

FALL 2023

## Pathway to Financial Success

In Schools

### Unit 7 Educator Guide

# Making Major Financial Decisions

**HIGH SCHOOL**

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## Unit Overview

*Unit 7: Making Major Financial Decisions* covers a variety of topics relating to major purchases many students will encounter in the future. The unit begins with an introduction to buying or leasing a vehicle. Students then consider their options regarding housing, including renting or buying a home and details associated with mortgages. Next, students spend time learning about insurance, including what it is, why people pay for it, and the various types of insurance available to individuals and families. The unit concludes with an exploration of consumer protection, common scams, and ways consumers can avoid becoming a victim of fraud.

Below are the five topics in this unit:

1. Paying for a Vehicle
2. Renting or Buying a Home
3. Understanding Insurance
4. Choosing an Insurance Plan
5. Understanding Your Consumer Rights

As with all units in the Pathway to Financial Success in Schools high school program, each topic has an associated self-paced module. There are also several classroom activities, a family connection, and interactive student capture sheets. Each resource is described in further detail on the pages that follow.

To see how this unit fits into the entire [Pathway to Financial Success in Schools](#) program, download the [High School Program Educator Guide](#).

When teaching this unit, be sure to consider your students' ages and backgrounds. For some students, the topic of buying or leasing a vehicle will be especially relevant given their ages. However, some students may not plan to have a car—relying instead on public transportation or other options.

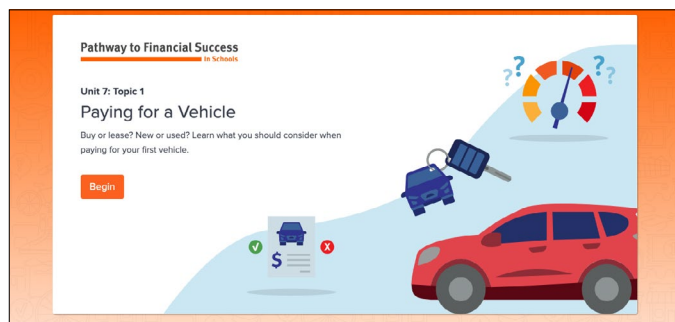
Finally, be aware that insurance can be a particularly controversial—and changing—topic. There may be students with strong opinions about the role of government and/or individuals in paying for insurance coverage. This unit does not address these matters, but you may choose to extend the conversation to be inclusive of multiple points of view.

# Topics and Resources

<p><b>Unit 1</b> All Topics</p>	<p><b>Family Connection</b> <b><u><a href="#">Insurance: A Family Conversation</a></u></b></p> <p>Families are encouraged to discuss current or upcoming insurance needs—especially auto insurance—and talk about what types of insurance the family has and why. For example, parents are encouraged to discuss whether or not their homeowners or renters insurance would cover lost, stolen, or damaged belongings.</p> <p><b>Interactive Student Capture Sheets</b> <b><u><a href="#">Making Major Financial Decisions</a></u></b></p> <p>Students use this digital notetaker—either electronically or in print form—to take notes, respond to prompts, and access additional resources for the entire unit. The content reinforces the self-paced modules and concludes with unit wrap-up materials.</p>
<p><b>Topic 1</b></p>	<p><b>Self-Paced Module</b> <b><u><a href="#">Paying for a Vehicle</a></u></b></p> <p>Students learn about paying for a vehicle, including the factors that impact costs, benefits and tradeoffs of new and used cars, and what to expect for ongoing costs.</p>
<p><b>Topic 2</b></p>	<p><b>Self-Paced Module</b> <b><u><a href="#">Renting or Buying a Home</a></u></b></p> <p>Students explore options for housing—both renting and buying—and learn about home loans.</p>
<p><b>Topic 3</b></p>	<p><b>Self-Paced Module</b> <b><u><a href="#">Understanding Insurance</a></u></b></p> <p>Students discover how insurance works, why people choose to use insurance, and what factors influence the price of insurance.</p> <p><b>Classroom Activity</b> <b><u><a href="#">Insurance, Risk, and Costs</a></u></b></p> <p>Students research factors that influence the cost of insurance, discuss whether insurance is worth the price, and explore ways to reduce their future insurance costs.</p>
<p><b>Topic 4</b></p>	<p><b>Self-Paced Module</b> <b><u><a href="#">Choosing an Insurance Plan</a></u></b></p> <p>Students consider questions to ask when choosing an insurance policy and explore ways to lower future insurance costs.</p>
<p><b>Topic 5</b></p>	<p><b>Self-Paced Module</b> <b><u><a href="#">Understanding Your Consumer Rights</a></u></b></p> <p>Students learn about consumer rights and how to avoid becoming victims of a scam or financial fraud.</p> <p><b>Classroom Activity</b> <b><u><a href="#">Protect Your Rights</a></u></b></p> <p>After discussing what consumer protection might mean, students search for definitions online and then collaborate to create one using their own words. Students then work in small groups to research a consumer protection agency and prepare a series of social media posts on behalf of the agency.</p>

# Self-Paced Modules

This section provides strategies for incorporating the five self-paced modules from this unit into instruction along with tips for facilitating discussions before, during, and after each module. For a more general overview of what self-paced modules are, how they work, and the technology requirements for using them, please see the [Pathway to Financial Success High School Educator Program Guide](#).



## Topic 1 Paying for a Vehicle

[Launch the Module](#)

### Overview

Should you get a used or new vehicle? What's the difference between leasing and buying a vehicle? In this module, students learn about paying for a vehicle. The module begins with students determining how important various car-buying factors are to them. Students learn what factors impact costs, including whether the vehicle is new or used. They explore the basics of buying a vehicle and contrast that to leasing. Students also learn that there are ongoing costs associated with having a vehicle.

### Key Learning Objectives

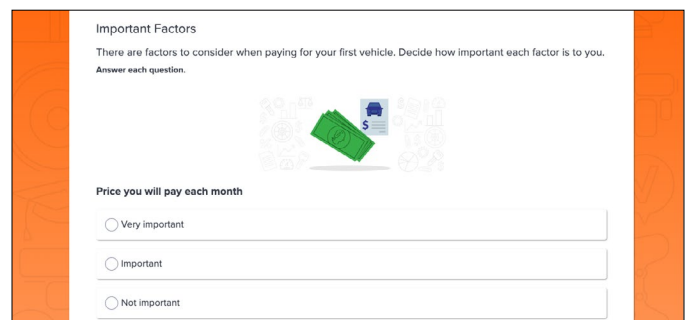
Students will be able to:

- list factors people should consider when buying a vehicle.
- explain the benefits and tradeoffs of buying a new versus used vehicle.
- compare buying and leasing a vehicle.
- summarize the financial considerations of getting a vehicle.

### Setting the Stage

Before the module, engage students by discussing one or more of these questions:

- Do you plan to have a vehicle some day? If so, how many years away do you think your first purchase will be?
- Do you know anyone who has bought or leased a vehicle recently? Do you know what factors they considered?
- What would matter most to you when selecting a new vehicle?



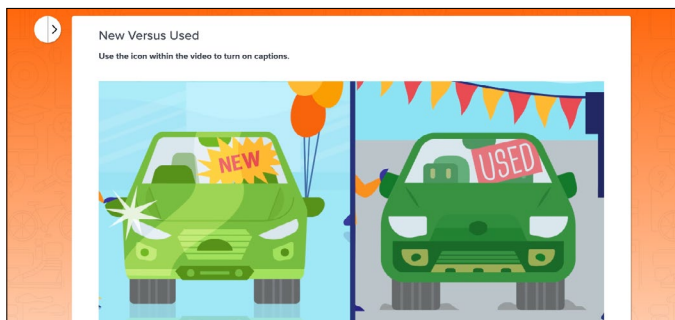
### Section-by-Section Educator Tips

- **Prepare**
  - **Setup:** The module begins with a short animation which introduces some of the questions people frequently face when purchasing their first vehicle. Invite students to share their initial responses to the three questions posed (affordability, buy or lease, new or used).
  - **Important Factors:** Students consider four factors they might consider when selecting a vehicle and decide whether each is very

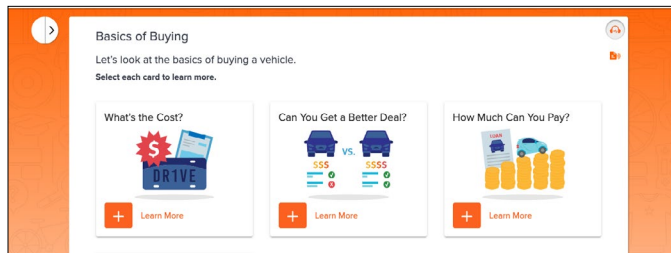
important, somewhat important, or not important. Compare student responses. Ask students what influenced their responses.

- **Show What You Know:** The pre-test consists of three questions. Students have one opportunity to answer each question correctly. The correct answer is visible once an answer is submitted, and feedback is provided for both correct and incorrect answers. If using the module in a classroom setting, consider having students vote on answers or call on different students to provide ideas for each question before the students submit their answers.

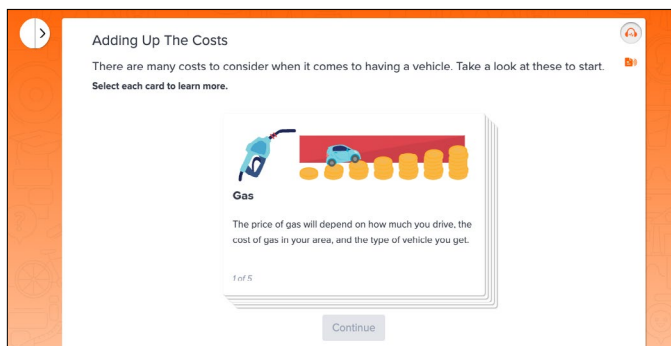
• **Learn**



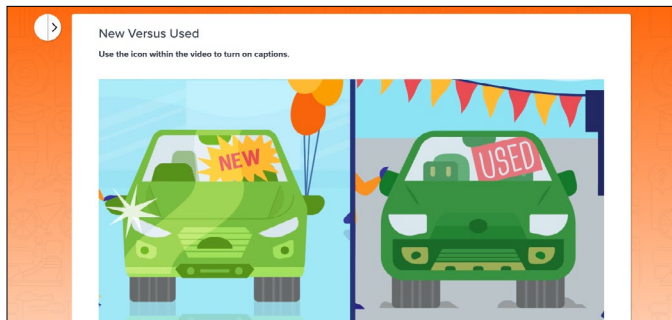
- **Costly Choices:** Students learn about factors which can influence the price of a car. Ask students which ones they believe will have the biggest impact on the cost. Do they think some are less important to consider?
- **New Versus Used:** Through an animation, students discover that buying a used car can have its advantages. In particular, they learn that depreciation happens quickly in the first few years of ownership. Discuss how this might influence their future vehicle purchasing decisions.



