

6TH GRADE

TEACHER RESOURCE

DOWN
TO
BASICS



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Lesson 1: Comparing and Balancing

Upon completion of this lesson, students will be able to:

1. Identify the features and costs of a checking account at a local financial institution
2. Calculate expenses and income variables with the aid of a check register

Materials Needed:

- Local Financial Institutions Slides
- Check Register Worksheets (Print 1 per student)
- Check Register Activity Cards (Print 1 set)
- Local Financial Institutions Fact Sheets (Print enough for each group to have one sheet)

Estimated Duration: 1 class period

Open Local Financial Institutions Slides to see the images of Access Credit Union, Wells Fargo, Education Credit Union, and Happy State Bank. Ask your students what is so important about choosing a financial institution.

“Why doesn’t everyone put their money in Wells Fargo or Happy State Bank? What’s the difference?”

- Based on fees charged by a financial institution and account requirements, the consumer may pay more money for a particular financial institution to handle their money.
- We have more than one financial institution available to us because we have a right to choose who handles our money. That freedom of choice encourages financial institutions to work for their members or customers.

Slide 2:

Slide 2 displays Access Credit Union, and the list of features and fees of their free checking account*. Go down the list of features briefly, answering any questions as you go. Explain

Excess Withdrawal from Savings Fee (which is something they will come across during the activity). Excess Withdrawal Fees are charges levied on people who frequently move money from their savings to their checking accounts.

**Some features and fees for all financial institutions used in this exercise may have changed since the time this material was created.*

Slides 3-5:

Slide 3 displays the features and fees list for Wells Fargo. Repeat the process of reviewing the features and fees list, then click to the next slide and do the same with Education Credit Union, and conclude with Happy State Bank.

Activity:

Divide the students into four groups. Distribute one Local Financial Institutions Fees Sheet to each group. Each of the four groups should have a different financial institution’s list of guidelines and fees. Pass out the check register sheets to each student. As you are doing so, ask:

“Why is it important for consumers to track their financial transactions?”

- To avoid overspending
- To make sure they are charged correctly for their purchases or services

Once each student has a Check Register worksheet, and each group has its list of guidelines and fees, begin the Check Register Activity. Having groups makes it easy for students to check one another’s work, and make sure each student is balancing correctly according to their assigned financial institution guidelines.

You will draw a card out of the stack of Check Register Activity cards. As you read each card, students will write down the transaction description, the amount withdrawn or deposited, and their running balance on each line of their Check Register worksheet.

Slide 6:

Shows an example of how a balanced check register looks. Students will also be able to reference the pre-printed lines at the top of their check register worksheet to determine the correct format. Review the first card and verify that each student in every group has done the first written transaction on the Check Register worksheet correctly. Then begin working through the remaining twenty-four cards (or as many as time allows). Not all financial institutions have the same fees. If a card says to apply a certain fee and that fee is not listed on the Local Financial Institution Fees Sheet which was assigned to the group, then students do not need to deduct any fee amount.

At the end of the activity, despite starting with the exact amount of money, the students will have different ending totals because of the differences in features and fees among financial institutions.





Checking Account – an account at a financial institution in which a person deposits money and then may write checks to draw down the balance

Credit Union - a not-for-profit financial institution owned by its members and run by a volunteer board

Bank – a for-profit financial institution run by paid board members

Minimum Opening Deposit – the least amount of money required to open an account at a particular financial institution

Account Activity Fee – the amount charged for a print out of your account transactions

Account Research Fee – amount charged by a financial institution for reviewing transactions in a member's or customer's checking or savings account

Stop Payment – instructing a bank or credit union to withhold payment on a check

Money Order – a printed order for payment of a specified amount

Fee – payment in return for service

Overdraft Fee – a charge for spending more money than your checking account holds

Balance Inquiry – a request to know how much money is in an account

Balance – the amount of money held in an account

Wire Transfer – the movement of money electronically from one account to an account at a different financial institution

Transaction – business activity between customers and their financial institution; an instance of buying or selling something

Teller/Cashier's Check – a check guaranteed by a financial institution rather than a person

Financial Institution – a business that deals with depositing, loaning, investing, and exchanging money

Insufficient Funds – not having enough money in an account for a specific transaction

Balance Requirements – the least amount of money an account needs to still receive service or exist

Lesson 2: The Cornerstone of Credit

Upon completion of this lesson, students will be able to:

1. Distinguish between a debit card and a credit card
2. Explain credit and credit scores
3. Discern the effects of negative and positive credit history

Materials Needed:

- Decisions, Decisions Slides
- Decisions, Decisions Worksheets (Print 1 per student)

Estimated Duration: 1 class period

Distribute the Decisions, Decisions worksheet. Once every student has a worksheet, direct their attention to the top of the paper where they see “Debit Card Balance = \$100” and “Credit Card Funds = \$500.” Emphasize the difference between debit cards and credit cards. Debit card funds are from a person’s checking account – money that they deposited and have available to spend. Credit cards are “a loan that you can keep in your purse or wallet” – borrowed money. When a person makes a habit of charging a great deal to their credit card, they run the risk of damaging their credit score. It is best to only use a credit card when you have an emergency, or when you know you can pay off the credit card balance each month.

On the worksheet, students have \$600 dollars that they may spend. Instruct them to make whatever choices they like on the worksheet. If their choices have a monetary cost, they must add up the amount of money that they spend. There is a “Total” line after each numbered choice on the worksheet. The students must fill in the total cost of their choices (if any) on each Total line. This is a very simple exercise to demonstrate that a person who heavily relies on loans (credit cards), instead of only buying what they can afford to pay for at the moment, may hurt their financial reputation.

Once they have completed the worksheet, the students must add up all the totals from each choice, and fill in the “Final Total” line on the last page. No one may spend more than \$600 total. If anyone has gone over \$600, they have to adjust their choices to lower the total.



