2018 Virginia Council on Economic Education
Economic Educator Lesson Plan Winner

Submitted by:  Bethany Everidge, Harrisonburg High School, Harrisonburg

Grade Level Target: high school, economics and personal finance

Title of Lesson Plan:  What are Common Words Anyway? Supporting Students through Tier-Two Vocabulary and Financial Literacy

**Introduction**:

* **Applicant’s Name:** Bethany Everidge
* **Grade Level of Lesson Plan:** 9th – 12th
* **SOL’s Covered in Lesson Plan:** See Economic Objectives

**Background:**

 **Summary –** Students are provided extended support of the economic and personal finance curriculum with intentional instruction focused on tier two vocabulary in preparation for the W!SE Financial Literacy Certification.

 **Need –** currently, students who are graduating with a standard diploma in Virginia must obtain a certification for graduation. The W!SE financial literacy test is one of those credential tests that many students take to fulfil that requirement. However, not every student passes, so in order to ensure his or her success, focused instruction not only on curriculum but also on tier two vocabulary is necessary.

**Motivation for creating Lesson –** my goal for creating this particular lesson was to create an intentional review that combined the economic and personal finance curriculum with tier two-vocabulary support for all learners. When I first began looking at tiered vocabulary pertaining to personal finance, I was specifically looking with English Language Learners in mind. However, as time has gone on, I have realized not just English Language Learners are struggling with the different tiers of vocabulary. What seems like “common” vocabulary is not for many students and these “common” things are what often trips up many students on the W!SE certification test, but especially English Language Learners. The clientele of students across Virginia is very different, however, the level of “basic” knowledge students are bringing to our classrooms is different than it was five years ago. Educators no longer simply teach content to students, but tasked with educating students on so much more. This review allows for all students another support option, towards the success in obtaining their industry certification requirement for graduation.

 **Classroom success of the lesson –** students who have received the review focused on economics and personal finance content and tier two-vocabulary have had phenomenal success in obtaining their W!SE Financial Literacy certification. Many students who were unsuccessful the first time in passing the W!SE Financial Literacy certification, have now passed their certification test because of participation in the review. The excitement many have received from successfully passing this certification test for graduation is invaluable, for many of them they will be the first in their family to graduate high school.

**Summary:**

**Lesson Activities:**

* Tier-Two Vocabulary Handout
* Some Challenges Associated with the W!SE PowerPoint
* WISE Financial Literacy Study Guides

 **Content Objective:** Students will demonstrate knowledge of banking transactions, credit and loan functions, the role of insurance in risk management, income earning, personal finance planning, and investment and savings planning. Students will identify tier-two vocabulary through answering practice questions associated with the W!SE Financial Literacy examination.

 **Language Objective:** Students will analyze and explain, using economic and financial literacy terminology, banking transactions, credit and loan functions, the role of insurance in risk management, income earning, personal finance planning, and investment and savings planning.

