review from last week.)

Step 2: Balancing a Budget

Pass out **p. 36** of **Stand Out 4** and tell your Ss to work on Section B independently or in pairs. Pass out **calculators** and go over the first "difference" problem together ($\$404 - \$404 = \$0$). Answer any questions and do a few more together if necessary.

Afterwards, regroup and go over the math problems together as a class.

Once you're finished calculating the budget, discuss whether this person did a good job staying within their budget → *Did this person SAVE money??* Discuss.



Teacher Directions: Activity 1: Literacy/Transitions

- **Materials:** *Borrowing Money, Venn Diagram*; ELMO or overhead projector

Step 1: Setting the Context

Using the budget on **p. 36** of **Stand Out 4**, ask your Ss what the HAVE TO expenses are. Write those items on the board. Then ask them what the WANT TO expenses are. Write those items on the board. Review why it's good to know the difference between these two kinds of expenses (*so you can identify ways you could save money*) and also talk about why it's good to save money (*in case of money emergencies*).

NOTE: This is review from last week. You are trying to get them to realize that saving money is good – not just for making big purchases (like a car or house) but in case of emergencies (like an unexpected doctor bill or car repair).

Next, write “emergency” on the board and ask your class what it means. Have them give you examples and come up with a definition as a class. Then write “money” in front of emergency. Ask your Ss what a “money emergency” might be. Discuss. Ask them what they might do in a money emergency if they A) have savings, and B) DON’T have savings. Generate options for both scenarios on the board. (**NOTE:** You are looking for them to say things like *use a credit card, take out a loan, borrow money from a family member or friend* for things they would do *without* savings.) Once you have your list on the board, discuss the pros/cons to each option regarding NOT having savings. **NOTE:** You are trying to elicit responses about “interest” – the fact that no matter what option they choose, there will be some form of interest they will have to pay, even if that “interest” involves hearing from a family member constantly about the money that is owed.

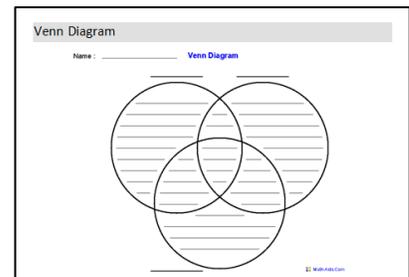
Step 2: Paying for Money Emergencies

Project the **Borrowing Money** handout on the board using the **ELMO or overhead projector**. Cover up all of the information except for the three titles at the top of each column. Tell your class that you are going to discuss the differences between each of these loan options: *credit cards, loans, borrowing money from someone*. Then reveal the first point of discussion: “credit history”. Discuss this term and what it means *generally*; then discuss how it applies to each option. Follow this procedure for each point of discussion (there are eight). **NOTE:** The main take-away is that your Ss understand the terms “credit history” and “interest” and that there are pros and cons to using each option.

Borrowing Money		
Credit Cards	Loans	Borrowing \$\$ from someone
Need good credit history to get credit card	Need good credit history to get loan	Do not need good credit history to borrow money
Change interest	Change interest	No interest charged (may lead)
Monthly fees if payments are late	Monthly fees if payments are late	No monthly fees
Have a limit on how much you can spend	Have a set amount the loan is for	Have a set amount the loan is for
Can use the money anytime and on anything	Cannot always use the money anytime and on anything	Can use the money anytime and on anything
Can pay a minimum amount each month	Pay a set monthly amount	Pay the money back whenever
Payment affects credit history	Payment affects credit history	Payment does not affect credit history
Borrowing money does not affect a relationship	Borrowing money does not affect a relationship	Borrowing money can affect a relationship

Step 3: Organizing the Information

Project the **Venn Diagram** on the board and explain what it’s for and why it’s used (*to organize information*). Explain that this graphic organizer is similar to the table used in Step 2, in that it helps organize information, but that a venn diagram can help organize the differences and similarities between items/thoughts/etc.



Pair Ss up together and pass out one copy of the handout. Then label the “bubbles” together so they understand where the information needs to go, and spend some time explaining the overlapping sections. Once you feel they understand what needs to happen, have them work on the diagram in their pairs. **NOTE:** Using this kind of a graphic organizer is review for most, but as it involves comparing three items instead of two, it might be more challenging for some.

Teacher Directions: Activity 2: Grammar/Listening/Speaking

- **Materials:** *Grammar Practice; Volunteer Manual, 2012: Ball Toss, p. 46*

Step 1: Setting the Context

Write these sentences on the board:

I ____ to pay my cell phone bill.

We ____ to buy a new TV.

Ask your class what verbs could complete each sentence (*have*, *want*) and which verbs are correct for each sentence (*I HAVE to pay my cell phone bill; We WANT to buy a new TV.*) Also discuss the different meanings of “have” and “want”.

Now write these sentences on the board:

She ____ to pay her cell phone bill.

He ____ to buy a new TV.

Ask your class what verbs complete these sentences (*has/wants*). If someone gets the answer correct, have her explain why the verbs changed to *has* and *wants* → *third person*. If your class does not know the answer, supply it for them and discuss.

Step 2: Practicing the Grammar – accuracy

Pass out the **Grammar Practice** handout and let your Ss work on it independently. As they finish, pair them up together and have them compare answers. Once almost everyone is finished, go over the answers together as a class. **NOTE:** There will undoubtedly be some discrepancies in answers, as some people might think one situation is a “have” vs. a “want”. Anticipate this and plan for it by doing the worksheet ahead of time yourself. Also, encourage discussion when those discrepancies happen.

Grammar Practice

Complete the sentences below with the appropriate form of the verbs *have* or *want*.

1. I _____ to buy gas for my car.
2. I _____ to go on vacation.
3. You _____ to buy a house.
4. She _____ to buy food for her family.
5. We _____ to eat at a restaurant.
6. We _____ to go to school *every day*.
7. We _____ to learn English.
8. He _____ to buy new furniture.
9. Joe and Lisa _____ to pay their rent.
10. Maria and I _____ to buy new shoes.
11. The mom _____ to buy bottles for her baby.
12. The father _____ to buy a new car.
13. I _____ to pay for school.
14. You _____ to pay your cable bill.
15. She _____ to buy a new computer.

