Preview - Information

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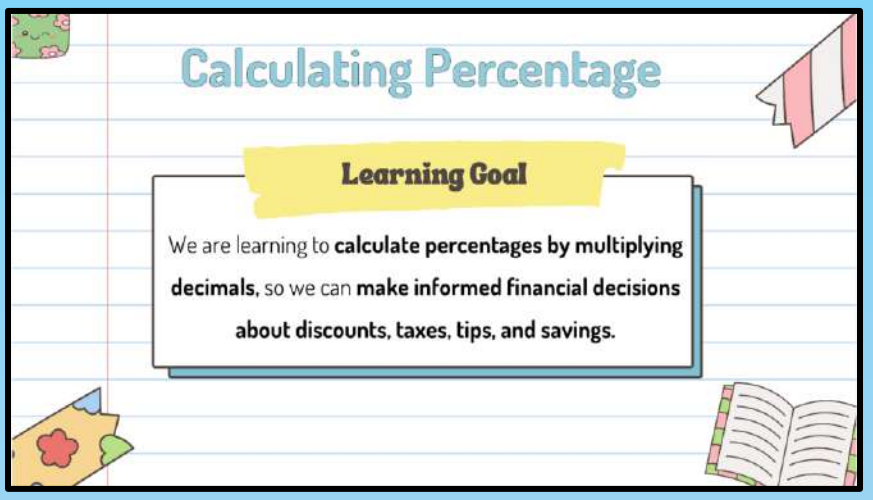
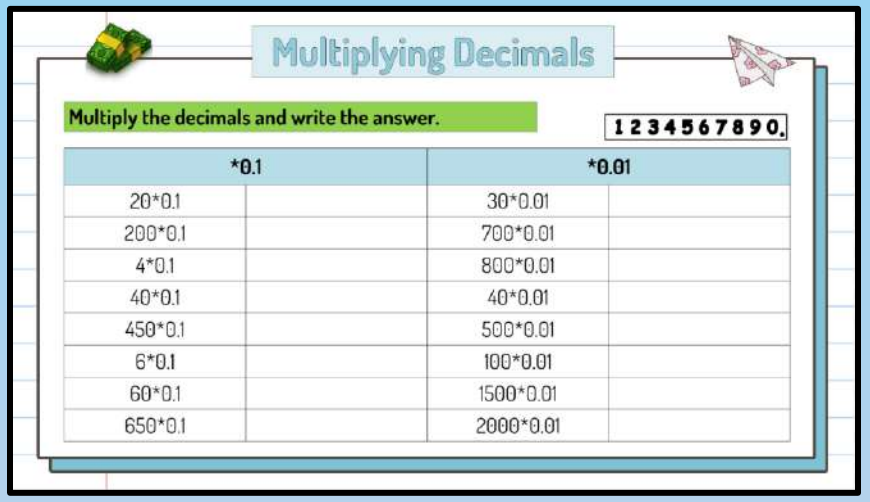
Google Slides Lessons Preview

BC Math Curriculum
Financial Literacy– Grade 7

3-Part Lesson Format

Part 1 – Minds On!
- Learning Goals
- Discussion Questions
- Quotes
- And More!

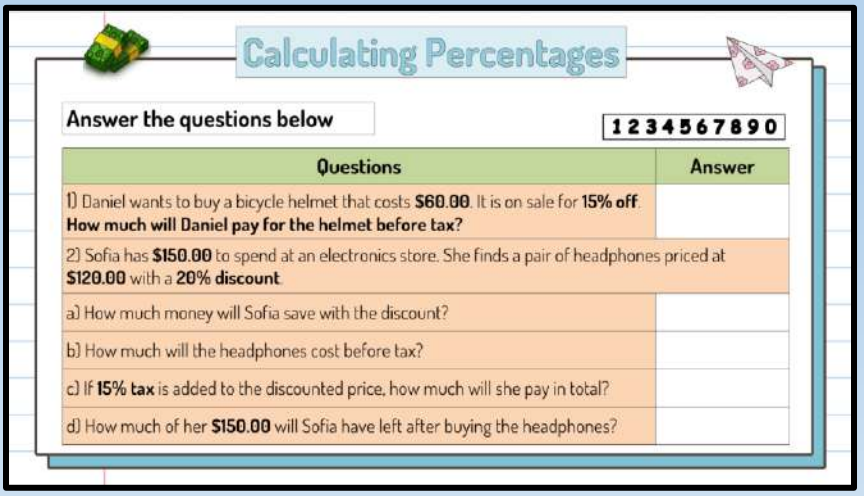




*0.1		*0.01	
20*0.1		30*0.01	
200*0.1		700*0.01	
4*0.1		800*0.01	
40*0.1		40*0.01	
450*0.1		500*0.01	
6*0.1		100*0.01	
60*0.1		1500*0.01	
650*0.1		2000*0.01	

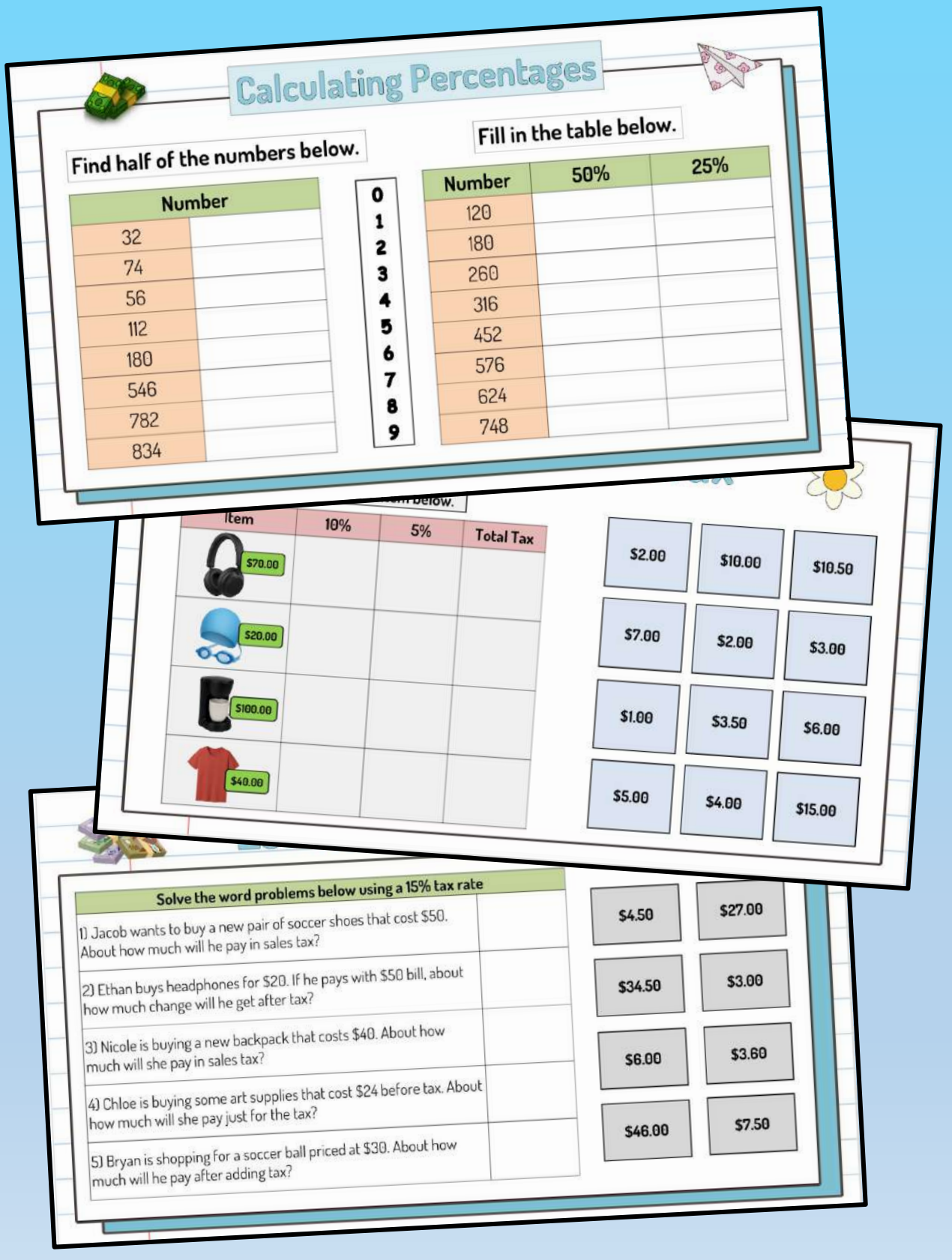
Part 2 – Action!
- Writing
- Matching
- Drag and Drop
- Drawing
- And More!

Part 3 – Consolidation!
- Exit Cards
- Quizzes
- Reflection
- And More!