- **Basics of Buying:** Students expand a series of cards to learn information associated with buying a car including negotiating for a better price, making sure you understand the total price, and what it takes to get a loan. Challenge students to form and defend an opinion about which one they think is the wisest financial decision.
- **What About Leasing?:** Students explore the benefits and tradeoffs of leasing. Challenge students to explain how they would personally weigh the benefits against the potential tradeoffs if they found themselves in one of these situations.



- **Adding Up The Costs:** In this section, students are reminded that there are many ongoing costs associated with having a vehicle. Pause to discuss each card. For example, what is the cost of a gallon of gas in your area at present? Will students pay for oil changes or learn to do it themselves?



• **Reflect**

- Following a short wrap up, students are asked to rank how strongly they agree or disagree with the following statement: I know the factors to consider when paying for a vehicle. Did more students agree with the statement after completing the module than before? If students still disagree at the end, ask them what they still need to know in order to agree with the statement.

**Not quite, give it another try**

Try Again

Skip and continue to the next question.

• **Challenge**

- There are five post-module challenge questions. Students are encouraged to review the information in each section, if needed, before beginning the challenge.
- Students will encounter a variety of question types including multiple choice, classification, drop-down, and fill-in the-blank.
- For each question, students have two opportunities to answer correctly. Full credit is given for correct answers on the first try. If students answer incorrectly, they are given an opportunity to try again or skip and continue to the next question. No additional points are given to students who either do not retry the

question or retry the question and still answer incorrectly. Partial credit is given to students who correctly answer a portion of a multi-part question or who give the correct answer on a second try. The total number of available points in this module’s challenge section is 70.

## Interactive Student Capture Sheets

The [Unit 7 Interactive Student Capture Sheets](#) contain prompts, reflection opportunities, graphic organizers, and more. They are provided in Google Slides and offer a way for students to capture their notes while progressing through each of the self-paced modules. Additionally, they can serve as a means of assessing student progress and comprehension. Below are the prompts included for this topic:

- What do you anticipate when it comes to paying for a vehicle? Is this something you’ve already done, plan to do in the next few years, will consider in the future, or doubt you will encounter? Explain. (Slide 4)
- Think about the type of vehicle you would prefer. Provide a description of one that fits each category. (Slide 4)
  - Categories:
    - Dream Vehicle: What you’d get if price were not a factor
    - More Practical: Factoring in cost, the vehicle you think is more realistic
    - Bare Bones: The least expensive vehicle you’d be comfortable driving
  - Descriptions:
    - Type (sedan, sports car, SUV, truck, etc.)
    - Make
    - Model
    - Trim Level (luxury, mid-level, basic)
    - New or Used (If used, what year?)
    - Preferred Color
- Corresponding to the module’s animation, [New Versus Used](#), students are asked to watch the video three times and provide information after each

viewing, including key details, three key terms and their definitions, and a description of how the video connects to what they already know about paying for a vehicle. If your school has access to the [Discovery Education](#) platform, you can assign a version of this activity within [Studio](#). (Slide 5)

- There are pros and cons to both new and used cars. Fill in the chart below with the information you learned in the video and other thoughts you have about each. Which would you choose and why? (Slide 6)
- Fill in the blank in the sentence: The more money you can pay for the down payment, the \_\_\_\_\_ you will have to pay each month for a loan or lease payment.
- Mark each piece of advice as true or false. (Slide 6) (Note: Both are true.)
  - Some car dealers allow you to negotiate for how much you pay, while others insist that you pay the “sticker” price. Find out which kind you are dealing with.
  - Be sure you know the total price of the vehicle, including taxes and any fees for things like the title and tags.
- Do a quick search. Find three websites or apps that allow you to compare prices of vehicles at different dealers and list one feature you like about each. (Slide 7)
- Which of the following do you think you might use to pay for a vehicle someday? Put an X next to all that apply. (Slide 7)
  - Money you have saved (either for the full amount or towards a down payment)
  - Get a car loan from a bank or credit union and make regular payments
  - Borrow money from a family member
  - Have an adult cosign a loan with you
- What are some of the benefits and tradeoffs of leasing a vehicle? What does leasing have in common with buying? (Slide 7)
- Consider the ongoing costs of having a vehicle. Which best describes the choice you’d likely make? Place an X in the box. Then explain the impact your answer is likely to have on your transportation budget. (Slide 8)
  - How many miles do you plan to drive each week?
    - I anticipate driving many miles each week.
    - I’d say my gas needs will be about average.
    - I don’t expect to need to refill my tank very often.
  - Will your vehicle use more or less gas than others?
    - I expect my vehicle will be newer, smaller, or compact with very good gas mileage.
    - The vehicle I end up with will probably have “average” gas mileage.
    - I plan to have an electric or hybrid vehicle.
    - My choice of vehicle will likely require more gas.
  - What are your plans for vehicle maintenance?
    - I will probably take my car someplace for routine maintenance.
    - I can change my own oil and filter.
    - I can probably learn to do it myself with a little help.
  - How much can you expect to pay in repairs?
    - I plan to have a new car with a good warranty.
    - My car will likely be older and might require more maintenance.
    - I hope to only have a few, low-cost repairs.
  - What kind of insurance do you plan to have?
    - I want the best possible coverage and don’t mind paying a bit extra to get it.
    - I plan to have an “average” plan—more than is required but not the very best coverage, either.
    - I only want to have what is required in my state.



- In your own words, what should someone consider before deciding to get a vehicle? Be sure to mention new and used vehicles, buying vs. leasing, and the total cost of having a car. (Slide 9)
- Consider the learning objectives for this module. How do you feel about each one after completing it? (Slide 9)
  - I can list factors to consider when buying a vehicle.
  - I am able to explain the benefits and tradeoffs of buying a new versus used vehicle.
  - I can compare buying and leasing a vehicle.
  - I am confident summarizing the financial considerations of getting a vehicle.

## Extending the Module

Once students complete the module, consider one or more of these extension activities:

- Encourage students to understand how trim levels and other options can alter the value of a new vehicle by using a car manufacturer website to “build and price” a vehicle. Then invite students to use an online car payment calculator to determine the difference these changes will make to a person’s monthly payment. Discuss which way of considering a cost difference makes the bigger impact on them—the (larger) difference in the total cost of the vehicle or the (smaller) difference in the monthly payment.
- The Federal Trade Commission or FTC offers information on a range of topics related to [buying, leasing, or owning a car](#). Invite students to explore the site and watch a video or two. Direct them to pay special attention to information on scams and fraud that are common with vehicles such as the ones described in this [infographic on deceptive car ads](#). Ask students if any of these are familiar to them and/or what they would need to do to avoid becoming a victim.
- Individuals who are planning to purchase a used vehicle might consider getting a vehicle history report on the vehicle they are considering before

handing over the payment. Many car dealers will provide these, but consumers making a private purchase can also get one. Some services such as [CarFax](#) and [AutoCheck](#) charge a fee while others such as [VehicleHistory](#) and [iSeeCars](#) are free but include less information. Invite students to learn what information can be found on these reports and describe situations when knowing this information would be beneficial to them as a buyer.

## Standards Correlation

The following standards are addressed in this module.

[National Standards for Personal Financial Education](#) from the Council for Economic Education and Jump\$tart Coalition for Personal Financial Literacy

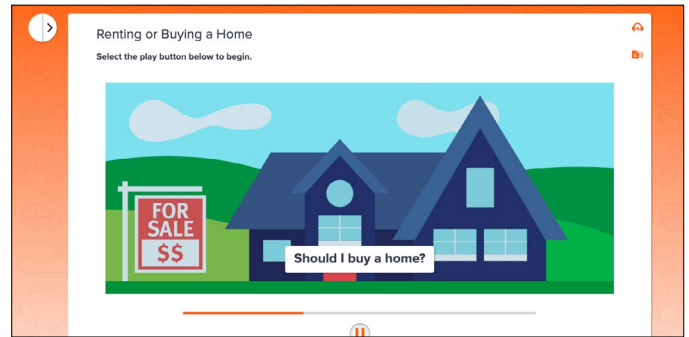
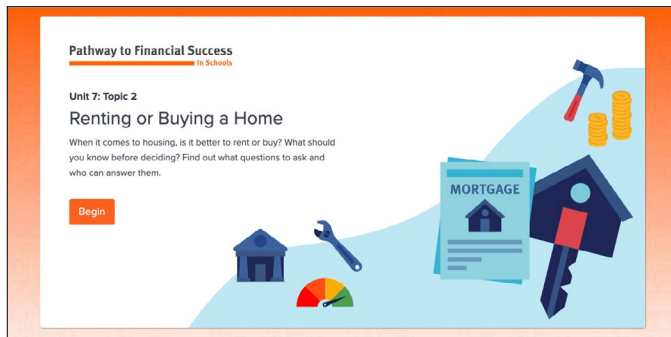
- II. Spending 4-1 People differ in their preferences, priorities, and resources available for consuming goods and services.
- II. Spending 4-4 Purchasing decisions have costs and benefits that can be different for different people.
- II. Spending 8-4 Consumers weigh the costs and benefits of different payment methods to determine the best option for purchasing goods and services.
- II. Spending 12-2 Consumer decisions are influenced by the price of products or services, the price of alternatives, the consumer’s budget and preferences, and potential impact on the environment, society, and economy.
- II. Spending 12-3 When purchasing a good that is expected to be used for a long time, consumers consider the product’s durability, maintenance costs, and various product features.
- II. Spending 12-4 Consumers may be influenced by how prices of goods and services are advertised, and whether prices are fixed or negotiable.
- II. Spending 12-5 Consumers incur costs and realize benefits when searching for information related to the purchase of goods and services.
- II. Spending 12-6 Housing decisions depend on individual preferences, circumstances, and costs,

and can impact personal satisfaction and financial well-being.

- V. Managing Credit 12-6 Down payments reduce the amount needed to borrow.
- VI. Managing Risk 12-3 Some types of insurance coverage are mandatory.
- VI. Managing Risk 12-7 Auto, homeowner's and renter's insurance reimburse policyholders for financial losses to their covered property and the costs of legal liability for their damages to other people or property.

