

The Good, the Bad, and the Unknown of Credit Cards

GRADE: 12th Grade
SUBJECT: The Good, the Bad, and the Unknown of Credit Cards
UNIT/LESSON TOPIC: Credit Card Usage

College- and Career Readiness Standards

SS.C.36 examine the advantages and disadvantages of different types of consumer debt to make sound financial decisions (e.g., home loans, credit card debt, automobile loans, pay-day loans and rent-to-own).

SS.C.37 develop the knowledge and practices of a savvy consumer who knows consumer rights and responsibilities, can identify and avoid fraudulent practices and guard against identify theft.

Financial Literacy Content Objective: Using credit

1. Engage:

- Teacher will begin lesson by posing questions to their students about credit cards such as:
 - What is a credit card?
 - Why do we need credit?
 - Are credit cards useful?
- Students will then be given the task of creating a pros and cons list about having a credit card. This task can be done either individually or with a partner.
- Once the students' lists are finished, the class will compile a single list of pros and cons about having a credit card.
- Students will now be given the task of creating vocabulary flash cards for some basic credit terms whose definitions can be found on the internet. These definitions will be used later if students come across terms they may not understand:
 - Interest Rate
 - APR
 - Credit Fraud
 - Credit Limit
 - Due Date
 - Late Fee
 - Default Rate
 - Finance Charge
 - Annual Fee
 - Cash Advance
- To wrap up the introduction the teacher will show the students the video clip "Getting your first credit card" from Consumer Reports
https://www.youtube.com/watch?v=dq7mKSd3_g8

2. Explore:

Students will now be given the task of finding the best and worst credit cards for someone starting out. They will be tasked with researching introductory credit cards for which they would qualify. The website www.creditcardguide.com is a good starting point for finding basic information. Students are to create a list of the credit card's perks, its disadvantages, and its unknown factors.. They should use the Credit Card Research worksheet to help complete this task. The main role of the teacher in this section should be to help students answer any questions they

may have and help guide them during their research.

Note: Teacher may consider grouping students in a variety of different ways, whether it be by allowing them to choose their own partner or grouping them based upon other factors in the classroom.

3. Explain:

As students complete their list for each card, they will be asked to develop a presentation for the class on the credit cards they have chosen. While this presentation can be done in any medium, the preferred methods would be PowerPoint or a Prezi. The presentation will allow the students to share their reasoning about why their credit cards are good or bad. For the presentation all students should provide only basic information about each card, but enough so their classmates can understand the pros/cons of each card.

The teacher may also choose to limit each group to presenting either one good or bad credit card to speed up the process. This will prevent overlapping information and to speed up the process. Also the teacher may choose to have students take notes on the presentations so they can vote at the end of the class on which card they deem to be the best and worst.

-Note: Teachers can edit this project however they want to fit their classroom. This is a generalized plan to present the information to the class. Also, any rubric that has previously been used for presentations may be used with this.

4. Elaborate/Extension:

Now that the students have given their presentations to the class they should have a better understanding of the pros and cons of various credit cards. The class, as a whole, will be given the task of creating a Twitter account to educate people their age on the pros and cons of credit cards. This account will be run by the class and updated daily with tips and websites that will allow students to make educated decisions about credit cards. This Twitter account will also define various credit related terms that other young people may not understand. Each student will run and update the account during an assigned week, posting at least once a day..

-Note: Teachers may choose to have their students update this page more often than once a day. Teachers may also choose to have one twitter page per class or one for all the classes they have. Also, teachers should regularly monitor the page(s) to make sure correct information is being posted.

5. Evaluate:

Students will now be given the task of writing a brief entry on the following question: Explain the reasons credit cards could be considered both good and bad. This entry should include information they have learned doing their research on various credit cards, and information the class has presented. Each one of these entries will be used as posts to the Twitter account. These entries should be quick bits of information that can be used on Twitter (which limits the number of characters one can use).

Teachers will grade students on the following:

- Creation of presentation for class.
- Updating of the Twitter account.
- Creating of the Twitter entry.

-Note: Teachers may choose to grade however they see fit, be it by letter grade or pass/fail.

Also, teachers should check the Twitter entries before they are posted to be sure the information being posted is suitable for their class. Teachers may also choose to group students together when creating their Twitter posts due to time limits.

Credit Research Sheet

| | | |
|---|--|--|
| Credit Card Name | | |
| Interest Rate | | |
| APR | | |
| Credit Limit | | |
| Rewards | | |
| Other Information (Annual Fee, Fees for Cash Advance, Finance Charges, Etc.) | | |