

# NEWS BREAK

**Sunday's News Break selects an article from Sunday, March 6, 2016** of The Seattle Times e-Edition for an in-depth reading of the news. Read the selected story and answer the attached study questions.

**Credit and Identity Theft (Read the article “Manage Your Debt”) (NIE special section, page J6)**

## Pre-Reading and Vocabulary

1. What does it mean to be in “debt”? What are some ways a person can manage debt? Is all debt bad – why or why not?
2. **Vocabulary: Match the words to the numbered definitions below.**

- A. acronym
- B. allocate
- C. attainable
- D. bankruptcy
- E. consolidation
- F. debt
- G. deferment
- H. detrimental
- I. interest
- J. invest in
- K. measurable
- L. necessities
- M. realistic
- N. subsidized

- 1. causing damage or injury
- 2. to accomplish or achieve (something) : to succeed in getting or doing (something)
- 3. something that you must have or do; something that is necessary
- 4. an amount of money that you owe to a person, bank, company, etc.
- 5. to spend money on (something useful or helpful to yourself)
- 6. the act of allowing something to be delayed; official permission to pay something at a later time
- 7. to divide and give out (something) for a special reason or to particular people, companies, etc.
- 8. based on what is real rather than on what is wanted or hoped for; sensible and appropriate
- 9. to join or combine together into one thing
- 10. a word formed from the first letters of each one of the words in a phrase
- 11. to help someone or something pay for the costs of (something)
- 12. the money paid by a borrower for the use of borrowed money
- 13. a condition of financial failure caused by not having the money that you need to pay your debts
- 14. large enough to be measured or noticed

## Comprehension

1. When someone is in debt, why should bankruptcy be a last resort?
2. What acronym was used in the article for setting a goal to work toward when trying to get out of debt?
3. What type of expense is a “leak”?
4. What will a budget help you plan?
5. According to the article, is student debt good debt or bad debt?
6. Student loans can no longer be forgiven in \_\_\_\_\_. **(Fill in the blank)**
7. What type of loans are not funded by the government? **(Multiple Choice)**
  - a) Consolidation Loans
  - b) Perkins Loans
  - c) Private Loans
  - d) Unsubsidized Stafford Loans
8. Parent Plus Loans can only be paid off by the student’s parents – **true or false?**
9. You can take out a \_\_\_\_\_ loan in order to combine all eligible federal student loans into one payment. **(Fill in the blank)**

## Additional Activities

1. Have students look for articles in the Business section of The Seattle Times or use the search function of the e-Edition to find articles related to paying off debt, saving money or some other topic related to financial responsibility. Have students choose one article to read and write a summary of. Then have students share one tip they learned from the article they read.
2. Have students keep track of their spending for one-week. Then have students evaluate their spending looking for “leaks”. Have students figure out how much they spend in a year on their “leaks”. Then in small groups or as a class, have students discuss how that money could be better spent to invest in their future.

News Break is posted to the Web on Wednesday and Friday. Please share this NIE News Break program with other teachers. To sign-up for the electronic edition for your class, please register on-line or call 206/652-6290 or toll-free 1-888/775-2655.

### **Answer Key to Vocabulary**

- A. 10
- B. 7
- C. 2
- D. 13
- E. 9
- F. 4
- G. 6
- H. 1
- I. 12
- J. 5
- K. 14
- L. 3
- M. 8
- N. 11

### **Answer Key to Comprehension Questions**

1. Bankruptcy should be a last resort because it can have a long-lasting detrimental impact to your credit report.
2. S.M.A.R.T.
3. A leak is a small, unnecessary expenses that you make often.
4. A budget will help you plan where you are going to spend your money.
5. Student debt is good debt.
6. bankruptcy
7. c) Private Loans
8. False – It's up to the parents who pays it off.
9. consolidation