Step 3: Practicing the Grammar – fluency

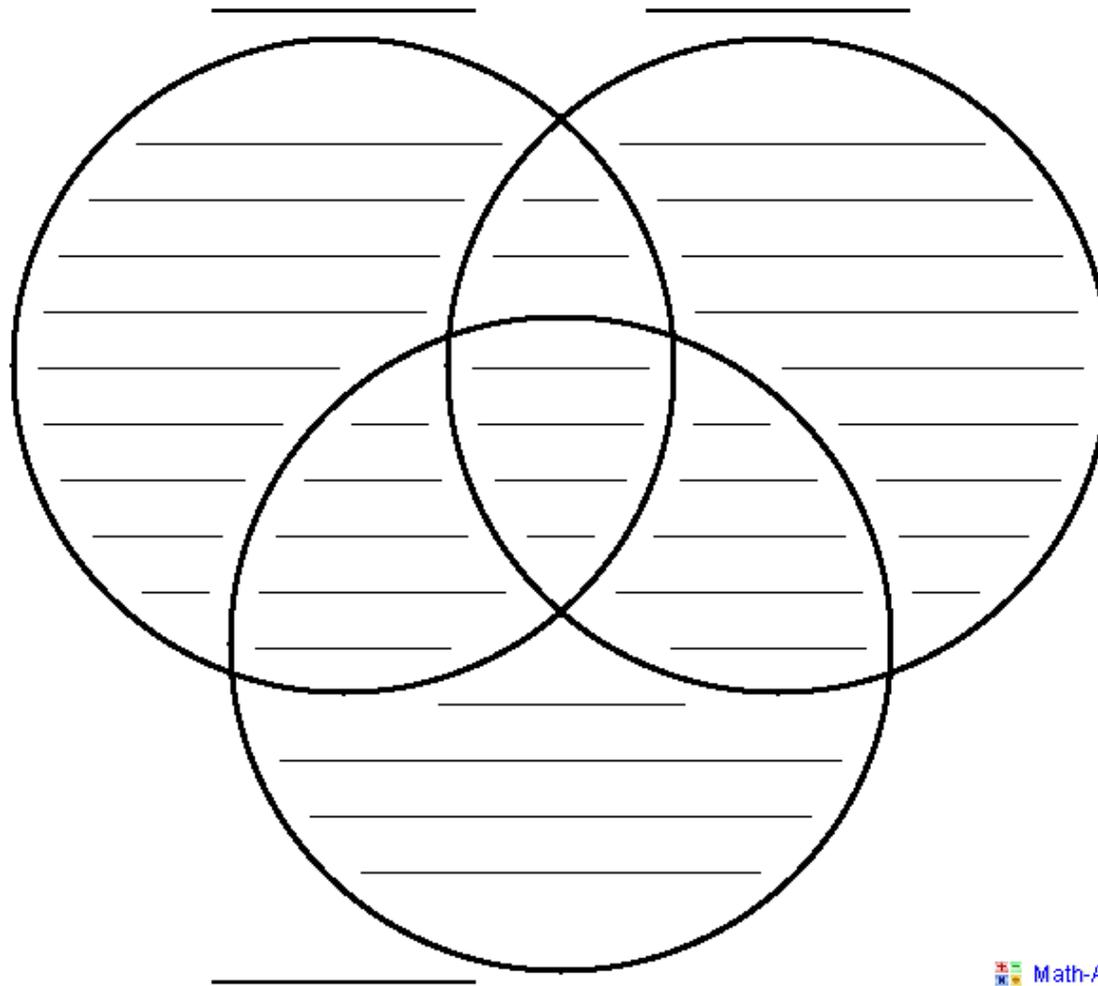
Do the **ball toss** game for continued practice: Have one person state something they **HAVE** to pay for or **WANT** to buy (*I have to pay my rent*) and then have him throw the ball to someone else; the person who catches the ball should then repeat what the other person just said **BUT** change the statement to the third person → *He has to pay his rent*. The person holding the ball should then say something they **HAVE** to pay for or **WANT** to buy; and so on. **Model** this for your Ss first. Also, reference **Volunteer Manual, 2012: Ball Toss, p. 46** if necessary.

Borrowing Money

Credit Cards	Loans	Borrowing \$\$ from someone
Need good credit history to get credit card	Need good credit history to get loan	Do not need good credit history to borrow money
Charge interest	Charge interest	No interest charged (most likely)
Monthly fees if payments are late	Monthly fees if payments are late	No monthly fees
Have a limit on how much you can spend	Have a set amount the loan is for	Have a set amount the loan is for
Can use the money anytime and on anything	Cannot always use the money anytime and on anything	Can use the money anytime and on anything
Can pay a minimum amount each month	Pay a set monthly amount.	Pay the money back whenever
Repayment affects credit history	Repayment affects credit history	Repayment does not affect credit history
Borrowing money does not affect a relationship	Borrowing money does not affect a relationship	Borrowing money <i>can</i> affect a relationship

Venn Diagram

Name : _____ **Venn Diagram**



 Math-Aids.Com

Grammar Practice

Complete the sentences below with the appropriate form of the verbs *have* or *want*.

1. I _____ to buy gas for my card.
2. I _____ to go on vacation.
3. You _____ to buy a house.
4. Ella _____ to buy food for her family.
5. We _____ to eat at a restaurant.
6. We _____ to go to school everyday.
7. We _____ to learn English.
8. He _____ to buy new furniture.
9. Joe and Liza _____ to pay their rent.
10. Maria and I _____ to buy new shoes.
11. The mom _____ to buy bottles for her baby.
12. The father _____ to buy a new car.
13. I _____ to pay for school.
14. You _____ to pay your cable bill.
15. She _____ to buy a new computer.

Borrowing & Saving Unit: Week 2, Tuesday

Objectives <i>Learners will be able to...</i>	Materials
<p>Life skill: Read an informational paragraph on credit cards.</p> <p>Literacy: Identify main idea and supporting information.</p> <p>Listening: Listen for specific information concerning how credit cards work.</p> <p>Speaking: Say mathematical equations correctly (one hundred times point five equals...).</p> <p>Transitions: Use a graphic organizer to organize the main/supporting ideas in a paragraph; Use simple multiplication to determine interest.</p> <p>Grammar: Use the verbs “have” and “want” appropriately in the present tense.</p>	<p>Make Student Copies</p> <ul style="list-style-type: none"> • Handout: Grammar Practice • Handout: How Credit Cards Work, Student Copy <p>Make Single Copies or Reference</p> <ul style="list-style-type: none"> • Different Kinds of Loans • Graphic Organizer • How Credit Cards Work, Teacher Copy <p>Props, Technology, or Other Resources</p> <ul style="list-style-type: none"> • ELMO or overhead projector • Calculators

Lesson Plan

Review: Grammar (20mins)

Directions: Ss will use the verbs *have* and *want* to complete sentences in the *present tense*.

Materials/Prep: make copies of **Grammar Practice**; **ELMO or overhead projector**.

Activity 1: Life Skill/Literacy/Listening/Transitions (60mins)

Directions: Ss will listen for specific information concerning credit cards and then identify the main ideas and supporting details in the paragraph by using a graphic organizer.

Materials/Prep: one copy of **Different Kinds of Loans** and **Graphic Organizer**; multiple copies of **How Credit Cards Work, Student Copy** and one of the corresponding **Teacher Copy**; **calculators**; **ELMO or overhead projector**

Activity 2: Speaking/Transitions (30mins)

Description: Ss will calculate interest and practice saying entire equations.

Materials/Prep: reuse the copy of **How Credit Cards Work, Teacher Copy** (used in Activity 1); **calculators**; **ELMO or overhead projector**.

Wrap-Up

Time permitting, have Ss get into pairs and write down 5 things they learned in class. Share afterwards.

Teacher Directions: Review: Grammar

- Materials: *Grammar Practice*; ELMO or overhead projector

Step 1: Introduce Activity

Pass out the **Grammar Practice** handout as your Ss come into class. Explain what they need to do and allow them to work on it independently for 10 minutes. This will give you a nice buffer for the late Ss. If Ss finish early, pair them up together so they can check their answers.

Step 2: Checking Comprehension

Project a copy of the handout on the board using the **ELMO or overhead projector**. Have individual Ss tell you the answers and the rest of the class determine accuracy. When you get to numbers 14 and 15 spend time discussing how the meaning changes if you use *have* or *want* for each statement.

Grammar Practice

Complete the sentences below with the appropriate verb: *have*/*has*

- I _____ to buy gas for my car.
- Eve _____ to buy food for her family.
- Joe and Lisa _____ to pay their rent.
- The mom _____ to buy bottles for her baby.
- I _____ to pay for school.
- Norman _____ to pay his cable bill.

