Guide contents produced by:

Consumer Jungle

Sponsored by the
Young Adult Consumer Education Trust (YACET)

P.O. Box 638
Wenatchee, Washington 98807

customerjungle.org

Web: seattletimes.com/nie
Phone: 206/652-6290
Toll-free: 1-888/775-2655
Program/Educational Objectives

1. Did you feel the educational materials for this program:
   - Exceeded expectations
   - Met expectations
   - Did not meet expectations
   Comments: ________________________________
   ________________________________
   ________________________________

2. Did you feel the learning materials met state standards/aligned with your curricula?
   - Strongly Agree
   - Agree
   - Disagree
   - Strongly Disagree
   - Don’t Know
   Comments: ________________________________
   ________________________________
   ________________________________

3. Do you feel this program challenged your students and developed their skills?
   - Strongly Agree
   - Agree
   - Disagree
   - Strongly Disagree
   - Don’t Know
   Comments: ________________________________
   ________________________________
   ________________________________

4. What learning materials from this program were you able to use in your classroom?
   - Newspaper
   - In-paper curricula (NIE articles)
   - Lesson Plan
   - Teacher/Student Guide
   - Other:

Newspaper Use

1. Did the use of the newspaper enhance your students’ learning experience?
   - Strongly Agree
   - Agree
   - Disagree
   - Strongly Disagree
   - Don’t Know
   Comments: ________________________________
   ________________________________
   ________________________________

2. Do you feel that the newspaper-based activities in the in-paper NIE articles helped support the learning objectives of the program?
   - Strongly Agree
   - Agree
   - Disagree
   - Strongly Disagree
   - Don’t Know
   Comments: ________________________________
   ________________________________
   ________________________________

3. How often did you use the newspaper with this program?
   - Daily
   - Three times a week
   - Twice a week
   - Once a week
   - Other:

Return completed evaluation form...

By mail: NIE
The Seattle Times
P.O. Box 70
Seattle, WA 98111

Or by fax: 206/515-5615

Thank you.
The Consumer Jungle curriculum is based on a constructivist philosophy. We believe that learning is most effective when students have an opportunity to actively explore their world, gather information about it, and construct their own meaning from the experience.

In support of this philosophy, Consumer Jungle incorporates a variety of hands-on and problem-based activities. These activities are organized around problems and questions of special interest to today's students. For example, in the Independent Living unit, students assess their readiness to move out on their own. They then develop a personalized plan for obtaining this goal. Because each student's situation is unique, their areas of focus and eventual end products may be quite distinct from each other. However, such activities are often more relevant, engaging and motivating to students because they are learner-focused and authentic, encourage critical thinking, and develop useful and long-lasting knowledge and skills.
Washington State Essential Academic Learning Requirements (EALRs)

Communications

1. The student uses listening and observation skills to gain understanding.
   1.1 Focus attention
   1.2 Listen and observe to gain and interpret information
   1.3 Check for understanding by asking questions and paraphrasing

2. The student communicates ideas clearly and effectively.
   2.1 Communicate clearly to a range of audiences for different purposes

   2.2 Develop content and ideas. develop a topic or theme; organize thoughts around a clear beginning, middle, and end; use transitional sentences and phrases to connect related ideas; speak coherently and compellingly

   2.3 Use effective delivery adjust speaking strategies for a variety of audiences and purposes by varying tone, pitch, and pace of speech to create effect and aid communication

   2.4 Use effective language and style use language that is grammatically correct, precise, engaging and well-suited to topic, audience, and purpose

   2.5 Effectively use action, sound and/or images to support presentations

3. The student uses communication strategies and skills to work effectively with others.
   3.1 Use language to interact effectively and responsibly with others
   3.2 Work cooperatively as a member of a group
   3.3 Seek agreement and solutions through discussion

Economics

1. Students understand the impact of scarcity on their personal lives and on the households, businesses, governments and societies in which they are participants.
   1.1 Understand that the condition of scarcity requires people to choose among alternatives and bear the consequences of that choice.

   1.2 Understand that the availability and use of resources influences the production of goods and services in the economy.

2. Students understand the essential characteristics of past and present economic systems.
   2.1 Recognize that both buyers and sellers participate in voluntary trade because both expect to gain.

   2.3 Understand that prices in competitive markets create incentives that influence the choices of buyers and sellers.
Mathematics

1. The student understands and applies the concepts and procedures of mathematics.
   1.1 Understand and apply concepts and procedures from number sense number and numeration, computation and estimation

2. The student uses mathematics to define and solve problems.
   2.1 Investigate situations by searching for patterns and exploring a variety of approaches
   2.2 Formulate questions and define the problem
   2.3 Construct solutions by choosing the necessary information and using the appropriate mathematical tools

3. The student uses mathematical reasoning.
   3.1 Analyze information from a variety of sources; use models, known facts, patterns and relationships to validate thinking
   3.2 Predict results and make inferences and make conjectures based on analysis of problem situations
   3.3 Draw conclusions and verify results support mathematical arguments, justify results, and check for reasonableness of solutions

4. The student communicates knowledge and understanding in both everyday and mathematical language.
   4.1 Gather information — read, listen and observe to access and extract mathematical information
   4.2 Organize and interpret information
   4.3 Represent and share information — express and explain mathematical ideas using language and notation in ways appropriate for audience and purposes.

5. The student understands how mathematical ideas connect within mathematics, to other subject areas, and to real-life situations.
   5.1 Relate concepts and procedures within mathematics; recognize relationships among mathematical ideas and topics
   5.2 Relate mathematical concepts and procedures to other disciplines; identify and apply mathematical thinking and notation in other subject areas
   5.3 Relate mathematical concepts and procedures to real-life situations; understand the connections between mathematics and problem-solving skills used every day at work and at home

Reading

1. The student understands and uses different skills and strategies to read.
   1.1 Use word-recognition skills and strategies to read and comprehend text
   1.2 Use vocabulary (word meaning) strategies to comprehend text
   1.3 Build vocabulary through wide reading

2. The student understands the meaning of what is read.
   2.1 Demonstrate evidence of reading comprehension
   2.3 Expand comprehension by analyzing, interpreting, and synthesizing information and ideas in literary and information text

3. The student reads different materials for a variety of purposes.
   3.1 Read to learn new information
Writing

1. The student writes clearly and effectively.
   1.1 Develop concept and design. Develop a topic or theme; organize written thoughts with a clear beginning, middle and end; use transitional sentences and phrases to connect related ideas; write coherently and effectively.
   1.2 Use style appropriate to the audience and purpose. Use voice, word choice and sentence fluency for intended style and audience.
   1.3 Apply writing conventions. Know and apply correct spelling, grammar, sentence structure, punctuation and capitalization.

2. The student writes in a variety of forms for different audiences and purposes.
   2.1 Write for different audiences
   2.2 Write for different purposes, such as telling stories, presenting analytical responses to literature, persuading, conveying technical information, completing a team project, and explaining concepts and procedures
   2.3 Write in a variety of forms, including narratives, journals, poems, essays, stories, research reports and technical writing
   2.4 Write for career applications
Unit 1: Buying a Car

Unit Description:

While completing this unit, students will have an opportunity to explore the entire car-buying process, including personal needs assessment, comparison shopping, financing, insuring and maintaining their new or used car. Students will assess their personal needs and wants in this area, create a budget, develop and practice strategies for effective comparison shopping, and request multiple insurance quotes.