Questions	Answer
1) Daniel wants to buy a bicycle helmet that costs **$60.00**. It is on sale for **15% off**. **How much will Daniel pay for the helmet before tax?**	
2) Sofia has **$150.00** to spend at an electronics store. She finds a pair of headphones priced at **$120.00** with a **20% discount**.	
a) How much money will Sofia save with the discount?	
b) How much will the headphones cost before tax?	
c) If **15% tax** is added to the discounted price, how much will she pay in total?	
d) How much of her **$150.00** will Sofia have left after buying the headphones?	

BC Math Curriculum
Financial Literacy– Grade 7



BC Math Curriculum
Financial Literacy– Grade 7

Workbook Preview

Grade 7

Financial Literacy

	Curriculum Expectations	Pages
F1.1	financial literacy ... financial percentage	

Name: _____ 6

Curriculum Connection
F1.1

Mental Math – Calculating Percentages – 1%, 10%

Percents represent a rate out of 100 in relation to a whole. Therefore, we can represent 1% as 0.01 and 10% as 0.1.

Example – 150 x 0.01 = 1.5 (1% of 150 is 1.5)
150 x 0.10 = 15.0 (10% of 150 is 15)

Instruction: Fill in the table below.

	Num	x0.01	1%	x0.10	10%
1)					
2)	200				
3)	300				
4)	150				
5)	250				
6)	275				
7)	375				
8)	411				
9)	537				
10)	672				

Curriculum Connection
F1.1

Mental Math – Calculating Percentages – 10%, 15%

Percents represent a rate out of 100 in relation to a whole. Therefore, we can represent 10% as 0.10 and 15% as 0.15.

Hint – To mentally calculate 15%...
1. Determine 10% of the number
2. Find half of the answer (5%)
3. Add the 5% to the 10%

Example
1. 210 [illegible] 21.0
2. Ha[illegible]
3. [illegible] 10.5 = [illegible]
4. The[illegible]fore, 1[illegible] = 31.5

Instruction | [illegible] th[illegible]

	Number	[illegible]	0.05 (Half)	15%
1)	100	[illegible]	5	15
2)	200			
3)	400			
4)	500			
5)	120			
6)	180			
7)	240			
8)	310			
9)	450			
10)	680			

Name: _____ 8

Curriculum Connection
F1.1

Mental Math – Calculating Percentages – 25%, 50%

Percents represent a rate out of 100 in relation to a whole. 50% represents half of a number and 25% is a quarter of a number.

Steps – Calculating 50%...
1. Find half of the number

Example – 50% of 148
1. Divid[illegible] number 148 in half (148
2. 50%[illegible]

Steps – Calculating 25%
1. Find out what 50% of the number is by halving the number
2. Halve the number one more time

Example – 25% of 188
1. 188 ÷ 2 = 94
2. 94 ÷ 2 = 47

Part 1

[illegible] of [illegible] numbers below?

1)	24	_____	[illegible]		_____	3)	76	_____
4)	128	_____	[illegible]		_____	6)	212	_____
7)	264	_____	8)		_____	[illegible]	410	_____
10)	550	_____	11)	636	_____	[illegible]	44	_____

Part 2

Fill in the table below.

	Number	50%	25%
1)	100		
2)	200		
3)	240		
4)	164		
5)	188		
6)	264		

	Number	5[illegible]	25%
7)	348		
8)	414		
9)	560		
10)	644		
11)	828		
12)	940		

Exit Cards

Cut Out Cut out the exit cards below and have students complete them at the end of class.

Name: ______________________

Fill in the table below:

	[illegible]	50%	25%
1)	[illegible]		
2)	464		
3)	780		
4)	940		
5)	1012		
6)	1460		

Name: ______________________

Fill in the table below:

	Number	50%	25%
1)	376		
2)	464		
3)	780		
4)	940		
5)	1012		
6)	1460		

Name: ______________________

Fill in the table below:

	Number	50%	25%
1)	376		
2)	464		
3)	780		
4)	940		
5)	1012		
6)	1460		

Name: ______________________

Fill in the table below:

	Number	50%	25%
1)	376		
2)	464		
3)	780		
4)	940		
5)	1012		
6)	1460		

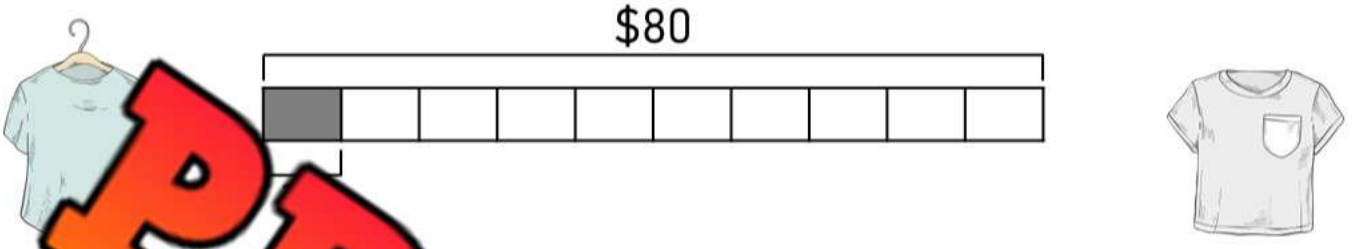
Name: _____ 10

Curriculum Connection
F1.1

Mental Math – Calculating Percentages – Visuals

When we want to find the percent of a number, scaling up and down is the best way.

For example, a shirt costs $80 at regular price. To calculate a sale price, we can scale 10% up and down. First, 10% of 80 is 8 which means 20% is 16 and 30% is 24.



Practice Solve the problems below:

1) Tom is shopping for [illegible]. He [illegible] pair he likes for $70.00. They are on sale for 15% off. How much [illegible] before tax?

2) Lindsay is out shopping for a new winter coat. [illegible] sees [illegible] $90.00 plus an additional 20% off. How much will the coat cost [illegible]?

3) Joe brings $100 to the mall to buy some new speakers. He finds some for $78.00 with an additional 35% off.

a) How much will the speakers cost before tax?

b) With tax costing 15%, how much will the speakers cost?

c) How much of the $100 will Joe have when he leaves the mall?

Name: _____ 11

Curriculum Connection
F1.1

Estimating Sales Tax

When we pay for something, we need to pay tax. **Tax** is an extra cost placed on a good or service that goes to the government. In BC, we pay 12% sales tax on almost everything we buy.

When we purchase something, we should add 12% to the total price so we know if we can afford it. We can do this by using a calculator or by estimating. Follow these steps to estimate the sales tax:

Estimating Sales Tax

1) Divide the price by 10 (example - $32.00 ÷ 10 = $3.20) to determine 10% of the cost
2) Write down that number in half to find another 5% (example = $3.20 ÷ 2 = $1.60)
3) Add those numbers together to determine what a 15% sales tax would cost ($3.20 + $1.60 = $4.80). So, a $32.00 product would cost a total of $36.80.

Instructions Divide the price by 10 and then divide that answer by 2

#	Product Price		10%)	Total Tax	Total Price
1	$20.00	$2.00	$1.0	$3.00	$23.00
2	$10.00				
3	$30.00				
4	$40.00				
5	$50.00				
6	$60.00				
7	$25.00				
8	$100.00				
9	$42.00				
10	$88.00				

Name: _____ 12

Curriculum Connection
F1.1

Estimating Sales Tax – Word Problems

Questions Answer the word problems below. Use 15% as an approximate sales tax

1) Brad is shopping for a new bike. He finds one he likes for $150.00. Approximately how much will the bike cost him with sales tax included?

2) Stephanie is shopping for boots. Her mom sees a pair for $98.00. Approximately how much will the boots cost?

3) Neill brings $100 to a sports store to buy a hockey stick. He finds one for $82.00. Approximately how much will the hockey stick cost? Approximately how much will he have left?

4) Jane sees a pair of jeans she wants that costs $46.00. She has $60.00. Approximately how much will these jeans cost her? Approximately how much money will she have left after she buys the jeans?

Exit Cards

Cut Out Cut out the exit cards below and have students complete them at the end of class.

Name: _____

a) Divide the numbers by 10 and then divide that answer by 2

#	Product Price	10%	5% (half of 10%)	Total Tax	Total Price
1					
2	$16.00				
3					
4					

b) Mia wants to buy a dress that costs [illegible]. She knows the sales tax will add a bit more. How much will the total cost be if tax was 15%?

Name: _____

a) Divide the numbers by 10 and then divide that answer by 2

#	Product Price	10%	5% (half of 10%)	Total Tax	Total Price
1	$24.00				
2	$16.00				
3	$38.00				
4	$42.00				

b) Mia wants to buy a dress that costs $64.00. She knows the sales tax will add a bit more. How much will the total cost be if tax was 15%?

Name: _____ 14

Curriculum Connection
F1.1

Determining Sales Tax

To determine a 12% sales tax, we can use our knowledge of calculating 1% and 10%.

For example:

Product Price	1%	2%	10%	13%	Total Price
$10.00	$0.10	$0.20	$1.00	$1.20	$11.20

1% of 10.00 is 0.10, which is 10 cents. We can multiply this by 2 to get 2%, which gives us 0.20 cents. 10% of 10.00 is 1.00 or 1 dollar. This gives us a total of $11.20.

