



MODULE 26A: HANDLING DEBT PROBLEMS A

Choose from the Suggested Activities below to find activities to help your students meet the outcome for this module from the Saskatchewan Financial Literacy 20/30 curriculum.

All resources for this module's activities can be found on saskmoney.ca.

OUTCOME

Analyze the use and potential overuse of credit by individuals.

INDICATORS

- Discuss the relationship between one's credit history and current and future access to credit.
- Discuss reasons why debts may be considered as "good" or "bad."
- Research the indebtedness of Canadians including the current debt to income ratio in Saskatchewan and other parts of the country.
- Discuss reasons why the debt to income ratio might vary from one area of the country to another.
- Discuss the potential impact of carrying too much debt on self and others.
- Research the relationship between financial well-being and physical, emotional and mental health and well-being.
- Investigate ways to manage one's debt including consolidation of loans.
- Investigate conditions necessary for debt to be sent to debt collection and how this might affect one's future access to credit.
- Research protection provided to debtors by the *Saskatchewan Limitations Act, 2004*.
- Research where (e.g., Consumer Protection Division of the Financial and Consumer Affairs Authority) Saskatchewan consumers can get help when a collection agency or lender is perceived to have acted unfairly or illegally.

OVERVIEW

Credit is a device that can help people acquire things or do things before they have access to their own funds. When used correctly it can be a good tool. When used irresponsibly it can lead to some long term problems and prevent people from achieving future financial goals. Students will become aware of the difference between good and bad debt.

PREREQUISITE

Modules 22D and 22E

SUGGESTED TIME

4-7 hours

RESOURCES

- Online Tools:**
 - Credit Counselling Society of Canada*
 - My Money Coach website—Money Makeovers*
 - Get Smarter About Money*
 - Money Sense* article—The difference between good and bad debt
- Assignments and Activities:**
 - "Finances, Debt, and Wellness"
 - Payday Loan activity
 - It's a Money Thing Academy:*
 - Debt Repayment Lesson & Resources, Debt Repayment Worksheet, Student Loan Worksheet

MODULE 26A: CONTINUED

- *Credit Counselling Society of Canada: Budgeting Workbook*
- *NGPF (Next Gen Personal Finance)*
- *Managing Credit Lesson Guide*, including *Going from Broke* hosted by Ashton Kutcher. Please preview episodes!

ASSESSMENT


- several lessons have worksheets suitable for formative feedback
- debt repayment calculator could provide an activity that could be assessed formatively or summatively
- a summative assignment where one student gives advice to another in a fictional situation

SUGGESTED ACTIVITIES

Before instruction, consider that debt may be a sensitive subject for students whose households may be experiencing financial difficulties. Hopefully, these activities can be empowering.

1. **Finances, Debt, and Wellness:**
Consider how an activity and discussion may or may not be appropriate based on the age of the students you are working with. An idea for a case study is provided in the Resources tab (Finances, Debt, and Wellness). Note: this activity has been made available in previous units.
2. **It's a Money Thing.** Good as an introduction or reinforcement! Teachers and students can sign up for a free online account. Each unit has videos and small quizzes. The quizzes are best for formative assessment. See the lesson idea in Resources.
3. Explore the difference between good and bad debt, through this [article](#) from [moneysense.ca](#).
4. Read the article from the *Credit Counselling Society: [Credit Cards—Consumer Friend or Foe?](#)* Students could be given a situation where someone is in a bad financial situation with their credit cards and with the help of the tips shared in this article students could come up with some advice for the person. The *Credit Counselling Society* has many more excellent resources that can be accessed online, and their **Budgeting Workbook** is in Resources!
5. My Money Coach website—[Money Makeovers](#)—would be effective for discussion. The teacher could give students the preliminary information and have them come up with some suggestions. The teacher could then share what the *Credit Counselling of Canada* advisor came up with for a plan. The third **Money Makeover** article is a good example of good and bad debt.
6. *NGPF (Next Gen Personal Finance)* website offers questions and suggestions regarding various episodes of [Going from Broke](#) hosted by Ashton Kutcher. Preview episodes for suitability. They work to change the habits of young people to help them get out of debt. NGPF also has a **Managing Credit lesson guide** that teachers can use.
7. Use a Debt Repayment Calculator such as the one from the [Get Smarter About Money](#) website. This calculator will give monthly payments plans for up to eight credit cards and/or loans along with a plan for repaying and how long it will take. Use this as an individual assignment for students to explore the debt situation of a fictional person, and/or walk through this as a class.



MODULE 26A: CONTINUED



8. As suggested in prior Module 22 units, a role-play would be a great summative activity. This module presents an excellent opportunity for a summative assignment where one student gives advice to another in a fictional situation.,

9. Complete the **Payday Loan, Bankruptcy...What Should I Do?** activity.

ADDITIONAL RESOURCES

1. **Til Debt Do us Part**—Many episodes of Gail Vaz-Oxlade’s Canadian show are available on *YouTube*.
 2. **CFEE Financial Wellbeing Poster.** Access PDF poster (in *Resources*) or order printed versions through CFEE.
- 
- 

For more curriculum information, please visit the Government of Saskatchewan curriculum website.