Student Learning Objectives

- To know the vocabulary frequently encountered when buying a new or used car.
- To understand the four-step, new or used car buying process.
- To examine personal wants and needs when purchasing a new or used car.
- To recognize the costs of financing a new or used car.
- To understand the different types of auto insurance.
- To be aware of the costs of maintaining a new or used car.
# Consumer Jungle

## CARS VOCABULARY

<table>
<thead>
<tr>
<th>Vocabulary</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>APR</td>
<td>The annual percentage rate for a loan. Also known as the interest rate.</td>
</tr>
<tr>
<td>ASE-Certified Mechanic</td>
<td>Automotive Service Excellence (ASE) is an impartial, third-party endorsement of a mechanic's knowledge and experience.</td>
</tr>
<tr>
<td>Bait and Switch</td>
<td>The practice of advertising a car at an unrealistically low price, then switching a customer to a different vehicle at a higher price.</td>
</tr>
<tr>
<td>Base Price</td>
<td>The cost of the car without options, but includes standard equipment and factory warranty.</td>
</tr>
<tr>
<td>Budget</td>
<td>A plan for spending and saving money during a particular period.</td>
</tr>
<tr>
<td>Certified Used Car</td>
<td>A car that has passed through the dealer's mechanical and physical inspection.</td>
</tr>
<tr>
<td>Collision &amp; Comprehensive Insurance</td>
<td>Covers the cost to repair YOUR car if YOU are at fault in an accident or if damage occurs to your car as a result of a natural disaster, vandalism, theft or fire.</td>
</tr>
<tr>
<td>Cost of the loan</td>
<td>Amount of money you will have to pay back in addition to the money you borrowed.</td>
</tr>
<tr>
<td>Credit Life Insurance</td>
<td>An insurance policy that will pay your loan obligation if you die or are disabled</td>
</tr>
<tr>
<td>Credit Score</td>
<td>The score that evaluates your credit-worthiness and determines the rate of interest you are eligible to receive. It is also called a FICO or Beacon score, and less frequently an Empirica score.</td>
</tr>
<tr>
<td>Dealer Cost</td>
<td>The true cost of the vehicle to the dealer after subtracting holdbacks and rebates from the invoice price.</td>
</tr>
<tr>
<td>Dealer List Price</td>
<td>The price posted on the “window sticker.” This is set by the factory and is, in most cases, the high end of negotiations.</td>
</tr>
<tr>
<td>Deductible</td>
<td>A set amount of money that you, the insured, must pay before an insurance company will pay for a loss.</td>
</tr>
<tr>
<td>Depreciation</td>
<td>The steady decline in the resale value of any vehicle that you buy.</td>
</tr>
<tr>
<td>Term</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Down payment</td>
<td>Amount of your own money paid upfront for a vehicle.</td>
</tr>
<tr>
<td>Extended Warranty</td>
<td>Covers bumper-to-bumper damages after the original factory warranty expires.</td>
</tr>
<tr>
<td>Factory Warranty</td>
<td>Original warranty on a new car and usually lasts for three years or 36,000 miles.</td>
</tr>
<tr>
<td>Factory-to-Dealer Holdbacks</td>
<td>A percentage of the invoice on a 30 – 60 day sales turn. It is usually 2 – 3 percent of the dealer invoice price that is refunded to the dealer after selling the car.</td>
</tr>
<tr>
<td>Factory-to-Dealer Incentives</td>
<td>A bonus or reimbursement offered on a regional or national level that is refunded to the dealer after selling the car.</td>
</tr>
<tr>
<td>Gap Insurance</td>
<td>If your car is totaled or stolen, the insurance covers the loan value of your car instead of the car's current market value.</td>
</tr>
<tr>
<td>Invoice Price</td>
<td>The manufacturer's initial charge to the dealer. This usually is higher than the dealer's cost because dealers receive rebates, allowances, discounts and holdbacks incentive awards.</td>
</tr>
<tr>
<td>Lemon</td>
<td>A vehicle that continues to have a defect that substantially impairs its use, value or safety. Generally, if the car has been repaired four or more times for the same defect within the warranty period and the defect has not been fixed, the car qualifies as a lemon.</td>
</tr>
<tr>
<td>Liability Insurance</td>
<td>Covers bodily injury or property damage that YOU cause to another person and/or vehicle.</td>
</tr>
<tr>
<td>Monroney Sticker Price (MSRP)</td>
<td>Shows the base price, the manufacturer's installed options with the manufacturer's suggested retail price, the manufacturer's transportation charge, and the fuel economy (mileage). Affixed to the car window, this label is required by federal law, and may be removed only by the purchaser.</td>
</tr>
<tr>
<td>Premium</td>
<td>The amount of money you pay for your insurance policy.</td>
</tr>
<tr>
<td>Uninsured Motorist Insurance</td>
<td>Covers YOU if someone injures you or damages your car and they either: don't have any insurance or not enough insurance.</td>
</tr>
<tr>
<td>Upside-down</td>
<td>When you owe more on your vehicle than it is worth.</td>
</tr>
<tr>
<td>Vehicle Identification Number</td>
<td>A 17-digit character number used to identify specific information about each car.</td>
</tr>
</tbody>
</table>
Lesson One: Buying a New or Used Car

SKILL-BUILDING ACTIVITY:
Vehicle Comparison Shopping

Objective:
Students complete a survey to determine their personal transportation wants and needs as a starting point for their comparison shopping.

Description:
Working individually or in teams, students answer questions about what they want and need in a car. This information will help them determine several cars to comparison shop.

Suggested Time:
- 50 minutes: Entire activity

Materials:
- "Vehicle Comparison Shopping" student worksheet.

Procedures:
- Internet-based: Hand out the "Vehicle Comparison Shopping" to students and give them access to computers connected to the Internet.

Procedure Directions:
1. Pass out the "Vehicle Comparison Shopping" student worksheet or ask students to go to the student section/cars of consumerjungle.org to download the worksheet.
2. Give students access to a computer connected to the Internet.
3. Instruct students to complete the worksheet according to the worksheet instructions.
4. Ask students to turn in the worksheet. Return the worksheets to use as a reference in future lessons.
5. Debrief as a class by summarizing common features desired by teenagers. Ask if their dream cars are truly cars that they can afford.
Section 1

Directions: Identify your personal transportation wants and needs by answering the following questions:

How will you use your car? Choose all that apply.
- Drive to school
- Drive to work
- Carry friends
- Carry family members
- Hauling
- Sports and Recreation

What kinds of roads will you drive on? This will help you decide whether you need a front-wheel, rear-wheel or four-wheel drive vehicle.
- Highway
- Suburban
- Off-road
- City
- Rural
- Mountain roads & snow conditions

Where will you park your car most of the time? Your parking space will determine the amount of money you will want to spend if the car isn’t protected from the weather or theft.
- Driveway
- Parking lot
- Street
- Garage

What extra features would you like in a car?
- Sun roof/Moon roof
- Manual or automatic transmission
- Air-conditioning
- Traction control
- CD player
- Power windows and doors
- Antilock brakes
- Tinted windows
- Power steering
- Airbags
- Other ____________________________________________

How will you pay for your vehicle? You need to know how you will pay for your car to prepare for financing a loan, if required.
- Cash
- Loan

How will you carry insurance? Identifying your insurance requirements will help you gain an accurate quote from an insurance company.
- Your parents’ policy
- Your own policy

Do you qualify for any insurance discounts? Knowing what discounts you qualify for will help you to get an accurate quote from an insurance company.
- Good student
- Non-drinking and nonsmoking
- Driver’s education
- No past accidents or tickets
Section 2

Directions: Identify three types of vehicles that meet your specifications for features and complete the questions below. Research to compare pricing and features for your three choices. Possible online resources include:

<table>
<thead>
<tr>
<th>carpoint.com</th>
<th>BBB.com</th>
<th>automall.com</th>
</tr>
</thead>
<tbody>
<tr>
<td>nadaguides.com</td>
<td>edmunds.com</td>
<td>consumerreports.com</td>
</tr>
<tr>
<td>AutoNation.com</td>
<td>autobytel.com</td>
<td>carfax.com</td>
</tr>
</tbody>
</table>

Estimate your annual fuel cost at: fueleconomy.gov based on the average of 15,000 miles per year. Find & Compare Cars / Select Year, Make, and Model / Use your Gas Prices

<table>
<thead>
<tr>
<th>Vehicle 1: Year:</th>
<th>Make:</th>
<th>Model:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Fuel Cost:</td>
<td>Monthly:</td>
<td>MPG:</td>
</tr>
<tr>
<td>Features:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Vehicle 2: Year:</th>
<th>Make:</th>
<th>Model:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Fuel Cost:</td>
<td>Monthly:</td>
<td>MPG:</td>
</tr>
<tr>
<td>Features:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Vehicle 3: Year:</th>
<th>Make:</th>
<th>Model:</th>
</tr>
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</tr>
<tr>
<td>Features:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Which vehicle would you choose and why?

