Choices That Count

Evaluate savings, credit, and investments for responsible financial decisions.

CE.14.f "analyzing the role of financial responsibility in good citizenship including, but not limited to evaluating common forms of credit, savings, and investments;"

NAME ______________________ DATE ____________

1 READ AND MARK

Read it twice

YOUR JOB Underline each benefit, cost, or risk of savings, credit, or investments, label it S, C, or I, and circle each action that shows financial responsibility.

Maya Weighs Her Options

1 When Maya's bike needed a $180 repair, she had choices. She could use money in a savings account, borrow with a credit card, or delay the repair while she earned more. A savings account keeps money available for short-term needs and usually pays a small amount of interest. Using savings avoids a debt, but it may leave less money for another emergency. Maya first checked how much she had saved and what expenses were coming soon.

2 Credit lets a person receive money, goods, or services now and pay later. A credit card can be useful for planned purchases or emergencies, yet unpaid balances may grow because the lender charges interest. Paying only the minimum payment usually makes debt last longer and cost more. A borrower should compare interest rates, fees, and payment dates before choosing credit. Paying bills on time protects a person's credit history, which can affect future borrowing costs and housing applications.

3 Investments, such as stocks or bonds, are often used for goals many years away. They may earn more than a savings account, but their value can fall, and returns are not guaranteed. Financial responsibility means matching a choice to a goal, understanding costs and risks, and making payments as promised. Responsible choices can help people meet obligations, avoid harmful debt, and contribute reliably to their families and communities. No option is best for every situation.

2 ANSWER WITH EVIDENCE

Use the passage

1. What is one benefit and one possible drawback of using savings for Maya's bike repair?

2. What three things should a borrower compare before choosing credit?

3. Why can investments be useful for long-term goals but less certain than savings?

4. How can financially responsible choices support a person's family and community?

3 YOUR TURN

Your own words

Jordan wants a $300 laptop in six months and has no emergency fund. Write 3 or 4 sentences recommending savings, credit, or investments. Explain why the choice fits the goal, name one cost or risk, and describe one responsible action Jordan should take.

ANSWER KEY **Choices That Count** GRADE 7 · CE.14.f

PART 1 · READ AND MARK

Underline each benefit, cost, or risk of savings, credit, or investments, label it S, C, or I, and circle each action that shows financial responsibility. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	What is one benefit and one possible drawback of using savings for Maya's bike repair?	**Using savings avoids debt, but it could leave Maya with less money for another emergency.**
2	What three things should a borrower compare before choosing credit?	**Interest rates, fees, and payment dates.**
3	Why can investments be useful for long-term goals but less certain than savings?	**Investments may earn more than savings over many years, but their value can fall and returns are not guaranteed.**
4	How can financially responsible choices support a person's family and community?	**They can help people meet obligations, avoid harmful debt, and contribute reliably to their families and communities.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Jordan should save for the laptop because it is a short-term goal and Jordan has no emergency fund. Using a credit card could create interest charges and debt if the balance is not paid on time. Jordan can save part of each paycheck and keep some money available for emergencies.

Accept equivalent explanations that accurately compare the purpose, cost, and risk of savings, credit, or investments. For the open response, accept any well-supported recommendation that includes the required goal, risk or cost, and responsible action.