



GRADE 6+

What is Debt? | Lesson Plan

What is debt and how do we use it responsibly?

Students learn the aspects of financial debt, from loan terms and interest rates to credit limits, and how to properly use it to their advantage.

Learning Objectives:

- Understand the concept of financial debt, why it is important, and how to use it responsibly.
- Identify types of debt and differentiate between good debt and bad debt.
- Define key terms associated with debt, including appreciate, depreciate, credit limit, financial debt, and investment.
- Explore the concepts of appreciation and depreciation.

Key Vocabulary:

- Appreciate: Increase value over time.
- Credit Limit: Maximum amount of money a person is allowed to borrow.
- Depreciate: Lose value over time.
- Financial Debt: Borrowed money that is owed to a person or institution.
- Investment: Money put into something with the hope of future benefit.

Educational Standards: Financial Literacy, Personal Finance, Life Skills

What You'll Need

- Video: [Ca\\$h Cour\\$e: What is Debt?](#)



Scan to watch video.

- Worksheet: *Ca\$h Cour\$e: What is Debt?* ([Download PDF](#))

Lesson Plan (45 mins.)

Warm-Up: Thinking about big purchases. (10 mins.)

1. Distribute the *Ca\$h Cour\$e: What is Debt?* Worksheet. Have students complete a pre-assessment. It is ok if they still need to learn the answer or terminology; they should seek to answer as best they can. Students should wait to work on the application section at this stage.

Watch and Apply: (15 mins.)

1. State: *Let's watch a video on debt and see what we got right.*
2. Watch the video, *Ca\$h Cour\$e: What is Debt?* Have students correctly answer the worksheet.
3. Ask: *Which question did you have the most difficulty with?* Have discussion in class about the areas of most difficulty. Be sure to review all of the answers with the students.

Wrap-Up: (20 mins.)

1. Give the students time to complete the application section.
2. Ask for volunteers to share their responses. Be sure to point out that debt can be dangerous and negative, but when used responsibly can have great benefits. The most responsible way to use debt is to make it work for you by investing in things that appreciate over time.

Don't have time for the full lesson? Quick Activity (5-10 mins.)

- Distribute the worksheet and allow students to complete it while they follow along with the video.
- Or, have students watch the video at home and use the worksheet as a quick quiz the next day in class.