THE DEVELOPMENT OF RESOURCE MATERIALS FOR TEACHING CREDIT TO TEEN-AGERS

By

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1965

Submitted to the faculty of the Graduate College
of the Oklahoma State University
in partial fulfillment of the requirements
for the degree of
MASTER OF SCIENCE
July, 1967

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TEACHING CREDIT TO TEEN-AGERS

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ACKNOWLEDGMENTS

Appreciation and gratitude is extended to the many people who contributed to the completion of this study. The writer acknowledges her sincere indebtedness to Dr. Elizabeth C. Hillier, Professor of Home Economics Education, for her guidance and encouragement throughout the completion of this study.

To Dr. June Cozine, Head of the Department of Home Economics Education, and Dr. Florence McKinney, Head of the Department of Home Management, Equipment and Family Economics, the writer expresses her appreciation for their counsel in the beginning of this study.

The writer wishes to express her thanks to Mrs. JoAnne Price for the typing of the manuscript.

Acknowledgments would not be complete without thanking the writer's family who has given continual understanding and support throughout this study. To her husband, Charles; daughter, Robin; son, Travis; and parents, Tom and Florence Crane, this thesis is dedicated.

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CHAPTER I

INTRODUCTION

It is estimated that there are over 25 million youths in the United States between the ages of 13 and 19. Lester Rand, head of New York's Youth Research Institute, suggests that these youths have more than 18 billion dollars either in earnings, gifts, allowances or family loans to spend as they see fit. According to Rand, by 1970 teen-agers will number more than 30 million with disposable incomes totaling 30 billion dollars.[1]

Therefore, the teen-age consumer is a growing concern in the American economy because of the money he earns and spends. The teen-age market has become so important that many organizations such as the American Home Economics Association, National Education Association, and National Bureau of Economic Research are devoting time, money and energy in an attempt to help solve the problems that this situation creates. The increasing consumer role of the adolescent affects businesses catering to the nation's young people and the adolescents themselves. Their consumer role is a new aspect of teen-ager's behavior as social beings.

The teen-ager of the sixties is the offspring of parents who were known in their adolescent years as "children of the depression." When

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[1] Charles and Bonnie Remsburg, "Wooing the 'Dimply, Pimply'," The New York Times Magazine, June 5, 1966, p. 2.

these parents were young they lived through and fought World War II. Their growing years were anything but affluent. Marketing analysts of the depression years did not concern themselves with youthful consumers because youth had very little money to spend and there was not much to buy in the way of consumer goods. The "consumer trainees" of the late 30's and early 40's were influenced by the economic and political world they were experiencing. They knew no market of abundance.[2]

Two money worlds exist today in the family of the teen-ager. One world is a mother and a father whose life experiences stretch from the depression to the affluent sixties. The second world is the sons and daughters whose life environment has been characterized by abundance.[3] Parents, teachers, youth workers, and the community at large all have a vital stake in the solution to problems raised by this new affluent society and its affect upon the adolescent. Although charges and complaints have been made on the American businessman over-emphasizing the teen-age market, it appears that increasing attention will be paid to affluent adolescents. By 1970, it is expected that these youths may be spending twice as much as they spent in 1962.[4]

"Charge it" is a magic phrase to many adults. This magic phrase in the mouths of teen-agers is now an explosive buying weapon that adds to the already staggering problems of American families.[5] The Remsburgs

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[2]Beatrice Paolucci and Helen Thal, Youth and Money, (National Education Association, Department of Home Economics, 1964), p. 7.

[3]Ibid.

[4]Arch W. Troelstrup, Consumer Problems and Personal Finance, (New York: McGraw-Hill Book Company, 1965), p. 101.