[National Standards for Business Education](#) from the National Business Education Association

- Personal Finance V.1.7 Describe reasons and research why there are variances in price for a given item purchased from different providers.
- Personal Finance V.1.10 Compare the costs and benefits of purchasing, leasing, and renting.



## Topic 2 Renting or Buying a Home

[Launch the Module](#)

### Overview

When it comes to housing, is it better to rent or buy? What should you know before deciding? In this module, students discover the benefits and tradeoffs of both renting and buying a home. The module begins with an introduction to renting, including key terminology, then dives into factors people consider when deciding whether or not to rent. Attention turns to homeownership, with a discussion of mortgages as the primary vehicle for financing a home purchase. Through an animated video, students learn why some people consider homeownership an investment. The concepts of home equity and how real estate markets can fluctuate are also explored. Students then take a brief “personality” quiz to determine whether their current preferences would have them lean more towards renting or buying. Finally, students discover that credit can have an impact for both buyers and renters.

### Key Learning Objectives

Students will be able to:

- discuss differences between renting and buying a home.
- explain the benefits and tradeoffs of buying or renting a home.
- describe how changes in the housing market can impact home equity.
- share how credit can impact both renters and home buyers.

### Setting the Stage

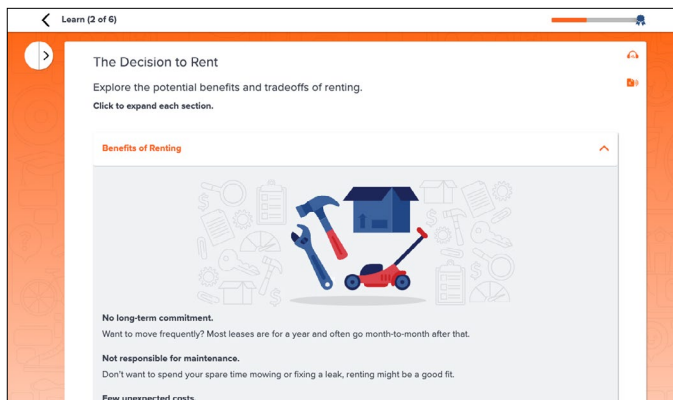
Before the module, engage students by discussing one or more of these questions:

- When you think ahead to the future, do you imagine yourself owning or renting a home?
- What do you think landlords consider when deciding to rent an apartment or home to someone?
- What would you consider when looking for a place to live?

### Section-by-Section Educator Tips

- **Prepare**
  - **Setup:** The module begins with a short animation which introduces the decision many people face when considering whether to rent or purchase a home.
  - **Show What You Know:** The pre-test consists of three questions. Students have one opportunity to answer each question correctly. The correct answer is visible once an answer is submitted, and feedback is provided for both correct and incorrect answers. If using the module in a classroom setting, consider having students vote on answers or call on different students to provide ideas for each question before the students submit their answers.
- **Learn**
  - **Renting 101:** Students discover that about a third of U.S. householders are renters ([Source](#)). They learn key terms associated with renting, including tenant, lease, security deposit, and utilities, and about factors which can influence the price of housing. Ask students if they

think most young people are familiar with the process of renting a home. What terms should they know before getting started?



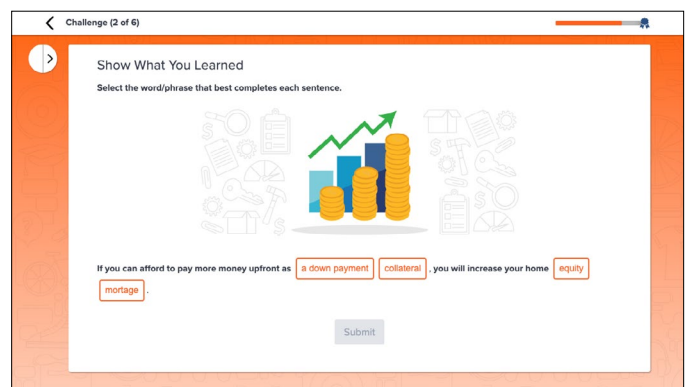
- **The Decision to Rent:** Benefits and tradeoffs of renting are presented to students. Ask students which of these considerations they expect would have a greater influence on their decision to rent.
- **Buying a Home:** Students flip cards to explore vocabulary associated with home ownership. Challenge students to explain why lenders require a down payment and use the home as collateral for mortgages. If desired, expand on the risks of foreclosure and explain that this is generally a last resort when people cannot pay back their home loan.
- **Investing in Home Ownership:** Through an animation, students learn that people can build equity in their home when the value of a home increases, but that housing markets are subject to change. Ask students if they think the current housing market favors buyers (more homes on the market than people looking) or sellers (more people looking to purchase a home than there are homes available). Discuss recent trends in the local housing market and how your local housing market might vary from that of other communities.
- **Are You More of a Renter or Buyer?:** In this section, students indicate if they agree

or disagree with a series of statements. Depending on their response, they will find out if their current answers favor being a renter or buyer with results such as More of a Buyer, Leave Your Options Open, and More of a Renter. Compare student results and ask students how they anticipate their responses might change over time.

- **Housing and Credit:** Students may be surprised to discover that credit is important for both buyers and renters. Buyers with good credit tend to pay lower interest rates on loans, and many landlords now check credit for new tenants. Ask students if they know what it means to have and/or build good credit.

• **Reflect**

- Following a short wrap up, students are asked to rank how strongly they agree or disagree with the following statement: I can explain several differences between buying and renting a home. Did more students agree with the statement after completing the module than before? If students still disagree at the end, ask them what they still need to know in order to agree with the statement.



• **Challenge**

- There are five post-module challenge questions. Students are encouraged to review the information in each section, if needed, before beginning the challenge.

- Students will encounter a variety of question types including multiple choice, classification, drop-down, and fill-in-the-blank.
- For each question, students have two opportunities to answer correctly. Full credit is given for correct answers on the first try. If students answer incorrectly, they are given an opportunity to try again or skip and continue to the next question. No additional points are given to students who either do not retry the question or retry the question and still answer incorrectly. Partial credit is given to students who correctly answer a portion of a multi-part question or who give the correct answer on a second try. The total number of available points in this module's challenge section is 70.

### Interactive Student Capture Sheets

The [Unit 7 Interactive Student Capture Sheets](#) contain prompts, reflection opportunities, graphic organizers, and more. They are provided in Google Slides and offer a way for students to capture their notes while progressing through each of the self-paced modules. Additionally, they can serve as a means of assessing student progress and comprehension. Below are the prompts included for this topic:

- Consider each of the following events. How far into the future do you expect each to take place, if ever? (Slide 11)
  - Live on my own or without family (can still be with a roommate)
  - Take full responsibility for my own housing costs
  - Sign a lease on my own for an apartment or home
  - Buy a home of my own
- Take notes on each of the following key terms. Include a definition and/or example of each. (Slide 11)
  - Tenants
  - Landlord
  - Lease
  - Security Deposit

- Rent Payment
- Utilities
- The decision to rent involves weighing the potential benefits and tradeoffs. List examples of each. (Slide 12)
- There are many vocabulary terms involved with buying a home. Fill in the graphic organizer with definitions or examples of each. (Slide 12)
  - Purchase Price
  - Mortgage
  - Down Payment
  - Collateral
- Corresponding to the module's animation, [Investing in Home Ownership](#), students are asked to write a paragraph (3–5 sentences) describing what they knew about the topic of home ownership and mortgages going into the module and how watching the video expanded on their prior knowledge. If your school has access to the [Discovery Education](#) platform, you can assign a version of this activity within [Studio](#). (Slide 12)
- Decisions about homeownership are likely many years into the future for you, but it doesn't hurt to start thinking about which way you might lean. Which aspects of each choice appeal to you? Try and think of at least two for each: buying and renting. (Slide 14)
- Credit plays a role in both buying and renting. Explain the impact credit can have for each in your own words. (Slide 14)
- The module's wrap up concludes with, "Both options involve thinking about what you want and need and doing your homework." Explain this statement in the context of this module. (Slide 15)
- Consider the learning objectives for this module. How do you feel about each one after completing this topic? (Slide 15)
  - I can discuss differences between renting and buying a home.
  - I am able to explain the benefits and tradeoffs of renting versus buying a home.

- I can describe how changes in the housing market can impact home equity.
- I understand how credit can impact both renters and home buyers.

## Extending the Module

Once students complete the module, consider one or more of these extension activities:

- Encourage students to research housing options where they plan to live once they are on their own. Challenge them to compare prices and create a table or spreadsheet summarizing their results.
- Invite students to examine an apartment lease and summarize the key components. If possible, obtain leases from several local landlords or property managers. Discuss the questions students should ask when looking at places to rent and comparing leases.
- Challenge students to create a video or series of social media images explaining the importance of good credit as it relates to renting or purchasing a home.
- Engage students in a conversation about home ownership and interest rates. Why do more people consider purchasing a home when interest rates are low?
- Facilitate a discussion with students about preparing to rent or own. Determine the steps they can take as young adults to build credit and begin saving for a security deposit and/or down payment.

## Standards Correlation

The following standards are addressed in this module.

[National Standards for Personal Financial Education](#) from the Council for Economic Education and Jump\$tart Coalition for Personal Financial Literacy

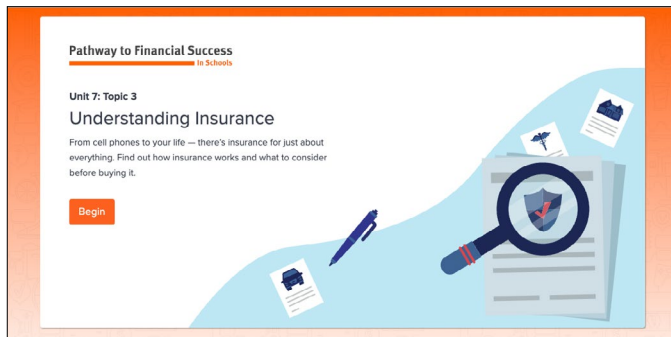
- II. Spending 12-2 Consumer decisions are influenced by the price of products or services, the price of alternatives, the consumer's budget and preferences, and potential impact on the environment, society, and economy.
- II. Spending 12-6 Housing decisions depend on individual preferences, circumstances, and costs,

and can impact personal satisfaction and financial well-being.