Do you think you can afford this car? If not, what would you be willing to give up?
Lesson Two: Financing a New or Used Cars

SKILL-BUILDING ACTIVITY: Financing a Car Loan

Objective:
Students will understand how the relationship between the down payment, interest rate and length of a loan influences the cost of a loan.

Description:
Working individually or in teams, students use basic math skills to determine the cost of a loan and amount of the down payment.

Suggested Time:
- 50 minutes: Entire activity

Materials:
- “Financing a Car Loan” student worksheet.

Procedures:
- Internet-based: Hand out the “Financing a Car Loan” to students and ask them to go to the MSN Autos Web site: autos.msn.com/finance_insurance/finance.aspx?calc=price&dp=2000&trm=5&int=120&pmt=348

Procedure Directions:
1. Pass out the “Financing a Car Loan” student worksheet or ask students to go to the student section/cars on consumerjungle.org to download the worksheet.
2. Instruct students to complete the worksheet according to the worksheet instructions.
3. Ask students to turn in the worksheet to grade individually, have students swap worksheets and correct, or go over the answers in class.
4. Debrief as a class by summarizing key concepts and themes, including the relationship between the interest rate, the length of the loan, the down payment amount, and the monthly loan payment.
Down Payment: The amount of your own money you pay upfront for the vehicle. It is recommended that you make a 10 – 20 percent down payment. The larger the down payment you are able to make, the less principle you will need to borrow.

How to Calculate a Down Payment

- Identify the down payment amount (20%) and move the decimal point over two spaces: $20\% = 0.20$
- Multiply the price of the car by the percentage of the down payment: $\$12,000 \times 0.20 = \$2,600$

Interest: The fee lenders charge for the use of their money. The interest rate is also known as the Annual Percentage Rate (APR). Interest is influenced by the interest rate, length of the loan, and amount of the down payment. The lower the interest rate, the less it costs to borrow money to purchase a vehicle. The longer the length of the loan, the more it costs to borrow money.

Places to Get a Car Loan

- Bank: A commercial bank usually charges a higher interest rate than other sources.
- Car dealer: Car dealers offer financing. Many times they are able to offer a lower interest rate than other sources.
- Credit union: A credit union provides loans to its members. The interest rate varies but, in general, the rate is lower than commercial banks and higher than the car dealers.

SECTION 1

Directions: Use the examples given to compute the down payment required to purchase the following vehicles:

1. Compute the amount of a 20% down payment for the following vehicles:

<table>
<thead>
<tr>
<th>Vehicle</th>
<th>Price</th>
<th>Down Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Truck</td>
<td>$13,000</td>
<td></td>
</tr>
<tr>
<td>Sedan</td>
<td>$23,000</td>
<td></td>
</tr>
<tr>
<td>Coupe</td>
<td>$18,500</td>
<td></td>
</tr>
</tbody>
</table>

2. Compute the amount of a 15% down payment for the following vehicles:

<table>
<thead>
<tr>
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</tr>
</thead>
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<tr>
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</tr>
<tr>
<td>Coupe</td>
<td>$18,500</td>
<td></td>
</tr>
</tbody>
</table>
Unit 2: Wireless Phones

Unit Description

While completing this unit, students will learn about wireless phone carriers, service plans, phones, options and extras, laws and etiquette. Students will assess their personal needs and wants in this area, analyze wireless advertising, and develop and practice strategies for effective comparison shopping.

Student Learning Objectives

- To understand the vocabulary and language frequently encountered when shopping for a wireless phone and service plan.
- To understand the role of marketing and advertising in the wireless phone industry.
- To examine personal wants and needs in relation to purchasing a wireless phone.
- To compare the costs and advantages and disadvantages of wireless phones, plans and extras.
- To identify and observe wireless phone laws and “social laws” or etiquette.
# Consumer Jungle

## WIRELESS PHONES VOCABULARY

<table>
<thead>
<tr>
<th>VOCABULARY</th>
<th>DEFINITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activation fee</td>
<td>A one-time fee to customers to start a wireless phone plan.</td>
</tr>
<tr>
<td>Airtime</td>
<td>Time period in which you are sending or receiving calls, usually rounded up to the nearest minute.</td>
</tr>
<tr>
<td>Authorized Agent</td>
<td>A retailer that is authorized to sell phones and plans on behalf of the carrier.</td>
</tr>
<tr>
<td>Bluetooth</td>
<td>A technology that allows wireless, hands-free communication with your phone.</td>
</tr>
<tr>
<td>Carrier</td>
<td>Communications company that provides customer service, including air time, to wireless phones.</td>
</tr>
<tr>
<td>Code Division Multiple Access (CDMA)</td>
<td>Digital technology used to transmit wireless phone calls by assigning them codes that allow calls to travel on the same frequency. Uses cellular and PCS frequencies.</td>
</tr>
<tr>
<td>Coverage</td>
<td>Geographical area in which your wireless phone sends and receives calls.</td>
</tr>
<tr>
<td>Dead Zone</td>
<td>A spot where service is not available because the signal between the handset and the cell tower is blocked.</td>
</tr>
<tr>
<td>Early Termination Fee</td>
<td>A fee charged by the carrier when a customer ends a wireless phone service contract early.</td>
</tr>
<tr>
<td>Family Plan / Shared Minutes</td>
<td>When two or more individuals have shared minutes under a single phone bill.</td>
</tr>
<tr>
<td>Global System for Mobile Communication (GSM)</td>
<td>Digital technology used to transmit wireless phone calls by dividing cell phone calls into time slots. Only uses PCS frequencies.</td>
</tr>
<tr>
<td>Home Calling Area</td>
<td>The geographic service area provided by the carrier. Roaming also occurs when a carrier does not have service in a particular location, and your wireless phone is handed to another carrier.</td>
</tr>
<tr>
<td><strong>Instant Messaging</strong></td>
<td>An extension of instant messaging from a home computer. You can send and receive instant messages from your computer via your wireless phone. This is a sub-category of text messaging.</td>
</tr>
<tr>
<td><strong>Long Distance</strong></td>
<td>A call made to someone outside of your home calling area.</td>
</tr>
<tr>
<td><strong>Mobile-to-Mobile / In-Network Minutes</strong></td>
<td>Allows customers who use the same carrier to call each other without using peak time minutes. Same as &quot;In-Network Minutes.&quot;</td>
</tr>
<tr>
<td><strong>Monthly Service Charge</strong></td>
<td>The base amount a customer pays per month for a specific wireless phone plan.</td>
</tr>
<tr>
<td><strong>Number Portability</strong></td>
<td>Federal law that allows consumers to keep their phone number when changing wireless phone carriers.</td>
</tr>
<tr>
<td><strong>Off-Peak Time</strong></td>
<td>The time period in which a carrier offers discounted airtime charges, usually defined as on the weekends and weeknights.</td>
</tr>
<tr>
<td><strong>Peak Time</strong></td>
<td>The period of heaviest traffic on a carrier’s network, usually defined as Monday through Friday, early morning until 9 P.M.</td>
</tr>
<tr>
<td><strong>Personal Communication Service (PCS)</strong></td>
<td>A frequency between 1800 and 1990 MHz that digital technology can operate on in addition to cellular frequencies at 850 MHz.</td>
</tr>
<tr>
<td><strong>Prepaid Service Plans</strong></td>
<td>Paying for wireless phone minutes before you use them. Avoids exceeding your monthly peak minutes and paying overage charges. No contract required.</td>
</tr>
<tr>
<td><strong>Roaming</strong></td>
<td>Occurs when you make and receive calls using another carrier’s wireless phone towers.</td>
</tr>
<tr>
<td><strong>Rollover Minutes</strong></td>
<td>Minutes leftover at the end of the monthly time period that rollover to the next month’s airtime allotment.</td>
</tr>
<tr>
<td><strong>Smart phones</strong></td>
<td>Smart phones combine a personal digital assistant (PDA) and a wireless phone.</td>
</tr>
<tr>
<td><strong>Text Messaging / Short Messaging Service (SMS)</strong></td>
<td>The ability to send and receive short text messages to and from wireless phones.</td>
</tr>
</tbody>
</table>
Lesson One: Plans