[5]Ibid, p. 100.

say two out of five teen-agers already have charge accounts. The trend of extending credit to teen-agers is no doubt due to their increased purchasing power.[6]

Teen-age charge accounts can be a valuable experience only if the credit user understands the implications of using credit. It might be agreed that ideally the family in its home makes the perfect laboratory to educate children in money management. Of course, the effectiveness of such an undertaking would depend on the attitudes of the parents and the extent to which they would share with their sons and daughters the knowledge, experiences and practice in the area of finance. Evidence shows that families tend not to share money experiences with their children and too often parents themselves lack fundamental knowledge in the handling of money matters.[7] Adams[8] found that parents did not have enough background in credit to set a precedent for their children. Parents agreed that if teen-age credit does exist, an educational agency should teach credit and its implications. Reisman[9] points out that classes in home economics and family living are comprised of "consumer trainees." To the teacher then falls the responsibility and opportunity for educating these trainees in the art of intelligent financial consumership. The result of this education will bring to the teen-ager an

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[6] Remsburg, p. 4.

[7] Paolucci and Thal, p. 6.

[8] Jane Carmel Adams, "A Survey of Money Management Knowledge and Practices of Three Northern Idaho Schools," (Unpublished Master's thesis, University of Idaho, 1965), pp. 63-64.

[9] David Reisman, Nathan Glazer and Revel Denney, The Lonely Crowd, (New York: Doubleday, 1953), pp. 95-96.

enhanced quality of living as well as a higher level of living for today and tomorrow.

Statement of the Problem

The purpose of this study is to develop resource materials to be used in teaching credit to teen-agers.

Unfortunately, many teen-agers do not recognize the implications of credit usage. Therefore, this research problem is concerned with developing resource materials to be used in teaching credit to teen-agers. The writer feels many teachers do not go into enough depth when teaching credit to teen-agers due to a feeling of inadequacy on the subject. It is hoped that the resource materials developed and the form used will be of practical use to the educator.

The objectives of this study are:

1. To devise references and resources to be used in teaching credit to teen-agers.

2. To use a conceptual approach in placing these resources in a form that can be easily used by educators.

In developing this resource material, the conceptual approach was used. Concept learning is being recognized as a dominant element in education.[10] Many educators have realized the necessity of teaching larger ideas rather than isolated facts. An evidence of this is the nationwide interest in the identification of significant concepts and

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[10] Asahel Woodruff, "The Use of Concepts in Teaching and Learning," The Journal of Teacher Education, Vol. 15, March, 1964, p. 95.

generalizations in each subject matter area in home economics.[11] In this study, generalizations, behavioral objectives, and learning experiences are used to clarify the concepts.

The concepts for which this resource material has been developed are:

I. The place of credit in the economy

II. Use of credit

III. Kinds or types of credit

IV. Sources of credit

V. Cost of credit

Delimitations of the Study

1. The resource material has been developed for five concepts concerning credit. As a teacher uses this material, she may find additional concepts. The writer feels these five concepts are of primary importance in relation to the study of credit.

2. The resource material was developed to help teachers teach credit to teen-agers. The writer feels that some concepts of credit can be and should be started at a much younger age.

3. The resource material will likely have to be adapted to the local situation with which the teacher is involved.

4. The materials in this study are subject to revision as consumer credit is increasing in use and more material on credit is becoming available.

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[11] Mimeographed Work Material for Curriculum Work Shops, Department of Health, Education and Welfare, Office of Education, Division of Vocational Education, Home Economics Education Branch, Washington, D. C., (n.d.)., p. 1.

Definitions of Terms Used in the Study

Some definition of the terms, "teen-ager" or "adolescent" is advisable, since no consensus seems to have been reached about the meaning of either word. For example, the Bureau of the Census defines "teen-age" as from ages 13 through 19; in popular terms it refers to junior and senior high school students; the Girl Scouts consider the 14-to 17-year-old group as teen-agers; Seventeen Magazine, which attempts to reach teen-age girls, focuses on the 15- to 19-year-olds; while department stores generally designate as "teen" departments those which cater to 13- to 16-year-olds.[12] "Adolescence" is usually given a more scientific definition but in this study both teen-ager and adolescent will be used interchangably and mean "boys and girls between the ages of 13 through 19 years."

Consumer Credit:

Refers to the money or purchasing power extended by lending agencies to individuals.[13]

Concept:

A concept is a relatively complete and meaningful idea in the mind of a person. It is an understanding of something. It is his own subjective product of his way of making meaning of things he has seen or otherwise perceived in his experiences. At its most concrete level

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[12] Irene Oppenheim, The Family as Consumers, (New York: The MacMillan Company, 1965), p. 251.

