

# Financial Resources and Economic Education (F.R.E.E.)

## a Teacher's Guide for Educators of English Language Learners



**F.R.E.E. was developed by California Literacy, Inc. with funding from the National Endowment for Financial Education® (NEFE®).**

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# **Financial Resources and Economic Education**

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*written by Cathay O. Reta*

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F.R.E.E. was funded by the National Endowment for Financial Education® (NEFE®), a non-profit foundation dedicated to helping all Americans acquire the information and gain the skills necessary to take control of their personal finances. NEFE® primarily accomplishes this mission by partnering with other concerned organizations, such as California Literacy, Inc., to provide financial education to members of the public – in particular, to underserved individuals whose financial education needs are not being addressed by others. For more information visit the NEFE® website at [www.nefe.org](http://www.nefe.org).

## **California Literacy, Inc.**

California Literacy, Inc. is the oldest and largest statewide adult volunteer literacy organization. Founded in 1956 its purpose is to establish literacy programs and to support them through tutor training, consulting, and on-going education. A private nonprofit, California Literacy supports programs in more than 250 literacy centers statewide. Through its affiliated programs, over 9,000 volunteers dedicate more than one million hours a year tutoring 35,000 Californians in literacy and English language skills necessary for them to more fully participate in society.

California Literacy's vision for F.R.E.E. is to help meet the needs of immigrants with low English literacy levels. It is designed to help immigrants to gain control over their own finances, while improving their English skills. Excerpts from California Literacy's adult learner publication "*Good to Know*" was used in some of the units. For more information see the California Literacy website at [www.caliteracy.org](http://www.caliteracy.org).

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## About The Curriculum

### **Funded by the National Endowment for Financial Education® (NEFE®)**

NEFE® is dedicated to helping all Americans acquire the information and gain the skills necessary to take control of their personal finances. NEFE® primarily accomplishes this mission by partnering with other concerned organizations to provide financial education to members of the public – in particular, to underserved individuals whose financial education needs are not being addressed by others. The development of this curriculum is in support of the NEFE initiative: “to effect the financial education of individuals in special circumstances and support the development and delivery of programs and materials related to their unique needs.”

This curriculum was developed in partnership with California Literacy, Inc. to help meet the needs of the nation’s immigrant population with low English literacy levels. It is designed to help them gain control over their own finances while they improve their English skills.

### **Research Identifies Need**

A 2001 study by the Fannie Mae Foundation notes that “as many as 12 million households in the United States either have no relationship with traditional financial institutions, or they depend on fringe lenders for financial services.” These households operate largely in a cash economy or end up paying high fees for services outside of traditional institutions. In poor and distressed communities, there is increasingly less access to traditional banks and credit unions, but an increase in the establishment of the more costly pawnshops, check cashing stores, payday lenders and rent-to-own shops. There is also an increase in predatory lending practices in many low-income communities.

Even when they have access, many immigrants do not use the services. “*Financial Services in Distressed Communities: Framing the Issue, Finding Solutions*” by James H. Carr and Jenny Schuetz reports:

“There are a variety of complex reasons why many lower-income and minority households do not use traditional financial services even when they have access. Those reasons include unfamiliarity with banking and savings services, a belief by consumers that they do not write enough checks to justify an account, and lack of trust of the mainstream financial services providers.”

(See [www.fanniemaefoundation.org/](http://www.fanniemaefoundation.org/) for the full report.)



Other reports state that as many as 50% of the “unbanked” population have used traditional banking services in the past, but left after repeatedly overdrawing accounts. Financial education programs would greatly benefit this target audience.

“The ability to make money and manage it wisely is key to achieving most life dreams and goals. Yet statistics increasingly show that, for many Americans, money matters create nightmares. There is an urgent need for a national financial literacy agenda to help individuals gain the basic knowledge they need to provide for themselves and their families.”

-- William L. Anthes, Ph.D  
NEFE® President & CEO

Increasingly, financial institutions are beginning to not only reach out to help educate their local communities on how to use their services and the benefits of doing so, but some are beginning to make sure those services are more accessible to the low-income population. If your program operates in a community in which there is limited access to services, your learners may want to engage the community in changing that situation. The Reinforcement Activities masters for Lesson 3 include an activity for learners to conduct such research in their community.

## **A Good Fit for English Literacy and Civics Education**

Today’s emphasis for teaching English language learners skills that will motivate and enhance civic participation is well-justified. Far too often adults sit in classes to practice English, but then rarely attempt its use outside of the classroom. FREE connects learners with information and practice on a topic that is relevant and practical in application to their lives. At the same time, the Big Picture section of each lesson provides an activity to reflect on society as a whole and on the conditions that create a divided socio-economic society with a shrinking middle class. Learners are invited to explore their communities and the world around them. Some groups may choose to take action or further investigate the conditions that affect them. Others may stop at just being exposed to the larger concepts of economic education. In either case, please invite the learners to build on the lessons and to supplement the themes with additional work. The information in the Appendices may help to expand these lessons.

## **Learner Level**

Overall, the workbook is written for a low intermediate level English language learner. However, the material is organized to accommodate other levels, as well. The reading passages and worksheets are set up as stand-alone activities so that the teacher can select the activities appropriate for his/her learner levels.

## Getting Started

Learning about financial management can be an exciting journey for you to take along with your learners. Even if you are a master at managing your finances, there's probably still room for some improvement or fine tuning. So please consider doing the exercises and looking at your own situations along with your learners. After all, isn't half the fun of teaching learning about so many new and interesting topics yourself?

### Skim the Curriculum

To get started, skim the curriculum units to become familiar with the various sections of the units which will be presented. This will help you to get a sense of the arrangement and flow of the materials. As you review the sections, (i.e. theme pictures, vocabulary, conversations, etc.) make notes of current and/or local interests or topics that may fit into the units. For example, is a "living wage movement" active in your city? If so, begin to collect relevant newspaper or magazine articles to expand class discussion as you cover this topic in "the Big Picture" section in Unit 4. Are newspaper headlines filled with debates over federal spending and tax issues? An expanded look at the federal budget (as touched upon in Unit 2) and the issues which govern it can bring the hot topic of the day into meaningful discussion and reflection in the classroom.

### Do Some Background Reading

In preparing to teach this series, you may want to do some extra research and reading to enrich and broaden your background on the topic. An extensive list of books, articles, reports, and websites are in Appendix C.

### Answer Key

Answer keys for the math activities are included in the Unit Notes section.

### Be Sensitive

Money can be a difficult topic for discussion. As pointed out in Unit 2, in the United States it is considered impolite to ask personal questions about money. Yet, throughout this workbook learners are invited to reflect on their personal finances, make notes for themselves in their workbooks, and discuss it with a partner or with the full class. Be sensitive to any hesitancy your learners may show, and do not pry too deeply if they answer on a surface level or are vague in their responses. Money issues in relationships can be difficult. Some learners may not want to share information, or even opinions, with the class. In other instances, they may not have the information to share. Some learners may be in relationships in which their partners control all of the finances. They may not be able to complete exercises such as developing a budget or figuring out how much of a mortgage payment they could handle.



**A word of caution:** In teaching this subject, it is important to remember that you are a teacher of English, not a financial consultant, a therapist or a stock broker. It will be natural for your learners to ask you questions spurred by their interest in what they are learning. Be careful to not overstep your realm of expertise. Let them know that you are learners together in this special subject. Use their questions as an opportunity to expand lessons beyond the classroom, as suggested below.

## Field Trips and Classroom Visitors

Your learners' interests will present many opportunities to make outside assignments, such as asking a team of learners to visit a bank to gather information, or inviting guest speakers, such as financial planners or consumer debt counselors to the classroom. If you have access to the Internet, you can even take a virtual field trip to the Home Buying and Rentals Center on Es-square, a Web-based "electronic village" for adult learners, at <http://alri.org/esquare/esq2/homectr.html> or look at the *Money Management and Home Buying Readiness Sourcebook for teachers of ESOL and ABE* at [http://www.fanniemaefoundation.org/esol\\_abe/](http://www.fanniemaefoundation.org/esol_abe/). See Appendix D for more citations and listings. Be creative in expanding the lessons, and be prepared to do some research yourself.

## Learning Team Planning Form

A "Learning Team Planning Form" is included in the Appendix to help learners to make a plan for researching questions. It can be used for any unit. It provides a structure for teams to develop, research, and monitor a project.

## Form a Partnership

Teaching English in the context of financial literacy provides an excellent opportunity for your program to develop or expand a partnership with a local financial institution. Local credit union or bank staff will often be happy to visit the classroom to make presentations, answer questions, or provide tours of their local operations and services. Some programs have developed partnerships in which financial institutions have given incentives to learners, such as giving a \$100 savings bond to learners who developed a personal budget in the course of their studies, or the opportunity to open an account with waived or reduced fees or required minimum balances.

## Use of the Term "Bank"

Please note that the term "bank" has been used throughout the workbook, rather than listing the various types of institutions. **Credit unions, Savings and Loans, and others may be included in discussions about banking.** However, given the English level of the target audience, it was felt that it would be much too confusing and cumbersome to try to specify all of the options at each reference. Rather, the term "bank" is used to address all of them.

# Basic Steps for Teaching a FREE Lesson

## How to Teach Theme Pictures

### Purpose and General Instructions

The unit theme is depicted in one or more pictures on the opening page of each lesson. It gives you an opportunity to observe what various learners may or may not know in English. At the same time, it gives your learners a chance to “warm up” in English and bring that which they do know to a conscious level.



Often photos or drawings of learners’ actual circumstances are used as “codes,” as described in the work of Brazilian educator, Paulo Friere. A theme picture or code not only assumes that learners have background knowledge about the topic, but that this knowledge may dictate the course of the next lesson. Be sure to listen well and follow learners’ comments with opportunity to expand the lesson beyond what is written. In addition, learners may want to generate their own pictures or take their own photographs, which then can be used in their classes for further exploration, or in the next cycle of financial literacy classes.

### The Teaching Steps

1. Ask learners to study the picture silently.

Do not rush them. (If some of the more advanced – or more talkative – learners begin to respond, ask them to wait until everyone has had enough time to study the picture.) Give them time, and guide them in thinking about what is happening in the picture, as well as to think of what English words they can use to describe what they see.

2. Ask learners to tell you what they see.

Ask them to do this in “English only.” For the most beginning learners, accept single words and phrases. If you can’t understand what they are saying, have them show you in the picture. For more advanced learners, ask them to expand more on their answers (“Tell me more.” “Give me an example,” etc.)

As learners talk, list their responses on the board, being sure to print clearly and spell correctly. Everything you put on the board must be in correct English. For example, if a learner says, “a checks,” you write “a check.” Put whatever article goes with each noun, whether or not the learners give it to you (a man, an open door, etc.).

During the first few classes, especially, learners may be shy or feel they need to be called upon before they contribute. Encourage them to just speak out their observations. To make it easier for less talkative learners to participate and to limit two or three from dominating the exercise, you may want to use a “Think, Pair, Share” strategy. Ask learners to think about their answers, then to share with one another in pairs. (This is a good time for you to circulate and listen in. Give individual help to learners as needed.) Finally, invite the pairs to share with the whole group. Or, you may want to ask learners to sit in a circle and ask each person to say one thing, and one thing only, as you go around the circle.