Questions: Use the steps above to calculate the sales tax and total price

#	Product Price	1%	2%	10%	12%	Total Price
1	$24.00	0.24	0.48	2.40	2.40 + 0.48 $2.88	$26.88
2	$17.00					
3	$27.00					
4	$44.00					
5	$74.00					
6	$68.00					

Name: _____ 15

Curriculum Connection
F1.1

Determining Sales Tax

We can determine the exact price of a good or service by using a calculator. We can either convert the percentage to a decimal or we can use the percent button on our calculator.

<u>Steps to use % Button on a Calculator</u>

1) Enter the cost of the product
2) Hit the + button
3) Type t[illegible]x percentage (12)
4) Hit th[illegible]on (this will display the sales tax)
5) Click [illegible]s button

Questio[illegible] steps above to calculate the sales tax and total price

#	Pro[illegible]ice	[illegible]les Tax (12%)	Total Price
1	$24.00	[illegible]	$26.88
2	$17.50		
3	$27.35		
4	$44.75		
5	$74.25		
6	$68.70		
7	$125.15		
8	$174.10		
9	$194.65		
10	$214.20		

Name: _____ 16

Curriculum Connection
F1.1

Determining Sales Tax – Word Problems

Questions | Answer the word problems below

1) Kayden has a $10 bill and wants to know if he can afford a burger and fry meal that costs $7.99 before taxes. Calculate the total cost of the meal. Can he afford the meal?

Bonu[illegible] much [illegible]oes he have left?

2) Dexter wants to buy a [illegible]deo ga[illegible]s $100 and the game costs $65.00 before tax. How much will t[illegible]e c[illegible]

Bonus: How much money will he have left if he [illegible]e?

3) Mya is thinking of purchasing a new pair of headphones that cost $[illegible].99. She only has $65.00. Does she have enough money? Explain.

Name: _____ 18

Curriculum Connection
F1.1

Math Basketball: Missing Percentages Challenge

Objective

What are we learning about?

To reinforce students' understanding and application of calculating missing percentages through engaging word problems and a fun basketball shooting game.

Materials

What you will need for the activity.

- Sm[illegible]all (e[illegible]m ball)
- Trash can [illegible]as the hoop
- Index cards [illegible] with [illegible]ge word problems
- Marker or pen
- Timer or stopwatch

Instructions

How you will compl[illegible]activ[illegible]

1. Arrange the classroom so that there is e[illegible]space[illegible]le teams to work simultaneously. Place a desk about 6 feet a[illegible]fro[illegible]t.
2. Place a stack of index cards with problems on e[illegible]s[illegible]
3. Provide each team with a recording sheet and a pe[illegible]
4. Divide the students into teams of about five members e[illegible]n.
5. Each team stands in a line behind their respective desk.
6. The first student in line flips over an index card and solves the pro[illegible]
7. Once the answer is recorded, the student attempts to shoot the pa[illegible]ball into the bin.
8. If the student makes the shot, they place a tally mark on the team's tally sheet for a point. If they miss, no tally is given.
9. The student then goes to the end of the line, and the next student steps up to the desk to repeat the process.
10. The activity continues until all index cards have been solved.
11. Once all index cards are completed, the teacher collects the recording sheets and reviews the answers with the class.
12. For each incorrect answer, the team loses one point.
13. The team with the highest number of points after deductions is declared the winner.

Name: _____ 19

Curriculum Connection
F1.1

Index Cards | Use the following table for the game.

In a school, 52% of students participate in sports and 18% are in the band. What percentage are in neither?
A survey shows that 34% of people prefer summer and 29% prefer winter. What percentage prefer spring or fall?
A garden [illegible]wers, bushes, and trees. 40% of the plants are flowers, and 25% are bushes. [illegible]tage are trees?
A class [illegible] 40 st[illegible]% have brown eyes, and 35% have blue eyes. What percentage ha[illegible]es?
A bakery sells 4 t[illegible]f co[illegible]late chip, oatmeal, sugar, and peanut butter. 32% are chocolate ch[illegible] are o[illegible]l. What percentage are sugar or peanut butter?
In a fruit basket, 48% of the fru[illegible] are [illegible] and [illegible]re bananas. What percentage are other fruits?
A book club has read 75 books this year. 52% [illegible]e bo[illegible]ction, and 18% were non-fiction. What percentage were biogra[illegible]e[illegible]
At a pet store, 30% of the animals are cats, and 50% are [illegible]. W[illegible] are other animals?
A survey about favorite ice cream flavors shows 25% prefer vanilla, [illegible]35% prefer chocolate. What percentage prefer other flavors?
A teacher has 24 students. 40% of the students have completed their homework, and 30% are working on it. What percentage have not started?
In a music class, 55% of the students play the piano, and 25% play the guitar. What percentage play other instruments?
A gym has 120 members. 45% use the treadmill, and 35% use the weights. What percentage use other equipment?

Name: _____ 20

Curriculum Connection
F1.1

Index Cards | Use the following table for the game.

A library has 300 books. 60% of the books are fiction, and 25% are non-fiction. What percentage are reference books?
A class survey shows 38% of students walk to school, and 40% bike. What percentage use other modes of transportation?
A farm ha[illegible]nimals. 35% are cows, and 45% are chickens. What percentage are other an[illegible]
In a piz[illegible]urvey [illegible]ople prefer pepperoni, and 35% prefer cheese. What percentage pr[illegible]oppi[illegible]?
A clothing store se[illegible]irts [illegible]kets. 50% of the items sold are shirts, and 30% are pants. What pe[illegible]ge are ja[illegible]
In a school of 500 students, 40[illegible] are i[illegible], a[illegible]% are in grade 7. What percentage are in other grades?
A movie theater sold 200 tickets. 60% were [illegible]ion m[illegible]s, 25% were for comedies. What percentage were for other gen[illegible]?
A restaurant's menu has appetizers, main courses, and [illegible]erts[illegible]ms are appetizers, and 30% are main courses. What percentage ar[illegible]
In a zoo, 55% of the animals are mammals, and 30% are birds. What p[illegible]entage are reptiles or other animals?
A school library has 500 books. 45% are fiction, and 40% are non-fiction. What percentage are other types of books?
A technology store sells phones, laptops, and tablets. 50% of the items sold are phones, and 30% are laptops. What percentage are tablets?
In a science class, 40% of the students prefer biology, and 35% prefer chemistry. What percentage prefer other sciences?

Name: _____ 21

Curriculum Connection
F1.1

Determining Final Price With Sales Tax

Item	Taxes	Total Cost	Money Used	Change
	$0.90	$8.40		$1.60

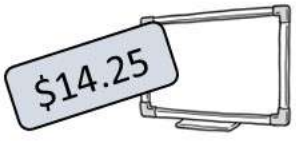
Questions Fill in the table below

Mone	Taxes	Total Cost	Money Used	Change
				

Money Used	Cost	Money Used	Change
			

Money Used	Taxes	Total C	Money	Change
				

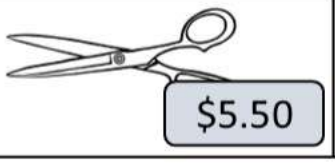
Money Used	Taxes	Total Cost	Money Used	Change
				

Money Used	Taxes	Total Cost	Money Used	Change
				

Name: _____ 22

Curriculum Connection
F1.1

Determining Sales Tax – Multiple Items

Item #1	Item #2	Total Price	Taxes	Total Cost
		$16.00	$1.92	$17.92

Questions Fill in the table below

Item #1	Item #2	Total Price	Taxes	Total Cost
				

Item #1	Item #2	Total Price	Taxes	Total Cost
				

Item #1	Item #2	Total Price	Taxes	Total Cost
				

Item #1	Item #2	Total Price	Taxes	Total Cost
				

Item #1	Item #2	Total Price	Taxes	Total Cost
				

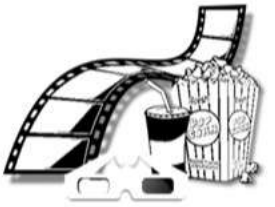
Name: _____ 23

Curriculum Connection
F1.1

Determining Final Price – Multiple Items – Word Problems

Questions | Answer the word problems below

1) George went to the movies with his friends. He ordered a bag of popcorn for $6.50 and a drink for $4.75. How much was his total purchase with tax included?



Bonus: H paid w ill, ow much will he get back?

2) Ruby went to the can t track meet. Her money is below:

She bought a hot dog for $3.00, a bag of chips f 1.50 drink for $2.25. How much did it cost her with tax?

Bonus: How would you pay - would you use all three pieces of

3) Steve went to a video game store and bought a video game for $29.99 and a controller for $49.99. How much money total did he spend with tax?

Bonus: He paid with a $100 bill. How much will he get back?