**Economic Objectives:**

* EPF.10 – The student will develop consumer skills by
	+ Examining basic economic concepts and their relation to product prices and consumer spending.
	+ Explaining consumer rights, responsibilities, remedies, and the importance of consumer vigilance
	+ Examining precautions for protecting identity and other personal information
* EPF. 11 – The student will demonstrate knowledge of planning for living and leisure expenses by
	+ Describing the process of purchasing a home
* EPF.12 – The student will demonstrate knowledge of banking transactions by
	+ Comparing the types of financial institutions
	+ Examining how financial institutions affect personal financial planning
	+ Evaluating services and related costs associated with personal banking
	+ Differentiating among types of electronic monetary transactions
	+ Comparing costs and benefits of online and traditional banking
* EPF.13 – The student will demonstrate knowledge of credit and loan functions by
	+ Evaluating the various methods of financing a purchase
	+ Analyzing credit card features and their impact on personal financial planning
	+ Identifying qualifications needed to obtain credit
	+ Identifying basic provisions of credit and loan laws
	+ Explaining the need for a good credit rating
	+ Comparing the costs and conditions of secured and unsecured loans
	+ Comparing the types of voluntary and involuntary bankruptcy and the implications of each
* EPF.14 – The student will demonstrate knowledge of the role of insurance in risk management by
	+ Evaluating insurance as a risk management strategy
	+ Distinguishing among the types, costs, and benefits of insurance coverage, including automobile, life, property, health, and professional liability
	+ Explaining the roles of insurance in financial planning.
* EPF.15 – The student will demonstrate knowledge of income earning and reporting by
	+ Differentiating among sources of income
	+ Calculating net pay
	+ Investigating employee benefits and incentives
* EPF.17 – The student will demonstrate knowledge of personal financial planning by
	+ Identifying short-term and long-term personal financial goals
	+ Identifying anticipated and unanticipated income and expenses
	+ Investigating the effects of government actions and economic conditions on personal financial planning
* EPF.18 – The student will demonstrate knowledge of investment and savings planning by
	+ Comparing and contrasting investment and savings options
	+ Explaining costs and income sources for investments
	+ Examining the fundamental workings of Social Security and the system’s effects on retirement planning
	+ Contrasting alternative retirement plans
	+ Describing how the stock market works

**Time Frame:**

* **Varies:**
	+ Used as an ending review for economics and personal finance course before W!SE exam
		- One to two class periods (90 minute blocks)
	+ Used for after school remediation
		- Three to four after school sessions (45 minute blocks)

**Materials:**

* + **Tier-Two Vocabulary Handout**
	+ **W!SE Financial Literacy Study Guides**
		- Created by individual school teachers/Economics and Personal Finance Curricular Learning Teams - with the support of the W!SE Financial Literacy Teacher Resource Guide
			* Sample study guide for one subject area, Money Management, provided.
	+ **Some Challenges Associated with the W!SE Financial Literacy Certification PowerPoint – Professional Development**
		- The essential questions within the PowerPoint are some that have been used in the study guides I have created, when working to provide review materials for my economics and personal finance students.
			* Sample study guide for one subject area, Money Management, provided.

**Lesson:**

**What are Common Words Anyways? –**

**Supporting Students through Tier-Two Vocabulary and Financial Literacy**

**Part 1: Teacher Professional Development Component:**

* The challenges associated with the W!SE financial literacy certification is something that professional development can help address.
	+ The PowerPoint of “Some Challenges Associated with the W!SE Exam” was created to support educators in understanding some of the issues students may come across in association with the W!SE certification test.
		- However, the same essential questions that are in the PowerPoint are ones that can be included in the study guides created by teachers of economics and personal finance for students in the classroom.
	+ Going through the short but beneficial PowerPoint can help educators prepare their students for success.
		- The essential questions are some that I created after processing through the tier two vocabulary and connecting it with content items.