[13] Ibid, p. 51.

it is a synthesis of a number of conclusions he has drawn about his experience with particular things.[14]

Generalization:

A generalization is a complete statement which expresses an underlying truth, has an element of universality, and usually indicates relationships between two or more elements.[15]

Behavioral Objective:

An aim or goal stated in terms of behavior expected of the learner.[16]

Taxonomy of Educational Objectives:

A set of standard classifications of educational objectives, beginning from simple and leading to more complex.[17]

Cognitive Domain:

Includes those objectives which deal with the recall or recognition of knowledge and the development of intellectual abilities and skills.[18]

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[14] Woodruff, pp. 81-99.

[15] Mimeographed Work Material for Curriculum Work Shops, Department of Health, Education and Welfare, Office of Education, Division of Vocational Education, Home Economics Education Branch, Washington, D. C., (n.d.). p. 2.

[16] Mimeographed Work Materials: Seminar to Identify Home Economics Education Content in Terms of Competencies and Concepts, Department of Home Economics Education, University of Nebraska, under contract with the Office of Education, Lincoln, Nebraska, (n.d.).

[17] Benjamin S. Bloom, ed., Taxonomy of Educational Objectives, Handbook I: Cognitive Domain, (New York: David McKay Company, 1956).

[18] Ibid, p. 7.

Affective Domain:

Includes objectives which describe change in interests, attitudes and values, and the development of appreciations and adequate adjustments.[19]

Procedure Used for Developing Resource Materials

Procedure for developing the resource materials include the following:

1. Reviewing of literature related to teen-agers, credit and the conceptual approach to learning.

2. Selection of basic concepts to be learned.

3. Identification of generalizations which give depth and meaning to the concepts.

4. Formulation of behavioral objectives for the learners to indicate the desired outcomes expected as a result of concept formation. Behavioral objectives have been stated in the form which is similar to the form used in the taxonomy of cognitive[20] and affective domain.[21]

5. Developing possible learning experiences for each concept.

6. Suggestions for evaluation devices.

7. Compiling possible teaching aids for each concept.

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[19] Ibid.

[20] Bloom.

[21] D. R. Krathwohl, B. S. Bloom, and B. B. Masia, Taxonomy of Educational Objectives, Handbook II: Affective Domain, (New York: David McKay Company, 1964).

CHAPTER II

REVIEW OF LITERATURE

The Teen-ager in Our Society

> . . . Educating its young is probably a society's second most fundamental task-second only to the problem of organizing itself to carry out action as a society. Once organized, if a society is to maintain itself, the young must be so shaped as to fit into their roles on which the society's survival depends.[22]

The adolescent or teen-ager has most usually been thought of as being at an age that exists between childhood and adulthood or maturity. He is thought of neither as a child nor as an adult. It is no wonder that this is a trying time for many boys and girls. The length of the period in adolescence differs from individual to individual, but it is viewed by many people as the teen years, ages 13-19.

Why should the teacher, parent, or any other adult who works with young people study the adolescent or teen-ager? Malm and Jamison[23] say:

> . . . The answer seems clear enough when we look at those adults that are ill-advised, awkward, bungling, or even cruel and vicious in their treatments of young people. When we see

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[22] James S. Coleman, The Adolescent Society, (New York: The Free Press, 1961), p. 1.

[23] Marguerite Malm and Olis G. Jamison, Adolescence, (New York: McGraw-Hill Book Company, Inc., 1952), p. 10.

> parents who dominate their children and refuse to let them grow up, parents who are cold and unfeeling toward their sons or daughters, parents who are harsh and demanding, when we see teachers who have no understanding of what makes life interesting and worth while to the teen-agers with whom they work, teachers who have no sympathy with the adolescent who is having difficulty in his adjustment, teachers who are envious of the happiness of youngsters getting along well, teachers who inflict their own feelings on those in their charge, when we see townspeople who have no interest in providing good recreational facilities for boys and girls, who are untroubled by vice spots in the community, who let poorly chosen police and court officials handle the juvenile delinquency cases - when we see people like these, we feel rather sure that some of them would become more considerate, more sympathetic, and more effective in their dealings with the boys and girls in their homes and in their classes and would become more concerned with providing good schools and good community life for youth if only they could study the adolescent and learn more about his needs, his problems, his interests, his likes and his dislikes.