3. Teach key vocabulary words from the theme picture.

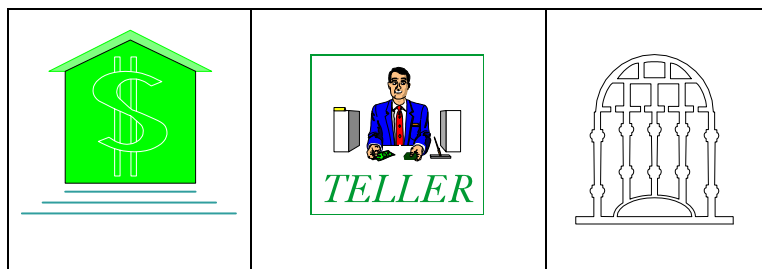
Point to something in the picture and ask a question that will elicit the desired vocabulary word. If no one knows the answer, teach the new word or concept in your usual way. After you have introduced a new word or concept, add it to the list.

4. Read the list back to the learners.

Have them listen to your pronunciation first, then repeat each item after you several times. Have them repeat in unison. If learners wish to copy your list from the board, give them time to do so.

5. Ask if there are any questions before going on to the next part of the lesson.

## How to Teach Vocabulary Words



### Purpose and General Instructions

The purpose of this segment is to introduce essential concepts, words and phrases that pertain to the lesson. Whenever possible, teach new words in groups or categories that “make sense” in English. For example, it makes sense to teach “a

penny, a nickel, a dime, a quarter, a half-dollar and a dollar bill” together in a lesson on money. Another example might be in using words that describe houses: ranch style, two-story, condominium, etc. You can also use games such as Concentration, Bingo, Crossword Puzzles and Word Searches, as reinforcement activities. Copy ready masters are located at the end of this guide.

## The Teaching Steps

### 1. Say it.

Say the new word and the article or phrase that goes with it several times, while indicating the object or action. (If possible, bring in the actual object, or several different pictures of the object or action.) Learners just watch and listen. Be sure to use your natural speaking voice, tone, and speed.

Example: Say, “*a teller, a teller, a teller.*”

### 2. Say it and act.

Say just the word and the article that goes with it (or just the phrase) several more times as you indicate the object, do the action, or point to the appropriate picture on the vocabulary page. But now learners repeat the phrase after you (in unison) each time. You want learners to be understood, so it’s okay to do a bit of pronunciation correction now.

Example: Point to the picture of the teller and say, “*a teller, a teller, a teller.*”  
Have learners repeat, “*a teller, a teller, a teller.*”

### 3. Say it in a sentence.

Say the new word in a simple sentence several times. Have learners repeat the entire sentence after you each time. Have them repeat in unison at first, then individually. Ask learners to use the word in their own sentence.

Example: Say, “*He is a teller at the bank.*” Repeat it several times. Have learners repeat it.

### 4. Answer questions about it.

Check the learners’ comprehension by asking direct questions. For example, “Is this a nickel or a dime?” Learners answer as they are able (word, phrase or sentence).

Example: Point to the picture of the teller and ask, “*Who is he?*”  
Encourage learners to respond with either “*a teller,*” or “*He is a teller at the bank,*” depending on their level of ability.

### 5. Read it aloud.

After all the words have been introduced with actual objects or actions, help learners to read all the words on the Vocabulary page one more time. Be sure they read both the singular and the plural forms of each word.

To integrate writing, learners can write the words on their Word List at the end of the unit. If they prefer, they can write the translation of their word into their native language next to it. Or, learners can write the words individually on word cards to develop and add to a class vocabulary bank. As a group, learners can dictate a paragraph with learners taking turns in creating sentences with the words. The teacher or other learners can write down the newly generated sentences.

# How to Teach a Reading and Writing Exercise

## Purpose and General Instructions

The reading and writing exercises have two purposes: to familiarize learners with financial literacy terms and to provide opportunities to practice reading and writing. Some lessons have more exercises than others.

## The Teaching Steps

### Model 1

1. Choose a text and read it aloud.  
Ask the learners to follow along in their books as you read.
2. Ask simple questions to test learners' comprehension.  
Let them answer in unison or by volunteering. If possible, do not ask the same questions that they will see in the following parts of the lesson.
3. Invite learners to read the first paragraph with you in unison.  
Keep the speed as natural as possible.
4. Read each of the remaining paragraphs in the same way.
5. Review any written questions that follow.  
Give learners time to complete the writing activities on their own. Ask them to share their answers in pairs or small groups. Finally, invite them to volunteer answers with the entire group as you usually would.

### Model 2

1. Have different learners read each section or paragraph aloud.
2. After each reading section, ask learners to point out which words or phrases were confusing.
3. Record the confusing words or phrases.  
Ask learners to use context clues, dictionaries and one another to figure out confusing words or phrases.
4. Discuss which reading strategies worked and which did not.
5. Reread the paragraph or section in unison.  
Ask learners to identify the main point of the paragraph.

#### Money Attitudes

Here are some true stories from the book, **"The 9 Steps to Financial Freedom,"** by financial planner and author Suze Orman. She says that sometimes people need to understand their fears about money. Sometimes they need to change their attitudes.

Read "Childhood Stories." Then read "The Adult Today" to see what happened when these children grew up. Can you match the adult's words with their childhood stories? Write the name of the adult next to his or her story.

6. Ask learners to generate a question about the material that they hope will be answered in this or in upcoming units. Keep a running list of these questions for further exploration by learners, especially if they are not answered in the workbook.

## How to Teach Pronunciation

### Purpose and General Instructions

The purpose of the Pronunciation segment is to help learners to sound more like native English speakers. The segment is divided into three parts: Sounds of English, Listen Up and Clap the Stress. The words used in these segments are words introduced in the lesson, words that are related to the lesson, or they are very common words. Many are words that will be used in the conversations taught in the lesson.

### Sounds of English

Please use your natural pronunciation, tone of voice, and speed when teaching this segment. You must sound confident of the sounds (whether you feel that way or not), so practice saying the sounds and word groups aloud before class. If you are unsure of the pronunciation of a word, please look it up.

Note: A letter written between two slash marks is to be read as the sound of that letter, not the name of the letter.

For instance, /sh/ is the sound ‘shhhhhh’ as heard at the beginning of the word shop. It is not the letters ‘s’ and ‘h.’

### The Teaching Steps

1. Say the sound several times while pointing to the letter(s).  
For example, point to the digraph of letters ‘c’ and ‘h’ and say /ch/ /ch/ /ch/. (Be sure to say the sound of the letters, not the name.) Learners just watch and listen. Then quickly read the entire list, pointing to each word as you read it. Learners just watch and listen.
2. Say the sound and each word several times, having learners repeat each time. Repeat each sound and word until learners begin to say it quite well – or until they start to get tired. Have learners practice in unison first, then call on individuals to do an entire group. Give lots of praise and encouragement. Be patient. Do not expect perfection – this is an introduction to the words and sounds. Perfection will come later.

## Listen Up

This is an ear training exercise incorporated into each lesson to give learners practice on distinguishing sounds that may be confusing to them. The words for this exercise are listed in the Unit Notes section of the Teacher's Guide.

For warm-up exercises, or to expand the ear training exercises, you may want to develop additional word lists. Give each learner several cards, each one with a different sound written on it. Ask learners to listen as you say a word three times. Then ask them to hold up the correct card to indicate which sound is in the word. (If the cards are in different colors, it will be easier to see the accuracy of their responses.)

As a variation, you may want to invite some more advanced learners to read the word lists. In addition to giving the learners practice in listening, this will give those learners practice in making sure their production of the sounds is clear. This practice also gives learners a push to read aloud.

## Clap the Stress

Accent reduction is the major purpose of this segment. It is essential that you use your natural stress, rhythm, and intonation patterns throughout. If you are a native English speaker, you may find clapping the rhythm to be a bit tricky, since your own speech patterns are second nature to you. So be sure to practice all clapping rhythms before class.

Each O stands for a syllable. The large **O** marks the primary stress. This exercise emphasizes the primary stress on a word. (If the primary stresses are correct in a word or a phrase, learners will be understood, whether or not their secondary or tertiary stresses are correct.)

This exercise can be thought of as a "short cut" to help learners sound more like native English speakers. The technique was developed in the 1980s by Martha A. Lane, an Adult Literacy Consultant. It is based on the works of Wood (a Canadian linguist) and Carolyn Graham's "jazz chants" technique.

## The Teaching Steps

1. You clap the rhythm of the list of words being studied.

Clap loudly for a big **O** and softly for a small o. For example, clap the rhythm o **O** o like this: clap **CLAP** clap. Once you have set the rhythm, have learners join you in clapping the rhythm. Keep clapping without saying anything until everyone is clapping in unison.

o **O** o

Good **m**orning.  
de**p**osit  
the **t**eller  
my **p**aycheck  
to **o**pen  
your **c**heck stub



2. Then say each word in time to the clapping.  
Have learners repeat each word in unison after you. Repeat each word until learners' rhythm and pronunciation are acceptable. Do not drag, keep up the tempo.
3. Give learners opportunities to "solo" with a group of words.  
You and the others keep the rhythm going by clapping the pattern.

## How to Teach an Idiom

### Purpose and General Instructions

Each unit contains an idiom that relates to the lesson in some way. Idioms can be confusing to learners as they learn English. This practice helps them to understand that not all phrases are to be taken literally. The idioms will be used in the conversations that follow in the lesson. Please see an example of an idiom in the box to the right.

**"bank on it"** -- a sure thing;  
be sure it is true



#### Conversation 1

Person 1: My friend is late, but I know he will be here.

Person 2: I wouldn't **bank on it**.  
I saw him leave with his girlfriend  
an hour ago.

### The Teaching Steps

1. Read the phrase and its meaning to the learners.  
Ask the learners to repeat the phrase after you. Repeat it several times.
2. Discuss the meaning of the phrase with the learners.  
Give the learners time to discuss the meaning with each other and to help each other.
3. Read the conversation using the idiom.  
Ask the learners to repeat each sentence after you in unison. Ask the learners to practice reading the dialog with a partner.
4. Ask the learners to write the idiom in a new sentence.  
While they write, circulate around the room to help where needed and to review their sentences. Ask for a few volunteers to read their sentences to the class (or call on learners you noticed had written particularly good sentences.)

## How to Teach Conversations

### Purpose and General Instructions

Each unit has several conversations. Beginning learners may be able to do only one conversation. More advanced learners may be able to do all of them. Please, always start with the first conversation listed. The conversations usually progress from easiest to hardest.

## The Teaching Steps

1. Say both parts (person 1 and person 2) several times.

(Or play a recorded version several times.) Use role-play, stick figures, pantomime, or “whatever works” to convey the meaning of the dialog and to indicate which person is saying which line. The learners just watch and listen.

### Conversation 1

Person 1: Hello. Can I help you?

**Person 2:** *Yes, I'd like some information. I want to open an account.*

Person 1: What kind of account?

**Person 2:** *A checking account.*

Person 1: Okay. I can help you here.

2. Say the entire conversation one line at a time.

Have learners repeat each line after you at least twice.

3. You take the Person 1 role and have the learners take the Person 2 role.

At first, have learners practice as a group, answering in unison. Then invite individual learners to respond. You say, for example: “Hello, can I help you?” They say: “Yes, I'd like some information. I want to open an account.”

