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FoolProof Teacher Guide

Module Two

“Breathing Without Air”

- Lesson:** An introduction to the importance of credit and making wise credit decisions. This module works with Module Three, “Kick Some Buck.”
- Time:** 45-60 minutes (1 class period)
Two parts: pre-teach & post-teach
- Note:** This guide is, of course, only a suggestion. Feel free to modify it as needed, and please feel free to share with us your own teaching ideas for FoolProof!

1. Lesson Description

Module Two's core message: "You, the student," are the only person who determines your credit.

The goals of the module and lesson:

- Teach the students that they are already involved in the credit system.
- Show the students that they have the ability to start their credit lives in a positive way.
- Make the students aware of the bad financial and credit decisions they may already be making (or will probably be making shortly).
- Help the students see the dangers these decisions may pose for their future financial life.
- Introduce the students to credit topics such as paying on time, minimum payments, and credit scores. Higher-level credit topics include risk-based lending.

2. Objectives

Knowledge Objectives

Students will be better able to:

1. Identify what a bad decision is using examples based on teenagers' common mistakes.
2. Identify the role of credit in their lives.
3. Identify what mistakes can be made with poor credit decisions.
4. Explain the importance of paying on time.
5. Explain the dangers of "minimum payments."
6. Identify what a credit score is and identify the five factors that control credit scoring.
7. Identify and comprehend higher-level credit terms such as risk-based lending.

Skills Objectives

Students will be better able to:

1. Apply the meaning of the phrase “credit is power.”
2. Analyze why reasonable people make poor decisions when it comes to their financial lives.
3. Analyze why reasonable people make poor decisions when it comes to their credit.
4. Apply the knowledge that you, the student, are in charge of the five factors that control your credit score.
5. Apply the knowledge of risk to credit and how it affects your credit score.

Attitude Objectives

1. Students will feel they have a fundamental knowledge about how poor decisions affect their lives as well as their financial future.
2. Students will have a knowledge base to use when it comes to avoiding poor financial decisions.
3. Students will feel they have control of their financial decisions and will know they are in control of their credit history.

3. Classroom Methods

- Module One has been completed, and you have checked for understanding through the FoolProof test and your own evaluations. You are now ready for Module Two. Remember that students can go back and review any module at any time.
- This module reflects a core message of all FoolProof modules: **This is about your life right now.** How many times do students ask: “Why do we have to know this?” “Is it on the test?” “How does this affect me?” Well, we finally have an answer. **“This is all about you.”**

That is the premise of Module Two, "Breathing Without Air." People can't live without air, and a person can't live without credit. It's a message you can say again and again: "This is about **you**."

As in Module One's teaching plan, we will use a simple approach. As an introduction to Module Two, write the word "YOU" in big, bold letters on the board. Ask students if they want their financial decisions to be made by themselves or by strangers. Ask them **why they work** and **who gets their paycheck**. Ask them about their financial personalities: "Are you a saver or a spender?" Open the discussion up to the class. Get them engaged in discussing the "**you**" in relationship to their financial decisions.

Enjoy Module Two, "Breathing Without Air."

4. Evaluation

- Module Two has a review and test for evaluation at the conclusion of the module.
- To further check for understanding, have the students make a list of items they would like to purchase. The list can be futuristic. *Examples: A house, sports car, flat screen HDTV, etc.*
- Once the students have shared their lists, have them turn the paper over and have them list the five factors of credit that would allow them to make those purchases. If there is time, have them list the poor financial decisions that would cause them not to be able to make their dream purchase.
- Once the task is completed, have the students share with the class their thoughts and pull a common theme from their ideas. List them on the whiteboard, discuss quickly, and be ready by the next class period to move on to Module Three, "Kick Some Buck."