Advanced: ESL Level 4-5
Advanced: ESL Level 4-5

Lesson 1: Goal Setting ................................................................. 4-5.8
ESL Level: 4-5
Objectives:
Students will be able to identify the parts of a SMART Goal.
Students will understand that goals have different time frames for achievement.
Students will be able to identify at least one financial goal they have as an individual or as a family.

Prerequisite Skills:
None

Lesson 2: Reading a Lease and Understanding Your Rights as a Renter ............... 4-5.9
ESL Level: 4-5
Objectives:
Students will be able to identify common sections of a Lease Agreement.
Students will be able to identify what a Homeowner’s Association and State Regulatory Agency are.

Prerequisite Skills:
The Understanding Rental/Lease Agreements Lesson 14 from the Intermediate Level may be helpful for students who are not familiar with renting properties.

Lesson 3: Reading a Utility Bill ......................................................... 4-5.11
ESL Level: 4-5
Objectives:
Students will understand that a utility is a service providing electricity, water, gas, or trash removal by a company.
Students will identify the different parts of a bill: Total due, account number, usage chart, due date, and customer service.
Students will know that paying a utility bill late may result in paying late fees.

Prerequisite Skills:
It may be helpful for the students to review Lesson 15, Reading Utility Bills in the Intermediate Level of this manual.

It may also be helpful to refer to the Check Writing Lesson in the Intermediate Lesson11, Reading a Utility Bill.

Lesson 4: Understanding a Cell Phone Bill ........................................ 4-5.12
ESL Level: 4-5
Objectives:
Students will understand the different types of phone plans.
Students will be able to identify the different charges that come with purchasing a phone.
Students will be able to identify on a sample bill the amount due.

Prerequisite Skills:
None

Lesson 5: Methods to Pay Bills ......................................................... 4-5.13
ESL Level: 4-5
Objectives:
Students will be able to identify the different options available to pay their utility bills.

Prerequisite Skills:
Students should be able to write numbers as both a numeral and a word.
Lesson 6: Understanding Banking Products - Savings
ESL Level: 4-5
Objectives:
Students will understand the differences in savings products: Savings Account, Certificate of Deposit (CD), and Money Market Account.

Prerequisite Skills:
Students should know the difference between a “need” and a “want.”

Lesson 7: Understanding Banking Products - Loans
ESL Level: 4-5
Objectives:
Students will be able to identify common loan products.
Students will be able to identify loan terms.
Students will understand that interest is the cost of borrowing.

Prerequisite Skills:
While not required, some understanding of percentage rates and interest would be helpful for the students.

Lesson 8: Understanding Insurance
ESL Level: 4-5
Objectives:
Students will understand the three most common types of insurance: Auto, Health, and Homeowners.
Students will be able to identify common insurance terms: “deductible,” “policy,” and “premium.”

Prerequisite Skills:
None

Lesson 9: Reading Coupons
ESL Level: 4-5
Objectives:
Students will be able to identify different types of saving methods when shopping e.g. coupons, price matching, weekly ads.
Students will understand where they can locate these savings tools.

Prerequisite Skills:
None
Ask the students to bring in newspaper ads or coupons before teaching this lesson.

Lesson 10: Reading A Receipt
ESL Level: 4-5
Objectives:
Students will be able to identify the basic sections of a receipt.
Students will understand the difference between the subtotal and the total amounts.

Prerequisite Skills:
None
Have the students bring copies of store receipts to class.
Lesson 11: Paying Bills on Time. ................................................................. 4-5.21
ESL Level: 4-5
Objectives:
Students will be able to identify why it is important to pay their bills on time.
Students will understand consequences of not paying their bills on time.
Prerequisite Skills:
Students should be able to make simple comparisons when viewing graphs.

Lesson 12: Understanding Paychecks. ......................................................... 4-5.23
ESL Level: 4-5
Objectives:
Students will be able to identify some common methods for receiving pay for work such as a paycheck, direct deposit, and payroll card.
Students will understand that gross income is money earned before deductions.
Students will understand that net income is money received after deductions.
Students will understand that deductions are money taken out of a paycheck for taxes, insurance, and other expenses.
Students will have an experience to calculate their income for the Budget Worksheet activity if they receive some type of income.
Prerequisite Skills:
Students should be able to say, write, and recognize numbers 1-10,000.

Lesson 13: Filling out Bank Deposit and Withdrawal Slips ............................. 4-5.25
ESL Level: 4-5
Objectives:
Students will be able to identify the different ways they can access their money from a bank.
Students will be able to complete deposit and withdrawal slips for a bank or credit union.
Prerequisite Skills:
It may be helpful if students have an open bank account, but it is not required. For more information, see Opening a Bank Account in the Intermediate Lesson 14.

Lesson 14: Different Ways to Access Money: Credit and Debit. ......................... 4-5.26
ESL Level: 4-5
Objectives:
Students will be able to identify the difference between credit and debit cards.
Students will understand different ways to access money: Checks, Debit Cards, Credit Cards, EBT, Pre-paid cards, Gift Card, Money Order.
Students will be able to determine costs of different money transfer methods.
Prerequisite Skills:
None

Lesson 15: Ways to Protect My Identity ......................................................... 4-5.27
ESL Level: 4-5
Objectives:
Students will be able to identify what documents they should carry with them and which documents should be kept in a safe place.
Students will be able to identify measures they can take to help prevent their identity from being stolen.
Prerequisite Skills:
None

It may be useful to review the *Documents and Protecting My Identity* Lesson 16 from the Intermediate Section of this manual.

**Lesson 16: Protecting Myself Online: Avoiding Scams and Fraud** ........................................ 4-5.29

**ESL Level:** 4-5

**Objectives:**
Students will be able to identify basic steps to take to protect their information online.

**Prerequisite Skills:**
Students who have some computer skills will understand this lesson better than the students who have never used a computer.

**Lesson 17: Identity Theft: What to do if your identity is stolen** ............................................. 4-5.30

**ESL Level:** 4-5

**Objectives:**
Students will be able to identify helpful resources to use if their identity is stolen.

Students will be able to recognize indicators of Identity Theft.

Students will be able to identify steps to take if their identity or personal information is stolen.

**Prerequisite Skills:**
None

**Lesson 18: Understanding Your Credit Report** ................................................................. 4-5.32

**ESL Level:** 5

**Objectives:**
Students will understand that paying bills on time is important to establish credit.

Students will know where to obtain free copies of credit reports.

Students will identify which bills are listed on a credit report.

**Prerequisite Skills:**
It is helpful if students have some understanding of the different types of loans and credit.

**Lesson 19: Understanding the Differences in Lending Institutions** ................................. 4-5.34

**ESL Level:** 5

**Objectives:**
Students will understand the differences between various types of lending institutions.

Students will be able to identify advantages and disadvantages of using different lending institutions and products.

**Prerequisite Skills:**
None

**Lesson 20: Payday Loans and Unconventional Lenders** .................................................. 4-5.37

**ESL Level:** 5

**Objectives:**
Students will understand the high interest costs of using a payday loan, title loans or making purchases at rent to own centers.

Students will be able to identify steps to take to avoid using a payday loan or other predatory lender.

Students will understand the high cost of using predatory loans.
Prerequisite Skills:
It is helpful for the students to have reviewed the *Understanding the Differences in Lending Institutions Advanced* Lesson 19 before learning about unconventional lenders.

Lesson 21: High Pressure Sales Tactics & Recognizing Scams and Fraud. ................. 4-5.39
ESL Level: 5

Objectives:
- Students will be able to identify high-pressure sales tactics.
- Students will be able to recognize advertisements that promise too much.
- Students will be familiar with ways to protect themselves from fraudulent telemarketers.

Prerequisite skills:
- Students should understand credit and borrowing.
Lesson 1: Goal Setting
ESL Level: 4-5

Objectives:
Students will be able to identify the parts of a SMART Goal.
Students will understand that goals have different time frames for achievement.
Students will be able to identify at least one financial goal they have as an individual or as a family.

Prerequisite skills:
None

Materials:
Image Cards for “Fatima’s Story” (Fatima is a female Arabic name)
People: Female Arabic
Vocabulary: Bank with jars
Place: Grocery store
People: Graduation
Banking: Teller & Fatima

Worksheets:
Fatima’s Story Worksheet
Goals and Dreams Worksheet 1 and 2

Vocabulary: (words are BOLD when they first appear in the lesson):
Save: Setting money aside to use in the future.
Bank/Credit Union: A safe place where you can safely store your money for savings or to pay for future bills. These businesses also provide services that can help you meet your goals.
Goal: A dream or something important you want to accomplish.
Accomplish: To complete, carry out, or reach a goal. You accomplished a goal.
Short-term goal: A goal that will take less than a year to accomplish (0-12 months).
Mid-range goal: A goal that takes 1-3 years to accomplish.
Long-term goal: A goal that will take 3 years or more to accomplish.
Own: Something that is yours.
Deposit: Money added to your bank account.
Savings account: An account at a bank or credit union where money is kept for future use.
Plan: A way to accomplish a goal.
SMART Goal: This is an acronym and each letter stands for S=Specific, you have a detailed plan or exact goal of what you want to accomplish. M=Measureable, you can measure or track your progress to see how you are doing. A=Attainable, the goal you set is one you have the ability to accomplish. R=Rewarding, your goal is something that you find satisfying or would be proud or happy to accomplish. T=Time-bound, you have a time limit on when you hope to accomplish your goal.

Lesson:
Instruct:
Introduction the lesson and facilitate a discussion with the students. Lead a discussion on goals in general and specific goals the students may have.
“Today, we will learn about GOALS.”
“A goal is a desire you have or something you want to ACCOMPLISH. It is also something for which you have to PLAN or prepare.”

Goals have time frames:

SHORT-TERM GOAL: 0-12 months to accomplish
These goals may be accomplished quickly. Sometimes short-term goals may be a little easier to accomplish. Short-term goals are things you can start changing now or working on now.

Ask, “What are some types or examples of short-term financial goals?”

Instructor Note: If possible, you may want to write their ideas on a whiteboard. If one of your class students feels comfortable, you may encourage them to write the answers on the white board.

Possible examples: opening a bank account, starting to save, finding a job.

MID-RANGE GOAL: 1-3 years to accomplish
Mid-range goals take a little longer to reach and will require more work.

Ask, “What are some types or examples of mid-range goals?”

Possible examples: Receive your GED diploma, save $1,000 in your savings account, pay off a credit card bill or another debt.

LONG-TERM GOAL: A goal that will take 3 years or more to accomplish.
Long-term goals take much longer and require the most work. If you have a long-term goal, it is a good idea to set short and mid-range steps to accomplish it.

Ask, “What are some types or examples of long-term goals?”

Possible examples: Owning a home, saving $2,000, starting a business, saving money for children to go to college.

SMART Goals:
Instructor Note: In your discussion of SMART goals, explain that a goal with detail is more likely to be successful. Students will also want their goal to be something they can measure and that is rewarding.

Instruct:
Use the acronym for SMART to explain how this tool helps define an achievable goal.

SMART goal: Each letter represents a part of a SMART goal. They are:
S=Specific, you have a detailed plan or exact goal of what you want to accomplish.
M=Measureable, you can measure or track your progress to see how you are doing.
A=Attainable, the goal you set is one you have the ability to accomplish.
R=Rewarding, your goal is something that you find satisfying or would be proud or happy to accomplish.
T=Time-bound, you have a time limit on when you hope to accomplish your goal.

Provide your students with an example of a SMART goal:

Example: “I want to save $120 for emergencies” versus “I will open a savings account and save $20 a month for six months.”

“I want to buy a car for $1500” versus “I will save $75 a month for 24 months.”
Instructor Note:
Optional. You may want to illustrate savings growth using this Savings Calculator: http://apps.finra.org/Calcs/2/Savings. Since some faiths do not believe in earning interest, you may adjust the calculator to show 0% interest as well.

Instruct:
Present “Fatima’s Story” to the students. Hold the Image Cards up that coincide with the story as you tell the story. Allow the pictures to help you tell the story.

Picture Story – “Fatima’s Story”

Fatima came to the United States 22 years ago. When she arrived, she had one son who was three years old. Fatima was nervous and excited to come to the United States. She realized she would have to work very hard to be able to pay for her apartment, food, power, doctor’s bills, clothing, and school for her son. Fatima attended English classes and found a job working at a grocery store. She enjoyed her work and decided that she would like to OWN her own store someday.

Fatima started to SAVE a little money from each paycheck she received so that one day she could start her own business. She saved her money at home in a jar for a little while. Her friend told her about saving money at a BANK. Fatima was a little scared to keep her money in the bank, but realized her money would be more protected there than in the jar or under her mattress at home.

Fatima’s friend offered to take her to the bank so Fatima could speak with someone there about opening an account. When Fatima arrived at the bank, a bank employee named Fernando (or other name) agreed to help her. Fernando told Fatima that she could open a SAVINGS ACCOUNT. When Fatima first started to save she DEPOSITED $10 a month, but she knew if she kept saving, she would be able to own her own business one day.

After 15 years, Fatima had enough money to open her own market and she hired some of her friends to work for her. Fatima continued to save money because she wanted to help her son go to the university. When her son was 18, he enrolled at the local university. She was able to help him pay for some of his school with the money she earned from her business. Fatima’s son graduated from college. Fatima was very proud because she had helped her son.

Fatima's friend offered to take her to the bank so Fatima could speak with someone there about opening an account. When Fatima arrived at the bank, a bank employee named Fernando (or other name) agreed to help her. Fernando told Fatima that she could open a SAVINGS ACCOUNT. When Fatima first started to save she DEPOSITED $10 a month, but she knew if she kept saving, she would be able to own her own business one day.

After 15 years, Fatima had enough money to open her own market and she hired some of her friends to work for her. Fatima continued to save money because she wanted to help her son go to the university. When her son was 18, he enrolled at the local university. She was able to help him pay for some of his school with the money she earned from her business. Fatima’s son graduated from college. Fatima was very proud because she had helped her son.

Comprehension Review:
To check for comprehension, have the students re-tell the story using Fatima’s Story Worksheet. Students may work as individuals or in small groups. Walk around and observe the students. Assist the students as needed.

Once the students have worked through the story, you may have one of the groups summarize or re-tell the story in front of the whole class.

Instructor Note: As many refugee and immigrant populations come from cultures with a collectivist mindset (putting the group before themselves), make sure you focus on family goals as well. What do they hope to accomplish with their children, husband, or wife? Are they supporting family members in their home countries? How does sending money home influence their goals and decisions now?

Discuss:
After reading and discussing Fatima’s story, discuss with the class what they want to accomplish.

Ask, “What is your goal? What do you want to do to help your children and family?”

After discussing goals, distribute the Goals and Dreams Worksheets 1 and 2 and have the student write down some goals they would like to accomplish.

Conclusion:
Instructors, make sure the students know that goals take hard work and time but they can accomplish them with planning.

Development Notes and Resources:
Designed and compiled by the Utah State University Extension Curriculum Development Team.

Some material was adapted from FINRA’s tutorial pages Setting Smart Goals: http://apps.finra.org/tutorials/moneytopia/di.html?playModule=12&playLogo=finralogo_sm.jpg

FINRA Savings Calculator: http://apps.finra.org/Calcs/2/Savings

Lesson 2: Reading a Lease and Understanding Your Rights as a Renter

ESL Level: 4-5

Objectives:
Students will be able to identify common sections of a Lease Agreement.

Students will be able to identify what a Homeowner’s Association and State Regulatory Agency are.

Prerequisite Skills:
The Understanding Rental/Lease Agreements Lesson 14 from the Intermediate Level may be helpful for students who are not familiar with renting properties.

Materials:
Image Cards
Lease
Budget:Rental Agreement
Sample Rental Agreement or Residential Lease- Advanced (to project)
Prepare one Lease Matching Game for each group of 3-4 students

Worksheet:
Sample Rental Agreement or Residential Lease- Advanced
Lease Matching Game

Vocabulary: (words are BOLD when they first appear in the lesson):
Landlord/Property Owner/Lessor/Agent: Owner, or manager, of the property/building where one lives or works.
Late Fee: Amount of money that is charged to an account if the payment due date is missed.
Lease: A contract involving two, or more, people. One person allows another to use land or property for an amount of time in return for money.

Length of Lease: The amount of time that the contract is effective (Month-to-month, 6 or 12 month lease.)
Rent: The amount of money due at the beginning of each month paid to live in a building not owned by you.
Tenant(s)/Lessee/Resident: Person renting the house, apartment or business space.
Deposit: Money required to rent, or lease, an apartment or house before you move in. Typically used to insure against potential damages.
Deductible: The amount of money that you must pay before the insurance company will pay a claim.
Eviction: Forcing someone to leave rental property—typically for not paying rent or damaging the property. The owner must give you a written notice when evicting you from the property.

Homeowner’s Association (HOA): A group of people who make and enforce rules. They often require membership fees.

Inspection: When the property owner, or manager, walks through the rental property to find any damages. Under Utah law, 24-hour advance notice must be given.

Insurance: A financial product used to protect you and your property and help pay for unexpected expenses such as car accidents or medical bills.

Renters Insurance: Insurance that helps to replace personal items that are stolen or destroyed.

Occupants: People living inside a house/apartment for a set amount of time. This includes extended stay guests.

Property: General word for apartment, house, or condominium.

Refund of Deposit: Money that is given back to renter/lessee after the lease has finished. Typically when there is no damage to the property.

State Regulatory Agency: Group of people who protect the rights of renters. If you have a concern or problem about where you are renting you can contact the State Agency and they can help you with your concern.

Termination: Ending of a lease, contract, or employment.

**Lesson:**

*Instructor Note: In the “Understanding Rental/Lease Agreements” Lesson 14 from the Intermediate Level, the students learned some of the basics of reading a lease. If you find your class needs more information about the basics, please refer back to that lesson. The beginning of this lesson will quickly review parts of a lease.*

**Instruct:**

Explain that some leases are more complex than others are and it is important to understand everything in the LEASE. If the student does not understand something, they should not hesitate to ask the owner questions.