Now complete the sentences below with the appropriate verb: *want*/*wants*

- She _____ to buy a new computer.
- I _____ to go on vacation.
- You _____ to buy a house.
- We _____ to eat at a restaurant.
- He _____ to buy new furniture.
- Maria and _____ to buy new shoes.
- The father _____ to buy a new car.

What about these two sentences? Think about their meaning, and then carefully choose the appropriate verb: *have*/*has* or *want*/*wants*

- We _____ to go to school everyday.
- We _____ to learn English.

Teacher Directions: Activity 1: Literacy/Listening/Transitions

- Materials: *Different Kinds of Loans*, *How Credit Cards Work*, *Teacher & Student Copies*, *Graphic Organizer*; calculators; ELMO or overhead projector

Step 1: Setting the Context

Ask your class to tell you some examples of “money emergencies”. Then ask them how they can pay for these emergencies if they don’t have savings (*use a credit card, take out a loan, ask a friend/family member for money.*) All of this is review from yesterday.

Project a copy of **Different Kinds of Loans** on the board and only show your class the first paragraph. Read it for them first while they read along silently. Then have everyone read it aloud with you. Afterward, discuss the questions together as a class. Follow this procedure for each paragraph, and make sure to discuss the pros and cons for each situation.

Step 2: Using a Credit Card

Explain that out of these three loan options, today you are going to focus on *credit cards*. Pass out **How Credit Cards work**, **Student Copy** to your Ss. Explain that you are going to read a paragraph about credit cards and that they have

Different kinds of Loans

Adapted from *Key Stage 2 Literacy and Numeracy 2003*, © *Cambridge University Press*

When Silvia first arrived in the United States, she worked as a babysitter for an American family. After about one year, she got really sick and had to go to the hospital. The family paid for her care while she was in the hospital. Silvia has been paying the family \$10 a month for two years.

- What was Silvia's loan for?
- Was this a money emergency? Why or why not?
- How did Silvia pay for her hospital care?
- Who is she paying back?

Luigi came to the United States 20 years ago and is a permanent resident. Fifteen years ago he got a student loan from a bank to go to college. He stopped going to school after one year. His car broke down shortly after he dropped out of school, he decided to use his student loan money to pay for a new car. Twenty years later, he is still paying for this loan.

- What was Luigi's loan for?
- Was this a money emergency? Why or why not?
- How did Luigi pay for school and his new car?
- Who is Luigi paying back?

Li Ming really needs a new pair of shoes that cost \$200. She has a credit card and uses it all of the time. She has a balance of \$1000 and only pays \$20 each month. She is late with her payments.

- What?
- Was?
- How?
- Who?

How Credit Cards Work

Student Copy

Credit cards are very convenient and _____ to use, but it is important to _____ how they work. _____ you need to understand what _____ means. Interest is _____ paid for the use of a loan. Off when a loan payment is _____ or delayed. Therefore, when you buy something with a credit card, it is very important to _____ the money back. _____ if you do not, you will be charged interest. The _____ thing to understand is what _____ means. APR is the annual percentage rate you will pay on a purchase. You want your APR to be low (i.e., a _____ number). Sometimes the APR will _____ you need to be aware of when that will happen. The last thing you need to understand is about _____ Credit card charge _____ that if a payment is late, some also charge _____ them. Overall, credit cards are easy to use, but it is _____ to understand how they work so you don't _____ money.

to listen for the missing information. Tell them you will read the paragraph *several times*. Read the paragraph from the **Teacher Copy**.

Afterward, project the **Student Copy** on the board. Have individual Ss read a sentence at a time and have the rest of the class determine accuracy. Discuss any confusing terms along the way.

Step 3: Main and Supporting Ideas

Project a copy of the **Graphic Organizer** on the board with the **ELMO or overhead projector** and explain what it is and why it's used. Ask your Ss what the "main idea" is of this paragraph. (Review the term "main idea" if necessary.) Write in the main idea on the graphic organizer. Then ask your Ss what the "supporting detail" sentences are in the paragraph. Review what a "supporting detail" is and write in the details as your Ss list them. Ask them how they knew these were the supporting details and discuss.

How Credit Cards Work

TEACHER COPY

Credit cards are very convenient and easy to use, but it is important to understand how they work. First, you need to understand what interest means. Interest is extra money paid for the use of a loan. Off when a loan payment is due or delayed. Therefore, when you buy something with a credit card, it is very important to pay the money back immediately. If you do not, you will be charged interest. The second thing to understand is what APR means. APR is the annual percentage rate you will pay on a purchase. You want that APR to be low (i.e., a small number). Sometimes the APR will increase. You need to be aware of when that will happen. The last thing you need to understand is about fees. Credit cards charge monthly fees if the payment is late; some also charge annual fees. You need to be aware of these fees so you can avoid them. Overall, credit cards are easy to use, but it is important to understand how they work so you don't lose money.

*Note: From *See Stage Centers for Education and Technology* (2008), *Knowledge Share*, 83.

- Visa Credit Card Terms -	
Annual Percentage Rates	12.99% - 19.99% (APR on purchases and May 1 st , 2012)
	Admin. Fee: \$30.00
	Default Fee: \$39.00
	Finance Charge: 1.25% (Finance Charge follows the terms. Up to 12.99%.)
Card Period	25 days. You may use before the end of the month.
Annual Fee	\$0
Overhead Charge	\$0
Transaction Fee on Cash Advances	3% of the amount of cash advance. Not over \$10.00.
Transaction Fee on Balance Transfers	3% of the amount of cash advance. Not over \$10.00.
Transaction Fee on Bill Payments	\$0
Card Use Credit Limit Fee	\$10

Scenarios

1. How much interest would be charged on a \$1000 purchase made after 1/1/12? $1000 \times .1299 = 129.90$ → making the total cost of the purchase \$1129.90
2. How much interest would be charged on a \$1000 purchase made on 12/31/11? $1000 \times .1999 = 199.90$ → making the total cost of the purchase \$1199.90
3. John is not responsible with his credit card. He never pays his monthly bill but uses using his credit card. He therefore, does NOT follow the terms. How much interest would be charged on a \$1000 purchase? $1000 \times .1999 = 199.90$ → making the total cost of the purchase \$1199.90.

Graphic Organizer

Main Idea and Supporting Details

The graphic organizer consists of a central circle labeled "Main Idea" and four surrounding circles labeled "Detail". Lines connect the central circle to each of the four detail circles, forming a star-like shape. The circles are arranged in a square pattern around the center.

Teacher Directions: Activity 2: Speaking/Transitions

- **Materials:** *How Credit Cards Work, Teacher Copy*; calculators; ELMO or overhead projector

Step 1: Setting the Context

The previous activity set the context for this one.

Step 2: Percentages and Decimals

Write this percentage on the board: 50%. Ask your class to say it (*fifty percent*). Then ask if anyone knows how to convert the percentage in to a decimal → .50. If no one knows the answer, supply it for them. Discuss how to read the decimal (*point five*). Then explain the rule by writing the following conversions on the board and asking your class to fill in the missing information:

100% = 1.00

75% = ____

50% = .50

25% = ____

5% = ____

$$2.9\% = .029$$

Spend some time discussing the smaller numbers (5% and 2.9%). Provide more examples if necessary.