Once every student has completed the worksheet and determined their final totals, divide them into Groups A through E.*

Students who spent less than \$150 are group A. These students only borrowed up to \$50!

Students who spent \$151 to \$250 are group B. These students borrowed \$51 - \$150!

Students who spent \$251 to \$350 are group C. These students borrowed \$151 - \$250!

Students who spent \$351 to \$450 are group D. These students borrowed \$251 - \$350!

Students who spent more than \$450 are group E. These students borrowed over \$351!

Instruct the students to write the letter of their group inside the first box on the final page of their Decisions, Decisions worksheet.

*As students will learn in Lesson 3, much more goes into the calculation of a credit score than the amount consumers charge on credit. This simple exercise is intended to provide a concrete explanation of how over-borrowing can impact a person's financial reputation.

Decisions, Decisions Slides

Slide 1:

Inform the class that the groups they are in represent the letter grade for their credit score based on their financial choices on the Decisions, Decisions worksheet.

Address group A, and inform them since they used the least amount of their available credit they may choose from any of the four houses. Have them write the corresponding letter of their favorite house in the second box on the final page of their Decisions, Decisions worksheet. Once the students in group A make their final choice, advance to the next slide where three slightly more modest homes are displayed.

Slide 2:

Address group B, and inform them that B credit is the current American average. Allow them a brief period of time to make their house selection by recording the letter of their choice in the House box on the final page of the Decisions worksheet. Once they are finished, advance the slides once again to display two more modest homes.



Slide 3:

Address group C, and inform them that having C credit can make it very difficult to get a loan to buy a home, but it is still possible. They may not be able to purchase their dream home, but they can still own one. Allow a brief period of time for the students to make their house selection.

Once they are finished, advance the slides again to display two very modest homes.

Slide 4:

Address group D, and inform them that it is incredibly difficult to get a home loan with D credit; but, in conjunction with a significant down payment, it may be possible. Allow them a brief period of time to make their final choice and write it in the House box on the final page of the worksheet. Advance the slides one final time, and address group E.

Slide 5:

Inform the students in group E that since they used too much of their available credit that it would not be wise for them to attempt to buy a home until their debt is paid down and their credit score improves. Emphasize that borrowing for little things today can hurt them when they want to borrow for big things tomorrow.



Debit Card – a card that allows checking account owners to make purchases from their account. Funds for the purchase are immediately withdrawn

Credit Card – a card that allows the card holder to make purchases with the understanding that they have to pay the money back, perhaps with fees and/or interest

Credit – a person’s ability to receive goods or services before payment, based on the trust that payment will be made in the future; a person’s financial reputation

Credit Score – a number the Credit Bureau assigns to a person that helps lenders decide how likely it is that the person can or will be able to repay a loan

Lesson two vocabulary



Lesson 3: Pieces of the Puzzle

Upon completion of this lesson, students will be able to:

1. Identify and breakdown the information on a credit report
2. From a lender's point of view, evaluate credit worthiness based on credit scores and credit score factors

Materials Needed:

- Pieces of the Puzzle Slides
- Faux Credit Reports (Print 3 reports per group)

Estimated Duration: 1 class period

Consumers can find what their credit score is in a variety of places. Students have probably seen commercials for services like Credit Karma, a resource for credit scores. However, if they want to *understand* why their credit score is what it is, they have to look at their credit report. A credit report is a detailed summary of an individual's financial information, a list of all the creditors to whom they owe money, the loan balances, late payments, and bankruptcies. A consumer's financial information remains on the credit report for seven years.

Pieces of the Puzzle Slides

Discuss the financial terms on Slide 1 with the students. Credit score factors are explained in detail with Slide 2, but here are some talking points for credit-related vocabulary on this slide.

Delinquent:

- Teachers often take off points when a student's assignment is not turned in on time, when it is late (or delinquent). When an adult pays her bills after they are due, the bills are delinquent. Making a habit of delinquency lowers a person's credit score just like turning in late papers lowers a student's scores.



Debt Ratio:

- This ratio is a comparison between how much a person owes to how much income he makes. Having a low debt ratio is good! A grown-up with a low debt ratio has money left over after he has paid all of his bills. This is important because after he pays his bills, he has other obligations! Ask students to provide examples of the other obligations.

Slide 2:

This pie chart explains the impact of each variable that is used to calculate a credit score.

Below are talking points for each credit score factor.

Payment History:

- In each of your classes, your teacher has a grade history or a record of all your grades. If you have an F on one test, does that F alone determine your final grade for the six weeks? No, but it does make it more difficult to earn the grade average that you want!
- The same is true for adults and their credit scores. Payment history, a record of payments and whether they were made on time or not, is **35%** of a person’s credit score. It’s the largest piece of the pie, and, like a test, it affects an adults’ “grades” the most. If they make their loan payments on time, it helps their credit scores. The more often they are late making payments, the lower their scores will be.
- A credit report contains a record of all payments made, and whether they were made on-time or late! Will one missed or late payment disqualify a person from getting the loan for that house and car they’ve always dreamed about? Usually not. Just like one bad grade won’t completely destroy all your hard academic work. But if you fail several tests over the course of the school year, that will hurt your grade more, right? Just like that, more than one late or missed payment will lower a person’s credit score – it can happen quickly and dramatically.
- Do you think the student who only failed one test (or none at all) would make a better tutor or study-buddy than a student who often makes poor grades on their tests? Yes! Financial institutions think the same way about people applying for loans. A person who never makes payments late or who was late making only one payment is more reliable than a person who has a history of multiple late payments.



Amount Owed:

- This one really makes sense! If you owe a great deal of money to many different people, your credit score will be lower than the score of someone who does not owe a lot of money! The more money you owe, the more it looks like you can't make it through life without having to borrow money.
- What else do adults have to do with their money besides pay bills? Having a low debt ratio improves your credit score, and having a high debt ratio hurts it! The more credit they use (the more loans they have), the more it can hurt their credit score.

