

Bingo Brown and the Language of Love

by Betsy Byars

Lesson plan by Mary Suiter

Source: www.moneymanagement.org

Printed from

www.choicebank.com

Financial Literacy Library

Description:

Bingo Brown's girlfriend has moved to Bixby, Oklahoma. Another girl, Cici, has decided that she likes Bingo, but Bingo's friend, Billy Wentworth, likes Cici. It is up to Bingo to try to make everything work out.

Personal Finance Concepts:

Credit, credit cards, service credit, interest

Instructional Objectives:

Students will be able to:

- Define credit, loan, and interest.
- Explain what service credit is.
- Compare the advantages and disadvantages of using cash and credit.

Time Required:

Two class periods

Materials Required:

- Copy of *Bingo Brown and the Language of Love*
- Copy of Activity 1 for each student
- Writing paper, pencils or pens
- One poster board
- Magazines, drawing paper, art supplies
- Bulletin board letters to provide three headings: credit cards, loans, service credit
- Staplers
- Copy of Activity 2 for each student
- Copy of Activity 3, cut apart and placed in a container
- Plastic milk jug lids or other items that can be used as bingo covers
- Small prizes for bingo winners

Procedure: Day One

1. When the students have read the book, *Bingo Brown and the Language of Love*, discuss the following.
 - a. What does the author mean by "the language of love?" (*Bingo can actually talk with*

girls. He has mastered the art of mixed-sex conversation.)

- b. Why was Bingo's mom upset with the telephone company? *(There was a charge of \$54.29 on the phone bill for calls to Bixby, Oklahoma, and she didn't think anyone in the Brown house had made those calls.)*
 - c. What did Mrs. Brown learn from Bingo about the phone calls? *(Bingo had made the phone calls to Bixby to talk with his friend, Melissa.)*
 - d. Bingo had asked permission to call Melissa, so why was Mrs. Brown upset? *(Bingo didn't tell her that the calls were long distance.)*
 - e. If Bingo already made the calls, why did the Browns owe money for them? *(People pay for their home phone at the end of each month after they have already used the service.)*
2. Tell the students that Bingo needed to learn another language - the language of credit. Ask students what the word credit makes them think about. *(credit cards, loans)* Explain that **credit** is money loaned, usually for a fee, that must be repaid at a later date. Many people buy things on credit. When they buy on credit, they get to use the good or service now and pay for it later.
 3. Explain that when people buy expensive items, such as houses and cars, they use credit. They borrow money for the house or the car. When they borrow, they are receiving a loan from a bank or financial institution. To repay the loan, they make loan payments each month. Included in the loan payment is interest. Interest is a fee paid for the use of borrowed money.
 4. Ask students why people use credit to buy expensive items. *(If people waited until they saved enough for the item, it would take a long, long time. They want to live in the house now or drive the car now.)*
 5. Ask students for examples of things that people might buy using a credit card. *(clothes, appliances, gasoline, toys, dinner at a restaurant)*
 6. Explain that credit cards are a method of payment by borrowing. When a customer uses a credit card, the bank that issued the credit card pays for the purchases that the customer made. Then, the customer must pay the credit card bill when it arrives at his or her home. If the customer does not pay the full amount of the credit card bill, he or she will be charged interest. **Interest** is an extra amount of money the customer pays to the bank for using the money borrowed with the credit card. Credit cards are convenient and useful, but credit cards aren't the same as cash. When people use credit cards, they are taking out a loan. The credit granted is a **loan**.
 7. Draw a chart on the board like the one below. Explain that there are advantages and disadvantages to using credit and to paying with cash.

Cash

Credit

Advantages Disadvantages Advantages Disadvantages

8. Ask students to think about the advantages and disadvantages of purchasing goods and services on credit and of purchasing goods and services with cash. Write student responses on the board under the appropriate title. (*Cash: advantages - enjoy the good or service now, no additional fees or interest; disadvantages - must wait a long time to buy more expensive items, may be dangerous to carry a lot of cash. Credit: advantages - enjoy the good or service now, don't have to wait so long for more expensive purchases; disadvantages - must use money earned/received in the future to pay for the goods and services, must pay fees or interest charges, must give up other goods in the future*)
9. Point out that most people are familiar with buying goods and services in stores using credit or credit cards. People, however, don't always think about the credit involved with some of the services used in their homes.
10. Explain that when we think of credit, we don't usually think of things such as electricity, natural gas, phone service, and water service. However, we do buy these on credit. This type of credit is called **service credit** - a service that we use now and pay for after we have used it.
11. Distribute a copy of Activity 1 to each student. Read the directions with the students, and explain that they will complete the activity at home and bring it to school for the next class.

Procedure: Day Two

1. Based on Activity 1 homework, discuss the following:
 - a. Do you pay for the electricity used in your home before or after you use it? (*after*)
 - b. Do you pay for garbage collection before or after the service is provided? (*probably after, but answers will vary*)
 - c. What other services do you use in your home for which you pay later? (*phone service, water, sewer service, newspaper delivery*)
 - d. Why are the phone, electric, and other companies willing to provide the service first and allow people to pay later? (*The companies' customers don't want to pay for a service in advance. A company doesn't know how much to charge for the service because it doesn't know exactly how much gas or electricity a customer will use or how many long-distance phone calls a customer might make.*)
 - e. What happens if someone doesn't pay for phone service, electricity, or paper delivery after they have received the service? (*The phone or electric company*)

may disconnect service; the newspaper delivery person may stop delivering the paper.)