Step 3: Calculating the Interest

Project the Visa Credit Card Terms table on the **How Credit cards Work, Teacher Copy** on the board. Cover up everything else but the information on APR. Go over the information together, explaining why the APR increases and how it affects purchases made with a credit card. Discuss. Then convert the percentages in the table in to decimals.

Pass out **calculators** to your class. Pair Ss up if there aren't enough calculators for everyone. Ask your class how much interest would be charged on a purchase made in Feb. of 2002 that cost \$100 (assuming the loan hadn't been paid off before May 1st) $\rightarrow 100 \times .029 = \2.90 . Write the formula on the board and have your class do the math using their calculators. Afterwards, have ss read the entire equation out loud \rightarrow *one hundred times point two nine equals two dollars and ninety cents*. Explain, then, that a \$100 purchase, if not paid off immediately becomes a \$102.90 purchase. Do another example with a different APR (13.99%) $\rightarrow 100 \times .1399 = \13.99 . **NOTE:** You really want to drive this point home: that by NOT paying off their credit card balance, their original purchases end up costing them more money.

Once they understand how to calculate the interest, read the scenarios on the **Teacher Copy** and calculate the interest rates together as a class.

How Credit Cards Work

TEACHER COPY

Credit cards are very convenient and easy to use, but it is important to understand how they work. First, you need to understand what interest means. Interest is extra money paid for the use of a loan. Or when a loan payment is late or unpaid. Therefore, when you buy something with a credit card, it is very important to pay the money back immediately. If you do not, you will be charged interest. The second thing to understand is what APR means. APR is the annual percentage rate you will pay on a purchase. You want your APR to be low (i.e., a small number). Sometimes the APR will increase. You need to be aware of when that will happen. The last thing you need to understand is about fees. Credit cards charge monthly fees if a payment is late, some also charge annual fees. You need to be aware of these fees so you can avoid them. Overall, credit cards are easy to use, but it is important to understand how they work so you don't lose money.

Notes from Jan. Craig Center for Education and Technology (2002), Financial Literacy 8/3

- Visa Credit Card Terms -	
Annual Percentage Rate	13.99% (APR) (if no purchase used May 1 st 2002)
	Annual Rate (APR)
	Purchase 13.99%
	Each statement cycle
	If you do not follow the Terms, Up to 13.99%
Grace Period	25 days, before any finance charges
Annual Fee	\$0
Minimum Finance Charge	2%
Interest Rate for Cash Advances	19% (the amount of each cash advance, but not less than \$10)
Penetration Fee for Balance Transfers	2% (of the amount of each balance transfer, but not less than \$10)
Penetration Fee for Cash Transfers	\$10
Over-the-Counter Loan Fee	\$20

Scenarios

1. How much interest would be charged on a \$100 purchase made after the 1st 2002? ANSWER: $100 \times .1399 = \$13.99$ \rightarrow making the total cost of the purchase be \$113.99
2. How much interest would be charged on a \$1000 purchase made on November 1, 2002? ANSWER: $1000 \times .1399 = \$139.90$ \rightarrow making the total cost of the purchase be \$1139.90
3. John is not responsible with his credit card. He never even has a monthly bill but keeps using his credit card. He shouldn't even look at the terms. How much interest would he be charged on a \$1000 purchase? ANSWER: $1000 \times .1399 = \$139.90$ \rightarrow making the total cost of the purchase be \$1139.90.

How Credit Cards Work

TEACHER COPY

Credit cards are very convenient and easy to use, but it is important to understand how they work. First, you need to understand what interest means. Interest is extra money paid for the use of a loan. Or when a loan payment is late or unpaid. Therefore, when you buy something with a credit card, it is very important to pay the money back immediately. If you do not, you will be charged interest. The second thing to understand is what APR means. APR is the annual percentage rate you will pay on a purchase. You want your APR to be low (i.e., a small number). Sometimes the APR will increase. You need to be aware of when that will happen. The last thing you need to understand is about fees. Credit cards charge monthly fees if a payment is late, some also charge annual fees. You need to be aware of these fees so you can avoid them. Overall, credit cards are easy to use, but it is important to understand how they work so you don't lose money.

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Annual Percentage Rate	13.99% (APR) (if no purchase used May 1 st 2002)
	Annual Rate (APR)
	Purchase 13.99%
	Each statement cycle
	If you do not follow the Terms, Up to 13.99%
Grace Period	25 days, before any finance charges
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Interest Rate for Cash Advances	19% (the amount of each cash advance, but not less than \$10)
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Over-the-Counter Loan Fee	\$20

Scenarios

1. How much interest would be charged on a \$100 purchase made after the 1st 2002? ANSWER: $100 \times .1399 = \$13.99$ \rightarrow making the total cost of the purchase be \$113.99
2. How much interest would be charged on a \$1000 purchase made on November 1, 2002? ANSWER: $1000 \times .1399 = \$139.90$ \rightarrow making the total cost of the purchase be \$1139.90
3. John is not responsible with his credit card. He never even has a monthly bill but keeps using his credit card. He shouldn't even look at the terms. How much interest would he be charged on a \$1000 purchase? ANSWER: $1000 \times .1399 = \$139.90$ \rightarrow making the total cost of the purchase be \$1139.90.

Grammar Practice

Complete the sentences below with the appropriate verb: *have/has*

1. I _____ to buy gas for my car.
2. Ella _____ to buy food for her family.
3. Joe and Liza _____ to pay their rent.
4. The mom _____ to buy bottles for her baby.
5. I _____ to pay for school.
6. Norman _____ to pay his cable bill

Now complete the sentences below with the appropriate verb: *want/wants*

7. She _____ to buy a new computer.
8. I _____ to go on vacation.
9. You _____ to buy a house.
10. We _____ to eat at a restaurant.
11. He _____ to buy new furniture.
12. Maria and I _____ to buy new shoes.
13. The father _____ to buy a new car.

What about these two sentences? Think about their meaning, and then carefully choose the appropriate verb: *have/has* or *want/wants*

14. We _____ to go to school everyday.
15. We _____ to learn English.

Different kinds of Loans

Adapted from San Diego Centers for Education and Technology (2002), Financial Literacy ESL

When Silvia first arrived in the United States, she worked as a babysitter for an American family. After about one year, she got really sick and had to go to the hospital. The family paid for her care while she was in the hospital. Silvia has been paying the family \$40 a month for two years.

1. What was Silvia's loan for?
2. Was this a money emergency? Why or why not?
3. How did Silvia pay for her hospital bills?
4. Who is she paying back?

Luigi came to the United States 20 years ago and is a permanent resident. Fifteen years ago he got a student loan from a bank to go to college. He stopped going to school after one year. His car broke down shortly after he dropped out of school. He decided to use his student loan money to pay for a new car. Twenty years later, he is still paying for this loan.

1. What was Luigi's loan for?
2. Was this a money emergency? Why or why not?
3. How did Luigi pay for school and his new car?
4. Who is Luigi paying back?

Li Ping really wants a new pair of shoes that cost \$200. She has a credit card and uses it all of the time. She has a balance of \$1000 and only pays \$20 each month. She is late with her payments almost every month. Li Ping knows she needs to pay off her debt before buying these shoes. She buys them anyway.

1. What was Li Ping's loan for?
2. Was this a money emergency? Why or why not?
3. How did Li Ping pay for her shoes?
4. Who is Li Ping paying back?

