

TO PAY THE PRICE

FEDERAL RESERVE BANK of KANSAS CITY

TEACHER INTRODUCTION

As more banking and shopping transactions are being done on the internet, students need to become familiar with online banking and electronic methods of payment. This role play introduces students to these online transactions in the format of a quiz show titled "To Pay the Price." As students act out the roles of contestants, hosts and commercial characters, they will become more aware of the importance of electronic banking in their lives.

LESSON DESCRIPTION

This lesson introduces students to online banking and electronic methods of payment through a quiz show role play. It explains security measures available to consumers as they use the internet for banking transactions. Students learn how businesses and government use electronic payments and how the Federal Reserve System helps process these payments.

GRADE LEVEL: 5-8

CONCEPTS: debit, credit, online banking, electronic payment, encryption, identity theft, PIN number, direct deposit, Automated Clearing House (ACH), Federal Reserve System

CONTENT STANDARDS

National Voluntary Economic Content Standard #10 - Students will understand that institutions evolve in market economics to help individuals or groups accomplish goals. Banks, labor unions, corporations, legal systems and not-for-profit organizations are examples of important institutions.

Jump\$tart Personal Finance Standard: Planning and Money Management
Standard 3: Describe how to use different payment methods.

TIME REQUIRED: 45-60 minutes

OBJECTIVES:

Students will be able to:

1. Explain the benefits of online banking in making purchases, paying bills and accessing bank accounts.
2. Define identity theft.
3. Discuss the importance of PIN numbers and encryption to keep online banking transactions safe.
4. Give examples of how direct deposit is used by employers and the U.S. Government.
5. Tell how the Federal Reserve System helps in processing of electronic payments.



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MATERIALS

- Activity 1 (Role play script)
 - Visual 1 (Role play name tags)
 - Optional: Props listed in script introduction
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PREPARATION

1. Make copies of Activity 1 for all students.
 2. Make copy of Visual 1 and cut out name tags for students to wear during the role play.
 3. Gather any props to be used during role play.
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PROCEDURE

1. Begin by asking students the following questions:
 - How many of you have used the internet to look up information? (*Answers will vary; many will have used the internet at school or home.*)
 - What type of information were you looking for? (*Answer will vary; students may mention researching for assignments, looking up topics of personal interest, or “surfing the net” to find information.*)
 - Have you or your parents ever used the internet to shop online. (*Some students may report that they looked at/purchased merchandise online with their parents help. Ask these students to tell what was purchased online.*)
 - How do people pay for purchases when they shop online? (*Answer will vary; students may say through credit or debit cards or through bank accounts.*)
 - Did you know that people can do their banking transactions online, such as look at their account balances, transfer money between accounts, and pay monthly bills? (*Some students will be aware of this and will say their parents do online banking.*)
 - Why would people shop and bank online instead of going to stores and banks in person? (*Students may give some of the following reasons; it’s convenient and easy to do transactions online; you can save time and gas by completing transactions online; there’s a better selection of items to buy online; or other reasons.*)
2. Tell students that they will learn more about online transactions and using electronic payments through doing a role play called “To Pay the Price.” Hand out the role play script for students to read silently. Ask them to think about which character they might like to be while reading the script.
3. After students have completed a first reading, choose volunteers to play the roles of each character. (Teacher note: Each role can be played by either a boy or a girl. Changing first names if necessary. Fred Fed could become Fran Fed; Connie Consumer could become Connor Consumer, etc. You could also choose a second cast of main characters to step in for the second half of the role play, after the first commercial.)
4. To prepare for the role play, move three desks to the front of the room for the three contestants. Add a podium or table for Fred Fed. Lana and the commercial characters can sit offstage and enter and exit for their lines. Hand out name tags to all characters to wear for the role play.
5. When students are ready and in position, ask them to read through the role play for the group, using good expression and strong voices. Ask the student audience to listen for the methods of electronic payments, the benefits of using them, and the security measures available to protect personal information online.