Distribute a copy of the Sample Rental Agreement or Residential Lease – Advanced and go through each of the different parts of the lease. If you have access to a projector or document camera, project the lease for the class to follow along.

Specifically discuss the vocabulary words for this lesson along with these terms:

**OCCUPANTS:** People living inside a house/apartment for a set amount of time. This includes guests staying at your house for an extended period of time. Some housing requires you to notify the owner if you have long-term guests.

**Parking:** Space used to park your vehicle. The property is very specific about where you can park your car, and how many cars you can have.

**Noise Ordinances:** Some communities have mandatory quiet time where loud music or noise is not allowed.

**Condition of Premises:** This clause gives the renter the opportunity to walk through the property and take note of any damage to the property. As you walk around make sure to take note of any damage and record it properly by keeping a copy for yourself and giving one to the owner. This will prevent you from being charged for the damages you did not cause.

**TERMINATION:** Ending of the contract/lease. Most property owners want at least a 30-day notice if you will be moving.

**Early Termination Fee:** An additional fee for ending your contract/lease early.

**Homeowner’s Association (HOA):** A group of people, comprised of homeowners, which make and enforce rules. Some properties have HOA groups and their dues may be an additional fee that is added to the RENT. HOA fees can cost $60 to $200 per month. Sometimes the property owner pays these fees.

**State Regulatory Agency:** Government office that helps protect the rights of renters. If you have a concern or problem about where you are renting, you can contact the State Agency and they can help you with your concern.

**Rents Insurance:** This insurance is specific for people renting an apartment or house. It protects your personal belongings if any of them are stolen or damaged, the insurance company will replace those items after the deductible is met. As a TENANT, it is your responsibility to obtain this insurance through a company and pay for this service. Usually the insurance is about $10-$20 a month.

**Inspection:** A property owner or manager has the right to walk through the property to find any damages. Under Utah law, 24-hour advance notice must be given.

**Eviction:** Forcing someone to leave rental property—typically for not paying rent or damaging the property. The owner must give you a written notice when evicting you from the property.

**Insurance:** A financial product used to protect you and your property and help pay for unexpected expenses such as car accidents or medical bills.

**Deductible:** The amount of money that you must pay before the insurance company will pay a claim.

**Refund of Deposit:** Money that is given back to the renter after the lease has finished.

**Deposit:** Money added to your bank account. Alternatively, money required rent to or lease an apartment or house before you move in.

**Landlord/Property Owner/Lessor/Agent:** Owner of the property/building where one lives or works.

**Length of Lease:** The amount of time that the lease contract is effective (Month-to-month, 6 or 12 month lease.)

**Late Fee:** Amount of money that is charged to an account if the payment due date is missed.

**Comprehension Review:**

*Lease Matching Game Activity:*

Divide the class into groups of two or three and have students test their knowledge by matching the words with the definitions using the Lease Matching Game. You may have them place the cards face down and take turns turning the cards over two at a time to find the matches. Once the cards are turned over they will read what is on the other side. If the word matches the definition, they will keep the cards, if it does not they will place the cards face down again and the next player will go. Continue to go in a circle until all the words and definitions have been matched together.

Or, you may have the students look at the words and definitions cards face up and have them take turns matching the words with the definitions.

**Development Notes and Resources:**

Designed and compiled by the Utah State University Extension Curriculum Development Team.

For additional help and information regarding renter’s rights, refer
Lesson 3: Reading a Utility Bill

ESL Level: 4-5

Objectives:
- Students will understand that a utility is a service providing electricity, water, gas, or trash removal by a company.
- Students will identify the different parts of a bill: Total due, account number, usage chart, due date, and customer service.
- Students will know that paying a utility bill late may result in paying late fees.

Prerequisite Skills:
It may be helpful for the students to review Intermediate Lesson 15 Reading Utility Bills.
It may also be helpful to students to review Intermediate Lesson 11 Writing a Check.

Materials:
Sample Electric Bill (to project)
Blank Checks (to project)

Worksheets:
Sample Electric Bill
Check Writing Worksheet

Vocabulary: (words are BOLD when they first appear in the lesson):
Bill: Paper, or electronic, document that shows the cost for use and when payment is due. E.g. utilities, rent, car, and phone bill.
Electricity: Power used for lights, television, any electronic device.
Pay: When you buy something or a service. To give someone money for goods or services.
Phone/Telephone: A tool that allows you to talk with others through calling or texting.
Total: Amount after adding a group of things together.
Utilities: A service providing electricity, water, gas, trash removal provided by a company.
Account Number: A number representing your specific account with a company or bank.
Billing Period: Dates included in the billing time.
Customer Service: Telephone number to call if you have a concern, question, or problem with your bill.
Late Fee: Amount of money that is charged to an account if the payment due date is missed.
Payment Stub: Section of the bill that is returned to the company when mailing payment.
Usage Chart: Chart on a utility bill that shows how much energy or water was used in the past 12 months.

As they identify the information, highlight or circle it on the projected image and give a short description of each section as a review.

Instruct:
“We are going to learn a few other important parts of a bill.”
Continue to point out the different parts of the bill on the screen so the students can follow along on their copy.

ACCOUNT NUMBER: Number representing your specific account with the company. Make sure that the account number and your name are always correct on the bill.
USAGE CHART: Chart on a UTILITY BILL that shows how much energy or water was used in the past 12 months.
LATE FEE: Amount of money that is charged to an account if the payment due date is missed.
BILLING PERIOD: Dates included in the billing time.
PAYMENT STUB: Section of the bill that is returned to the company when mailing payment.
CUSTOMER SERVICE: Telephone number to call if you have a concern, question, or problem with your bill.

Hand out the Check Writing Worksheet to the students. Explain that with reading and understanding your bill you must also pay your bill. There are methods of paying online but you can also send it in with a check.
(Instructors for this next activity you may need to refer back to the Writing a Check Intermediate Lesson 11.)

As a class, go through the steps to write a check based on the information on the electric bill.

Project the image of the check and fill out each of the different parts of the check based off of the information on the bill. If you are unable to fill out the check while projecting it, draw a sample check on the board to complete the demonstration. You may have the students fill out the check along with you or you may show them how to fill out the check and then have them practice when you are done.

Instruct:
“After you write out the check you must also cut off the payment stub and place it in the envelope and mail both the check and the payment stub to the company.”

Development Notes and Resources:
Designed and compiled by the Utah State University Extension Curriculum Development Team.
Rocky Mountain Power Reading Your Residential Bill: https://www.rockymountainpower.net/ya/kyb/ryb.html
Lesson 4: Understanding a Cell Phone Bill

ESL Level: 4-5

Objectives:
Students will understand the different types of phone plans.
Students will be able to identify the different charges that come with purchasing a phone.
Students will be able to identify on a sample bill the amount due.

Prerequisite Skills:
None

Materials:
Sample Phone Bill (to project)

Worksheets:
Sample Phone Bill

Vocabulary: (words are BOLD when they first appear in the lesson):
- Local Taxes: State, county or city charges for public services like police, libraries, parks and schools.
- Landline: A phone that can only be used at home or work. Wire is connected to the wall or floor.
- Minutes: Term used for when you call, talk, or text on your phone. Companies base the charges on how many minutes you spend talking.
- Network: A system to connect people.
- Phone Plan: A contract with a phone company that allows you to make calls or use their services.
- Wireless: Phone that you can use just about anywhere you go. (Example: Cell phone) Can also mean Wi-Fi access.

Lesson:
Instruct:
Ask, “What type of telephone do you use?” “When and where do you use it?”

A **LANDLINE** is a telephone that is connected to the wall or floor. It cannot be used away from the home. A cellphone is an example of a **WIRELESS** phone.

If students indicate they use a cell phone—ask them if they text and to tell the class about texting.

Ask the students if they have ever gone over their allotted **MINUTES** or texts and, if so, to share their experience with the class.

Then, briefly explain the three different types of **PHONE PLANS** that the students can have:

Pay-as-you-go: You purchase minutes, texts, or data as you need it. When you use up all your minutes, text, or data you can no longer use the phone until you pay for more. You must pay to add minutes before you use the phone.

Positive: No overage charges, or extra fees

Negative: If you are out of minutes, you cannot use the phone for an emergency. Minutes are more expensive to purchase with this type of plan.

Pre-paid Plans: Does not require a monthly contract. You purchase a certain amount of minutes for the month and use them until they are gone. When you use all of your minutes, you can pay for more minutes.

Positive: You control your phone bill.

Negative: If you are out of minutes, you cannot use the phone for an emergency. Minutes are more expensive to purchase. After a set amount of time, if you do not use the minutes, data, or texts that you bought, you lose them.

Contract Plans: Involve a long-term contract making it more of a commitment. The contract allows you to pay a set amount of money each month, depending on how many minutes, texts and data you will use. If you use over your limit, you will be charged additional fees.

Positive: If you agree to a contract, you can usually get a better deal on a phone, minutes, text, and data.

Negative: If you go over the allotted contract plan minutes, texts, or data, the company will charge your account an additional fee that increases your bill.

Comprehensive Review:
Have the students review the positives and negative features of each phone plan with a partner.

Instruct:
“Depending on the type of phone coverage you select, the bill you receive may look different. We are going to go over a generic phone bill and explain some of the charges.”

Distribute the **Sample Phone Bill**. Project the bill for students to follow along.

Charges on every phone bill: **Federal tax, state and LOCAL TAXES**, emergency service (911) charges. These are the charges that are always on your phone bill. The company is charging you for using their **NETWORK**. These fees are usually the same from month-to-month.

Some of the additional charges that may change from month-to-month, depending in the purchased plan, are:

- **Directory Assistance**: These are charges for placing a 411 information request call and any calls connected by an operator. (Calling 211, an information line that connects you to services in the community, does not create an additional charge although it does use minutes.)

- **Monthly Calling Plan**: The contract plan that includes a certain number of talking minutes, texts, and data use for each month.

- **Feature Charges**: Call forwarding, three-way calling, call waiting, voicemail, and Caller ID.

- **Airtime Charges**: Time used for placing a call.

- **Roaming Charges**: When you are outside of your network’s area, this is usually higher per-minute rate then your regular airtime charges.

- **Text messages**: Fee charged either per-message or a flat monthly fee for unlimited messages.

- **Downloading fees**: Fees charged for data plans, or using the internet.

The reason that these fees may change from month-to-month is that, at times, you may exceed the set amount of minutes or text messages allowed according to your plan. It is important to keep track of your used minutes so you do not go over your plan allotment as these charges may be costly. If you go over your minutes often, it may be a good idea to consider upgrading your phone plan.

All of these charges add up. Depending on what type of plan you have, your bill will look a little different. This phone bill is for a contracted phone plan. This person has signed a contract with AT&T to use their network to communicate with people for a set amount of time each month. As long as they do not go over their
different options for paying your bills. These are listed on your Online, Auto Pay, Phone, In Person and Mail. You can see the There are several different methods of paying bills:

After you read and understand your bills you must also pay them. Instruct:

Distribute the bill using different methods. This helps students connect the importance of reading a bill and paying Bill lesson. This lesson could also be taught on its own. This lesson is a short lesson that can be added to the Reading a Utility lesson:

None

Vocabulary: (words are BOLD when they first appear in the lesson):
None

Lesson: Methods to Pay Bills
ESL Level: 4-5

Objectives:
Students will be able to identify the different options available to pay their utility bills.

Prerequisite Skills:
Students should be able to write numbers as both a numeral and a word.

Materials:
Check Writing Worksheet (to project)
Sample Water Bill (to project)

Paying Water Bill over the Phone Script (Instructor and Student copies)

Worksheets:
Sample Water Bill
Check Writing Worksheet

How many of you pay your bills in person or by mail? We will discuss three other methods of payment.

Auto Pay: This is done through your bank if you have a checking account. You will have to talk with your specific bank to see how to set up the auto pay, but you are giving permission for your bank to pay the company each billing cycle. Once you have auto pay set up you do not have to worry about telling your bank each month. One bad thing about auto-pay is, if you forget the money is coming out of your account and you do not have enough money to pay the bill your bank will charge you a fee.

Online: Online payment is a simple way to pay and you do not have to pay for a stamp to mail the envelope. However, you need to have internet access to pay online. If you are paying on a public computer (at a library or other location), you will want to make sure you log out completely so people cannot steal your information. To pay online, you will enter your banking information (credit/debit card), and the amount of the bill or pay through Bill Pay from your bank’s online bank account. Many people like paying online because they do not have to talk to anyone.

Phone (Credit card): This method requires you to call the company and talk to an employee there. They will ask for your account information and credit card information. Paying by phone also save you money on stamps, but you have to talk to someone.

Optional activity:
Skit: Paying Water Bill over the Phone Script

If one or two of the students could act out the following skit, it would be beneficial for the class to see what can happen when calling a utility company.

Instructors, tell the participants that before they call the company it is important to have their bill in front of them so they can give their account information to the company. This skit is based on the bill that was given to them at the beginning of the class.

Paying Water Bill over the Phone Script:
Customer: “I forgot that my utility bill is due tomorrow. I need to pay it so I do not get a late fee. I will call and pay over the phone.”

Computer Voice: “Hello, thank you for calling Midvale City. If you have a question about your account, press 1. If you would like to pay your water bill, press 2. If you need to speak to a representative, press 3.”

(Instructor: When you first call, you may not speak with a person. This is a recording and they want to know why you are calling so you need to pay attention so you know what number to press. Ask the class what number they should press (2)).

Computer Voice: “Please hold while we transfer you to one of our representatives.”

(Instructor: Sometimes you will have to wait before you talk to a real person so you must be patient and willing to wait.)

Company Representative: “Thank you for waiting, how can I help you today?”

Customer: “I need to pay my water bill. “

Company Representative: “Okay great! I will just need to get a little information from you today. Do you have your bill in front of you?”

Customer: “Yes.”

Company Representative: “Great. First, what is your name and account information.”

Lesson: Instruction:
This is a short lesson that can be added to the Reading a Utility Bill lesson. This lesson could also be taught on its own. This lesson helps students connect the importance of reading a bill and paying the bill using different methods.

Distribute the Sample Water Bill to the students.

Instruct:
After you read and understand your bills you must also pay them. There are several different methods of paying bills:

Online, Auto Pay, Phone, In Person and Mail. You can see the different options for paying your bills. These are listed on your statement.
Customer: “0.0000.00”

Company Representative: “Okay, Mr. Sample, it looks like you owe $48.06. Will you be paying with a credit or debit card today?”

Customer: “A credit card.”

Company Representative: “Okay, this will just take a few more minutes to get your information. So please do not hang up.”

(Instructor: Now you would give the Company Representative your credit card information over the phone. The Company Representative would enter your information into their computer. Every company does this a little differently, but you will have to give them your account information, name, and credit card information. Make sure you have that information and are ready to give it to them. When you do call in to pay your bill make sure that no one else is listening to your conversation or trying to steal your credit card information.)

Instruct:
“Another way to pay your bill is by mail, using a check. You write out a check and send it to the company. It is not a good idea to send cash in the mail because it is easily stolen.”

Hand out the Check Writing Worksheet to the students.

Have the students look at the Sample Water Bill and find the important information that they will need to fill out the check (company name and amount due). Have them circle that information on the bill.

Next, have them start filling out the check. Give the students about five to seven minutes to finish this activity.

Comprehension Review:
Project a Check Writing Worksheet onto the screen or draw a sample check on the board to complete. If you feel like it is appropriate, you may invite participants to come up to the front and fill out the check. Alternatively, you can have the class help you out as you complete the check. Make sure that the participants are also checking what they have written and that their check is correct.

After they have filled in the check explain that they must also cut off the payment stub and place it in the envelope and mail both the check and payment stub to the company. If they just mail the check, the company may not know what account to apply it to.

Development Notes and Resources:
Designed and compiled by the Utah State University Extension Curriculum Development Team.

Lesson 6: Understanding Banking Products - Savings

ESL Level: 4-5

Objectives:
Students will understand the differences in savings products: Savings Account, Certificate of Deposit (CD), and Money Market Account.

Prerequisite Skills:
Students should know the difference between a “need” and a “want.”

Materials:
Savings Activity Signs: “Savings Account” “Money Market Account” “Certificate of Deposit (CD)” Play Money

Worksheets:
Types of Savings Accounts Worksheet

Vocabulary: (words are BOLD when they first appear in the lesson):
Certificate of Deposit (CD): Type of savings account where money is inaccessible for a set period of time in order to earn a higher interest rate.
Invest: Spending money with the hope of earning more money.
Interest: The amount it costs to borrow money. Alternatively, the amount of money earned at a bank.
Money Market Account: A high interest earning account that requires a high minimum balance, but also offers limited ability to access funds.
FDIC: (Federal Deposit Insurance Company): Agency that protects your money at a bank. Banks should have the FDIC sticker in the window.
SAFE: Protection from harm, danger, or injury. Can also be a place to keep money or important documents.
NCUA (National Credit Union Administration): Agency that protects your money at a credit union. Credit unions should have the NCUA sticker in the window.

Lesson:
Instructor Note: Be sensitive while teaching this lesson because some religious groups do not believe in paying interest or earning interest. Remind the students that we do have to pay interest when we borrow money, but there are ways to decline earning interest.

Instruct:
Begin by asking the students these questions:

“Is there something that you would like to purchase that is a want and not a need?”

“What is it that you would like to buy?”

Possible answers: anything from a new phone, electronic device, car, or even going on a vacation, etc.

“Most of us cannot buy all of the things we want all of the time. If we want to make expensive purchases, we need to save a little money each month. There are different types of accounts to place money where it is safe and may earn INTEREST.”

Remind the students that FDIC insured banks and credit unions are SAFE places to keep money because they are NCUA insured by the government up to $250,000 per account.

Savings Accounts: Accounts offered by banks and credit unions that earn interest. It is easy to access your account and withdraw money at any time. The interest earned on savings account is usually very low.

CERTIFICATE OF DEPOSIT (CD): Type of savings account where money is inaccessible for a set period of time in order to earn a higher interest rate—usually 1-6 months or 1-5 years. With CD’s you cannot withdraw your money at any time like you can with a regular savings account. You have to wait until the deposit period has ended. If you do need to withdraw your money early, you will pay penalty fees.