It is difficult for teachers and parents to see the whole of the adolescent problem. Teachers and parents must understand adolescents or teen-agers and see how they are like and unalike all adolescents. To understand the adolescent involves knowing their problems and when to try to help or when to leave things alone. Helping the adolescent requires vision and a great depth of understanding. It would not matter so much if society was just an onlooker of the adolescent, but all society influences the adolescent and guides him.

Stone and Church[24] feel adolescence has arisen out of the changing patterns of our society. It has become solidly institutionalized as a period when the individual is no longer a child but is still immature. Our culture is inclined to say that adolescence is inherent in the adolescent's incomplete maturity. Stone and Church[25] also believe that

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[24] L. Joseph Stone and Joseph Church, Childhood and Adolescence, (New York: Random House, 1957), pp. 274-275.

[25] Ibid, p. 275.

the complexities in adult life in our society demand an extended apprenticeship, and that a certain amount of conflict between generations may be inevitable and perhaps even desirable, but there is room to doubt whether the apprenticeship our society provides is the most effective one.

Until the comparatively last few years, educators have not been curious enough to learn how teen-agers or adolescents figure in the American economy.[26] The teen-agers' and adolescents' personality characteristics are doubtlessly well known. They have been tested, analyzed, and profiled. It seems all facets of teen-agers have been studied and reported but despite all this, little effort has been made to guide them toward wise practice in the use of credit.

The teen-age population is becoming an important source of manpower for the American labor pool. Many teen-agers are working because of increased leisure time and the want for money. A large amount of these teen-agers have the opportunity to spend their earnings without supervision. According to the 1960 census, a total of 4,181,093 persons between the ages of 14 and 19 were employed on some sort of regular basis; since the entire employed population numbered some 64 million, teen-agers comprised almost 7 per cent of the labor force.[27] Also, since the number of those between 15 and 19 was slightly over 13 million this means between one-fourth and one-third of the teen-age population

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[26] Paolucci and Thal, p. 5.

[27] U. S. Department of Commerce, Bureau of the Census, Statistical Abstract of the United States, 1961, 82nd ed. (Washington, D. C.: Government Printing Office, 1961), Tables 2 and 5.

was regularly employed.[28] These figures do not reflect the number of those teen-agers working at odd-jobs and in seasonal employment, both of which are usually unreported. A study conducted in 1956 by Eugene Gilbert may have come closer to the actual picture. He found that over half the teen-agers interviewed held part-time and/or summer jobs.[29] The importance of the teen-ager market has grown steadily since World War II and it seems the increase is again on an upward turn. The National Consumer Finance Corporation stated that the "youth market is rapidly attracting attention today as 16 million junior and senior high school boys and girls control $6 billion annual spendable income of their own.[30] Others have estimated the total teen-agers' own spendable income may be as high as $15 billion.

Young people need to understand the basic fundamentals of money management if they are going to learn to live with money for the rest of their lives. They must know how to assess and to use their money and other resources. They will need to be familiar with financial institutions and how to use them to the best advantage. The teen-agers will need to understand how the economy of the nation affects them and how they affect the nation's economy, for example, by using such items as credit.

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[28] Ibid., pp. 6-7.

[29] Eugene Gilbert, Advertising and Marketing to Young People, (New York: Printers Ink, 1957), p. 21.

[30] National Consumer Finance Association, Finance Facts, (June, 1960), p. 1.

ional education or training, through the investment of borrowed money at a
of return that is greater than the cost of borrowing.

4. Raise the standard of living

ised as homes, automobiles, furniture, appliances,
ance and insurance and health services. Demand is cre-
without money, through credit. Today, young people are not willing to wait for savings to
ulate before they begin to enjoy the things that make for a
e comfortable life.

Adolescents are the future resources in a
hat will be the leaders of our nation. Our future may de
on the standards they develop in young people more than any
factor. Some of the factors which give meaning to young people are
young people, Robert Higgins, Robert
eeks[33] and Weeks[33] found programs to look credit
ely in the early years of adolescence and the advantages and dis-
:ages; credit is a powerful force in the lives of young people
y used; excessive if
are hidden; credit is a responsibility to live up to
or the teen-ager is the start of a pattern that will follow
:rson through life.