How Credit Cards Work

TEACHER COPY

Credit cards are very convenient and easy to use, but it is important to understand how they work. First, you need to understand what **interest** means. *Interest is extra money paid for the use of a loan, OR when a loan payment is late or delayed.* Therefore, when you buy something with a credit card, it is very important to pay the money back immediately. If you do not, you will be charged interest. The second thing to understand is what **APR** means. *APR is the annual percentage rate you will pay on a purchase.* You want your APR to be low (i.e., a small number). Sometimes the APR will increase. You need to be aware of when that will happen. The last thing you need to understand is about **fees**. Credit cards charge *monthly fees* if a payment is late; some also charge *annual fees*. You need to be aware of these fees so you can avoid them. Overall, credit cards are easy to use, but it is important to understand how they work so you don't lose money.

Taken from San Diego Centers for Education and Technology (2002), Financial Literacy ESL

• Visa Credit Card Terms •

Annual Percentage Rates	Promotional rate of 2.9% on purchases until May 1 st , 2002. After May 1 st , 2002: Purchases: 13.99% Cash advances: 20.99% If you do not follow the Terms: Up to 23.99%
Grace Period	25 days, but none on balance transfers
Annual Fee	\$25
Minimum Finance Charge	50 cents
Transaction Fee for Cash Advances	3% of the amount of each cash advance, but not less than \$10
Transaction Fee for Balance Transfers	3% of the amount of each balance transfer, but not less than \$10
Transaction Fee for Late Payments	\$29
Over-the-Credit-Limit Fee	\$29

Scenarios

1. How much interest would be charged on a \$500 purchase made after May 1st, 2002? **ANSWER:** $500 \times .1399 = \$69.95 \rightarrow$ making the total cost of the purchase be \$569.95
2. How much interest would be charged on a \$1000 purchase made on November 2002? **ANSWER:** $1000 \times .1399 = \$139.90 \rightarrow$ making the total cost of the purchase be \$1139.90
3. John is not responsible with his credit card. He never pays his monthly bill but keeps using his credit card. He therefore does NOT follow the Terms. How much interest would he be charged on a \$1000 purchase? **ANSWER:** $1000 \times .2399 = \$239.90 \rightarrow$ making the total cost of the purchase be \$1239.90.

How Credit Cards Work

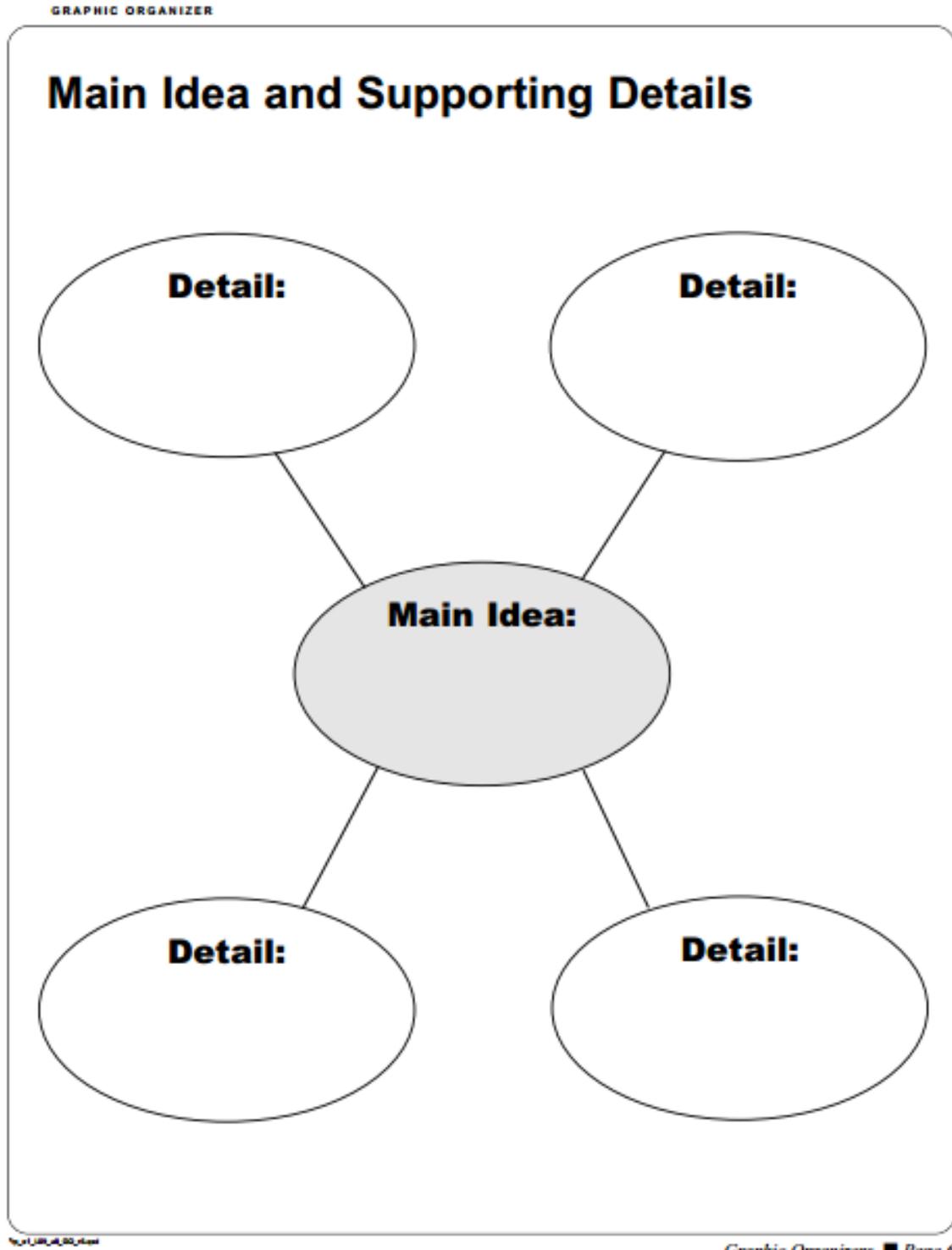
Student Copy

Credit cards are very convenient and _____ to use, but it is important to _____ how they work. _____, you need to understand what _____ means. *Interest is _____ paid for the use of a loan, OR when a loan payment is _____ or delayed.*

Therefore, when you buy something with a credit card, it is very important to _____ the money back _____. If you do not, you will be charged interest. The _____ thing to understand is what _____ means. *APR is the annual percentage rate you will pay on a purchase.* You want your APR to be low (i.e., a _____ number). Sometimes the APR will _____. You need to be aware of when that will happen. The last thing you need to understand is about _____. Credit cards charge _____ *fees* if a payment is late; some also charge _____ *fees*. You need to be aware of these fees so you can _____ them.

Overall, credit cards are easy to use, but it is _____ to understand how they work so you don't _____ money.

Graphic Organizer



Borrowing & Saving Unit: Week 2, Wednesday

Objectives <i>Learners will be able to...</i>	Materials
<p>Life skill/Literacy: Read an informational paragraph about payday loan pitfalls.</p> <p>Listening/speaking: Practice the /p/ sound in isolation and context.</p> <p>Transitions: Use simple multiplication to calculate interest.</p> <p>Grammar: Identify modals and main verbs in the present tense and conjugate the main verbs into the third person.</p>	<p>Make Student Copies</p> <ul style="list-style-type: none"> • Handout: Calculate the Interest • Handout: Pitfalls of Payday Loans <p>Make Single Copies or Reference</p> <ul style="list-style-type: none"> • <u>Volunteer Manual, 2012</u>: Letter/Sound Drill, p. 113 • Taking out a Payday Loan <p>Props, Technology, or Other Resources</p> <ul style="list-style-type: none"> • ELMO or overhead projector • Calculators

Lesson Plan

Review : Transitions (30mins)

Description: Ss will calculate interest.

