**Exploring** Financial Identity through Mathematics and Statistics

Managing debt

**Explore what debt is, how to manage debt and the difference between good and bad debt.**

About this resource

This resource supports learners to understand what debt is, how to manage debt and the difference between good and bad debt.

View the Level 4 and 5 achievement objectives related to this learning experience [**here**](https://sortedinschools.org.nz/api/v1.0/download?files=311)**.**

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# SOLO taxonomy

The learning experiences in this resource are aligned to SOLO Taxonomy to ensure cohesiveness, constructive alignment and cognitive stretch for all learners. This gives you choices throughout the learning process.

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| --- | --- | --- |
|  **Need it/Know it** | A picture containing text  Description automatically generated **Think It/Link it**  | A picture containing icon  Description automatically generated **Extend it/Defend it**  |
| Make connections to what you aready know. This is the starting point for new learning. | Link your ideas and make connections to build new knowledge and understandings. Learn about the perspective and insights of others. | Extend your learning by applying it to new contexts. Find evidence, validate sources, summarise your thinking and present your findings to clarify.  |

# Sorted themes

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Debt

Managing my money

 Learning experiences

|  |  |  |
| --- | --- | --- |
|  **Need it/Know it**  |  **Think it/Link it**  |  **Extend it/Defend it**  |
| **Explain** what a debt is. **View** the debt [PowerPoint](https://sortedinschools.org.nz/api/v1.0/download?filename=debt-powerpoint&files=2246).**Read, analyse**, and **discuss** the [infographic](http://sortedinschools.org.nz/api/v1.0/download?filename=debt-infographic&files=259) about debt. Read the Sorted booklet, [Debt in English](https://sorted.org.nz/assets/Order-Collateral-booklets/Sorted-Debt-Booklet.pdf) or [te reo](https://sorted.org.nz/assets/Order-Collateral-booklets/Sorted-Debt-Te-Reo-Booklet.pdf).**Explain** what is meant by “getting into debt is easy”. **Describe** how Joe got on top of his debt. **List** any debts you have. Include debts to whānau members and friends. Do you have any debt? **List** factors that could impact on your credit rating in the future.**Explain the concept of** credit.**Read** [Credit cards – credit card debt and management](https://sorted.org.nz/guides/credit-cards).**Describe** how credit cards work. **Write** a list of tips for how to manage credit cards.**Describe** what a penalty is. | **Explain** why borrowing can be risky if your circumstances change.**Compare** a range of interest rates from a range of different lenders.**Explain** the difference between “good” debt and “bad” debt **Read** [Credit cards – credit card debt and management](https://sorted.org.nz/guides/credit-cards).**Describe** how credit cards work. **List** some advantages and disadvantages of credit cards. **Explain** why school leavers are sometimes encouraged to get credit cards when they leave school?Complete “Exploring debt – Brainstorm” in [Managing Debt: Is credit the way to go?](http://sortedinschools.org.nz/api/v1.0/download?filename=managing-debt-is-credit-the-right-way-to-go&files=51) and share your findings with a partner or group. **Reflect** on what you have learnt and what you need to investigate further to gain a full understanding of credit cards and debt. Complete the activity “Calculating simple and compound interest” in [Managing Debt: Is credit the way to go?](http://sortedinschools.org.nz/api/v1.0/download?filename=managing-debt-is-credit-the-right-way-to-go&files=51) | **Evaluate** how good debt can contribute to your financial identity.**Read** [Managing Debt: Is credit the way to go?](http://sortedinschools.org.nz/api/v1.0/download?filename=managing-debt-is-credit-the-right-way-to-go&files=51)and **evaluate** payment plans for managing debt on a credit card. **Analyse** the differences between payment arrangements Jill can make to manage her debt. |



**Tip: Pick different learning experiences from each column to build a framework of lessons that differentiates your classroom**