

# PILLAR 3

## Credit & Debt

### Lesson Plan

Financial Wellbeing is about what you do with your pot of money, not the size of it. It's about making sure you can cover day-to-day expenses, plan for the future and manage the unexpected. This lesson plan covers credit and debt, enabling you to do the most with what you have. You can also access a short presentation on this topic.

### 1. Learning Objectives

This presentation will help students to learn about credit and debt and understand how these topics relate to their lives, including applying for a loan.

### 2. Learning Outcome

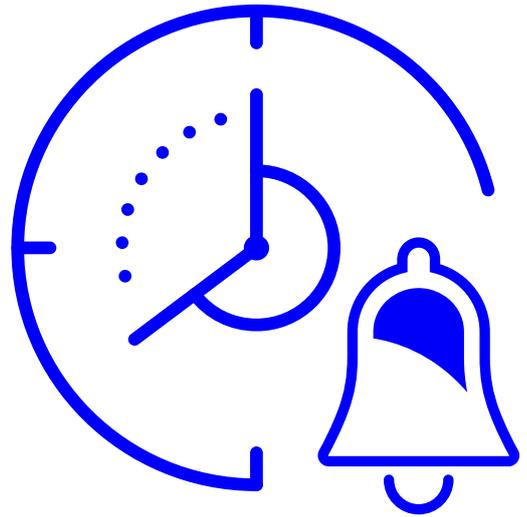
Following delivery of this pillar, students will have a foundation knowledge of credit and debt and will be able to apply that knowledge when it comes to practicing better money habits including:

- Being able to identify relevant costs associated with borrowing
- Being able to seek out favourable credit and debt terms when applying for a loan.



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### 3. Classroom Delivery

Before you take your students through this mini Money Smarts Challenge presentation, we advise you to:

- Familiarise yourself with its content
- Review the presentation notes that will be provided along with it
- Review the Sample Quiz questions with students following the presentation

**Remember, your local Youth Coordinator will be on hand to help with any questions.**

The classroom delivery gives you an ideal opportunity to engage and challenge your students on the topic in question. Before you begin the presentation, you should consider:

- Asking students what credit and debt means to them.
- Taking note of words they use to describe their answers.
- Asking them to provide examples of what credit and debt are.
- Asking students to name different types of borrowings e.g. credit card, overdraft etc.

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### Group Work

In small groups, ask your students to consider the following scenario before presenting their answer back to the class.

- When do you feel is an appropriate time to use credit and use debt?

### Additional Activities

Ask your students to consider the following scenario and explore some of the loan options and finance options available on the market. A family owns a car which is 3 years old. However, they are thinking of upgrading to a newer and more expensive model valued at €37,000. The trade-in value on their existing car is €15,000. As this leaves a shortfall of €22,000, what are their options?

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