Length of Credit History:

- Having an older credit history helps make your credit score higher. For example, if their mother's first loan was to buy a car, and she bought that car 20 years ago, she would have a 20-year credit history. This would improve her score more than it would improve the score of someone who took out their first loan only five years ago, meaning their credit history is only five years old. The more mature your credit history, the better your credit score will be.

New Credit:

- All loans an adult has had in the last 25 months are listed on the credit bureau report, even new ones. Simply having a new loan show up on your credit report isn't bad. But, if a person has a lot of new loans, it may look like she is desperate for money, and so her credit score will tick down for that.

Types of Credit Used (Mix of Credit):

- Would you rather be a football star, basketball star, or baseball star? Or would you like to play all sports really well? What about entertainment? Would you rather be an actor, a singer, or a dancer? Or would you like to be talented at all three – a "triple threat"?
- Credit unions and banks trust people who are talented in many ways, who can manage all types of debt well – credit cards, student loans, car loans, and house loans! If you are good at managing different kinds of debt, that looks better than being able to handle just one kind of debt. It's generally less of a risk for banks or credit unions to lend money to a person who manages all forms of debt well because they have a proven history that reflects such.



Slide 3:

Finally, Slide 3 displays fun credit facts or tips to help someone achieve a higher credit score.

As a wrap up to this vocabulary, explain that it can take a while to even get a credit score! Once you do have a credit score, it will be altered over time based upon your payment history, the amount of money you owe, the length of your credit history, new credit you have, and your mix of credit. So, remember, you will be the master of your own credit score!

Slide 4:

This slide kicks off the You Decide activity. A faux credit report will appear. To the right is the grading scale for credit scores. Ask students to recall what they learned about credit score ranges. Direct their attention to the scores and their corresponding letter grades. Ask, “If I have a credit score of 625, what letter grade would I have?” (C)...“a credit score of 718?” (A)...or “a credit score of 550?” (E).

This particular credit report shows that the person has a score of 804, which is A+. When you look at the report summary, you can see why they are A+!

1. They have zero past due accounts. They have not been delinquent one time in the last 25 months!
2. Their credit history is 10 years old, so they have been managing debt a while.
3. They have had only two credit inquiries, so they are not desperately trying to borrow money.
4. Their debt ratio is 45% — that means that they have 55% of their income left over after they pay their bills, so they have money to take care of their other needs, like food and gas.
5. They also have a good mix of credit — a mortgage, student loans, a credit card and medical debt. They are skilled at paying on all kinds of loans!

Finally, ask the students to judge whether or not the owner of this credit report appears to be responsible and trustworthy. Would it be likely they would be granted a reasonable loan if they asked for one at their credit union? Probably so!

Next, divide the class into four groups. Explain to your students that, today, they get to be bankers at a credit union. Give each group five minutes or so to agree upon a name for their “credit union.”





Next, explain that they have had three members of their credit union request a loan, and now they must study the credit reports of those members to decide who will and who will not be able to borrow money from their bank. Each group can only approve one loan; they will deny the other two. Distribute three of the printed faux credit reports to each group, making sure each group gets at least one credit report with the score of 698 or better.

Instruct the students that, as a group, they are to carefully deliberate and then select one of those three people to receive a loan. They must work together to make a decision. On the back of the chosen applicant's sheet, they must write three reasons they chose this particular person to receive a loan. On the backs of the sheets of refused applicants, they need to write at least two reasons on each as to why they would not grant a loan to these individuals at this time.

Once every group has made their loan decisions and listed the appropriate reasons, they will stand and present their decisions to the class. They will need one group member to explain their decision on the approved loan, itemizing each item, and listing their three reasons for approving this loan. Another member of the group will explain their decisions on the declined loans, itemizing each factor and explaining the reasons they ultimately refused the loans. Once the bankers are through with their explanations, you will ask the students in the audience if they think that group made the right decision. Encourage whole group discussion.

After all of the students have presented, reinforce that there are people who do this – make these decisions about loans – every single day. That's their job. Let them know that one day their name and credit score will be on a credit report that is sent to a loan officer, branch manager, or lending board; and, the professionals who loan money will decide whether or not to give money based on their ability to handle credit – just like they did with their three faux credit reports!

Amount of Credit Used – Amount owed on credit accounts. If a high percentage of a person's available credit is being used, this can indicate that she is in too much debt.

Debt ratio – The percentage of a person's gross monthly income that goes toward paying debts. Debt ratio is calculated by dividing total monthly payments by annual gross income.

Length of Credit History – The length of time one has had a credit account as measured from the date of the oldest debt.

Mix of Credit – The mixture of credit cards, retail accounts, installment loans, and mortgage loans. A mixture of credit will give lenders a more detailed account of a person's ability to repay a loan.

New Credit – The amount of new loans recently accumulated.

Payment History – Record of one's payments, showing if the payments were made on time or if payments were late

Delinquent – The state of an account if it is not paid by the loan's payment due date



Lesson 4: Financing the Future

Upon completion of this lesson, students will be able to:

1. Define terms related to a higher education
2. Calculate the current cost of tuition for certifications and degrees at various community colleges, colleges and universities

Materials Needed:

- Cost of College Worksheet (Print 1 per student)
- Cost of College Answer Key

Estimated Duration: 1 class period

Explain to students that anyone who wants to be a high school football coach in Texas must have a Bachelor's degree, at minimum. Ask, "How many years does it take to earn a Bachelor's degree?" (The correct answer is four.) WT offers the Bachelor of Science in Education. For the 2018 – 2019 school year, the average annual cost of tuition at WT was \$8,400. Ask, "If it took four years to become a football coach and the tuition was \$8,400 per year, what was the total amount of tuition for someone to obtain a Bachelor's degree to become a coach?" \$33,600. Remind students that this was solely the cost for tuition, and did not include fees, books and supplies, housing, food and transportation costs. Higher education is expensive, but it is an investment in your future!

