

# The Borrowing Dilemma

*Activity*

**Resource:** Wallet Wellness

**Grade(s):** 4 5 6

**Division(s):** Junior

## Cross-Curricular Expectations

### **H&PE**

- A1. Social-Emotional Learning (SEL) Skills
- D3. Making Connections for Healthy Living: Demonstrate the ability to make connections that relate to health and well-being, how their choices and behaviours affect both themselves and others, and how factors in the world around them affect their own and others' health and well-being

### **Math (Social-Emotional Learning)**

A1. Social-Emotional Learning (SEL) Skills and the Mathematical Processes: Apply, to the best of their ability, a variety of social-emotional learning skills to support their use of mathematical processes and their learning in connection with the expectations in the other five strands of the mathematics curriculum

### **Math (Financial Literacy)**

Financial Management:

- Grade 4 - F1.4: Explain the relationship between spending and saving, and describe how spending and saving behaviours may differ from one person to another

- Grade 5 - F1.4: Explain the concepts of credit and debt, and describe how financial decisions may be impacted by each
- Grade 6 - F1.3: Identify and describe various factors that may help or interfere with reaching financial goals

## Language

### Media Literacy – Grades 4, 5, 6

- Overall expectation: A2. Digital Media Literacy: Demonstrate and apply the knowledge and skills needed to interact safely and responsibly in online environments, use digital and media tools to construct knowledge, and demonstrate learning as critical consumers and creators of media
  - A2.1 - Digital Citizenship: Explain their rights and responsibilities when interacting online with appropriate permission and make decisions that contribute positively to the development of their digital identity and those of their communities
  - A2.2 - Online Safety, Well-Being, and Etiquette: Demonstrate an understanding of how to navigate online environments safely, manage their privacy and personal data, and interact in a way that supports their well-being and that of others, including seeking appropriate permission

### B. Oral Communication – Grade 4, 5, 6:

Overall Expectation: B1. Oral and Non-Verbal Communication: Apply listening, speaking, and non-verbal communication skills and strategies to understand and communicate meaning in formal and informal contexts and for various purposes and audiences

## Drama

Grades 4, 5, 6 Overall expectation: B1. Creating and Presenting: Apply the **creative process** to drama and the development of drama works, using the elements and conventions of drama to communicate feelings, ideas, and stories and/or perspectives

## Activity Description

Students explore situations of spending involving credit and debt and determine how to make responsible financial decisions in different contexts.

## Learning Goals

- I can describe how to save and spend and how people approach saving and spending differently.
- I understand what credit and debt are and how financial decisions affect people.

## Materials

- Journal
- **Borrowing Dilemma Scenarios**

## Key Concepts

- Credit
- Debt
- Informed financial decision-making
- Interest
- Budgeting

## Prior Knowledge and Skills

- The term “spending”
- The term “saving”
- The term “earning”
- The term “owing”
- The term “borrowing”
- The term “interest”
- Debit cards

## Minds On

- As a class, review and discuss the following key terms with students:

- **Credit:** the ability to borrow money with the intention of paying it back (e.g., borrowing money from the bank to buy a car or a home)
- **Debt:** money that you owe because you borrowed or haven't paid a bill (e.g., not paying a bill on time but continuing to use the service)
- Present the following scenarios to the class and have students determine whether each scenario represents credit (C) or debt (D) by using the sign language letters C or D.
  - To sign "C" in American Sign Language (ASL), curve your open dominant hand into a 'C' shape, with the four fingers forming the top curve and the thumb creating the bottom curve
  - To sign "D" in American Sign Language (ASL), hold up your dominant hand, palm facing outward, curve your middle, ring and pinky fingers together and touch them to your thumb, while only your index finger is standing upright.
  - **Scenarios:**
    - A library lends you a book that you have to return in two weeks.
      - C – this is credit because you are borrowing something and expected to return it.
    - You purchase a new phone and make monthly payments.
      - C – this is credit because you are promising to pay for the phone later through monthly payments.
    - You owe your friend \$10 that you borrowed from them for the school book fair.
      - D – this is debt because you owe your friend the \$10 they lent you until you pay them back.
    - You use a credit card to buy school supplies.
      - C – this is credit because the credit card allows you to borrow money to pay for the school supplies now and pay it back later.
    - Your friend buys you lunch, and you promise to pay them back tomorrow.
      - D – this is debt because you owe your friend the amount of money lunch cost them.

- You borrow something valuable from a friend and promise to return it the following week.
    - C – although it isn't money, this is credit because you are still borrowing from someone, and therefore it's a form of credit.
  - You owe the school for a lost or damaged library book.
    - D – this is debt because you must repay the school for the damaged book.
  - The bank lends your family money to buy a car.
    - C and D – this is both credit and debt. This is credit because the bank is lending your family money with the promise your family will pay for the car over time; this is debt because the amount your family has not paid for the car is what they owe the bank.
- Lead a whole class discussion on the rationale behind students' choices of credit or debt to support understanding of the concepts of credit and debt and the impact of a person's choices on themselves, on others, and on their overall well-being.

## Action

- Introduce the concept of role playing. Review appropriate behaviours as an actor and as an audience member (e.g., actor: voice, eye contact, body language; audience: attentive listening, respect, raising hands to respond to questions).
- Divide students into groups of 3–4 and provide each group with a Borrowing Dilemma Scenario (refer to Materials).
- Provide each group with time to assign roles and practise their role play scenario.
- Invite a group to volunteer to perform the scenario in front of the class.
- For each scenario, have students review the following reflection questions with an elbow partner and share their responses with the class:
  - Did the role play of the scenario demonstrate an informed financial decision involving credit or debt?
  - How might someone react differently to the scenario based on their financial situation?

- How did the situation impact everyone involved?
- What are some alternate choices that the individuals might have made, and how would their choices impact everyone involved?

## Consolidation

- Co-construct an anchor chart with students that summarizes how to make thoughtful and informed financial decisions (e.g., having all the information, creating a budget, borrowing with a payment plan, making decisions based on how much money you have, saving before purchasing).
- Discuss the differences in borrowing from a person you know (friend, family) vs. an organization (bank, company, lender).
- Have students respond to one of the following scenarios in either a journal reflection, in a discussion with a partner, or by using a recording tool:
  - How might you improve decision-making based on the scenario?
  - How might someone react differently to the scenario based on their financial situation?
  - How did the situation impact everyone involved?
  - What are some alternate choices that the individuals might have made, and how would their choices impact everyone involved?

## Debrief

As a whole class, discuss the following:

- What are some of the repercussions of making a financial decision before having all the information?
- How might someone avoid situations where impulsive decisions are made?
- How can you ensure that you make informed financial decisions?
- How could the way you use credit (like borrowing with a credit card) affect your overall well-being?

## Teacher Notes

- Be conscious of the students in your class, and keep in mind that many students come from families and backgrounds where financial realities may be a cause for stress in their lives. Other students may come from families and backgrounds where there may not be positive role models in making financial decisions. Some faith traditions have specific beliefs surrounding financial concepts, which need to be considered in classroom instruction and when going through the scenarios within this activity.
- Consider teaching to students that some people, as a by-product of socioeconomics, must make choices that may contradict some money-saving strategies (e.g., they cannot afford to purchase items in bulk so they have to purchase items at a higher individual price rather than bulk price).

## Extended Learning

To extend the learning of this activity, consider completing [Line It Up – Money Adventure](#) activation.