MONEY MARKET ACCOUNTS: A high interest earning account, offered by banks, that requires a high minimum balance, but also offers limited ability to access funds. These accounts usually pay a higher interest rate than a savings account. You can deposit and withdraw money from the account at any time without a penalty unlike a CD. Most banks require a high minimum balance to open a money market account (much higher than a savings account) and limit the amount of
transitions you can have. (Example: only have six transactions/withdrawals each month.)

**Activity:**
For this activity, you will need the signs that say “Savings Account” “Money Market Account” “Certificate of Deposit (CD)” and the Play Money Set.

Invite three students to come up to the front of the classroom. Give each student a type of savings account sign. Explain that each person just earned a big bonus from work - $1,000.00! They will each decide what to save the money for (e.g. car, phone, computer, or vacation.) Let them tell the class what they are saving for.

Next, go through the savings account options and discuss the differences and potential interest earnings earn from each account. (Before doing this activity, you might want to check the average interest offered for each of the different accounts types. A bank website or www.bankrate.com would have the current interest rates.)

“Savings Account: (student’s name) decided that he/she wanted to place the $1000.00 in their savings account and keep it there until he/she needs it. In one year, his/her $1000.00 earned $1.00 of interest (based on .01% interest).”

Give the student $1.00 dollar; explain that the $1.00 is money that the bank is giving them because they are keeping their money at the bank. The good thing about this account was that (student) could withdraw the money at any time without penalty.

“Certificate of Deposit (CD): (Student’s name) wanted to earn more interest than in a savings account. He/she knew that he/she would not need that money for at least one year.”

(Remind the students that they cannot withdraw the funds without receiving additional fees. If you decide to put your money in a CD, it is important to know that you will not need to use it during that time.)

“A year later the CD matures and (based on a 2.25% interest rate) they have earned $22.50.”

Give the student $22.50; round up to $23.00 if you do not have coins in the Play Money.

“Money Market Account: (Student’s name) wanted to earn a little bit more from his/her $1,000.00 prize. With the $1,000.00 minimum, he/she was able to set up a money market account. After a year, he/she earned $10.00 in interest (based on 1.0% interest rate).

Give the student $10.

“Since this account is similar to a savings account, (student) could move money in and out easily, as long as he/she always had at least $1,000.00 in the account. If it did fall below that amount, there could have been additional fees.”

**Instruct:**
The examples of earnings in this activity are based on average interest rates. Interest rates are continually changing. If the students want to INVEST money in one of these accounts, it is important they research the different types of accounts and talk to banks/credit unions to see who has the best interest rate. They can then decide which one best fits their needs. For very large sums of money, students may wish to consult an investment advisor (a person who researches and makes investment recommendations or conducts securities analysis in return for a fee.)

Distribute the Types of Savings Accounts Worksheet and have the students work on answering the questions.

**Homework:**
Talk to a bank agent about opening up a CD. Ask what the minimum deposit must be and the current interest rate is for those accounts.

Explain that the student does not need to actually open a CD—just get the information so that they are aware of the options through their own bank or credit union. Some students may choose not to do the homework because they have no intent to open a CD because of earning interest.

**Development Notes and Resources:**
Designed and compiled by the Utah State University Extension Curriculum Development Team.

Adapted from the U.S. Securities and Exchange Commission Tips for Teaching Students about Saving and Investing website: https://www.sec.gov/investor/students/tips.htm

Additional definitions and explanations of vocabulary terms found in the Investopedia Dictionary: http://www.investopedia.com/dictionary/

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**Lesson 7: Understanding Banking Products - Loans**

**ESL Level: 4-5**

**Objectives:**
Students will understand that interest is the cost of borrowing.

Students will be able to identify common loan products.

Students will be able to identify loan terms.

**Prerequisite Skills:**
While not required, some understanding of percentage rates and interest would be helpful for the students.

**Materials:**
Interest Activity Signs: “BANKER” and “CUSTOMER” (Instructors, you may wish to punch a hole at the top to place a string so the students can place it around their neck and not hold the sign.)

Play Money Set

Personal Loan Agreement (to project)

**Worksheets:**
Optional: Personal Loan Agreement

**Vocabulary:** (words are **BOLD** when they first appear in the lesson):

- **Annual Percentage Rate:** Annual rate charged for borrowing money. Expressed as a single percentage rate.
- **Auto/Car Loan:** A loan to borrow money to purchase a car now with the promise to pay back over time.
- **Finance:** The process of loaning money to someone. The amount of money that is borrowed.
- **Finance Charges:** Fees that are charged for borrowing money.
- **Home Loan/Mortgage:** A type of loan used to purchase, or make improvements to, a home.
- **Interest:** The amount it costs to borrow money. Alternatively, the amount of money earned at a bank.
- **Loan:** Money borrowed to purchase something now and then pay back over time.
- **Loan Term:** The length of time to repay the money borrowed. (Loan)
- **Personal Loan:** Loan to borrow money for a specific purpose with the promise to pay the money back over time. This loan is not based on collateral.
**Unsecured Loan:** Loan that does not have an item or property tied to the loan to guarantee payment. This type of loan is usually based on credit score and is known as a personal loan or signature loan. (Example: credit card)

**Repossessed:** When the bank or creditor takes your car or property back because you did not pay your loan as agreed.

**Collateral:** Property used to secure a loan.

**Secured Loan:** Loan in which the borrower pledges an asset as collateral for the loan.

**Borrow:** To use money now that you will pay back later.

**Credit:** Money that a bank, credit union or business, will allow a person to use and then pay back in the future with interest.

**LESSON:**

**Instructor Note:** Please be sensitive while teaching this lesson as some religions do not believe in paying or receiving interest. This can make purchasing a home difficult. Often times they will purchase a home as a community for one family and then they will save more money to purchase another home as a group until everyone in the family or community has received a home.

**Instruct:**

Ask, “How many of you could go out today and purchase a new car? How about a home?”

“Many of us do not have enough money to buy a new home or car.”

In order for us to make these purchases, we must BORROW money, which is called a LOAN. We are able to receive the money right now and then make payments for a set amount of time until the loan is paid back in full with INTEREST. Interest is the amount it costs to borrow money. There are many kinds of loans available. Today we are going to talk about three of the most common loan types: HOME LOANS/MORTGAGES, AUTO/CAR LOANS, and PERSONAL LOANS. These are all forms of CREDIT. Credit is money that a bank, credit union or business will allow a person to use and then pay back in the future with interest.

**Home Loan:** A type of loan used to purchase or make improvements to a home. A Home Loan is a type of SECURED LOAN. A home loan is also called a mortgage.

When looking to purchase a home, you must decide what you can afford. Whatever amount of money you borrow, it must be repaid -- with interest. There are a couple of different options for home loans. It is important that you do your homework when considering any loan so you know the advantages and disadvantages of each one.

**Different Types of Home Loans:**

**Fixed-Rate Mortgage:** Your interest rate and monthly payments stay the same. You know exactly what you will be paying every month for the length of the loan.

**Adjustable Rate Mortgage:** The interest rate is adjustable for the term of the loan. Monthly payments and interest may increase and decrease from year to year.

**Fixed-Period Adjustable-Rate Mortgage (ARM or Hybrid ARM):**

This type of mortgage has a fixed interest rate for a certain time period. For example, the first 3, 5, 7, or 10 years will have a fixed interest rate so you know what you are paying. After the fixed rate time period is up, the interest rate becomes adjustable for the remainder of the loan. At that time, your payments could increase or decrease depending on the market interest rate.

**Interest-Only Mortgage:** This mortgage allows the buyer to pay only the interest on the loan for the first few years of the loan -- usually 5-7 years. The payments in those first 5-7 years are small. After the interest-only period, the borrower will need to refinance the loan or, depending on the loan terms, the payments will increase to pay both the principle and the interest. These loans are not great for an investment, because the loan balance does not go down during the interest-only years. There may also be a balloon payment requiring the buyer to pay off the loan completely including principle and interest.

**Auto Loans:**

**Auto Loan/Car Loan:** A loan to borrow money to purchase a car now with the promise to pay the money back over time. The car is used as COLLATERAL to secure the loan. If you fail behind on your payments, your car may be taken away, or REPOSESED.

Banks, credit unions, and car dealerships provide auto loans. The best thing to do is visit different banks and credit unions and see which will give you the best interest rate.

**Types of Auto Loans**

**Pre-Computed Loan:** The interest of the loan is pre-calculated before the terms and conditions are set. It does not allow for early repayment of the loan. If you do repay the loan early, there could be penalties and fees that you will have to pay.

**Simple Interest Loan:** This is the most common type of loan. The interest is based on the outstanding balance of the loan. As the loan amount decreases, so does the interest that you have to pay.

**Long Term Auto Loan:** These loans can be 36 months (3 years) to 84 months long (7 years). The longer the loan the smaller the monthly payment amount is. However, the amount of interest paid over the loan increases.

**Short Term Auto Loan:** These loan periods are 12 months (1 year) to 36 months (3 years) long. Customers are able to pay off their loan more quickly by increasing the monthly payment. Typically, you do not pay as much interest with these loans because you pay the loan off quickly.

**Personal Loan:**

A personal loan is for general purposes such as family emergencies, purchasing home furnishings, repairs, etc. These loans are more difficult to obtain and have strict requirements. Personal loans are typically UNSECURED LOANS and look at your credit score to determine your ability to repay them. If you stop paying on this type of loan, the lender cannot automatically take away your property as they can with a car or home loan. They can charge additional fees.

**Activity:**

**Personal Loans**

For this activity, you will need the signs that say “Banker” and “Customer,” a Play Money Set, a projected, or laminated, copy of the Personal Loan Agreement, and dry erase marker. You may also want your students to follow along with the demonstration by completing the Personal Loan Agreement as you go. If so, distribute copies of the Personal Loan Agreement.

Invite two students to come up to the front of the class to help with the demonstration. Give one student the sign that says “Banker” and the other student the sign that says “Customer.” Give some money and the loan agreement to the banker.

**Instructor:** ____________ (Insert student’s name) wants to get a loan for $100.00. He/She goes to talk to the banker to see if they will qualify for the loan. The banker talks to ____________ (student/customer) to see if they qualify for the loan. The banker asks him/her many questions about their finances. The banker decides that he/she qualifies for the loan and they start completing the paper work.

(Project the Personal Loan Agreement for the class. It may
be useful to project it onto a white board for the students to complete.)

Explain that this is a simple loan agreement, and that not all loan agreements look like this.

If the student “Banker” can fill in the blanks, allow him/her to do that. If not, fill it in for them. Encourage the students to do as much as they can and not to worry about making a mistake.

Explain that the customer needs to make sure that all blanks are filled in completely on the agreement and to make sure to receive a copy of the loan agreement before leaving.

**Instruct:**
Explain the process, terms, and sections of the agreement as you, the “Banker,” complete the agreement form.

Start by filling in the date, borrower’s (customer) name, and the lender’s (banker) name.

**Terms and Conditions:** This section explains the different requirements for the loan.

First you need to decide how quickly you will pay back the loan. Usually you will have 6-24 months to repay the loan. Housing loans can be up to 30 years. (For this loan use 6 months.) The next blank will again be the banker’s name or you can make up a bank.

- **Amount of the loan:** ($100.00)
- **Amount FINANCED:** How much you are borrowing from the bank ($100.00)
- **FINANCE CHARGE:** Additional cost for processing your loan ($30.00).
- **Total of payments:** ($144.00)

**ANNUAL PERCENTAGE RATE (APR):** 6% or .06%

The APR changes depending on the loan type and your credit score. If your credit score is low, the bank may only loan you money at a higher interest rate.

**Repayment of Loan:** This section explains how much money you will be paying back each month. It will also include the due date and the day your first payment is due.

Installments of $24.00 will be due on the_________________ day (have the customer and banker come up with a date that payment will be due). Place the first payment as the coming month and the last one ending 6 months later.

Have the banker and customer sign the document, then have the banker give $100.00 to the customer. Explain that now the customer can use that money for what they had planned.

**Comprehension Review:**
Ask, “When is the first payment due?” “How much are the payments?”

**Activity continued:**
Now it is the_________________(say the date they agree to make the payments) and the customer needs to pay the $24.00 that they agreed. Have the customer count out $24.00 to give back to the banker. (You may need to make change for the customer.)

Explain to the class that if the customer misses a payment he/she will need to pay an additional late fee charge.

Explain to the students that his/her $100.00 loan cost him/her $44.00. Most banks do not give loans for such small amounts, but it is important to remember that loans have additional fees and you have to pay interest on the loan.

Explain to the students that it is okay to go to several different banks or credit unions to see who will give you the best deal on your loan. It is important to plan and, if you know you are going to need a loan, start visiting banks and talking with them before you want to purchase your car or house. If ____________ (customer’s name) did not like what the banker was offering he/she did not have to sign the contract. He/she could have left and gone to another bank.

**Comprehension Review:**
Ask the students if they have any other questions about home, auto, or personal loans.

**Homework:**
Encourage the students to talk with a banker about loans or do some research on the internet. Helpful websites for loan comparisons are bank and credit union websites. If students research loans online, make sure to remind them not to actually apply online because some online business are not trustworthy.

**Development Notes and Resources:**
Designed and compiled by the Utah State University Extension Curriculum Development Team.

This lesson was adapted from these websites:

- Debt.org Car Loans: [https://www.debt.org/credit/loans/auto/](https://www.debt.org/credit/loans/auto/)
- Definitions at [http://www.investopedia.com/terms/a/apr.asp](http://www.investopedia.com/terms/a/apr.asp)
- Golden West Credit Union: [https://www.gwcu.org/loans/auto/](https://www.gwcu.org/loans/auto/)

**Lesson 8: Understanding Insurance**
**ESL Level: 4-5**

**Objectives:**
Students will understand the three most common types of insurance: Auto, Health, and Homeowners.
Students will be able to identify common insurance terms: “deductible,” “policy,” and “premium.”

**Prerequisite Skills:**
None

**Materials:**
Insurance Names Image Cards for Picture Stories:
- “Adila’s Automobile Insurance” (Adila is an Arabic female name)
- “Goran’s Homeowners Insurance Claim” (Goran is a Croatian male name)
- “Isabella’s Health Insurance” (Isabella is a Spanish female name)
- “Juan Pays Coinsurance” (Juan is an Hispanic male name)
- “Warsame has Liability Coverage for his Automobile” (Warsame is a Somali Male name)

**Worksheets:**
Matching Insurance Terms Worksheet
Vocabulary: (words are BOLD when they first appear in the lesson):
Automobile Insurance: Insurance that helps pay for damage to automobiles and their passengers due to an accident.
Collision Coverage: Auto insurance that pays for damage done to your car as a result of a car accident with another car or object.
Comprehensive Coverage: Auto insurance that pays for damage done to your car other than a collision. This includes fire, burglary/theft, weather related losses (hail, water/flood), falling objects, animals, or glass breakage.
Current: Paying your bills on time.
Claim: A request to the insurance company for payment under the terms of the insurance policy.
Copayment: Payment you make to a provider that is usually a fixed fee for health insurance coverage. (Example: $25.00)
Coverage: The amount of protection you have stated in your policy.
Deductible: The amount of money that you must pay before the insurance company will pay a claim.
Health Insurance: Insurance that helps to pay for medical and health related injuries, as well as medication, hospital care, immunizations, annual doctor visits, health screening and counseling.
Homeowners Insurance: Insurance that helps pay for damage to your home and personal property due to burglary, fire, or other damages.
Market Value: This covers the amount someone would pay for a home, including land regardless of how much it would cost to rebuild the home.
Policy: Contract that determines coverage - what the insurance company is required to pay, and what the insured is required to pay for the coverage.
Premium: The required amount of money paid for insurance coverage.

Lesson:
Instructor Note: Review Vocabulary Terms

Instruct:
Things to Know About All Types of Insurance:
You are required, by law, to have health insurance coverage. If you own, or drive, a car you are required to have auto insurance coverage. If you do not have these coverages, you could be required to pay a fine or penalty.

POLICY: Contract that determines coverage—what the insurance company is required to pay, and what the insured is required to pay for that coverage.

COVERAGE: The amount of protection you receive according to your policy. When purchasing any type of insurance, you want to know what the company is going to cover with a particular policy.

PREMIUM: The required amount of money paid for insurance coverage.

In order for your insurance to be CURRENT, you must pay your premium on time. If you do not pay the premium on time, the insurance company may “drop” or cancel your policy and end your insurance coverage.

CLAIM: A request to the insurance company for payment under the terms of the insurance policy.

If you want to receive money from the insurance company for a covered cost or damage, you must submit a claim. Each company handles claims differently, so make sure you understand your insurance company’s claim process. Make sure to report any claims to your insurance company as soon as possible.

COPAYMENT: Payment you make to a provider that is usually a fixed fee for health insurance coverage. (Example: $25.00)

HEALTH INSURANCE: Helps to pay for medical and health related injuries as well as medication, hospital care, immunizations, annual doctor visits, health screenings, and counseling.

DEDUCTIBLE: Amount of money that you must pay before the insurance company will pay a claim. Auto insurance policies are typically 1 year or 6 months in duration. Health Insurance policies typically cover an entire year. The health insurance deductible includes payment for minor procedures and doctor visits, so the money you paid for those things goes toward the deductible. The insurance company is required to pay the remaining costs, or percentage of the remaining costs, once you meet your deductible.

Instructor Note: Use the following stories to help illustrate the vocabulary concepts. Make sure to ask students if they have any questions before continuing to the next example.

Picture Story – “Isabella’s Health Insurance”
Isabella needs to have heart surgery. The surgery costs a total of $100,000. Isabella has health insurance that will cover most of the cost of surgery. She has a $5,000 deductible on her health insurance coverage. Isabella must pay the $5,000 before the company will pay for the rest of her surgery.

Some policies will only pay a percentage of costs after the deductible is paid. (Often this amount is 90-100%.)

Picture Story – “Juan Pays Coinsurance”
Juan was in a serious accident. He is okay now but has $50,000 in medical expenses.