Explain to your students that in order to become a dentist, you first must earn your Bachelor's Degree. In 2018 – 2019, you could get a pre-med degree at WT, so the cost for the first four years of school there would be \$33,600. However, you would still have to get a doctorate, and that would mean four more years of school at a university that offers a D.D.S. (Doctorate of Dental Surgery). Texas A&M offers such a degree, and in 2018 – 2019 the price tag was \$25,000 per year! How much more than \$33,600 would you have to pay for tuition to be a dentist? Yes, an extra \$100,000! So, just for attending the required classes, you would pay a total of \$133,600! Again, that is a lot of money, but would it be a good investment in your future?

These are just basic numbers that do not include the additional costs, like student teaching, clinicals, internships, or residencies, but they do give your sixth graders insight into financing their futures. Explain to them that other factors, like in-state versus out-of-state tuition can make a big difference in how much they will pay for school. For example, the cost for a Texan to attend the University of Texas in 2018 – 2019 was around \$11,000 per year, but if a Texan wanted to go to the University of Colorado in Boulder, they would have paid over \$35,000 a year! And they can't forget that, after tuition, they still have to plan for the other expenses of attending school.

Another factor that impacts the cost of tuition is whether the school is a private or public institution. Individuals or private organizations own and run private schools. Attending a private school comes with a hefty price tag! Typically, public schools (schools that in part are funded by the state government) charge less for attending classes than do private schools.

Give each student a copy of the Cost of Higher Education worksheet. At the outset, tell them the dollar amounts they see are for the 2018 – 2019 school year. Select a student to read the first paragraph. Next, direct your students' attention to the table on the reverse side of the sheet as you read the remaining paragraphs that explain the outlay of the table and the student assignment.

Review the cost of becoming an attorney that we provide as an example. If someone attends Texas Tech with the goal of becoming a lawyer, they would spend \$11,000 each year for the first four years to obtain their Bachelor's degree. Then they would spend an additional \$26,800 per year for three years in order to obtain their law degree (a Juris Doctor, or J.D.). The total spent on tuition alone would be \$124,400!

You may choose to work through two or three more examples with your class until you feel your students are confident to proceed. This assignment should open their eyes to the very high price of higher education, and draw their interest toward the next lesson about how they can pay for this tremendous expense!

Boost activity: Have students research the current cost of tuition for schools on the chart or for other colleges and universities they are interested in. Opportunity Plan in Canyon has a helpful resource when you visit their website and click on Cost Comparison. [Opportunity Plan](#)





Vocation – a specific, skilled occupation

Vocational or Trade School – an educational institution that provides vocational training or teaches technical skills required to perform the tasks of a particular job

Community College – an educational institution where students can earn a two-year degree, a special license or certification

College – an educational institution that provides higher education and specialized professional or vocational training

University – an educational institution designed for instructing students in many branches of advanced learning; often made up of various colleges

Tuition – the sum of money charged for attending a school, college or university

Grant – a sum of money that an organization gifts a student to help pay for tuition

Scholarship – a payment made to support a student’s education, awarded because of academic or other achievement

Work Study – a college program that allows students to work part-time to help pay for school expenses while attending school

Education Savings Account (ESA) – a savings account that earns above average interest for the specific purpose of paying for education

Student Loan – money borrowed from a lender in order to pay for one’s higher education. The original money plus interest must be paid back to the lender

Lesson 5: Show Me the Money

Upon completion of this lesson, students will be able to:

1. Compare the annual salaries of several occupations requiring various levels of postsecondary education or vocational training
2. Calculate projected income over a lifetime, based on the estimated beginning salaries of various occupations

Materials Needed:

- Profession and Salary Comparison Slides
- It Looks Like This on Paper Worksheet (Print 1 per student)
- It Looks Like This on Paper Answer Key

Estimated Duration: 1 class period

Introduction:

Open Profession and Salary Comparison Slides. The first two slides display common jobs and the required education for each career. On the right hand side are random salaries. One by one, review the occupations and the schooling that is required to make it into that profession. Include in your review some of the distinctions between the different types of schools.

Through a group discussion, let the students decide which profession earns the amount of salary that is displayed on the right hand side of the slide. Below are the correct answers:

Engineer – \$80,500

Athletic Trainer – \$55,000

Principal – \$77,000

Airplane Mechanic – \$57,000

Welder – \$37,000

Architect – \$105,000

Marketing Director – \$84,000

Surgeon – \$187,000

Use this as an opportunity to reinforce that working harder and longer getting a Master's or Doctorate degree can definitely have its rewards. However, also use this as an opportunity to reinforce that an honest living doing something you really like to do is personally rewarding. In addition, the worker making a much lower salary is contributing every bit as much to society as is the architect, and chances are he or she has less debt coming out of school than does the architect.

Discussion:

- If you begin your career as a marketing director making \$84,000 a year when you get out of college, will you still be making \$84,000 ten years later? What about in twenty years? Will you still be making the same amount of money that you made to begin with? Most students will be familiar with the concept of pay raises as they have heard such discussed at home. Perhaps one of their parents or guardians received a large pay raise, and there was much celebration! Or, maybe they have seen adults in their household grimace after not receiving a pay raise they were expecting.
- When someone is planning for their future and considering a career path, it is important to investigate the beginning salary for that career, the amount they will earn in the first year of their new profession. Will the salary be sufficient for the lifestyle they want? There certainly are added costs with such choices, and it is wise to consider all variables. If they plan to marry, will both adults work? On the other hand, will they have a one-income household in which the budget relies on a sole breadwinner? Will they want children? It is important to be circumspect when making life choices. While every life decision we make should not be based on finances alone, many struggles in life can be avoided with smart financial planning as one is beginning his or her adult life and career.
- Equally important to being familiar with the beginning salary of a profession is the ability to project how that income will rise over time. Pay raises vary from profession to profession, and certainly from organization to organization. A pay raise, an annual increase in one's income that is provided by the employer, is common in most jobs. There may be years of prosperity in which some professionals receive hefty raises and bonuses! Bonuses are additional income employers provide employees who have accomplished special goals, such as selling a certain amount of products. During hard economic times workers may experience a period of pay freezes, a time in which there are no raises at all.
- In the group discussion, ask students: "What would a worker need to do in order to get a raise?" (Student responses should include variables such as, "You have to work hard," "You have to be good at what you do," and, "You have to get better at your job.")



