

Section 2—Financial Basics

Title of Lesson/Subject: *Credit Cards*

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Time Allotment: 3 - 50 minute sessions

Grade Level or Target Audience: Grades 9-12

ND Standards Competencies: 1, 2, 3, 9, 10, 11, 12

Key Economic Concepts: Credit
 Decision Making
 Opportunity Cost
 Interest
 APR
 Grace Period
 Annual Fee

Brief Description:

Students understand the various features of credit cards, the costs and benefits of using credit cards to purchase goods and services, learn about responsible credit card use, and will be able to evaluate credit card choices.

Learner Objectives:

1. List and describe three types of credit card accounts.
2. Understand how to shop for a credit card.
3. Determine the advantages and disadvantages of using credit cards.
4. Analyze the decision-making process when using credit cards.
5. Identify ways and criteria needed to establish and obtain credit.
6. Learn to use credit cards responsibly.
7. Understand the long-term results of overextending credit uses.

Introduction:

Classroom Discussion: Invite students to respond to the following questions: Do you understand what credit is and how to use it wisely? Provide students with the following information: *Credit* is money that is lent to you and that you pay back over a period of time, usually with interest. Credit allows you to buy an item now and pay for it later.

Materials Needed:

- Credit Card Lesson
- “Get Smart About Credit” Video
- Credit Card Worksheet
- Internet Access

Audio/Visual Equipment Needed:

- Computers

- TV/VCR

Lesson Outline:

1. Classroom discussion: Ask students what they know about credit cards. List responses on the board.
2. Provide students with the information about the advantages and disadvantages of credit cards, choosing a credit card, costs of credit, and credit card responsibilities.
3. View the video “Get Smart About Credit.”
3. Divide students into small groups. They will use internet access to find credit card information.
4. Summarize the information about the advantages and disadvantages of credit cards, choosing a credit card, costs of credit, and credit card responsibilities.

Resources:

<http://www.themint.org/teachers/credit.php>

http://www.education-world.com/a_lesson/01-1/1p232_02.shtml

National Institute for Consumer Education

Get Smart About Credit

<http://www.pbs.org/wgbh/pages/frontline/teach/credit/lesson.html>

<http://www.practicalmoneyskills.com>

<http://www.nice.emich.edu/teens.html>

Activities:

1. Conduct a large group discussion about credit card information.
2. Provide students with credit card information.
3. View the video. (“Get Smart About Credit”)
4. Divide students into small groups. They will use internet access to obtain credit card applications from three different types of credit cards. They will compare and evaluate each card and be able to explain the terms and conditions of the card. They will also be able to understand and explain the legal and financial responsibilities involved with the card. Ask each group to present their findings and discuss them with the class.
- 5.
6. Conduct a large group discussion about video and information learned. Ask the students the following questions: What are the advantages and disadvantages of credit? What are the three types of credit card accounts? What costs are involved with credit cards? What factors should you consider when shopping for credit? What are the important factors to consider when selecting a credit card?
7. Students should complete the worksheets on credit cards.

Application/Assignment:

1. Divide students into small groups. They will use internet access to obtain credit card applications from three different types of credit cards. They will compare and evaluate each card and be able to explain the terms and conditions of the card. They will also be able to understand the legal and financial responsibilities involved with the card. They will be asked to present their findings as a group and discuss them with the class.

2. Distribute copies of the worksheet. Each student should have a copy of the worksheet.

Evaluation Plan:

- Evaluate students on the information on the worksheet.
- Student participation in small group work.
- Student participation in class discussion throughout the lesson.