

Consumer Math

Implement start year (2013-2014)

Scot Butler, sbutler@lrhsd.org, ext. 8870, Kate Whitfield, kwhitfield@lrhsd.org, ext. 8502, Tom Yanno, tyanno@lrhsd.org, ext. 8929

Unit 4, Major Purchases

Stage 1 – Desired Results

Established Goals

2009 NJCCC Standard(s), Strand(s)/CPI #
(<http://www.nj.gov/education/cccs/2009/final.htm>)
Common Core Curriculum Standards for Math and English
(<http://www.corestandards.org/>)

Personal Financial Literacy:

- 9.2.12.E.1 Analyze and apply multiple sources of financial information when prioritizing financial decisions.
- 9.2.12.C.4 Compare and contrast the advantages and disadvantages of various types of mortgages.
- 9.2.12.E.5 Evaluate written and verbal contracts for essential components and for obligations of the lender and borrower.
- 9.2.12.E.6 Apply consumer protection laws to the issues they address.
- 9.2.12.G.1 Analyze risks and benefits in various financial situations.
- 9.2.12.G.3 Compare the cost of various types of insurance (e.g., life, homeowners, motor vehicle) for the same product or service, given different liability limits and risk factors.

21st Century Themes

(www.21stcenturyskills.org)

- Global Awareness
- Financial, Economic, Business and Entrepreneurial Literacy
- Civic Literacy
- Health Literacy
- Environmental Literacy

21st Century Skills

Learning and Innovation Skills:

- Creativity and Innovation
- Critical Thinking and Problem Solving
- Communication and Collaboration

Information, Media and Technology Skills:

- Information Literacy
- Media Literacy
- ICT (Information, Communications and Technology) Literacy

Life and Career Skills:

- Flexibility and Adaptability
- Initiative and Self-Direction
- Social and Cross-Cultural Skills
- Productivity and Accountability
- Leadership and Responsibility

<p>Enduring Understandings: <i>Students will understand that . . .</i></p> <p>EU 1</p> <ul style="list-style-type: none"> individual circumstances determine whether buying or leasing/renting is more appropriate. <p>EU 2</p> <ul style="list-style-type: none"> various factors must be considered when planning a vacation. <p>EU 3 informed decisions must be made when obtaining a mortgage.</p> <p>EU 4 it is critical to understand all aspects of an agreement prior to signing.</p> <p>EU 5 insurance helps protect property.</p>	<p>Essential Questions:</p> <p>EU 1</p> <ul style="list-style-type: none"> Which is better: leasing/renting or buying? <p>EU 2</p> <ul style="list-style-type: none"> What costs are involved with travel? <p>EU 3</p> <ul style="list-style-type: none"> Why are mortgages necessary? Why are different types of mortgages available? <p>EU 4</p> <ul style="list-style-type: none"> What does it mean to “read the fine print”? <p>EU 5</p> <ul style="list-style-type: none"> What can be covered with insurance?
<p>Knowledge: <i>Students will know . . .</i></p> <p>EU 1</p> <ul style="list-style-type: none"> the difference between buying and leasing/renting. <p>EU2</p> <ul style="list-style-type: none"> the various factors which must be considered when planning a vacation. <p>EU 3</p> <ul style="list-style-type: none"> terminology associated with mortgages. criteria for successfully obtaining a mortgage. the differences between various types of mortgages. 	<p>Skills: <i>Students will be able to . . .</i></p> <p>EU 1</p> <ul style="list-style-type: none"> calculate the total cost of renting/leasing an automobile/home. <p>EU 2</p> <ul style="list-style-type: none"> estimate total cost of a vacation. <p>EU 3</p> <ul style="list-style-type: none"> calculate finance charges, monthly payments, accumulated interest for auto loans and mortgage payments. compare and contrast the advantages and disadvantages of various types of mortgages.

