

Name:

Students will be able to:

- Enumerate the differences between debit, prepaid debit, and credit cards
- Identify at least 3 ways a young adult can gain access to a credit card, even before they are 21
- Read a Schumer Box

NOTE: Vocabulary for this unit can be found in the [NGPF Personal Finance Dictionary](#)

INTRO

PROMPT

Use the space below to answer the prompt.

1. **Do you think it's a good idea for high school students to have a credit card? What about college students? Adults? Explain why you feel this way.**

LEARN IT

VIDEO: [Comparing Cards](#)

Before you decide whether you should open a credit card, you need to understand how it differs from a debit or prepaid debit card.

1. **Watch this video and use this 3-column chart to record important details about each type of card.**

Debit Card	Credit Card	Prepaid Debit Card

2. After watching the video and comparing the cards, which one of the three would be the best option for you as your day-to-day payment method? Explain why.

INFOGRAPHIC: [What Young People Need to Know About Credit](#)

There's a ton of good information on this infographic, but let's focus on two sections which will explain **Why Credit Is Useful** and, farther down the page, **How Young People Get Credit**.

1. Why might young adults, in particular, value credit in case of emergency?

2. If you're trying to gain access to a credit card before you turn 21, which of the suggestions rely on the support of a parent or guardian?

3. Which of the suggestions do NOT rely on the support of a parent or guardian?

VIDEO: [Things to Consider When Applying for a Credit Card](#)

Let's assume you're going to open a credit card – and you have a plan for how you'll qualify for one. There are hundreds (or more) cards available to choose from. How should you decide which one is best for you? This video will highlight four important factors – Annual fee, APR, Penalty fees and rates, and Grace period. Watch the video to learn more. Then, answer the questions.

- 1. Which of the four factors directly impact your total cost of using the credit card?**

- 2. Miles is planning to open a credit card, charge only his monthly streaming service subscriptions (less than \$50 per month), and pay his entire bill in full each month so that he never has to pay interest. Which of these factors do you think is most important for Miles to consider when selecting a card? Why?**

- 3. Delara is opening a credit card because her budget is really tight right now and she's struggling to pay all of her expenses based on her income.**
 - a. Why might a card with a long grace period be in her best interest?

 - b. She knows she'll be making only the minimum monthly payments each month until she can find a job where she'll earn more income. This means some of her payment every month will go toward paying interest rather than paying down her principal. What other factor(s) might be most important to Delara? Why?



DO IT

ACTIVITY: [FINE PRINT: Schumer Box](#)

Each of the factors you saw in the video are provided in something called a Schumer Box, which is meant as a written summary of the most important terms and conditions of a specific credit card. Follow the directions on the worksheet to complete this activity.



EXIT TICKET

Follow your teacher's directions to complete the Exit Ticket.