

STUDENT ADVISORY ACTIVITY
12th GRADE
SESSION # 18

Topic: Credit Cards: (The Do's & Don'ts of Credit Cards)

Time Required: 35 minutes

Objective: You will be discussing the Do's and Don'ts of Credit Cards with your advisory today. Feel free to add any information that you know on the subject. There are two interactive websites listed at the end of the activity for the students to try (at home or if computers are available).

School Core Values & Beliefs Expectations Codes:

Complex Thinker, Collaborative and Cooperative Worker, Self-Directed Learner & Knowledgeable Person

Activity Statement: Explain to the students what Credit is and applying for credit:
Credit: allows you to “buy now, pay later”. We use credit to purchase things now with an agreement to repay the “*credit*” over a period of time.

Applying for Credit: Lenders generally base their evaluation on three criteria:

Character-the measure of your willingness to repay the debt (based on past history, job, residence)

Capacity- your ability to repay the debt (job, income, debts, expenses)

Collateral- your available “resources” that the lender can assume if you fail to repay your debt (savings, property, investments)

Materials Needed: Handout “Credit Cards” and “Keeping your Credit from Crashing and Burning”

Procedure: Have students review the hand outs for discussion

Discussion Questions:

- 1) *Identity Theft*-specific steps to take to avoid becoming a victim
- 2) *Debt Analysis*- on line at www.creditcards.com/calulators/minimum-payment.php this will calculate current debt and interest rate, the program will analyze the info and tell you how long it will take to repay and how much interest you will have paid
- 3) *Reality Check*- on line at www.jumpstart.org outlines expenses of living on your own and how much money students will need to make couple with types of jobs and degrees that support the lifestyle.

Closure: Sum up the reality of credit cards and how easy it can be to overdo it.

Next Advisory Lesson: Survival Skills