Name: ______________________

Curriculum Connection
F1.1

Challenge – Restaurant Menu

Questions Answer the word problems below

You are just sitting down to a meal at a restaurant with your friends. The waiter hands yo[illegible] menu. You plan to choose [illegible]etizer, 1 main, and 1 de[illegible]

Menu

Appetizer

Soup ------------- $4.50
Salad ------------ $8.25
Chicken Wings ---- $9.75
Poutine ----------- $8.99

Mains

Pasta ------------ 14.99
Steak ------------ $25.99
Hamburger ------- $8.99
[illegible]za ------------ $22.50

Des[illegible]

I[illegible] -- $4.99
[illegible] Su[illegible] -- $6.99
Che[illegible]cak[illegible] [illegible]25
Chocolate [illegible].50

1) W[illegible] things [illegible] choose?

____

2) How much will th[illegible] cos[illegible] without tax?

____

3) How much will these things cost with tax? (12%)

____

4) When you finished your meal, it is customary to leave a 15-20% gratuity (tip). What percent will you leave? _______

5) What will your entire meal costs with the tax and tip included?

____

6) Your friend enjoys expensive things. He orders the most expensive dinner, picking the most expensive appetizer, main, and dessert. How much would it cost him with tax and a 20% gratuity?

____

Name: _____ 25

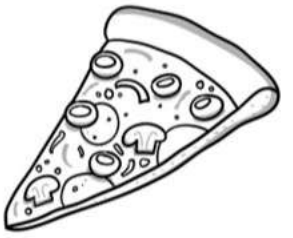
Curriculum Connection
F1.1

Restaurant Order – Adding Tip

Word Problems | Answer the questions below

An Italian restaurant serves the items below.

Menu	Cost
Spaghetti	$14.50
Pizza	$18.90
Lasagna	$22.25
Risotto	$19.75
t - Gelato	$5.80



1) James orde tti fo and gelato for dessert.

a) How much will tax (12%)?

b) James adds 15% tip to the total How will he owe?

2) Sophia brings her family to the restaurant. They izzas risotto.

a) How much will the meal cost with sales tax (12%)?

b) Sophia adds 20% tip to the total with tax. How much will she ow

3) Evelyn and her 4 friends go to the restaurant. Each friend got a different meal and they all got gelato for dessert. Evelyn paid for the entire meal.

a) How much will the meal cost with sales tax (12%)?

b) Evelyn adds 18% tip to the total with tax. How much will she owe?

Name: _____ 26

Curriculum Connection
F1.1

Introduction to Interest

What is Interest?

Interest is the amount of money earned from an investment or the cost of borrowing based on an interest rate.

Interest From Investments

We can earn interest on our investments, which means we are putting our money to work! If we invest $100 in the stock market, we hope that one hundred dollars is worth more at the end of the year. The average interest rate return in the stock market over the last 100 years is abo 10%. This means that after one year, your $100 is now worth $110.

Interest Fr wing

Most peo ill need to borrow money to pay for things like cars, houses, or even water ot usehold necessities. When we borrow money, we pay the lender (usua nk) inte mount we pay in interest depends on the interest rate. A higher interest r e will r pay more back in interest. For example, if we borrow $100 with a 15% yearly in r e wi $115 at the end of the year. It is important to shop around for the lo rest ra

Part 1 — A bank pays % interes for your savings account – $5 per $100

Savings	Savings + Interest	Savings	Savings + Interest
1) $200	$210	5) $	
2) $450		6) 7	
3) $625		7) 52	
4) $932		8) $2	

Part 2 — You pay 19% interest on your credit card - for every $1 0 yo $119

Debt	Debt + Interest
1) $300	$357
2) $485	
3) $712	

Debt	Debt + Interest
4) $999	
6) $1452	
7) $2375	

Debt	bt + Interest
8) $4230	
9) $5417	
10) $7759	

Part 3 — Answer the question below

What are your thoughts on interest? Is paying a 19% interest rate fair?

_____

_____

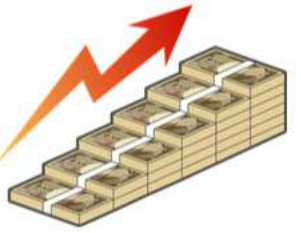
_____

Name: _____ 29

Curriculum Connection
F1.1

Calculating Interest Rates - Investments

When dealing with interest rates, we are either paying interest or being paid interest. When we invest money in a savings account, we are paid interest. We can also invest in the stock market in hopes of being paid interest on our investment. We can calculate how much return we will get on an investment by using the following steps.



Steps to use % Button on a Calculator

1) Enter the investment amount
2) Hit the button
3) Type t rest rate
4) Hit th n (this will display how much earned from interest)
5) Cli n (this will give you the total return)

Questions e s ps above to calculate the return on investment

#	Investment	Return on ent	15% Interest	Total Return
1	$28	$1.40	$4.20	$32.20
2	$37			
3	$41			
4	$97			
5	$150			
6	$370			
7	$525			
8	$855			
9	$1400			
10	$2755			

Name: _____ 30

Curriculum Connection
F1.1

Calculating Interest Rates - Borrowing

When we borrow money, we usually have to pay interest on the total amount we borrowed. We call this amount the **principal**. Depending on the type of loan, the interest rates will vary.

Steps to use % Button on a Calculator

1) Enter the principal amount
2) Hit the + button
3) Type th[illegible]nterest rate
4) Hit the [illegible]on (this will display how much interest you will pay each year)
5) Click [illegible]s button (this will give you the total amount you need to pay back)

Questi[illegible] [illegible]e steps above to calculate the return on investment

#	Principa[illegible]	I[illegible]	5-Year Loan	Total 5-Year Loan Amount
1	$50		$25	$75
2	$85			
3	$152			
4	$225			
5	$310			
6	$485			
7	$657			
8	$832			
9	$1289			
10	$2472			

Name: _____ 31

Curriculum Connection
F1.1

Calculating Interest

Questions	Calculate how much interest we will pay in the situations below

1) If you borrow $600 for 6 years at an interest rate of 10%, how much interest will you pay?

b) How much in total will you pay?

2) How m[illegible]erest does a $430 investment earn at 6% over one year?

3) How much [illegible]arn[illegible]an $875 investment at 4% for six years?

4) How much interest will you [illegible]e to [illegible]ow $325 for 2 years at a 12% interest rate.

5) Jacob invested $250 for 4 years. He earned $[illegible] [illegible]st [illegible] forgets his interest rate. He thinks it was either 5% or 10%. Wh[illegible]erest rat[illegible]e get?

6) If you borrow $1750 for 3 years at an interest rate of 6%, how mu[illegible]est will you pay?

b) How much will you pay in total?

7) If you get a loan for $225 000 to buy a house with an interest rate of 2%, how much interest will you pay for a 10-year loan?

8) Hanna paid $28 of interest when she borrowed $200. Her father said she paid 28% interest, but she says she only paid 14%. Who is correct?

Exit Cards

Cut Out Cut out the exit cards below and have students complete them at the end of class.

Name: _____

a) Calculate the return on investment

#	Princ	10% Interest/Year	5-Year Loan	Total 5-Year Loan Amount	Principal
1	$3				
2					
3	$2685				

b) Marcus earned $ inter ve rs on a $500 investment. His cousin thinks he earned 4% interest. Is t at If not was the correct interest rate?

Name: _____

a) Calculate the return on investment

#	Principal	10% Interest/Year	5-Year Loan	Total 5-Year Loa mc	rincipal
1	$385				
2	$1352				
3	$2685				

b) Marcus earned $90 in interest over 3 years on a $500 investment. His cousin thinks he earned 4% interest. Is that correct? If not, what was the correct interest rate?

Name: _____ 35

Curriculum Connection
F1.1

Activity: Match the Borrowing Situation

Objective What are we learning about?

To help students learn about responsible borrowing by matching various borrowing scenarios ("If" situations) with appropriate outcomes ("Then" situations).

Materials What you will need for the activity.

- "If" situation
- "Then" outcome situation

Instructions How you will complete the activity

1. Explain to the students that they will participate in a matching activity to learn about responsible borrowing.
2. Each student will receive one "If" situation card and one "Then" outcome card.
3. Hand out one card to each student. Make sure that each student has a different combination of "If" and "Then" cards.
4. Students will move around the classroom to find the person holding the card that matches theirs.
5. When they find their match, they should sit together and discuss why their cards are a good match.
6. Once all pairs have found their match, bring the class back together.
7. Each pair will present their "If" situation and "Then" outcome to the class.
8. Discuss why the matches are appropriate and how responsible borrowing can help achieve financial goals.

Name: _____ 36

Curriculum Connection
F1.1

"If" Situation Cards | Cut out the topics below.

If you need to buy a house...

If you want to go on a vacation...

If you need to pay for college tuition...

If you want to start a business...

If you need a car for work...

If you want to buy luxury items...

If you need to pay for medical expenses...

If you want to renovate/redecorate your home...

If you need to 'consolidate' your debt...

If you want to invest in education...

If you need to cover unexpected emergencies...

If you want to buy a new phone...

If you need to pay for a wedding...

If you want to buy new clothes...

If you need to repair your car...

Name: _____ 37

Curriculum Connection
F1.1

Then Outcome Cards | Cut out the topics below.

