

# Borrowing or buying?

Students learn the difference between borrowing and buying things and then play a game where they sit or stand to distinguish between borrowing or buying.

## Learning goals

### Big idea

When we borrow something, we use it and give it back. When we buy something, we own it and get to keep it.

### Essential questions

- What is the difference between borrowing and buying?
- When is it a good idea to borrow something instead of buying it?

### Objectives

- Explore the difference between borrowing and buying
- Understand when it's better to borrow something and when it's better to buy something

### NOTE

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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:

-  Financial habits and norms
-  Financial knowledge and decision-making skills

**Grade level:** Elementary school (K-1)

**Age range:** 5-7

**Topic:** Borrow (Getting loans); Spend (Buying things)

**School subject:** English or language arts, Physical education or health

**Teaching strategy:** Direct instruction, Gamification

**Bloom's Taxonomy level:** Understand, Apply

**Activity duration:** 15-20 minutes

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### National Standards for Personal Financial Education, 2021

Spending: 4-2, 4-4, 4-5

Saving: 4-2

Managing credit: 4-3

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

- Discuss the difference between borrowing and buying.
- Play a game where they stand or sit to distinguish between borrowing and buying examples.

## Preparing for this activity

- While it's not necessary, completing the "Exploring ways we use money" activity first may make this one more meaningful.
- Print a copy of the "Choosing to borrow or buy" list in this guide to use during the game.
- Prepare to display the game pictures at the end of this guide so students can see them.
  - You can print the pictures or project them on the board.

### What you'll need

#### THIS TEACHER GUIDE

- Borrowing or buying? (guide)  
[cfpb\\_building\\_block\\_activities\\_borrowing-or-buying\\_guide.pdf](cfpb_building_block_activities_borrowing-or-buying_guide.pdf)
- "Choosing to borrow or buy" list (in this guide)
- Game pictures (in this guide)

## Exploring key financial concepts

Sometimes people borrow things from other people. When you borrow something, you take it from someone and promise to give it back. This is different from a gift, which is something you get to keep. When you borrow something, it is important to be trustworthy and responsible. Some possible ways to be a responsible borrower are to:

- Ask for permission to borrow something.
- Ask when you should return it.
- Take good care of it while you're using it.
- Return it on time and in good condition.
- Thank the person who lent it to you.

Other times people buy their own things. When you buy something, you pay money for it and get to keep it instead of giving it back.

Sometimes it is a good idea to borrow something you don't need for a long time, like a book from the library you just want to read and then give back. Other times it is best to buy something so you have it for a long time, like a pair of shoes.

## Teaching this activity

### Whole-class introduction

- Ask students to share an example of something a person would buy.
  - For example, we buy groceries or clothes.
- Ask students to share an example of something a person would borrow.
  - For example, we borrow books from the media center or community library.
- Discuss with students the difference between borrowing and buying. You can use information and examples from the "Exploring key financial concepts" section.
- Be sure students understand key vocabulary:
  - **Borrow:** To receive something on loan with the understanding that you will return it.
  - **Buy:** To get something by paying money for it.

#### TIP

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Visit CFPB's financial education glossary at [consumerfinance.gov/financial-education-glossary/](https://consumerfinance.gov/financial-education-glossary/).

### Group work

- Tell students that they'll play a game where you'll ask them if someone should borrow something or buy something.
- Explain that they'll stand if they think the person should borrow the thing and they'll sit if they think the person should buy the thing.
- Read to the class each question from the "Choosing to borrow or buy" list in this guide and show students the corresponding picture.
- As you read each question, remind students when to stand and when to sit.
- After all the students have made their choice for each question, share the answer from the list with the class.
  - Ask for one or two volunteers from each group to share the reason for their answer.

## Wrap-up

If there's time, ask for volunteers to share a time they borrowed something from someone.

## Suggested next steps

Consider searching for other CFPB activities that address the topics of borrowing, including getting loans, and spending, including buying things. Suggested activities include "Being a thankful borrower" and "Sequencing a story about borrowing."

## Measuring student learning

Students' answers during the game and discussion can give you a sense of their understanding.

The "Choosing to borrow or buy" list provides possible answers to the game questions. **Keep in mind that students' answers may vary.** The important thing is for students to have reasonable justification for their answers.

# Choosing to borrow or buy

- Read each question to the class and show them the corresponding picture.
- Students will stand if they think the person should borrow the item in the question and sit if they think the person should buy the item.
- As you read each question, remind students when to stand and when to sit.
- After all the students have made their choice, share the answer with the class.