- Understand that raises are not just handouts. In most organizations, raises are merit-based, meaning employees receive the raises their bosses believe they deserve. The person who the employer believes has worked the hardest and produced the best results for the organization will get a better raise than someone who has not been very productive.
- Some organizations, especially government organizations, establish pay scales. This means that within that organization, everyone hired for the same type of job starts out with the same pay, and as long as they stay in the same position, their salaries will be the same. Let's say two people begin working in the city's water department billing office. They make the same salary, \$20,000, that first year. After five years, if they are both still office billing staff, they have received the same raises in pay over time, and they may still make the same income, \$22,000. This is because their salaries have followed the city's pay scale for that job. In Year One, the job paid \$20,000, and in Year Five, they were at \$22,000 on the pay scale.

Activity:

Distribute It Looks Like This on Paper Worksheet. Students can work individually or in pairs.

Explain to your students that they are going to learn how to project future incomes for an occupation. This means they will look at beginning salaries and calculate the amount the salaries could increase over ten years, and then again after 20 years.

Ask a student to read the text at the top of the worksheet. Walk your class through the instructions for calculating pay increases based on an annual 2% raise. In the example provided, a police officer would begin his career earning \$49,000 a year. Over ten years, allowing for an annual 2% increase each year, a police officer would earn \$58,800 in Year Ten. In Year 20, the police officer would earn \$70,560. Stress that these incremental pay increases are only estimates, but projecting what the future might hold can help people plan big life events like marriage, buying a home, having children, and helping those kids through college!



Lesson 1: Check Register Activity Cards

<p>You lost your debit card and need a replacement</p> <p>(Apply a Debit Card Replacement fee, if applicable)</p>	<p>You transferred \$50.00 from your savings account to your checking</p> <p>(Apply an Excess Withdrawal fee, if applicable)</p>
<p>You purchased a money order to pay a \$120 bill</p> <p>(Apply a Money Order fee)</p>	<p>You requested a 3 page printout of your account statement</p> <p>(Apply an Account Activity Printout fee)</p>
<p>You made a wire transfer to send \$60 to a friend</p> <p>(Apply an Outgoing Wire Transfer fee, if applicable)</p>	<p>You stopped payment on a check</p> <p>(Apply a Stop Payment fee)</p>

<p>You purchased three \$20 Visa Gift Cards from your financial institution to give as presents</p> <p>(Apply a Gift Card fee)</p>	<p>You paid your \$91.40 electric bill</p>
<p>You paid your \$62.60 internet bill</p>	<p>You paid your \$117.80 cell phone bill</p>
<p>You purchased a cashier's / teller check for \$75</p> <p>(Apply a fee for this check)</p>	<p>You transferred \$10 from your savings account to your checking</p> <p>(Apply an Excess Withdrawal fee, if applicable)</p>

<p>You transferred \$45 from your savings account to your checking</p>	<p>You purchased a \$30 money order to pay the person who mows your lawn (Apply a Money Order fee)</p>
<p>A friend wires you \$40 for taking care of his cat while he was on vacation (Apply an Incoming Wire Transfer fee, if applicable)</p>	<p>You got \$10 in a birthday card and deposited it in your checking account</p>
<p>You withdrew \$40 out of your financial institution's ATM to hang out with friends</p>	<p>You have your financial institution conduct research on your account for three hours (Apply an Account Research fee)</p>

<p>You transferred \$40 from your savings account to your checking</p> <p>(Apply an Excess Withdrawal fee, if applicable)</p>	<p>You transferred \$25 from your savings account to your Checking</p> <p>(Apply an Excess Withdrawal fee, if applicable)</p>
<p>You transferred \$30 from your savings account to your checking</p> <p>(Apply an Excess Withdrawal fee, if applicable)</p>	<p>You transferred \$35 from your savings account to your checking</p> <p>(Apply an Excess Withdrawal fee, if applicable)</p>

Lesson 1: Local Financial Institutions Fact Sheets

Access Credit Union

Features

- ✓ \$25 deposit to open an account
- ✓ No minimum balance or monthly service fee
- ✓ Free Online Banking with free Bill Pay
- ✓ Free Smart Phone App
- ✓ Free Text Banking
- ✓ Free Checks
- ✓ Free Instant Issue Debit Card
- ✓ Free Electronic Statements
- ✓ Free Direct Deposit

Fees

- Teller Check or Money Order.....\$3.00 each
- Account Activity Printout.....\$1.00 per page
- Excess Withdrawal from Saving.....\$10.00 each (7th withdrawal)
- Outgoing Wire Transfer.....\$20.00 per transfer
- Incoming Wire Transfer.....\$5.00 per transfer
- Stop Payment.....\$22.00 per item
- Account Research.....\$20.00 per hour
- Overdraft.....\$22.00 per item
- Replace Lost Debit Card.....\$5.00 each
- MasterCard Gift Card.....\$3.00 each

Wells Fargo Bank

Features

- ✓ \$25 deposit to open an account
- ✓ No monthly service fee, if you meet the requirements
- ✓ Free Online Banking with free Bill Pay
- ✓ Free Smart Phone App
- ✓ Free Text Banking
- ✓ Free Debit Card
- ✓ Free Electronic Statements and Documents
- ✓ Free Direct Deposit
- ✓ Access to 13,000 Wells Fargo ATM's

