|  |  |
| --- | --- |
| **TEXAS CTE LESSON PLAN**  [www.txcte.org](http://www.txcte.org) | |
| **Lesson Identification and TEKS Addressed** | |
| **Career Cluster** | Finance |
| **Course Name** | Money Matters |
| **Lesson/Unit Title** | Credit History and Ratings |
| **TEKS Student Expectations** | **130.182. (c) Knowledge and Skills**  (4) The student demonstrates an understanding of the fundamental principles of money.  (A) The student is expected to explain forms of financial exchange, including cash, credit cards, debit cards, and electronic funds transfer; and  (F) The student is expected to discuss the purposes and importance of credit.  (9) The student examines how personal financial decisions are used to achieve financial goals.  (G) The student is expected to evaluate credit scores;  (H) The student is expected to use identify theft protection measures; and  (I) The student is expected to prepare personal income tax forms by completing a 1040EZ with a W-2 form and using current tax tables. |
| **Basic Direct Teach Lesson**  (Includes Special Education Modifications/Accommodations and  one English Language Proficiency Standards (ELPS) Strategy) | |
| **Instructional Objectives** | The students will be able to:   * Define and know the components of a credit report. * Understand what credit history is and why it is important. * Recognize ways to better their credit history and rating. * Know what to do if they have an inaccurate or fraudulent report. * Identify Identity Theft and methods to prevent it. * Discuss what is NOT Identity Theft. * Understand and manage credit responsibly. |
| **Rationale** | It is important for students to understand the fundamental principles of money and finances. |
| **Duration of Lesson** | 60 minutes |
| **Word Wall/Key Vocabulary**  *(ELPS c1a,c,f; c2b; c3a,b,d; c4c; c5b) PDAS II(5)* | None |
| **Materials/Specialized Equipment Needed** | * “What is in your credit score?” Worksheet (1 per student) * “What is in your credit score?” Teacher Master * “Improving your FICO credit score?” (1 per student) * “Improving your FICO credit score?” Teacher Master * Chalkboard, whiteboard, or smartboard * Computer with projection capabilities and internet access * Computers with internet access for students |
| **Anticipatory Set**  (May include pre-assessment for prior knowledge) | SHOW: Show students a group of mock credit cards, bank loans, and pictures of items (cars, houses, etc.) that loans are commonly used to purchase.  ASK: Ask students how credit card companies, banks, and mortgage companies determine who would be a good candidate to loan money to for the purchase, and who would not.  SAY: When a credit card company, bank or mortgage company loans money, they must first determine if the person that has asked for the loan will pay it back.  ASK: Ask students if they would loan money to someone if that person had borrowed money in the past from you or someone else but had not paid it back.  SAY: Credit scores are determined in much the same way.  ASK: Ask students to describe what information they would need to determine if the person that has requested the loan would be a good person to loan money to. |
| **Direct Instruction \*** | 1. Identify for the students what the objectives of the unit    1. Define and know the parts of a credit report.    2. Understand what credit history is and why it is important.    3. Be aware of ways to improve credit history and rating    4. Know how to act if a credit report is fraudulent or not accurate   TEACHER NOTE: Use the presentation as an aid. Work through each slide as you identify and discuss the Key Terms for the lesson   1. Credit History – record of your personal financial transactions. Used interchangeably with credit report   TEACHER NOTE: Ask students these questions and have them raise their hands if they:   1. **\***Have a checking account and/or a savings account; 2. **\***Have a telephone or other utilities billed in their own name; 3. **\***Have a bank credit card; 4. **\***Have a small short-term cash loan; 5. **\***Paid off any loans Explain that any of these that they raised their hand on are some of the first steps to establishing a credit history. 6. Credit Report – contains all the information regarding your finances, such as payment history and amounts owed.   TEACHER NOTE: Continue to advance through terms slides to the *Credit Report* slide.   1. **\***Explain to students that they should check their credit report closely for accuracy when they receive the free reports they are allowed each year. 2. **\***Ask students what they know about identity theft, and how it could affect them if it happened to them. 3. **\***Hint that a discussion about identity theft will follow in this lesson. 4. Credit Score   TEACHER NOTE:   1. **\***Group students into groups of 2-3. 2. **\***Give each group a copy of the “What is in your credit score” handout. 3. **\***Display the slide regarding the *credit* *report* term. 4. **\***Reiterate that a credit report contains all the information related to your finances. 5. Credit History & Ratings   TEACHER NOTE: View video via hyperlink in Slide 19 “The Big Date”   1. Identity Theft – one person, using information gathered from some source, takes on the identity of another person without permission and conducts a variety of activities using that identity    1. Prevent Identity Theft:       1. Check your credit report       2. Guard your social security number       3. Pick passwords carefully       4. Be careful what you throw away       5. Shred important information   TEACHER NOTE: The intent is to use the identity for personal gain, generally with the intent to defraud others.  **\***Ask students how they can prevent identity theft, and ask how they can make sure they are not a victim. Put the list on the whiteboard or other resource/equipment available.   1. What is NOT identity theft?    1. Someone using your credit card with your knowledge and permission    2. Someone properly exercising a legally granted power of attorney on your behalf    3. Someone making up a fake name and signing into a hotel – (this may be a crime, but it is NOT identity theft.)   TEACHER NOTE: Ask students what is NOT considered identity theft. Identify scenarios and ask students to decide if the scenario does or does not describe identity theft.  *Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*  None |
| **Guided Practice \*** | “What is in your credit score?” (group activity)  *Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*  None |
| **Independent Practice/Laboratory Experience/Differentiated Activities \*** | “Improving your FICO credit score.” Questionnaire/practice  *Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*  None |
| **Lesson Closure** | Review  Go over students’ responses to the “Improvingyour FICO credit score” questionnaire. |
| **Summative / End of Lesson Assessment \*** | Quizon Credit History and Ratings  *Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*  ESL: Financial Literacy Lessons for ESL Students [http://ida.neighborhoodpartnerships.org/assets/files/Financial\_Literacy \_Less ons\_for\_ESL\_Students.pdf](http://ida.neighborhoodpartnerships.org/assets/files/Financial_Literacy%20_Less%20ons_for_ESL_Students.pdf) |
| **References/Resources/**  **Teacher Preparation** | None |
| **Additional Required Components** | |
| **English Language Proficiency Standards (ELPS) Strategies** |  |
| **College and Career Readiness Connection[[1]](#footnote-1)** |  |
| **Recommended Strategies** | |
| **Reading Strategies** |  |
| **Quotes** |  |
| **Multimedia/Visual Strategy**  **Presentation Slides + One Additional Technology Connection** |  |
| **Graphic Organizers/Handout** |  |
| **Writing Strategies**  **Journal Entries + 1 Additional Writing Strategy** |  |
| **Communication**  **90 Second Speech Topics** |  |
| **Other Essential Lesson Components** | |
| **Enrichment Activity**  (e.g., homework assignment) | Give one copy of the “Credit Historyand Score Assignment” to each student. Have them interview an adult that is willing to share some credit knowledge with them, and complete the questionnaire. |
| **Family/Community Connection** |  |
| **CTSO connection(s)** | Future Business Leaders of America  Business Professionals of America |
| **Service Learning Projects** |  |
| **Lesson Notes** |  |

1. Visit the Texas College and Career Readiness Standards at <http://www.thecb.state.tx.us/collegereadiness/CRS.pdf>, Texas Higher Education Coordinating Board (THECB), 2009. [↑](#footnote-ref-1)