- III. Saving 8-1 People save money for many different purposes, including large purchases such as cars and homes, education costs, retirement, and emergencies.
- V. Managing Credit 4-3 Lenders are more likely to approve borrowers who do not have a lot of other debt and who have a history of paying back loans as promised.
- V. Managing Credit 8-6 When people borrow money to invest in higher education or housing, the risks and costs may be outweighed by the future benefits.
- V. Managing Credit 12-6 Down payments reduce the amount needed to borrow.
- V. Managing Credit 12-7 Lenders assess credit-worthiness of potential borrowers by consulting credit reports compiled by credit bureaus.
- V. Managing Credit 12-9 Credit reports and credit scores may be requested and used by entities other than lenders.

[National Standards for Business Education](#) from the National Business Education Association

- Personal Finance V.1.10 Compare the costs and benefits of purchasing, leasing, and renting.
- Personal Finance VII.1.13 Explain the need for a sound credit rating.
- Personal Finance VII.1.22 Describe the relationship between a credit rating and the cost of credit.



## Topic 3 Understanding Insurance

[Launch the Module](#)

### Overview

*Why do people pay for insurance and how does it work?*

In this module, students learn how insurance works and why people choose to use insurance. After a brief introduction and a three-question pre-test, students encounter an animation in which they discover how risk relates to insurance. They discover that people can avoid, accept, reduce, or transfer risk and that insurance companies also face risk depending on how many people they insure and the percent that file claims. Students then consider how they would prefer to handle the financial costs of unexpected expenses and then learn what different types of insurance cover. In doing so, they encounter key insurance terms, including premiums, deductibles, and claims. Finally, students discover factors that might influence the amount people pay for insurance.

### Key Learning Objectives

Students will be able to:

- compare strategies to handle risk, including avoiding, accepting, reducing, and transferring it.
- explain why people choose to purchase insurance.
- examine how they might handle situations involving risk.
- describe various types of insurance and how each is used.

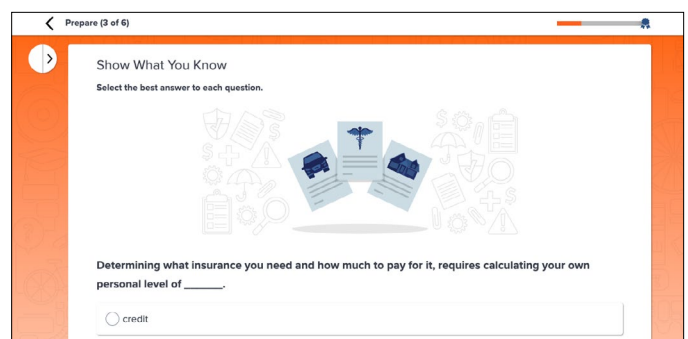
### Setting the Stage

Before the module, engage students by discussing one or more of these questions:

- What do you think about when you hear the term insurance?
- What types of insurance can you think of and how are they used?
- Do you think purchasing insurance is a good financial decision?
- Are some types of insurance more important than others? If so, which ones are more important?

### Section-by-Section Educator Tips

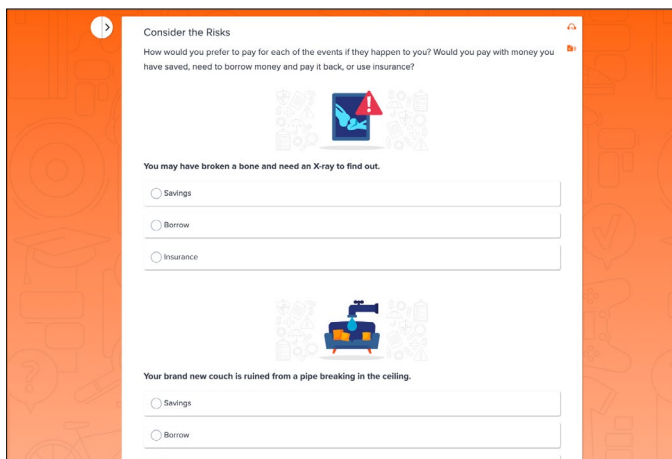
- **Prepare**
  - **Setup:** The module begins with a short animation that asks students about people's typical expenses. Insurance is introduced as an expense of many families. Invite students to share if they would have listed insurance as a top expense of their family. Do they think the answer would be different if their parents or guardians answered that question?



- **Show What You Know:** The pre-test consists of three questions. Students have one opportunity to answer each question correctly. The correct answer is visible once an answer is submitted, and feedback is provided for both correct and incorrect answers. If using the module in a classroom setting, consider having students vote on answers or call on different students to provide ideas for each question before the students submit their answers.

• **Learn**

- **Risk and Insurance:** Through an animation, students are introduced to four strategies for handling risk. They can avoid, accept, reduce, or transfer it. The animation uses the example of buying insurance to protect a newly purchased cell phone. Ask students what they would do if they were faced with the decision to insure a brand-new phone. Which strategy would they use and why?



- **Consider the Risk:** It is one thing to discuss risks in the abstract, and another to consider how you might handle situations in the real world. In this section, students are presented with four scenarios and asked how they would likely cover the expense. Would they pay for it with money from savings, need to borrow money and then pay it back, or use insurance. Compare student responses. Consider sharing a personal example of a time you were faced with an unexpected cost such as the ones listed and how you handled it.
- **Types of Insurance:** There are many types of insurance. In this section students are introduced to health, disability, auto, homeowners, and renters insurance. In doing so, they discover examples of times that each insurance might be used and learn that insurance can be required in some instances.

Challenge students to explain why a state might require drivers to have certain auto insurance, a lender might require a homeowner to have homeowners insurance, and/or a landlord might require a tenant to carry renters insurance.

- **Even More Types of Insurance:** Students discover why people purchase life insurance. They also learn about government-provided insurance programs including unemployment compensation, Medicare, and Medicaid. Examples of less common forms of insurance are also shared. Ask students at what age or stage of life they think people should consider purchasing life insurance.
- **Cost Factors:** In this section, students swipe through a series of cards and explore factors that influence the price of insurance. Coverage amounts, deductibles, and risk factors are explored. Pause to discuss each card. For example, how much do you think a standard deductible might be on an auto or renters insurance? What personal decisions might influence a student's insurance costs in the future?

• **Reflect**

- Following a short wrap up, students are asked to rank how strongly they agree or disagree with the following statement: I can explain how insurance works. Did more students agree with the statement after completing the module than before? If students still disagree at the end, ask them what they still need to know in order to agree with the statement.

• **Challenge**

- There are five post-module challenge questions. Students are encouraged to review the information in each section, if needed, before beginning the challenge.
- Students will encounter a variety of question types including multiple choice, matching, drop-down, and fill-in-the-blank.



- For each question, students have two opportunities to answer correctly. Full credit is given for correct answers on the first try. If students answer incorrectly, they are given an opportunity to try again or skip and continue to the next question. No additional points are given to students who either do not retry the question or retry the question and still answer incorrectly. Partial credit is given to students who correctly answer a portion of a multi-part question or who give the correct answer on a second try. The total number of available points in this module’s challenge section is 80.

## Interactive Student Capture Sheets

The [Unit 7 Interactive Student Capture Sheets](#) contain prompts, reflection opportunities, graphic organizers, and more. They are provided in Google Slides and offer a way for students to capture their notes while progressing through each of the self-paced modules. Additionally, they can serve as a means of assessing student progress and comprehension. Below are the prompts included for this topic:

- Corresponding to the module’s animation, [Risk and Insurance](#), students are asked to briefly describe what they saw in the video that was interesting, what they know now that they didn’t know before watching it, and what they wonder as a result of watching it. If your school has access to the [Discovery Education](#) platform, you can assign a version of this activity within [Studio](#). (Slide 17)
- The video shared four strategies for addressing risk. Think of three scenarios that involve risk and list them below. Then, come up with a way to apply each strategy to the scenarios you listed. (Slide 18)
  - Avoid the Risk
  - Accept the Risk
  - Reduce the Risk
  - Transfer the Risk
- There are many types of insurance. Fill in the table with information about these four kinds, including: What does it cover? When might you use it? (Slide 19)

- Auto
- Disability
- Health (Including Medicare and Medicaid)
- Homeowners and Renters
- Life
- Unemployment
- Take notes on the insurance-related terms. Include a definition and/or example of each. (Slide 19)
  - Claim
  - Deductible
  - Liability
  - Premium
- Describe four factors that might influence how much you pay for insurance. (Slide 20)
- What word(s) fills in each blank in the paragraph below? (Slide 20)
  - Insurance is a way to \_\_\_\_\_1\_\_\_\_\_ risk from you to the insurance company. You pay a \_\_\_\_\_2\_\_\_\_\_ every so often, but the insurance company pays if there is a big loss—minus any \_\_\_\_\_3\_\_\_\_\_ you might owe. There are many types of insurance. Some of the most common are health, auto, renters and homeowners, disability, and life insurance. You may be able to influence the cost of insurance by \_\_\_\_\_4\_\_\_\_\_ risks and selecting \_\_\_\_\_5\_\_\_\_\_ levels. You will have many decisions to make about insurance in the future. Make sure you understand your options and the risks you face if you don’t have insurance.
- Summarize what you learned in this module. Be sure to describe the relationship between risk and insurance, several examples of insurance, and what impacts insurance costs. (Slide 21)
- Consider the learning objectives for this module. How do you feel about each one after completing it? (Slide 21)
  - I am confident in comparing strategies to handle risk, including avoiding, accepting, reducing, and transferring it.

- I can explain why people choose to purchase insurance.
- I am able to examine how you might handle situations involving risk.
- I know how to describe various types of insurance and how each is used.

- Encourage students to discuss insurance with their family. [Insurance: A Family Conversation](#) provides discussion starters and information for families on the topic.

## Extending the Module

Once students complete the module, consider one or more of these extension activities:

- Divide students into small groups and direct each group to imagine a scenario in which they might need insurance. Allow students to develop their own or assign scenarios. Examples include: “You just rescued a puppy from a shelter. Should you purchase pet insurance?” and “Your family is going on a dream vacation. Should you purchase trip insurance?” Challenge students to investigate their options and develop a recommendation.
- Introduce students to [The Bummer Game](#) from Next Gen Personal Finance. Will they make good insurance decisions and make it through four rounds or have claims that empty their accounts? A companion worksheet is available from the “About This Game” tab.
- Did you know that insurance is regulated at the state level? As a result, insurance requirements and rules can vary widely from one state to another. Challenge students to investigate what insurance, if any, drivers are required to have in your state. How does this compare to neighboring states? Do students think the state policies are fair?
- Where can consumers turn if they have a problem with their insurance? Invite students to locate your state’s insurance department. The [National Association of Insurance Commissioners](#) offers contact information.
- Invite students to locate commercials from a variety of insurance companies and compare the ways each one encourages people to purchase insurance. Which ones make a compelling argument? How do they grab consumers’ attention?