Then use an emergency savings fund or low-interest loan.

Then consolidate debt with one, personal loan.

Then get an auto loan with affordable terms.

borrowing and save money gradually.

ucation grants or scholarships.

save for the expenses.

e up over time.

of credit.

ssary.

Then take out a mortgage with a low int

Then save up money instead of borrowi

Then consider saving up instead of borrowing.

Then apply for a small business loan.

Then consider a medical loan or payment plan.

Then use a student loan with a low interest rate.

Name: _____ 38

Curriculum Connection
F1.1

Calculating Simple Interest

When we borrow money, we usually pay interest on the total amount we borrow. We call this amount the **principal**. Depending on the type of loan, the interest rates will vary. **Simple interest** is interest paid on the principal amount. We can calculate simple interest by using the following formula:

Simple interest = principal x interest rate x time to pay back the loan

This will give us how much interest we will pay for our loan.

For exam[illegible] owe $5000 for a car loan with a 5% simple interest rate on a 5-year term. The [illegible] of interest you will pay after the 5 years is 5000 x 0.05 x 5 = $1250

Part [illegible] Fill in [illegible] to determine the cost of borrowing for 3 and 8 years

#	Princip[illegible]	Interes[illegible]	3-Year Loan	8-Year Loan
1)	$2000		$300	$800
2)	$3500			
3)	$6000	19%		
4)	$10,000	8%		
5)	$17,000	10%		
6)	$25,000	4%		
7)	$47,500	3.5%		

Part 2 Answer the questions below

1) Is it more or less costly to borrow money for longer periods of time. Explain why that might be the case.

_____

_____

2) Jake is borrowing $8000 for a new car. The interest rate is 6%. He's not sure if he'll choose the 5- or 7-year term. How much will he save in interest on the 5-year term?

Name: _____ 39

Curriculum Connection
F1.1

Calculating Simple Interest

Questions | Answer the questions below

1) If you borrow $750 for 5 years with an annual interest rate of 8%, how much interest will you pay?

b) How mu[illegible] total will you pay?

2) How [illegible] will you have to pay if you borrow $525 for 2 years at a 12% annu[illegible] rat[illegible]

3) If you borrow $2175 f[illegible] ea[illegible]s with [illegible]ual interest rate of 6%, how much interest will you pay?

b) How much will you pay in total?

4) If you get a mortgage loan for $225 000 to buy a hous[illegible] a [illegible]st rate of 2.56%, how much interest will you pay for a 25-year loa[illegible]

b) How much will the house end up costing you?

5) Ivy paid $72 of interest when she borrowed $800. Her father said she paid 9% interest, but she says she had to pay 12%. Who is correct?

Exit Cards

Cut Out Cut out the exit cards below and have students complete them at the end of class.

Name: _____

Mark

a) Calculate the return on investment

#	Principal	Interest Rate	3-Year Loan	8-Year Loan
1)		5%		
2)		16%		
3)	$88,000	6.8%		

b) Michael is co[illegible] two lo[illegible]s for a vacation:

- Option A: $4,000 [illegible]% fo[illegible]
- Option B: $4,000 at 4% [illegible]s

Which loan costs more in interes[illegible] Sho[illegible]

Name: _____

Mark

a) Calculate the return on investment

#	Principal	Interest Rate	3-Year Loan	[illegible]
1)	$2000	5%		
2)	$9500	16%		
3)	$88,000	6.8%		

b) Michael is comparing two loan options for a vacation:

- Option A: $4,000 at 6% for 5 years
- Option B: $4,000 at 4% for 7 years

Which loan costs more in interest? Show your work.

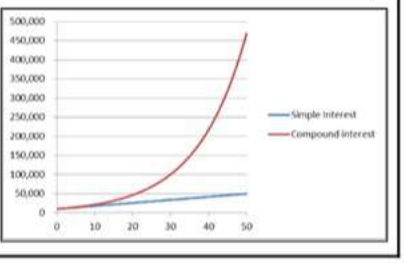
Name: _____ 41

Curriculum Connection
F1.1

Simple Interest vs Compound Interest

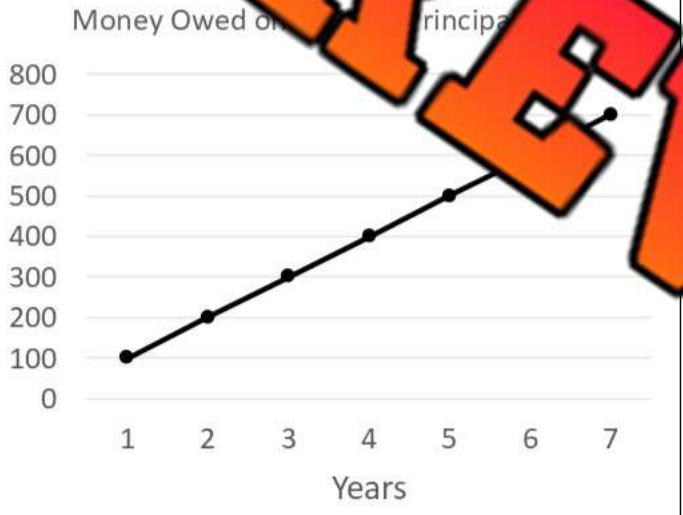
Overview - Simple Interest vs Compound Interest

Simple interest is based on the principal amount of the loan or deposit. This means the interest paid does not change. For example, if you borrow $100 at a 5% annual interest rate, you will owe $5 in interest each year until the loan is paid.



Compound interest is based on the principal amount and the interest that accumulates on it every period. For example, if you borrow $100 at a 5% annual interest rate, you will owe $5 after the first year, a[illegible] of $105 the next year ($5.25). The third year, you would owe [illegible]10.25, which is $5.51.

Quest[illegible] graph display a simple or compound interest loan?



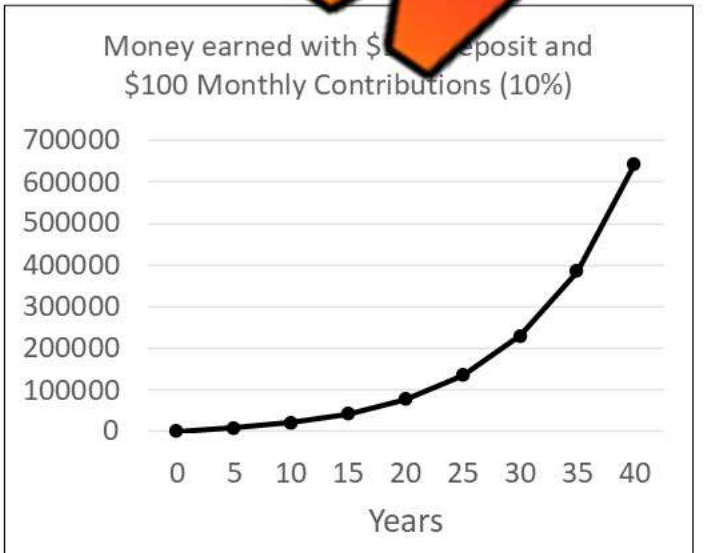
1) How do you know which type of loan this was? Explain

2) Ho[illegible]ch int[illegible]ill be paid after 7 years?

3) Will th[illegible]oan g[illegible]e a massive amount of [illegible]ing[illegible]

1) How do you know which type of interest is being applied? Explain

2) What do you notice about the graph? Why isn't it linear?



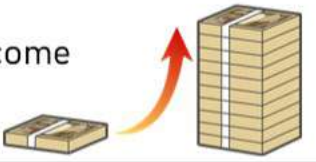
Name: _____ 42

Curriculum Connection
F1.1

Compound Interest - Investing

When we invest money, we hope it will grow over time. The longer we leave an investment, the more interest the initial investment will earn, which leads to it being worth more. For example, if an initial investment of $1000 grows 15% in a year, it will earn $150 and be worth $1150. If the investment keeps growing at 15% a year, the following year it will earn $172.50 and will be worth $1322.50.

Over the course of many years, an initial investment can grow to become a large amount! This is called compound interest, which Albert Einstein coined the [illegible]onder of the world!



Question: Calculate how much the initial investment grows after 5 years

#	Initial Investment	1-Year 10% Total	2-Year 10% Total	3-Year 10% Total	4-Year 10% Total	5-Year 10% Total
1	$200			$266.20	$292.82	$322.102
2	$750					
3	$1000					
4	$1,500					
5	$2,100					
6	$3,500					
7	$72,000					
8	$115,000					
9	$150,000					
10	$500,000					

Name: _____ 43

Curriculum Connection
F1.1

Compound Interest - Borrowing

When we borrow money, we pay interest on how much we borrow. We need to consider how long it will take to pay back the debt before we decide to borrow. Borrowing money to buy things like a house or car are essential for most people even though those debts will take a long time to pay off. Luckily, mortgage interest rates are between 2-4% and car loans are typically around 5%.