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CLOSURE

Discuss the following questions as review:

1. What are the benefits of online banking? *(You can check your bank accounts, transfer funds between accounts, and pay bills quickly and easily. You save time and gas doing transactions online instead of going to the bank in person. You can also purchase items online using your bank credit or debit cards or account number.)*
 2. What is identity theft? *(Identity theft occurs when someone uses your name, Social Security number or account information without your permission.)*
 3. Why is it important to use PIN numbers and encryption to keep online banking transactions safe? *(These methods hide or scramble private information so your accounts, Social Security number or passwords cannot be seen or accessed by anyone else. These actions deter identity theft.)*
 4. How is direct deposit used by employers and the U.S. Government? *(Employers use direct deposit to pay wages to employees; the government uses direct deposit to pay Social Security benefits, tax refunds, and other federal payments.)*
 5. How does the Federal Reserve System help process electronic payments? *(The Federal Reserve System uses ACH, or Automated Clearing House, to move direct deposits and automatic bill payments from bank to bank across the country.)*
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ASSESSMENT

Develop your own commercial to advertise the benefits of online banking! Write a role play script with two characters who are discussing how to access their bank accounts in order to purchase a video game or some other item online. Be sure to include the ideas that online banking can be more convenient in accessing bank accounts and transferring funds; that you can make electronic payments quickly and easily; and that you can save time and gas by banking and purchasing online.



ACTIVITY 1 - "TO PAY THE PRICE"

CHARACTERS

Fred Fed, Lovely Lana, Connie Consumer, Peter Purchaser, Betty Buyer, Frank Fearful, Scott Secure, Gabby Talker, Shelly Seller

SETTING: TV Quiz Show set with game board (white board or chalkboard) in background. Three podiums or desks for the three contestants; separate podium or table for host.

PROPS: Game questions cards, prize display, cell phone, brown sack with eyes cut out, few grocery items and store bag

FRED FED: Welcome to our game show, "To Pay the Price!" I would like to introduce today's contestants to you. First we have Connie Consumer, a math teacher from Kansas City. Tell us a little about yourself, Connie!

CONNIE CONSUMER: Well, I've taught math to seventh and eighth graders for 10 years, and I have two children, who are 5 and 7. My job and kids keep me on the go, and I use my math knowledge to do comparison shopping and get the best deals!

FRED FED: Sounds like this is the perfect game show for you and your abilities, Connie! Our next contestant is Peter Purchaser, a computer salesman for Microchip Industries in New York. What can you share about yourself, Peter?

PETER PURCHASER: Well, I've worked for Microchip for 10 years. I'm single and have two dogs. My job and dogs keep me busy, and I use my computer knowledge to get the best deals online!

FRED FED: Hmm... Sounds like you and Connie have a lot in common. Good luck on today's show! Our final contestant is Betty Buyer, a stay-at-home mom who loves to shop. What should we know about you, Betty?

BETTY BUYER: Well, I have five kids who keep me running! But I always find time to shop! I need to get good bargains to feed and clothe five kids, ya know!

FRED FED: Of course you do! Best of luck on today's show. And now, it's time to get started on "To Pay the Price!" Lovely Lana will show us the game categories and prizes.

LOVELY LANA: Hello, Fred! Contestants will choose questions from four categories: "Way to Pay;" "Buyer Beware;" "E-Banking;" and "Payment Potpourri." The winner will take home our grand prize - an all-expenses-paid-trip to Hawaii! And all our guests will receive lovely parting gifts, which include department and grocery store gift cards and the home version of "To Pay the Price!" Back to you, Fred!

FRED FED: Here we go! Betty, pick our first category and question!

BETTY BUYER: I'll take "Ways to Pay" for \$20.



ACTIVITY 1 - "TO PAY THE PRICE"

FRED FED: Your question says: "Name a safe way to pay for a \$200 purchase."

BETTY BUYER: I'll say cash!

FRED FED: No, sorry - any other contestants?

CONNIE CONSUMER: How about using a debit card?

FRED FED: Correct - debit cards are safe and easy to use. They deduct the correct amount from your account with the swipe of a card! Connie, you pick the next category and question.

CONNIE CONSUMER: All right, let's go with "E-Banking" for \$50.

