

Paying bills

Students explore different payment methods while using a Venn diagram.

Learning goals

Big idea

We can use a variety of payment methods when we buy goods and services.

Essential questions

- What methods can I use to pay my bills?
- What are the differences between bill-paying methods?

Objectives

- Discover various ways to pay bills
- Compare the benefits of each method

What students will do

- Read about different ways to pay bills.
- Compare two methods of paying bills.
- Reflect on which bill-paying method they prefer.

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

Grade level: Middle school (6-8)

Age range: 11-14

Topic: Spend (Paying bills)

School subject: CTE (Career and technical education), Math

Teaching strategy: Personalized instruction

Bloom's Taxonomy level: Understand, Analyze

Activity duration: 45-60 minutes

National Standards for Personal Financial Education, 2021

Spending: 4-6, 8-4

Managing credit: 4-1, 8-4, 8-5

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.

Preparing for this activity

- While it's not necessary, completing the "[Brainstorming household budgets](#)" 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

- [Paying bills \(guide\)](#)
[cfpb_building_block_activities_paying-bills_guide.pdf](#)

STUDENT MATERIALS

- [Paying bills \(worksheet\)](#)
[cfpb_building_block_activities_paying-bills_worksheet.pdf](#)
- [Exploring different ways to pay your bills \(handout\)](#)
[cfpb_building_block_activities_exploring-different-ways-pay-your-bills_handout.pdf](#)

Exploring key financial concepts

Bills are a fact of life. Some are due monthly, like rent, utilities, and credit card bills. These monthly bills may be fixed (expenses that cost the same each month, such as housing) or variable (expenses that may vary in amount each month, such as groceries). Other bills may be one-time payments, like a security deposit when you rent an apartment.

There are many ways to pay your bills. Understanding the pros and cons of these methods can help you choose the ones that work for you when it's time to pay bills on your own.

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

- Tell students that there are many ways to pay bills and that they'll explore those methods.

- Distribute the “Exploring different ways to pay your bills” handout to students and review the payment methods as a class.
- Be sure students understand key vocabulary:
 - **Automatic or direct debit:** A bill-paying method you set up with the merchant or service provider. You provide the merchant or service provider (for example, your cell phone provider or utility company) with your checking account information and they take the funds from your account each time the bill is due (for example, every month).
 - **Cash:** Paper or coin money.
 - **Checking account:** An account at a bank (sometimes called a share draft account at a credit union) that allows you to make deposits, pay bills, and make withdrawals.
 - **Credit card:** An open-ended loan that allows you to borrow money up to a certain limit and carry over an unpaid balance from month to month. There is no fixed time to repay the loan as long as you make the minimum payment due each month. You pay interest on any outstanding credit card loan balance.
 - **Consumer:** A person who buys or receives goods or services for personal needs or use and not for resale.
 - **Money order:** A money order can be used instead of a check. You can buy a money order to pay a business or other party.
 - **Online or mobile bill payment:** A bill-paying method you set up with your bank or credit union. You use online banking to give your bank the merchant or service provider’s information, and your bank makes the payment according to the amount and schedule you set up. Online bill paying may or may not also be offered on a bank’s or credit union’s mobile application.
 - **Paper check:** A paper order to a bank or credit union to pay someone from a checking account.

TIP

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

Individual work

- Distribute the “Paying bills” worksheet to students.
- On their worksheets, students will select two bill-paying methods to compare.
 - They’ll document how the methods are similar in the center of the Venn diagram.

- They'll write the differences between the methods in the outer areas of the circle (where they're not overlapping).
- Students will then answer the reflection questions, which will help them synthesize and evaluate what they've learned.

A tip for differentiating instruction

For an extra challenge, you can encourage students to choose three ways to pay bills.

- They'll need to draw a third intersecting circle in the Venn diagram on the worksheet to document this comparison.

Wrap-up

- Bring the class back together and ask for volunteers to share their Venn diagrams so students can learn from one another.
- Ask for volunteers to share their responses to the reflection questions and start a discussion with the class.

Suggested next steps

Consider searching for other [CFPB activities](#) that address the topic of spending, including paying bills. Suggested activities include "[Paying for a pet](#)" and "[Furnishing your first apartment](#)."

Measuring student learning

Students' answers on their worksheets and during discussion 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.