



# Dangers of Payday Loans

**Grade Level:** Foundational      **Lesson Plan Timeframe:** 1-2 days      **Topic:** Payday Loans      **State:** ID  
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<b>Overview &amp; Purpose</b> Students will examine the interest and penalties associated with payday loans.	<b>FCCLA National Program(s)</b> Financial Fitness STAR Events
<b>Programs of Study</b> Personal and Family Finance Adult Living	

<b>Lesson Plan Goals &amp; Objectives</b> (Specify skills/information that will be learned.)	Students will define payday loans Students will identify the dangers of short term credit Students will demonstrate their understanding of payday loans by creating an informational PowerPoint.
<b>Materials Needed</b>	<ul style="list-style-type: none"> <li>• Paper</li> <li>• Pencil</li> <li>• Computer with internet</li> </ul>
<b>Introduction of Subject</b> Anticipatory set (Give and/or demonstrate necessary information)	Bring in ads (video or print) of short term credit businesses such as payday loans, money tree, ect. Ask students what they know about the ads. Who are their clients? What do they get out of the transaction? Do you know anyone who has used short term credit?
<b>Steps Guided Practice Verification</b> (Steps to check for student understanding)	Ask guided questions during discussions to ensure student understanding of main concepts

<p><b>Activity 1</b> (Describe the independent activity to reinforce this lesson)</p>	<p>Define short term credit and discuss why people turn to it as a means to meet their financial needs. Have students work in groups to research the different types of short term credit. For example-</p> <ul style="list-style-type: none"> <li>▪ Payday loans</li> <li>▪ Title loans</li> <li>▪ Lines of credit</li> <li>▪ Installment loans</li> <li>▪ In-store loans</li> </ul> <p>Have them identify the requirements of each loan and the penalties if the terms are not met.</p>
<p><b>Activity 2</b> (Describe the independent activity to reinforce this lesson)</p>	<p>Have groups prepare a presentation for the class on their research. Delivery methods include but are not limited to Power Point, Illustrated talk, pamphlet, informative story book.</p>
<p><b>Activity 3</b> (Describe the independent activity to reinforce this lesson)</p>	<p>Have students plan and conduct a financial fitness fair on short term credit for either the high school students and or community.</p>
<p><b>Assessment</b></p>	<p>Class discussion Student research Student presentations</p>
<p><b>Summary/Evaluation</b> (Assign Homework, or Reflect on the Outcomes)</p>	<p>Student should write a ½-1 page paper on what they learned on the subject presented and how they will apply it in their lives.</p>
<p><b>Other Resources</b></p>	<p>(e.g. Web, books, etc.) <a href="http://fefe.arizona.edu/">http://fefe.arizona.edu/</a></p>
<p><b>Additional Notes</b></p>	
<p><b>Source</b> (If Applicable : cite any published or copyrighted materials used in this lesson plan)</p>	<p>National Spotlight Project</p>

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