**Part 2: Teaching Component:**

* Explain to the students that in this lesson they are going to work at preparing for the W!SE financial literacy certification.
* The first step is for students to understand that the W!SE certification test focuses on their knowledge of financial literacy.
	+ However, it is important for them to understand that some of the “non-academic” vocabulary might “trip” them up in being successful.
* Ask the students, what are some “common” words that they hear that they might not know the meaning of – write these words on the board.
	+ It is always helpful if the teacher throws a few words into the mix so students feel comfortable with presenting a few words.
* Once a good list has developed, explain that there is nothing wrong with not understanding “non-academic” vocabulary and the only way we can enhance our success in anything of life, is to learn what we do not know.
* Provide each student with the tier-two vocabulary handout.
	+ Explain that these are some “common” words that might not actually be “common” for many individuals. Thus, being able to identify a word that we don’t know but remembering it with a word that we do know, will allow for increased success on the W!SE certification test, any test they might take within their educational career, or simply any interaction they may have in the workplace or in their daily routine.
* After going through some discussion associated with the tier-two vocabulary, explain to students that the next step is to connect the “common” vocabulary and academic content together.
	+ **For teachers who are using the study guides as a cumulating review activity, they could do a variety of activities:**
		- **Stations around the room** – each station could have a different study packet and students work in small groups to answer the questions.
			* The classroom teacher rotating around to support each station.
		- **Whole classroom discussion** – the teacher guides the class through discussion in answering the study guides together.
		- **Think-Pair-Share** – students complete one study guide at a time and then pair up with a partner to share their answers – allowing for students to collaborate and formulate the best answers
		- **Notecard Creation** – students take each essential question and write it on one side of an index card. Pairing students together, have them formulate answers for the essential questions. Each student has a pack of index cards to study from at home, in class, etc.
	+ **For teachers who are using the study guides as an after school remediation tool, they could do a variety of activities:**
		- **Stations around the room –** each station could have a different study packet, if applicable; students could work in small groups. If not applicable, students could self-pace through each station with support of the remediating teacher.
		- **Whole classroom discussion –** the teacher could pace through each study guide with students attending the after school remediation session. Having a few teachers to hold classroom discussions associated with different focus areas would be helpful – also allows different teaching styles to be provided to students.
		- **Notecard Creation** – students take each essential question and write it on one side of an index card. Pairing students together (if possible), have them formulate answers for the essential questions. Each student has a pack of index cards to study from at home, in class, etc.
			* **If the number of students attending after school remediation is limited, students can pair up with the reviewing teacher**.
		- **Individual exploration (not ideal) –** students complete the packets individually, reviewed and “approved” by the remediating teacher.
* Once students have worked through the tier-two vocabulary and completed the W!SE financial study guides, students should be encouraged to take the W!SE financial literacy exam.
* For students who do not pass the W!SE financial literacy exam, teachers and students should re-group – discuss any vocabulary issues (both academic and non-academic) the student might have had and refocus instruction on a minimum of two of the four areas the student had the biggest deficit in processing.
	+ Remediation for a regular classroom setting is usually two to three days before a re-test: case-by-case scenario.
	+ Remediation for an after school student is usually three to four days before a re-test: case-by-case scenario.

**Closure:**

* **How was the lesson objectives reinforced?**
	+ Tier-Two Vocabulary Handout
	+ W!SE review study guides
	+ Professional discussion
	+ Classroom discussion
* **How was the lesson concluded?**
	+ W!SE financial literacy certification test

**Assessment:**

* A lesson like this is hard to assess but the hope and expectation is that students will successfully pass the W!SE financial literacy certification and be one-step closer to graduation.
	+ For the 2018 graduating class, I had the privilege of working with over thirty students very closely in reviewing tiered vocabulary and economics and personal finance content, all thirty successfully passed the W!SE and for many will be the first to graduate from high school in their family.
		- This is in addition to the other students who worked with other economics and personal finance educators using the focus of tiered vocabulary and review materials as discussed in this lesson.

**Appendix**



Some Common Non-Content Academic Tier 2 Vocabulary Associated with the W!SE Certification Exam

|  |  |  |
| --- | --- | --- |
| Advised | → | Recommend |
| As a result of | → | Because of something |
| Assume | → | To think something is true without knowing facts |
| Automatically | → | By itself without a person having to do it |
| Avoid | → | To not do something |
| Be aware that | → | Know |
| Benefit | → | Something good |
| Confident | → | Certain |
| Consider | → | Think about |
| Consumer | → | Someone who purchases goods/services |
| Decrease | → | Go down |
| Deducted | → | Taken away |
| Determine | → | Figure out |
| Excellent | → | Very good |
| Eliminate | → | Remove |
| Exchange | → | To give or receive something |
| Expectation | → | Something we think will happen |
| Explanation | → | An answer |
| Generally | → | Usually |
| Increase | → | Go up |
| Is affected by | → | Is changed by |
| Is characterized as | → | Is called |
| Is described as | → | Called |
| Lending | → | To give |
| Previous | → | Before |
| Purchase | → | Buy |
| Putting money into a bank | → | Deposit |
| Qualified | → | Having necessary skill |
| Recommend | → | Say something is a good idea |
| Seeking | → | Looking for |
| Shred | → | Cut up |
| Suffer | → | To have something bad happen to you |
| Support | → | Help |
| Surplus | → | Extra |
| Vehicle | → | Way to transport something |
| Victim | → | A person who was hurt in a crime or accident |