His health insurance coverage has a deductible of $5,000.

His coinsurance is 20 percent and his out-of-pocket maximum is $6,000.

Ask, “How much will Juan end up paying for his medical expenses?”

(Instructor, the students will probably say $5,000 because “coinsurance” and “out-of-pocket maximum” have not been discussed.)

Explain that once Juan reaches his deductible, his policy requires that he continue to pay until he meets the out-of-pocket maximum. Juan will pay 20% of all his bills until he has paid a total of $6,000. Once he reaches that amount, the insurance company will pay all of the remaining costs. The insurance company must pay the rest of his medical expenses under the insurance policy.

HOMEOWNER’S INSURANCE: Insurance that helps to pay for damage done to your home/apartment due to burglary, fire or other damage.

Picture Story – “Goran’s Homeowner’s Insurance Claim”
Goran’s house flooded when a pipe burst. Once he shut off the water, he found that a few pieces of furniture were damaged and several walls inside his house need to be replaced. Since he had homeowners insurance, he called his homeowner’s insurance company to establish a claim. He explained what happened and the things that were damaged in his house. The insurance company sent an adjustor out to look at the damage in his house before they would pay the claim.

Instructor Note: Homeowner’s Insurance does not insure against flooding. Flood insurance is a specific type of very comprehensive protection that is designed to cover losses from flooding.
expensive coverage that has a separate policy and is not usually necessary. Water damage, not caused by flooding, is covered under a homeowner’s policy in the majority of cases. http://thelawdictionary.org/article/does-my-homeowners-insurance-cover-water-damage/

Instruct:

There are two main types of homeowner’s insurance:

**MARKET VALUE:** This covers the amount someone would pay for a home, including land regardless of how much it would cost to rebuild the home.

Depending on your home and life situation, you will want to decide what kind of homeowners insurance is best for you. If there is a loan or mortgage on your home, you are required to have some type of insurance on your home. Some mortgage companies require specific types of coverage so be sure to ask about them when you are purchasing your home.

Homeowner’s Insurance can cover:
- Fire or Lightning
- Wind or Hail
- Freezing of Plumbing system
- Theft or Burglary/Vandalism

**Personal Property:** Financial protection if you are held legally responsible (liable) for injuries to others or damage to their property.

Look at your specific homeowner’s insurance policy closely because each policy is different. Do not be afraid to call the insurance company, or your agent, to ask questions if you do not fully understand your policy.

**Renter’s Insurance:** Insurance you can purchase if you are renting a home or apartment. This insurance is similar to homeowner’s insurance, which protects you from any damage done to your property while you are renting. (Example: Furniture, electronics, or clothing.) It is usually less expensive because you do not own the home and do not have to insure the structure itself. Review your renter’s insurance policy closely because each policy is different. Do not be afraid to call the insurance company, or your agent, to ask questions if you do not fully understand your policy.

Auto Insurance: Insurance that helps pay for damage to automobiles and their passengers due to an accident.

**AUTO INSURANCE:** Insurance that helps pay for damage to automobiles and their passengers due to an accident.

**Picture Story – “Warsame has Liability Coverage for his Automobile”**

Warsame ran a stop sign last week and caused an accident. Warsame only has liability insurance. The damages done to his car are not covered by his insurance. The liability insurance will only pay for the damages done to the other person’s car. If Warsame had full coverage, the damages to his car as well as the other car would have been covered by his policy.

**Liability Coverage:** This type of insurance does not protect you or your car. “Liability only” coverage just pays for the damages or injury you cause to someone else when you are responsible for an accident. When purchasing liability insurance each state has different minimum requirements. Check what your coverage needs to be at for the state you live in.

**COMPRESSION COVERECE:** Pays for damage done to your car because of a car accident with another car or object.

**COMPREHENSIVE COVERAGE:** Pays for damage done to your car other than a collision. This includes fire, burglary/theft, weather related losses (hail, water/flood), falling objects, animals, or glass breakage.

Additional Coverage: This coverage is not required to have if you drive a car, but it is additional protection in case of an accident. If you have a loan through a bank or other business, they may require you to have this additional coverage until you pay off the loan for your car.

Comprehension Review:

Distribute the Matching Insurance Terms Worksheet and have the students match the words to the definitions on their own. Then go over the answers with the class and answer any questions.

Remind the students that insurance can be complicated and that it is important to understand their insurance policies and to ask questions to make sure they understand them.

**Development Notes and Resources:**

Designed and compiled by the Utah State University Extension Curriculum Development Team.

Some material was adapted from these resources:

Blue Cross Blue Shield of Louisiana Guide to Understanding Health Insurance: [http://www.bcbsla.com/FINDAPLAN/GETTINGSTARTED/Pages/UnderstandInsurance.aspx](http://www.bcbsla.com/FINDAPLAN/GETTINGSTARTED/Pages/UnderstandInsurance.aspx)


National Association of Insurance Commissioners Auto Insurance Coverage:


Additional Resources for Reference:


**Lesson 9: Reading Coupons**

**ESL Level: 4-5**

**Objectives:**

Students will be able to identify different types of saving methods when shopping e.g. coupons, price matching, weekly ads.

Students will understand where they can locate these savings tools.

**Prerequisite Skills:**

None

Ask the students to bring in newspaper ads or coupons before teaching this lesson.

**Materials:**

Sample Grocery Sales (to project)

Bring in several different store ads and newspapers from the local
Advanced: ESL Level 4-5

If you subscribe to a weekly/daily paper there are many stores have rewards cards that provide discounts. These store cards do not cost money to participate, you just need to ask for one at the store.

Price Matching: A few businesses will “price match” items found at other stores for the price the other store is advertising. To get the price match you will need to bring in the ad so the store clerk can see the other store’s advertised price.

Discuss: Ask the students if they know of any stores around the area that price match. If they do, what types of things might they be able to price match there?

Instruct: Several websites and blogs focus on coupon clipping. These websites not only help you find the best coupons but some of them also provide recipes and meal plans that use the ingredients that are on sale.

Lesson:

Instructor Note: This lesson is a short lesson that can be added to the end of any lesson or it can be taught as a separate concept. The lesson focuses on teaching about the different resources students may use to save money when shopping.

Instruct: Ask, “What have you spent money on this past week?”

Write down all the different expenses that they have had. (Examples: Groceries, Gas, Car payment, Rent/House Payment, Utilities, Phone.)

“Saving money can seem like an impossible thing to do especially, with all the different expenses that we have. One area where we spend a lot of money is on groceries or food. Using COUPONS and buying foods that are on sale can help us save money.”

Project the Sample Grocery Sales sheet for the students. Explain that the prices listed show a sale for various items. Often, advertisements show the “regular” price for comparison. Point out the “Club Member” pricing and explain that they need a store rewards card to obtain that price.

Ask, “Where do you think this ad came from?”

Possible answers: newspaper, the mail, the store.

Lesson 10: Reading A Receipt

ESL Level: 4-5

Objectives:
Students will be able to identify the basic sections of a receipt.
Students will understand the difference between the subtotal and the total amounts.

Prerequisite Skills:
None

Materials:
Sample Receipt (to project)
Sample Receipt (to project)

Before you teach this class, ask the students to bring a couple of newspapers. Have them look through the ads and find the items that are on sale or have coupons. After they have looked through the ads, they will then create a grocery list based on what is on sale. Have them plan out a day’s worth of meals (breakfast, lunch, dinner, and a snack). They will need to write down what they will have, the ingredients, and price of each item.

Comprehension Review:
Have each group report what coupons, or sales, they found; and their meal plan ideas.

Development Notes and Resources:
Designed and compiled by the Utah State University Extension Curriculum Development Team.

Instruct:
Here are a few ways to find coupons and sales:

Store Ads: These ads are usually sent out in the mail once a week. The store may also have a stand at the front of the store.

Newspaper: If you subscribe to a weekly/daily paper there are many coupons that are found in the paper.

Online: There are many coupon websites. Some coupons and discount offers can be kept on your phone. Sometimes, however, you will need to print the coupons and have them in paper form.

Phone Apps: These applications/programs can be anything from a specific store app to just a general coupon app. You can look through these each week/day and see what coupons are available.

Store Rewards Cards: Many stores have rewards cards that provide discounts. These store cards do not cost money to participate, you just need to ask for one at the store.

Price Matching: A few businesses will “price match” items found at other stores for the price the other store is advertising. To get the price match you will need to bring in the ad so the store clerk can see the other store’s advertised price.

Discuss: Ask the students if they know of any stores around the area that price match. If they do, what types of things might they be able to price match there?

Instruct: Several websites and blogs focus on coupon clipping. These websites not only help you find the best coupons but some of them also provide recipes and meal plans that use the ingredients that are on sale.

While using coupons is a great way to save money, you must be careful. Do not buy everything for which you find a coupon. Only use coupons for things that you need to buy or will use. Also, be cautious because not all coupons will give you the lowest price for an item. Store brands may be cheaper then the national brand that offers the coupon.

Activity:
Grocery List

Have the students get into groups of 2-4. Give each group a couple of newspapers. Have them look through the ads and find the items that are on sale or have coupons. After they have looked through the ads, they will then create a grocery list based on what is on sale. Have them plan out a day’s worth of meals (breakfast, lunch, dinner, and a snack). They will need to write down what they will have, the ingredients, and price of each item.

Instructor Note: Some items may not be found in the ads. If that is the case, provide a cost estimate for the item. The students may also base their grocery list from their already stocked kitchen so they will not need to buy/list commonly used items such as spices, sugar, flour, shortening or other similar ingredients.

Comprehension Review:
Have each group report what coupons, or sales, they found; and their meal plan ideas.

Homework:
Have students watch for sales and coupons between this class and the next. Be sure to have them share what they find.

Materials:
Sample Receipt (to project)

Before you teach this class, ask the students to bring a couple of newspapers. Have them look through the ads and find the items that are on sale or have coupons. After they have looked through the ads, they will then create a grocery list based on what is on sale. Have them plan out a day’s worth of meals (breakfast, lunch, dinner, and a snack). They will need to write down what they will have, the ingredients, and price of each item.

Instructor Note: Some items may not be found in the ads. If that is the case, provide a cost estimate for the item. The students may also base their grocery list from their already stocked kitchen so they will not need to buy/list commonly used items such as spices, sugar, flour, shortening or other similar ingredients.

Comprehension Review:
Have each group report what coupons, or sales, they found; and their meal plan ideas.

Development Notes and Resources:
Designed and compiled by the Utah State University Extension Curriculum Development Team.

Lesson 10: Reading A Receipt

ESL Level: 4-5

Objectives:
Students will be able to identify the basic sections of a receipt.
Students will understand the difference between the subtotal and the total amounts.

Prerequisite Skills:
None

Materials:
Sample Receipt (to project)

Before you teach this class, ask the students to bring a couple of different receipts, or you may bring some different receipts for the students to look at for the activity.*

Worksheets:
Sample Receipt

Vocabulary: (words are BOLD when they first appear in the lesson):
Receipt: Record given after purchasing items, usually printed on paper.
Sales Tax: An amount added to the price of an item at the time of purchase.

Stock Keeping Unit (SKU): An identification code for products, usually a set of numbers.

Subtotal: The total of a set of numbers, which will be added to another number for a total.
Lesson:

Instructor Note: You will want to inform the class what the sales tax is for your area when discussing tax on the receipt. A useful website for this information is the Tax Foundation: [http://taxfoundation.org/article/state-and-local-sales-tax-rates-2015](http://taxfoundation.org/article/state-and-local-sales-tax-rates-2015) or the local Tax Commission, e.g. [http://tax.utah.gov/sales/rates](http://tax.utah.gov/sales/rates)

Instruct: RECEIPTS are given after making a purchase at a store. The receipt will list everything that was bought during the transaction. If you have any concerns with the total amount, the first thing to do is look at the receipt. Double-check the list of purchases and price of the items. Stores may make mistakes, do not hesitate to talk to the cashier and ask questions about your purchases if you think the total should be different.

Distribute the Sample Receipt to the students. Encourage them to write on the Sample Receipt and make notes (even if it is in their native language) so they can remember the different parts of a receipt. Project the Sample Receipt so students may follow along. As you discuss each part of the receipt, circle, or point to it for reference.

Somewhere on the receipt, it will have the name of the store, the address, and phone number. It will also state the date and time of the purchase which register you were at and the employee who checked you out.

This receipt has the name, address, and phone number at the top of the receipt. The date, time, and cashier are at the bottom. Not all receipts are the same, but they should have this information somewhere on the receipt.

The next section lists purchases. It is divided into columns.

The first column lists the items bought. You can see that this person bought bread. Sometimes, the item name is too long so it will have an abbreviated word for the item. It is important to look at this section and make sure it is correct. You do not want to pay for something you did not buy.

The next column is the STOCK KEEPING UNIT (SKU), which is a set of numbers that identify the item so the store may keep track of what they need to reorder. Not all receipts include this number.

The next column tells you if it was a food item (F). Some states do not charge SALES TAX on food items while others do. Sales tax is an amount added to the price of the item at the time of purchase. You will need to check with your individual state to find out if you pay sales tax on food items.

The next column shows the price of the item. We can see that the bread cost $2.88. When you review your receipt, you will want to look at this section and make sure the cashier charged you the correct amount. You can also watch the cashier enter the cost of items to verify prices. If the item was on sale, be sure they charged you the sale price.

The last column lets you know if you are charged tax for the item.

X-Taxable item
N-Non-Taxable item
T-Taxable item that is on sale
O-Non-taxable item that is on sale

At the bottom of the purchases, you will see the SUBTOTAL. The subtotal is the amount of all your purchases added together. This total does not include any sales tax.

The next line is the total sales tax that will be added to the purchase. Each state charges a different amount of sales tax for food and non-food items so you could have two different tax lines.

It is important to know your specific state sales tax laws. Tax rates also change. Some areas within a state may have higher sales tax.

The subtotal and the sales tax lines are added together to come up with the total amount. This is the amount that you will need to pay for your purchases.

Sometimes, the receipt will indicate how many items you purchased or how much money you saved. Also many stores will have their return policy listed either on the bottom of the receipt or on the back. You will want to make sure you know what the return policy is. Many stores require you to have a receipt as proof of purchase. You will want to keep all your receipts in a safe place so you can quickly find the receipt you need if you have to return something.

Activity:
Hand out the receipts that you brought to class or have the students bring out the different receipts they brought to class. Have the students circle: the store's information, the items bought, the subtotal and how much money they paid for taxes, if any.

Development Notes and Resources:
Designed and compiled by the Utah State University Extension Curriculum Development Team.

Lesson 11: Paying Bills on Time
ESL Level: 4-5

Objectives:
Students will be able to identify why it is important to pay their bills on time.

Students will understand consequences of not paying their bills on time.

Prerequisite Skills:
Students should be able to make simple comparisons when viewing graphs.

Materials:
Image Cards for Picture Stories:

“Amira Owes Late Fees” (a female Hispanic name)

“Afia Arranges to Pay Bills Late” (a female Hispanic name)

Amira’s Bill Tables (to project)

Worksheets:
None

Vocabulary: (words are BOLD when they first appear in the lesson):

Collection Agency/Debt Collectors: Business that tracks people who have not paid their bills.

Credit Score: A number that helps a bank or loan company know if you pay your bills on time. Your score determines if you get good rates on interest and qualify for some grants. It can also affect the ability to obtain work.

Lesson:

Optional Review: Instructors, you may want to review the way to avoid late payments section of the Intermediate Level Lesson 10 “The Importance of Paying Your Bills on Time” with students before you discuss late fees and consequences of late payments.

Instruct:

Picture Story – “Amira Owes Late Fees”

Amira has a used car that she drives to work. Her car broke down and she had to pay $500 to fix her car. She had to use the money that she would have used to pay rent and her other bill to fix her car. Now the property owner is coming to her apartment.
The Importance of Paying Your Bills

Amira is late on a few of her payments, because of an unexpected expense. She must now pay the regular amount of her bill along with the late fees that come from not paying her bills on time.

How Much Late Fees Cost:
Instruct:
Project Amira’s Bill Table so all the students can see—cover up the Late Fee column to start. Explain to the students that this is a graph showing a few of Amira’s bills. Explain and talk about the regular payments and how much it usually costs. Then uncover the late fee column, compare the two columns and help the students identify the amount of the late fee.

Amira’s Bill Table*:

<table>
<thead>
<tr>
<th>Amira’s Bills</th>
<th>Regular Payment</th>
<th>Late Fee + Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
<td>$400.00</td>
<td>$450.00</td>
</tr>
<tr>
<td>Utilities Bill</td>
<td>$60.00</td>
<td>$85.00</td>
</tr>
<tr>
<td>Phone Bill</td>
<td>$60.00</td>
<td>$85.00</td>
</tr>
<tr>
<td>Total</td>
<td>$520.00</td>
<td>$620.00</td>
</tr>
</tbody>
</table>

*Late fee payments vary; these are just average amounts.

“Because Amira did not pay her bills on time, she had to pay an additional $100.00 just in fees. If she does not pay her bills, the late fees will continue to increase.

“If she continues not paying her bills, her accounts may be sent to collection agencies or debt collectors that will continue to contact her until she pays all of her bills. COLLECTION AGENCIES AND DEBT COLLECTORS charge additional fees that are added to the original late fee - increasing the bill even more.”

Instructor, project this second graph. Lead the students to compare and contrast all three columns. Make sure to emphasize that the amounts are continually increasing because Amira has not paid her bills.

Amira’s Bills | Regular Payment | Late Fee + Payment | Collection Agency |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
<td>$400.00</td>
<td>$450.00</td>
<td>$560.00</td>
</tr>
<tr>
<td>Utilities Bill</td>
<td>$60.00</td>
<td>$85.00</td>
<td>$100.00</td>
</tr>
<tr>
<td>Phone Bill</td>
<td>$60.00</td>
<td>$85.00</td>
<td>$100.00</td>
</tr>
<tr>
<td>Total</td>
<td>$520.00</td>
<td>$620.00</td>
<td>$760.00</td>
</tr>
</tbody>
</table>

*Late fee payments vary; these are just based on average amounts. 
*Collection agency varies on the fees they charge; these are just based on average amounts.

