|  |
| --- |
| **Borrowing Money** |
| Defines the term loan and identifies some reasons why people might borrow money.“I know that vehicles are a lot of money and people may need to borrow money to purchase one.” | Identifies basic sources of loans and understands that borrowing money involves repayment.“I know that a bank or financial institution may lend money and that it needs to be repaid. If not repaid, there will be penalties and it will be difficult for me to get a loan in the future.” | Identifies factors to consider when deciding to borrow money.“I have a full-time job with a regular income and the interest rate is quite low. I can afford the monthly payments and would be able to pay the loan back on time.” |
| **Observations/Documentation** |
|  |  |  |

|  |
| --- |
| **Borrowing Money (cont’d)** |
| Identifies factors used by banks and financial institutions when making decisions about loans.“They have a full-time job, a good loan history, and very little debt. I think the bank would grant them the loan.” | Analyzes the risks and benefits of borrowing money in a variety of situations.Jane wants a $200 loan to buy a new bicycle. Jane plans to pay it back in 3 monthly installments. Jane earns $50 per week from their part-time job.  “Jane makes about $200 per month from their part-time job. A new bicycle will get Jane to and from their job. The repayment time is reasonable. There is a risk that Jane loses her job and source of income.” | Identifies situations where an individual can responsibly take on debt.“Jane makes about $200 per month, so they should be able to pay back $200 over 3 months. It seems unlikely that Jane will lose their job, and the risk of Jane not repaying the money seems low. I think Jane can responsibly take on the debt.” |
| **Observations/Documentation** |
|  |  |  |