**Professional Development PowerPoint with Notes**

**(see additional PowerPoint file for the corresponding slides)**

**Some Challenges Associated with the W!SE Exam**

**Talking Points:**

**Slide 2:**

* When I first began looking at tiered vocabulary pertaining to personal finance, I was specifically looking with English Language Learners in mind. However, as time has gone on, I have realized that it is not just English Language Learners that are struggling with the different tiers of vocabulary. What seems like “common” vocabulary is not for many students and these “common” things are what often trips up many students on the W!SE certification test, but especially English Language Learners.
* Tier 1 – these vocabulary words are basic words students know as they appear in spoken language – most students, if not all, are successful and confident at this tier.
* Tier 2 – this is where we begin to lose students, especially English Language Learners. These are academic words or phrasings that students might encounter on the W!SE certification test or any of their classes that can cause major issues in them being successful. Ensuring students understand these academic words/phrasing is often something we “skip” over because they seem so “simple” but in reality are not for many students. (Handout)
* Tier 3 – this is where we have content-specific words that students in your class need to learn (discretionary income, interest rate, and premium). I think we can all agree that we provide students with a large amount of content-specific vocabulary and in a variety of ways associated with personal finance. However, a student can know the definition and reproduce it a 100 times a day, but if they still don’t have a grasp on tier 2 vocabulary/phrases they aren’t ever going to be able to apply it in the way that the W!SE certification is seeking.

**Slide 3:**

* Let us begin by looking at specific “challenges” associated with banking and the W!SE certification.
* The W!SE is going to use those tier three vocabulary words in some form within all their questions– could be within the question itself or answer choices. However, the structure of their questions and/or answers are heavy with tier two vocabulary.
* Let’s look at an example of a banking questions that has the same “set-up” that might appear on the W!SE certification exam –
	+ Show example –
		- In this question, what vocabulary/phrasing might cause issues in students answering this question correctly?
			* As a result of
			* Putting your money in a bank (they want you to infer that putting money in a bank = deposit) thus know that the correct answer is FDIC.
			* Automatically
			* Agency
				+ Some lower level English Language Learners might not even know what protected means…
* Let’s look at another example of a question that might appear on the W!SE exam that is more “definition” based but still cause students to think in a more technical way then they might be accustomed to.
	+ Show Example
		- Not a super difficult question but one that could “trip” students up – why?
			* For many of our students they know what “pay yourself first” means – I would bet that the majority could give you the definition and even answer this correctly if they weren’t sitting in front of the exam.
			* However, when they get to that exam their intuition begins to kick in, they look at the most important component being that the bills must be paid each month. For them, if the bills are not paid they cannot survive. So many end up picking the second option because in their world that is what makes sense for them personally.

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			* However, when they get to that exam their intuition begins to kick in, they look at the most important component being that the bills must be paid each month. For them, if the bills are not paid they cannot survive. So many end up picking the second option because in their world that is what makes sense for them personally.

**Slide 5:**

* So again I am going to give you just two very generic money management type of questions that have the same structure as what might be seen on the W!SE –
	+ Show Example One
		- Seems straight forward –
			* What do you think causes issues for students in this question?
				+ Believe it or not, for many students – not just our English Language Learners – it is the word “shred”. They do not know what that means.
	+ Show Example Two
		- So for this one, we have lots of tier two vocabulary going on – effective, achievement, target dates, determined.
			* So if one of our students does not know these tier two words, what answer do you think they are going to pick?
				+ Probably C – it is the most “technical” and its one that has academic vocabulary associated with it, so to them that would only seem correct.
		- Therefore, we once again see how if a student does not understand vocabulary from tier two they cannot be successful on applying the information, many of them understand.

