

Financial Literacy - What Can I Afford?

In this lesson, students will explore the costs of various cell phone plans. The rate structures of cell phone plans represent linear functions that students will compare by graphing in order to determine which plan would result in the greatest savings. Then, students will use these skills to compare checking account options to find the one that best suits their needs.

Grade Level: Grades 9 to 12

Time Allotment: One 45-minute class period

Subject Matter:

- Budgeting and saving
- Spending and investing
- Linear functions
- Cost-benefit analysis
- Compound interest

Learning Objectives

Students will be able to:

- Budget and keep track of expenses to help decide which cell phone plan they can afford.
- Compare cell phone plans using various methods to determine which is the most appropriate for their needs.
- Use direct calculation, tables, and graphs to compare various pricing structures for cell phones, checking accounts, and other services.
- Describe the basics of checking accounts.
- Consider the fees of various checking accounts to determine which one makes the most sense for their needs.

Media Components

Computer Resources:

- Modem: 56.6 Kbps or faster.
- Browser: Netscape Navigator 4.0 or above or Internet Explorer 4.0 or above.
- Personal computer (Pentium II 350 MHz or Celeron 600 MHz) running Windows® 95 or higher and at least 32 MB of RAM. Macintosh computer: System 8.1 or above and at least 32 MB of RAM.
- Software: Any presentation software such as Power Point or HyperStudio (optional).

Specific Software Needed:

- Microsoft Excel or some other spreadsheet program (optional).

Web Resources:

TIP: Prior to teaching, bookmark all of the Web sites used in the lesson and create a word processing document listing all of the links. Preview all sites and videos before presenting them to the class.

- My Rate Plan
Web site: www.myrateplan.com
http://www.myrateplan.com/wireless_plans/index.php?in_affid=
- Let's Talk
Web site: www.letstalk.com
<http://www.letstalk.com/product/promo.htm?depId=2&pgId=101>
- Get Connected
Web site: www.getconnected.com
http://www.getconnected.com/v_wireless/w_common_geography.asp?caller=/v_wireless/w_plan_home.asp%3Ftag%3Di3%26

Each of the above sites has a cell phone plan calculator; that is, by entering some information about how much you plan to use your cell phone, it will offer cell phone plans that you might want to consider.

Materials:

Teachers will need the following supplies:

- Board and/or chart paper
- Ideally a screen on which to project the Web-based video clips
- Handouts of Web resources if computers are not available in the classroom

Students will need the following supplies:

- Computers with the capacities indicated above
- Notebook or journal
- Graph paper
- Pens/pencils

Learning Activities:

Activity:

Explain to students that they will be investigating rate plans for cell phones; that is, they will find out what fees are associated with using a cell phone. As an introduction, explain that they will need to find at least one cell phone rate plan. You may want to have students search for cell phone plans on their own (using the Internet or looking for advertisements), or they can use the cell phone plan calculators available at the following Web sites:

- My Rate Plan
Web site: www.myrateplan.com
Plan comparison calculator:
http://www.myrateplan.com/wireless_plans/index.php?in_affid=
- Let's Talk
Web site: www.letstalk.com
Plan comparison calculator:
<http://www.letstalk.com/product/promo.htm?depId=2&pgId=101>



- Get Connected
Web site: www.getconnected.com
Plan comparison calculator:
http://www.getconnected.com/v_wireless/w_common_geography.asp?caller=/v_wireless/w_plan_home.asp%3Ftag%3Di3%26

Alternatively, they can use their own cell phone plan if they have one.

- Have each student (or pair of students) find and record the details of at least one cell phone plan. Have students use the graphic organizer [Cell Phone Plan Background Information](#) to keep track of their findings.
- As a class, discuss the different plans that were found. Specifically, have students compare the number of minutes allowed, the cost for extra minutes, and any fees.
- Tell students that today's lesson will focus on comparing cell phone plans to determine which is most appropriate for different needs. Explain that scarcity of resources (such as money) makes it necessary to choose between various items (such as different cell phone plans) and that the decision should be based on a sound financial comparison.



Cell Phone Plan Background Information

Directions: Find at least one cell phone rate plan. Record the following information about the plan you find.

1. What is the cost of the plan?
2. What company is offering the plan?
3. How many minutes does the plan allow per month?
4. Is there a fee if the number of allowed minutes is exceeded? If so, what is it?
5. What is the cost per minute if you talk more than the allowed number of minutes?
6. Are there any other fees? If so, describe them and list the amounts.

Directions: As best you can, answer the following questions about cell phone plans. If you don't know the answer, ask a friend, do some investigation, or ask your teacher.

- What do cell phone companies mean when they refer to "anytime minutes" or "whenever minutes"?
- What are "night and weekend minutes"?
- What usually happens when a person exceeds the number of minutes allowed by their cell phone plan?