

Asking for a loan

Students deliver a persuasive monologue on why a family member should lend them money.

Learning goals

Big idea

People can get different types of loans based on how much money they make and their history paying back loans.

Essential questions

- How might a person's money habits and choices influence their ability to borrow money?
- What are some questions to ask a lender to better understand the risks and benefits of borrowing money?

Objectives


- Identify characteristics that make a person a good borrower
- Create a speech (also called a monologue) to ask a family member for a loan


NOTE

Please remember to consider your students' accommodations and special needs to ensure that all students are able to participate in a meaningful way.

KEY INFORMATION

Building block:

 Executive function

 Financial habits and norms

Grade level: Middle school (6-8)

Age range: 11-14

Topic: Borrow (Getting loans)

School subject: English or language arts, Fine arts and performing arts

Teaching strategy: Simulation

Bloom's Taxonomy level: Apply, Create

Activity duration: 45-60 minutes

National Standards for Personal Financial Education, 2021

Saving: 4-3, 8-2, 8-4,

Managing credit: 4-1, 4-3, 8-3, 8-7, 12-10, 12-13

These standards are cumulative, and topics are not repeated in each grade level. This activity may include information students need to understand before exploring this topic in more detail.

What students will do

- Create a persuasive speech to get a loan from a family member.
- Deliver the speech to the class.

Preparing for this activity

- While it's not necessary, completing the "Being a responsible borrower" activity first may make this one more meaningful.
- Print copies of all student materials for each student, or prepare for students to access them electronically.

What you'll need

THIS TEACHER GUIDE

- Asking for a loan (guide)
[cfpb_building_block_activities_asking-loan_guide.pdf](#)

STUDENT MATERIALS

- Asking for a loan (worksheet)
[cfpb_building_block_activities_asking-loan_worksheet.pdf](#)

Exploring key financial concepts

Sometimes when people want or need to buy something, but they don't have enough money for the purchase, they borrow money from someone else. Borrowed money is called a loan. Not everyone who applies for a loan is given one. A lender (a person or organization who lends money) often decides whether to give a loan based on a person's past behaviors, such as how well they've repaid other loans. Trust between a lender and a borrower is based on what borrowers have done that gives them a good reputation for being financially responsible. That's why people who borrow money in the form of a loan from a lender and don't pay it back or miss payments may have a harder time getting a loan again. On the other hand, people who have a history of paying back their loans may find it easy to get a loan in the future.

TIP

Because financial products, terms, and laws change, students should be encouraged to always look for the most up-to-date information.

Teaching this activity

Whole-class introduction

- Ask students to consider how they would respond if someone in their family asks them for a loan. Use the questions below to guide and expand the discussion:
 - What qualities would you look for that would make you more likely to lend them money?
 - How much money would you be willing to lend? How did you determine that amount?
 - What types of questions might you ask before you felt comfortable lending them money?
- Tell students that they'll write a monologue – which is a short, often dramatic speech delivered by one person – in which they'll ask a family member to lend them some money.
 - Students should come up with a clear reason why they're asking for money.
 - They should also include a reason why they are a trustworthy borrower.
- Be sure students understand key vocabulary:
 - **Borrower:** A person or organization that borrows something, especially money from a bank or other financial institution.
 - **Credit:** Borrowing money, or having the right to borrow money, to buy something. Usually it means you're using a credit card, but it might also mean that you got a loan.
 - **Creditworthy:** Financially sound enough to justify the extension of credit.
 - **Debt:** Money you owe another person or a business.
 - **Income:** Money earned or received such as wages or salaries, tips, commissions, contracted pay, government transfer payments, dividends on investments, tax refunds, gifts, and inheritances.
 - **Lender:** An organization or person that lends money with the expectation that it will be repaid, generally with interest.
 - **Loan:** Money that needs to be repaid by the borrower, generally with interest.

TIP

Visit CFPB's financial education glossary at consumerfinance.gov/financial-education-glossary/.

Individual work

- Distribute the “Asking for a loan” worksheet to students and review it together.
- Students will work independently to answer the questions on their worksheet. This will help them prepare to write their monologue.
- Students will create their own short monologue.
 - Tell students that their monologue should be 30 to 60 seconds long.
 - Remind students to use the rubric on the worksheet to help them structure their monologue.

Wrap-up

Bring the class back together and let each student present their monologue.

Suggested next steps

Consider searching for other [CFPB activities](#) that address the topic of borrowing, including getting loans. Suggested activities include “[Borrowing money for a house](#)” and “[Building a good borrowing reputation](#).”

Measuring student learning

Students’ monologues and answers on their worksheets can give you a sense of their understanding.

Keep in mind that students’ answers may vary, as there may not be only one right answer. The important thing is for students to have reasonable justification for their answers.

Scoring rubric

If you choose to use the scoring rubric below to grade this activity, be sure to share it with all students so they know what criteria matter most and they can plan accordingly.

Criteria	Possible points	Points earned
Is your message clearly communicated?	20 points	
Is there a strong explanation for why you need the money?	20 points	
Have you proven you're trustworthy?	20 points	
Do you have a plan for how you'll repay the money?	20 points	
How does your "delivery" use creativity and persuasion?	20 points	
Total points	100 points	