

Credit Card Activity for 6th-8th Grade

Math Learning Goals:

- Analyze credit card advertising.
- Design their own credit cards.
- Create advertising for their credit cards.
- Calculate the annual interest rate of credit card purchases.
- Compare original credit card purchase amount with amount that include interest charges.
- Recognize responsible credit card use.



Materials Needed:

- Shopping Catalogs
- Envelopes
- Activity Sheet/Rubric
- Calculators
- Art Supplies

The Activity:

First, introduce students to the advertising of credit cards. Ask students to create a table with four columns. Label the columns: credit card, media, summary, personal reaction. Assign students to record their reactions to credit card advertising. Discuss their reactions.

Hand out the rubric, the expectations of the credit card project.

Assign student to design their own credit card, create advertisements for the credit card, and present advertisements for their card to the class. (This is number 1 and 2 on the rubric).

After students have presented their ads, give them a day to go “shopping.” Provide catalogs and explain that they each have \$10,000 to spend. Encourage students to use their credit card purchasing power to buy. After the students have selected what they want to purchase from the catalogs, they should either cut them out of the catalog or write them down. They will be making a collage of their purchases. (This is number 3 on the rubric). At the end of class, ask students to turn in a list of their purchases and the total amount that they spent.

When students enter class the next day, give them an envelope with their name on the outside and a bill on the inside. On the bill include the amount that they charged to the credit card the day before.

Explain that 30 days had passed since their purchases and their bill is now due. If they don't

want to or can't pay it all now they only have to make a minimum payment of \$50 per month. An interest rate of 15 percent will be applied each month to the unpaid balance.

Ask the class to calculate one student's bill as an example. Have students create a table showing how long it would take to pay off a bill when paying only the minimum \$50 payments each month. Have them change the amount of the minimum payment to see how the length of payments would be affected. Students then determine the total bill after interest charges.

Assign student to determine their own payment schedules using the amounts that they charged and three different monthly payment options.

(8th Grade Optional Part)

Finally, put the students in groups of three to four. As a group, they will determine the best interest rate if they wish to pay off their debt within a year. They will then present their answer to the class, and they will show the class their work.

End the class by discussing the dangers of credit cards and over spending. Explain how using the lessons learned in this exercise, the students may use credit cards more wisely and effectively by researching interest rates and devising payment schedules should they want a card in the future.

Ask student to respond to the following:

- How does the total amount paid compare with the total amount originally charged?
- In which of the payment scenarios did the total amount paid most closely resemble the total amount originally charged to your card? Why?
- How does the interest rate on your credit card affect your payments? Under what conditions would you be most affected by the interest rate of a credit card? Under what conditions would you not be affected by the interest rate of a credit card? Under what conditions should you use a credit card? When should you not use a credit card?

After the students have discussed the dangers of over spending, have the students look back over their collages and purchases. Let the students analyze and determine what they would purchase again, and what they could do without. Have them write up their thoughts on their ideas of over spending, and what changes they would make to their collages. Attach their writing to their collages. (This is number 4 on the rubric).

TN Math Standards:

6th Grade:

The Number System:

- 2.) Fluently divide multi-digit numbers using the standard algorithm.
- 3.) Fluently add, subtract, multiply, and divide multi-digit decimals using the standard algorithm for each operation.

Expressions and Equations:

- 5.) Understand solving an equation or inequality as a process of answering a question: which values from a specified set, if any, make the equation or inequality true? Use substitution to determine whether a given number in a specified set makes an equation or inequality true.
- 6.) Use variables to represent numbers and write expressions when solving a real-world or mathematical problem; understand that a variable can represent an unknown number, or, depending on the purpose at hand, any number in a specified set.

7th Grade:

Ratios and Proportional Relationships:

- 3.) Use proportional relationships to solve multi-step ratio and percent problems.

The Number System:

- 3.) Solve real-world and mathematical problems involving the four operations with rational numbers.

Expressions and Equations;

- 3.) Solve multi-step real-life and mathematical problems posed with positive and negative rational numbers in a form (whole numbers, fractions, and decimals)

8th Grade:

Expressions and Equations:

- 7b.) Solve linear equations with rational number coefficients including equation whose solutions require expanding expressions using the distributive property and collecting the terms.

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PREALGEBRA
CH. 6: PROPORTIONS, PERCENTS, AND . . . CREDIT CARDS?

This guide is not intended to be the final say in what we are doing for the next week and a half, which is not clearly stated on the assignment sheet, but hopefully it will help you out.

1. CREDIT CARD DESIGN

DUE: _____

REQUIREMENTS: Your card should be proportional to the actual size of a real credit card; so measure the width and length of a card, decide how long you want your card to be, then use proportions to figure out the width. It should be creatively, carefully, colorfully, courageously (?) designed on poster board or unlined paper of some sort The card can be laminated later.

GRADING SCALE:

creative	2	1	0
carefully constructed	2	1	0
colorful	2	1	0
catch-all (eye appeal . . .)	2	1	0
TOTAL POINTS	(possible of 8)		

Two class members and the teacher will grade each card; your final score is the mean of the three grades.

2. CREDIT CARD ADVERTISEMENT

DUE: _____

REQUIREMENTS: You may do this part in a group of your choosing or by yourself. You will submit an ad for a magazine, newspaper, or TV. If the ad is for TV, it should be no more than 45 seconds in length. It may be performed live in front of the class or taped and observed by the class on the TV. It should be creative, well thought out, emotional . . . and any other intangibles, such as humorous, sad, or frightening, as brought up by the class during the discussion on real commercials.

GRADING SCALE:

creative	2	1	0
carefully constructed	2	1	0
emotional appeal	2	1	0
convincing	2	1	0

Same way of scoring as mentioned above.

3. COLLAGE OF PURCHASES

DUE: _____

REQUIREMENTS: Display your credit card purchases in a collage on $8\frac{1}{2} \times 11$ unlined paper so that it somehow communicates which items are considered to be "wants" and which are "necessities." You will be cutting and pasting from catalogs, so the more we have, the better your projects will be. Same grading scale as item 1 but worth only 4 points, and I'll grade this part myself.

4. ANALYSIS OF PURCHASES

DUE: _____

REQUIREMENTS: I'll let you know later. This is the "good stuff" where the project all ties together. You'll be attaching this analysis to your collage eventually. Different type of grading than previously mentioned (you'll see why.) Ideally we'll be able to display a number of these collages in the room or during conferences, so realize that the audience for this project is much larger than the immediate class. As the saying goes, ENJOY!