4. Switch roles.

You may need to whisper the learners' role to prompt them to start the conversation. Have learners practice in unison at first, then individually.

5. Have learners practice the conversation.

Have them practice in pairs while you circulate around the room to listen and help where needed. Or, have the learners practice in a chain drill, while you carefully listen and correct and prompt as needed. (In a chain drill, Learner A begins the conversation and Learner B responds. Then Learner B begins the conversation and Learner C responds, etc.)

6. Give learners opportunities to engage in free conversation.

Use dialogs similar to the conversations just practiced. (In a free conversation, learners do not have to use the exact words used in the book. They can answer truthfully. They can try out different ways of saying approximately the same thing.)

## How to Teach Word Work

### The Purpose and General Instructions

The Word Work segments provide practice on basic English grammar points. Sometimes it is about parts of speech or sentence structure. The exercise will support concepts or terms used in the lesson on the preceding pages.

### The Teaching Steps

Since the types of exercises vary a great deal, follow the directions for each exercise. Feel free to create reinforcement activities as needed.

#### Asking Questions

**Directions.** Below is information you may want to know to open an account. Make questions with "What is"

1. Minimum deposit to open an account

What is the minimum deposit to open an account?

2. Minimum balance required

\_\_\_\_\_

3. Monthly fee

\_\_\_\_\_

## How to Teach Personal Reflection and Personal Action

### The Purpose and General Instructions

Far too often adult learners study topics in their classes, but never apply them or practice outside of the classroom. These lessons on financial literacy are intended to help adult learners to acquire some new English skills, but also to learn about how to better handle their money and understand the concepts presented. The lessons are designed to motivate learners to action.

### Self Assessments

The self-assessment rubrics start each unit by helping learners to think about what they already know about a subject, and to take pride in that. It then helps them to assess what they want or need to learn. They set a purpose for reading throughout the unit and are encouraged to move to action in the "Personal Action" page.

### Personal Action

In the "Personal Action Plan" the teacher can facilitate the learners' move from learning to application by helping them to determine at least one step they can take to move them toward their financial goals. Provide in-class time to help learners to identify different kinds of supports they'll need to be successful in taking action outside of class. Help them to decide if they wish to do the activity alone, in pairs or in a team.

If the learners work in a team, use the Team Learning Form in the Masters Reinforcement Activities section of this guide. Each team should be given only one copy of the form. They complete the form together. Help them to alternate roles as facilitator, recorder, etc.

Invite them to develop any other roles they will need. This activity helps them to not only structure their teamwork, but to relate with one another in the same way they may be expected to in a work environment.

Help learners decide if they will do the exercises (making phone calls, visiting banks, etc.) entirely in English or partly in their native language.

Give the learners opportunity each week to share how they carried out their personal action plan and the results gained from the previous week. The teacher may also want to devise other activities to encourage learners to work on their plans during the week. Perhaps they would pair up with a partner who would call them in the middle of the week to see how it's going.

## **How to Teach The Big Picture**

This section will follow each lesson to provide learners with the opportunity to look critically at their environment and gain a more global understanding of economic education and the way in which they are affected as members of society. It is a study of economic literacy, using the discourse and concepts related to the study of economics (such as supply and demand, federal tax policy, and a community's history of land-ownership and tenancy, etc.) to analyze individuals' and a given group's wealth and security. Economic literacy, like financial literacy is a content area of study that is meant to teach language, literacy and numeracy while simultaneously studying these systems.

If learners want to learn more, or if they are moved to act in some way, support their efforts and help them to further explore the topics. Help them to develop their own questions for research.

The material presented in this section is from the book, *Economic Apartheid in America, a Primer on Economic Inequality & Insecurity*, by Chuck Collins and Felice Yeskel, The New Press, New York, New York, 1999. A list of resources in Appendix C can provide some contacts to further this work.

# Unit Notes

## Unit 1: You and Your Money

### Special Notes About the Unit

While it is tempting to jump right into teaching about tangible nuts and bolts of financial management, time is well spent in leading learners to explore their underlying attitudes and beliefs about money. As adults we are often unaware of how our past experiences have influenced our relationship with money today. Yet these influences, such as the attitudes our parents passed on to us and the various experiences from our childhood, may be working away in our subconscious to keep us from reaching our full economic potential and desire. In books about financial management, you can find numerous examples of how individuals dramatically increased their earnings and improved their economic situations once they realized what attitudes were holding them back and created new ones. That is why this lesson begins with a brief discussion about beliefs.

Be sure to give learners time to reflect individually on their childhood beliefs and experiences that may be impacting them today. Depending on how long the class has been together and their comfort level with each other, they may or may not want to share their responses with the full class. You may want to give learners a few moments to share in pairs while you circulate to listen and help as needed. If you hear some particularly good examples to illustrate the impact of prior experiences on current attitudes, you may ask those learners if they would consider sharing with the full class. Some learners may prefer not to share such personal experiences.

### Personal Reflection

In this segment learners are asked to draw or write, or do both, about their dreams for their financial future. For learners who are reluctant to write at this point, you can make this a language experience exercise, by individually inviting the learners to dictate their thoughts to you as you write them down.

### Clap the Stress

English language learners will very often have difficulty hearing the difference between numbers such as fifteen/fifty, fourteen/forty, thirteen/thirty, etc. In fact, native English speakers sometimes cannot easily distinguish them. While it may not be grammatically correct, teaching learners to stress the teen numbers on the last syllable and the other numbers on the first syllable (as shown in this exercise), will increase their chances of being understood when they pronounce these words. Think of it as a short cut to speaking American English.

Note: The numbers “seventeen” and “seventy” are out of sequence in this exercise because they have three syllables, rather than two syllables as found in the rest of the numbers.

**Listen Up: /ch/**

This ear training exercise will focus on the sound **/ch/**, a sound which is often difficult for native speakers of Spanish.

Repeat each word three times. Ask learners to write ch if the word begins with /ch/ or to draw a line if it does not.

- |          |           |           |            |
|----------|-----------|-----------|------------|
| 1. champ | 4. John   | 7. chill  | 10. chin   |
| 2. Jill  | 5. jump   | 8. choice | 11. juggle |
| 3. chunk | 6. church | 9. jam    | 12. juice  |

**The Big Picture**

What is wealth? People sometimes equate their income with their wealth. However, wealth is far more than an income; it includes a person's assets. An individual with only a paycheck will never accumulate wealth. The check comes in, bills are paid, and even though a little may be put aside in savings, it generally comes in and goes out at an even flow. The person never gets ahead. If someone is able to accumulate assets (such as a home, vehicles, stocks & bonds, etc.) this will give them some wealth. If someone incurs debt, for example credit card debt, this reduces their wealth.

The big picture helps learners to consider the disparity of wealth distribution in the United States. Simply put, the rich get richer; the poor get poorer. The middle class is disappearing. For more information and research on the subject, refer to the source of the chart featured in this section: "Economic Apartheid in America," by Chuck Collins and Felice Yeskel. (See Resources in Appendix C.)

**Answer Key**Vocabulary Review (page 3)

- |                  |               |                  |                 |
|------------------|---------------|------------------|-----------------|
| 1. a credit card | 2. some coins | 3. a dollar bill |                 |
| 4. a penny       | 5. a quarter  | 6. a \$5 bill    |                 |
| 7. a \$100 bill  | 8. a nickel   | 9. a half dollar |                 |
| 10. a dime       | 11. a check   | 12. a \$20 bill  | 13. a \$10 bill |

Word Work Practice 1 (page 10)

- |                        |             |                  |
|------------------------|-------------|------------------|
| 1. a dime              | 2. a nickel | 3. a half dollar |
| 4. a dollar/one dollar | 5. a penny  | 6. a quarter     |

Word Work Practice 3 (page 10)

- |                 |            |                 |            |                  |
|-----------------|------------|-----------------|------------|------------------|
| 1. \$.33 or 33¢ | 2. \$2.08  | 3. \$.59 or 59¢ | 4. \$10.00 | 5. \$.07 or 7¢   |
| 6. \$1.30       | 7. \$51.01 | 8. \$100.00     | 9. \$8.08  | 10. \$.99 or 99¢ |

### Money Math (page 11)

1. 75¢      2. \$1.20      3. 25¢ 4. 31¢      5. \$5.50      6. \$2.11      7. 30¢

### The Big Picture – What is Wealth (page 16)

Larry's total wealth is \$57,000. Ann's total wealth is \$700,000.

### The Big Picture - Do the Math (page 17)

1. \$1,600,000,000,000      2. \$1,600,000,000,000  
(1 trillion, 600 billion dollars)      (1 trillion, 600 billion dollars)

## **Unit 2: Budgets**

### **Warm Up Activity** - "Yes, that's me" – "No, that's not me"

Put up two signs on opposite sides of the room, one that reads, "Yes, that's me!" and the other, "No, that's not me!" Ask learners to stand in a line between the two signs. Tell them you will read a statement. If that statement describes them they should move toward the sign that says "Yes, that's me," to the degree that the statement represents them. They might move all the way to the sign if the statement describes them a lot, or they might move just a little if it is only a little like them. If it does not represent them, then to move toward the sign, "No, that's not me." Model moving from one side to another yourself to indicate degrees into which one might place oneself.

Read the following statements and ask the learners to respond. You might ask for volunteers to comment on why they chose to stand there if they seem to be comfortable talking about it.

1. I have a budget.
2. I use my budget.
2. I don't have a budget because I want to buy what I want any time.
3. I spend too much money.
4. I save a lot of money.
5. I don't know how to budget.
6. I don't want to budget.
7. I hope I learn something helpful in this lesson.



## Introducing Budgets

In this lesson learners will be introduced to how to make a budget (a spending plan). Encourage learners to think about what they think they should spend. Invite them to use the Monthly Expenses Worksheet to record what they believe would be a good budget for them. Then ask them to collect their receipts and keep track of all of their expenses for a full month.

Return to this activity a month later. At that time, distribute another copy of the Monthly Expenses Worksheet from the Appendix for learners to record their actual expenditures. Ask learners to compare their budgets which they prepared the prior month, with what they actually spent. Give them time to discuss what they find and to adjust their budgets as they see fit. Learners may want an additional copy of the Monthly Expenses Worksheet to create a new budget. Remind learners that budgets are plans for spending. They control their plans and they can adjust them at any time.

Some learners may already have budgets. Ask learners if they have any alternative budget models which they use. Invite them to share these with one another.

Some programs have found it to be helpful to give prizes for those learners who bring in a completed worksheet after tracking a month of expenses. Some programs have partnered with banks and the banks have awarded savings bonds to learners who completed their budgets. Be creative! See what incentive you can develop.

## More Word Work: “bi” = two

Learners are introduced to the prefix “bi” in a common use of “biweekly” and “bimonthly”, meaning every two weeks and every two months. Note that many people confuse these words with “semiweekly” and “semimonthly,” which mean twice a week and twice a month. To quote *dictionary.com*: “Since there is a great deal of confusion over the distinction, a writer is well advised to substitute expressions like every two months or twice a month where possible.”

## Listen Up

The first section of Listen Up includes a review of the sound /**ch**/ from Unit 1, along with the new sound /**sh**/ from this lesson. Say each word three times. Ask learners to write the letter(s) they hear at the beginning of the word.