On the other hand, borrowing to buy things we don't need can lead to us using credit cards to borrow. Credit cards have a 19% interest rate. Complete the table to show how credit card debt can become overwhelming with compound

Quest Fi much interest is paid after borrowing for up to 5 years

#	Prin Borrowing A	1-Y 19%	2-Year % - Total	3-Year 19% - Total	4-Year 19% - Total	5-Year 19% - Total
1	$100	9		$168.52	$200.53	$238.64
2	$250					
3	$700					
4	$1250					
5	$2000					
6	$2500					
7	$2800					
8	$3250					
9	$5000					
10	$15,000					

Name: _____ 44

Curriculum Connection
F1.1

Compound Interest – Online Tool

Calculating compound interest is a complicated process. Fortunately, we can use online compound interest calculators to help us with the math. Using these tools helps us understand the importance of compounding interest, as it can get us in a lot of debt or earn us a lot of money.

Directions:

1) Search online: compound interest calculator
2) Type in the values from the table below to determine how much your investment or debt will grow.
3) Use the interest is compounded monthly for all your results

Part 1 Fill in the table below

#	Principal (Initial investment or borrowing amount)	Monthly Addition	Interest Rate	Years to Grow	Total Value of Debt or Investment
1	$100	$100	7%	45	
2	$500	$50	8%	40	
3	$2000	$200	10%	20	
4	$25	$25	6%	50	
5	$5000	$100	9%	30	
6	$8000	$250	8%	25	

Part 2 Answer the questions below

1	What amount could you contribute now and each month? How much would you have in 40 years if you started today assuming a 10% return?	
2	Alex and Jeff are both 14 years old. Alex plans to contribute $10 today and $25 every month for the next 40 years. Jeff has more money now, so he will contribute $2000 today, but only $20 each month for the next 40 years. Assuming a 10% interest rate, who will earn more?	
3	Sam has two options for a compound interest loan. Option A is borrowing $500 for 5 years with a 7% interest rate and option B is borrowing $500 for 4 years with an 8% interest rate. Which will cost him more money?	

Name: _____ 45

Curriculum Connection
F1.1

Compound Interest – Online Tool

Use an online compound interest tool to learn more about how you can reach different financial goals.

For example, to earn $250,000 in 25 years, you could invest $0 initially and add $200 each month. At the end of the 25 years, you'll have $267,578 with a 10% interest rate.

Part 1 Fill in the table with the minimum amount of contributions needed to reach the financial goal. Do not use an interest rate above 10%.

#	[illegible]	[illegible]	**Principal** *(Initial investment or borrowing amount)*	**Regular Monthly Additions**	**Interest Rate**	**Investment Exact Value**
1	$2000		0	25	10%	$2,117
2	$5000					
3	$25,000	7				
4	$50,000	10				
5	$100,000					
6	$200,000					
7	$500,000					
8	$750,000					
9	$1,000,000					
10	$10,000,000					

Part 2 Answer the questions below

1) What did you learn about compound interest? Can small regular investments make a big difference in your savings?

_____

_____

2) If you invested the cost of a drink each day ($2.50/day) for 30 years with an interest rate of 10%, how much would you have in 30 years?

_____

Name: _____ 46

Curriculum Connection
F1.1

Loans

A **loan** is an amount of money that is expected to be paid back with interest. When people get a loan, they are borrowing money that is not theirs.

To get a loan, people apply to a lender asking for a certain amount of money. The lender – often a bank, will need to investigate whether the person can afford to pay back the loan. They will look at how much income they earn, assets they own, and how much debt they already have.

People can apply for a fixed rate loan or a variable rate loan. A **fixed rate** loan has an interest rate that stays the same for the period of time chosen – typically 5 years. You can get a longer rate, but the interest rate will rise the longer you request. These loans are safe because you won't be surprised by the payment you need to make as the rate and payment stay the same. Fixed rates are usually slightly higher than variable but less risky.

Variable rate is an interest rate that changes whenever the bank changes their prime rate. The prime rate is the base interest rate that all loans are based on. Usually all five big banks have the same prime rate. When they give any loan, they describe the loan as prime plus a certain number. For example, a low mortgage rate might be prime plus 1%, whereas an expensive car loan might be prime plus 5.5%. In 2021, the prime rate was 2.45%, the lowest it has been since 20. A variable rate could change each day as the prime rate changes. It is a bit riskier.

Part 1 If the prime rate is 2.45% calculate the interest paid for 1 year

Loan Amount	Prime + 0.5%
1) $5000	
2) $15 250	
3) $250 000	

Loan Amount	Prime + 4%
4) $25	
5) $42 250	
6) $66 750	

Part 2 Compare the fixed rate (5%) and variable-rate loans over the course of 5 years

1)	Loan	After 1 Year (2.45 +2%)	After 2 Years (2.75 +2%)	After 3 Years (3.5 +2%)	After 4 Years (4.2 +2%)	After 5 Years (5.1 +2%)
Fixed Rate (5%)	$1500					
Variable Rate	$1500					

2)	Loan	After 1 Year (2.45 +1.5%)	After 2 Years (3.65 +1.5%)	After 3 Years (4.5 +1.5%)	After 4 Years (5.5 +1.5%)	After 5 Years (3.45 +1.5%)
Fixed Rate (6%)	$9200					
Variable Rate	$9200					

Name: _____ 48

Curriculum Connection
F1.1

Choosing a Loan

1) Scenario	Jill is on a fixed income, meaning she earns the same each month - $3000. She needs a loan to pay for a condo. She is worried the loan could get too expensive. She will pay off the loan over the next 25 years. 

Fixed Rate – 3 Years	Fixed Rate – 5 Years	Fixed Rate – 10 Years	Variable Rate
3.1%	3.5%	3.9%	Prime + 0.5% *(Prime = 2.5%)*

Which loan should Jill choose? Explain why.

2) Scenario	Josh has a large amount of savings. He doesn't mind taking risks with his money to save money. He needs a loan for a new house that he will pay off over the next 20 years. 

Fixed Rate – 3 Year	Fixed Rate – 5 Years	Fixed Rate – 10 Years	Variable Rate
2.6%	3.1%	3.6%	Prime - 0.4% *(Prime = 2.4%)*

Which loan should Josh choose? Explain why.

3) Scenario	Julian signed a contract to work for a business for the next 5 years. He will have a fixed income until his contract is up. His job pays him well, but he's worried he won't find a job quickly after his contract is up. He needs a loan for a new car. He will pay the car off over the next 6 years. 

Fixed Rate – 2 Years	Fixed Rate – 4 Years	Fixed Rate – 6 Years	Variable Rate
4.6%	5.2%	5.7%	Prime + 2.5% *(Prime = 2.6%)*

Which loan should Julian choose? Explain why.

Name: _____ 49

Curriculum Connection
F1.1

Blog Post: Understanding Loans

What You Need to Know About Loans

Date: June 14, 2024 Author: Sarah Thompson *5-minute read*

Have you ever wondered how people buy things they can't afford right away, like cars or houses? It's all about loans! Imagine you want to buy the coolest new bike, but you don't have enou[illegible]oney. What do you do? You might ask to borrow some from your parents or a friend. Th[illegible]t a loan is—borrowing money with a promise to pay it back. You can get loans fro[illegible]n[illegible]cial institutions, or even family and friends.

Whe[illegible]ake a lo[illegible]ed to sign an agreement. It's like making a pinky promise, but on pape[illegible]This a[illegible]ften includes something called "interest." Interest is extra money you pa[illegible], of w[illegible]u borrowed. For example, if you borrow $100 with a 5% interest rate[illegible]pay [illegible]. That's the bank's way of saying, "Thanks for borrowing from us!

Before you jump into borro[illegible]ey, i[illegible]portant to know the terms of the loan, including **interest rate** (the extr[illegible]cen[illegible]the loan), **repayment period** (how long you have to pay it back), and **m[illegible]payme[illegible]e** sum you pay each month). People who understand their loan ter[illegible]re less[illegible]y to[illegible]e financial problems. So, always read the fine print! Loans can be a useful t[illegible]out th[illegible]e with responsibilities. Make sure you can repay on time to avoid extra[illegible]es or [illegible]ag[illegible]our credit score.

Till next time,
Sarah Thompson

Comments:

Emily Tan – June 14, 2024

Great post, Sarah! Loans are like a financial superhero when you need them. Just remember to read the terms carefully.

Like Reply 11h ago

Janice Dae – June 14, 2024

I see your point, Emily, but loans can also be tricky. The Financial Consumer Agency of Canada reported that 40% of people struggle with loan repayments. It's crucial to only borrow what you can afford to pay back. Be cautious!

Like Reply 8h ago

Name: _____ 50

Curriculum Connection
F1.1

True or False

Is the statement true or false?

1. Loans are 'borrowed money' with a promise to repay.	True	False
2. Interest is extra money paid on top of the borrowed money.	True	False
3. A 5% interest on $100 means paying back $110.	True	False
4. Loans from family do not require repayment.	True	False
5. Only banks can give out loans.	True	False

Questio

Answer the questions below.

1) Why is import to the terms on loan agreements?