Materials: copies of **Calculate the Interest**; calculators; ELMO or overhead projector.

Activity 1: Life Skill/Literacy (40mins)

Description: Ss will read an informational paragraph about payday loans and discuss the pros and cons to using them.

Materials/Prep: make copies of **Pitfalls of Payday Loans**.

Activity 2: Listening/Speaking (30mins)

Description: Ss will practice the /p/ sound in isolation and context

Materials/Prep: reference **Volunteer Manual, 2012: Letter/Sound Drill, p. 113**; reuse the copy of **Pitfalls of Payday Loans** from the previous activity.

Activity 3: Grammar Review (20mins)

Description: Ss will identify *modals* and *main verbs* in a conversation concerning a payday loan.

Materials/Prep: make one copy of **Taking out a Payday Loan**; ELMO or overhead projector.

Wrap-up

Time permitting, ask Ss to tell you one thing they learned today.

Teacher Directions: Review: Speaking/Transitions

- **Materials:** *Calculate the Interest*; calculators; ELMO or overhead projector

Step 1: Setting the Context

Review the terms *interest*, *APR*, and *fees*. Write each term on the board one at a time and define as a class. Possible definitions: *interest* = extra money paid for the use of a loan, OR when a loan payment is late or delayed; *APR* = the annual percentage rate you will pay on a purchase; *fees* = money charged when a loan payment is late.

Next pass out the **calculators** and write the following on the board: 22.99% APR. Ask your class how they would calculate the interest charged on a \$100 purchase (assuming the purchase wasn't paid off in full). First discuss how to change a percentage into a decimal: 22.99% → .2299. Then write out the equation for them → $100 \times .2299 = \underline{\hspace{2cm}}$. Perform the equation together as a class and then read the entire equation out loud → *one hundred times point two two nine nine equals twenty-two dollars and ninety nine cents*. Do a few more equations together as a class.

Step 2: Calculating the Interest

Put Ss in to pairs and pass out the **Calculate the Interest** handout. Walk around the room and help where necessary. After about 10 minutes, regroup and go over the handout together as a class. Make sure everyone says each equation out loud. Consider even going around the room so you can hear everyone read it.

Calculate the Interest	
- Visa Credit Card Terms -	
Annual Percentage Rates	Penetration rate of 2.9% on purchases used May 1 st , 2002
	After May 1 st , 2002:
	Purchases: 13.99%
	Cash advances: 20.99%
	If you do not follow the Terms: Up to 23.99%
Grace Period	25 days, but not on balance transfers
Annual Fee	\$0
Minimum Service Charge	3% on non-payment
Transaction Fee for Cash Advances	3% of the amount of each cash advance, but not less than \$10
Transaction Fee for Balance Transfers	3% of the amount of each balance transfer, but not less than \$10
Transaction Fee for Late Payments	\$20
Over-the-Counter Cash Fee	\$20

1. You make a purchase of \$100 and don't pay it off immediately. How much interest will you be charged for a:
 - 13.99% APR: $100 \times .1399 = \underline{\hspace{2cm}}$
 - 13.99% APR: $100 \times .1399 = \underline{\hspace{2cm}}$
 - 23.99% APR: $100 \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$
2. You make a purchase of \$100 and don't pay it off immediately. How much interest will you be charged for a:
 - 13.99% APR: $100 \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$
 - 13.99% APR: $100 \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$
 - 23.99% APR: $100 \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$
3. What is the annual fee?
4. What is the late payment fee?

Teacher Directions: Activity 1: Life Skill/Literacy

- **Materials:** *Pitfalls of Payday Loans*

Step 1: Setting the Context

In the same pairs for the review activity, have your Ss come up with a list of at least 5 money emergencies (*a hospital bill, car repair, etc*). Afterward, have each pair share one of their money emergencies. Next, review the ways they could pay for these emergencies IF they don't have savings. (The options discussed yesterday were *credit cards, bank loans, borrowing money from a friend or family member*). Explain that since yesterday they talked about credit cards, today they are going to talk about *payday loans*.

Step 2: Payday Loans

Write “payday” on the board and ask your class what it means. Then write “loan” next to “payday” and ask them what they think a “payday loan” is. Discuss. If no one comes up with a definition similar to the following, supply it for them: *payday loan = a small loan that is supposed be paid back by the borrower’s next paycheck.* Next, explain that this kind of loan might seem convenient and great, but that lenders charge REALLY high interest rates, and unfortunately the people who usually take out payday loans (people with bad credit and low incomes) can’t usually pay the money back by their next paycheck. They therefore get charged a lot of fees which can result in a really bad financial situation. BUT, if someone feels confident they can pay the money back in 2 weeks, then payday loans can be helpful in a money emergency.

Pass out the **Pitfalls of Payday Loans** handout. Encourage Ss to read the paragraph twice before answering the questions. As people finish, pair them up together and have them read the paragraph out loud together before discussing the questions. Once everyone is almost finished discussing the questions, regroup and go over the paragraph together: read the paragraph for your class once; then have everyone read it out loud with you. Finally, discuss the questions.

Pitfalls of Payday Loans
Adapted from "Payday Loan Pitfalls" by the National Association of Consumer Credit Administrators, www.nacaccredit.org/~/media/naacac/PDFs/Pitfalls_of_Payday_Loans.pdf

Sometimes people have a money emergency and need money quickly. If someone doesn't have savings or a credit card, they can use a payday loan. Payday loans give people money quickly, but they do have problems. The biggest problem is that payday loans charge very high interest rates. For example, a \$200 loan might cost \$75. This is a 37.5% interest rate. After 14 days, if you can't pay back the money, you have to renew. If you renew, it costs another \$75, totaling \$150. This means that a \$200 loan could end up costing you \$450! Payday loans can help with a money emergency, but they come with problems.

Questions

1. What is one good thing about payday loans?
2. What is one bad thing?
3. Do you think payday loans are good or bad? Explain in 2-3 sentences.

Teacher Directions: Activity 1: Listening/Speaking

- **Materials:** *Volunteer Manual, 2012: Letter/Sound Drill, p. 113, Pitfalls of Payday Loans*

Step 1: Setting the context

You will be working on the /p/ sound for this activity, so write down the words “potato”, “bop”, “paper”, and “span” on the board. Say each word and ask your Ss to repeat after you. Then ask them what sound is the same in each word → *look for them to say ‘p’*. If they don’t, then supply the answer for them.

Step 2: Letter/Sound Drill

Follow the instructions on p. 113 of the **Volunteer Manual**, and use **Pitfalls of Payday Loans** for the story (step 7 in the Volunteer Manual directions).

Pitfalls of Payday Loans
Adapted from "Payday Loan Pitfalls" by the National Association of Consumer Credit Administrators, www.nacaccredit.org/~/media/naacac/PDFs/Pitfalls_of_Payday_Loans.pdf

Sometimes people have a money emergency and need money quickly. If someone doesn't have savings or a credit card, they can use a payday loan. Payday loans give people money quickly, but they do have problems. The biggest problem is that payday loans charge very high interest rates. For example, a \$200 loan might cost \$75. This is a 37.5% interest rate. After 14 days, if you can't pay back the money, you have to renew. If you renew, it costs another \$75, totaling \$150. This means that a \$200 loan could end up costing you \$450! Payday loans can help with a money emergency, but they come with problems.