**Slide 7:**

* So again I am going to give you just two very generic money management type of questions that have the same structure as what might be seen on the W!SE –
	+ Show Example One
		- Seems straight forward –
			* What do you think causes issues for students in this question?
				+ Unbelievably for many students – not just our English Language Learners – it is the word “shred”. They do not know what that means.
	+ Show Example Two
		- So for this one, we have lots of tier two vocabulary going on – effective, achievement, target dates, determined.
			* So if one of our students does not know these tier two words, what answer do you think they are going to pick?
				+ Probably C – it is the most “technical” and its one that has academic vocabulary associated with it, so to them that would only seem correct.
		- Therefore, we once again see how if a student does not understand vocabulary from tier two they cannot be successful on applying the information, many of them understand.

**Slide 8:**

* For focus question two – I would probably branch out and explain to students:
	+ The longer period of repayment = more money earned/paid to the lender.
	+ The shorter period of repayment = less money earned/paid to the lender.

**Slide 9:**

* At Harrisonburg High School, our EPF team found last year that insurance and investing was one of the “lowest” overall areas in understanding for our students. Therefore, as a team, we worked to really zone in on the vocabulary and content associated with these topics and have seen a great increase in that area.
* So as you can see from the insurance example we have a lot of vocabulary that students might not understand –
	+ Determining, previous, seeking – and unbelievably, the word vehicle also is something students ask us about – they are simply use to the word “car”.
* Investing Example –
	+ Investing is difficult for students because for many they will never experience an investing opportunity. The stock market is a foreign concept for many because their experience with it is almost non-existent and it is not something that is often talked about when parents/guardians are speaking with the children about personal finance.
		- For students, all of these choices might seem “correct” as three out of the four are similar. The third option sounds “technical” which is why is can cause students to think it is correct.
		- So since students have little experience with stocks – we have to teach them not only what a stock is but why companies sell stocks.

**Slide 11:**

* I understand that the clientele of students we all teach is very different – for some or many of you, you might not have any or only one or two identified English Language Learners in your classroom. However, what I think we can all agree on is that the level of “basic” knowledge students are bringing to our classrooms is different than it was 5 years ago. We are no longer being tasked with educating students strictly on content; we are tasked with educating students on so much more.
* So I truly believe that by taking a broader and intentional approach to the vocabulary and content of personal finance associated with the W!SE that we will see an increase in understanding and better success on the W!SE certification test.



**Money Management Study Guide:**

Answer the following essential questions associated with Money Management to prepare for the W!SE financial literacy certification:

1. How do you figure out your net worth?
2. Besides cash, what are other kinds of assets?
3. What are some examples of liabilities?
4. What factors will a bank consider when you want to borrow money for a home?
	1. What if there are two applicants on one loan application?
5. Why might a person’s budget change?
6. How does inflation affect people?
7. What is the difference between gross pay and net pay?
8. How is gross pay determined?
9. What are some types of retirement plans?
10. What should you do if you have a retirement plan and change jobs?
11. When should someone start saving for retirement?
12. What are other sources of income for someone who is retired?
13. What does it mean to have a surplus and why do you want one?
14. What are some examples of financial goals and what makes a goal effective?
15. Why should you have an emergency fund and how much should you keep in an emergency fund?
16. What is the value of money in relation to goods and services?
17. Explain the Rule of 72
18. What is a will?
19. What is an interest rate?
20. What does it mean to be a smart consumer?