Negative Effects of Not Paying Bills on Time:
1. Paying extra money: The money that you are paying in late fees could be going into savings or spent on other things.

2. Affects your CREDIT SCORE: The companies report to the credit reporting agencies when you do not pay your bills, which negatively affects your credit score. Bad credit scores can prevent you from receiving a loan. If you do get a loan, your interest rate will be higher than usual.

3. Employment: Some companies will look at your credit score when considering job applications and if you have a low score, they may not hire you.

These are just a few ways that not paying your bills on time can affect you. It is important to do your best to pay your bills on time.

What to Do if You Cannot Pay Your Bills on Time:

Instruct:

Aafia Arranges to Pay Bills Late:
Aafia is 27 years old. She just got a promotion at work. To celebrate her promotion, she moved into a new apartment and traded in her old car for a newer model. Along with her rent and car payment, she pays utilities, phone, and insurance bills. She has the additional expense of food, clothes, and entertainment each month. She knows money will be tight each month, but she believes she can make it work if she sticks to her budget.

Aafia was able to keep up with all her payments for the first four months, but this month she is having a hard time coming up with all the money to pay her bills. Aafia does not know what to do.

Ask, “What could you do if you were in Aafia’s situation?”

Possible answers:

Borrow money. (Instructor response: “While this could help ease her situation she will have to make sure she pays that money back and this just adds another bill she has to pay. Borrowing money is not a good habit to get into.”)

Contact the companies directly. (Instructor response: “This is a good way to show the company that you are trying to pay them for their services, especially if you call before the bill is due. Most companies will be willing to work with you if they know you are trying to work with them and willing be paying your bill.”)

Aafia Arranges to Pay Bills Late continued:

Aafia does not want a negative mark on her credit report. Once she realized that she was not going to be able to pay all her bills on time, she made a list of everyone she owed, when the bills were due, and the amount that needed to be paid. She placed her bills in order of importance. She knew she could pay all of her bills when she received her next paycheck, but many of the due dates were before her next paycheck.

First, she called her property owner and explained the situation. She asked if she could have an extension on her rent. She has not ever been late in paying, so the property owner said that would be okay. Next, she called the bank that carries her auto loan. She would need to pay a late fee. She then called the phone and utility companies. Both companies required a minimum payment and Aafia would have to pay an additional late fee for not paying the bill in full, but they would not send her account to collections.

Aafia finished contacting all the companies to whom she owed money and, because she had not missed a payment in the past, she was able to receive extensions with very few late fees. By calling before the due date, she saved a lot of time and money.

Notice that Aafia still had to pay a few late fees even though she contacted the companies. Some companies require that you always pay a late fee, because they do not want you getting in the habit of not paying your bill on time. All companies have their own set of rules that everyone has to follow. If you think you may be late making a payment, be sure to call ahead of the due date to make arrangements.

Comprehension Review:
Ask, “Why it is important to pay your bills on time?”

Discuss possible steps to make sure payments are made on time and knowing when bills are due. (You may wish to refer to the Intermediate Level Lesson 10 The Importance of Paying Your Bills on Time.)
Lesson 12: Understanding Paychecks
ELS Level: 4-5

Objectives:
Students will be able to identify some common methods for receiving pay for work such as a paycheck, direct deposit, and payroll card.

Students will understand that gross income is money earned before deductions.

Students will understand that net income is money received after deductions.

Students will understand that deductions are money taken out of a paycheck for taxes, insurance, and other expenses.

Students will have an experience to calculate their income for the Budget Worksheet activity if they receive some type of income.

Prerequisite Skills:
Students should be able to say, write, and recognize numbers 1-10,000.

Materials:
Image Cards for Picture Stories:

“Isaiah is Paid with a Paycheck” (Male name of African descent.)

“Rosario is Paid with Direct Deposit” (Female name of Hispanic origin.)

“Fatima is Paid with a Payroll Card” (Female name of African origin.)

“Tsheej Gets Paid” (Tsheej is a male name from Burma)

Tsheej’s Paycheck-Advanced (to project)

You may want the students to bring their own paycheck stub to class. If so, invite them to do so the class before this lesson.

Worksheets:
Budget Worksheet
Blank Paycheck for Tsheej
Tsheej’s Paycheck-Advanced

Vocabulary: (words are BOLD when they first appear in the lesson):
ATM (Automatic Teller Machine): Automatic Teller Machine-A machine that allows you to obtain cash from your checking or savings account.

Deductions: Money taken out of gross pay for taxes, insurance and other benefits.

Direct Deposit: A deposit of money from an employer directly into the employee’s checking or savings account.

Employer: A company or person who pays people to work for them.

Federal Tax: A tax that pays for federal roads, military, health care, college financing, space program and international relations.

FICA (Federal Insurance Contribution Act): A law to fund federal programs that provide benefits for retirees, disabled, and survivors of deceased workers. (Social Security Retirement and Medicare).

Gross Income/Pay: Total amount of money earned before taxes and insurance are taken out.

Hourly Rate: Amount of money you receive for each hour worked.

Medicare: A federal health insurance for people 65 years or older. It is also for younger people who are disabled.

Net Income: The money remaining after taxes, insurance and other benefits are taken out of income.

Pay Period: The length of time for which an employee’s wages are calculated.

Payroll Card: A debit card provided by an employer where pay is deposited each pay period.

Paycheck: A check an employer gives you to pay for the work you have done for the business.

Paycheck Stub: A paper, or electronic, document that shows detailed income and deductions for taxes, insurance, and other benefits.

Social Security: A federal supplemental retirement program to provide workers retirement income, disability income or survivor benefits based on their earnings.

State Tax: A tax that pays for public services like libraries, parks, and schools.

Year-to-date: The total amount of earnings or deductions for the year to the current date.

Lesson:
Instruct:
“When you are employed, you get paid for the work you do. There are many ways your employer can pay you.”

Picture Story – “Isaiah is Paid with a Paycheck.”
Isaiah is paid with a paycheck.

Isaiah takes his paycheck to a bank.

Isaiah cashes his paycheck and gets cash.

Isaiah gets a PAYCHECK. A paycheck is a paper check that an EMPLOYER gives to the employee to pay for the work he or she completed. You can have the paycheck cashed for dollar bills and coins at a bank or at a check-cashing business. You may also deposit the check in your checking or savings account.

Picture Story - “Rosario is Paid with Direct Deposit”
Rosario filled out a direct deposit form and gave it to her employer.

Rosario’s earnings are automatically deposited in her bank account each pay period.

Rosario gets a pay stub from her employer each payday to show how much is deposited to her bank account.

DIRECT DEPOSIT is another way to be paid. To receive a direct deposit, the employee completes a form that includes his or her bank account information and gives the form to the employer. The employer will have money electronically deposited into the employee’s bank account. The employee receives a paycheck stub to review earnings.

Picture Story – “Fatima is Paid with a Payroll Card”
Fatima is paid on a payroll card.

Fatima’s employer puts her money on a payroll card.

Fatima receives money from her payroll card account at an ATM.

A PAYROLL CARD is a debit card that your employer uses to pay you. You can create a payroll card account from an online website or through your employer. You can use an ATM to take cash out of your payroll card account.
Comprehension Review:
Ask, “If you have a job, how are you paid?” Then ask the students who respond to say why they like or dislike that method to receive their paycheck. Encourage a discussion of the benefits and disadvantages of each payment type.

Activity:
Reviewing a Pay Stub
Give each student a copy of Tsheej’s Paycheck - Advanced. You may wish to project the paycheck stub for the class to see. Review the sections of the paycheck stub as noted below.

Instruct:
"Whenever you get your pay, you should also get a PAYCHECK STUB or Pay Stub. A pay stub is a piece of paper, or electronic document, which provides detailed information about the money you earned. Sometimes this document is attached to your paycheck; when it is removed, it becomes a “stub.” The Paycheck Stub is what you receive when you have an electronic deposit of your paycheck. It is as a record of what your paycheck included."

Refer to Tsheej’s Paycheck - Advanced, point to each section, and explain what it means:

Employee: Tsheej’s name is in the employee box and he works for Quality Automotive.

Employee Identification Number: An EMPLOYEE IDENTIFICATION NUMBER is a number that an employer uses to keep track of his or her employees.

Check Number: An employer writes many paychecks. The check number is a record of the check that the employer gave you.

Check Amount: This is the amount of money you receive when you cash or deposit your check.

Employee Address: This is the address of where you live. Sometimes paychecks are mailed to the employee, so make sure you have the correct address listed on your paycheck.

GROSS INCOME: Gross income is the total amount of income you earned during the pay period.

HOURLY RATE: Amount of money you receive for each hour worked.

DEDUCTIONS: Deductions are amounts of money that are taken out of your paycheck, including TAXES. Taxes are money paid to the government to help keep the government running.

FEDERAL TAX: A tax that pays for federal roads, military, health care, college financing, space program, and international relations.

STATE TAX: A tax that pays for public services such as libraries, parks, and schools.

FICA (Federal Insurance Contribution Act): A law to fund federal programs that provide benefits for retirees, disabled, and survivors of deceased workers. (Social Security and Medicare). On paystub, it may be listed separately as Social Security and Medicare

Current Deduction Amounts: Lists the deductions that are taken out of the current paycheck.

YEAR-TO-DATE: The total amount of earnings or deductions for the year to the current date.

NET INCOME: The amount of money that remains after deductions from the gross income. Net income is the amount of money you get when you cash or deposit a paycheck.

MEDICARE: A federal health insurance for people 65 years or older. It is also for younger people who are disabled.

SOCIAL SECURITY: A federal supplemental retirement program to provide workers retirement income, disability income or survivor benefits based on their earnings.

If you did not identify the specific dollar amounts while reviewing the sections of Tsheej’s paycheck, point those out to the students as noted:

Tsheej worked 15 hours making $12.00 an hour.

He paid these amounts for taxes:

• Federal Tax $14.10
• Medicare $2.06
• State Tax Withholding $4.95
• Social Security $8.90

PAY PERIOD: Tsheej is paid every two weeks. He can see the dates he worked in the pay period section of the paycheck.

Discussion:
How often are you paid each month?
Who gets one paycheck a month?
Who gets two paychecks a month?
Who gets paid more than two times a month?

Are you paid the same amount each time or is it different each time? Why?

Comprehension Review:

Activity:
Blank Paycheck for Tsheej
Distribute the Blank Paycheck for Tsheej to the students and provide the following information for them to use to complete the paycheck stub:

Tsheej is paid every two weeks.
He works 40 hours a week and is paid $12.00 an hour.
Some of his money goes to pay federal taxes. $96.00
Some money goes to pay for state taxes. $45.00
Some money goes to pay for Social Security. $45.00
Some money goes to pay for Medicare. $15.10
Year-to-date Gross Income. $8,765.00
Year-to-date Net Income. $6,134.00

Optional Activity:
Budget Worksheet and Income
Distribute the Budget Worksheet to the students. Help the students estimate how much money they think they will be paid in the next month based on the hours they work and how much income they receive. (This amount may vary based on hours worked.) If the students have brought their own paychecks, they should reference them to make the estimates. Have the students write the amount they estimate on the sections noted:

Who gets paid more than two times a month?
Who gets two paychecks a month?
Who gets one paycheck a month?

Tsheej worked 15 hours making $12.00 an hour.

He paid these amounts for taxes:

• Federal Tax $14.10
• Medicare $2.06
• State Tax Withholding $4.95
• Social Security $8.90

PAY PERIOD: Tsheej is paid every two weeks. He can see the dates he worked in the pay period section of the paycheck.

Discussion:
How often are you paid each month?
Who gets one paycheck a month?
Who gets two paychecks a month?
Who gets paid more than two times a month?

Are you paid the same amount each time or is it different each time? Why?

Comprehension Review:

Activity:
Blank Paycheck for Tsheej
Distribute the Blank Paycheck for Tsheej to the students and provide the following information for them to use to complete the paycheck stub:

Tsheej is paid every two weeks.
He works 40 hours a week and is paid $12.00 an hour.
Some of his money goes to pay federal taxes. $96.00
Some money goes to pay for state taxes. $45.00
Some money goes to pay for Social Security. $45.00
Some money goes to pay for Medicare. $15.10
Year-to-date Gross Income. $8,765.00
Year-to-date Net Income. $6,134.00

Optional Activity:
Budget Worksheet and Income
Distribute the Budget Worksheet to the students. Help the students estimate how much money they think they will be paid in the next month based on the hours they work and how much income they receive. (This amount may vary based on hours worked.) If the students have brought their own paychecks, they should reference them to make the estimates. Have the students write the amount they estimate on their Budget Worksheet. You may want the students to complete the worksheet on their own as homework if they have not already done the activity in previous lessons.

Development Notes and Resources:
Designed and compiled by the Utah State University Extension Curriculum Development Team from information on the IRS website at www.irs.gov, along with observations at the English Learning Center in Logan, Utah and the Granite Peaks Language instructors at the Latter-day Saint Humanitarian Center in Salt Lake City, Utah.
Lesson 13: Filling out Bank Deposit and Withdrawal Slips
ESL Level: Level 4-5

Objectives:
Students will be able to identify the different ways they can access their money from a bank.
Students will be able to complete deposit and withdrawal slips for a bank or credit union.

Prerequisite Skills:
It may be helpful if students have opened a bank account, but it is not required. For more information, see Opening a Bank Account in the Intermediate Lesson 13.

Materials:
Image Cards for the deposit and withdrawal transactions.
Image Cards for an ATM deposit/withdrawal transaction.
Checking Deposit and Withdrawal Slips Worksheet (to project)
Savings Deposit and Withdrawal Slips Worksheet (to project)

Worksheets:
Checking Deposit and Withdrawal Slips Worksheet (to project)
Savings Deposit and Withdrawal Slips Worksheet (to project)

Vocabulary: (words are BOLD when they first appear in the lesson):
Checking Account: The bank account used to pay expenses.
Debit Card: A plastic card with 16 numbers on it that is attached to your bank account. When you use your card your money is taken directly from your account.
Deposit: Money added to your bank account.
Deposit Slip: The slip of paper you fill out to deposit your money to your bank account if a teller is helping you or if you are using an ATM.
Online Transfer: If you have online banking set-up, you can move money from one account to another account by selecting the transfer feature.
PIN Number: The password to your bank account. Used to withdraw money or finalize purchases.
Teller: The person who helps you at the bank.
Withdrawal: When you take money out of your account at the bank. This can be a face-to-face interaction with a teller or taking money out at the ATM.
Withdrawal Slip: The slip of paper you fill out to receive your money from your bank account if a teller is helping you.

Lesson:
Instructor Note: Students may already know how to deposit money to the bank, but there are ways to withdraw funds of which they may not be aware. This lesson gives a short explanation of how to withdraw money from a checking or savings account but does not discuss electronic deposits and transfers that can be done with telephone apps or online. Use Image Cards for the explanations as needed.

You may also wish to refer to the Introduction to Banking and Opening a Bank Account lessons in the Intermediate section of this manual.

Instruct:
“When you take your money to the bank to put in your bank account it is called a DEPOSIT. There are three ways to make deposits.

You can take your money to the bank in person and ask the teller to deposit the money. You may need to fill out a DEPOSIT SLIP. (Hold up Image Card or one of the Worksheets.)

You can have a direct deposit set up to your bank account for your employer to transfer your paycheck money automatically on pay day; or

You can make a deposit at your bank or credit union’s authorized ATM.

There are also a few ways to take money out of your account or WITHDRAWAL your funds.

You can withdraw funds by going to the bank and filling out a WITHDRAWAL SLIP to have the TELLER help you. (Hold up Image Card or one of the Worksheets.)

You can go to the ATM, use your banking card and PIN NUMBER (which is the password to your bank account), and withdraw funds.

If you do not have your DEBIT CARD for an ATM transaction and you cannot go into your own bank, you can write a check to yourself and have another bank cash it. The other bank may charge you to cash the check if you do not have an account with them.

You can also go to the bank website and using your PIN number to get into your account, make an ONLINE TRANSFER of money from your account to another account in the same financial institution.

Comprehension Review:
Ask, “What are some ways that you can withdraw money from your bank?”

Possible answers: ATM; write a check to yourself; or go to the bank in person and have a teller help you.

Instruct:
Project a Deposit Slip for the students. Explain the sections of the deposit slip and point to each section.

The account number section is where they put their account number.

The date is the day they make the deposit. The name section should be their name.

The first line on the deposit slip is where the cash amount they are depositing goes.

The checks section should list each check they need to deposit on a line.

The subtotal is the total amount of the cash and checks they are depositing.

Less cash back is the amount of money they want back if they need some cash.

The net deposit is the subtotal subtract the less cash back amount. Net deposit is actual amount of their deposit.

The last line is the signature line that must be signed for the teller to process their request.

Demonstrate for the class by completing the savings deposit slip based on this story.

Cho Lee needs to deposit $25.00 in cash. She also has a check for $30.00 she needs to deposit. The sub-total of her deposit is $55.00. She does not want any cash back. (Write a $0.00 on
the less cash-back line.) Her net deposit is $55.00. Her account number is 123456789.

When you are the bank, before you go to the teller, make sure you fill out the form completely and sign your name. If you forget, the teller will help you complete the form.

The teller will also ask if you would like a receipt or may give one to you automatically. This is a record of the banking transaction.

Activity:
Deposit and Withdrawal Slips Practice
Distribute the Checking Deposit and Withdrawal Slips Worksheet (to project) and the Savings Deposit and Withdrawal Slips Worksheet (to project) to the students. As you read the scenarios below, make sure to stress which form they should be using. Read each scenario and then have the students fill out the corresponding deposit or withdrawal slip. The scenarios are on the worksheets for the students to reference.

Margarita needs to take out $200 from her CHECKING ACCOUNT today. Her account number is 987654321. Help Margarita fill out the withdrawal slip for her checking account. Pretend you are Margarita when you sign.

Amare needs to deposit a $50 check into his checking account today. His account number is 234567891. Help Amare fill out his slip. Pretend you are Amare when you sign.