'oday, it is Americans have
:casion had more of more of many forms.[34] Credit

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[13] Winefred Eastwood, Barbara Higgins, Robert Higgins, Helen Roberts and Shirley
"Teen-age Credit Programs," Journal of Home Economics, Vol. 53,
1961, p. 663.

[4] Bryant Phillips and Sylvia Phillips, Personal Finance, (New York:
iley and Sons, Inc., 1963), p. 53.

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CHAPTER III

DEVELOPMENT OF RESOURCE MATERIALS

Summary of Resource Materials Reviewed

The main purpose of this study was to develop a set of resource materials to be used in teaching credit to students. The writer had been developing her developing her research by reviewing literature and guidelines for both for students, both for stability second by reviewing her own personal experiences in teaching these students. These eleven guides of various kinds were included: name of the unit in which credit was included, grade level, date of the curriculum guide, emphasis given to the various subject matter included; type of learning experiences; teaching aids; principles, or understandings and concepts; and suggested evaluation.

The years of the guides ranged from 1947 to 1966. The 20 guides were revised no more than once. The guides before 1956 had very little material on borrowing as credit, but a guides between 1956 and 1966 had more emphasis. It is assumed that the concepts of consumer credit were consumer education. Credit was generally included in the home economics education unit. The average length of the units was four weeks. Because of the many other demands on the time, credit would probably be limited to two lessons.

In every state guide reviewed, the age level for which materials on credit were included were for junior or senior years in high school. In half of the guides, the information was for mixed classes of boys and girls and in the other half, classes were for girls only.

The types of problems most prevalent in the curriculum guides were the following; to know different sources and costs of credit; to determine costs and interest rates of credit; to understand the use of credit as a source of financial security; to know the advantages and disadvantages of using credit; to know the value of a credit rating; to understand the responsibility of the credit user; to know the different types of credit; and to know the different kinds of credit and their advantages and disadvantages. It is from these main problems the five concepts were chosen in developing the resource materials.

Very little was found in the state curriculum guides concerning evaluation devices. Many teachers need suggestions on ways to evaluate pupil progress. Many times evaluation devices which were suggested were included with the learning experiences. The writer feels that evaluation and learning experiences can go hand in hand and therefore has combined these two items in her resource materials.

Textbooks were reviewed in the areas of personal finance, economics, and home economics. All these books had material on credit, but no one book contained the extent of information on credit that would seem to be desirable for today's teen-agers. More than one or a combination of the present literature on credit would appear to be needed by the teacher.

Method of Presenting Resource Material

The conceptual approach was used for developing the resource materials contained in this study. The writer agrees that the learning of pupils will be more effective if teachers organize units on the basis of broad concepts. The five concepts chosen for this study were considered to be the outstanding ideas in the literature reviewed. Generalizations were then chosen to give the concepts more depth and meaning. Many of the generalizations are the writer's own and others were adapted from generalizations developed by leaders in home economics with specialization in home management and family economics.

Behavioral objectives, learning experiences and evaluation related to the selected concepts and generalizations were then formulated. Behavioral objectives have been classified according to both the "Cognitive" and "Affective" domains of learning. The thinking progress is signified by the word "Cognitive" and involvement of feelings or emotion is indicated by the word "Affective." Learning experiences and evaluation have been combined because these two items are interrelated. The writer feels a pupil can not experience one of these without the other being involved.

The teaching aids for the resource materials are adapted from those which were found in curriculum guides, textbooks and other literature dealing with credit. It is felt that these are some of the better teacher aids, but as was stated previously, the teacher should always adapt resource materials to her local situation.

CONCEPT I: The Place of Credit in the Economy

GENERALIZATIONS:

1. Our American economy is based on credit.

2. Consumer credit is one of the factors in creating the necessary balance between supply and demand in our mass production society.