- |             |          |           |              |
|-------------|----------|-----------|--------------|
| 1. children | 4. shift | 7. chance | 10. shoe     |
| 2. show     | 5. champ | 8. shell  | 11. shoulder |
| 3. shadow   | 6. chick | 9. chill  | 12. charge   |

The next section is an exercise in minimal pairs, contrasting /**ch**/ and /**sh**/. Say each pair of words twice, varying the pattern between saying the same word twice (same), or saying each word (different). Ask learners to listen. Ask them to tell you if the two words you say are the **same** or **different**. (Note: This exercise is not in the learners' workbook. It is a listening exercise only.)

- |    |       |       |    |         |        |
|----|-------|-------|----|---------|--------|
| 1. | chair | share | 5. | chin    | shin   |
| 2. | chore | shore | 6. | chilled | shield |
| 3. | chain | Shane | 7. | chop    | shop   |
| 4. | chew  | shoe  |    |         |        |

Now tell learners that you will say a word that ends with either /**ch**/ or /**sh**/. Ask them to write the sound they hear in their workbook.

- |          |         |          |          |
|----------|---------|----------|----------|
| 1. dish  | 4. fish | 7. hush  | 10. push |
| 2. each  | 5. much | 8. lunch | 11. ash  |
| 3. beach | 6. rush | 9. cinch | 12. rich |

For more advanced learners, page 32, *More Pronunciation Practice with /sh/*, gives practice with the sound when it is represented by irregular spellings and is followed by a practice on identifying words with silent letters.

### **A Balanced Budget**

As described on page 29, a balanced budget is one in which your income and your expenditures are exactly the same. However, people often casually (though erroneously) refer to a *balanced budget* as one in which you have more income than expenditures. This is a surplus budget (which is certainly desirable), but not *balanced*.

### **The Big Picture**

While studying budgets, Unit 2 helps learners to think about the federal budget. Where does the money come from? Where does it go?

In particular, this worksheet focuses on the inequality in tax formulas.

Learners may also be interested in learning about how Congress spends the money. There are many directions in which they could continue the discussion. Encourage learners to use the *Learning Team Planning Form* in Appendix A to pursue further research which interests the class.

### **Answer Key**

#### Word Work: Words That Tell How Often Practice (page 25)

- |                     |                      |  |
|---------------------|----------------------|--|
| 1. hourly, 40 hours | 2. monthly, \$9,600  | 3. daily, 14 miles                       |
| 4. weekly, \$1300   | 5. annually, 4 years | 6. monthly, \$21.25    7. weekly, \$1300 |

### Budget Review: True or False (page 29)

1. F      2. T      3. T      4. T      5. F      6. T      7. F

### Maria's Budget (page 30)

1. daily      2. bi-monthly      3. monthly      4. to help her plan      5. \$1200

## **Unit 3: Banking - Opening an Account**

### **Special Notes About the Unit**

Unit 3 guides learners through exercises to learn how to select a bank and how to open an account. It also explores attitudes and experiences with financial institutions. The opening reading exercise, "Some Benefits of Banks" will give learners an opportunity to consider some of the advantages of using banks. It will also give opportunity for them to share their opinions on the disadvantages of using them or why they may not use them.

For many it is tempting to assume that adults who do not use banks avoid them because they do not know how to handle banking matters. While that is true for some, and those mechanics are discussed and taught in this workbook, for others there is a mistrust of financial institutions. For yet others, there is lack of access to traditional banking services. This unit includes an exercise on analyzing banking access in a local community in the Big Picture section. Encourage learners to learn about their neighborhoods and to reflect on what they find. Encourage them to create new questions to explore. Help them with ideas on where to find answers. The "Learning Team Planning Form" in Appendix A can help them to formulate a plan to learn or do more and to assign tasks within a team.

For more background, refer to the report, "*Financial Literacy in Distressed Communities*," and other studies listed in Appendix C.

### **Pronunciation**

Spanish speaking learners may find it especially difficult to distinguish between the sounds of /b/ and /v/. This lesson will provide practice in distinguishing the two sounds.

Have learners practice reading the lists of words using the /b/ sound and the /v/ sound.

### **Listen Up**

#### **Beginning Sounds**

Read the words, saying each word twice. Ask learners to write the letter for the sound they hear at the beginning of the word.

- |               |            |           |           |
|---------------|------------|-----------|-----------|
| 1. basketball | 4. victory | 7. Vince  | 10. belly |
| 2. better     | 5. bend    | 8. valley | 11. virus |
| 3. vote       | 6. van     | 9. ban    | 12. best  |

### Ending Sounds

Read the following words, again saying each word only two times. Ask learners to write the letter that represents the sound they hear at the end of the word.

- |          |          |         |           |
|----------|----------|---------|-----------|
| 1. have  | 4. rub   | 7. cave | 10. dove  |
| 2. Jacob | 5. leave | 8. Arab | 11. stove |
| 3. stub  | 6. save  | 9. crab | 12. shrub |

### Answer Key

#### Some Benefits of Banks (page 43)

1. finances    2. insured    3. maximum    4. fee    5. interest    6. bank    7. customer

#### A Hard Lesson to Learn – Math Practice (page 45)

1. \$2,500    2. 5    3. \$5,200    4. \$5,356

# Interest on Savings – A Worksheet (page 46)

\*Note: In figuring the 3% gain, remember to round off numbers 5 and above up to the next highest digit.

Example:  $.03 \times 415.18 = 12.4554$ . It rounds off to 12.46.

$.03 \times 643.47 = 19.3041$  It stays as 19.30.

In this answer key, numbers that have been rounded off are notated by an \*.

Month	Deposit	Add deposit (\$100) to previous balance	Balance at Home	Add deposit (\$100) to previous balance and add 3% more.	Balance In a Bank with 3% Interest
1	\$100		\$100		\$100
2	\$100	$\$100 + \$100 =$	\$200	$100 + 100 = 200$ $+ 3\% (6.00) =$	\$206.00
3	\$100	$\$100 + \$200 =$	\$300	$100 + 206.00 =$ $306.00 + 3\%$ $(9.18) =$	\$315.18
4	\$100	$\$100 + \$300$	\$400	$100 + 315.18 =$ $415.18 + 3\%$ $(12.46^*) =$	\$427.64
5	\$100	$\$100 + \$400$	\$500	$100 + 427.64 =$ $527.64 + 3\%$ $(15.83^*) =$	\$543.47
6	\$100	$\$100 + \$500$	\$600	$100 + 543.47 =$ $643.47 + 3\%$ $(19.30) =$	\$662.77
7	\$100	$\$100 + \$600$	\$700	$100 + 662.77 =$ $762.77 + 3\%$ $(22.88) =$	\$785.65
8	\$100	$\$100 + \$700$	\$800	$100 + 785.65 =$ $885.65 + 3\%$ $(26.57^*) =$	\$912.22
9	\$100	$\$100 + \$800$	\$900	$100 + 912.22 =$ $1012.22 + 3\%$ $(30.37^*) =$	\$1042.59
10	\$100	$\$100 + \$900$	\$1000	$100 + 1042.59 =$ $1142.59 + 3\%$ $(34.28^*) =$	\$1176.87
11	\$100	$\$100 + \$1000$	\$1100	$100 + 1176.87 =$ $1276.87 + 3\%$ $(38.31^*) =$	\$1315.18
12	\$100	$\$100 + \$1100$	\$1200	$100 + 1315.18 =$ $1415.18 + 3\%$ $(42.46^*) =$	\$1457.64

Checking Accounts Comparison Chart Worksheet 1 (page 49)

Item to Compare	Bank A	Bank A with \$1,000 minimum balance	Bank B	Credit Union	Savings & Loan
Minimum deposit to open an account	\$100	\$100	\$25	\$100	\$50
Minimum balance required	\$100	\$1,000	\$25	\$100	\$20
Monthly fee	\$12	None	\$8	None	\$7.50
Interest earned	None	1.5%	None	1.2%	None
Cost per check	\$ .25/check	25¢	None	None	15¢
Convenient location	Yes	Yes	Yes	No	Yes
ATM fee	None	None	\$15	None	None

1. Monthly fee: \$12.00, Check fees: \$1.25, Total: \$13.25
2. a. \$8.00 b. \$1.25 c. 0 d. \$8.25

Checking Accounts Comparison Chart Worksheet 2 (page 51)

1. Bank D    2. Bank C    3. Bank D    4. Banks B & C    5. Bank D
6. Banks C & D    7. Banks A & B    8. Bank B

Can you bank on it? (page 55)

	Yes, you can bank on it.	No, you can't bank on it.
1. All banks are the same.		X
2. All banks are insured.		X
3. Banks will pay interest on your savings accounts.	X	
4. You will pay a fee (money) if you bounce a check.	X	
5. It costs more to cash checks at check-cashing stores than at banks.	X	

### Word Work – What Do These Mean? (page 56)

1. Automatic Teller Machine
2. Certificate of Deposit
3. Federal Deposit Insurance Corporation
4. National Credit Union Association
5. Social Security Number
6. Individual Retirement Account
7. Date of Birth
8. Personal Identification Number
9. Month
10. Number

### Word Work - too many, too much (page 60)

- |         |         |         |         |
|---------|---------|---------|---------|
| 1. much | 2. many | 3. much | 4. many |
| 5. much | 6. many | 7. many |         |

## **Unit 4: Banking - Checking Accounts, Savings Accounts and ATMs**

### **Special Notes About the Unit**

Unit 4 really gets into the nuts and bolts about using bank accounts. It gives learners practice in writing checks and balancing checkbooks. The Masters Reinforcement Activities (Appendix A) includes an extra page of blank checks for added practice. You may also want to bring in copies of deposit slips and other forms from different financial institutions for learners to compare and to practice filling out.

### **Listen Up**

This lesson presents a minimal pair practice, contrasting the sounds /ĩ/ and /ē/. Read one word from each pair. Ask learners to circle the word that they hear.

- |         |       |         |       |         |       |
|---------|-------|---------|-------|---------|-------|
| 1. lick | leak  | 4. hit  | heat  | 7. did  | deed  |
| 2. grin | green | 5. rid  | reed  | 8. rich | reach |
| 3. sit  | seat  | 6. list | least | 9. grit | greet |

### **Teaching Your Children**

In preparing this workbook, some adult learners commented that they felt it was important to help adults to teach their children how to manage their money. If appropriate, lead the class in a discussion of how they might teach their children or grandchildren. Many banks offer special accounts for minors. However, in some states this is not allowed. Invite learners to research requirements for opening accounts for young children in their area. Do they think it is a good idea? Why or why not?



## The Big Picture

“Living Wage” laws are a hot issue in many communities across the United States. If this is of interest to your learners, encourage them to work in learning teams to learn more or to take any action they feel they should pursue. Use the *Learning Team Planning Form* in Appendix A to further their studies. They may want to invite special speakers to their class, review newspaper and magazine articles (in English or in their native language), or talk to their local representatives on their City Council.