<p><i>EU 4</i></p> <ul style="list-style-type: none"> • the key components of rental agreements. • the importance of security deposits. • the effects of closing costs, points and insurance on mortgage contracts <p><i>EU 5</i></p> <ul style="list-style-type: none"> • the purpose of an insurance deductible. • the affect a deductible has on the insurance policy. 	<ul style="list-style-type: none"> • estimate the maximum value of a home that an individual can afford. <p><i>EU 4</i></p> <ul style="list-style-type: none"> • analyze all aspects of a rental agreement. • analyze closing documents for a mortgage. <p><i>EU 5</i></p> <ul style="list-style-type: none"> • compare and contrast the various types of auto/home insurance offered. • identify various factors that affect the cost of insurance.
--	---

Stage 2 – Assessment Evidence

Recommended Performance Tasks:

“Financial Times” is a quarterly financial newsletter that is looking for writers and publishers. The goal of their next issue is to aid its readers in making informed financial decisions. As part of the application process, potential writers and publishers are to prepare an edition of the newsletter. The applicant with the best newsletter gets the job! As per the focus for the next issue, the newsletter should contain articles that address considerations to be made in the following areas: purchasing an automobile, planning a vacation, getting a home mortgage, signing a contract and choosing an insurance policy (auto or home). At least one of the articles must include perspectives from each party involved. (Ex: The article on purchasing a car would include perspectives of the buyer, salesperson and lending institution.)

(Optional: Teachers may choose to submit full newsletters or articles to the school newspaper for a “winning” newsletter/article to be published.)

Other Recommended Evidence:

- Tests and quizzes to include: Calculate the total cost of renting/leasing an automobile/home, estimate total cost of a vacation, calculate finance charges, monthly payments, accumulated interest for auto loans and mortgage payments, compare and contrast the advantages and disadvantages of various types of mortgages, estimate the maximum value of a home that an individual can afford, analyze all aspects of a rental agreement, compare and contrast the various types of auto/home insurance offered, identify various factors that affect the cost of insurance.
- Students will create a poster highlighting the pros and cons of either buying or leasing/renting a home/automobile.

Stage 3 – Learning Plan

Suggested Learning Activities to Include Differentiated Instruction and Interdisciplinary Connections: *Consider the WHERETO elements. Each learning activity listed must be accompanied by a learning goal of A= Acquiring basic knowledge and skills, M= Making meaning and/or a T= Transfer.*

- Activity #1 - Class Discussion to include buying vs. leasing/renting a home/vehicle, priorities when planning a vacation, the importance of insurance coverage, the effect of deductibles on insurance policies. (A, M, T)
- Activity #2 - Create a Venn diagram highlighting the priority of items to be insured. (A, M)
- Activity #3 - Given three lending companies and their criteria, determine which company provides the best scenario for the consumer. (A, M, T)
- Activity#4 - Have students determine the difference between paying off a \$200,000 home loan with three different interest rates, making a set payment. (A, M)
- Activity #5 - Students will read and present to the class a current event article discussing mortgage issues in America. (A, M, T)
- Activity #6 - Guest Speaker from a car dealership, mortgage company, real estate agency, or bank to discuss the various aspects of how they help consumers through a major purchase. (A, M)
- Activity #7 - Use USA TODAY to find interest rates for 30-year and 15-year loans. Express percentages in decimal notation. Use a spreadsheet to compute the monthly payment, total amount paid, and ratio of total amount paid to loan amount for a home mortgage. This activity could be adapted to be used with the TI-Nspire or Excel. (M, T)

<http://education.ti.com/calculators/downloads/US/Activities/Detail?id=5802&ref=%2fcalculators%2fdownloads%2fUS%2fActivities%2fSearch%2fKeywords%3fk%3dhome+loan>

**The following is the suggested sequence of learning activities and number of days for the CP Consumer Math class.
Approximately 27 days for completion of the unit**

- Activity #1 (M, T)
- YWBAT calculate cost of buying a car (A, M)
- YWBAT calculate total cost of automobile loans (A, M)
- Students will analyze costs associated with leasing a car (A, M)
- Activity #3 (A, M, T)
- YWBAT calculate various expenses associated with operating an automobile (A, M, T)
- Activity #2 (A, M)
- YWBAT determine the cost of renting a car (A, M)
- Students will examine the costs associated with renting an apartment (A, M)
- YWBAT calculate appreciation and value of a house (A, M)
- Activity #5 (A, M, T)
- YWBAT analyze the cost of buying a condominium (A, M)
- YWBAT calculate monthly payments and closing costs of a mortgage (A, M, T)
- YWBAT explain the importance of homeowner's/renter's insurance (A, M)
- Students will estimate the cost of utilities (A, M)
- Students will determine costs associated with decorating and remodeling (A, M)
- YWBAT discuss important factors in choosing a lending institution (A, M, T)
- Activity #4 (A, M)