## Standards Correlation

The following standards are addressed in this module.

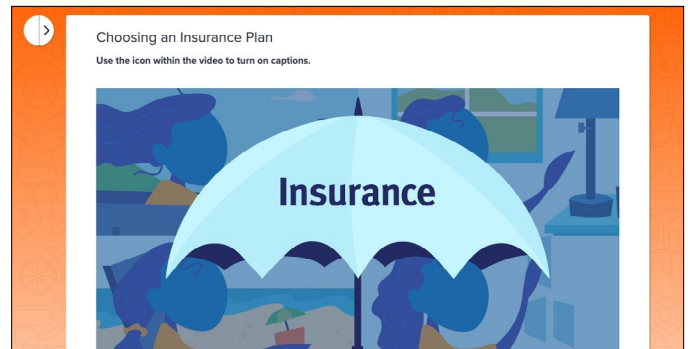
[National Standards for Personal Financial Education](#) from the Council for Economic Education and Jump\$tart Coalition for Personal Financial Literacy

- VI. Managing Risk 4-2 People who are exposed to risks often try to reduce or avoid the negative consequences of those risks.
- VI. Managing Risk 4-4 Insurance is often purchased to limit financial losses due to risk.
- VI. Managing Risk 8-2 Insurance is a financial product that allows people to pay a fee (premium) to transfer the cost of a potential financial loss to an insurance company.
- VI. Managing Risk 8-3 An insurance company creates a pool of funds from many policyholders’ premium payments and then uses these funds to compensate customers who experience a loss. People at higher risk for making a claim usually have to pay a higher premium.
- VI. Managing Risk 8-4 Four key insurance terms that contribute to out-of-pocket costs with an insurance policy are: premium, deductible, copayments, and co-insurance.
- VI. Managing Risk 8-5 People can choose to avoid, reduce, retain, or transfer risk through the purchase of insurance. Each option has different costs and benefits.
- VI. Managing Risk 8-6 Extended warranties and service contracts provide protection against certain product mechanical failures during the contract period.
- VI. Managing Risk 12-1 People vary with respect to their willingness to accept risk and in how much they are willing to pay for insurance that will allow them to minimize future financial loss.

- VI. Managing Risk 12-2 The decision to buy insurance depends on perceived risk exposure, the price of insurance coverage, and individual characteristics such as risk attitudes, age, occupation, lifestyle, and financial profile.
- VI. Managing Risk 12-3 Some types of insurance coverage are mandatory.
- VI. Managing Risk 12-4 Insurance premiums are lower for people who take actions to reduce the likelihood and/or financial cost of losses and for those who buy policies with larger deductibles or copayments.
- VI. Managing Risk 12-5 Health insurance provides coverage for medically necessary health care and may also cover some preventive care. It is sometimes offered as an employee benefit with the employer paying some or all of the premium cost.
- VI. Managing Risk 12-6 Disability insurance replaces income lost when a person is unable to earn their regular income due to injury or illness. In addition to privately purchased policies, some government programs provide disability protection.
- VI. Managing Risk 12-7 Auto, homeowner's and renter's insurance reimburse policyholders for financial losses to their covered property and the costs of legal liability for their damages to other people or property.
- VI. Managing Risk 12-8 Life insurance provides funds for beneficiaries in the event of an insured person's death. Policy proceeds are intended to replace the insured's lost wages and/or to fund their dependents' future financial needs.
- VI. Managing Risk 12-9 Unemployment insurance, Medicaid, and Medicare are public insurance programs that protect individuals from economic hardship caused by certain risks.
- Personal Finance VIII.1.2 Define basic insurance terms (e.g., deductible, premium, peril, risk).
- Personal Finance VIII.1.3 Explain how all types of insurance are based on the concept of risk sharing and statistical probability.
- Personal Finance VIII.1.4 Evaluate insurance as a risk management strategy.
- Personal Finance VIII.1.5 Identify the type of insurance associated with different types of risk (e.g., automobile, personal and professional liability, home and apartment, health, life, long-term care, disability).
- Personal Finance VIII.1.8 Identify various suppliers of insurance (e.g., public and private).

[National Standards for Business Education](#) from the National Business Education Association

- Personal Finance VIII.1.1 Identify risks in life and how to gain protection against the consequences of risk.



## Topic 4 Choosing an Insurance Plan

[Launch the Module](#)

### Overview

*How do you select an insurance plan? What can you do to reduce your insurance costs?* In this module, students explore their options when choosing an insurance plan. The module begins with students viewing an animated video that explains why people purchase insurance. Students then learn about key insurance terms and specific information about auto, health, homeowners, and travel insurance. They consider questions to ask when choosing an insurance policy and explore ways they can lower their future insurance costs.

### Key Learning Objectives

Students will be able to:

- explain what factors influence the cost of insurance.
- develop a plan for purchasing insurance in the future.
- describe ways people can reduce their insurance costs.

### Setting the Stage

Before the module, engage students by discussing one or more of these questions:

- What do you know about insurance and how it works?
- How many different types of insurance can you name? What are they and what does each cover?
- Do you think it is important to have insurance? If so, what types do you think are most important?

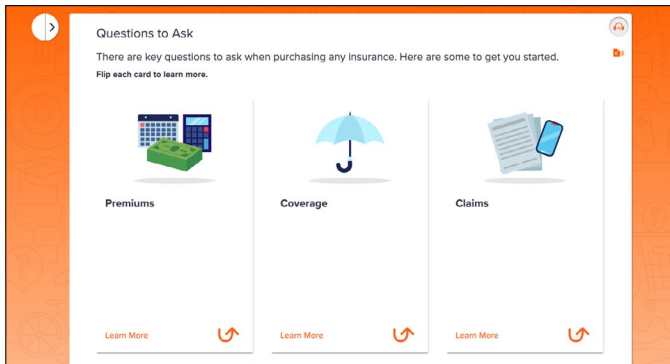
### Section-by-Section Educator Tips

- **Prepare**
  - **Setup:** The module begins with a short video in which students learn why insurance is important and how insurance works, in general. Ask students if they would prefer to pay for insurance or bear the cost of a large expense in case of a problem. Challenge them to explain their answer.
  - **Show What You Know:** The pre-test consists of three questions. Students have one opportunity to answer each question correctly. The correct answer is visible once an answer is submitted, and feedback is provided for both correct and incorrect answers. If using the module in a classroom setting, consider having students vote on answers or call on different students to provide ideas for each question before the students submit their answers.

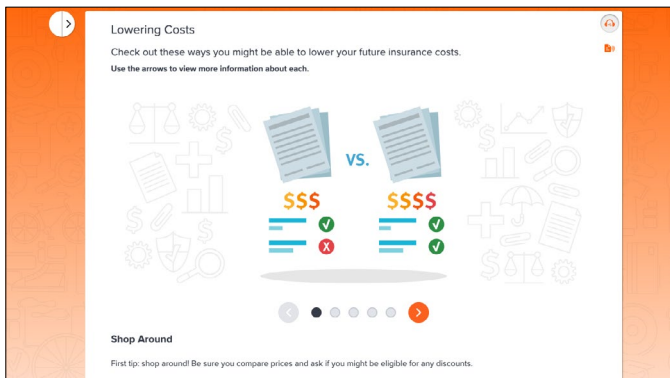


- **Learn**
  - **Insurance Terminology:** Students learn key insurance terms such as policy, deductible, and claim. Invite students to retell what these terms mean in their own words.

- **Insurance Specifics:** Students explore information about various types of insurance: auto, health/dental/vision, home or renters, and travel. Discuss why each is important along with similarities and differences between each type.



- **Questions to Ask:** There are many questions people should ask when preparing to purchase insurance. Students flip cards to discover questions about premiums, coverage, claims, and requirements. Challenge students to consider what might happen if someone did not ask these questions or understand these aspects of their insurance policy when they purchase it.



- **Lowering Costs:** In this section, students learn ways to lower a person’s insurance costs, including shopping around and raising the deductible. Make sure students understand that having a higher deductible means that if they file a claim, the insurance company will not pay until they have met the deductible. Ask

students how they would weigh the potential benefit of a lower premium with the risk of having to pay the entire deductible at one time.

- **Reflect**

- Following a short wrap up, students are asked to rank how strongly they agree or disagree with the following statement: I know what factors to consider when choosing an insurance policy. Did more students agree with the statement after completing the module than before? If students still disagree at the end, ask them what they still need to know in order to agree with the statement.

**Not quite, give it another try**

**Try Again**

Skip and continue to the next question.

- **Challenge**

- There are five post-module challenge questions. Students are encouraged to review the information in each section, if needed, before beginning the challenge.
- Students will encounter a variety of question types including matching, multiple choice, classification, drop down, and fill-in-the-blank.



- For each question, students have two opportunities to answer correctly. Full credit is given for correct answers on the first try. If students answer incorrectly, they are given an opportunity to try again or skip and continue

to the next question. No additional points are given to students who either do not retry the question or retry the question and still answer incorrectly. Partial credit is given to students who correctly answer a portion of a multi-part question or who give the correct answer on a second try. The total number of available points in this module's post-test is 60.