## Answer Key

### The Bank Statement (page 73)

- |             |             |          |              |             |
|-------------|-------------|----------|--------------|-------------|
| 1. \$817.02 | 2. \$585.29 | 3. 5     | 4. \$1940.02 | 5. \$49.83  |
| 6. \$68.79  | 7. #3502    | 8. #3506 | 9. June 20   | 10. June 30 |

### Balance Your Check Book - Practice (page 72)

Check No.	Date	Description of Transaction	Payment (Debits)	√	Deposit (Credits)	Balance
						817.02
3500	6/10/03	Southern Electric Co.	68.79	√		- 68.79
		electric bill				748.23
3501	6/10/03	ABC Insurance Co.	224.00			- 224.00
		car insurance				524.23
	6/15/03	Deposit		√	440.02	+440.02
		paycheck				964.25
3502	6/16/03	Family Dental Office	148.00	√		- 148.00
		payment on root canal				816.25
	6/20/03	Deposit		√	1500.00	+1500.00
		Loan for car				2316.25
3503	6/20	Jake's Used Autos	1895.00	√√		-1895.00
		car				421.25
3504	6/22	Donna's Closet	49.83	√		-49.83
		dress				371.42
3505	6/25	Inland Water Co.	23.80			- 23.80
		Water bill				347.62
3506	6/25	Best Read Bookstore	10.13	√		- 10.13
		Book				337.49

### Balance your Checkbook - Math Practice (page 74)

- |            |              |             |             |
|------------|--------------|-------------|-------------|
| 1. \$37.35 | 2. - \$13.98 | 3. \$190.50 | 4. Sharon's |
|------------|--------------|-------------|-------------|

## Unit 5: Tips for Saving Money

### Special Notes About the Unit

Unit 1 stated the keys to financial success: Plan. Spend less. Save more. Adjust. This unit presents ideas on how to “spend less.” Of course, the possibilities are endless, but this unit is focused on only a few of those possible ideas. You may want to expand the lesson into other areas based on your learners’ questions and interests.

The first pages deal with tips for spending less at the grocery store. Eight tips are listed, followed by exercises to give learners the opportunity to further explore those tips. This is followed by other general tips; and finally, a page on using credit cards.

Credit card debt is a topic that could easily be another unit itself. An “AllPaid Bill Management Survey” from Myvesta showed that many people are poor credit managers. The survey found that 25% of Americans do not review their credit card statements each month and 55% do not negotiate or look around for better interest rates. Further, 47% do not know what interest rate they are paying on their credit cards. Consider expanding this lesson. California Literacy’s “Good to Know” issue on Credit Card Basics (Vol. 2, No. 7) is available from California Literacy, Inc., [www.caliteracy.org](http://www.caliteracy.org). You may also want to invite a credit counselor or other guest to speak to the class.

**Warm-up Activity.** Sales, Bargains, Clearances, Discounts, Buy-one-get-one-free offers,... the list is endless. As an opening exercise for Unit 5, invite learners to work in teams to see just how many words and phrases they can come up with to indicate sale prices. (Prizes for the winning team is always fun, too.)

### Practice 2

First, learners are asked to list five items that they commonly buy at the grocery store, then to visit three stores to comparison shop. Given time constraints your learners will probably face, it may be more practical – and more fun – to have your class do this exercise in teams of three. Each team will select their five items together. They need to make sure that they agree on the brand name and size of the item to be searched. Then each of the three members can visit a different store to find their price for the items.

### Practice 3

One popular merchandising practice in stores is to put the higher priced packages of an item on the middle or eye-level shelves while placing the lower-priced merchandise on the bottom shelves. Customers in a hurry are more likely to pick up those items that are eye-level rather than to search on the low shelves. Practice 3 gives learners a chance to check out that practice.

#### **Practice 4**

Purchasing larger jars, boxes, and such of a product usually saves the consumer money (if they have room to store it and can use it before it spoils). However, that is not always the case. Sometimes the large product costs the same per unit as the smaller one, and occasionally it even costs more! Practice 4 provides some math practice to identify which item is actually less expensive per ounce.

Notice that the smaller cereal actually costs less per ounce than the larger one. Most stores now list the “per unit” price on a sticker in front of the item on the shelf. Learners will be relieved to know they can usually refer to the sticker rather than do the math themselves to figure out the best buys. However, sometimes these stickers do not give a consistent unit. Rather than compare ounce with ounce, it may compare ounce with gallon and the consumer will need to do the math to make a comparison. You may want to review measurements as a supplement to this lesson (ounce, pint, quart, gallon, pound, etc.) An activity page for such practice is included in Appendix A.

**More Tips for Saving Money** continues the theme with non-grocery spending. Invite learners to share their own tips with the class. And finally, another tip reminds all that wise spending does not mean you have to deprive yourself. It’s okay to splurge. It’s okay to treat yourself. The key is to budget for such expenditures!

Credit Cards are a great way to establish credit or to keep track of expenditures. At the same time, their misuse frequently leads to money management problems, heavy debt, and even bankruptcy. While this lesson does not go into detail on credit problems, it does include some tips for wise use of credit cards. Again, as discussed in the opening notes for this unit, you may want to expand this lesson on credit card use, and you may want to invite a speaker from a local credit counseling service to the class.

#### **The Big Picture**

Distribute copies of the *Learning Team Planning Form* (in Appendix A) to help learners make a plan of action to address the “high cost of being poor” in their neighborhoods. Teams can include 3 – 5 members each. Help them with suggestions about people they may want to interview – local store owners, neighbors, city council members, etc. Work with the class to decide when and how they will present their information back to the class.

Based on their work, engage learners in a discussion of the legitimate cost of doing business versus predatory practices. What options do they have in their neighborhood? Do they need to consider shopping outside of their neighborhood? Where can they get better grocery prices, loan rates, etc.?

## Answer Key

### Saving Money at the Grocery Store - Practice 4 (page 90)

Answers:

a. pickles	12 oz. = 21.6¢ per oz.	22 oz. = 17.7¢ per oz.
b. orange juice	32 oz. = 9.3¢ per oz.	64 oz. = 6.2¢ per oz.
c. rice	32 oz. = 5.6¢ per oz.	80 oz. = 4.9¢ per oz.
d. cereal	14 oz. = 27.4¢ per oz.	18 oz. = 32.7¢ per oz.
e. coffee	11.5 oz. = 27.7¢ per oz.	34.5 oz. = 24.0¢ per oz.

### More Tips for Saving Money (page 92)

2. weekly: \$20      monthly: \$80      annually: \$960

### Use Credit Wisely – True and False (page 94)

1. T      2. F      3. F      4. F      5. T

## Unit 6: Assets: Buying a Home – the Basics

### Some Notes About the Unit

The American dream, home ownership, is one step to building wealth through accumulation of assets. This lesson builds on the “What is wealth” segment from Unit 1. You may want to refer learners back to their previous discussion on wealth, assets and debts while introducing this lesson.

Unit 6 explores both the aesthetic aspects of choosing a home and the basic steps for buying a home. Learners reflect on and discuss what they would like in a home and take a look at different types of homes (two-story houses, duplexes, etc.). You may want to bring in pictures of different styles of homes and encourage the learners to also bring in pictures from newspapers, magazines, etc. An expansion lesson could include a review of various styles: tudor, ranch style, etc. Customize the terms to the types of homes prevalent in your community. Further expansion could include vocabulary work on the different rooms in a house, as listed on the vocabulary page.

The bulk of the lesson addresses the mechanics of purchasing a home. This process can be complicated for even the most fluent English speakers, and a mystery to those who have never purchased a home. If you are not familiar with the process, you will want to do some study prior to teaching this unit. One resource is the *Planning Guide for Home Buyer Education Programs*, sponsored by the Iowa State University and Department of Human Development and Family Studies. Its cost is \$50, and it can be accessed through the MultiMedia Access/Financial Education Clearinghouse of the website for the National Endowment for Financial Education, [www.nefe.org](http://www.nefe.org).

Another resource is the Fannie Mae publication, *Opening the Door to a Home of Your Own*, available for free from the Fannie Mae Foundation. See Appendix C. In fact, if your learners are truly interested in learning all about home buying, you may want to order free copies of this book to extend the basic information introduced in FREE, inasmuch as FREE is not a comprehensive, detailed study for home-buying. It merely presents the basics to give limited English speakers an overall understanding of this aspect of asset-building. Be sure to stress to learners that this unit is only an introduction to the basics. Someone about to embark on purchasing a home would need more information than what is presented in Unit 6.

This is an excellent time to invite guest speakers to the classroom – lenders, realtors, etc. Be sure to prepare the class ahead of time by helping them to think about what they want to know and how to phrase those questions. You may need to prompt them. Help them to write their questions and practice asking them prior to the guest’s visit.

Finally, because the availability of housing and housing costs vary so greatly throughout the country, be sure to guide discussions and exercises to focus on what is true for the part of the country in which the learners live.

**Warm Up Activity.** Place large posters that represent three different types of environments (urban, suburban, or rural) on the classroom walls, spaced far apart. You may want to use the terms “urban,” “suburban” and “rural” for more advanced groups; or you may substitute “big city,” “small town,” and “in the country” for more limited English speakers. Then ask learners to stand in front of the type of area in which they would like to live. Ask them to discuss among themselves the reason why they prefer that environment; and then select a spokesperson to share the group’s ideas with the class.

### **Tips on Buying a Home**

It is always helpful to pre-qualify for a home loan. The buyer then has a realistic guide for what he or she can afford. To get a rough estimate of how much someone might qualify to borrow, some math practices are included. The first practices involve determining how much of a mortgage one might afford. This is done by figuring out a fourth of the buyer’s income. In addition, they will also be expected to afford property tax and insurance costs, which can add another 3% or so. To accommodate the English levels of the learners, the process has been simplified and discussion about property tax and homeowners insurance are not included. You will want to stress to learners that a mortgage payment equaling 25% of their income, is a general figure.

Even more important in qualifying for a loan, one should estimate what their total housing costs and bills will be. Lenders generally expect this figure to equal about 1/3 of the buyer’s income.

### **Getting a Loan for a House**

As previously discussed, be sure to help learners understand that the information presented in Unit 6 is a general introduction to the basics of home buying. Given the limited English skills of the target audience, it does not go into depth about other costs and procedures such as property tax and insurance, appraisals, points, escrow, etc.

## **The Interest Rate**

The chart on page 112 will help learners to practice identifying the monthly costs of a loan at varying percentage interests. It is not a comprehensive chart. For ease of use, only whole and half number percentages are used. Let learners know that real percentage rates may be figured at odd numbers such as 6.34% or 7.4%. This is not uncommon.

Learners will need to use their addition skills to determine monthly payments for loan amounts over \$100,000. For instance, if the loan is for \$130,000 at 6.5% interest, the learner would need to add the figures in the second column for the \$100,000 line (\$632) and the \$30,000 line (\$190) to get the total of \$822. Learners may need help to learn this use of the chart.

## **Pronunciation Practice**

### The Letter ‘t’

The word “often” is included in the list of words with a silent ‘t’. Individuals from some regions of the country may actually pronounce the sound. If this is questioned by learners in your class, let them know that this pronunciation is accepted as well. Variations of some English sounds and pronunciations will be found throughout the country. They may not be “standard English,” but they are not considered to be wrong.

### Clap the Stress

Notice the inclusion of the phrase “the interest” in the o O o pattern. Interest does have three syllables itself (in ter est) and to be grammatically correct the phrase would be clapped as o O o o. However, in common speech the word is most often pronounced as “intrest,” with two syllables. To sound more like American English, have learners practice the phrase as three syllables. Again, think of this exercise as a short-cut to being better understood.

