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| **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** | | |
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| **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** | | |
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