SKILL-BUILDING ACTIVITY:
Comparing Plans

Objective:
Students will find and compare five wireless phone coverage plans by researching various wireless phone plans from at least two different carriers and completing a comparison spreadsheet.

Description:
Working individually or in teams, students will find various offers from wireless phone carriers. They need to research five wireless phone coverage plans from at least two different carriers. They then will fill in a spreadsheet illustrating the information that they found. They will then discuss within their groups or as a class what each company is offering and what the best plan is for their specific town/region.

Suggested Time:
- 50 minutes: research/find various wireless phone carriers and fill in spreadsheet.
- 30 minutes: class presentations and/or discussion of findings.

Materials:
- “Comparing Plans” worksheet for students.

Procedures:
Have students find five wireless phone plans/information from at least two different carriers the night before as homework in newspapers, magazines, or printed from the Internet. Or the teacher can find information from the same sources and duplicate them for the class.

- Classroom-based: Students then complete the spreadsheet by hand. The activity culminates with students presenting their findings.
- Computer-based: Students then complete the spreadsheet in Microsoft Word.
- Internet-based: Have students find wireless phone plans/offers via the Internet using the following Web sites:
  - cingular.com/indexc
  - www1.sprintpcs.com
  - verizonwireless.com
  - tmobile.com

Procedure Directions:
1. Pass out “Comparing Plans” worksheet or download it from consumerjungle.org to computers and explain what students should be comparing between five different plans/offers. Have students pick similar plans from each carrier that offer the same amount of minutes.
2. Once students analyze and assess the various plans/offers, they need to input information into their spreadsheets.
3. Students then present their spreadsheets to the class via a discussion or presentation.
### Consumer Jungle

#### Lesson One: Plans

**Skill-Building Activity**

**Comparing Plans Worksheet**

<table>
<thead>
<tr>
<th>Plan 1</th>
<th>Plan 2</th>
<th>Plan 3</th>
<th>Plan 4</th>
<th>Plan 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrier</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Plan Name</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Offer (example free phone with two-year contract)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly Service Charge</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peak-Time Minutes</td>
<td></td>
<td></td>
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<tr>
<td>Anytime Minutes</td>
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<tr>
<td>Off-Peak / Night &amp; Weekend Minutes</td>
<td></td>
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<tr>
<td>Mobile-to-Mobile / In-Network Minutes</td>
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</tr>
<tr>
<td>Peak-Minutes Start Time</td>
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<tr>
<td>Peak-Minutes End Time</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Overage Minutes (cost per minute)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roaming (cost per minute)</td>
<td></td>
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<tr>
<td>Long Distance (cost per minute)</td>
<td></td>
<td></td>
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<tr>
<td>Cost of Text Messaging, Sending Pictures, E-mail, Internet, etc. per month</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL Cost per Month (Monthly Service Charge + Extras)</td>
<td></td>
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</tbody>
</table>
Lesson Two: Options & Extras

FOUNDATION ACTIVITY:
All the Bells and Whistles

Objective:
Students will find and compare prices of various ringtones, games, wallpaper/screensavers and sounds by researching various wireless phone companies and completing a comparison spreadsheet.

Description:
Working individually or in teams, students will find various price offers on ringtones, games, wallpaper/screensavers, and sounds from wireless phone carriers. They need to research at least three different retailers selling these features and then fill-in the spreadsheet and answer the questions. They will then discuss within their groups or as a class what each company is offering and where to find the best prices.

Suggested Time:
- 50 minutes: Research/find various wireless phone carriers
- 30 minutes: Class presentations and/or discussion of findings

Materials:
- “All the Bells & Whistles” student worksheet.

Procedures:
Have students find various wireless phone extras (ringtones, games, etc.) from at least three different retailers the night before as homework OR the teacher can find and duplicate the information for students.

- Classroom-based: The students complete the spreadsheet by hand.
- Computer-based: Students complete the spreadsheet on their computer using Microsoft Word or creating a new spreadsheet in Microsoft Excel.
- Internet-based: Have students find various wireless phone extras using the Internet. Students can fill in the spreadsheet by hand or on the computer.

cingular.com/media
www1.sprintpcs.com
getitnow.vzwshop.com
tmobile.com/services

There are other companies and businesses that offer wireless phone extras such as VH1 or MTV. Monitor student to insure that they are on school-appropriate sites.

Procedure Directions:
1. Pass out the “All the Bells & Whistles” student handout or ask students to go to the student section/wireless phones section of consumerjungle.org to download the template.
2. Have students research wireless phone options and input the data into the spreadsheet.
3. Students should then present their spreadsheets to the rest of the class via a class discussion or formal presentation.
## Lesson Two: Options & Extras

### Foundation Activity

All the Bells & Whistles Student Worksheet

---

<table>
<thead>
<tr>
<th></th>
<th>Web site 1</th>
<th>Web site 2</th>
<th>Web site 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Web site</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price per Game</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price per Ring Tone</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price per Screen Saver</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price per Wallpaper</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price per Sound</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Which Web site has the best overall prices?

2. Do any of these Web sites require you to pay a monthly maintenance fee?

3. Which Web site has the best overall selection?

4. Would you buy any of these downloads? If so, which ones?
Unit 3: Credit

Unit Description
While completing this unit, students will learn about how to manage credit in addition to the influence of media on our perception of the good life and how we use credit. Students will also learn about how to shop for a credit card, the use of credit by college students, and the significance of their credit score and report.

Student Learning Objectives
- To understand advantages and disadvantages of credit cards.
- To analyze appropriate and inappropriate uses of credit cards.
- To analyze media strategies that encourage the acquisition and use of credit cards.
- To comparison shop multiple credit cards and select the best value card.
- To understand the use of credit cards by college students.
- To compare different types of credit accounts and their characteristics on a credit report and understand a credit score.
- To understand vocabulary and language frequently used in credit card offers, agreements and statements.

Additional Resources: Commercial Video Clips
The following URLs have commercial video clips posted to their Web site that complement “The Good Life” lecture and lesson plans. You will need a high-speed internet connection to access and play the commercials effectively. (Please let Consumer Jungle know if these urls change.)