### Interactive Student Capture Sheets

The [Unit 7 Interactive Student Capture Sheets](#) contain prompts, reflection opportunities, graphic organizers, and more. They are provided in Google Slides and offer a way for students to capture their notes while progressing through each of the self-paced modules. Additionally, they can serve as a means of assessing student progress and comprehension. Below are the prompts included for this topic:

- Corresponding to the module's animation, [Choosing an Insurance Plan](#), students are asked to respond to the following "would you rather" question: Would you rather pay for insurance and never end up using it or save money by not purchasing insurance and run the risk of not having it if something goes wrong? If your school has access to the [Discovery Education](#) platform, you can assign a version of this activity within [Studio](#). (Slide 23)
- Fill in the insurance term that matches each definition. Then, answer why each term is important to know. (Slide 24)
  - Request for insurance company to pay
  - Your share of the cost for a covered health care service, usually calculated as a percentage
  - Covers your vehicle for anything that is your fault
  - Maximum amount you can claim
  - Written contract for insurance
  - How much YOU pay
  - Things or circumstances that aren't covered by your insurance
  - The amount you might have to pay for a medical expense (short for copayment)
  - Covers your vehicle for damage that is someone else's fault
  - Insurance for family members of the policyholder, such as a spouse, children, or a partner
  - A feature of a policy that allows you to buy a new version of whatever was lost or damaged
  - Covers damage you do to other people or their property
  - The hospitals and doctors contracted to provide services for an agreed-upon rate with your insurance provider
  - A type of coverage that will pay as much as an item is worth now
- Shopping around for insurance, making sure you get the best policy for you, and understanding everything that is covered takes some time. Use information from the module to create a checklist of questions you might ask when the time comes for you to tackle this. (Slide 25)
- With a little bit of work, you might be able to lower some of your future insurance costs. Fill in the graphic organizer with ideas for each category. (Slide 26)
  - Shop Around
  - Deductible
  - Auto Insurance Discounts
  - Personal Decisions (Health & Home)
- What factors are you likely to consider when selecting an insurance policy? List the top four and explain why each is important. (Slide 26)
- What do you know about insurance that you didn't know or understand before the module? Explain. (Slide 27)
- Consider the learning objectives for this module. How do you feel about each one after completing it? (Slide 27)
  - I am able to explain what factors influence the cost of insurance.
  - I feel confident in my ability to develop a plan for purchasing insurance in the future.
  - I can describe ways to reduce my future insurance costs.

## Extending the Module

Once students complete the module, consider one or more of these extension activities:

- Use the [Insurance, Risk, and Costs Classroom Activity](#) in which students complete an activity to approximate the cost of auto insurance given nine different factors and then work in groups to research what influences the cost of other types of insurance.
- Encourage students to discuss insurance with their family using [Insurance: A Family Conversation](#) which includes conversation starters, things families can do, and sources of additional information for families.
- Invite students to watch PBS' Two Cents video, [I'm Young and Healthy. Can I Skip Health Insurance?](#) (5 min, 27 sec). Challenge students to list the benefits and tradeoffs of health insurance for young people.
- Life insurance is a topic that many young people don't think about. Direct students to watch one of the videos from [Life Happens](#). Ask students to summarize the video and explain the key takeaway.

## Standards Correlation

The following standards are addressed in this module.

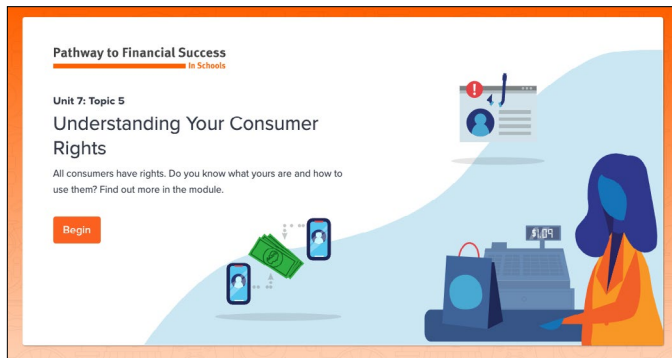
[National Standards for Personal Financial Education](#) from the Council for Economic Education and Jump\$tart Coalition for Personal Financial Literacy

- VI. Managing Risk 8-2 Insurance is a financial product that allows people to pay a fee (premium) to transfer the cost of a potential financial loss to an insurance company.
- VI. Managing Risk 8-4 Four key insurance terms that contribute to out-of-pocket costs with an insurance policy are: premium, deductible, copayments, and co-insurance.
- VI. Managing Risk 12-1 People vary with respect to their willingness to accept risk and in how much they are willing to pay for insurance that will allow them to minimize future financial loss.

- VI. Managing Risk 12-2 The decision to buy insurance depends on perceived risk exposure, the price of insurance coverage, and individual characteristics such as risk attitudes, age, occupation, lifestyle, and financial profile.
- VI. Managing Risk 12-3 Some types of insurance coverage are mandatory.
- VI. Managing Risk 12-4 Insurance premiums are lower for people who take actions to reduce the likelihood and/or financial cost of losses and for those who buy policies with larger deductibles or copayments.
- VI. Managing Risk 12-5 Health insurance provides coverage for medically necessary health care and may also cover some preventive care. It is sometimes offered as an employee benefit with the employer paying some or all of the premium cost.
- VI. Managing Risk 12-7 Auto, homeowner's and renter's insurance reimburse policyholders for financial losses to their covered property and the costs of legal liability for their damages to other people or property.

[National Standards for Business Education](#) from the National Business Education Association

- Personal Finance VIII.1.3 Explain how all types of insurance are based on the concept of risk sharing and statistical probability.
- Personal Finance VIII.1.4 Evaluate insurance as a risk management strategy.
- Personal Finance VIII.1.5 Identify the type of insurance associated with different types of risk (e.g., automobile, personal and professional liability, home and apartment, health, life, long-term care, disability).



## Topic 5 Understanding Your Consumer Rights

[Launch the Module](#)

### Overview

*What information do you need to make wise financial decisions?* In this module, students learn about their consumer rights and how to avoid becoming victims of a scam or financial fraud. The module begins with a BuzzFeed-style quiz in which students answer questions to find out what type of consumer they are. They learn why it is important to avoid scams and explore ways that people become victims. Students learn about scams directly aimed at younger people and discover tips they can follow to avoid becoming a victim. Students also learn about government agencies that help consumers and victims of fraud.

### Key Learning Objectives

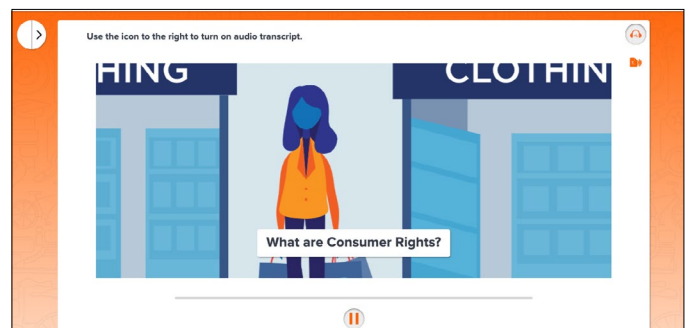
Students will be able to:

- explain why scams are important to avoid.
- give examples of laws and institutions designed to help consumers.
- describe how a consumer can get help if they suspect a scam or financial fraud.

### Setting the Stage

Before the module, engage students by discussing one or more of these questions:

- Is it safe to buy things online? Why or why not?
- Do you know anyone who's ever been scammed by someone when they were buying a product or service? What happened?
- Where would you turn if you felt you were scammed when making a purchase?



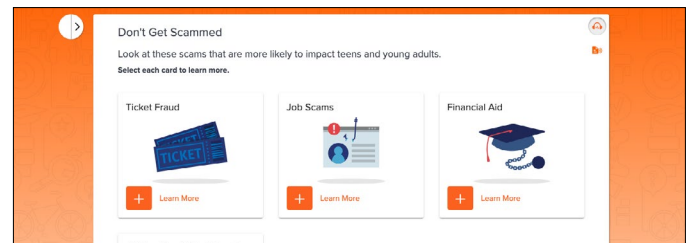
### Section-by-Section Educator Tips

- **Prepare**
  - **Setup:** The module begins with an introduction of the term consumer rights. Challenge students to share what rights they think consumers have or should have.
  - **Consumer Quiz:** Students take a BuzzFeed-style quiz in which they respond to four questions. Based on their responses they are categorized as either a wise, savvy, haphazard, or unpredictable consumer. Compare the results for students in the class and ask students if the description given matches what they know about themselves as consumers.
  - **Show What You Know:** The pre-test consists of three questions. Students have one opportunity to answer each question correctly. The correct answer is visible once an answer is submitted, and feedback is provided for both correct and incorrect answers. If using the module in a classroom setting, consider having students vote on answers or call on different



students to provide ideas for each question before the students submit their answers.

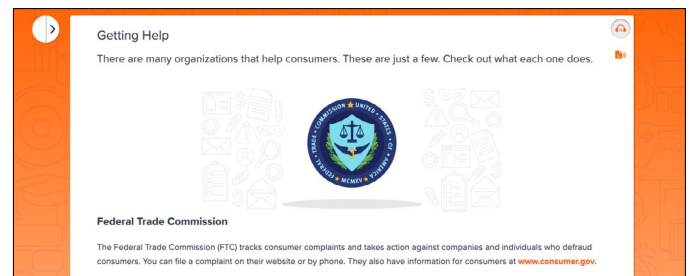
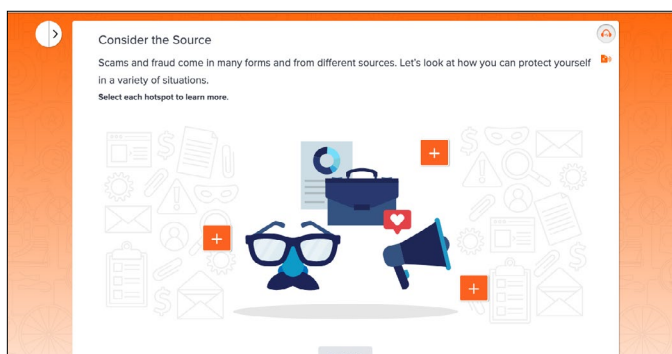
clearly indicate when they are advertising a product or service? Do they know if they are getting paid or receiving the product for free or at a discount? How might failing to disclose this information be considered a scam?



• Learn

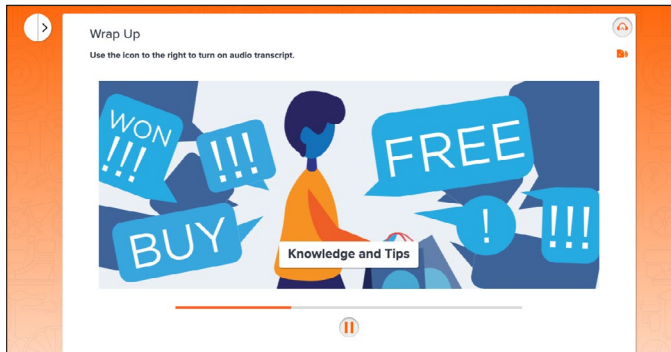
- **Consumer Rights and Responsibilities:** Through a short animated video, students learn that people of all ages fall victim to scams and that these losses total around \$2 billion dollars a year. Consumers' rights to safety, information, choice, and being heard are explained. Challenge students to consider why so many people are scammed if consumers have so many rights.