Questions

1. What is one good thing about payday loans?
2. What is one bad thing?
3. Do you think payday loans are good or bad? Explain in 2-3 sentences.

Teacher Directions: Activity 3: Grammar

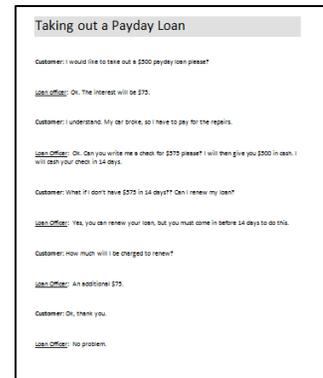
- **Materials:** *Taking out a Payday Loan*; ELMO or overhead projector

Step 1: Setting the Context

The previous activity set the context for this one.

Step 2: Practicing the Conversation

Project a copy of **Taking out a Payday Loan** on the board using the **ELMO or overhead projector**. Explain that it is a sample conversation of what might happen when they go take out a payday loan. Have half of the class be the “customer” and the other half be the “loan officer”; afterwards, have the class switch parts. Discuss any questions they might have along the way, particularly the concept of writing out a check that the loan officer will cash in 14 days. Make sure to discuss the ramifications if the person did NOT renew the loan (i.e., the check would bounce, resulting in *more* fees).



Step 3: Identifying the Grammar

Ask your class what kinds of words help make requests sound polite (*modals*, such as *can*, *could*, *would*, *will*). This is review from last week. Instruct several Ss to come up to the board and circle the modals in the conversation. Have the entire class practice saying those requests.

Next, ask them to circle the rest of the verbs in each sentence. Have them identify the tense (*present*). Then have them conjugate those verbs into the *third person* (i.e., have = has, etc.)

Calculate the Interest

• Visa Credit Card Terms •

Annual Percentage Rates	Promotional rate of 2.9% on purchases until May 1 st , 2002. After May 1 st , 2002: Purchases: 13.99% Cash advances: 20.99% If you do not follow the Terms: Up to 23.99%
Grace Period	25 days, but none on balance transfers
Annual Fee	\$25
Minimum Finance Charge	50 cents
Transaction Fee for Cash Advances	3% of the amount of each cash advance, but not less than \$10
Transaction Fee for Balance Transfers	3% of the amount of each balance transfer, but not less than \$10
Transaction Fee for Late Payments	\$29
Over-the-Credit-Limit Fee	\$29

- You make a purchase of \$100 and don't pay it off immediately. How much interest will you be charged for a :
 - 2.9% APR? $100 \times .029 =$ _____
 - 13.99% APR? $100 \times .1399 =$ _____
 - 23.99% APR? $100 \times$ _____ $=$ _____
- You make a purchase of \$1500 and don't pay it off immediately. How much interest will you be charged for a :
 - 2.9% APR? $1500 \times$ _____ $=$ _____
 - 13.99% APR? $1500 \times$ _____ $=$ _____
 - 23.99% APR? _____ \times _____ $=$ _____
- What is the annual fee?
- What is the late payment fee?

Pitfalls of Payday Loans

adapted from "Payday Loan Pitfalls" by the National Association of Consumer Credit Administrators,
www.naccaonline.org/Pages/education/PaydayLoanPitfalls-pamphlet.pdf

Sometimes people have a **money emergency** and need money quickly. If someone doesn't have savings or a credit card, they can use a **payday loan**. Payday loans give people money quickly, but they do have problems. The biggest problem is that payday loans charge very high interest rates. For example, a \$500 loan might cost \$75. This is a 15% interest rate. After 14 days, if you can't pay back the money, you have to **renew**. If you renew, it costs another \$75, totaling \$150. This means that a \$500 loan could end up costing you \$650! Payday loans can help with a money emergency, but they come with problems.

Questions

1. What is one good thing about payday loans?
2. What is one bad thing?
3. Do you think payday loans are good or bad? Explain in 2-3 sentences.

Taking out a Payday Loan

Customer: I would like to take out a \$500 payday loan please?

Loan officer: Ok. The interest will be \$75.

Customer: I understand. My car broke, so I have to pay for the repairs.

Loan Officer: Ok. Can you write me a check for \$575 please? I will then give you \$500 in cash. I will cash your check in 14 days.

Customer: What if I don't have \$575 in 14 days?? Can I renew my loan?

Loan Officer: Yes, you can renew your loan, but you must come in before 14 days to do this.

Customer: How much will I be charged to renew?

Loan Officer: An additional \$75.

Customer: Ok, thank you.

Loan Officer: No problem.

Borrowing & Saving Unit: Week 2, Thursday

Objectives <i>Learners will be able to...</i>	Materials
<p>Life skill: Identify the pros and cons to borrowing money from a family member or friend.</p> <p>Literacy: Take a practice reading test.</p> <p>Listening/speaking: Dictate sentences to each other concerning borrowing money from a family member/friend.</p> <p>Transitions: Rank 'paying for money emergency options' from best-worst, and then collect that data and display it in a bar graph.</p> <p>Grammar: Identify and conjugate verbs in a paragraph.</p>	<p>Make Student Copies</p> <ul style="list-style-type: none">• Handout: Reading Test Practice• Handout: Susie's Money Emergency, Student A & B <p>Make Single Copies or Reference</p> <ul style="list-style-type: none">• Collecting Data <p>Props, Technology, or Other Resources</p> <ul style="list-style-type: none">• ELMO or overhead projector• Paper and markers

Lesson Plan

Warm up: Literacy (15mins)

Description: Ss will take a practice CASAS reading test

Materials/Prep: make copies of **Reading Test Practice; ELMO or overhead projector.**

Activity 1: Life Skill/Listening/Speaking/Grammar (30-35mins)

Description: Ss will dictate sentences to each other and then discuss the pros/cons to borrowing money from a family member.

Materials/Prep: make copies of **Susie's Money Emergency, Student A & B; ELMO or overhead projector.**

Activity 2: Transitions (50mins)

Description: Ss will rank 'paying for money emergency' options from best to worst. Afterward they will collect the information and create bar graphs to display the information.

Materials/Prep: make one copy of **Collecting Data; paper & markers; ELMO or overhead projector.**

Wrap Up

Time permitting, pair your Ss together and have them define two new words they learned this week.

Afterwards, have each pair read their definition for the class so the class can decide what word it refers to.

Teacher Directions: Warm up: Literacy

- Materials: *Reading Test Practice*; ELMO or overhead projector

Step 1: Independent Practice

Before distributing the questions, remind learners that this is practice for their reading test. During the test they should not talk, look at their notebook or dictionary, or look at other Ss' papers.

Pass out the **Reading Test Practice** handout.

Give everyone 5 minutes to complete questions 1-4. Use this time to walk around the room and see who has easily mastered this skill and who might need extra practice.