## **The Big Picture**

The big picture has two segments: 1) prime vs. subprime lending, and 2) predatory lending.

Subprime lending is a practice that was developed to make home ownership more accessible to individuals with credit problems who would otherwise not be able to afford their own home. It is assumed that such loans pose a greater risk to lenders, therefore a higher interest rate is charged. Some lenders have practiced a system of “red-lining” areas which were typically considered to be of higher risk. Lenders would essentially draw a red line around specific neighborhoods, usually low income neighborhoods of minority ethnic residents, and arbitrarily set higher interest rates for any home loans granted within the circle, without regard to the individual’s credit rating. This practice was made illegal with the passage of the Community Reinvestment Act (CRA) in 1977.

As seen in the chart, there has been a substantial increase in the number of subprime refinance loans vs. prime loans in recent years. There are some things that individuals **can control** on a personal level to avoid higher lending rates. Lead learners in a discussion of those things. (This will also serve as a review of the lesson.) For instance, they can avoid going into debt, pay their bills on time, understand their credit rating, etc. Perhaps a guest speaker could help identify successful strategies for improving credit and accessing good rates.

At the same time, this is another opportunity for learners to review their community and its access to financial services. At this point learners have already surveyed their neighborhoods to learn what financial institutions are available (Unit 3) and considered the higher prices that are often paid by families in low-income neighborhoods (Unit 5). They may want to work in teams and use the *Learning Team Planning Form* to find out what type of loans are generally available in their neighborhood, as well as in other neighborhoods. They may discover that better rates are available at institutions outside their community and choose to use those institutions when they need a loan.

This discussion may also lead into the final topic of the workbook: *Predatory Lending Practices*. Predatory lending is a serious issue in the nation. It includes practices which unnecessarily strip home owners of equity in their homes and charge excessive fees associated with home purchase. It is even sometimes the underlying cause of many home foreclosures. Predatory lending practices are not against the law, but they are considered unethical. Many banks and lending institutions are now adopting policies which prohibit them. You may want to invite a speaker to the classroom, do research on the Internet, or peruse local newspapers to find out what is happening in your local community. Some resources are listed in Appendix C.

## **Answer Key**

### A Home Buying Tip: Math Practice (page 108)

1. \$450      2. \$825      3. \$587.50      4. \$1,050

### Tip 2: Math Practice (page 109)

1. \$500      2a. \$838      2b. \$928      3. \$1250

### Getting a Loan for a House -- The Down Payment (page 111)

1. a. \$22,000    b. \$11,000      2. a. \$180,000    b. \$90,000

### The Interest Rate - Math Practice (page 112 – 113)

- 1a. \$100,000    1b. \$769      1c. \$276,840      1d. \$600  
1e. \$216,000    1f. \$60,840
- 2a. \$250,000    2b. \$1663    2c. \$1500      2d. \$598,680  
2e. \$540,000    2f. 58,680

### Getting a Good Rate (page 113)

Items 1, 3, 4, and 5 can help a buyer to establish good credit, giving access to better interest rates and mortgage opportunities. Item #2, knowing which house you want to buy, will not be taken into account in securing a good mortgage. Item #6, having a lot of credit cards may actually work against the borrower.



The Big Picture (page 122)

	Juan and Carol	Ben	\$\$ Difference
1. How much will they pay for each monthly mortgage payment?	\$840/mo.	\$1127/mo.	\$287/mo.
2. How much will the house cost after 30 years of mortgage payments	\$302,400	\$405,720	\$103,320

## **Appendix A**

### **Masters**

### **Reinforcement Activities**

## Getting Started Self Assessment

You already know something about money and about money management. You may already know a lot. You may already help other people to learn how to manage their money. There may be areas which you do not understand. There may be areas in which you want to learn more. Use the chart below to record what you already know and what you already do.

**Directions.** Read each statement. Color the bar to show how well you do each statement.

For example, maybe you feel that you know almost everything about your needs, strengths and problems, then color the first bar up to 80 or 90%. If you know very little about how to create a vision for financial success, color only a little of the bar:

	Percent (%) of Ability										
	0	10	20	30	40	50	60	70	80	90	100
1. I know my financial needs, my strengths and my problems.											
2. I know how to create a vision for my financial success.											

	Percent (%) of Ability										
	0	10	20	30	40	50	60	70	80	90	100
<b>Personal</b>											
1. I know my financial needs, my strengths and my problems.											
2. I know how to create a vision for my financial success.											
3. I know how to learn more about money management											
<b>Connecting with Others</b>											
4. I can express myself about money so that others can understand.											
5. I can listen and learn from other people's experiences.											
6. I can help others to learn about the money systems and practices.											
<b>Making a Difference: Community</b>											
7. I know how the money systems work.											
8. I can help to change the systems. I can influence decision makers.											
9. I can provide leadership in my community.											

# Learning Team Planning Form

## Directions

Give each team one copy of the form for them to complete together. One form per team will facilitate them working together on the project rather than enabling them to work alone as some learners are prone to do. For smaller groups, team members may fill more than one role.

### 1. Choose Roles

Learners select or assign the roles they will fill as a team member on this project. The roles help the team to monitor their own work and to assure that all participate.

The **facilitator** makes sure everyone is included in the project and that no one person dominates (including the facilitator).

The **recorder** is to document the research, according to what the team decides.

The **reporter** is the team member who will make a report back to the full class once the research has been completed.

The **checker** checks in with members to make sure they understand the project and their respective roles. This member also identifies areas in which clarification is needed, either from other team members or from the teacher.

### 2. Decide the work plan.

The team decides:

what information they need;  
where they will get that information;  
who will get it, and,  
by when will they get it.

### 3. Record.

The recorder writes down the question the team has decided to research and the plan they will use to get the needed information. The recorder writes in English. (However, if all of the learners are beginners in English and speak the same native language, they may want to first discuss the issue in that language before recording their questions and plans in English.) The recorder listens to the group to assure accurate documentation of the question and work plan.

## Learning Team Planning Form

1. What are the roles of the team members? Who will fill these roles?

**Role**

**Name of Team Member**

**Facilitator** to make sure every team member participates

\_\_\_\_\_

**Recorder** to fill out this form on what the team decides to do

\_\_\_\_\_

**Reporter** to report back to the class what the team learned

\_\_\_\_\_

**Checker** to make sure everyone understands the work

\_\_\_\_\_

2. What does the team want to learn? Write your question here.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. How will the team learn this?

<b>WHAT</b> What information is needed?	<b>WHERE</b> Where can the information be found?	<b>WHO</b> Which team member(s) will get information?	<b>WHEN</b> By what date will this be finished?

4. Comments:

M	O	N	E	Y
40¢	15¢	\$1	60¢	8¢
5¢	10¢	50¢	75¢	30¢
25¢	\$1.50	FREE	\$1	13¢
38¢	\$2.00	\$5.00	\$40	\$1.75
\$2.05	\$1.25	5¢	6¢	\$1.20

M	O	N	E	Y
25¢	25¢	\$10	60¢	8¢
5¢	10¢	50¢	75¢	35¢
31¢	\$1.50	FREE	65¢	15¢
38¢	\$2.10	\$5.00	\$1	\$1.75
\$2.05	\$1.25	1¢	6¢	\$1.02

M	O	N	E	Y
40¢	25¢	\$1	60¢	8¢
5¢	10¢	50¢	20¢	35¢
31¢	\$1.50	FREE	65¢	15¢
38¢	\$2.00	\$5.00	\$40	\$1.75
\$2.05	\$1.25	1¢	6¢	\$1.20

M	O	N	E	Y
50¢	25¢	\$1	60¢	8¢
5¢	10¢	50¢	\$1	30¢
31¢	\$1.50	FREE	65¢	13¢
25¢	\$2.00	\$5.00	\$40	\$1.02
\$2.05	\$2.10	5¢	6¢	\$1.20

M 4 dimes	M a nickel	M a quarter and 6 pennies	M 3 dimes and 8 pennies	M 2 dollar bills and a nickel
O a quarter	O a dime	O 3 half dollars	O twenty dimes	O five quarters
N 20 nickels	N 5 dimes	N a 5 dollar bill	N a penny	M 2 dimes and a nickel
E 6 dimes	E 3 quarters	E 2 quarters, a dime, and a nickel	E 2 twenty dollar bills	E a nickel and a penny
Y a nickel and 3 pennies	Y a quarter and a nickel	Y a dime and a nickel	Y 7 quarters	Y 12 dimes
M 5 dimes	O 2 bucks and a dime	O a nickel and a dime	N 25 dollar bills	N a nickel
E a buck	E 2 dimes	Y 4 quarters and 2 pennies	Y a dime and 3 pennies	Y 3 dimes and a nickel

# MONTHLY EXPENSES WORKSHEET

## A. HOME EXPENSES

1. Rent or House Payment \_\_\_\_\_
2. Property Tax and Insurance \_\_\_\_\_
3. Home Repairs \_\_\_\_\_
4. Electricity \_\_\_\_\_
5. Gas \_\_\_\_\_
6. Water \_\_\_\_\_
7. Telephone \_\_\_\_\_
8. Cable TV \_\_\_\_\_
9. Trash Collection \_\_\_\_\_
10. Other \_\_\_\_\_

SUBTOTAL A

## B. TRANSPORTATION EXPENSES

1. Car Repairs, Gas, Oil, etc. \_\_\_\_\_
2. Car Insurance \_\_\_\_\_
3. Car Registration/Tags \_\_\_\_\_
4. Bus Fare \_\_\_\_\_
5. Other \_\_\_\_\_

SUBTOTAL B

## C. ENTERTAINMENT

1. Eating Out \_\_\_\_\_
2. Movies, Concerts, etc. \_\_\_\_\_
3. Trips & Vacations \_\_\_\_\_
4. Other (gifts, trips, etc.) \_\_\_\_\_

SUBTOTAL C

## D. GENERAL EXPENSES

1. Food & Supplies \_\_\_\_\_
2. Clothes, Shoes \_\_\_\_\_
3. Day Care \_\_\_\_\_
4. School \_\_\_\_\_
5. Health Insurance \_\_\_\_\_
6. Life Insurance \_\_\_\_\_
7. Health & Dental  
Care not covered \_\_\_\_\_
8. Credit Card #1 \_\_\_\_\_
9. Credit Card #2 \_\_\_\_\_
10. Credit Card #3 \_\_\_\_\_
11. Credit Card #4 \_\_\_\_\_
12. Alimony or  
Child Support \_\_\_\_\_
13. Other \_\_\_\_\_

SUBTOTAL D

## E. OTHER EXPENSES

1. Personal Care  
(hair cuts, etc.) \_\_\_\_\_
2. Emergencies \_\_\_\_\_
3. General Savings \_\_\_\_\_
4. Retirement  
Savings \_\_\_\_\_
5. Money Sent  
Home \_\_\_\_\_
6. Other \_\_\_\_\_

SUBTOTAL E

*Add the subtotals*

Subtotal A: \_\_\_\_\_  
 Subtotal B: \_\_\_\_\_  
 Subtotal C: \_\_\_\_\_  
 Subtotal D: \_\_\_\_\_  
 Subtotal E: \_\_\_\_\_