- **Don't Get Scammed:** While there are many ways that people can get scammed, this section focuses on four that are particularly relevant to teens and young adults. Ask students if they know anyone who has been the victim of any of these forms of fraud. Invite students to search online for images of skimmers which are placed on top of credit and debit card readers at places like gas stations and ATMs. Encourage students to be on the lookout for these devices.



- **Consider the Source:** Students explore two images to learn more about scams and fraud. In the first image, they discover ways to protect themselves online, with email, and when answering calls from potential scammers. The second image shares precautions when dealing with salespeople, imposters, and social media influencers. Encourage students to think of someone who has an influence on other people because of social media. Do they

- **Four Tips:** Students advance through a series of tips to learn ways to avoid becoming a victim of fraud. The second encourages students to talk to someone they trust. Ask students who they would talk to if they encounter a situation that seems questionable or just want a second opinion.
- **Getting Help:** There are many agencies and organizations that help consumers. Students learn the roles of several organizations. Challenge students to identify who the attorney general is for your state and find out how to contact their office with a consumer issue.



• **Reflect**

- Following a short wrap up, students are asked to rank how strongly they agree or disagree with the following statement: I know what to look for and how to protect myself from common scams. Did more students agree with the statement after completing the module than before? If students still disagree at the end, ask them what they still need to know in order to agree with the statement.

**Not quite, give it another try**

Try Again

Skip and continue to the next question.

• **Challenge**

- There are five post-module challenge questions. Students are encouraged to review the information in each section, if needed, before beginning the challenge.
- Students will encounter a variety of question types including classification, fill-in-the-blank, multiple choice, and matching.
- For each question, students have two opportunities to answer correctly. Full credit is given for correct answers on the first try. If students answer incorrectly, they are given an opportunity to try again or skip and continue to the next question. No additional points are given to students who either do not retry the

question or retry the question and still answer incorrectly. Partial credit is given to students who correctly answer a portion of a multi-part question or who give the correct answer on a second try. The total number of available points in this module’s post-test is 70.

**Interactive Student Capture Sheets**

The [Unit 7 Interactive Student Capture Sheets](#) contain prompts, reflection opportunities, graphic organizers, and more. They are provided in Google Slides and offer a way for students to capture their notes while progressing through each of the self-paced modules. Additionally, they can serve as a means of assessing student progress and comprehension. Below are the prompts included for this topic:

- How would you describe yourself as a consumer? After taking the “Consumer Quiz,” what areas might you work on to improve your consumer skills? (Slide 29)
- When it comes to consumer rights and responsibilities, what do you already know? How about scams? What do you want to know? Complete the first two columns now. Come back when the module is done, and share what you learned. (Slide 29)
  - Know: What do you already know about this topic?
  - Want: What do you want to know about this topic?
  - Learn: What have you learned after completing the module?
- Corresponding to the module’s animation, [Consumer Rights and Responsibilities](#), students are asked to share an adjective describing what they saw, an emotion the video made them feel, information they found interesting, something that surprised them, and a question they still have. If your school has access to the [Discovery Education](#) platform, you can assign a version of this activity within [Studio](#). (Slide 30)
- What steps can you take to prevent becoming a victim of scams or financial fraud? List at least two for each category. (Slide 31)
  - Websites
  - Emails

- Phone calls
- Imposters
- Sales People
- Social Media
- Select one of the scams from the Don't Get Scammed section. Who do you know that might fall victim to this scam? Draft a message to them explaining what to look out for and how to avoid it. (Slide 32)
- Consider each strategy you could use to prevent falling for a scam. When or how might you use it? (Slide 32)
  - Search online for a phrase that describes your situation, like "IRS call" or a questionable phone number.
  - Slow down, check out the offer, consult an expert, or just tell a friend or trusted adult.
  - Say, "put me on your do not call list" and then hang up.
- Create your own reference sheet of organizations that help consumers where you live. Fill in the table with the name, website, and phone number for each agency listed below. Include how they help consumers. (Slide 33)
  - Federal Trade Commission (FTC)
  - Your State's Attorney General
  - Your State's Banking Regulator
  - Your State's Insurance Regulator
  - Local Law Enforcement
- At the beginning and end of this module, you were asked to consider the statement, "I know what to look for and how to protect myself from common scams." How would you answer someone if you were asked about this? What questions do you still have about this topic? (Slide 34)
- Consider the learning objectives for this module. How do you feel about each one after completing it? (Slide 34)
  - I am able to explain why scams are important to avoid.

- I feel confident giving examples of laws and institutions designed to help consumers.
- I can describe how a consumer can get help if they suspect a scam or financial fraud.

## Extending the Module

Once students complete the module, consider one or more of these extension activities:

- Use the [Protect Your Rights Classroom Activity](#) to further explore the roles various consumer protection agencies play and engage students in developing a PSA on behalf of one of the agencies.
- Invite students to research recent or common scams using a resource such as the [Federal Trade Commission](#) or the [Attorney General's](#) office in your state. Challenge students to consider who might be a likely victim, what would make a person fall for the scam, and how a consumer can avoid becoming a victim.
- Divide students into groups and have each prepare an argument in support of or opposition to the following statement, "Giving the public information about scams just helps scammers come up with more ways to take advantage of consumers." Allow students time to have an oral debate.
- Direct students to play an online game related to scams such as [Con 'Em If You Can](#) from the FINRA Investor Education Foundation. Invite students to share what they learned or describe the game and the key takeaways.

## Standards Correlation

The following standards are addressed in this module.

### [National Standards for Personal Financial Education](#)

from the Council for Economic Education and Jump\$tart Coalition for Personal Financial Literacy

- II. Spending 8-2 Making an informed purchase decision requires a consumer to critically evaluate price, product claims, and quality information from a variety of sources.

- II. Spending 8-3 When evaluating information about goods and services, a consumer can better assess the quality and usefulness of the information by understanding the incentives of the information provider.
- II. Spending 12-5 Consumers incur costs and realize benefits when searching for information related to the purchase of goods and services.
- II. Spending 12-8 Federal and state laws, regulations, and consumer protection agencies (e.g., Federal Trade Commission, Consumer Affairs office, and Consumer Financial Protection Bureau) can help individuals avoid unsafe products, unfair practices, and marketplace fraud.
- IV. Investing 12-12 Federal regulation of financial markets is designed to ensure that investors have access to accurate information about potential investments and are protected from fraud.
- VI. Managing Risk 12-11 Online transactions and failure to safeguard personal documents can make consumers vulnerable to privacy infringement, identity theft, and fraud.


[National Standards for Business Education](#) from the National Business Education Association

- Personal Finance V.1.5 Identify laws that protect the rights of the consumer (e.g., The Fair Credit Reporting Act, The Consumer Product Safety Act, and The Truth in Lending Act).
- Personal Finance V.1.9 Describe consumer rights, responsibilities, and remedies, giving examples of each.
- Personal Finance V.1.11 Describe consumer assistance services provided by public and private organizations.
- Personal Finance V.1.14 Explain how a consumer can identify and report fraudulent behavior and practice.
- Personal Finance VII.1.24 Research rights and responsibilities of consumers according to credit legislation (e.g., truth-in-lending, fair credit reporting, equal credit opportunity, and fair debt collection).

# Classroom Activities

This unit includes two hands-on classroom activities. The first is in Topic 3: Insurance, Risk, and Costs, and the second is in Topic 5: Protect Your Rights. Below are brief descriptions of each activity, along with the learning objectives and the applicable national standards.

Pathway to Financial Success  
In Schools



UNIT 7  
Making Major Financial Decisions

**Title**  
**Insurance, Risk, and Costs**

**Topic**  
Understanding Insurance

**LEARNING OBJECTIVE(S)**  
Students will:

- identify different types of insurance.
- explain factors that influence the price people pay for

**Overview**  
*What is insurance and what influences the amount you pay for it? After discussing the reasons people buy insurance, students complete an activity to approximate*

## Topic 3 Insurance, Risk, and Costs

[Go to Activity](#)

### Overview

*What is insurance and what influences the amount you pay for it?* After discussing the reasons people buy insurance, students complete an activity to approximate the cost of auto insurance given nine different factors. In groups, they then research what influences the cost of other types of insurance. Students discuss whether or not they think insurance is worth the price they must pay for it and ways they can reduce their future insurance costs.

### Learning Objectives

Students will:

- identify different types of insurance.
- explain factors that influence the price people pay for insurance.
- develop a logical argument for or against having insurance.

### Standards Correlation

[National Standards for Personal Financial Education](#)

from the Council for Economic Education and Jump\$tart Coalition for Personal Financial Literacy

- VI. Managing Risk 8-2 Insurance is a financial product that allows people to pay a fee (premium) to transfer the cost of a potential financial loss to an insurance company.
- VI. Managing Risk 8-4 Four key insurance terms that contribute to out-of-pocket costs with an insurance policy are: premium, deductible, copayments, and co-insurance.
- VI. Managing Risk 12-1 People vary with respect to their willingness to accept risk and in how much they are willing to pay for insurance that will allow them to minimize future financial loss.
- VI. Managing Risk 12-2 The decision to buy insurance depends on perceived risk exposure, the price of insurance coverage, and individual characteristics such as risk attitudes, age, occupation, lifestyle, and financial profile.
- VI. Managing Risk 12-4 Insurance premiums are lower for people who take actions to reduce the likelihood and/or financial cost of losses and for those who buy policies with larger deductibles or copayments.
- VI. Managing Risk 12-5 Health insurance provides coverage for medically necessary health care and may also cover some preventive care. It is sometimes offered as an employee benefit with the employer paying some or all of the premium cost.
- VI. Managing Risk 12-7 Auto, homeowner’s and renter’s insurance reimburse policyholders for

financial losses to their covered property and the costs of legal liability for their damages to other people or property.

- VI. Managing Risk 12-8 Life insurance provides funds for beneficiaries in the event of an insured person's death. Policy proceeds are intended to replace the insured's lost wages and/or to fund their dependents' future financial needs.

[National Standards for Business Education](#) from the National Business Education Association

- Personal Finance VIII.1.2 Define basic insurance terms (e.g., deductible, premium, peril, risk).
- Personal Finance VIII.1.3 Explain how all types of insurance are based on the concept of risk sharing and statistical probability.
- Personal Finance VIII.1.5 Identify the type of insurance associated with different types of risk (e.g., automobile, personal and professional liability, home and apartment, health, life, long-term care, disability).