2) What should you consider bef bor ey

Word Search

Find the words in the wordsearch.

Loan	Agreement
Borrow	Debt
Repay	Payment
Interest	Finance
Bank	Security
Credit	Rate

C R A T E I B U K Q M Y E V
F F T D J F A K P Y W T D U E
I D Y P G K Y E W C R E D I T
N E W C X Q B A N K W M M A I
A B O L B W G S E C U R I T Y
N T R A O R I N T E R E S T I
C H R R P A Y M E N T P Z B S
E O O W E H N P V F L A E S Z
K A B T Z X X A Z M D Y O W U
M V B P A G R E E M E N T Z W

Name: _____ 51

Curriculum Connection
F1.1

Activity: Applying for a Loan

Objective What are we learning about?

To help students understand the process and considerations involved in borrowing money by simulating a loan application scenario.

Materials What you will need for the activity.

- Role Play Scenario Cards (provided below)
- Notepads and pens
- Name tags (optional)

Instructions How you will implement the activity

1. Pair up students. One student will play the role of the loan officer, and the other will be the applicant.
2. Provide each pair with a scenario card that outlines a situation where the applicant needs to apply for a loan.
3. Give students a few minutes to read their scenarios and think about their roles. The loan officer will prepare questions to ask the applicant, and the applicant will prepare to explain their need for the loan and their repayment plan.
4. The applicant approaches the loan officer and explains their situation, why they need the loan, and how they plan to repay it.
5. The loan officer asks questions to understand the applicant's situation better and to assess the risk and feasibility of granting the loan.
6. After each role-play, discuss as a class what went well, what challenges were faced, and what considerations are important when applying for, or granting, a loan.

Name: _____ 52

Curriculum Connection
F1.1

Scenario Cards | Cut out the topics below.

Scenario
• **Applicant**: You need a loan to buy a new bicycle to get to school. Explain why you need the bike and how you will repay the loan with your weekly allowance. • **Loan Officer**: Ask questions about the applicant's allowance, other expenses, and why the bike is necessary.
• **Applic**: You need a loan to buy supplies for a school project. Explain the project and h plan to repay the loan after the project is complete. • **Loan** sk questions about the project details, the cost of supplies, and the r
• **Ap nt**: Yo an to help your family with an unexpected car repair. Explain th d h ou will contribute to repaying the loan. • **Loan Office** estion he car repair, the family's financial situation, and the repayi lan
• **Applicant**: You want to start usiness selling homemade crafts. Explain your business pl ho ake and save money to repay the loan. • **Loan Officer**: Ask questions about usiness otential earnings, and expenses.
• **Applicant**: You need a loan to buy new sp uipm o eam. Explain why the equipment is needed and how you pla se to the loan. • **Loan Officer**: Ask questions about the sports team of e ent and the fundraising plan.
• **Applicant**: You need a loan to pay for a school trip. Explain w important and how you will raise money to repay the loan. • **Loan Officer**: Ask questions about the school trip, the cost, and the payment plan.
• **Applicant**: You need a loan to buy a laptop for schoolwork. Explain why you need the laptop and how you will save money to repay the loan. • **Loan Officer**: Ask questions about the necessity of the laptop, the cost, and the repayment plan.
• **Applicant**: You need a loan to buy birthday presents for your family. Explain why the presents are important and how you plan to repay the loan with your allowance. • **Loan Officer**: Ask questions about the importance of the presents, the cost, and the repayment plan.

Name: _____ 54

Curriculum Connection
F1.1

Case Study: George Washington Carver's Education Loan

George Washington Carver's Big Decision

George Washington Carver had always been curious about plants. Growing up, he dreamed of becoming a scientist. But there was one big problem—he didn't have enough money to go to college. Determined to achieve his dream, George decided to borrow $ay for his education at Iowa State Agricultural College.

Taki ge decision for George. He knew that borrowing money me nt he would have to pay it back, with interest. George c thought about the risks and benefits. On the one ion loan would help him achieve his of b scientist. On the other hand, if he cou n't r might end up in debt. Despite the risks, ge dec to t out the loan. He promised himsel e wo rd to repay it. George spent long hours studying and working p s to ea ney. His determination paid off. He graduated with a degree in a re . W t to become a famous scientist, making important discoveries about s and sweet potatoes.

In George's time, taking out a loan to get an education was a big step, just as it is today. While loans can help you achieve your dreams, it's important to understand the terms and plan how to repay them. Just like George, hard work and careful planning can help you succeed.

Taking out a loan helped George Washington Carver become one of the most respected scientists of his time. His story shows that with determination and hard work, you can turn your dreams into reality, even if it means taking on a bit of risk.

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Question What risks and benefits did George think about before taking out the loan?

Arrange In chronological order, arrange the events in George Washington Carver's life, with 1 being the oldest event and 10 being the most recent.

	George bo[illegible]0 for his education.
	George [illegible] a scientist.
	George att[illegible]ltural College.
	George worked p[illegible]obs to [illegible]oney.
	George graduated with [illegible]
	George carefully thought about [illegible]s and [illegible]s of the loan.
	George studied long hours to succeed in hi[illegible]dies.
	George made important discoveries abo[illegible]s li[illegible] and sweet potatoes.
	George promised himself to work hard to repa[illegible]
	George became one of the most respected scientists [illegible]s ti[illegible]

Diary Imagine you are George Washington Carver. You are unsure [illegible] loan for education will be granted, and you feel anxious. Write a sho[illegible]ary entry about this.

Exit Cards

Cut Out Cut out the exit cards below and have students complete them at the end of class

Name: _____

Mark
/5

Is the statement true or false?

1) Georg hington Carver borrowed money for college without thinkin e consequences.	T	F
2) G ise pay his loan by working hard and balancing both ol and obs.	T	F
3) The loan G e helpe become a scientist known for discoveries ab als an	T	F
4) The case study sugge aking an guarantees future success.	T	F
5) According to the passage, it's impo nde loan terms before borrowing money for educati	T	F

Name: _____

Mark
/5

Is the statement true or false?

1) George Washington Carver borrowed money for college without thinking about the consequences.	T	F
2) George promised to repay his loan by working hard and balancing both school and part-time jobs.	T	F
3) The loan George took helped him become a scientist known for discoveries about animals and insects.	T	F
4) The case study suggests that taking out a loan guarantees future success.	T	F
5) According to the passage, it's important to understand loan terms before borrowing money for education.	T	F

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Memory Game: Understanding Loans

Objective

What are we learning about?

To help students learn and remember key concepts about loans through a fun and engaging memory game.

Materials

What you will need for the activity.

- M[illegible] (provided)
- [illegible] cards wi[illegible] and definitions related to loan[illegible]
- A flat surf[illegible] o[illegible] floor to lay out the cards.

Instructions

How yo[illegible] mple[illegible] ivity

1. Divide the class into groups of 3 o[illegible] each [illegible] set of Memory Game cards (provided).
2. Optional: have students match the terms wi[illegible] ir de[illegible] to playing the memory game (with the cards facing up). This wi[illegible] em to [illegible] e terms and definitions. Take these up as a class to ensure ever[illegible] the c[illegible] matches.
3. Have each group lay all the cards face down in a grid on a tabl[illegible]
4. The students take turns flipping over two cards at a time, trying to fi[illegible] matching term and its definition.
5. If a student finds a match, they remove those cards from the grid and keep them.
6. If the cards do not match, they are turned back over, and the next student takes a turn.
7. The game continues until all the cards have been matched.
8. After the game, review the terms and definitions with the class.
9. Discuss why these terms are important to understand loans.

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Cards | List of terms related to loans.

Terms	Definition
Loan	Money borrowed that must be repaid with interest.
Interest	The extra money paid for borrowing money.
Principal	The original amount of money borrowed.
Collateral	An asset that a borrower offers to a lender to secure a loan.
Credit Score	A number that indicates a person's ability to repay a loan.

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Cards | List of terms related to loans.

Terms	Definition
Repayment	The act of paying back borrowed money.
	The length of time you have to repay a loan.
Lender	The person or institution that provides the loan.
Borrower	The person who receives and must repay the loan.
Default	Failure to repay a loan.

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Cards | List of terms related to loans.

Terms	Definition
Fixed Interest Rate	An interest rate that does not change over the life of the loan.
Variable Interest Rate	An interest rate that can change over time.
Installment	Regular payments made to repay a loan.
Grace Period	A set time after the due date during which a payment can be made without penalty.
Loan Agreement	A contract between the borrower and lender outlining the terms of the loan.

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Activity: Loan Comparison Chart

Objective

What are we learning about?

Students will gain an understanding of different types of loans (student loans, business loans, mortgages) by analyzing their interest rates, repayment terms, and associated risks.

Materials

You will need for the activity.

- Blank loan comparison chart templates
- Short story describing different types of loans
- Mock loan application

Instructions

How you will complete the activity.