- American Express “My Life. My Card.” Commercials
  www.newswire.ca/en/releases/mmnr/amex/
- MasterCard “Priceless” Commercials
  priceless.com/promo/e1.html
- Visa “Life Takes Visa” Commercials
  usa.visa.com/personal/visa_brings_you/advertising/index.html?it=bl/View%20Our%20New%20Advertising
### Consumer Jungle Vocabulary

<table>
<thead>
<tr>
<th>Vocabulary</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affinity card</td>
<td>A credit card offered by two groups, one a financial institution and the other a non-financial institution, such as a college or an airline.</td>
</tr>
<tr>
<td>Annual fee</td>
<td>A bank charge for use of a credit card each year, which can range from $0 to $300.</td>
</tr>
<tr>
<td>APR</td>
<td>A yearly rate of interest that includes fees and costs paid to acquire the loan.</td>
</tr>
<tr>
<td>Authorized user</td>
<td>Any person who has permission to use a primary card holder’s credit card; although they are not legally responsible for the debt, their credit report will be positively or negatively affected by the primary cardholder’s credit history.</td>
</tr>
<tr>
<td>Average daily balance</td>
<td>Billing method that is determined by adding each day’s balance and then dividing that total by the number of days in a billing cycle.</td>
</tr>
<tr>
<td>Balance transfer</td>
<td>The process of moving an unpaid credit card debt from one issuer to another.</td>
</tr>
<tr>
<td>Balance-transfer fee</td>
<td>Fee charged for transferring an outstanding balance from one card to another.</td>
</tr>
<tr>
<td>Billing cycle</td>
<td>The number of days between the last statement date and the current statement date.</td>
</tr>
<tr>
<td>Billing statement</td>
<td>The monthly bill sent by a credit card issuer to the customer.</td>
</tr>
<tr>
<td>Card holder agreement</td>
<td>The written statement that gives the terms and conditions of a credit card account.</td>
</tr>
<tr>
<td>Cash-advance fee</td>
<td>A charge by the bank for using a credit card to obtain cash.</td>
</tr>
<tr>
<td>Co-signer</td>
<td>An individual who agrees to repay a loan or consumer debt if the borrower defaults. Their credit report will be positively or negatively affected by the borrower’s credit history.</td>
</tr>
<tr>
<td>Credit bureau</td>
<td>A business that collects and sells information about how consumers repay debt.</td>
</tr>
<tr>
<td>Credit card insurance</td>
<td>Policies that are categorized under life, disability, unemployment and property and have varying benefits — from paying the minimum monthly payment to covering in-full the debt that existed at the last billing cycle.</td>
</tr>
<tr>
<td>Credit limit</td>
<td>The maximum amount you can charge on a credit account.</td>
</tr>
<tr>
<td>Credit report</td>
<td>A document containing financial information about a person, focusing on his or her history of paying obligations, such as a mortgage, car payment, utilities and credit cards. Also includes current balances on outstanding debts, the individual’s amount of available credit, public records such as bankruptcies, and inquiries about credit from various companies.</td>
</tr>
<tr>
<td>Credit score</td>
<td>A number, roughly between 300 and 850, that reflects the credit history detailed by a person’s credit report.</td>
</tr>
<tr>
<td>Currency-exchange fee</td>
<td>Amount charged for the convenience of using your credit card to convert U.S. dollars to foreign currency.</td>
</tr>
<tr>
<td>Default</td>
<td>A designation that indicates a person has not paid a debt that was owed.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>F (Fixed) interest rate</strong></td>
<td>If the letter “F” appears after the annual percentage rate (APR) the interest rate is fixed and not subject to change.</td>
</tr>
<tr>
<td>Finance charge</td>
<td>The charge for using a credit card, composed of interest costs and other fees.</td>
</tr>
<tr>
<td>Floor</td>
<td>The minimum rate possible on a variable-rate loan or line of credit, after any initial introductory rate period.</td>
</tr>
<tr>
<td>Grace period</td>
<td>The interest-free time a lender allows between the transaction date and the billing date.</td>
</tr>
<tr>
<td>Indexed rate</td>
<td>A variable interest rate that is the sum of the published index plus the margin.</td>
</tr>
<tr>
<td>Installment credit</td>
<td>A loan that is paid in equal monthly installments with a fixed interest rate. Loan payments include principal and finance charges and are a form of closed credit.</td>
</tr>
<tr>
<td>Interest</td>
<td>Money paid for the use of money.</td>
</tr>
<tr>
<td>Introductory or teaser interest rate</td>
<td>The low rate charged by a lender for an initial period to entice customers to switch credit cards.</td>
</tr>
<tr>
<td>Late-payment Fee</td>
<td>Charge imposed for not paying on time.</td>
</tr>
<tr>
<td>Minimum payment</td>
<td>The minimum amount a cardholder can pay to keep the account from going into default.</td>
</tr>
<tr>
<td>Minimum-finance charge</td>
<td>Fee charged for using the credit card even when you pay off the balance in full every month.</td>
</tr>
<tr>
<td>Monthly periodic rate</td>
<td>The interest rate factor used to calculate the interest charges on a monthly basis. The factor equals the annual APR divided by 12.</td>
</tr>
<tr>
<td>Over-the-credit-limit fee</td>
<td>A fee charged for exceeding the credit limit on the card.</td>
</tr>
<tr>
<td>Payday loan</td>
<td>A short-term, high-interest cash loan secured by a paycheck.</td>
</tr>
<tr>
<td>Payment allocation</td>
<td>How your payment will be applied when you have differing rates.</td>
</tr>
<tr>
<td>Pre-approved</td>
<td>Have passed a preliminary credit-information screening to qualify for a credit card.</td>
</tr>
<tr>
<td>Returned-check fee</td>
<td>Fee charged when your check bounces at the bank.</td>
</tr>
<tr>
<td>Revolving credit</td>
<td>Creditor places a credit limit for a given period, and the consumer can add charges as long as the credit limit is not exceeded and the account remains in good standing. Another name for open credit.</td>
</tr>
<tr>
<td>Secured card</td>
<td>A credit card that a cardholder secures with a savings deposit to ensure payment of the outstanding balance if the cardholder defaults on payments.</td>
</tr>
<tr>
<td>Three Cs of credit</td>
<td>One way lenders evaluate credit worthiness. The three Cs represent: Character: The way you handle money and have repaid debt in the past. Capacity: Your ability to pay the debt after considering other monthly expenses. Capital: The value of your assets or what you own.</td>
</tr>
<tr>
<td>Two-cycle billing</td>
<td>Billing method that charges you interest from the day you make a purchase for the current and the previous month when you don’t pay off the balance.</td>
</tr>
<tr>
<td>Universal default</td>
<td>If you are more than 30 days late on a payment to anyone, your credit card company can raise your interest rate.</td>
</tr>
<tr>
<td>V (variable) interest rate</td>
<td>If the letter V appears after the annual percentage rate (APR), the interest rate is variable and subject to change.</td>
</tr>
</tbody>
</table>
Lesson One: Credit Wisdom

FOUNDATION ACTIVITY:
Credit Wisdom

Objective:
Students will research and analyze the benefits and disadvantages of using a credit card by interviewing a friend or family member who has experience with credit cards.

Description:
Working individually, students will complete the interview worksheet by interviewing a friend or family member concerning his/her experience using credit cards.

Suggested Time:
- 25 minutes: Interview (Homework Assignment)
- 25 minutes: Class presentations and/or discussion of findings (the next day.)

Materials:
- “Credit Wisdom” student worksheet.

Procedures:
- Classroom-based: Have students complete the interview the night before as homework.
- Internet-based: Students could conduct the interview online via e-mail or Instant Messaging.

Procedure Directions:
1. Pass out the “Credit Wisdom” student worksheet and explain what students should be looking for and assessing through the interview process. Have students think about a friend or family member they could easily interview within the next 24 hours.

2. Have students complete the Interview worksheet as homework that night.

3. The next day, facilitate a class discussion concerning what the students learned from their interviews. Use the following discussion questions to explore the objectives of the lesson:
   - What common concerns do parents hold about credit card use for young adults?
   - What responsibilities do young adults have when using a credit card?
   - How do financially responsible adults monitor and restrict their use of credit cards?
   - How can the abuse of credit affect other aspects of life?
   - What would be considered appropriate use of credit cards for young adults?
   - How does our culture encourage the use of credit cards?
What is the name and the age of the person you are interviewing? What is your relationship to person you are interviewing?