Alfredo received $200 in cash from Margarita and needs to deposit the money into his savings account. He will deposit the money today. His account number is 123456789. Pretend you are Alfredo when you sign.

Mario needs to withdraw $85.00 from his savings account to pay for a car repair today. His account number is 987654329. Help Mario fill out the withdrawal slip for his savings account. Pretend you are Mario when you sign.

After you have read the scenarios, project completed worksheets so that the students may check their work.

Development Notes and Resources:
Designed and compiled by the Utah State University Extension Curriculum Development Team.

Lesson 14: Different Ways to Access Money: Credit and Debit
ESL Level: Level 4-5

Objectives:
Students will be able to identify the difference between credit and debit cards.
Students will understand different ways to access money: Checks, Debit Cards, Credit Cards, EBT, Pre-paid cards, Gift Card, Money Order.
Students will be able to determine costs of different money transfer methods.

Prerequisite Skills:
It may be useful to review the Documents and Protecting My Identity Lesson 16 from the intermediate section.

Materials:
Image Cards for vocabulary - Western Union, Gift Card - Visa
“Dummy” or “promotional” credit card*
*not provided in kit

Worksheets:
Matching Payments Worksheet: Different Ways to Access Your Money

Vocabulary: (words are BOLD when they first appear in the lesson):
Money Order or Check Order: Purchased at a bank, Western Union, retailer or post office for any denomination. There may be a small fee for the money order ($1-$3). Money orders are like a check and the receiver can cash them. With money orders, the funds are guaranteed -- unlike a check. There may be a maximum limit.

Credit Card: A card that allows you to make purchases with borrowed money you have to pay back in the future. A plastic card with 16 digits and looks like a debit card.

EBT (Electronic Benefits Card) or SNAP card: A plastic card where government benefits, including cash assistance and Food Stamps are electronically delivered each month for approved purchases. Another name for Food Stamp allocation card.

Gift Card: A card that is preloaded with a certain amount of money and can be used like a debit card to make purchases. These cards are given as gifts and prizes. Gift cards for stores like Wal-Mart, Target, and grocery stores do not have fees for them, but gift cards like VISA Gift Cards cost additional money to activate.

Minimum Payment Required: The smallest amount you have to pay on your credit card each month. (Usually 1-3% of the total balance.)

Money Transfer: This is a common way to send money from one country to another. The fees to send money could be between $5 and $20. There are money transfer agencies like Western Union and MoneyGram. Some banks also offer transferring options if you have an account with them.

Pre-paid/Reloadable debit card: A card that is not attached to a bank account to which you can add money or other deposits. You can add money to the card at many stores for a fee. You will have an online account so you can see how much money you have on the card. There are monthly fees to use the card. You may also be charged when you make a purchase.

Statement (Bank or Credit Card): A detailed list of bank account activity or a list of purchases made on a credit card. Usually provided to the account owner every 30 days.

Instructor Note: Be sensitive when teaching this lesson, as some religious groups do not believe in paying interest or earning interest. Let the students know that if they use a credit card and pay it off in full each month they will not be paying interest.

Instruct:
“There are many ways to receive or have access to your money.

Some ways of accessing your money are easier and cost less than other ways.

We will review some ways that you can access your money. We will also review the costs associated with accessing money.”

Instructor, hold up Image Cards as you speak about the different ways of accessing money below:

Checks are connected to your bank account. When you write a check you put the name of the person you want the check to go to. If you have a bank account, it is usually free to write a check.

MONE Y ORDERS or CHECK ORDERS Purchased at a bank, Western Union, or post office for any denomination. There may be a small fee for the money order ($1-$3). Money orders are like a check and the receiver can cash them. With money orders, the funds are guaranteed -- unlike a check.

Instruct:
“Sometimes it can be confusing because your credit card, debit
A debit card is tied directly to your bank account and you may spend the money you have in that account. If you have a bank account, then you do not have to pay extra to use your debit card. Your debit card usually has the name of your bank on it so you do not confuse it with another card.

A CREDIT CARD allows you to buy things with borrowed money. You use the card at the store and then within 30 days you receive a STATEMENT or list of your transactions. If you do not pay for your purchases when you receive your statement and only pay for a small amount of your purchases or the MINIMUM PAYMENT REQUIRED, then you will pay interest on your credit card that can be between 7%-19.99% each month. Credit cards can be obtained from a bank or credit union or from a store.

Examples of credit cards include: Visa, MasterCard, American Express and Discover. These credit cards can be used in many different places. A credit card signed up at a store is usually for buying items at that particular store. This store credit card will usually have a higher interest rate than the other credit cards.

Be cautious about applying for store credit cards just to obtain a discount on merchandise the day you apply for the card. Having too many of these cards can hurt your credit score.

If you do not pay your credit card off each month, you can end up paying a lot of extra money in interest. If you pay your account in full each month, you will not pay interest.

The main difference between a credit card and a debit card is that the money you use with the debit card is your money.

EBT or SNAP Card: A plastic card used to receive government assistance, including cash assistance and food stamps. The amount of money you receive each month is loaded onto the card at the beginning of the month and then you can use the card at stores that accept EBT cards to pay for groceries.

GIFT CARDS are another way of making purchases. The card is purchased from a store and given to you to make a purchase. Gift cards for stores like Wal-Mart, Target, and grocery stores do not charge fees to use.

Gift cards like VISA Gift Cards cost additional money to activate at the register when you buy them.

If you want to send money back home, or to another country, you may use a MONEY TRANSFER. The fees to send money could be between $5 and $20. There are money transfer agencies like Western Union and MoneyGram. Some banks also offer transferring options if you have an account with them. When you send money this way, there is no charge to the recipient to pick up the money you transferred.

If you decide not to have an account at a bank or credit union, you may use a PRE-PAID DEBIT CARD OR RELOADABLE DEBIT CARD from an online company. Disadvantage to using these cards:

- There are many fees for using reloadable cards;
- You do not create a relationship with a bank or credit union; and
- Certain purchases or getting a loan may be hard in the future.

Charges with a reloadable card may come when you buy something, when you add money to your account, or when you withdraw money at an ATM or a bank. There may also be a monthly use fee.

Activity:
Read the situations and have the class decide what they would use to make the purchase.

Jose is going to his nephew’s birthday party and wants to give his nephew a present. What type of card or money transfer method could he use? (Gift Card, Money Order, or a Check)

Darley receives some assistance for food stamps. She is going to the store to buy groceries for her family. What card should she take with her? (EBT or SNAP card)

Nadia is going to the store to buy toys for her daughter. She knows she has $35.00 in her bank account and she does not have a credit card. How could she make the purchase? (Debit Card)

Jorge needs to send money to his brother in Guatemala? How can he send the money? (Money Transfer Service like Western Union or MoneyGram)

Comprehension Review:
Give each student the Matching Payments Worksheet. Have the students match the word with the image.

Go over the answers together.

Instruct:
“There are many ways to access and use your money. Make sure to choose the best option for you. Always be sure and ask about fees and the cost of using any type of account.”

Development Notes and Resources:
Designed and compiled by the Utah State University Extension Curriculum Development Team.

The amounts and rates of money order transfers came from the Western Union website and a conversation with a representative on their online chat feature at http://www.westernunion.com

Lesson 15: Ways to Protect My Identity
ESL Level: Level 4-5

Objectives:
Students will be able to identify which documents they should carry with them and which documents should be kept in a safe place.

Students will be able to identify measures they can take to help prevent their identity from being stolen.

Prerequisite Skills:
None

Materials:
Image Cards for Picture Story - “Celia Protects Her Identity”
Image Cards of a marriage license, birth certificate, credit cards, checks, State Issued ID, Social Security Card, ITIN or tax ID card, passports, telephone, telemarketer, Green card, a safe, paper shredder, purse and or wallet.

Worksheets:
Celia Protects Her Identity Worksheet
Documents to Keep Handout

Vocabulary: (words are BOLD when they first appear in the lesson):
Identity Theft: When someone takes takes or steals your personal information to open accounts and loans in your name without your knowledge.

Personal Information: Any piece of information that can be used to identify you. E.g. Your name, your date of birth, address, Social
Identity Theft

Someone who tries to sell you something over the phone may call you on the phone and offer great deals such as “buy now” or you will lose out on the deal. These salespeople may want your social security number, credit card number and other information they can use to steal your money and your identity.

Picture Story - “Celia Protects her Identity”

Instructor: Read the story in sections. After you read each section, stop and talk with the students about what happened and what might happen next.

Story:

Celia works hard to pay her rent, and car payment. Celia is careful to protect her information. After work Celia is tired. Her phone rings and she answers it.

A man says, “Good evening. I work for a Sweepstakes Clearing office. What is your name?”

Celia tells the man her name.

The man says, “Celia, I have a great news for you. You have won $2,000. Would you like $2,000?”

Celia said, “Yes. That money would help me a lot.”

The man then says, “Celia, I can send you the money if you give me your bank account number and the name of your bank. I know you work hard and this money would help you.”

Celia says, “No, I do not think that is a good idea. Where do you work again?”

The man says, “Oh at the Sweepstakes Clearing office. If you give me your bank information I can send you the money.”

Celia asks, “Where did you get the money to give me?”

The man says, “Oh, my company gives out contest winnings to people. Please give me your bank account information.”

Celia says, “No. I don’t think that is the good idea. do not call me anymore.”

Celia hung up the phone before the man could say any more. The man called Celia back but Celia remembered the number and did not answer.

Comprehension Review:

Ask, “What did Celia do right?”

Possible answers: Celia asked where the man worked to see about the name of the company. She did not give her bank information. She hung up.

“Was the man nice to Celia?”

“Is it hard for you to hang up the phone when people are talking to you?”

Remind the students that people on the phone are very persistent when they want information. Being persistent means they do not give up.

Optional Activity:

Role Play:

Have a student come to the front of the class and use image cards for phones, or other telephones you have available, as props. As the instructor, you can act as telemarketer promising a great deal if they make the purchase now, but you need their bank information. Make promises and convince the students that you just need a bank account number and that you will not do anything with it.
Lesson 16: Protecting Myself Online: Avoiding Scams and Fraud

ESL Level 4-5

Objectives:
Students will be able to identify basic steps to take to protect their information online.

Prerequisite Skills:
Students who have some computer skills will understand this lesson better than the students who have never used a computer.

Materials:
Image Cards for Picture Story – “Luka Uses a Public Computer” (Luka is a Slavic male name)
If you have access to a computer with projector, demonstrate website sections. If not, use image cards and the Online Security Images page.

Worksheets:
Protecting Myself Online Worksheet

Vocabulary: (words are BOLD when they first appear in the lesson):

Download: To import information from the internet or transfer information between electronic devices.

Fraud: An action that results in someone gaining money or property from someone illegally. (Example: Kylie said she would take the donations at the school bake sale to buy a computer for the first grade class, but she really took the money and bought a new purse.)

Hack: Breaking into someone's computer, electronic device, or account without their permission, typically with the intent to steal information for financial gain.

Log out: To close or sign out of an account to avoid others accessing the account without the password.

Overdraft Fee: A fee the bank may charge if you do not have enough money in your account to cover your purchase. This fee is typically $25.00. Some banks and credit unions offer overdraft protection to avoid these fees.

Public Computer: Computer used by more than one person at a location outside your home. E.g. a community center, Workforce Services, or the library.

Secure website: A website that is safe to make online purchases or provide identifying information, e.g., “https://”

Instructor Note: It is recommended that you precede, or pair, this lesson with the “Protecting My Identity.”

Instruct:
Explain to the students that they need to take care of their personal information online when they are using the computer. When students use the Internet, there are several ways to protect themselves whether they are at home or in a public place.

Below is a list of steps that students can take to protect themselves from identity theft online:

- Protect your username and passwords.
- Do not give your passwords to anyone.
- Be careful who may be watching you type passwords or enter your information when you use a PUBLIC COMPUTER at a coffee shop, library, or work. If someone watches you type your passwords, they may later open your account and steal your information or use your money.
- Make sure you do not allow the website to remember your passwords if you are working on a computer that is not your own. (Show the students on an actual website if you have Internet access what the dialog box looks like when the browser wants to remember your passwords; or, display the image that shows what this dialog box would look like.)
- Make sure you LOG OUT and close the Internet browser when you are done using the computer. (Instructors if you have access to the Internet show the students how to close a browser with the red X on the top of the screen-different browsers have this box in different areas. If you do not have the Internet, use the image that shows the red X.)
- When you do purchase something online make sure you are only using a SECURE WEBSITE. The website should have the lock and an S after the http. Show an image of the secure URL (https://).
- Do not use your debit card to make purchases online. If the website you buy from or your own computer were HACKED the thief would have your debit card number and could make purchases using your information. If your debit card number is stolen, it is hard to prove that you did not make the purchase. Using debit cards to make online purchases is dangerous because the debit card is tied directly to your bank account. Once the money is spent, it is hard to prove you did not make the purchase. Some banks will mark the transaction as a FRAUD and give you your money back, but some may not.
Lesson 17: Identity Theft: What to do if your identity is stolen.

ESL Level: 4-5

Objectives:
Students will be able to identify helpful resources to use if their identity is stolen.
Students will be able to recognize indicators of Identity Theft.
Students will be able to identify steps to take if their identity or personal information is stolen.

Prerequisite Skills:
None

Materials:
Computer with projector to demonstrate web content
If My Identity is Stolen Handout (to project)

Worksheets:
If My Identity is Stolen Handout

Vocabulary: (words are BOLD when they first appear in the lesson):
Credit Freeze: A method used to limit access to your credit without your permission.

FRAUD ALERT: A note placed on your credit report for 90 days if any files, games or information from the Internet on to your cellphone, or computer unless you are sure they come from a safe website.

CRIME

Identity Theft is a problem because the person who stole your information may buy things using accounts in your name. After the

Identity Theft: What to do if your identity is stolen.

Lesson 17: Identity Theft: What to do if your identity is stolen.

ESL Level: 4-5

Objectives:
Students will be able to identify helpful resources to use if their identity is stolen.
Students will be able to recognize indicators of Identity Theft.
Students will be able to identify steps to take if their identity or personal information is stolen.

Prerequisite Skills:
None

Materials:
Computer with projector to demonstrate web content
If My Identity is Stolen Handout (to project)

Worksheets:
If My Identity is Stolen Handout

Vocabulary: (words are BOLD when they first appear in the lesson):
Credit Freeze: A method used to limit access to your credit without your permission.

FRAUD ALERT: A note placed on your credit report for 90 days if you think you have had your identity stolen.

Identifying Documents: Documents that contain personal information or personal information of your family members. E.g. birth certificate, driver’s license, health insurance information, marriage license, state identification card, social security card, green card, work VISA, bank account information, checks and paychecks.

Theft: Taking someone’s property or money without his or her knowledge for financial gain.

Lesson:
Instructor Note: It is strongly recommended that you show the students each of the websites mentioned in this lesson, so that they will have a sense of familiarity if they ever need to report Identity Theft. You may also want to show some of the steps required to obtain a credit report and to start the notification process.

Instruct:
“We will briefly discuss what you can do if you have been the victim of identity theft. Identity theft is when someone uses your personal information to open accounts, loans, or insurance under your name. They may also file taxes under your name and try and claim your return. This is a CRIME. They may have stolen some IDENTIFYING DOCUMENTS from your home, your wallet or purse.

Identity theft is a problem because the person who stole your information may buy things using accounts in your name. After the

Comprehension Review:
“What could happen to you if your debit card was used without your knowledge?”

Possible answers:
No money to buy food or pay other bills.

You may have to pay OVERDRAFT FEES because there is not enough money to pay for the things the thief bought.

It can take a lot of time to prove that you did not buy the item.

Picture Story – “Luka Uses a Public Computer”
Instructor: Read the story in sections and ask the questions to the class.

Luka is at the library using a computer. He is checking his bank account balance to see if he has enough money to pay his bills. The man sitting next to Luka is watching him type his username and password into his bank website.

Ask, “What could happen if the man watching him type his password and account opens Luka’s account information?”

Possible answer: He could take the money in his account and spend it.

“Luka Uses a Public Computer” continued:

Luka sees that he has $67.00 in his account and his electric bill is $42.00 this month so he has enough money to pay his bills. Luka is done using the computer so he logs out of his account and closes the browser he was using.

Ask, “What did Luka do to protect himself?”

Possible answers: He logged out and closed the browser he was using.

“Luka Uses a Public Computer” continued:

Luka is about to end his computer session and leave, but he remembered the man next to him was watching him type in his username and password before he left. Luka decided to open his bank information again and change his username and password. Luka then logs out of his account, closes the browser window, and ends his computer session in the library’s recommended way to make sure his information is secure.

Instruct:
Remind the students to be very careful with their information online and to make sure that no one is watching as they enter passwords.

Distribute the Protecting Myself Online Worksheet to the students. Instruct the students to circle ways that they can protect their identity. As they are completing the worksheet, walk around and answer any questions. Once everyone is finished, review the answers.

Development Notes and Resources:
Designed and compiled by the Utah State University Extension Curriculum Development Team.

Lesson material has been adapted from:

Save and Invest.org http://www.saveandinvest.org/
thief uses the credit card under your name, they will not pay the money back and you could be responsible to pay.”

**Discuss:**
What are some common signs of identity theft? [https://www.annualcreditreport.com/protectYourIdentity.action](https://www.annualcreditreport.com/protectYourIdentity.action)

**Instruct:**
- Bills that do not arrive as expected
- Unexpected credit cards or account statements
- Denials of credit for no apparent reason (e.g. for credit for which you did not apply)
- Calls or letters about purchases you did not make
- Charges on your financial statements that you do not recognize
- Incorrect information on your credit reports - accounts or addresses you don’t recognize or information that is inaccurate

Distribute the *If My Identity is Stolen Handout* to the students. Review it with them (and go to websites if possible).

