8: Managing Credit & Fundamentals of Statistics
Unit Plan for Teachers

All lessons are designed to be approximately 60 minutes in length.

8.1 Managing Debt
Personal Finance

Objectives:
- ✓ Calculate the interest accrued with different debt payoff methods
- ✓ Identify dangers of compounding debt
- ✓ Compare different debt repayment options available to debtors
- ✓ Learn about different types of predatory lending and how to avoid it
- ✓ Examine statistics on the prevalence and rates of debt in the U.S.

Common Core Math Standards
- Link to all CCSS Math
- CCSS.PRACTICE.MP6
- CCSS.HSS.IC.A.1
- CCSS.HSS.IC.B.6

National Standards for Personal Financial Education
Managing Credit
- 8b: Explain how a borrower's credit score can impact their cost of credit and their ability to get credit
- 10a: Describe how failing to repay a loan can negatively impact a person's finances and life
- 10b: Identify sources of assistance with debt management
- 10c: Create a plan for a person who is having difficulty repaying debt
- 12b: Discuss the importance of protecting borrowers from discrimination and abusive marketing or collection practices
- 13c: Explain how using payday loans can cause a cycle of debt

Resources
- Student Activity Packet
- Lesson Guide

8.2 Box Plots
Math

Objectives:
- ✓ Calculate measures of central tendency
- ✓ Identify outliers and explain their effects on central tendency calculations
- ✓ Create a 5 number summary of a data set
- ✓ Create a box plot to represent a data set
- ✓ Analyze data using a box plot, range, and interquartile range
- ✓ Compare student loan debt change
- ✓ Analyze outstanding mortgage balances
- ✓ Graph and summarize auto loan data

Common Core Math Standards
- Link to all CCSS Math
- CCSS.PRACTICE.MP2
- CCSS.PRACTICE.MP4
- CCSS.HSS.ID.A.1
- CCSS.HSS.ID.A.2
- CCSS.HSS.ID.A.3

National Standards for Personal Financial Education
There are no relevant personal finance standards for this lesson

Resources

- [Student Activity Packet]
- [Lesson Guide]
- [Application Problems]
- [Application Answer Plan]

8.3 Your Credit History
Personal Finance

Objectives:

- ✓ Represent data using a dot plot
- ✓ Use relevant math vocabulary to describe dot plots, including median, mode, range, and outliers.
- ✓ Describe the purpose and components of a credit report
- ✓ Understand why interested parties may want to check your credit score
- ✓ Explain key credit protections, including the Fair Credit Reporting Act

Common Core Math Standards

- Link to all CCSS Math
- CCSS.PRACTICE.MP4
- CCSS.HSS.ID.A.1

National Standards for Personal Financial Education

Managing Credit

- 7a: Identify the primary organizations that maintain and provide consumer credit reports
- 7b: Assess the value to a potential lender of the information contained in a credit report
- 7c: Explain how a person can get a free copy of their credit report and why this is advisable
- 7d: Outline the process of disputing inaccurate credit report information

Resources

- Student Activity Packet
- Lesson Guide

8.4 Histograms
Math

Objectives:

- ✓ Create a histogram given a data set
- ✓ Analyze the distribution, center, and variability of a histogram
- ✓ Identify the similarities and dissimilarities between a dot plot, box plot, and histogram that represent the same data set
- ✓ Compare two histograms that represent related data sets
- ✓ Represent and analyze real-world personal finance data, including student debt, credit scores, and housing costs, using histograms.

Common Core Math Standards

- Link to all CCSS Math
- CCSS.PRACTICE.MP2
- CCSS.PRACTICE.MP4
- CCSS.HSS.ID.A.1
- CCSS.HSS.ID.A.2
- CCSS.HSS.ID.A.3

National Standards for Personal Financial Education

Spending

- 6b: Compare the short-term and long-term costs and benefits of renting versus buying a home in their city of residence

Resources

- Student Activity Packet
- Lesson Guide
- Application Problems
- Application Answer Key

8.5 Credit Scores
Personal Finance

Objectives:

- ✓ Calculate a weighted average of a data set
- ✓ Calculate credit utilization as a ratio
- ✓ Understand the factors that contribute to your credit score
- ✓ Explore how various common occurrences affect your credit score
- ✓ Learn other methods of determining your credit score besides FICO scores

Common Core Math Standards

- Link to all CCSS Math
- CCSS.MP4
- CCSS.HSA.REI.A.2

National Standards for Personal Financial Education

Managing Credit

- 8a: Identify the main factors that are included in credit score calculations
- 8b: Explain how a borrower's credit score can impact their cost of credit and their ability to get credit
- 8c: Recommend ways that a person can increase their credit score
- 9a: Explain how landlords, potential employers, and insurance companies use credit reports and credit scores in decision making

Resources

- Student Activity Packet
- Lesson Guide

8.6 Why Your Credit Score Matters
Personal Finance

Objectives:
- ✓ Analyze data presented in a relative frequency histogram
- ✓ Understand why interested parties may want to check your credit score
- ✓ Assess the impact of a high or low credit score on interest rates and loan outcomes
- ✓ List ways to boost a low credit score or begin to gain a credit history if you have no score

Common Core Math Standards
- Link to all CCSS Math
- CCSS.PRACTICE.MP2
- CCSS.HSS.ID.A.1

National Standards for Personal Financial Education

Managing Credit
- 1b: Compare the cost of borrowing $1,000 using consumer credit options that differ in rates and fees
- 7b: Assess the value to a potential lender of the information contained in a credit report
- 8b: Explain how a borrower's credit score can impact their cost of credit and their ability to get credit
- 8c: Recommend ways that a person can increase their credit score
- 9a: Explain how landlords, potential employers, and insurance companies use credit reports and credit scores in decision making
- 9b: Provide examples of benefits associated with having a good credit score

Resources
- Student Activity Packet
- Lesson Guide

8.0 Unit Assessment

- 20 multiple-choice questions, 5 open-ended math questions, and 1 free response personal finance question
- Please access the Unit Test from the Financial Algebra course page while logged in to your teacher account.