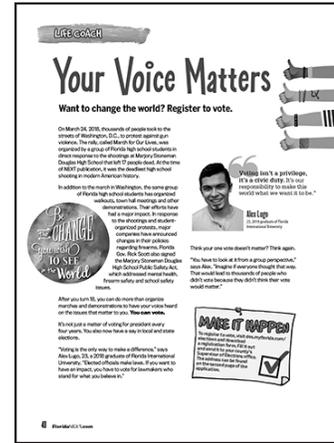




To follow reading and discussion of "Your Voice Matters" on page 48.



**LIFE: ACTIVITY 4**

# Are You Financially Literate? Activity

## INSTRUCTIONS

### Part I - Defining important words/phrases

1. Reference the NEXT article: Are You Financially Literate?
2. Divide class into groups of 4.
3. TEACHER: Ask each group to list the words/phrases that are unclear or unknown to them in the article.
4. Have one student write the group's words on a whiteboard. If words/phrases are repeated, student should put a checkmark next to the word previously listed. This indicates that these particular words are unclear to most of your students and must be addressed.
5. Depending upon the number of words, assign one or more words to each group to define using dictionary.com.
6. Share definitions.
7. Lead students in interactive discussion about why being financially literate is important to them.

### Part II - Assessing financial decisions

1. Make copies of scenario handout (attached) for each student.
2. Have students read the 2 scenarios; discuss whether the decision was financially sound and support their conclusion.

### Teacher Needs

- NEXT magazine article "Are you financially literate" on page 50
- Laptop/desktop
- Internet access
- MS Excel
- Scenarios handout (attached)

### Student Needs

- Laptop/desktop
- Internet access
- MS Excel
- Scenarios handout

### Florida State Standards

- LAFS.1112.L.1.1  
Demonstrate command of the conventions of standard English grammar and usage when writing or speaking.
- LAFS.1112.L.3.4  
Determine or clarify the meaning of unknown and multiple-meaning words and phrases based on grades 11–12 reading and content, choosing flexibly from a range of strategies.
- LAFS.1112.L.3.6  
Acquire and use accurately general academic and domain-specific words and phrases, sufficient for reading, writing, speaking, and listening at the college and career readiness level; demonstrate independence in gathering vocabulary knowledge when considering a word or phrase important to comprehension or expression.

LIFE: ACTIVITY 4

## Are You Financially Literate? Scenarios

**1. Michael wanted to buy a car** within a year so that he could drive to school and to his job in the evening. Michael's paycheck every week was \$120 after taxes. He had saved about \$4,500 over the last 3 years of work. The car he wanted cost \$6,500. Michael decided that he would borrow the \$2,000 at an interest rate of 9% and pay the loan back over the next 5 years. His monthly payment would be \$42. The total cost of the loan would be \$2,491. Do you think that Michael was making a smart decision borrowing the money? *Why or why not?*

**2. Alyssa and her dad sat down to create a budget** for her now that she had a job at the local supermarket and wanted to save money for college. They addressed all her income and listed all expenses. Her expenses included gas for her car, cell phone bill, savings for college, entertainment, and spending money. Alyssa was proud of herself for sticking to the budget and began to see money accumulate in her savings account. Her best friend, Ciara, asked Alyssa to go shopping one day. Alyssa saw the purse she ALWAYS wanted. Her spending money was about gone and so was her entertainment money for the week. But she did have enough in her savings account to cover the cost of the purse. *What do you think Alyssa should do? Why? Support your answer.*