Fees

- Money Order.....\$5.00 each
- Teller Check/Cashier's Check.....\$10.00 each
- Account Activity Printout.....\$1.00 per page
- Excess Withdrawal from Saving.....\$15.00 each (7th withdrawal)
- Outgoing Wire Transfer.....\$30.00 per transfer
- Incoming Wire Transfer.....\$15.00 per transfer
- Stop Payment.....\$31.00 per item
- Account Research.....\$25.00 per hour
- Overdraft.....\$35.00 per item
- Visa Gift Card.....\$5.00 each

Education Credit Union

Features

- ✓ \$25 deposit to open an account
- ✓ No minimum balance or monthly service fee
- ✓ Free Online Banking with free Bill Pay
- ✓ Free Smart Phone App
- ✓ Free Text Banking
- ✓ Free Instant Issue Debit Card
- ✓ Free Electronic Statements and Documents
- ✓ Free Direct Deposit
- ✓ Refunds on ATM withdrawals (up to \$15 per month)

Fees

- Teller Check or Money Order.....\$1.50 each
- Account Activity Printout.....\$2.50 per statement
- Excess Withdrawal from Saving.....\$1.50 each (5th Withdrawal)
- Outgoing Wire Transfer.....\$15.00 per transfer
- Stop Payment.....\$22.00 per item
- Account Research.....\$19.00 per hour
- Overdraft.....\$22.00 per item
- Replace Lost Debit Card.....\$5.00 each
- VISA Gift Card.....\$2.75 each



Happy State Bank

Features

- ✓ \$100 deposit to open an account
- ✓ No minimum balance or monthly service fee
- ✓ Free Online Banking with free Bill Pay
- ✓ Free Smart Phone App
- ✓ Free Text Banking
- ✓ Free Debit Card

Fees

- Money Order.....\$3.00 each
- Teller Check/Cashier's Check.....\$3.00 each
- Account Activity Printout.....\$5.00 per statement
- Outgoing Wire Transfer.....\$15.00 per transfer
- Stop Payment.....\$27.00 per item
- Account Research.....\$20.00 per hour
- Overdraft.....\$27.00 per item
- Replace Lost Debit Card.....\$5.00 each
- VISA gift card.....\$5.00 each

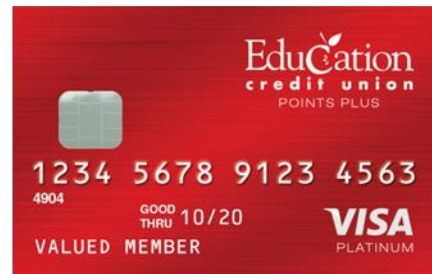
Lesson 2: Decisions, Decisions Worksheet



Balance: \$100

← **Debit**

Credit →



Available: \$500

You have \$600 available to spend. Examine the options below, and make the choice that's right for you. Make sure to keep a running total of how much you've spent. Remember, you cannot spend more than \$600.

It's your weekly trip to the grocery store. Circle each of the items you choose to purchase, and add up the total.

- Chicken—\$7.95
- Cereal— \$3.39
- Milk—\$3.12
- Bottled Water—\$5.95
- Bread— \$2.19
- Frozen Broccoli—\$2.29
- Frozen Fruit—\$4.55
- Lunch Meat—\$3.32
- Cheese—\$4.02
- Soda—\$2.50
- Frozen Dinner—\$2.50 each
- Ground Beef—\$5.15
- Chips—\$2.95

TOTAL: _____

You have finished all of your homework, and have the evening all to yourself. Do you:

(Circle one choice)

- Go to dinner and the movies with friends—\$25.00
- Go to the park with a family member—FREE
- Treat yourself at your favorite store—\$50.00
- Stay home with a book, or watch TV—FREE

TOTAL: _____

It's your best friend's birthday! What do you get her?

(Circle one choice)

- Gift card to their favorite store —\$25.00
- Something thoughtful & homemade—FREE
- Just a Card—\$7.00
- The Perfect Gift—\$50.00

TOTAL: _____

It's time for you to purchase your own cell phone plan. Which do you choose?:

(Circle one choice)

Horizon—\$25.00

JB&B—\$20.00

Dash—\$18.75

Urban PCS—\$12.50

TOTAL: _____

It's just a day to relax. What entertainment streaming service do you use?

(Circle one choice)

Wififlix—\$7.99

Yulu—\$9.99

Multiple different ones—\$30.00

If I'm relaxing, then I'm reading—FREE

TOTAL: _____

It's been a long day, and you're starving! Do you:

(Circle one choice)

Grab a burger on the way home —\$10.00

Stop at your favorite restaurant—\$20.00

Cook your own meal at home —FREE

Order a pizza—\$15.00

TOTAL: _____

You need an outfit for a very special occasion. Do you:

(Circle one choice)

Go to Target —\$50.00

Mix and Match from your closet—FREE

Go to the mall —\$70.00

Go to Wal-Mart—\$40.00

TOTAL: _____

Your hair is out of control! Do you :

(Circle one choice)

Just get a haircut —\$10.00

Haircut & color—\$40.00

Cut, Color, and Style —\$70.00

Have a family member cut your hair—FREE

TOTAL: _____

It's summertime, and you're doing your favorite hobby. What are you doing?

(Circle one choice)

Painting a picture —\$20.00

Playing sports at the park —FREE

Reading a book from the library —FREE

Playing a new video game—\$15.00

TOTAL: _____



Now that you've made all your decisions, let's see where you fit!

