Inspiring Greatness
INDEPENDENCE SCHOOL DISTRICT

Personal Finance Virtual Learning

11th and 12th/ Lesson: Avoiding Financial Pitfalls

Lesson: 4/16/2020

Students will be able to:

- Explore why debt occurs and how to prevent it
- Learn how debt impacts credit potential
- Discover actions to alleviate debt

What is impulsive spending?

Question Starter

Connection:

When teens borrow money from a friend or relative to buy the latest gadget, the thought of returning the payment often comes second to the initial gratification of buying the item. Long before having to pay back what they borrowed, they may have already moved on to the next thing and forgotten that they still need to pay for their purchase. As they move onto college and adult life, their attitudes around borrowing and returning will likely influence how they approach credit.

Assignment Instructions Part 1:

First write down 5 things that you would like to buy.

ie: car, video game, phone, shoes

Next, divide those items into two categories: **Wants** and **Needs**

Note: Wants and Needs can differ for individuals. One person may need new shoes because the only other shoes they own aren't wearable. Another person may want shoes because they want variety.

3 important questions to ask yourself before a purchase

1) Can I afford it?

2) How will I pay for it?

3) What will the consequences of my purchase be?

Part 2 assignment instructions:

Answer the questions after reading the 4 scenarios on the worksheet Credit Crossroads.

Next answer questions on the worksheet Debt Snowball (you will need to use an interest calculator for this assignment)

Click link on the next slide to complete Part 2 of the assignment

Interest Calculator

Assignment Link

Exit Ticket:

What is an example of good debt:

Answer Key