## Interactive Student Capture Sheets

The Unit 7 Interactive Student Capture Sheets do not include the student capture sheets from this activity.

Pathway to Financial Success  
In Schools



UNIT 7  
Making Major Financial Decisions

**Title**  
**Protect Your Rights**

**Topic**  
Understanding Your Consumer Rights

**Overview**  
*How do you stand up for your rights? After discussing what consumer protection might mean, students search for definitions online and then collaborate to create*

**LEARNING OBJECTIVE(S)**  
Students will:

- develop a definition of consumer protection using their own words.
- summarize the role

## Topic 5

# Protect Your Rights

[Go to Activity](#)

## Overview

*How do you stand up for your rights?* After discussing what consumer protection might mean, students search for definitions online and then collaborate to create one using their own words. Students then work in small groups to research a consumer protection agency and prepare a series of social media posts on behalf of the agency.

## Learning Objectives

Students will:

- develop a definition of consumer protection using their own words.
- summarize the role government agencies and other institutions play in protecting consumers.

## Standards Correlation

[National Standards for Personal Financial Education](#)

from the Council for Economic Education and Jump\$tart Coalition for Personal Financial Literacy

- II. Spending 12-8 Federal and state laws, regulations, and consumer protection agencies (e.g., Federal Trade Commission, Consumer Affairs office, and Consumer Financial Protection Bureau) can help individuals avoid unsafe products, unfair practices, and marketplace fraud.

- III. Saving 12-5 Government agencies such as the Federal Reserve, the FDIC, and the NCUA, along with their counterparts in state government, supervise and regulate financial institutions to improve financial solvency, legal compliance, and consumer protection.
- IV. Investing 12-12 Federal regulation of financial markets is designed to ensure that investors have access to accurate information about potential investments and are protected from fraud.
- V. Managing Credit 12-12 Consumer credit protection laws govern disclosure of credit terms, discrimination in borrowing, and debt collection practices.
- VI. Managing Risk 8-7 Identity theft is the use of someone else's personal identification information to commit a crime.

[National Standards for Business Education](#) from the National Business Education Association

- Personal Finance V.1.5 Identify laws that protect the rights of the consumer (e.g., The Fair Credit Reporting Act, The Consumer Product Safety Act, and The Truth in Lending Act).
- Personal Finance V.1.9 Describe consumer rights, responsibilities, and remedies, giving examples of each.
- Personal Finance V.1.11 Describe consumer assistance services provided by public and private organizations.
- Personal Finance VII.1.24 Research rights and responsibilities of consumers according to credit legislation (e.g., truth-in-lending, fair credit reporting, equal credit opportunity, and fair debt collection).
- Personal Finance VIII.1.6 Examine ways to minimize danger and ramifications of identity theft.

## Interactive Student Capture Sheets

The Unit 7 Interactive Student Capture Sheets do not include the student capture sheets from this activity.

# Family Connection






A Family Connection accompanies each high school unit in the Pathway to Financial Success in Schools program. Each one features an overview of the unit along with conversation starters and activities the family can do to reinforce the unit's lessons. This unit's family connection is [Insurance: A Family Conversation](#). It offers prompts related to the family's use of insurance. Families are encouraged to discuss auto and health insurance with their children with an emphasis on what can be expected as students get older. Additional resources are also provided to further help parents and guardians.










# Additional Units

This is the seventh of eight high school units in the [Pathway to Financial Success in Schools](#) program. Each one features self-paced modules, interactive student capture sheets, classroom activities, and a family connection. Consider opportunities to use these other resources in your unit or course. Please see the [Pathway to Financial Success High School Educator Program Guide](#) for additional program details.









## High School Program-at-a-Glance

-  Educator Unit Guide
-  Interactive Student Capture Sheets
-  Family Connection
-  Self-Paced Module
-  Classroom Activity








### Unit 1: Being Financially Responsible

- |  |  |   |   |  |
|--|--|---|---|--|
| 1.1 Imagining Your Financial Future<br>  | 1.2 Setting SMART Financial Goals<br> | 1.3 Examining Money Habits<br> | 1.4 Budgeting for Success<br>  | 1.5 Spending Wisely<br> |
|--|--|---|---|--|








### Unit 2: Using Financial Services

- |   |   |   |  |  |
|---|---|---|--|--|
| 2.1 Understanding Financial Institutions<br> | 2.2 Deciding Where and How to Bank<br> | 2.3 Opening New Accounts<br>  | 2.4 Using Mobile Banking<br>  | 2.5 Making Everyday Purchases<br>  |
|---|---|---|--|--|








### Unit 3: Financing Your Future

- |  |   |   |  |  |
|--|---|---|--|--|
| 3.1 Exploring Earning Potential<br> | 3.2 Weighing Your Career Options<br> | 3.3 Choosing Your Path after High School<br> | 3.4 Financing Higher Education<br>  | 3.5 Understanding Education Financing Options<br>  |
|--|---|---|--|--|

### Unit 4: Getting Paid

- |   |   |   |  |  |
|---|---|---|--|--|
| 4.1 Preparing for Work<br>  | 4.2 Calculating Different Types of Pay<br>  | 4.3 Comparing Job Offers<br> | 4.4 Paying Taxes<br> | 4.5 Creating Your Own Job<br> |
|---|---|---|--|--|

### Unit 5: Paying Yourself First

- |   |  |  |  |  |
|---|--|--|--|--|
| 5.1 Deciding to Save Money<br>  | 5.2 Setting Savings Goals<br> | 5.3 Finding Money to Save<br>  | 5.4 Growing Savings Through Interest<br> | 5.5 Choosing a Savings Method<br> |
|---|--|--|--|--|








### Unit 6: Using Credit Wisely

- |   |  |  |   |  |
|---|--|--|---|--|
| 6.1 Understanding Credit<br>  | 6.2 Deciding When to Use Credit<br> | 6.3 Checking Your Credit Report<br> | 6.4 Improving Your Credit Score<br>  | 6.5 Managing Debt<br>  |
|---|--|--|---|--|

### Unit 7: Making Major Financial Decisions

- |   |   |  |  |   |
|---|---|--|--|---|
| 7.1 Paying for a Vehicle<br> | 7.2 Renting or Buying a Home<br> | 7.3 Understanding Insurance<br>  | 7.4 Choosing an Insurance Plan<br> | 7.5 Understanding Your Consumer Rights<br>  |
|---|---|--|--|---|

### Unit 8: Growing and Protecting Your Finances

- |  |   |  |  |  |
|--|---|--|--|--|
| 8.1 Understanding Investing Options<br> | 8.2 Building a Diversified Portfolio<br>  | 8.3 Making Charitable Donations<br> | 8.4 Avoiding Financial Fraud<br> | 8.5 Getting Help with Financial Decisions<br>  |
|--|---|--|--|--|

# Key Terms

## Auto Insurance

Insurance which protects vehicle owners and/or drivers when damage is done to themselves, their vehicle, someone else, or someone else’s property

## Claim

A request for payment of a loss covered by an insurance policy

## Collateral

Something of value pledged by a borrower to be given to the lender should the borrower fail to repay a loan

## Collision Insurance

Insurance that pays for repairing or replacing your car if it's damaged in a collision with another vehicle or object

## Comprehensive Insurance

Insurance that covers damage to your vehicle from incidents other than collisions, such as theft, vandalism or natural disasters

## Consumer Protection

The laws and other forms of government regulation designed to protect consumers from harm or loss

## Contract

A legally binding agreement that outlines the rights, obligations, and terms of a specific transaction or relationship

## Copay

The amount you pay for medical services or prescriptions at the time of service, with the remaining cost covered by insurance

## Credit

The ability to buy something now and pay for it later.

## Deductible

The amount of money an insured person pays before the insurance company makes payments for loss

## Dependent

Someone who relies on another person for financial support, often a family member, and meets certain insurance or tax criteria

## Depreciation

The reduction in the value of an asset over time, due in particular to wear and tear

## Down Payment

A portion of the purchase price paid in cash when the rest is paid with borrowed money

## Equity

A property’s current market value minus any money that is owed on the property

## Exclusions

Specific situations or conditions listed in an insurance policy for which coverage will not be provided

## Federal Trade Commission

A federal government agency tasked with protecting consumers, often called the FTC

## Foreclosure

The process through which a lender takes possession of a mortgaged property as a result of the borrower’s failure to make mortgage payments

## Health Insurance

Insurance that pays for a person’s medical and/or surgical expenses, as needed

## Homeowners Insurance

Insurance that protects a homeowner from loss in the case of fire, theft, natural disasters, etc.

## Insurance

A means of protection from financial loss in which, in exchange for a fee, a party agrees to compensate another party in the event of a certain loss, damage, or injury

## Landlord

A person who rents land, a building, or an apartment to a tenant

## Law

A rule or order that it is advisable or obligatory to observe

## Lease

A contract by which one party conveys land, property, services, etc. to another for a specified time, usually in return for a periodic payment

## Liability Insurance

Insurance coverage for injuries or damages the insured person causes to others

## Life Insurance

Insurance that pays a person's loved one(s) a predetermined amount of money when the person dies

## Mortgage

A loan for the purchase of a home or real estate

## Network

In the context of health insurance, network refers to healthcare providers (doctors, hospitals, clinics) that have a contracted agreement with your insurance company to provide services at negotiated rates

## Phishing

A scam by which an internet user is tricked into revealing personal or confidential information, usually through an email message

## Policy

The written document detailing an arrangement for insurance

## Premium

The amount of money an individual or business pays for an insurance policy

## Regulation

A rule or order issued by an executive authority or regulatory agency of a government and having the force of law

## Rent

Paying someone for the use of something, or the money paid in exchange for the use of something

## Renters Insurance

Insurance that protects a renter from loss in the case of fire, theft, natural disasters, etc.

## Risk

The possibility of loss

## Security Deposit

Money paid by a tenant to a landlord which is returned to the tenant at the end of the lease unless used to pay for any damage or unpaid rent

## Skimmer

A device placed over of a credit or debit card reader and used by scammers to collect card information

## Tenant

A person who occupies land or property rented from a landlord

## Utilities

Electricity, gas, water, sewerage, and other services that may or may not be included in a tenant's rent

## Warranty

A written guarantee, issued to the purchaser of an article by its manufacturer, promising to repair or replace it if necessary within a specified period of time