3. Attitudes toward credit have changed over the last half century.

4. The desire for a higher standard of living is one reason the use of consumer credit has become more popular.

5. Consumer credit has seen an increase in use over the last few years.

6. The family economy affects and is affected by the larger economy.

BEHAVIORAL OBJECTIVES:

1. Understands how credit affects the national economy. (Cognitive)

2. Is aware of the change in the concept of the use of credit. (Affective)

3. Understands why credit is used today. (Cognitive)

4. Knows the major developments that have made consumer credit popular today. (Cognitive)

5. Knowledge of ways of managing individual and family financial resources. (Cognitive)

6. Understands the affect of the family's use of credit on the economy. (Cognitive)

LEARNING EXPERIENCES AND EVALUATION:

1. Class discussion on "What is Consumer Credit?"

2. Have students write short essay on "How Credit is Used by the American Family Today."

3. Show films "Every Seventh Family" and "The Littlest Giant." Have students react to the films on paper.

4. Have outside speaker give talk on the relationship of credit to our national economy. Outside speaker could be from Better Business Bureau or Retail Credit Bureau.

5. Give informal questionnaire to class members covering attitudes toward credit in general and toward specific items. Ask about recent items purchased on credit, how it was financed, and why. Above all, keep answers anonymous.

6. Give examples of how large businesses have developed and advanced by using credit.

TEACHING AIDS:

BOOKS:

1. Donaldson, Elvin F., and John K. Pfahl, Personal Finance (New York: The Ronald Press Company, 1966). Chapter 3, pp. 70-105.

2. Gross, Irma H., and Elizabeth W. Crandall, Management for Modern Families (New York: Appleton-Century-Crofts, 1963). Chapter 14, pp. 475-495.

3. Nickell, Paulena, and Jean M. Dorsey, Management in Family Living (New York: John Wiley and Sons, Inc., 1961). Chapter 13, pp. 284-311.

4. Oppenheim, Irene, The Family as Consumers (New York: The MacMillan Company, 1965). Chapter 4, pp. 51-66.

5. Phillips, Bryant, and Sylvia Lane, Personal Finance (New York: John Wiley and Sons, Inc., 1963). Chapter 3, pp. 53-85.

6. Troelstrup, Arch W., Consumer Problems and Personal Finance (New York: McGraw-Hill Book Company, 1965). Chapter 4, pp. 88-119.

7. Unger, Maurice A., and Harold A. Wolf, Personal Finance (Boston: Allyn and Bacon, Inc., 1964). Chapter 4, pp. 58-80.

PAMPHLETS:

1. Mors, Wallace P., Consumer Credit Facts For You, Bureau of Business Research Educational Pamphlet No. 1 (Cleveland, 1959).

FILMS:

1. Modern Talking Pictures, Inc., "Every Seventh Family" and "The Littlest Giant."

CONCEPT II: Use of Credit

GENERALIZATIONS:

1. Individuals and families need to consider the pro's and con's of the use of credit before deciding to use it as a means of paying for goods and services.

2. Most family business practice can involve the use of both credit and cash.

3. An estimate of income and necessary expenses to be incurred are bases for determining the amount of credit that an individual and family can use.

4. Credit can be used safely only in amounts that can be comfortably repaid out of future income.

5. Misuse of credit may bring financial problems to the borrower, the lender or seller, the community, and the economy.

6. A satisfactory credit rating is of value when it is necessary to borrow money or buy on time.

7. Often there are problems involved in the management of individual and family income.

8. Spending is as important as earning in the managing of individual and family resources.

9. Individual and family choices influence, and are influenced by, market conditions and marketing practices.[42]

10. A credit rating is an indication of confidence others have in you.

11. A thorough understanding of credit and the values an individual has toward the use of credit facilitate one's ability to use credit wisely.

12. If the amount of credit extended to an individual exceeds the amount he is willing or able to repay, his credit rating is affected.

13. The public's use of credit determines the kind of credit available to individuals and families.

14. A credit rating is based on willingness to pay, ability to pay, and the property that is offered as security.

15. The use of credit involves responsibility.

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[42] Mimeographed Work Material for Curriculum Work Shops, Department of Health, Education and Welfare, Office of Education, Division of Vocational Education, Home Economics Education Branch, Washington, D. C., (n.d.). p. 10.