- f. What are some examples of goods and services people buy with credit cards?
(gasoline, meals in restaurants, clothing car repair)
 - g. What are some examples of goods and services people buy through a loan?
(houses, cars, boats, vacations, education)
2. Explain that the class will create a credit bulletin board. Divide the class into five groups. Give one group the poster board, bulletin board letters, and art supplies. Explain that they should develop a poster that lists the advantages and disadvantages of buying with credit. They should decorate the poster so that it will look attractive on the bulletin board. Beneath the poster, they should staple the letters to the bulletin board to create the following headings: "credit cards" and "service credit."
 3. Distribute magazines, drawing paper, and art supplies to the remaining four groups. Tell students in two groups to look through the magazines for pictures of goods or services that people buy using credit cards. Tell students in the other two groups to look for pictures of goods or services that they receive in their homes and pay for later; i.e., service credit.
 4. Explain that students may use the art supplies to draw pictures of goods or services that they wish to include but were unable to find pictures.
 5. As students locate and draw pictures, they should staple the pictures under the correct heading on the bulletin board.

Closure:

Discuss the following:

1. What is credit? *(money loaned, usually for a fee, that must be repaid at a future time)*
2. What are credit cards? *(Credit cards are used as a method of payment by borrowing. When a customer uses a credit card, he or she is taking out a loan from the bank that issued the credit card. The customer must pay the credit card bill, or a portion of it, when it arrives. If the customer does not pay the full amount of the credit card bill, he or she will be charged interest.)*
3. What is a loan? *(A loan is money provided for temporary use on the condition that the same amount, usually with interest, be returned at a future date.)*
4. What is interest? *(Interest is an extra amount of money the customer pays for using the money borrowed.)*
5. What are the advantages and disadvantages of using credit? *(Cash: advantages - enjoy the good or service now, no additional fees or interest; disadvantages - must wait a long time to buy more expensive items, may be dangerous to carry a lot of cash. Credit: advantages - enjoy the good or service now, don't have to wait so long for more expensive purchases;*

disadvantages - must use money earned/received in the future to pay for the goods and services, must pay fees or interest charges, must give up other goods in the future.)

6. What is service credit? (*using a service in our homes for which we pay later*)

Assessment:

1. Explain that Bingo Brown needs to learn about the language of credit. Now that the students know something about credit, they can help Bingo.
2. Tell students that they should write a letter to Bingo. In the letter, they must explain what credit is, what credit cards are, what service credit is, and the advantages and disadvantages of buying with credit. Explain the letter format that you want the students to use and allow time for them to complete the letter.
3. Divide the class into pairs. Ask each pair of students to write an announcement that could be read over the speaker system. This announcement should attract other students' attention and explain the advantages and disadvantages of buying on credit. The announcement may take the form of a jingle, song, or poem that will encourage students to remember what credit is and what the advantages and disadvantages of credit are.
4. Allow each pair to share its announcement with the class. Allow the class to vote on the announcement it thinks does the best job of informing students about the topic in a creative way. (Optional: Ask for permission to have the jingle, song, or poem recited over the school's speaker system.)

Extension:

1. Explain that students are going to play Bingo Brown Bingo. Distribute a copy of Activity 2 to each student and a supply of plastic milk jug lids or other items that can be used as bingo covers.
2. Explain that students should write an example of a good people buy with credit cards, a good or service people buy with a loan, or an example of a service people use in their homes and pay for later (service credit) in each box on the bingo sheet.
3. When students have completed the bingo sheet, explain that you will be the bingo caller. Draw one of the bingo call cards and read it to demonstrate how the game works. For example, you may draw a card that says "B - service credit." This means that students may cover one box in the "B" column in which they have listed an example of service credit.
4. Play bingo and distribute prizes to the winners.

Bingo Brown and the Language of Love

Activity 1: Credit Inventory

Dear Parent:

We have been learning about credit. We have learned that people sometimes buy goods and services using credit cards. Sometimes they borrow money with a loan to buy goods and services. We have discussed service credit - receiving services in your home for which you pay at a later time. Also, we have talked about the advantages and disadvantages of using credit. As part of this lesson about credit, the students are asked to have an adult neighbor, parent, or relative help them answer the questions below.

1. When you receive an electric bill, are you paying for electricity that you have already used or electricity that you will use in the future?
2. Do you pay for garbage collection? If so, do you pay for a service already provided, or do you pay for the service in advance?
3. Give some examples of other services used in the home that are paid for after the service is provided.
4. What happens if you don't pay for the electricity, water, or newspaper delivery service after you have received it?
5. What types of goods and services do you buy with a credit card?
6. Have you bought a good or service by taking out a loan? If so, what good or service?

Bingo Brown and the Language of Love
Activity 2: Bingo Brown Bingo

Bingo Brown Bingo

B	I	N	G	O

Bingo Brown and the Language of Love
Activity 3: Bingo Brown Bingo Caller Cards

Bingo Brown Bingo Calling Cards:

B service credit	B service credit	B service credit	B service credit	B service credit	B loan	B loan	B loan
I service credit	I service credit	I service credit	I credit card	I credit card	I credit card	I loan	I loan
N service credit	N service credit	N service credit	N credit card	N credit card	N loan	N loan	N loan
G service credit	G service credit	G credit card	G credit card	G credit card	G loan	G loan	G loan
O service credit	O service credit	O service credit	O credit card	O credit card	O credit card	O loan	O loan
B service credit	I loan	N credit card	O loan	B credit card	I service credit	N loan	O credit card
B loan	I service credit	N credit card	O service credit	B service credit	I loan	N credit card	O service credit