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**Money Management Study Guide Key:**

Answer the following essential questions associated with Money Management to prepare for the W!SE financial literacy certification:

1. How do you figure out your net worth?
	1. Net Worth = Assets – Liabilities
		1. Note: I would also work with students in understanding this equation by putting examples with actual money attached.
2. Besides cash, what are other kinds of assets?
	1. Jewelry
	2. Stocks
	3. Art
3. What are some examples of liabilities?
	1. Personal Loans
	2. Credit Card Debt
	3. Student Loans
		1. Note: Having students draw a T-Chart where they put assets on one side and liabilities on the other is a great way for them to create visual where they can write the net worth equation at the top.
4. What factors will a bank consider when you want to borrow money for a home?
	1. Credit history, earned income, value of the home.
		1. What if there are two applicants on one loan application?
			1. The bank will consider the credit history and earned income of both applicants.
5. What are some examples of earned income?
	1. Working
	2. Babysitting
	3. Mowing lawns in the summer
		1. Note: Connecting the word “earned” to the idea of having to work for the money they receive for a service is helpful.
6. How does inflation affect the purchasing power of the dollar?
	1. When prices increase because of inflation, the purchasing power of the dollar decreases.
		1. Note: I usually have students write the word “opposite” at the top of this essential question and then draw an up arrow over “prices” and a down arrow over the word “dollar” to help them understand the idea.
			1. In the classroom, a fun activity is to give students monopoly money and have them “purchase” items from a box of fun items you bring in that are priced. Then explain the concept of inflation and re-do the activity but this time with prices being higher. It allows students to see the direct effect of what happens prices rise but their “income” does not.
7. What is the difference between gross pay and net pay?
	1. Gross pay is calculated before deduction of taxes.
	2. Net pay is the money earned after taxes are deducted.
8. How is gross pay determined?
	1. Hours worked \* Hourly Wage
		1. Note: Another great opportunity to put numbers to an example for students to understand the process of how gross pay is determined.
9. What are some types of retirement plans?
	1. 401 (K)
	2. Individual Retirement Account (IRA)
	3. Roth IRA
10. What should you do if you have a retirement plan and change jobs?
	1. Move the money from one retirement plan to another qualified retirement plan.
11. When should someone start saving for retirement?
	1. First full time job
12. What are other sources of income for someone who is retired?
	1. Social security
		1. Note: This is another great place to expand into the understanding of social security, how the funds are acquired for the program (connection back to net pay), how someone is able to access the funds within social security, etc.
13. What are some examples of financial goals and what makes a goal effective?
	1. Short term – one year or less – saving for a trip to the beach in three months
	2. Long term – five years or more – saving to purchase a home
		1. Effective because they have target date and realistic (great opportunity to branch into the 3R’s of budgeting).
14. Why should you have an emergency fund and how much should you keep in an emergency fund?
	1. Emergency funds allow you to address things that arise that are not included in your monthly budget. One should have at least three months of living expenses in their emergency fund.
15. What are payday loans and why are they are negative financial decision?
	1. Payday loans allow you to “borrow” money until you receive next paycheck. Such a service charges very high interest rates and should be avoided.
16. What is the value of money in relation to goods and services?
	1. The more money you pay for a good or service the more value the good or service holds.
17. Explain the Rule of 72.
	1. Allows an individual to determine how many years or what interest is needed to double their money.
		1. Note: a great time to put actual numbers in front of the students and let them see the process of Rule 72 in action.
18. What is a will?
	1. A legal document that states the wishes of someone who has died in relation to their estate.
		1. Note: I usually show my students my living will so they can see a real-world example of a type of will.
19. What is an interest rate?
	1. The cost of borrowing money.
		1. Note: At this point, a teacher can branch into the idea of high interest rate vs. low interest rate and how one’s credit score and history effects what type of interest rate someone is offered.
20. What does it mean to be a smart consumer?
	1. Keeping records to manage your money effectively
	2. Evaluating product warranties and determining why insurance would be needed in addition to a product warranty
	3. Comparison shopping
	4. Understanding the difference between needs and wants.

**References:**

W!SE Financial Literacy Certification – Teacher’s Guide (n.d.). Retrieved from

<https://www.wise-ny.org/wp-content/uploads/2017/09/2017-18-Teachers-Guide-1.pdf>

**Money Management Study Guide Key Example**