**North East School Division**

**Unpacking Outcomes**

Financial Literacy 10.8

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| **Unpacking the Outcome** | | |
| Analyze credit options and the importance of responsible borrowing. | | |
| **Outcome**(circle the verb and underline the qualifiers) | | |
| Analyze credit options and the importance of responsible borrowing. | | |
| **KNOW** | **UNDERSTAND** | **BE ABLE TO DO** |
| Vocabulary:   * Credit * Debt * Net worth  1. **b**uy **n**ow, **p**ay **l**ater (BNPL, rent to own) 2. cash price | Students will understand...   * There are pros and cons of paying upfront, using a credit card or using payment plans. * That using credit responsibly means knowing about interest rates, payment amounts and amortization * That it is important to build a good credit history, beginning with your first use of credit * That there is a difference between Good and Bad Debt * That your net worth can impact your borrowing capacity | a. Compare various options for purchasing items with payment plans (a) and without payment plans (b).  b. Investigate interest rates, minimum payments and potential benefits for a variety of loans and credit cards.  c. Identify ways for a young adult to access credit for the first time and build a credit score.  d. Discuss credit scores and how they can impact future financial activities.  e. Critique the statement “Credit is a great way to make purchases when you are short on cash or have low income.”  f. Explain the difference between good debt and bad debt and why individuals need to respect debt.  g. Discuss the concept of net worth and the impact of borrowing on net worth. |
| **ESSENTIAL QUESTIONS** | | |
| How can debt be both good and bad?  When is it a smart time to access credit?  Why is it important to maintain a quality borrowing history? | | |