1. What basic money management skills do you think teenagers should learn before they are independent?

2. Which credit mistakes do you believe are the most serious?

3. What do you see as the advantages of using credit cards?

4. What do you see as the disadvantages of using credit cards?

5. How are money issues a stress to adults?

6. What advice would you give young adults applying for their first credit card?

7. Why do many Americans overextend themselves financially with credit cards?

8. Do you believe credit is too easy for young adults to obtain? Why or why not?

9. Describe appropriate and inappropriate uses of credit cards for young adults.

10. What are the consequences of the abuse of credit cards?
Lesson Two: Selling Students Credit

ASSESSMENT ACTIVITY:
My Credit Card Plan

Objective:
Students will summarize their acquired knowledge and create a plan on how they will manage a credit card.

Description:
Working individually, students will create a plan on how they will manage a credit card when they go off to college or work, or are in a position where their parents are not covering their expenses.

Suggested Time:
- One Day: Research and create a PowerPoint presentation, assign unfinished work as homework
- One Day: Class presentations and/or discussion of plans.

Materials:
- “My Credit Card Plan” worksheet.

Procedures:
- Classroom-based: Students create a plan with hand-made visual aids illustrating their findings and what they learned throughout this lesson.
- Computer-based: Students create a PowerPoint presentation with their plan.

Procedure Directions:

1. Pass out the “My Credit Card Plan” worksheet and explain your expectations for this project.

2. Ask students to create a PowerPoint presentation illustrating what they learned. As the teacher, you may choose how many slides students should complete per category. The following categories are just a guide as to what information students should cover. Feel free to set the PowerPoint slide limit to fit your students’ abilities and skill levels:
   a. Introduction: What are your plans after high school? Higher Education, Military, workforce, mission, travel, etc.
   b. Financial Independence Status: What are your financial responsibilities? What percentage will you be either financially independent or dependent from your parents? For example, if you are going to college, are you paying for tuition and are your parents paying for room and board?
   c. Who is paying for all the extras like car insurance, gasoline, “fun money” for going out, etc.?
   d. Will you get your own credit card or become an authorized user on your parent’s card?
   e. What will you charge on your credit card?
   f. How will you make sure that you don’t spend more on your credit card than you can pay off at the end of the month?
   g. What advice will you give to a friend to help him or her manage a credit card?
   h. Students then explain their plans to the class via presentations or facilitated discussion.
   i. Students may add more slides/information if they’d like to.
 Instructions: Reevaluate, synthesize and summarize what you learned throughout this lesson by creating a personalized plan to manage your credit card.

**PowerPoint presentations should contain answers to the following questions:**

1. **Introduction:** What are your plans after high school? Higher Education, Military, workforce, mission, travel, etc.

2. **Financial Independence Status:** What are your financial responsibilities? What percentage will you be either financially independent or dependent from your parents? For example, if you are going to college, are you paying for tuition and are your parents paying for room and board?

3. **Who is paying for all the extras like car insurance, gasoline, “fun money” for going out, etc.?**

4. **Will you get your own credit card or become an authorized user on your parent’s card?**

5. **What will you charge on your credit card?**

6. **How will you make sure that you don’t spend more on your credit card than you can pay off at the end of the month?**

7. **What advice will you give to a friend to help him or her manage a credit card?**

*You may add more slides/information if you like.*
Lesson Three: Selling Students Credit

ASSESSMENT ACTIVITY:
The Credit Safari

Objective:
Students will select appropriate and inappropriate uses of credit cards by role-playing a college student that must choose to either use cash or a credit card to pay for a variety of real-life scenarios.

Description:
This interactive decision-based game reviews the concepts and knowledge presented in this unit. Students navigate through a variety of reality-based scenarios, using their knowledge of credit to chart their course. Scenarios are included that relate to student attitudes toward credit, their comprehension of facts, and their ability to apply knowledge.

Suggested Time:
- 25 minutes: Activity
- 15 minutes: Questions and discussion

Materials:
- Access the “Credit Safari” activity online at consumerjungle.org

Procedure Directions:
1. Instruct students to access the “Credit Safari” in Students / Credit / Quizzes
2. Have students work individually or as a team to answer the questions.
3. In this interactive game, students choose one of two credit cards, and then are faced with five scenarios on how to spend money. They can either use the $100 cash in their pocket or use their credit card.
4. Ask students to print their score at the end of the game for class discussion and/or grading.
5. Follow-up with discussion questions listed in the teacher answer key.

The answer key to this activity is available by logging into our Secure Teacher Section (consumerjungle.org).
Lesson Three: Selling Students Credit

ASSESSMENT ACTIVITY:
The Credit Safari

Students will have to choose a credit card among two alternatives: Credit Gold and Platinum Spending. Selecting a credit card doesn’t count as a right or a wrong answer, but if the student chooses Platinum Spending, they will start off with a $50 charge on their credit card because they chose the card with an annual fee, not to mention a higher APR, shorter grace period, and higher fees.

Platinum Spending
$1,600 credit limit
$50 membership fee
APR = 19.8 percent
Grace period = 20 days
Fees = $35

Credit Gold
$1,600 credit limit
No annual membership fee
APR = 12 percent
Grace period = 25 days
Fees = $25

Between each scenario, the student will see a screen with a summary of their credit card activity on the left and their cash activity on the right. The student starts off with a $0 balance on their credit card and $100 cash in their pocket to spend. Some of the alternatives to charge do not give a specific amount because so often, when we use a credit card, we don’t know how much we will spend.

Scenario #1: Buy new clothes
Charge $100 at Abercrombie & Fitch
Spend $20 cash at Old Navy
Buying clothes is not an emergency so no need to use the credit card.

Scenario #2: Groceries & gas. Student loses job and wonders how to pay for food and gas.
Spend $50 cash and eat Top Ramen for a month
Charge an undetermined amount of groceries for the next two weeks ($100)
Avoid using a credit card to charge routine living expenses.

Scenario #3: Abandon or tow car
Leave on the side of the road and risk it being impounded ($500)
Charge $200 to get the car towed and back on the road
This is an actual emergency that warrants charging the towing and repair to a credit card because the student doesn’t have enough cash to cover the expense.

Scenario #4: Dinner for yourself or friends. Should student treat friends to dinner?
Pay cash for your individual meal ($20)
Charge an undetermined amount to treat all of your friends to dinner ($100)
Pay cash for your own meal and avoid buying for everyone to look like the “big spender.”
The student wins $250 in cash from a raffle ticket drawing. The cash is added to their cash balance. This unexpected windfall of money gives students the opportunity to pay off their credit card balance, but others may choose to spend it.

### Scenario #5: Pay off credit card or spring break

| Charge $1,000 on the credit card to go on a spring break trip |
| Use $250 cash to pay off credit card and save for summer trip |

The final screen will give students their score. Students should pay cash for all scenarios except for scenario #3 “Abandon or tow car” scenario because that is a true emergency.

### Discussion questions

1. Why was Credit Gold a better credit card to choose?
2. Why isn’t it a good idea to charge routine living expenses? Why do you think it cost twice as much to eat for a month when the student used their credit card instead of cash?
3. Why was it a better idea to use a credit card to tow and fix the car instead of leaving it on the side of the road?
4. Why is it better not to offer to treat all of your friends to dinner?
5. Why is it not a good idea to charge a $1,000 trip?
6. What was your total credit card balance? Cash balance?
7. How many hours will you have to work to pay off your credit card balance?
8. Do you think that you’ll have time to work these hours and go to school full-time?
9. Is it tempting to just pay the minimum payment? Why is only paying the minimum payment a bad idea?
Lesson Four: Credit Scores and Reports

SKILL-BUILDING ACTIVITY: Checking Your Credit Report

Objective: Students will analyze payment history and identify different types of credit accounts by analyzing a credit report.