Reading Test Practice	
• Visa Credit Card Terms •	
Annual Percentage Rates	Personalized rate of 2.9% on purchases until May 1 st , 2002
	After May 1 st , 2002
	Purchases: 13.99%
	Cash advances: 20.99%
	If you do not follow the Terms: Up to 13.99%
Grace Period	25 days, but not on future months
Annual Fee	\$12
Minimum Finance Charge	1% on all
Transaction Fee for Cash Advances	3% of the amount of each cash advance, but not less than \$10
Transaction Fee for Foreign Transactions	3% of the amount of each foreign purchase, but not less than \$10
Transaction Fee for Late Payments	\$12
Over-the-Credit Limit Fee	\$12

1. What kind of card is the information in this table for?	2. How much is the fee for a late payment?
A. Debit card	A. \$20
B. Mastercard	B. \$25
C. Visa credit card	C. 50 cents
D. American Express credit card	D. 3%

3. How much is the APR for purchases made in Oct of 2002?	4. How much is the APR for purchases made in Feb of 2002?
A. 2.9%	A. 2.9%
B. 13.99%	B. 13.99%
C. 20.99%	C. 20.99%
D. 20.99%	D. 20.99%

Step 2: Reviewing Answers

Use the ELMO or overhead projector to review the questions. Invite a student to come up and circle the correct answer. They should also circle the information in the question that helped them find the correct answer.

Teacher Directions: Activity 1: Listening/Speaking/Grammar

- Materials: *Susie's Money Emergency*, Student A & B; ELMO or overhead projector

Step 1: Setting the Context

Put Ss in pairs and give one person the **Student A** copy of **Susie's Money Emergency** and the other person the **Student B** copy. Explain that Student A will read 5 sentences to Student B. Student B needs to listen and write down what s/he hears. When they're finished, then Student B will read 5 sentences to Student A. Review asking for clarification phrases before they begin (i.e., *Can you repeat that please?*) and **model** this kind of dictation for your class if necessary.

Step 2: Borrowing money

Once everyone has finished dictating the sentences, regroup and read the paragraph together as a class. Make sure to spend time discussing whether Susie's parents should lend her the money, especially highlighting the pros and cons to borrowing money from a family member. (**NOTE:** The worksheet is meant to be multi-level, in that the Ss who finish faster can practice writing all of the sentences together to make a paragraph. This step is not needed, but will allow the slower Ss more time to finish the dictation.)

Susie's Money Emergency

Student A

Read the sentences to your partner below. Repeat the sentences if necessary.

- She has a money emergency.
- She lost her job and can't pay her rent.
- She doesn't have savings.
- She doesn't have a credit card.
- She has no credit so a bank won't give her a loan.

Now listen to your partner and write down what you hear.

-
-
-
-
-

Finally, put all of the sentences together to create one paragraph. When you're finished, read the paragraph together with your partner out loud.

Susie's Money Emergency

Student B

Listen to your partner and write down what you hear. Ask for clarification if necessary.

-
-
-
-
-

Now read the sentences to your partner below. Repeat them if necessary.

- She has to ask her parents for money.
- She already owes them \$2000.
- She borrowed this money five years ago.
- She needs payments on the car.
- Should Susie's parents give her the money?

Finally, put all of the sentences together to create one paragraph. When you're finished, read the paragraph together with your partner out loud.

Step 3: Grammar Extension - optional

Have your Ss identify the verbs in each sentence by circling them. Then discuss what tense they're in and any irregularities with the verb conjugation (*third person*). Finally, have them conjugate the verbs by using the *first person*.

Teacher Directions: Activity 2: Transitions

- **Materials:** *Collecting Data*; paper & markers; ELMO or overhead projector

Step 1: Setting the Context

Ask your class what the four options are for paying for a money emergency. Write them on the board and supply any answers they miss. ANSWERS: *savings [in an account], credit card, loan, borrow from friends/family*. Briefly discuss the pros/cons to each option; then tell your Ss to write the options down in their notebook. Afterward, have them rank the options from best to worst: 1 being the *best option* and 4 being the *worst option*.

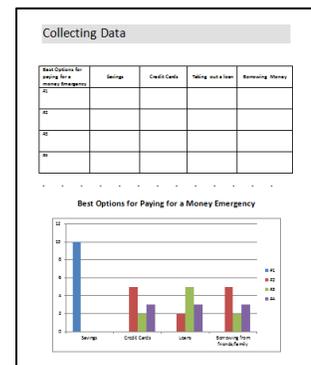
Step 2: Discussion

Put Ss into groups of 3-4 and have them share their answers. Tell your class that each person needs to share their answers with the group and explain their reasoning. After about 5 minutes, regroup and discuss as a class.

Step 3: Collecting Data

Project the table on the **Collecting Data** handout on the board and tally up the answers from your class. Once you have all of the information collected, ask your Ss questions about it: *How many students put savings as #1? How many students put credit cards as #2?* Etc. Talk about the findings – *Was anything surprising? Not surprising? etc.*

Next, display the graph. Ask your class what it is (*a bar graph*) and what it's for (*organizing/ displaying information*). Explain the parts of the graph: *title, x axis, y axis, key*. Then ask them several questions about this example graph.



Finally, explain that in pairs they are going to create their own graph for displaying the information they collected. Project the chart again so they can reference the information, and pass out **paper** and **markers**. Walk around the room and assist where necessary. Once about half of the pairs are finished, you can regroup and have a couple of pairs share their graphs by projecting it on the board using the **ELMO**.

Reading Test Practice

• Visa Credit Card Terms •

Annual Percentage Rates	Promotional rate of 2.9% on purchases until May 1 st , 2002. After May 1 st , 2002: Purchases: 13.99% Cash advances: 20.99% If you do not follow the Terms: Up to 23.99%
Grace Period	25 days, but none on balance transfers
Annual Fee	\$25
Minimum Finance Charge	50 cents
Transaction Fee for Cash Advances	3% of the amount of each cash advance, but not less than \$10
Transaction Fee for Balance Transfers	3% of the amount of each balance transfer, but not less than \$10
Transaction Fee for Late Payments	\$29
Over-the-Credit-Limit Fee	\$29

1. What kind of card is the information in this table for?

- A. Debit card
- B. Mastercard Credit card
- C. Visa credit card
- D. American Express credit card

2. How much is the fee for a late payment?

- A. \$29
- B. \$25
- C. 50 cents
- D. 3%

3. How much is the APR for purchases made in Oct of 2002?

- A. 2.9%
- B. 13.99%
- C. 23.99%
- D. 20.99%

4. How much is the APR for purchases made in Feb of 2002?

- A. 2.9%
- B. 13.99%
- C. 23.99%
- D. 20.99%

Susie's Money Emergency

Student A

Read the sentences to your partner below. Repeat the sentences if necessary.

1. Susie has a money emergency.
2. She lost her job and can't pay her rent.
3. She doesn't have savings.
4. She doesn't have a credit card.
5. She has no credit so a bank won't give her a loan.

Now listen to your partner and write down what you hear. Ask for clarification if necessary.

- 6.
- 7.
- 8.
- 9.
- 10.

Finally, put all of the sentences together to create one paragraph. When you're finished, read the paragraph together with your partner out loud.

Susie's Money Emergency

Student B

Listen to your partner and write down what you hear. Ask for clarification if necessary.

- 1.
- 2.
- 3.
- 4.
- 5.

Now read the sentences to your partner below. Repeat them if necessary.

6. Susie has to ask her parents for money.
7. She already owes them \$1000.
8. She borrowed this money five years ago.
9. She makes payments when she can.
10. Should Susie's parents give her the money?

Finally, put all of the sentences together to create one paragraph. When you're finished, read the paragraph together with your partner out loud.

Collecting Data

Best Options for paying for a money Emergency	Savings	Credit Cards	Taking out a loan	Borrowing Money
#1				
#2				
#3				
#4				

Best Options for Paying for a Money Emergency