BEHAVIORAL OBJECTIVES:

1. Can compare the advantages and disadvantages of credit usage. (Cognitive)

2. Knows how to determine the basis for using a safe amount of credit. (Cognitive)

3. Is aware of the consequences of misuse of credit. (Affective)

4. Understands the importance of a good credit rating. (Cognitive)

5. Knows what is involved in establishing a credit rating. (Cognitive)

6. Understands the risks involved in using credit. (Cognitive)

7. Recognizes there is a time and place for credit usage. (Cognitive)

8. Knowledge of ways of managing individual and family financial resources. (Cognitive)

LEARNING EXPERIENCES AND EVALUATION:

1. Discussion of:

   a. Why do individuals and families use consumer credit?
   b. What are some questions a creditor may ask you before granting you credit?
   c. What is the difference between retail credit and cash credit?
   d. What are the consumer's responsibilities in using credit?
   e. How can the wise use of credit raise your family's level of living?
   f. What factors should be considered before opening a charge account? Would these be the same for teen-agers?
   g. How important is a credit rating?

2. Analysis of credit application forms from different credit sources.

3. Have class write a short essay on "A Good Credit Risk."

4. Show films: "Mrs. Consumer Considers Credit" and "How to Use Credit Wisely."

5. Debate on cash vs. credit.

6. Students make list of "Questions to Ask Myself Before Using Credit."

TEACHING AIDS:

BOOKS:

1. Donaldson, Elvin F., and John K. Pfahl, Personal Finance (New York: The Ronald Press Company, 1966). Chapter 3, pp. 70-105.

2. Gross, Irma H., and Elizabeth W. Crandall, Management for Modern Families (New York: Appleton-Century-Crofts, 1963). Chapter 14, pp. 475-495.

3. Nickell, Paulena, and Jean M. Dorsey, Management in Family Living (New York: John Wiley and Sons, Inc., 1961). Chapter 13, pp. 284-311.

4. Oppenheim, Irene, The Family as Consumers (New York: The MacMillan Company, 1965). Chapter 4, pp. 51-66.

5. Troelstrup, Arch W., Consumer Problems and Personal Finance (New York: McGraw-Hill Book Company, 1965). Chapter 4, pp. 88-119.

6. Unger, Maurice A., and Harold A. Wolf, Personal Finance (Boston: Allyn and Bacon, Inc., 1964). Chapter 4, pp. 58-80.

7. Wilhelms, Fred T., Ramon P. Heimerl, and Herbert M. Jelley, Consumer Economics (New York: McGraw-Hill Book Co., 1966). Part 8, pp. 108-122.

PAMPHLETS:

1. Facts You Should Know About Borrowing (New York: Better Business Bureau, 1959).

2. Credit for Consumers (New York: Public Affairs Pamphlets).

MAGAZINES:

1. "Do You Owe Too Much," Changing Times, Vol. 14, May, 1960.

FILMS:

1. Household Finance Corporation, "Mrs. Consumer Considers Credit."

2. Household Finance Corporation, "How to Use Consumer Credit Wisely."

CONCEPT III: Kinds or Types of Credit

GENERALIZATIONS:

1. Two kinds of credit are retail credit and cash credit.

2. Charge accounts and installment buying are forms of retail credit.

3. There are a variety of ways to make credit payments.

4. The credit field is opening up to teen-agers.

5. Consumer credit is available from organizations that lend cash, institutions that extend sales credit and companies that provide credit indirectly.

6. It is as important to shop for credit as for other goods and services.

7. The public's use of credit determines the kind of credit available to individuals and families.

BEHAVIORAL OBJECTIVES:

1. Knows different forms of credit. (Cognitive)

2. Is aware of the different payment plans that can be used in paying for credit. (Affective)

3. Understands the advantages and disadvantages of charge accounts. (Cognitive)

4. Is aware of the different kinds of charge accounts. (Affective)

5. Realizes that as teen-agers, the credit field is opening to them as new credit customers. (Cognitive)

LEARNING EXPERIENCES AND EVALUATION:

1. Investigate types of credit available locally and report to class.

2. Discuss undesirable practices that could result from using charge accounts.

3. List items typically purchased with charge accounts, installment plan and discuss advantages and disadvantages of each.