FINAL TOTAL: _____

GROUP:

HOUSE:



Lesson 3: Faux Credit Reports**Jacinda Alvarez****Credit Report**

Your Credit Score Is

804**Credit Rating EXCELLENT**

A+	> 736
A	735–702
B	701–653
C	652–619
D	618–587
E	586 >

Report Summary**Account Status**

Past Due	0
Amount Owed	\$189,400
Length of Credit	10 years
Credit Inquiries	2
Debt Ratio	45%

Overview

Mortgage	\$137,000
Student Loans	\$31,000
Credit Card	\$7,400
Medical	\$14,000

Would you loan this person money?
(Check if yes)

Wendy Morton

Credit Report

Your Credit Score Is

709

Credit Rating **GOOD**

A+	> 736
A	735–702
B	701–653
C	652–619
D	618–587
E	586 >

Report Summary

Account Status

Past Due	0
Amount Owed	\$196,300
Length of Credit	6 years
Credit Inquiries	8
Debt Ratio	49%

Overview

Mortgage	\$187,000
Credit Card	\$1,100
Credit Card	\$8,200

Would you loan this person money?
(Check if yes)

Susan Hughes

Credit Report

Your Credit Score Is

699

Credit Rating **FAIR**

A+	> 736
A	735–702
B	701–653
C	652–619
D	618–587
E	586 >

Report Summary

Account Status

Past Due	0
Amount Owed	\$122,950
Length of Credit	7 years
Credit Inquiries	0
Debt Ratio	61%

Overview

Wedding Loan	\$7,350
Mortgage	\$92,000
Credit Card	\$4,100
Student Loan	\$19,500

Would you loan this person money?
(Check if yes)

Anastasia King

Credit Report

Your Credit Score Is

681

Credit Rating **FAIR**

A+	> 736
A	735–702
B	701–653
C	652–619
D	618–587
E	586 >

Report Summary

Account Status

Past Due	0
Amount Owed	\$266,100
Length of Credit	15 years
Credit Inquiries	4
Debt Ratio	72%

Overview

Boat Loan	\$41,000
Mortgage	\$187,000
Credit Card	\$17,100
Student Loans	\$21,000

Would you loan this person money?
(Check if yes)

Lisa Harris

Credit Report

Your Credit Score Is

655



Credit Rating **FAIR**

A+	> 736
A	735–702
B	701–653
C	652–619
D	618–587
E	586 >

Report Summary

Account Status

Past Due	2
Amount Owed	129,800
Length of Credit	2 years
Credit Inquiries	20
Debt Ratio	67%

Overview

Mortgage	\$107,000
Credit Card	\$9,800
Medical Loan	\$13,000

Would you loan this person money?
(Check if yes)

David Jones

Credit Report

Your Credit Score Is

620

Credit Rating **UNCERTAIN**

A+	> 736
A	735–702
B	701–653
C	652–619
D	618–587
E	586 >

Report Summary

Account Status

Past Due	1
Amount Owed	\$129,800
Length of Credit	3 years
Credit Inquiries	12
Debt Ratio	71%

Overview

Mortgage	\$107,000
Credit Card	\$9,800
Student Loans	\$13,000

Would you loan this person money?
(Check if yes)

Harper Wilson

Credit Report

Your Credit Score Is

593



Credit Rating **FAULTY**

A+	> 736
A	735–702
B	701–653
C	652–619
D	618–587
E	586 >

Report Summary

Account Status

Past Due	3
Amount Owed	\$106,800
Length of Credit	1 years
Credit Inquiries	3
Debt Ratio	77%

Overview

Mortgage	\$87,000
Credit Card	\$1,800
Credit Card	\$18,000

Would you loan this person money?
(Check if yes)

Chelsea Pierce

Credit Report

Your Credit Score Is

402

Credit Rating POOR

A+	> 736
A	735–702
B	701–653
C	652–619
D	618–587
E	586 >

Report Summary

Account Status

Past Due	18
Amount Owed	\$277,350
Length of Credit	8 years
Credit Inquiries	21
Debt Ratio	100%

Overview

Mortgage	\$209,800
Credit Card	\$21,800
Student Loans	\$45,750

Would you loan this person money?

(Check if yes)

Name _____

Date _____

Lesson 4: Cost of College Worksheet

Pursuing higher education is an investment in your future, whether you get a Doctorate, a Master's, a Bachelor's or an Associate degree, or if you become licensed or certified in a particular field!

Dedication and hard work while you are young will pay off once you are established in your career.

On the back of this page, you will see a table. In the table, each row lists a general area of study, an example of a profession in that line of study, and a school where you can get a degree or certification for that profession. Next you can see the cost for attending that school for one year as well as how many years it would take to get the particular degree or certification.

Complete the table by calculating how much your total cost of school would be for each type of higher education, multiply the cost of 1 Year's Tuition by the number of years of school required. The first example has been done for you.



Area of Study	Profession	Degree or Certification At	Cost of 1 Year's Tuition	Years of School	Estimated Cost of Education
Law	Attorney	Texas Tech University	(4yrs) \$11,000 + (3yrs) \$26,800.00	7	\$124,400.00
	Paralegal	University of Colorado	\$35,400.00	4	
	Police Officer	Amarillo College	\$2,600.00	2	
Computer Software	Software Developer	The University of Texas	\$11,000.00	4	
	Graphic Designer	Midwestern State University	\$9,200.00	4	
	Web Developer	UT Permian Basin	\$7,100.00	2	
Veterinary Medicine	Veterinarian	Texas A&M University	(4yrs) \$10,200.00 + (4yrs) \$25,000.00	8	
	Licensed Vet Tech	Tarleton State University	\$8,900.00	4	
	Certified Vet Assistant	South Plains College	\$2,700.00	2	
Business	Marketing Analyst	Wayland Baptist University	(4yrs) \$15,000.00 + (2yrs) \$11,500.00	6	
	Banker	University of Oklahoma	\$27,700.00	4	
Education	Principal	West Texas A&M University	(4yrs) \$8,400.00 + (2yrs) \$6,700.00	6	
	Teacher	Lubbock Christian University	\$22,200.00	4	
	Teacher's Aide	Amarillo College	\$2,600.00	2	
Nursing	Registered Nurse	West Texas A&M University	\$8,400.00	4	
	Licensed Vocational Nurse	Clarendon College	\$2,800.00	2	
	Phlebotomist	Frank Phillips College	\$3,000.00	1	
Engineering	Nuclear Engineer	Midland College	\$4,100.00	4	
	Utility Power Worker	Amarillo College	\$2,600.00	2	



