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| **TEXAS CTE LESSON PLAN**  [www.txcte.org](http://www.txcte.org) | |
| **Lesson Identification and TEKS Addressed** | |
| **Career Cluster** | Career Development |
| **Course Name** | College and Career Readiness |
| **Lesson/Unit Title** | Credit Scores and Your Financial Future |
| **TEKS Student Expectations** | **127.3. (c) Knowledge and Skills**  (5) The student demonstrates an understanding of financial management. The student is expected to:  (E) compare and contrast forms of credit, including credit cards and debit cards;  (F) discuss the importance of credit scores;  (H) examine the effects of poor credit scores as they relate to personal finance and career opportunities. |
| **Basic Direct Teach Lesson**  (Includes Special Education Modifications/Accommodations and  one English Language Proficiency Standards (ELPS) Strategy) | |
| **Instructional Objectives** | **Students will:**   * Understand ways to obtain credit scores * Develop an understanding of the effects poor credit will have on their financial future * Determine actions to take to improve credit scores |
| **Rationale** | As we briefly discussed in the previous lesson, you must have a good credit history and good credit score to be approved for forms of credit. Because a bad credit score can have a long-term effect on your financial future, it is important to make sure you understand how to maintain a good credit history, obtain your score and ways to improve your credit score. |
| **Duration of Lesson** | One 45-minute class period |
| **Word Wall/Key Vocabulary**  *(ELPS c1a, c, f; c2b; c3a, b, d; c4c; c5b) PDAS II (5)* | **Bankruptcy:** The inability of an individual to secure any more money from a bank  **Credit Bureaus:** A company that collects information relating to the credit ratings of individuals and makes it available to credit card companies and financial institutions  **Credit Report:** A record of an individual’s or company’s past borrowing and repaying, including information about late payments and bankruptcy  **Credit Risk:** An investor’s risk of loss arising from a borrower who does not make payments as promised  **Credit Score:** A number assigned to a person that indicates to lenders their capacity to repay a loan  **Default:** Failure to fulfill an obligation  **Delinquent:** Past due  **Outstanding Balance:** The amount of money owed, (or due), that remains in a deposit account (or a loan account) at a given date, after all past remittances, payments and withdrawals have been accounted for  **Repossess:** Retake possession of (something) when a buyer defaults on payments |
| **Materials/Specialized Equipment Needed** | **Equipment:**   * computer with projector for PowerPoint presentation * copies of handouts * access to a computer lab with internet access   **PowerPoint:**   * Credit Scores and Your Financial Future   **Websites:**   * FICO® Score Estimator  Allows you to estimate your credit score by completing an online questionnaire.<http://www.whatsmyscore.org/estimator/>   Quick Credit Score Fixes  Find out about the steps you can take to boost your credit score and improve your financial future.  [http://www.practicalmoneyskills.com/personalfinance/experts/practicalmoneymatters/radio/series.php?id=72&s=b](http://cte.sfasu.edu/wp-content/uploads/2012/12/CREDIT-SCORE-WORD-CLOUD.pdf?id=72&s=b)  **Graphic Organizer:**   * Credit Score Do’s and Don’ts   **Handouts:**   * What’s the Score? |
| **Anticipatory Set**  (May include pre-assessment for prior knowledge) | **Before class begins:**  Access a commercial for freecreditreport.com on YouTube and play at the beginning of class. Once the commercial is over, distribute handout, Credit Scores Do’s, and Don’ts. Students will write down factors effecting credit scores and ways to improve credit scores. |
| **Direct Instruction \*** | Introduce PowerPoint, Credit Scores, and Your Financial Future. Students will be expected to take notes and follow along throughout the presentation.  *Individual Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*   * checking for understanding * providing assistance with note-taking * supplying student with a copy of the PowerPoint presentation |
| **Guided Practice \*** | Present the last slide of the PowerPoint, Credit Scores, and Your Financial Future. Instruct students to read over the scenario. When students are finished, lead the class in a discussion identifying factors affecting the credit score.  *Individual Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*   * checking for understanding * highlighted materials for emphasis * frequent feedback |
| **Independent Practice/Laboratory Experience/Differentiated Activities \*** | Distribute handout, What’s the Score and have students complete the handout individually using the Credit Score Estimator from [http://www.whatsmyscore.org/estimator/.](http://cte.sfasu.edu/wp-content/uploads/2012/11/Credit-Scores-and-Your-Financial-Future-PPTtm.pdf) Keep students focused and on task while monitoring their work.  *Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*   * providing peer tutoring * extended time to complete the assignment * highlighted materials for emphasis |
| **Lesson Closure** | Have students take out the handout, Credit Scores Do’s and Don’ts and add more information to the chart. Discuss their responses as a class. |
| **Summative/End of Lesson Assessment \*** | Using their understanding of the importance of credit scores, students will write an essay explaining why credit scores are obtained and explain their plan for achieving a good credit score, as well as determine ways to improve a poor credit score.  *Individualized Education Plan (IEP) for all special education students must be followed. Examples of accommodations may include, but are not limited to:*   * graphic organizer to help outline thoughts * extended time to complete the assignment * do not grade for spelling |