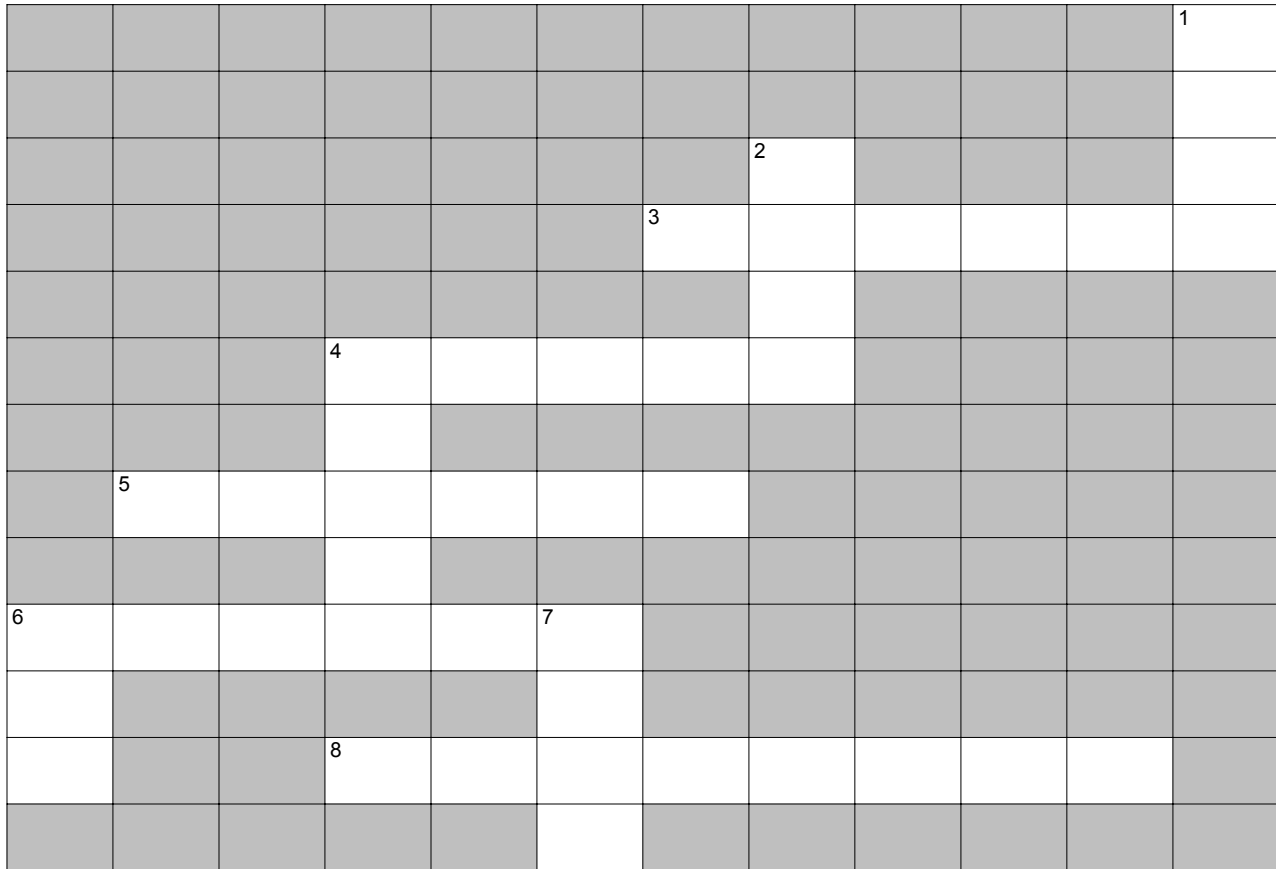
**TOTAL Monthly Expenses**





## Unit 2, Budgets

### Opposites



Created with EclipseCrossword — [www.eclipsecrossword.com](http://www.eclipsecrossword.com)

### Across

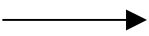

3. opposite of a lot, a \_\_\_\_\_
4. opposite of true
5. opposite of loan
6. opposite of worse
8. opposite of decrease

### Down

1. opposite of less
2. opposite of take
4. opposite of last
6. opposite of good
7. opposite of poor

## Unit 3

### Word Search *Find the vocabulary words in the puzzle. Circle them.*

*They go left to right*  *or down*   
*The first one is done for you.*

W	M	A	X	I	M	U	M	C	Y	R	X
I	T	S	H	K	M	N	U	A	T	M	W
T	C	E	R	A	I	G	B	G	N	O	O
H	B	W	B	A	N	K	A	D	I	W	D
D	L	Y	P	D	I	P	L	I	T	Y	N
R	A	C	H	E	M	Z	A	P	E	G	I
A	H	I	J	P	U	K	N	L	R	M	W
W	I	Q	D	O	M	T	C	R	E	D	S
A	S	H	E	S	T	O	E	L	S	O	P
L	N	B	U	I	F	F	E	S	T	A	R
S	C	H	O	T	E	L	L	E	R	E	D
W	E	C	R	E	D	I	T	Y	O	S	M

### Word List

- |            |               |           |
|------------|---------------|-----------|
| 1. bank    | 5. withdrawal | 9. teller |
| 2. deposit | 6. balance    | 10. ATM   |
| 3. maximum | 7. credit     |           |
| 4. minimum | 8. window     |           |

## Unit 4: Checks, Checks and More Checks


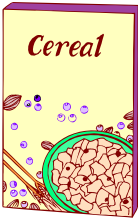


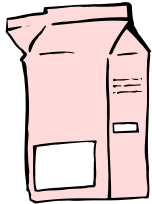



Mark and Ann Smith 1101 Ross Rd. Phoenix, AZ 85041	3504 16-7890/333
Date _____	
Pay to the Order of _____	\$ _____
_____ Dollars	
XYZ Bank 899 Carver Lane Plymouth, MA 02360	
For _____	_____
12345691 000000000012345678 4567	

Mark and Ann Smith 1101 Ross Rd. Phoenix, AZ 85041	3504 16-7890/333
Date _____	
Pay to the Order of _____	\$ _____
_____ Dollars	
XYZ Bank 899 Carver Lane Plymouth, MA 02360	
For _____	_____
12345691 000000000012345678 4567	

Mark and Ann Smith 1101 Ross Rd. Phoenix, AZ 85041	3504 16-7890/333
Date _____	
Pay to the Order of _____	\$ _____
_____ Dollars	
XYZ Bank 899 Carver Lane Plymouth, MA 02360	
For _____	_____
12345691 000000000012345678 4567	

## Unit 5 Container Concentration

Directions: *Make one copy of the chart for each pair of learners. (Use heavy paper so that they cannot see the object from the back side.) Cut out the squares. Mix up the order, and place them face down on the table. Learners will take turns choosing two squares to turn over. If the picture matches the word, they get a point and leave the squares face up. If they do not match, the cards are turned face down.*

			
			
bag	box	jar	can
carton	bottle	jug	tub

## Unit 5     Some Practice with Measurements

Liquids:

ounce	oz.
pint	pt.
quart	qt.
gallon	gal.

1 gallon		
4 quarts	1 quart	
8 pints	2 pints	1 pint
128 ounces	32 ounces	16 ounces

one gallon = four quarts = eight pints = 128 ounces  
                   one quart    = two pints     = 32 ounces  
                                   one pint       = 16 ounces

Solids:

cup	c.
pound	lb.

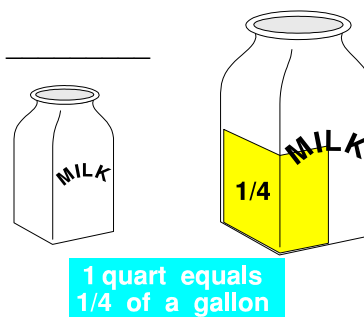
1 pound	
2 cups	1 cup
16 ounces	8 ounces

one pound = 2 cups = 16 ounces  
                   1 cup    = 8 ounces

### Practice.

Directions. *Use the charts above to answer the questions.*

- How many ounces are in a quart? \_\_\_\_\_ In a pint? \_\_\_\_\_ In a gallon? \_\_\_\_\_
- If a package is 1 lb., 5 oz., how many ounces are in it? \_\_\_\_\_
- How many gallons are in 128 ounces? \_\_\_\_\_ In 64 ounces? \_\_\_\_\_
- How many ounces are in a 10 lb. bag? \_\_\_\_\_ In a 5 lb. bag? \_\_\_\_\_
- How many pints are in a quart? \_\_\_\_\_  
In a gallon? \_\_\_\_\_
- How many ounces are in 1 gal., 2 oz.? \_\_\_\_\_
- How many ounces are in 2 qts., 5 oz.? \_\_\_\_\_



## Units 1-6      Words with Silent Letters

Directions. Unscramble the letter to spell a word from units 1-6.

1. nlties \_\_\_\_\_
2. marggeot \_\_\_\_\_
3. lhsetu \_\_\_\_\_
4. wisetlsh \_\_\_\_\_
5. thcknei \_\_\_\_\_
6. ontef \_\_\_\_\_
7. pceeirt \_\_\_\_\_
8. nkwo \_\_\_\_\_
9. ngis \_\_\_\_\_
10. bedt \_\_\_\_\_
11. reasnw \_\_\_\_\_
12. wteri \_\_\_\_\_

## **APPENDIX B**

### **Definitions of Money Management/Personal Finance, Financial Literacy and Economic Literacy**

#### **Money Management and Personal Finance**

Money Management and Personal Finance teach the skills necessary to be a savvy consumer including currency use, the basics of banking, budgeting, savings, lending and borrowing, home-buying and asset building, investing and work-related money concepts such as reading pay-stubs, understanding benefits and filing for income tax returns and the Earned Income Tax Credit.

#### **Financial Literacy**

“Personal financial literacy is the ability to read, analyze, manage and communicate about the personal financial conditions that affect material well-being. It includes the ability to discern financial choices, discuss money and financial issues without (or despite) discomfort, plan for the future, and respond competently to life events that affect everyday financial decisions, including events in the general economy.”

Citation: Lois Vitt, Project Director, et al, Personal Finance and the Rush to Competence: Financial Literacy in the U.S., A National Field Study Commissioned and Supported by The Fannie Mae Foundation, Institute for Socio-Financial Studies, Middleburg, VA, 2000, p. 2.

#### **Economic Literacy**

Economic Literacy is a content area of study that uses the discourse and concepts related to the study of economics (such as supply and demand, federal tax policy, and a community’s history of land-ownership and tenancy) to analyze individuals’ and a given group’s wealth and security. Economic literacy, like financial literacy, is a content area of study that is meant to teach language, literacy and numeracy while simultaneously studying these systems. Economic literacy models approach language, economics and numeracy teaching and learning as vehicles for social change.

## APPENDIX C: Resources

### **Annotated Bibliography of Home-buying Literacy, Financial Literacy, and Economic Literacy Curriculum**

#### **Unit 1: You and Your Money**

*Claiming What is Ours: An Economics Experience Workbook.* Luttrell, Wendy. Highlander Center. New Market, Tennessee. 1988.

This workbook was developed as part of a three-year Highlander Economics Education Project that looked at “economic development from within, one that draws from the community-based organizations and their leadership as the solution to the needs of rural communities (page i)”. The book is divided into four units: Discovering Our Own Economic Knowledge, Building Community Economic Knowledge, Community Economic Analysis, and Participatory Planning and Action. For ordering information, contact: (865) 933-3443.