Lesson 4: Cost of College **Answer Key**

Area of Study	Profession	Degree or Certification At	Cost of 1 Year's Tuition	Years of School	Estimated Cost of Education
Law	Attorney	Texas Tech University	(4yrs) \$11,000 + (3yrs) \$26,800.00	7	\$124,400.00
	Paralegal	University of Colorado	\$35,400.00	4	\$141,600.00
	Police Officer	Amarillo College	\$2,600.00	2	\$5,200.00
Computer Software	Software Developer	The University of Texas	\$11,000.00	4	\$44,000.00
	Graphic Designer	Midwestern State University	\$9,200.00	4	\$36,800.00
	Web Developer	UT Permian Basin	\$7,100.00	2	\$14,200.00
Veterinary Medicine	Veterinarian	Texas A&M University	(4yrs) \$10,200.00 + (4yrs) \$25,000.00	8	\$140,800.00
	Licensed Vet Tech	Tarleton State University	\$8,900.00	4	\$35,600.00
	Certified Vet Assistant	South Plains College	\$2,700.00	2	\$5,400.00
Business	Marketing Analyst	Wayland Baptist University	(4yrs) \$15,000.00 + (2yrs) \$11,500.00	6	\$83,000.00
	Banker	University of Oklahoma	\$27,700.00	4	\$110,800.00
Education	Principal	West Texas A&M University	(4yrs) \$8,400.00 + (2yrs) \$6,700.00	6	\$47,000.00
	Teacher	Lubbock Christian University	\$22,200.00	4	\$88,800.00
	Teacher's Aide	Amarillo College	\$2,600.00	2	\$5,200.00
Nursing	Registered Nurse	West Texas A&M University	\$8,400.00	4	\$33,600.00
	Licensed Vocational Nurse	Clarendon College	\$2,800.00	2	\$5,600.00
	Phlebotomist	Frank Phillips College	\$3,000.00	1	\$3,000.00
Engineering	Nuclear Engineer	Midland College	\$4,100.00	4	\$16,400.00
	Utility Power Worker	Amarillo College	\$2,600.00	2	\$5,200.00

Lesson 5: It Looks Like This on Paper Worksheet



Being able to project your future income is important as you choose a career and make financial plans.

When professionals start their careers, they earn a *beginning salary*. For example, some police officers earn a beginning salary of around \$49,000.

Their beginning salary is an *annual income*, or how much they will earn in one year. The longer they remain in their profession, however, the more money they will make. Although raises can vary, a modest raise in salary is around 2% each year. Over a ten-year period, that results in a pay increase of 20%! To calculate the dollar amount of such a raise, multiply a beginning salary times 20% (.2). Next, add that product to the beginning salary to see the Year 10 income.

After 20 years in the same profession, an adult's pay will increase 20% over the amount he or she was making at Year 10, and so on!

To practice making projections about income, complete the table below. For each Year 1 Income listed, calculate the amounts of the 20% raises, and the Year 10 and 20 Incomes. The first income projection is provided as an example.

Year 1 Income	20% raise (over 10 years)	Year 10 Income	20% raise (over 10 years)	Year 20 Income
\$49,000	$\$49,000 \times .2 = 9,800$	$\$49,000 + \$9,800 = \$58,800$	$\$58,000 \times .2 = \$11,600$	$\$58,000 + \$11,600 = 69,600$
\$60,000				
\$80,000				
\$95,000				
\$105,000				

Lesson 5: It Looks Like This on Paper **Answer Key**



Being able to project your future income is important as you choose a career and make financial plans.

When professionals start their careers, they earn a *beginning salary*. For example, some police officers earn a beginning salary of around \$49,000.

Their beginning salary is an *annual* income, or how much they will earn in one year. The longer they remain in their profession, however, the more money they will make. Although raises can vary, a modest raise in salary is around 2% each year. Over a ten-year period, that results in a pay increase of 20%! To calculate the dollar amount of such a raise, multiply a beginning salary times 20% (.2). Next, add that product to the beginning salary to see the Year 10 income.

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Year 1 Income	20% raise (over 10 years)	Year 10 Income	20% raise (over 10 years)	Year 20 Income
\$49,000	$\$49,000 \times .2 = 9,800$	$\$49,000 + \$9,800 = \$58,800$	$\$58,000 \times .2 = \$11,600$	$\$58,000 + \$11,600 = 69,600$
\$60,000	$\$60,000 \times .2 = \$12,000$	$\$60,000 + \$12,000 = \$72,000$	$\$72,000 \times .2 = \$14,400$	$\$72,000 + \$14,400 = \$86,400$
\$80,000	$\$80,000 \times .2 = \$16,000$	$\$80,000 + \$16,000 = \$96,000$	$\$96,000 \times .2 = \$19,200$	$\$96,000 + \$19,200 = \$115,200$
\$95,000	$\$95,000 \times .2 = \$19,000$	$\$95,000 + \$19,000 = \$114,000$	$\$114,000 \times .2 = \$22,800$	$\$114,000 + \$22,800 = \$136,800$
\$105,000	$\$105,000 \times .2 = \$21,000$	$\$105,000 + \$21,000 = \$126,000$	$\$126,000 \times .2 = \$25,200$	$\$126,000 + \$25,200 = \$151,200$