| **References/Resources/**  **Teacher Preparation** | **Website:**   * Credit Bureaus  There are three major credit bureaus, all who use the FICO model to calculate credit scores. Each bureau compiles their own credit reports, so it is important to check your report from each of them to ensure against inaccuracies and fraud.<http://www.whatsmyscore.org/resources/bureaus.php> * FICO® Score Estimator  Allows you to estimate your credit score by completing an online questionnaire<http://www.whatsmyscore.org/estimator/> * Free Annual Credit Report  By federal law, each of the 3 major credit bureaus is required to provide you with one free copy per year of your credit report (though not your credit score) upon request. It is important to review this information not only to track and improve your financial health, but also to ensure against fraud and identity theft.<http://www.whatsmyscore.org/resources/freereport.php> * How Can I Improve My Score?  An article providing useful tips and strategies for improving your credit score<http://www.whatsmyscore.org/break/improvescore.php> * Take Control of Your Credit Score  This brochure covers all the essentials of credit scoring. Learn what a credit score is, how it’s calculated, why it’s important, and tips on how to improve your score and keep it in top form.<http://www.whatsmyscore.org/downloads/pdf/WMS_brochure.pdf> * The Mint: “Your Credit History”, written especially for teens<http://www.themint.org/teens/your-credit-history.html> * Your Credit History – The Record of How Well You Handle Credit  This brochure provides information about credit history, understanding, and obtaining your credit score.<http://www.whatsmyscore.org/downloads/pdf/PMS_Guide_CreditHistory.pdf> * What’s My Score? Provides articles, calculators and helpful tips related to credit.<http://www.whatsmyscore.org> |
| **Additional Required Components** | |
| **English Language Proficiency Standards (ELPS) Strategies** | * Word wall * Draw visual representations of terms on word wall * Add terms and definitions to personal dictionary * Utilized four corners vocabulary/ word wall activity |
| **College and Career Readiness Connection[[1]](#footnote-1)** |  |
| **Recommended Strategies** | |
| **Reading Strategies** | Print a class set or if you have access to a computer lab, allow students to read the article “Your Credit History “or other lesson related article.<http://www.themint.org/teens/your-credit-history.html>  Prior to reading, provide students with the title of the article and allow students to use the pre-reading strategy “prediction”. Ask questions such as, “What information do you think will be in this article?” and “Why do you think that?”  Once students are provided with the article, prior to reading, have them scan the content and note words that are unfamiliar to them. As a class, decode all unfamiliar words. New terms may be added to the word wall.  Encourage students to connect reading to their life experiences or prior knowledge. |
| **Quotes** | A person’s credit report is one of the most important tools consumers can use to maintain their financial security and credit rating, but for so long many did not know how to obtain one, or what to do with the information it provided. **-Ruben Hinojosa**  Your credit score is 100% based on you borrowing money and paying it back with interest on time. It’s not based on you doing smart things financially. It’s based on you loving debt. **-Dave Ramsey** |
| **Writing Strategies**  **Journal Entries + 1 Additional Writing Strategy** | **Journal Entry:**   * My parents needed to have a good credit score when…   **Writing Strategy:**   * RAFT (Role/Audience/Format/Topic) writing strategy:   + Role: loan officer   + Audience: prospective car buyer   + Format: formal letter   + Topic: improving credit score   You have just received an application for a car loan, but the applicant has a low credit score. Write a letter informing the applicant that their request was denied and provide them with some tips for improving their credit score. |
| **Communication**  **90 Second Speech Topics** | * How a low credit score could affect my future * What are some factors that contribute to a low credit score? |
| **Other Essential Lesson Components** | |
| **Enrichment Activity**  (e.g., homework assignment) | Listen to the Podcast from Practical Money Skills and discuss with class.  Quick Credit Score Fixes  Find out about the steps you can take to boost your credit score and improve your financial future. Created: 6/11/2012 by Practical Money Matters. Date Released: 6/11/12. <http://www.practicalmoneyskills.com/personalfinance/experts/practicalmoneymatters/radio/series.php?id=72&s=b> |
| **Family/Community Connection** | Create a handout informing parents and other adults within the community about ways to obtain a free credit report, factors affecting credit scores and ways to improve scores. |
| **CTSO connection(s)** | **STAR Events:**   * Applied Technology- An individual or team event: Recognizes participants who develop a project using technology that addresses a concern related to Family Consumer Sciences and/or related occupations. The project integrates and applies content from academic subjects. * Chapter Service Project (Display and Manual): A team event – Recognizes chapters that develop and implement an in-depth service project that makes a worthwhile contribution to families, schools, and communities. Students must use Family Consumer Sciences content and skills to address and take action on a community need. |
| **Service Learning Projects** | Successful service learning project ideas originate from student concerns and needs. Allow students to brainstorm about service projects pertaining to lesson. For additional information on service learning see:  [https://gsn.nylc.org/](http://www.servicelearning.org)  Also see Family/Community Connection. |

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)