Description: Working individually, students will access their free credit report. If they do not have one, students are to ask a parent to access their credit report for the activity. Upon completing the activity, students will understand the major components of a credit report.

Suggested Time:
- 50 minutes: Activity
- 15 minutes: Discussion

Materials:
- “Checking Your Credit Report” student worksheet.

Procedures:

Procedure Directions:
1. Hand out or instruct students to access the “Checking Your Credit Report” worksheet.
2. Instruct students to go to annualcreditreport.com / “Start here to view and print your free credit report now” / Select Your State.
3. Each student should print off their credit report. They may want to black out personal information on the printed report such as their SSN #.
4. Ask students to fill out the “Checking Your Credit Report” worksheet.
5. Discuss the worksheet questions in class and answer any questions students may have.
LESSON FOUR: CREDIT SCORES & REPORTS
Skill-Building Activity
Checking Your Credit Report Worksheet

Directions:

- Go to annualcreditreport.com / “Start here to view and print your free credit report now” / Select Your State. The Web site will prompt you to enter you SSN #, date of birth, and current address. If you haven’t lived at your current address for more than two years, you will need your former address.
- Choose one of the credit bureaus to receive your credit report from: Experian, Equifax or TransUnion.
- First try to access your own credit report, but if you don’t have one on file, then ask one of your parents if you can check theirs.
- Once you have a credit report, check it over to make sure that everything is accurate.
- The credit report will list all of your open accounts and previously closed accounts.

Late Payments: You should see a key that tells you if you are current on your payments or if you have been late. An X, simply means unknown, and you should not worry about this.

<table>
<thead>
<tr>
<th>LatePayment</th>
<th>NotApplicable</th>
<th>Unknown</th>
<th>Current</th>
<th>30 days late</th>
<th>60 days late</th>
<th>90 days late</th>
<th>120 days late</th>
<th>TotalCreditLimit</th>
</tr>
</thead>
</table>
| 1. Have you had any late payments in the last year? If so, were you 30, 60, 90 or 120 days late? What will you do in the future to ensure that you are not late on a payment again?

2. List the number of open accounts you have by each type. Some accounts may be listed twice, and in that case, only count them once. Look for “account type” and any of these possible types:

<table>
<thead>
<tr>
<th>Installment Account</th>
<th>Mortgage Account</th>
<th>Open Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revolving Account</td>
<td>Credit Limit</td>
<td></td>
</tr>
<tr>
<td>Revolving Account</td>
<td>Credit Limit</td>
<td></td>
</tr>
<tr>
<td>Revolving Account</td>
<td>Credit Limit</td>
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<tr>
<td>Revolving Account</td>
<td>Credit Limit</td>
<td></td>
</tr>
<tr>
<td>Revolving Account</td>
<td>Credit Limit</td>
<td></td>
</tr>
<tr>
<td>Total Credit Limit</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3. Are there any accounts that you thought were closed that are still open? Are there any accounts that you no longer use and want to close?

You have the right under federal law to challenge items on your credit report. The credit bureau then has 30 days to decide whether that item should be removed.

4. Are there any unsatisfactory accounts? What can you do to make these accounts satisfactory?

Credit reporting agencies:

Equifax
P.O. Box 105069
Atlanta, GA 30348
Report fraud: Call 800-525-6285
and write to address above

Experian
P. O. Box 9532
Allen, TX 75013
Report fraud: Call 888-397-3742
and write to address above

Transunion
P.O. Box 6790
Fullerton, CA 92834
Report fraud: 800-680-7289
and write to address above

5. Who is making inquiries to your credit report? Why do you think they are checking your credit report?

a. Regular Inquiries

b. Promotional Inquiries

c. Account Review Inquiries

The following shows how long information stays on your credit report:

- Trade (Sears, Nordstrom's, Macy's, etc.) credit card companies or collections agencies stay on credit report for seven years from date of last activity.

- Judgments or liens stay on credit report for seven years from date it is filed.

- Chapter 7 bankruptcy stays on for 10 years.

- Medical is difficult and has to be handled case by case.
Unit Description

While completing this unit, students will learn about: landlord and tenant rights and responsibilities; deciphering rental and leasing agreements; costs of establishing a first residence; benefits of budgeting; major categories of living expenses; surviving and thriving with roommates.

Student Learning Objectives

- To compare and contrast the rights and responsibilities of landlords and tenants.
- To understand vocabulary and language frequently encountered when establishing a first residence.
- To identify the typical costs associated with establishing and maintaining a first residence.
- To identify the benefits of establishing a personal budget.
- To identify the major categories of expenses within a typical monthly.
- To identify strategies for living compatibly with a roommate.
## INDEPENDENT LIVING VOCABULARY

<table>
<thead>
<tr>
<th>Vocabulary</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>A plan for spending and saving money during a particular period.</td>
</tr>
<tr>
<td>Credit check</td>
<td>A check of your credit score and credit report to see if your history shows that you will be a responsible tenant.</td>
</tr>
<tr>
<td>Discretionary expense</td>
<td>A cost or obligation that is determined by personal wants and needs and may be controlled (clothes, entertainment, eating out).</td>
</tr>
<tr>
<td>Disposable income</td>
<td>An individual’s income after taxes and other living expenses are paid.</td>
</tr>
<tr>
<td>Eviction</td>
<td>To force a tenant to leave a property usually because he or she failed to comply with the terms of the rental or lease agreement.</td>
</tr>
<tr>
<td>Expense</td>
<td>A cost or obligation to meet a need or pay a debt.</td>
</tr>
<tr>
<td>Fixed expense</td>
<td>A cost or obligation that occurs regularly and doesn’t vary in amount (rent, car payment).</td>
</tr>
<tr>
<td>Gross income</td>
<td>An individual’s income before taxes are paid.</td>
</tr>
<tr>
<td>Landlord</td>
<td>A person or organization that owns property that is rented to tenants.</td>
</tr>
<tr>
<td>Lease</td>
<td>An agreement that requires a tenant to stay for a specific amount of time and restricts the landlord’s ability to change the terms.</td>
</tr>
<tr>
<td>Month-to-month rental agreement</td>
<td>An agreement for an unspecified amount of time, with rent usually payable on a monthly basis.</td>
</tr>
<tr>
<td>Need</td>
<td>An essential such as food, shelter, clothing and transportation.</td>
</tr>
<tr>
<td>Net income</td>
<td>An individual’s income after taxes are paid.</td>
</tr>
<tr>
<td>Rent</td>
<td>A regular payment made to an owner or landlord for the right to occupy or use property.</td>
</tr>
<tr>
<td>Renter’s Insurance</td>
<td>An arrangement by which a company gives a renter financial protection against loss or harm, for example, theft or fire, in return for payment.</td>
</tr>
<tr>
<td>Savings</td>
<td>Unspent income.</td>
</tr>
<tr>
<td>Security deposit</td>
<td>Money required for leasing or renting property as protection for the landlord in case the tenant doesn’t pay rent or maintain the rental.</td>
</tr>
<tr>
<td>Tenant</td>
<td>A person who rents a house or an apartment for a fixed period of time. This arrangement is usually under the terms of a lease or some similar legal agreement.</td>
</tr>
<tr>
<td>Utility</td>
<td>A service such as electricity, gas or water that is provided by a public utility.</td>
</tr>
<tr>
<td>Variable Expense</td>
<td>A cost or obligation that occurs regularly but may vary in amount. Examples include utilities, groceries and the telephone bill.</td>
</tr>
<tr>
<td>Want</td>
<td>Something extra that isn’t an essential or that steps-up a basic need.</td>
</tr>
</tbody>
</table>
Lesson One: Landlord-Tenant

SKILL-BUILDING ACTIVITY:
A Place to Hang Your Hat

Objective:
Students will compare the costs and advantages and disadvantages of potential housing alternatives by searching the classified advertising section of the local newspaper.