FRED FED: Your question reads: "Name one convenience of online banking."

CONNIE CONSUMER: Ummm... I don't know, I've never tried it.

FRED FED: Any other contestants?

PETER PURCHASER: That's easy! You can pay for purchases quickly from your home computer, using a credit or debit card.

FRED FED: Correct! Other possible answers could be that you could transfer funds between accounts, or pay your monthly bills!

PETER PURCHASER: You bet! Aren't computers great?

FRED FED: We need another category and question!

PETER PURCHASER: Okay, let's take "Buyer Beware" for \$100

FRED FED: And here's the question: "What is encryption, and why should online buyers make sure their personal information is encrypted?"

PETER PURCHASER: Well, encryption scrambles private information like credit card and Social Security numbers, accounts and passwords. It prevents anyone from trying to steal that information, or even steal your identity!

FRED FED: You got it! And identity theft - when someone uses your name, Social Security number or account information without permission, is a serious crime!



ACTIVITY 1 - "TO PAY THE PRICE"

LOVELY LANA: Sorry to interrupt, Fred, but it's time for a commercial. And what a coincidence, it's on identity theft!

COMMERCIAL SETTING: Frank Fearful walks halfway across the front of the room with a sack over his head, until he runs into Scott Secure.

SCOTT SECURE: Whoa! Frank, is that you under the sack?

FRANK FEARFUL: Yeah, it's me, Scott. I'm trying to hide my identity!

SCOTT SECURE: Hide your identity? Why?

FRANK FEARFUL: Because of identity theft! Haven't you heard about people who try to steal someone's identity and then charge on their credit cards or use their Social Security number?

SCOTT SECURE: Of course I have! Identity theft is one of the fastest growing crimes in the country. But there's an easier way to combat identity theft!

FRANK FEARFUL: There is? How?

SCOTT SECURE: Haven't you heard of the Green Thumb Super Shredder? It shreds credit card bills, bank account statements and private documents into a compost mixture. This mixture can then be recycled to fertilize your plants and garden!

FRANK FEARFUL: Wow! Not only do I get rid of my personal documents to prevent identity theft, I can help the environment by enriching plants and soil?

SCOTT SECURE: That's right! You can protect your identity and save the Earth at the same time! So shred your identity the green thumb way. Buy the Green Thumb Super Shredder today! Only \$19.99 at most hardware and garden shops!

FRED FED: And we're back! Peter, you're up again!

PETER PURCHASER: Okay, I'm on a roll! I'll take "Payment Potpourri" for \$20.

FRED FED: The question is: "What is a PIN number and why is this number important for electronic banking?"

CONNIE CONSUMER: Oh, I know that one! PIN stands for personal identification number and it's important because you use it to access your bank or credit card accounts. You should never tell anyone else your PIN number so your accounts and information are safe.



ACTIVITY 1 - "TO PAY THE PRICE"

FRED FED: That's right, Connie! And everyone should remember not to use birth dates, addresses or phone numbers in their PINs, so others can't guess your PIN and hack into your accounts! Choose a new category and question, Connie.

CONNIE CONSUMER: All right, I'd like "Ways to Pay" for \$50.

FRED FED: And here's your question: "What electronic payment is used most often to deposit wages into bank accounts?"

BETTY BUYER: Oh, I know - pick me! It's called direct deposit, and I know how it works! Every month my husband's paycheck goes into our account through direct deposit and then I can go shopping!

FRED FED: Right you are! And did you know that the U.S. Government is the largest user of direct deposit? Social Security payments and tax refunds are just two of the many ways the government uses direct deposit. You're up to pick the next category and question, Betty.

BETTY BUYER: Hmm... let's try "Payment Potpourri" for \$100

FRED FED: Here's the question: "What is one of the newest technological ways to make a payment?" And here's a hint - you make calls with it.

PETER PURCHASER: Another easy one! It's payment by cell phone! There's a microchip in the newer cell phones that relays your account payment information to the cashier! Is that awesome or what?

LOVELY LANA: Great answer, Pete! And the timing couldn't be better. We're going to cut to a cell phone commercial right now. Stay tuned!