Trying to fix identity theft takes a lot of time and is very stressful. If you, or your child, have your identity stolen, take the following steps:

1. **File a police report.**
   - **Request a free credit report** from [www.annualcreditreport.com](http://www.annualcreditreport.com). You can receive a free report from each credit-reporting bureau: TransUnion, Equifax, and Experian each year.
   - **File a FRAUD ALERT** (90 days) or credit freeze (more permanent) online with TransUnion, Experian, and Equifax. You may also call them.
     - **TransUnion 1-800-680-7289** [http://www.transunion.com/fraud](http://www.transunion.com/fraud)
     - **Experian 1-888-397-3742** [https://www.experian.com/fraud/center.html](https://www.experian.com/fraud/center.html)
   - **Contact your bank, or credit union, and any credit card companies where you have accounts.** Follow their appropriate procedures and directions.
   - **For additional protection, you can place a permanent CREDIT FREEZE on your credit,** which means that you will be contacted before someone can open credit under your name.

If a computer is available, also show the students these websites: [http://idtheft.utah.gov/](http://idtheft.utah.gov/) [www.annualcreditreport.com](http://www.annualcreditreport.com)

**Comprehension Review:**
**Discuss:**
Role Play:
Ask for 2 volunteers to act out a situation: One of them has just found out their identity has been stolen. The other one is a friend. The victim just got their credit card bill and was charged for some purchases they did not make. They go to their friend and ask what they should do. Have the friend explain what you should do. Call the credit card company and explain how you know these purchase are not yours. Call the police and file a report. File a fraud alert. Other answers can be taken from the *If My Identity is Stolen* handout. The friend can ask for other suggestions from the other students.

**Ask,** “What are some ways to know if your identity has been stolen?”

**Possible answers:**
- Bills that do not arrive as expected
- Unexpected credit cards or account statements
- Denials of credit for no apparent reason (e.g. for credit for which you did not apply)
- Calls or letters about purchases you did not make
- Charges on your financial statements that you do not recognize
- Incorrect information on your credit reports - accounts or addresses you don’t recognize or information that is inaccurate

**Ask,** “Do you know anyone who has had their information or identity stolen? What did the person do when they found out their identity has been stolen?”

**Instruct (optional):**
**Instructor Note:** This section of the lesson is more complex but is equally necessary to help your students feel confident to deal with Identity Theft issues.

To file a fraud alert you just need to call one of the three credit bureaus and tell them you had your identity stolen and you need to place an alert on your report. If you file a report with one agency, they will notify the other agencies if you request they do so. Placing a fraud alert is free and will stay on your report for 90 days. Remember, you only need to call Equifax, Experian, or TransUnion.

For more info go to this website: [http://www.consumer.ftc.gov/articles/0275-place-fraud-alert](http://www.consumer.ftc.gov/articles/0275-place-fraud-alert)

To file a credit freeze, write a letter to each of the three credit bureaus: TransUnion, Equifax, and Experian. Include this information:
- Identifying information: Name, Address, Date of Birth, Social Security Number, Proof of current address (bill with your address), and a photocopy of your state issued ID or driver’s license.
- Your request to have a freeze placed on your credit report.
- The case number of the police report.

**Instruct:**
If you have a savings or checking account, take a letter to your bank, or credit union, and ask them to put a note on your accounts to indicate that you have had your identity stolen.

Contact any credit card companies where you have accounts to let them know of the identity theft.

You may need to close your accounts and get new debit and credit cards, so it is important you contact those businesses as soon as you are aware of the problem.

If you have any questions or need help as a victim of identity theft, there are many FREE agencies in the community to help you. Check for accredited, non-profit financial counseling or consumer counseling agencies near you. Never pay someone to “help” you get your identity back, unless you are pursuing legal action in the court to prosecute an offender and the person helping you is an attorney or legal representative.

**Comprehension Review:**
Ask, “If your identity has been stolen what should you do?”

4-5.31
Possible responses: File a police report, close bank and credit card accounts, pull a free copy of your credit report, and put an alert on your report. (Reference the If My Identity is Stolen Handout.)

Ask, “What are the three credit reporting bureaus you will need to contact?” (TransUnion, Experian, Equifax)

**Development Notes and Resources:**
Designed and compiled by the Utah State University Extension Curriculum Development Team.

Lesson material has been adapted from:

Utah Identity Theft website: [http://idtheft.utah.gov/uncategorized/consumer-credit-freeze](http://idtheft.utah.gov/uncategorized/consumer-credit-freeze)

Annual Credit Report website: [www.annualcreditreport.com](http://www.annualcreditreport.com)

Federal Trade Commission website: [www.ftc.gov](http://www.ftc.gov)

Consumer Financial Protection Bureau website [www.consumerfinance.gov](http://www.consumerfinance.gov)


TransUnion: [http://www.transunion.com/fraud](http://www.transunion.com/fraud)

Experian: [https://www.experian.com/fraud/center.html](https://www.experian.com/fraud/center.html)


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**Lesson 18: Understanding Your Credit Report**

**ESL Level: 5**

**Objectives:**
Students will understand that paying bills on time is important to establish credit.

Students will know where to obtain free copies of credit reports.

Students will identify which bills are listed on a credit report.

**Prerequisite Skills:**
It is helpful if students have some understanding of the different types of loans and credit.

**Materials:**
Image Cards - Credit Reporting Agency Logos

Accessing Your Free Credit Report Handout (to project)

Credit Report Request Form (optional)
[https://www.annualcreditreport.com/manualRequestForm.action](https://www.annualcreditreport.com/manualRequestForm.action)

**Worksheets:**
Accessing Your Free Credit Report Handout

Annual Credit Report Request Form (optional)

**Vocabulary:** (words are **BOLD** when they first appear in the lesson):

**Credit History:** The length of time you have had open accounts.

**Credit Report:** A list of your financial accounts with a record of your payment history.

**Credit Score:** A number that helps a bank or loan company know if you pay your bills on time. Your score determines if you get good rates on interest and qualify for some grants. It can also affect the ability to obtain work.

**Experian:** One of three credit-reporting companies.

**Equifax:** One of three credit-reporting companies.

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**Identity Theft:** When someone steals your personal information to open accounts and loans in your name without your knowledge.

**Payment History:** Area of your report that shows if you are current on your payments.

**Student Loan:** A loan used to pay for school.

**TransUnion:** One of three credit-reporting companies.

**Utility Bill:** Paper, or electronic document that shows utility use, the amount due and when the payment is due. Examples: gas, electricity, water and garbage.

**Lesson:**

**Instructor Note:** Credit Reports can be very complicated. You do not need to know everything about them. For further information on credit reports, see the Federal Trade Commission Website: [http://www.consumer.ftc.gov/articles/0155-free-credit-reports](http://www.consumer.ftc.gov/articles/0155-free-credit-reports)

Instruct:

“This lesson will introduce you to what a credit report is and where you can get free copies of your report.

“Your CREDIT REPORT is a list of your financial accounts with a record of PAYMENT HISTORY or how you have paid in the past. If you always pay on time that will be in your report. They will also have notes if you do not pay your bills on time. It is a record of your CREDIT HISTORY, which is the length of time you have had open accounts.

“Not all of the bills you pay will show up on your credit report when you pay on time. UTILITY BILLS like gas, lights, electric, and phone bills will only be on your report when you do not pay on time.

“Hospital and medical bills also only show up on your report when you do not pay them.

“The accounts you should see on your report are car or auto loans, home or mortgage loans, credit card accounts, store cards (Lowe’s, Home Depot, Kohl’s, Sears, RC Willey), lines of credit from a bank or credit union, and STUDENT LOANS.

“In addition to the notes about how you pay, everyone has a score or a grade that tells a bank or lender if you are a good risk and will pay back the money they loan you. CREDIT SCORES range between 300-850. The higher your score the better. Credit Scores are very complicated and if you have further questions about your score you should go to [www.fico.com](http://www.fico.com) or [www.cfpb.gov](http://www.cfpb.gov).

**Discuss:**


It is good to pay your bills (rent, mortgage, car loans, and credit card) on time because it helps you receive better interest rates when you need to borrow money.

When you pay bills late you will also be charged a late fee (sometimes it is $25, but it could be a lot more). Your interest could also go up if you pay late.

Paying bills on time also helps you pay your loans off faster.

Instruct:

“As a consumer, you can order a free report each year from TRANSUNION, EQUIFAX, AND EXPERIAN. (Instructors hold up the logos from each agency.)

“You can order your report online at [www.annualcreditreport.com](http://www.annualcreditreport.com). You can also call 1-877-322-8228 to order your report by phone. If you prefer to order your report by mail, you can fill out a paper form: [https://www.annualcreditreport.com/manualRequestForm.action](https://www.annualcreditreport.com/manualRequestForm.action).

“Ordering your credit report is a good way to find out if your identity has been stolen. IDENTITY THEFT is when someone
steals your personal information to open accounts and loans without your permission.”

Distribute the Accessing Your Free Credit Report Handout to the students and project a copy for the class to view. Point out each step according to the handout. You may wish to show the students the first few steps on the actual website.

For a free copy of your credit report, go to annualcreditreport.com for use the Annual Credit Report Request Form.

### Optional Activity:
Help students complete a paper form to order a credit report by mail. [https://www.annualcreditreport.com/manualRequestForm.action](https://www.annualcreditreport.com/manualRequestForm.action)

### Comprehension Review:
Ask, “How do you order a credit report?”
Go to Annual Credit report.com and complete an online form
Fill out a form and mail it

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### Lending Institution Comparison Chart

<table>
<thead>
<tr>
<th>Types of institutions</th>
<th>Bank</th>
<th>Credit Union</th>
<th>Mortgage Company</th>
<th>Retail Store or Auto Dealership (Point of Sale Lender)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What they offer?</strong></td>
<td>Checking and savings accounts, home loans, car loans, personal loans, online banking and credit cards.</td>
<td>Checking and savings accounts, home loans, car loans, personal loans, online banking and credit cards.</td>
<td>Loans for homes or condos.</td>
<td>Quick access to a loan or credit card at the store or dealership. Loans may be immediately sold to a bank, credit union or finance company. If you have bad credit, the business may offer a loan or credit card that a bank or credit union would not.</td>
</tr>
<tr>
<td><strong>Costs of services?</strong></td>
<td>Interest rates are lower and depend on your credit history and score. May charge a fee to process your loan.</td>
<td>Interest rates are lower and depend on your credit history and score. Some interest rates may even be lower than at the bank. May charge a fee to process your loan.</td>
<td>May charge a fee to process your loan.</td>
<td>Interest rates between 7%-29.99% Dealer may be able to increase the interest rate and add additional fees not charged with bank or credit union loan. Higher rates than a loan from a bank.</td>
</tr>
<tr>
<td><strong>Benefits of using the service?</strong></td>
<td>You establish a relationship with a bank. This can help you in the future as you work to purchase other items. Safe place to save your money. Insured by FDIC.</td>
<td>You establish a relationship with a traditional lender. This can help you in the future as you work to purchase other items. A credit union is owned by its members so may provide lower interest rates than a bank. Safe place to save your money. Insured by NCUA.</td>
<td>They only specialize in home loans so they can sometimes be easier to work with. They may be able to compare different interest rates and companies to get you the best rate.</td>
<td>Convenience. You can get a loan for a product or auto at the store or dealership immediately when you are ready to buy. If you cannot get a loan from a bank or credit union, the business may offer to get your loan approved. Sometimes stores may give discounts when using their credit card to make purchases.</td>
</tr>
<tr>
<td><strong>Negatives of using the service?</strong></td>
<td>You may have fees if your account balance is lower than the minimum required or if you buy something when you do not have enough money in your account.</td>
<td>You may have fees if your account balance is lower than the minimum required or if you buy something and do not have enough money in your account.</td>
<td>Only offer home loans. They may offer you a higher loan than you can afford. You may end up spending more money than you had planned if you use a store credit card.</td>
<td>They charge a higher rate of interest than a credit card issued by a bank or credit union. You may end up with a lower quality of car or product because these businesses know you may not be able to get a loan from another bank or credit union.</td>
</tr>
</tbody>
</table>
Lesson 19: Understanding Differences in Lending Institutions

ESL Level: 5

Objectives:
Students will understand the differences between various types of lending institutions.

Students will be able to identify advantages and disadvantages of using different lending institutions and products.

Prerequisite Skills:
None

Materials:
Getting a Loan Role-Play Scenarios (Cut out)
Lending Institution Comparison Chart (to project)

Worksheets:
Match Lending Institution to Services Worksheet
Lending Institution Comparison Chart

Vocabulary: (words are BOLD when they first appear in the lesson):
Bank/Credit Union: A place where you can safely store your money for savings and to pay future bills. These businesses also provide services that can help you meet your goals.

Mortgage Company: A company that only offers loans for homes.

Point of Sale Loans/Store Credit Cards: A loan you get at the time you purchase an item. E.g. store financing or an auto loan offered by the dealership.

Lesson:

Instructor Note: Some religions do not believe in interest so be sensitive to this when you are teaching. When teaching about store cards and credit cards, the students should know that if they pay them off in full each month they will not pay interest. Some banks may allow them not to earn interest on their savings and checking accounts but they will need to ask.

Instruct:
Ask, “What types of lending institutions do we know about?” (BANK, CREDIT UNION, credit card companies, MORTGAGE COMPANIES, stores)

Project the Lending Institution Comparison Chart to help explain the differences among the lending institutions. Distribute the Match Lending Institution to Services Worksheet to the students so that they may match and take notes as you present the different services.

Instruct:
Ask, “How do you decide where you should take out a loan? (Allow student to provide the following answers. If they do not, supply them.)

Ask your friends and family about their experiences when taking out a loan.

Check different interest rates and choose the bank or credit union that offers the best rate.

Check out mortgage companies rates and compare to bank or credit union rates.

Ask questions.

“Remember you do not need to apply for a loan at a store or other lender if you feel pressured or uncomfortable.”

Comprehension Review:
Ask, “What are some of the least expensive places to borrow money?” (bank, credit union, mortgage company)

“What are some of the more expensive ways to borrow money?” (Bank/credit union credit cards, POINT OF SALE LOANS/STORE CREDIT CARDS, such as retail store loans, dealer financed auto loans. Although not previously discussed, they may also include payday and title loan businesses—if this answer is given, inform the students that such businesses are predatory and not a safe way to borrow money. Then, plan to present the Payday Loans and Unconventional Lenders lesson soon.)

Activity:

Getting a Loan Role-Play

Divide the class into groups and give each group a scenario. Tell them to read the scenario to make sure they understand what they are supposed to do. Based on the information, they need to come up with a role-play talking about the different types of loans that they can receive. Encourage them to have fun and be creative!

Scenario 1: Buying a Car.

The scenario: One of you has decided to buy a new car. You own your current car, but it is old and has started to have some engine problems. You do not have the best credit history and have tried to get a loan at a bank, but were declined about 5 years ago. Your friend has recently received a loan, and has
researched a couple different options besides taking out a loan at a bank.

Present to the class:
You will need to act out the conversation that you had with your friend about the benefits/disadvantages of taking out a loan at other places than a bank/credit union.

Scenario 2: Getting a loan.
The scenario: You are at a bank/credit union. One of you is trying to take out a loan from the bank. Another person is the banker. The person taking out the loan is asking questions about the loan, payments, and benefits for taking out a loan at the bank. The banker is trying to answer their questions and figure out what the interest rate would be on their loan.

Present to the class:
Your group will need to act out the conversation between the lender and borrower. At the end of the role-play, the borrower will have to decide whether they will walk away or sign the papers for the loan.

Scenario 3: Buying a Home.
The scenario: You are trying to buy a home. You are unsure about all the different loan options out there. Several of your friends have recently purchased their homes and each one of them received their loan through a different company. You decided to go to each one of your friends and ask them about their experience with taking out their loan.

Present to the class:
Your group will act out the conversations between these friends. You will need to talk about the benefits/disadvantages of taking out a loan and why you decided to take the loan in that particular way.

After each scenario is presented, ask the students if they have any questions. Encourage the group members of the scenario to respond.

Development Notes and Resources:
Designed and compiled by the Utah State University Extension Curriculum Development Team.

Lesson 20: Payday Loans and Unconventional Lenders
ESL Level: 5

Objectives:
Students will understand the high interest costs of using a payday loan, title loans or making purchases at rent to own centers.
Students will be able to identify steps to take to avoid using a payday loan or other predatory lender.
Students will understand the high cost of using predatory loans.

Prerequisite Skills:
It is helpful for the students to have reviewed the Understanding the Differences in Lending Institutions lesson before learning about unconventional lenders.

Unconventional Lenders Comparison Chart

<table>
<thead>
<tr>
<th>Type of Lender</th>
<th>Tax Preparation Services</th>
<th>Pawn Shop</th>
<th>Title Loan Store</th>
<th>Rent to Own Center</th>
<th>Payday Loan Store</th>
</tr>
</thead>
<tbody>
<tr>
<td>How does the loan work?</td>
<td>Tax preparers offer an ‘instant’ or ‘fast money’ refund. The refund is actually a loan borrowed against the amount of your anticipated refund</td>
<td>You can take an item of worth and the pawn shop will keep the item and give you a small loan amount. They will give you a ticket and when you repay the loan you can reclaim your item.</td>
<td>If you own your car you can take the title to a title loan store and they will give you money and keep the title to your car until you repay the loan.</td>
<td>You buy an item for a very small upfront cost but end up paying 1-3 times the value of the item. Provide immediate access to furniture or appliances for relatively low weekly or monthly payment without a credit check or down payment. You agree to rent the item with a self-renewing lease with the option to buy the goods by continuing to pay the rent for a specified amount of time or by making an early payment of a specified portion of the remaining lease agreement.</td>
<td>This is a cash advance loan. You write a check for the amount of money you need plus a fee. Then the payday lender gives you the loan amount and agrees to cash your check on the next payday to repay the loan.</td>
</tr>
</tbody>
</table>
## Unconventional Lenders Comparison Chart cont.