4. Individual reports on retail credit-charge account, revolving credit, installment credit.

5. Paper and pencil evaluation on retail credit and cash credit.

6. Vocabulary study - retail credit, cash credit, charge account.

7. Survey of class to see how many use credit in some form.

TEACHING AIDS:

BOOKS:

1. Donaldson, Elvin F., and John K. Pfahl, Personal Finance (New York: The Ronald Press Company, 1966). Chapter 4, pp. 105-135.

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CONCEPT V: Cost of Credit

GENERALIZATIONS:

1. Credit is a service for which consumers pay.

2. Knowing the cost of credit contributes to using it intelligently.

3. A wise consumer will seek information about the true cost and true rate of interest of credit when he buys.

4. One can expect the convenience and services offered by various methods of financing to add to the cost of a product or service.

5. Cost of credit varies with the source of credit.

6. Credit is a convenience but this convenience costs.

7. The cheapest way to pay for anything is pay cash for it.

8. The more money spent for interest and other credit charges, the less is available to buy goods and services.

BEHAVIORAL OBJECTIVES:

1. Understands the use of credit always costs money. (Cognitive)

2. Can figure true cost of credit and true interest rate. (Cognitive)

3. Can compare the cost of items purchased on credit with the same items purchased with cash. (Cognitive)

4. Is aware of the different costs of different credit sources. (Affective)

5. To analyze why credit has a cost. (Cognitive)

LEARNING EXPERIENCES AND EVALUATION:

1. Individual reports on the credit costs of different credit sources.

2. Compiling of a chart to indicate the varying costs of different credit sources.

3. Comparison of what one item would cost purchased from different credit sources.

4. Paper and pencil test on figuring true interest rates and true costs of credit.

5. Speaker from a local credit institution speaking on "Why Does the Use of Credit Cost?"

6. Take advertisement from newspaper concerning credit and figure the cost of credit.

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CHAPTER IV

SUMMARY AND IMPLICATIONS

Summary

The present study was concerned with developing resource materials to use in teaching credit to teen-agers. The conceptual approach was used in developing the materials. The writer felt the five concepts chosen were the most important in the field of credit that should be taught to teen-agers.

The five concepts were:

I. The place of credit in the economy

II. Use of credit

III. Kinds or types of credit

IV. Sources of credit

V. Cost of credit

Generalizations were developed for each concept to provide depth and meaning to the concept. Behavioral objectives were formulated to identify behavioral changes desired by the students. The behavioral objectives were classified into either the Cognitive or Affective domain. The Cognitive domain deals with thinking while the Affective domain deals with feeling.

Learning experiences were developed to help the students attain the behavioral objectives. The learning experiences and evaluation were

combined because of the closeness of their nature. There were no evaluation devices or instruments included but types of evaluation were given. A list of teaching aids was included to use as background reference in credit.

There was a large abundance of material found on credit and teen-agers. The problem is getting this material put to use. It is felt that the reason that few curriculum guides give emphasis to the teen-ager and credit is that these are rapidly growing subjects and the latest information was unavailable for many curriculum guides.

In the writer's opinion, the objectives of this study were attained. They were: (1) References and resources were devised for teaching credit to teen-agers, and (2) The conceptual approach was used in placing these resources in a form that can be easily used by educators.

Implications

1. The main contribution of this study was to develop resource materials for teaching credit to teen-agers. The actual value of this resource material can not be determined unless it is actually used.
2. The very fact that teen-agers use credit is an indication that they need to be educated in credit and its many aspects.
3. Attention should be given to some aspects of credit in the gainful employment classes which have recently been established as a part of the secondary school vocational home economics programs. Pupils in gainful employment classes will be, if they are not already, earning money and possibly seeking credit.

4. Additional devices and instruments need to be developed to determine pupil growth in the area of credit.
5. Certain concepts of credit could be started at an earlier age than adolescence. An example might be the way a parent handles a child's wanting an advance on an allowance.
6. Additional reference material on credit, geared to the teen-ager, needs to be developed.
7. More attention to the study of credit in state and city curriculum guides seem to be indicated.
8. The learning experiences included in the resource materials are of a suggestive nature. They would probably need to be adapted to the local teaching situation.

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