Description:
Working individually or in groups of two, students will identify the average costs of a variety of housing alternatives and the advantages and disadvantages of each type. When they finish this activity, students identify the best housing option for them personally.

Suggested Time:
- 50 to 60 minutes: Entire activity

Materials:
- “A Place to Hang Your Hat” student worksheet.
- Have The Seattle Times classified advertising sections available.

Procedures:
- Classroom-based: Have students complete the “A Place to Hang Your Hat” worksheet in class using classified advertisements from the newspaper.
- Internet-based: Have students search for places to live online using craigslist.com

Procedure Directions:
1. Pass out the “A Place to Hang Your Hat” student worksheet and instruct students to work individually or in small groups.
2. Distribute copies of the rental advertising section of The Seattle Times or have students work online at classroom computers.
3. Direct students to find different types of rental housing.
4. Ask students to find an ad for the most and least expensive place for each type of rental housing and list the rent for these places on their handouts.
5. Instruct students to identify and list the advantages and disadvantages of each type of rental housing listed on their handout.

It's important to remind students that expense is only one factor in choosing a place to live. Discuss advantages and disadvantages such as privacy, location, loneliness, living space, companionship, proximity to work, friends and laundry facilities.

6. Ask the students to complete this exercise by identifying the type of housing they will most likely pursue when they decide to move out on their own.
**Directions**

Look in the classified ads for different types of rental housing. For each type, list the least expensive and most expensive place you found plus advantages and disadvantages for each.

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>Least Expensive</th>
<th>Most Expensive</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rented Room</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apartment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apartment to Share</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>House to Share</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Condominium to Rent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Townhouse to Rent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>House to Rent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Other:</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
Lesson Two: Budgeting

FOUNDATION ACTIVITY:
Budget Basics

Objective:
Students will understand the importance of identifying fixed, variable and discretionary income and expenses by creating a personal budget.

Description:
Working individually, students establish a personalized monthly budget based on their anticipated future income levels. Students often mistakenly assume that budgeting is a rigid, painful process. This exercise emphasizes that budgeting should be an ongoing, flexible process, guided by each individual’s personal goals and priorities.

Suggested Time:
- 30 minutes: Introductory overview
- 20 – 30 minutes: Complete worksheet
- 15 minutes: Class discussion

Materials:
- “Budget Basics” student worksheet.
- Provide calculators for student to use.

Procedures:
- Classroom-based: Have students complete the “Budget Basics” worksheet in class.
- Computer-based: Ask students to download the “Budget Basics” worksheet from the student section of consumerjungle.org on their individual computers. Have students type their answers into the worksheet and then print their answers. Excel formulas are included for subtotals and grand totals. Remind student that they will need to adjust the formulas if they add or subtract rows from the worksheet.

Procedure Directions:
1. Ask students to brainstorm the benefits of budgeting and the major components of a typical budget. Note: Students will have brainstormed an approximate version of the handout “Budget Basics.”

2. Pass out the “Budget Basics” student worksheet and have students complete the worksheet in class. If students do not complete the worksheet, assign it as homework.
   a. Estimate their approximate income level when they move out on their own. Note: This should be based on the student’s anticipated level of education.
   b. Estimate amounts for each of the budget items listed. Note: At this stage in the unit, students’ estimates will likely be unrealistic.

3. Discuss the budgets and give feedback on realistic and unrealistic budgets in addition to categories of spending that are out of balance with the entire budget.
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STUDENT WORKSHEET

BUDGET BASICS WORKSHEET

1. Strive to save 10 percent of your net income. Rent/Mortgage should be no more than 28 percent of net income. Your car payment, insurance and gas should be no more than 28 percent.

2. Calculate what percentage of net income the following represent: Savings, Fixed, Variable, Discretionary and TOTAL Expenses

<table>
<thead>
<tr>
<th>Income or Expense</th>
<th>Estimated Amount</th>
<th>% of Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Monthly Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25 percent Taxes</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Savings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergencies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-Term</td>
<td></td>
<td></td>
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<tr>
<td>Long-Term</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Savings</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fixed Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent/Mortgage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Car Payment</td>
<td></td>
<td></td>
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<tr>
<td>Car Insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical Insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renters/Home Insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>School Loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Fixed Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income or Expense</td>
<td>Estimated Amount</td>
<td>% of Net Income</td>
</tr>
<tr>
<td>---------------------------</td>
<td>------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Variable Expenses</td>
<td></td>
<td></td>
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<tr>
<td>Electricity or Gas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water and Sewer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garbage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telephone</td>
<td></td>
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<tr>
<td>Gasoline</td>
<td></td>
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<tr>
<td>Groceries</td>
<td></td>
<td></td>
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<tr>
<td>Car Repairs/Maintenance</td>
<td></td>
<td></td>
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<tr>
<td>Laundry/Dry Cleaning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Variable Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discretionary Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Books, Magazines, CDs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Grooming</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clothes</td>
<td></td>
<td></td>
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<tr>
<td>Charitable Contributions</td>
<td></td>
<td></td>
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<tr>
<td>Gifts</td>
<td></td>
<td></td>
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<tr>
<td>Eating Out</td>
<td></td>
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<tr>
<td>Movies and Videos</td>
<td></td>
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</tr>
<tr>
<td>Sports</td>
<td></td>
<td></td>
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<tr>
<td>Concerts and Plays</td>
<td></td>
<td></td>
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<tr>
<td>Vacations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internet Access</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Discretionary Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL EXPENSES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NET INCOME</td>
<td></td>
<td></td>
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<tr>
<td>TOTAL EXPENSES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUDGET SURPLUS OR DEFICIT</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Consumer Jungle

Consumer Jungle is sponsored by the Young Adult Consumer Education Trust (YACET), an non-profit organization dedicated to providing young adults with the life skills they need to become responsible, informed consumers.

YACET was established in November 1999 as the result of a class action lawsuit against the Sears Corporation. The settlement required Sears to establish a consumer education fund for young adults. YACET was established to oversee the settlement fund and to develop a comprehensive consumer education program for young adults nationwide. YACET’s primary program is Consumer Jungle.

Consumer Jungle is an interactive, Web-based program that helps high school students become literate, savvy consumers. Consumer Jungle provides engaging and relevant consumer education curricula covering a variety of topics, such as credit cards, transportation, living on your own, personal finances, telecommunications and e-commerce fraud. Developed with input from teachers, students and parents, Consumer Jungle delivers interactive games, activities and relevant information directly to the home or classroom.

Resources

Sign up for our e-mail newsletters to stay current with what is going on at Consumer Jungle:

- Fraud of the Month — information on frauds and scams to watch out for
- Junglevine Newsletter — (quarterly) updates on Consumer Jungle and information about consumer topics.

Clock Hours and Graduate Credit

Are you looking for a time-efficient opportunity to keep your teaching credentials current? Whether you are a newbie to the curriculum or an experienced user, earning credit for exploring and using Consumer Jungle’s curriculum couldn’t be easier. Our on-line courses offer clock hour and graduate credit upon completion. The idea is simple: keep your credentials current while preparing material to teach in the classroom.

You’ll review the five units in Consumer Jungle’s curriculum and write a one-page response or lesson plan for each unit. The final project is to create a two-week-long unit plan using Consumer Jungle’s curriculum customized to the needs of your classroom. The course syllabus presents the assignments over a 10-week period, but you can complete the class in fewer or more weeks — it’s up to you. Either send your assignments in on a weekly basis for feedback and grading, or you can turn all of your assignments in at once.

Registration and payment are sent directly to Seattle Pacific University via its Registration Form for Clock Hours or Registration Form for Graduate Credit. You can pay for the course with a P.O., check, money order, MasterCard, or Visa card and send the information to SPU via fax or mail. Visit the teachers’ section of consumerjungle.org for more information.
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