

FoolProof Teacher Guide

Module Five

“Sucker Punch”

Lesson: An extensive look at credit cards

Time: **Three** 45-60 minute class periods
Two parts: pre-teach & post-teach

Due to the content and length of Module Five, two class periods will be needed for the module and one class period for the interactive in-school homework “skills” module.

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 Five's core message: Use credit cards very carefully, or you will be hurt.

We take a tough look at the world of credit cards and their potential danger and value.

The module and lesson teach your students about the hidden aspects of credit cards:

- The dangers of financing long-term debt with credit cards.
- The importance of a credit card's "fine print."
- The importance of timely payments.
- The danger of making minimum payments.

2. Objectives

Knowledge Objectives:

Students will be better able to:

1. Understand how credit cards (and other similar loans) work.
2. Define terms such as credit, loan, annual percentage rate, interest and principal.
3. Compare various credit offers to understand the ramifications of making purchases with credit.
4. Learn how to be a responsible credit consumer.
5. Compare and contrast credit offers.
6. Compare the real cost of purchasing on credit versus delaying a purchase until you have saved enough money to pay cash.

Skills Objectives:

Students will be better able to:

1. Comprehend how credit cards may be used wisely to build credit.
2. Analyze the “grace period.”
3. Analyze “fine print” in credit card ads.
4. Calculate credit limit and minimum payment.
5. Analyze a credit card statement.

Attitude Objectives:

1. Students will feel they have a fundamental knowledge of credit cards.
2. Students will feel they have a thorough understanding of the importance of a credit card’s grace period and a thorough understanding of the importance of paying on time.
3. Students will feel they have the ability to make informed choices among companies who offer credit cards.
4. Students will feel they have the ability to make informed choices when it comes to selecting the right credit card.

3. Classroom Methods

- Module Four has been completed.
- You have checked for understanding using the FoolProof test, the homework “skills” module, and your own evaluations.
- Remember that students can go back and review any module at anytime.
- Module Five, “Sucker Punch,” is a comprehensive curriculum on credit cards. The following introductory lesson can be used before or after Module Five.

- Begin the class by asking: “How do credit cards work?” Conduct a brief discussion with students to determine their level of knowledge regarding the mathematics of credit cards. Your questions should highlight how little most students know about credit cards.

- Some important questions you could ask:
 - What is an Annual Percentage Rate (APR), or interest rate?
 - What is a Minimum monthly payment?
 - What happens when you are late with credit card bills?
 - How much should you charge on your credit card?
 - How do you choose a credit card?
 - What are ‘over limit’ fees?

Then have your students begin the module. We think you’ll see that “Sucker Punch” really holds their attention.

Enjoy “Sucker Punch!”

4. Evaluation

- Module Five has a review and test for evaluation at the conclusion.

- To further check for understanding, take a few minutes and discuss the major points in Module Five.

- Module Five has a comprehensive homework “skills” module that will require another entire class period.

Evaluation Idea:

- Once your students have successfully completed the Module Five test and the additional homework “skills” module, have them do an article review from Module Five.

Module Five has numerous articles on our FoolProof credit union website that your students could point and click to. All of these articles are relevant to the topics in Module Five and are very important to the entire learning process of this module.

Suggested Student Article Review Requirements:

- Format: A one or two page, double-spaced report in 12 pt. type with a one-inch top and bottom margin.
- Content: Introductory paragraph stating the article's relevance to the topic of study. Example: *The importance of timely payments...* Paragraph to review the article. Multiple paragraphs for student's opinion and a short conclusion.
- Divide the articles from Module Five among your class and have different members of the class present summaries of the articles as a conclusion to Module Five.

Evaluation activity:

- Pre-lesson: prior to class, have your students collect credit card ads. Collect as many as you can yourself.
- Post-lesson: Divide students into small groups of 3-4 and let them go through the ads, looking for terms and for marketing techniques the students have learned in the module and homework session.
- Students should also generate a list of new terms and marketing techniques they personally discover in the ads.
- Have students discuss the terms and techniques. I have found after completing Modules One through Five that most terms can be defined by the class.
- After 5-10 minutes bring the class together for a discussion about the important parts of credit card ads.