#### **Units 3 and 4: Banking**

*Building Community Wealth through Individual Access to Credit and Banking Services: Financial Literacy Curriculum.*

This curriculum is one of a number of tools developed by the National Community Reinvestment Coalition (NCRC) as a means to correct discriminatory lending practices of U.S. financial institutions. The NCRC, a not-for-profit organization, was established in 1990 to support and monitor the Community Reinvestment Act (CRA), a federal law that bans discriminatory lending practices and mandates that banks serve the communities in which they do business. Originally designed for community development organizations to promote information to help empower community members, the curriculum (an Instructor’s Guide and Participants’ Booklets) is also useful to adult literacy learners and programs. To order the manual contact the NCRC at: (202) 628-8866.

*Financial Services in Distressed Communities: Issues and Answers*, by James H. Carr and Jenny Schuetz, [www.fanniemae.foundation.org/programs/financial.PDF](http://www.fanniemae.foundation.org/programs/financial.PDF)

This 2001 report from the Fannie Mae Foundation discusses the inequities in access to financial institutions in poor communities. It not only presents the challenges, but gives recommendations for solving the problems as well.

#### **Unit 5: Tips for Saving Money**

*The High Cost of Being Poor, Another Perspective on Helping Low-Income Families Get By and Get Ahead*, [www.aecf.org/publications/data/2003%20essay%20book.pdf](http://www.aecf.org/publications/data/2003%20essay%20book.pdf)

This essay from the Annie E. Casey Foundation’s *KIDS COUNT Data Book* links financial literacy practices to the affects of being poor in America and raising children in poverty.



## Unit 6: Assets: Buying a Home

*English as a Second Language Curriculum: How to Buy a Home in the United States.*

This Fannie Mae Foundation curriculum, developed in collaboration with the Center for Applied Linguistics (CAL), uses the content and process of home-buying as a means to teach language, literacy and numeracy. Free classroom sets comprising one teacher's guide and up to 20 learner workbooks can be ordered by calling: (800) 544-9224.

*Literacy/Adult Basic Education Curriculum: How to Buy Your Own Home.*

Also produced by the Fannie Mae Foundation in conjunction with the Center for Applied Linguistics (CAL), this adult literacy curriculum outlines the steps to homeownership embedding vocabulary, grammar, reading, writing and math practice into the content. Free classroom sets comprising one teacher's guide and up to 20 learner workbooks can be ordered by calling: (800) 539-4051.

*The Money Management and Home-buying Readiness Sourcebook for Teachers of ESOL and Adult Literacy.*

Developed through a partnership between the Fannie Mae Foundation and the Adult Literacy Resource Institute, this sourcebook is designed for adult literacy teachers and program coordinators who are interested in implementing a home-buying readiness project. The 'Tools for Teachers' section provides a collection of teacher-developed housing-related assessments, activities, handouts, and reflections. To receive a free copy of the sourcebook, call: (800) 665-0012, or visit:

[www.fanniemaefoundation.org/ESOL\\_ABE/](http://www.fanniemaefoundation.org/ESOL_ABE/)

*Opening the Door to a Home of Your Own.*

This Fannie Mae Foundation consumer guide explains the home-buying process using direct, basic language. It includes information about how to finance a home and how to obtain a mortgage. To receive free copies of this guide in English, Chinese, Haitian-Creole, Korean, Polish, Portuguese, or Russian, call (800) 668-4663, Spanish (800) 782-2729, or visit: [www.homebuyingguide.org](http://www.homebuyingguide.org).

*Choosing the Mortgage That's Right for You.*

Another Fannie Mae Foundation consumer guide, this material is intended to help consumers learn about how to shop for a mortgage. To receive a free copy in English, call (800) 668-4663, or Spanish, (800) 782-2729 or visit [www.homebuyingguide.org](http://www.homebuyingguide.org).

*New Americans Guide: How to Become a Citizen, How to Become a Homeowner.*

In providing information on citizenship and the homeownership, this Fannie Mae Foundation brochure addresses two of the largest barriers to civic participation for new immigrants. To receive a free copy in English, Chinese, Korean, or Vietnamese, call (800) 544-9213, or Spanish, (800) 693-7557.

*On-line Homebuying and Rental Center, E-Square, [www.alri.org/esquare/esq2/homectr.html](http://www.alri.org/esquare/esq2/homectr.html).  
Adult Literacy Resource Institute, Boston, Massachusetts.*

This Web-site links to a number of home-buying readiness and adult literacy lessons and projects. Highlights of these adult literacy teacher and learner generated lessons include virtual visits to banks and open houses.

*Borrowing Basics: What You Don't Know Can Hurt You.*

This Fannie Mae Foundation guide explains predatory lending and how it can affect consumers. It also provides helpful tips on how to find the best loans and how to avoid poor loan choices that could potentially result in the loss of one's home. For a free guide in English, Chinese, Haitian-Creole, Korean, Polish, Portuguese, Russian, or Spanish, call (800) 605-7100, or visit: [www.homebuyingguide.org](http://www.homebuyingguide.org)

*Get the Facts on Predatory Lending, GE Homebuyer Resources,*

[www.gehomenow.com](http://www.gehomenow.com) (Click on Home Buyer Resources)

Tips to avoid being a victim of predatory lending practices.

## **General Reading**

*Building Native Communities: Financial Skills for Families.*

This Fannie Mae Foundation/First Nations Development Institute financial-skills curriculum is designed for Native communities and families. It offers culturally appropriate financial training in order to provide Native people with the information to help them make beneficial financial decisions for themselves and their communities. To receive a free instructor's guide with 20 free participant workbooks, call (800) 659-7557.

*Economic Empowerment Program.* Women's Institute for Housing and Economic Development (WIHED). Boston, Massachusetts. 2002.

This economic empowerment program developed by the Women's Institute for Housing and Economic Development (WIHED) of Boston, Massachusetts uses a train-the-trainer model to build economic empowerment for participants in community-based-organizations. Although the economic empowerment program is designed to train trainers in the material, WIHED will grant permission to use their material on a limited basis. Because WIHED's philosophy is located within an anti-poverty and social justice praxis, the program emphasizes skill building within a great societal context. The curriculum and guide comes equipped with an introduction to economic inequality in the United States, an update on the impact of welfare reform, suggestions for facilitation and evaluation of the activities, lists of books and publications, and names of relevant organizations and Web Sites.

Contact WIHED at: (617)367-0520 x17, or visit: <http://www.wihed.org>.

*Knowing and Understanding Your Credit.*

Developed by the Fannie Mae Foundation in collaboration with the National Endowment for Financial Education (NEFE®), this guide helps consumers understand credit: what it is, as well as how to establish good credit and repair credit problems. To receive a free copy of this guide in English, Chinese, Haitian-Creole, Korean, Polish, Portuguese, Spanish, Russian, or Vietnamese, call (800) 605-5200, or visit: [www.creditguide.org](http://www.creditguide.org)

*Making Cents: An Economic Literacy Sourcebook.* Cohen-Mitchell, Joanie. Massachusetts System for Basic Education Support (SABES), Western Massachusetts Regional Support Center, Massachusetts Department of Education. Holyoke, Massachusetts. 1992.

This sourcebook is organized into thematic sections, starting with personal, family, and community economics and moving toward complex issues of global and structural economics. Though much of the sourcebook material reflects a regional context, enough generic information on economic literacy is included to appeal to programs outside this region.

For ordering information, contact the Western Massachusetts Regional Support Center at: (413) 552-2069, or at: [info@sabeswest.org](mailto:info@sabeswest.org).

*Personal Finance and the Rush to Competence: Financial Literacy Education in the U.S.*

The Fannie Mae Foundation commissioned the Institute for Socio-Financial Studies to conduct a field study of the current state of financial literacy education. The research was designed to ascertain major trends in financial literacy education, to learn what challenges are being faced by teachers and learners, and to identify the strategies and practices in use that are particularly effective. To request a free copy, call (800) 665-0012.

*Guide to Consumer Rights for Immigrants.* Loonin, Deanne and Chi Chi Wu. The National Consumer Law Center, Boston, Massachusetts. 2002.

In addition to sharing vital consumer advocacy information for immigrants and low-income families, the guide provides lists of agencies and on-line and hard-copy bibliographies such as: Helpful Web Sites of Immigrant and Immigrant Rights-Related Sites, General Consumer and Legal Sites, and Selected Government Sites and Selected Resources on Consumer Rights and Immigrant Issues.

Contact The National Consumer Law Center for ordering information at: (617) 523-7398, or at: [consumerlaw@nclc.org](mailto:consumerlaw@nclc.org).

Websites:

[www.nefe.org/amexeconfund/index.html](http://www.nefe.org/amexeconfund/index.html)

[www.fanniemaefoundation.org/esol\\_abe](http://www.fanniemaefoundation.org/esol_abe)

[www.jumpstartcoalition.org](http://www.jumpstartcoalition.org)

[www.practicalmoneyskills.com](http://www.practicalmoneyskills.com)

[www.fdic.gov/consumers/consumer/moneysmart](http://www.fdic.gov/consumers/consumer/moneysmart)

[www.BankingOnOurFuture.org](http://www.BankingOnOurFuture.org)

[www.ufenet.org](http://www.ufenet.org)

Books :

- ❖ **Economic Apartheid in America, a Primer on Economic Inequality and Insecurity**, Collins, Chuck and Yeskel, Felice, The New Press, New York, New York, 1999.
- ❖ **The 9 Steps to Financial Freedom, Practical & Spiritual Steps so You Can Stop Worrying**, Suze Orman, Crown Publishers, Inc., 1997.
- ❖ **The Latino Guide to Personal Money Management**, Laura Castañeda and Laura Castellanos, Bloomberg Press, 1999.
- ❖ **Claiming What is Ours: An Economics Experience Workbook**, Luttrell, Wendy. Highlander Center. New Market, Tennessee. 1988.
- ❖ **Making Cents: An Economic Literacy Sourcebook**, Cohen-Mitchell, Joanie. Massachusetts System for Basic Education Support (SABES), Western Massachusetts Regional Support Center, Massachusetts Department of Education, Holyoke, Massachusetts, 1992.

## Appendix D

### Example Guest Speaker and Field Trip ESOL Lessons

An ESOL class at the Boston Chinatown Neighborhood Center (BCNC) in Boston, Massachusetts journeys on a “virtual visit to a broker, a banker and a house:”

<http://www2.wgbh.org/MBCWEIS/ltc/Housing/HousingHome.html>

Learners in the computer class of the LIFT program at the Community Learning Center (CLC), Cambridge, MA, decided to find out how low income people can buy a home of their own. Then they made a virtual visit Website so others could have access to the same information:

<http://www2.wgbh.org/mbcweis/ltc/final/vvhome.html>

An ESOL teacher explains how she motivated her learners to visit a bank in Lynn, Massachusetts at Operation Bootstrap: [http://www.fanniemaefoundation.org/ESOL\\_ABE/tools/tool25.html](http://www.fanniemaefoundation.org/ESOL_ABE/tools/tool25.html)

Short explanations of how four teachers integrated visits from brokers and bankers into their classrooms:

[http://www.fanniemaefoundation.org/ESOL\\_ABE/tools/tool27.html](http://www.fanniemaefoundation.org/ESOL_ABE/tools/tool27.html)