1. Organize the class into small groups and distribute a loan comparison chart template to each group.
2. Provide each group with a short story about Sarah, Tom, and Alex, each take out different types of loans (student loans, business loan, mortgage).
3. Allow each group time to read the story and discuss the details. They should focus on the interest rates, repayment terms, and associated risks with each type of loan.
4. Each group will use the information from the story to fill out their loan comparison chart. They should note the key features of each loan type.
5. Each student will fill out a mock loan application form for one of the loans discussed in the story. They should include details such as the loan's purpose, their repayment plan, and how they will manage the associated risks.

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Story Read the short story carefully. Next, fill out the loan comparison chart based on the details provided in the story.

Sarah wanted to go to college to become a teacher. She decided to apply for a student loan. She learned that student loans typically have lower interest rates because they are meant to help students afford education. Sarah found out that she wouldn't have to start repaying her loan until six months after she graduated, giving her time to find a job. Howe[illegible]e knew her credit score might be affected if she couldn't repay the student [illegible]

Tom d[illegible]ed of [illegible] bakery. To turn his dream into reality, he needed a business loan. [illegible]ed t[illegible]siness loans usually have higher interest rates compared to stude[illegible]ans. T[illegible] they carry more risk for the lender. Tom's loan required monthly p[illegible]s right av[illegible] had to present a detailed business plan to the bank to show *how* he w[illegible]ak[illegible] also had to use his house as collateral: if he couldn't repay the loan[illegible]ld risk[illegible] his home.

Emma and her family wanted to buy a house. Th[illegible]eded a[illegible]e. Mortgages have lower interest rates than business loans but are t[illegible]ly l[illegible]e s[illegible]nt loans. Emma learned that mortgages are typically long-term [illegible]an la[illegible]30 years. Her monthly payments would be spread out over many years, ma[illegible]ng th[illegible] manageable. However, if Emma couldn't make repayments, the ban[illegible]ou[illegible]e house back, which is called foreclosure.

Summary of risks:

The friends discussed their loans over coffee, sharing what they had learned. Sarah's loan seemed manageable because of the lower interest and delayed repayments, but she knew she had to find a job quickly after graduation. Tom's loan was riskier with higher interest and immediate payments, but he was excited about his business plan. Emma felt confident about her mortgage because of the fixed monthly payments but was aware of the long-term commitment.

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Comparison Chart Fill out this comparison chart based on the story.

Loan Type	Interest Rate	Repayment Terms	Risks
What did you find about stud...			
What did you find out about a business loan?			
What did you find out about a mortgage?			

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Loan Application Form

Applicant Information	
Full Name	
Age	
Address	
Parent/ Guardian Name	
Parent/ Phone	

Loan Details	
Purpose of Loan	
Amount Requested	$
Interest Rate	
Repayment Term	**(Circle one)** Affect credit score / Risk of losing house back

Income Information	
How do you earn money? (e.g., allowance, chores):	
Monthly Income	$

Expenses (what you spend on) and Debt (what you owe someone)	
Monthly Expenses:	$
Debts (if any):	

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Repayment Plan	
How do you plan to repay the loan?	

Risk Management	
How will you handle any problems repaying the loan?	

Additional Information	
Any other information or comments:	

Applicant Signature	
Signature	
Date	

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Gross vs Net Income

What is Gross Income?

Gross income is all the money you earn. For most people, their income comes from their work, but there could be other sources of income, such as lottery winnings, interest earnings, and the selling of assets and investments.

What is Net Income?

Net income is how much income is left after paying for non-negotiable expenses. For adults, taxes and retirement contributions are the most common costs.

Income Tax

Everyone pays income tax. **Income tax** is a percentage of income that is paid to the government. The more income you earn, the more income tax you will pay.

An Example

For example, the average Canadian earns $54,000 in gross income yearly. Earning this much means you will pay 17% in income tax. This means the average Canadian takes home $41,887 in net income. Someone with a gross income of $100,000 will pay $27,084 in tax for a net income of $72,916.

Questions Answer the questions

1)	Alex earned $38,413 from his employer. He also won $12[illegible] the lottery. He paid $9340 in taxes. What is his net income?	
2)	Robert earned $79,575 from his job. He sold a house he owned and earned an additional $95,350. He paid $53,538 in taxes. What is his net income?	
3)	Suzanne earned $145,094 from her salary and from selling investments. She decided to contribute $45,095 towards her retirement to put her income under 100,000. She paid $27,084. What is her net income?	
4)	Claire has her own business that earned $278,500 last year. She paid $[illegible]00 in business expenses and paid the rest of the money to herself. In the end, she paid $51,320 in taxes. What is her net income?	
5)	Zack earned $134,048 from his job and from selling 500 shares of a stock he owned. He contributed $25,000 to his retirement. His net income is $81,304. How much income tax did he pay?	
6)	Willow earned $51,530 from her job, $34,520 from her side business and she sold stocks she owned for $41,430. She paid $42,405 in taxes. How much gross income did she earn?	
7)	John is a professional athlete who earned $6,450,000 last year. He also earned $650,000 for endorsements he did. His paid $3,712,084 in taxes last year. How much net income did he earn?	

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Income Tax – Gross/Net Income

Income Tax

You will pay more income tax when you earn more gross income. The table shows how much income tax on average is paid for each income tax bracket.

Although this is not exactly how accountants determine how much income tax you pay, it gives a good idea of how income tax works. In actuality, if you earn $70,0[illegible] will pay 7.5% on $20,000, 15% on $20,000, 2[illegible],000, and 24% on $10,000.

To get [illegible]ea[illegible]n use the average tax rates [illegible]ved in t[illegible]o, if you earned $83,540, you would pay 83[illegible] $2[illegible]720.40 in income tax. This would [illegible]net in[illegible] $61,819.60.

Gross Income Bracket	Avg. Tax Rate
$0 - $20,000	7.5%
$20,000 - $40,000	15%
$40,000 - $60,000	21%
$60,000 - $80,000	24%
$80,000 - $100,000	26%
$100,000 - $150,000	28%
$150,000 - $250,000	31%
$250,000 – $500,000	39%
$500,000+	50%

Questions

Determ[illegible]uch i[illegible] tax would be paid and the net income

	Gross Income	[illegible]	Net Income
1)	$95,542	[illegible],840.92	$70,701.08
2)	$42,826		
3)	$91,542		
4)	$105,635		
5)	$474,268		
6)	$3,547,852		

Word Problem

Answer the question below

Peter owns a company that made high earnings last year. He ended up earning $273,049 but doesn't want to pay too much tax. He is debating contributing some money to his retirement so that he can bump down to the next lowest tax bracket.

a) How much will he need to contribute to his retirement to bump down?	
b) How much tax would he pay if he does contribute?	
c) How much will he pay if he doesn't?	
d) How much will he save on his taxes?	

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Financial Literacy – Unit Test

Part 1 Calculate the sales tax and total price

#	Product Price	Sales Tax (12%)	Total Price
1	$21.50		
2	$23.00		
3	$28.75		
4			
5			

Part 2 table

Item #1	Item #2	Total Price	Taxes	Total Cost
				

Item #1	Item #2	Total Price	Taxes	Total Cost
				

Item #1	Item #2	Total Price	Taxes	Total Cost
				

Item #1	Item #2	Total Price	Taxes	Total Cost
				

Part 3 Answer the questions below

1) George has a $10 bill and wants to know if he can afford a burger and milk shake that costs $7.50 before taxes. Calculate the total cost of the meal after adding 12% tax. Can he afford the meal?

Bonus: How much money does he have left?

2) Lu ants to w video game controller. He has $100 and the controller costs $5 .00 be w ch will the controller cost with a 12% tax?

Bonus: How much money wi have the controller?

Part 4 A bank pays you a 5% interest rate for yo ns acc $5 per $100

Savings	Savings + Interest
1) $200	
2) $550	
3) $725	

Savings	st
5) $1365	
6) $1952	
7) $2382	

Part 5 You pay 19% interest on your credit card - for every $100 you spend, you owe $119

Debt	Debt + Interest
1) $200	
2) $455	
3) $742	

Debt	Debt + Interest
4) $1099	
6) $1575	
7) $2525	

Part 6 Find how much interest is earned on the investment after periods of time

#	Initial Investment	1-Year 10% Total	2-Year 10% Total	3-Year 10% Total	4-Year 10% Total	5-Year 10% Total
1	$300					
2	$5000					
3	$1					

Part 7 How ... you end up owing after 5 years?

#	Initial Borr... Amount	1-Y... 19...	...2-Year ...tal	3-Year 19% Total	4-Year 19% Total	5-Year 19% Total
1	$300					
2	$1300					
3	$4500					

Part 8 Which loan should Warren choose?

Scenario	Warren is earning a high income from his job. He has a lot of s... and investments. He likes taking risks, especially if it earns or saves him money. He needs to borrow money to buy a house. He will pay the loan off in the next 25 years.

Fixed Rate – 3 Years	Fixed Rate – 5 Years	Fixed Rate – 10 Years	Variable Rate
2.6%	3.1%	3.7%	Prime - 0.4% *(Prime = 2.4%)*

Which loan should Warren choose? Explain why.