COMMERCIAL SETTING: Gabby Talker (talking on her cell phone) is in line at the store checkout. Shelly Seller is the cashier scanning her purchases.

SHELLY SELLER: Hello, did you find everything you needed to buy today?

GABBY TALKER: (Talking and not paying attention) Huh? Oh, yeah, I guess so.

SHELLY SELLER: (Scanning Gabby's items) You've got a lot of good sales here!

GABBY TALKER: (Still talking and not listening) Huh? Oh, yeah, I guess so.



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SHELLY SELLER: (Finishing scan of items) Okay, that'll be \$42.99. Would you like to use cash, check, credit, debit or cell phone payment?

GABBY TALKER: (Finally puts cell phone down) Huh? What did you say? Cell phone payment? Are you kidding?

SHELLY SELLER: No, Ma'am! I figured someone who uses their cell phone as much as you would know all about paying by cell phone! Of course, only Horizon Wireless offers the service. Who's your cell phone provider?

GABBY TALKER: Oh, I use V-Mobile and I get great reception and fewer dropped calls. But tell me about this payment thing!

SHELLY SELLER: Well, with Horizon, all you do is wave your phone over the store sensor and your I.D. and credit or debit number is sent electronically to pay for your purchase. There's a microchip in the cell phone that relays the information.

GABBY TALKER: Wow! That means I can keep talking and pay for items at the same time! I'd better check into Horizon Wireless today! (Phone rings, she starts talking.)

SHELLY SELLER: Thank you, Ma'am! And have a nice day! Here's your receipt! Ma'am? Ma'am? (Holds receipt and purchases out. Gabby walks away without them, still talking.)

FRED FED: We're back and it's time for the "Price Bonus" round! You will all have 30 seconds to write out the answer to the "Price Bonus" question. If you're correct, you'll add the question amount to your earnings. Are you ready, contestants?

PETER PURCHASER: I'm ready, Freddy!

BETTY BUYER: Ready and waiting!

CONNIE CONSUMER: Go for it, Fred!

FRED FED: Our "Price Bonus" category is "E-Banking," and the question value is \$500. And here it is: "How does the Federal Reserve System help move electronic payments throughout the U.S.?" You have 30 seconds!

LOVELY LANA: (Hums "Twinkle, Twinkle, Little Star" loudly for 30 seconds.)

FRED FED: Your time is up! Betty, let's start with you. What answer did you write?

BETTY BUYER: Well, I know the Fed uses armored carriers to move their cash from one location to another. So I wrote "armored carriers," that's all I could think of.



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FRED FED: Sorry, no "Price Bonus" for you, Betty! How about Connie?

CONNIE CONSUMER: I think the Fed has some kind of electronic network that sends payments back and forth. But I don't know what it's called, so I didn't write anything.

FRED FED: Too bad, Connie! You were on the right track, though. Peter, did you come up with an answer?

PETER PURCHASER: You bet I did! The Fed uses an ACH system, which stands for Automated Clearing House, to move direct deposits and automatic bill payments from bank to bank. So that's my answer - ACH!

FRED FED: You are absolutely correct! And did you know that using the ACH system costs less when no paper checks are used? And, it's quicker, which means your bills are always paid on time! Peter, you just earned an extra \$500 and the "To Pay the Price" championship for the day!

LOVELY LANA: Not to mention that beautiful Hawaiian vacation! Aloha!

PETER PURCHASER: Thanks, everyone! I can't wait to check out the beaches!

FRED FED: Best of luck to you two, Connie and Betty! We hope that you and our viewers at home will remember to try new ways to pay in the future.

CONNIE & BETTY (TOGETHER): We'll try, Fred!

FRED FED: This is Fred Fed signing off for "To Pay the Price!" Have a great day, America!



VISUAL 1 - NAME TAGS FOR ROLE PLAY

Fred Fed



Lovely Lana



C. Consumer



B. Buyer



P. Purchaser



VISUAL 1 - NAME TAGS FOR ROLE PLAY

Frank Fearful



Scott Secure



Shelly Seller



Gabby Talker