<table>
<thead>
<tr>
<th>Type of Lender</th>
<th>Tax Preparation Services</th>
<th>Pawn Shop</th>
<th>Title Loan Store</th>
<th>Rent to Own Center</th>
<th>Payday Loan Store</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost to borrow</strong></td>
<td>Loans often include extremely high interest rates and high fees. They must be repaid even if you don’t get your refund or it is smaller than anticipated. The lender takes out all fees and interest. Loan fees can range from $30-$130 or 50% to 500% APR. There may be a cost to cash your loan check.</td>
<td>The fees are regulated by the state you live in, but it could be between 5-25% APR.</td>
<td>The interest is usually 25-50% a month, which can mean over 300% (APR). If you borrow $500 you would have to pay an extra $125 to get your title back or $625.</td>
<td>Pay 300% or higher (APR) interest for the item. Items are sold for much more than their retail value.</td>
<td>300% or higher (APR). Example: If you borrow $100 and have to pay a $30 fee you would pay $130.00 to borrow the money. That is 30% a month or 360% a year.</td>
</tr>
<tr>
<td><strong>Length of the Loan</strong></td>
<td>The loan is paid when the tax refund is received or by you if there was not sufficient money to cover the loan within a few days to a few weeks.</td>
<td>Short term: 1-3 months</td>
<td>Usually 30 days, can be rolled over for an additional fee.</td>
<td>12-24 months. Can pay off early for the “cash price”.</td>
<td>7 or 14 days, can be rolled over for additional fee.</td>
</tr>
<tr>
<td><strong>What happens if you cannot repay the loan?</strong></td>
<td>If the IRS delays your refund or you don’t have enough money to pay back the lender, they may give a negative report to the credit bureau and turn the bill over to a debt collector. They will keep your item and sell it.</td>
<td>If you miss a payment, the company will take your car. Sometimes you can agree to have them rollover the loan and charge you another $125 fee to have more time to repay the loan.</td>
<td>They will come and take the item you were “renting to own” and you will still have to repay the rest of the loan. The company will “rollover” or renew the loan and charge you another fee, which gives you another 14 days to pay off the loan. In the example you would now have to pay $60 on the original loan.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Dangers of this type of loan</strong></td>
<td>This loan and other fees including the tax preparation will be taken out of your tax refund. If you need to cash your refund check or Refund Anticipation loan (RAL), a check cashier can charge 3% of the refund to cash it ($100 for cashing a $3,300 refund). This loan could force you into debt.</td>
<td>If you cannot repay the loan, they can keep and sell the item. You receive a loan for only a small portion of the value of the item.</td>
<td>You could lose a valuable possession and have no transportation to get around. The loan is only a portion of the value of the vehicle.</td>
<td>You could pay two to three times the retail price. There are additional fees charged. The item can be repossessed if all rent payments and fees are not paid. Some of the items sold at the Rent-to-Own store may be used or have been sitting at the store for 1-3 years. The “cash price” can be much higher than at other retailers.</td>
<td>The interest rate is very high and there are other fees. If you have to roll over the loan, paying another fee and additional interest each time, you will pay far more than the original amount borrowed.</td>
</tr>
</tbody>
</table>
Materials:
- Image Cards as needed
- Advertisements for Payday/Title Loans
- Computer with projector and speakers to show supplemental videos
  * not provided in kit

Worksheets:
- Alternatives to Using Unconventional Lenders Worksheet

Instructor Note: Watch the FTC movie on payday loans. This is just a small introduction to payday loans and unconventional lending.

http://bcove.me/7gih4x8d or this link (it is the same movie)

http://video.ftc.gov/services/player/bcpid1087664496001?bckey=AQ~~,AAAA_TlHh7k~,RTmZTKuAv63qUR1zQqiiRIt-bvi3s0s&bctid=216538302000

Vocabulary: (words are BOLD when they first appear in the lesson):
- Payday Loan: A short-term loan where you borrow a small amount of money but pay a very high rate of interest. You typically write a post-dated (usually your next payday) personal check in the amount you want to borrow plus a fee in exchange for cash.
- Pawn Shop: A business where you can sell a possession you own to get money quickly. However, you do not receive the full value of the item when you sell. You may also take out a loan that is secured by the item and pay back the loan at lower rates than a payday lender.
- Predatory: Take advantage of a customer or person by charging high interest or fees.
- Predatory Lender: Person or company who targets customers that may not be able to receive loans from a regular bank or credit union. They charge a high rate of interest when they loan money, sometimes as much as 300% - 1500% APR.
- Rollover: When you cannot pay your payday loan or title loan the lending company gives you a new loan and charges you another fee so you do not have to pay the loan back all at once.
- Title Loans: When you trade the title or ownership of your car or money, usually a short-term loan of 30 days.
- Title: A document or piece of paper that shows you own a piece of property. Example: Car Title.

Lesson:
Instructor Note: Some of the concepts in this chart may be challenging for your students. Take time to as you go through the chart to help them understand the concepts. Image Cards may also be helpful. Some things to know about Payday Loans.

Lender Comparison Continuum

Traditional lenders are on the left with unconventional lenders on the right. Traditional lenders usually offer better interest rates and more financial services.


Although fees might seem low each week, actual interest rates for payday loans can be very high. If the borrower can’t pay the loan back on time, it can be continued or “rolled over” – for another fee. Rolling over payday loans many times can quickly build up a large amount of debt. Consumers who have not repaid payday loans sometimes are being harassed by debt collectors threatening them jail or a lawsuit. Some payday lenders try to get the borrower’s employer to repay the bill out of the person’s paycheck.

Instruct:
- Project the Lender Comparison Continuum. Point out that the options on the far left side are traditional lenders and will usually give you a better deal when you borrow. The lenders on the far right of the continuum will charge you a lot of money to use their services.
- Tell the students that a lender charging an extremely high rate of interest and fees can be considered PREDATORY. PREDATORY LENDERS are businesses who target customers who may not be able to receive loans from a regular bank or credit union due to too little or poor credit.

This lesson will cover PAWN SHOPS, Rent to Own Centers, Title Loan Companies, Payday Lenders and Tax Preparation Services - as well as how to avoid having your property repossessed.

Instruct:
- With the class, view the video clip from the Federal Trade Commission on PAYDAY LOANS. (2 minutes).

http://video.ftc.gov/services/player/bcpid1087664496001?bckey=AQ~~,AAAA_TlHh7k~,RTmZTKuAv63qUR1zQqiiRIt-bvi3s0s&bctid=216538302000

Discuss:
- Ask, “Was it hard for John to pay back the payday loan in the movie?” (Yes—it took 12 weeks.)
- Ask, “Why did John pay so much money in the end?” (He could not pay on time and kept paying rollover fees.)

Instructor Note: The following examples are supplemental and may be used for the discussion:

Payday loan example:
- If you needed $300 the payday lender would give you the money and would charge you $20 for each $100 you borrowed. That would be $60 in fees.
- In order to pay the loan back the payday lender has you write a check with the date of your next payday with the idea that when you receive your money they will cash the check for $360, paying the loan off.
- If you cannot pay the loan off on your payday, you can ROLL OVER the loan and the lender would add another $60 to the loan amount. For the original $300 borrowed you would now...
owe $420.

Rent-to-Own examples:
A $500 laptop computer may be offered at $35.00 a week for 48 weeks, for a total of $1,680. That is the same as buying the laptop at the manufacturer’s suggested retail price and financing it at an interest rate over 290%.

You want a 40-inch TV at your local rent-to-own store. They say you can pay $30 for 78 weeks in addition to a payoff fee of $50.00. That means you would pay $2,390 for the television. The electronic store in your neighborhood has 40 inch TVs on sale for $269.99. If you save $30.00 a week for 7 weeks you could purchase the TV in 8 weeks. Rent-to-Own stores often offer products that are older or have been rented before.

Adapted from FTC website: http://www.consumer.ftc.gov/articles/0524-rent-own-costly-convenience

Borrowing from a bank example: If you borrow $300 from bank for 2.99% you would pay $8.97 in interest.

$8.97 compared to $120 for the payday loan is a much better deal.

Optional:
View the video from the FTC on car loans, repossession, making car payments, and predatory lenders. It addresses the issue of not paying someone else to help you avoid repossession as well.

http://www.consumer.ftc.gov/media/video-0059-paying-your-car-loan

Comprehension Review:
Ask, “What are some ideas of places you could borrow money before going to a payday loan business?”

Possible Responses:

Ask your friends or family if you can borrow some money.

If your rent is due, talk to the property owner or manager to see if you can pay part of the rent now and wait until you receive your paycheck to pay the rest.

If your car payment is due, call the bank and see if you can make a partial payment until you receive your paycheck.

If you just need a little money, see if your bank has overdraft protection.

To avoid taking out a Tax Refund Anticipation Loan, have your taxes prepared for free at a VOLUNTEER INCOME TAX ASSISTANCE (VITA) site at community centers and neighborhood locations in your community. The IRS Volunteer Income Tax Assistance (VITA) provides help for taxpayers who qualify. You only have to wait about 10 days for your refund and all the money will be yours.

Does your church or religious organization have any money to help?

Some other questions to ask before using a title loan, payday loan or pawn shop:

“Do I have anything that I can sell to make extra money?”

“Could I possibly qualify for a loan from a bank or credit union?”

“Do I have access to a credit card?”

“Are there any jobs I can do to get more money quickly?”

Instruct:
Display the Advertisements for Payday/TITLE LOANS to help the students learn what to watch for in advertisements for title and payday lenders:

“Need cash now! Come in for a cash advance.” “I just need a little money until payday.”

“What on earth? Bring in the TITLE to your car and we will give you money.” “Money in minutes, come see us.”

Ask, “How can you tell if the ad is for a payday loan company or title loan?”

Point out the typical phrases to the class if needed.

Comprehension Review:
Distribute the Alternatives to Using Unconventional Lenders Worksheet. Allow the students to work independently and then discuss the worksheet with the class.

Homework:
Encourage the students to report back when they hear or see a payday loan or title loan advertisement. Have them look for the key phrases discussed in eth lesson and be ready to tell their classmates about the advertisement.

Development Notes and Resources:
Designed and compiled by the Utah State University Extension Curriculum Development Team.

Material for this lesson was adapted from:

Consumer.gov website: Car Title Loans https://www.consumer.gov/articles/1013-car-title-loans#what-to-know


Federal Trade Commission website: Rent-to-Own http://www.consumer.ftc.gov/blog/rent-own-consider-your-alternatives


Lesson 21: High Pressure Sales Tactics & Recognizing Scams and Fraud
ESL Level: 5

Objectives:
Students will be able to identify high-pressure sales tactics. Students will be able to recognize advertisements that promise too much.
Students will be familiar with ways to protect themselves from fraudulent telemarketers.

Prerequisite skills:
Students should understand credit and borrowing.

Materials:
Image cards for Picture Story – “Jelani Buys a Couch” (an African male name)
Advertisements for Frauds and Scams

Worksheets:
Spot the False Advertising Worksheet

Vocabulary: (words are BOLD when they first appear in the lesson):
Finance a Purchase: When you buy something on credit to pay for it later.
High-Pressure Sales Tactic: When a salesperson talks so fast or pushes a customer to make a decision before the customer has a chance to think about what they want.
Salesperson: Person who sells a product or merchandise (Amare works as a salesperson at a telephone store).
Scam: verb-To cheat or participate in illegal activity. Noun- a dishonest scheme, fraud.

Lesson: In this lesson, fraud and scams will be introduced. Your students may inform you of personal experiences and difficulties due to fraud. If you are aware of any scams targeting your students, especially immigration or citizenship scams, encourage your students to report them. If they are unable, or unwilling, to report, instructors and other third parties may report these instances of fraud on behalf of someone else. Contact the State Office of the Attorney General, Office of Consumer Protection, and Bar Association for your location.

Instruct:
Ask, “How many of you have gone into a store and the salesperson or store worker would not leave you alone? Did they try, and keep trying, to get you to buy something?”

“How many of you have received a phone call where the caller made promises and demanded that you pay money before hanging up?”

“How many of you have had someone call you and ask for your bank account information even though you never called them?”

If you have ever had any of these things happen to you, then you were probably the subject of HIGH-PRESSURE SALES TACTICS or predatory salespeople. All of these salespeople try to take advantage of you or make a lot of money from you when you do not know how to protect yourself.

We will review some ways that salespeople may try to hurry you or attempt to get you to make a decision before you are ready. When the SALESPERSON does this, it is high-pressure sales tactics.

When you go to a store, it is okay to take your time and look. Many times, if you are looking at something that is very expensive or costs a lot money, you should not feel rushed or hurried.

It is important to recognize high-pressure sales tactics.

A salesperson who is using a high-pressure sales tactic may:

• Offer you a “great” deal by saying the item is on sale for “today only.”

• The salesperson may speak so fast you do not have a chance to ask questions.

• Appeal to your emotions and offer something like “Think how great you will look in this car.” Or “Your friends will always want to come over to your house if you have this couch.”

• When you do ask a question or have a concern they may not answer you and ignore you.

• If you tell them you do not have any money and are just looking, they may try to force you to sign up for in-store credit to make the purchase that day.

Instruct:
Optional: If you feel confident in doing so, you may want to demonstrate a high-pressure sales tactic by having a participant volunteer and then attempt to sell them a television. Speak fast, tell them how great the item will look in their house and how they need it today. If they care a lot about what their friends think you may appeal to how their friends may look up to them if they buy it.

Comprehension Review:
Ask, “Where might you be charged a lot of interest or feel pressure?”

Furniture stores, car dealerships, and jewelry stores are some places that may charge a lot of interest for in-store financing or make you feel rushed to make a decision. You may also feel rushed to make a decision when signing a lease or rental agreement for an apartment.

Ask, “Have you ever felt pressured into buying something you did not want?”

Remind the students that it is okay to walk away from the store and to tell the salesperson you need more time to think about.

Instruct:
“Another thing to watch out for are advertisements that sound too good to be true.”

Project the Advertisements for Frauds and Scams. Point to each claim and discuss as noted:

Ask if the class members have ever seen any advertisements or signs that say things like “Call now and win $1,000.” “This free vacation is yours if you send $50 today.” “Give us your credit card number or bank account number and win.”

“These advertisements are SCAMS or frauds because they promise something they will never give you. The company usually wants you to call so they can try to get your information and try to get money from you.”

Point to the advertisement “Give us your credit card number or bank number and win.”

Explain that this advertisement is deceptive because they, whatever business they claim to be, promise that you will win a prize if you give them your personal information. What they are hoping is that you will give them your number so they can charge you a “fee” to send you your prize. They will take your money and you usually will never get anything.

Discuss:
Ask, “Who would want to win $1,000?” See who raises their hand.

Then ask, “Would you give your bank account number or your social security number out for the chance to win?”

Be cautious of scams such as lotteries, sweepstakes, mystery shopper scams or calls asking you to wire money to a family member in trouble. Some will ask you to wire them tax payments or fees to receive the prize or claim you owe money to the IRS. Never wire money to someone you don’t know.
Discuss the possible things that could happen. (Refer back to the *Ways to Protect My Identity* Lesson 15 if necessary.)

**Comprehension Review:**
Distribute the *Spot the False Advertising Worksheet* to the students. Have them work independently then, review the answers as a class.

**Instruct:**
**Picture Story** – “Jelani Buys a Couch”
Read the story in sections. Stop after you have read three or four sentences and talk with the students about what happened. Ask them what they would do in a situation like this.

Jelani wanted to buy a new couch for his home. Jelani did not know where there was a good price so he went to the store by his house. Jelani walked into the store and a salesperson offered to help and asked what he wanted.

Jelani was hoping he could just walk around and look for a minute, but the sales clerk would not leave. The sales clerk spoke very fast and asked Jelani how much he wanted to spend. Jelani did not know so he said, “I'm not sure.”

The sales clerk said, “Well we have some very good couches for $900 or $1,000.” Jelani thought that was strange because when he walked into the couch area of the store he found some nice couches for $300 and $400. Jelani asked if he could look at the less expensive couches, but the sales clerk said, “No. These couches over here are the ones you want. Go ahead and sit on them. We are offering a one-day sale and you can get $100 off this couch.”

Jelani did sit on the couch the sales clerk suggested and it was nice, but he did not feel good about how much it cost. He told the sales clerk the price was too high for him to pay and the sales clerk said, “Oh don’t worry about that. Remember there is the one-day sale. All you need is to open a store credit card so you can **FINANCE A PURCHASE** and if you pay it off before six months you will not pay any interest, but if you do not pay it off you will have to pay the interest. So just buy the couch now and worry about paying for it later.”

First ending to the story:

The sales clerk asked Jelani again if he wanted the couch and Jelani felt bad saying no, so he agreed to buy the couch. The sales clerk took Jelani to the front of the store so Jelani could sign up for the store credit card and make the purchase.

Alternate ending to the story:

The sales clerk asked Jelani again if he wanted the couch. Jelani was frustrated the sales clerk would not allow him to look around so he told the sales clerk he would come back later. When Jelani walked out of the store he decided he would go check some other places and bring a friend if he decided to come back to the store with the pushy sales clerk.

**Comprehension Review:**
Ask, “What did the sales clerk say to Jelani to try and get him to buy the couch?”
Possible answers:
- There was a one-day sale.
- He could save $100.
- Offered him store credit and he could pay for the couch later.
- He would not let Jelani think.

Ask, “What did Jelani do?”
Answers: He bought the couch or he did not.

Depending on the ending, read to the class:
First ending:

Ask, “What could Jelani have done instead of buying the couch?”
Possible answers:
- He could have waited.
- He could have saved a little more money if he wanted the expensive couch.
- He could have asked the sales clerk to give him more time.
- He could have just left.

Alternate ending:

Ask, “What did Jelani decide to do at the end of the story that could help him the next time he goes to buy a couch?”
Possible answers:
- He decided to go check some other stores.
- He was going to bring a friend.

Remind students that they should never give out their personal information unless they initiate the purchase and it is ok to walk away from a purchase they do not feel comfortable making. Even if the store or salesperson says the deal is a one-time offer, they can usually find a good price at different stores or it will come on sale again.

**Development Notes and Resources:**
Designed and compiled by the Utah State University Extension Curriculum Development Team.


Information regarding fraud and scam reporting from USCIS Training for Librarians August 5, 2015 in West Valley City, Utah.