Questions	Answers
1. You go to the library every week to check out books. Do you borrow or buy the books?	<b>Borrow (stand)</b>
2. You and your dad want to go fishing on a lake. Your neighbor has a boat. Does your dad borrow or buy the neighbor's boat?	<b>Borrow (stand)</b>
3. It's your cousin's birthday. Your family wants to get a birthday cake from the grocery store for her. Does your family borrow or buy the birthday cake?	<b>Buy (sit)</b>
4. Your mom says your shoes are getting small and you need to go to the store for new ones. Does your mom borrow or buy new shoes for you?	<b>Buy (sit)</b>
5. Your friend comes over to play and brings along her new crayons. The two of you decide to use her crayons to color. Do you borrow or buy her crayons?	<b>Borrow (stand)</b>
6. Your family's TV stopped working and needs to be replaced. Does your family borrow or buy a TV?	<b>Buy or borrow (sit or stand)</b>

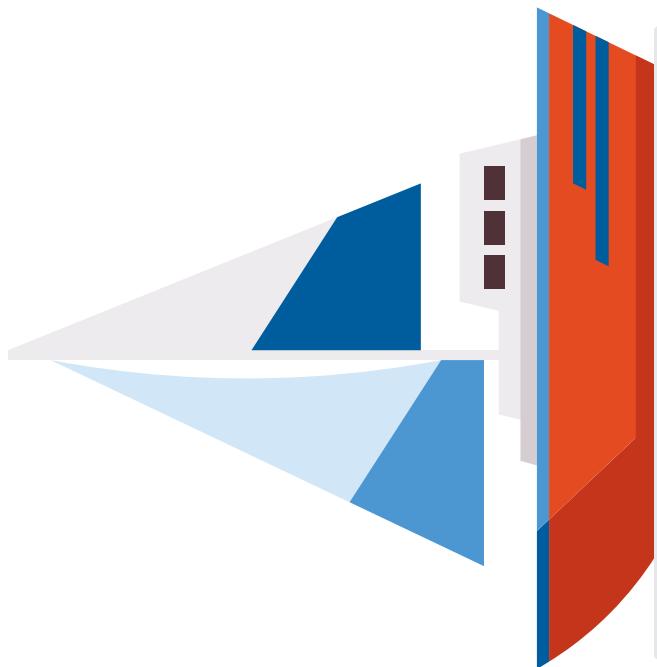
# Game pictures



## Library book

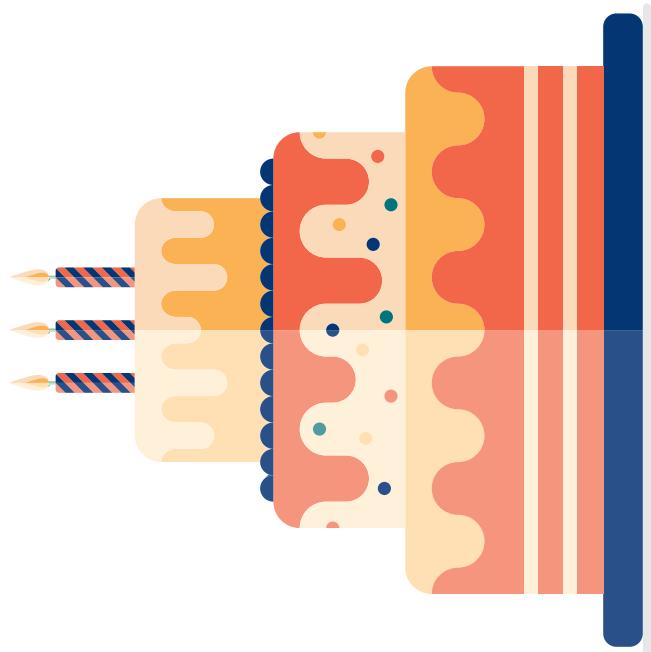


## Boat





# Cake

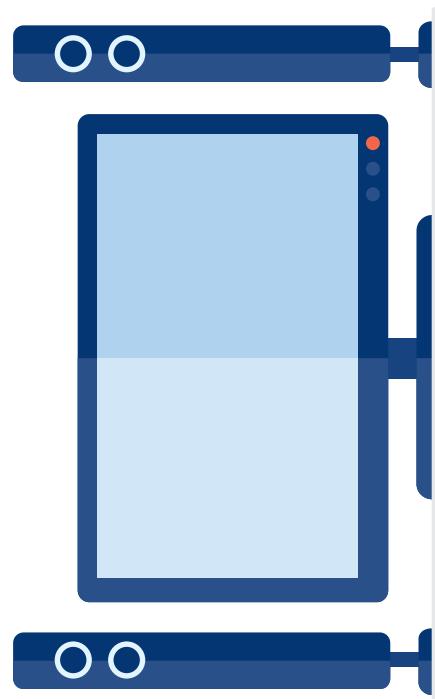


# Shoes





TV



Crayons

