

Instructions for Workshop Leader

Use these slides (in order) with the sections of your session outline.

Welcome and Overview (Slides 2-4)

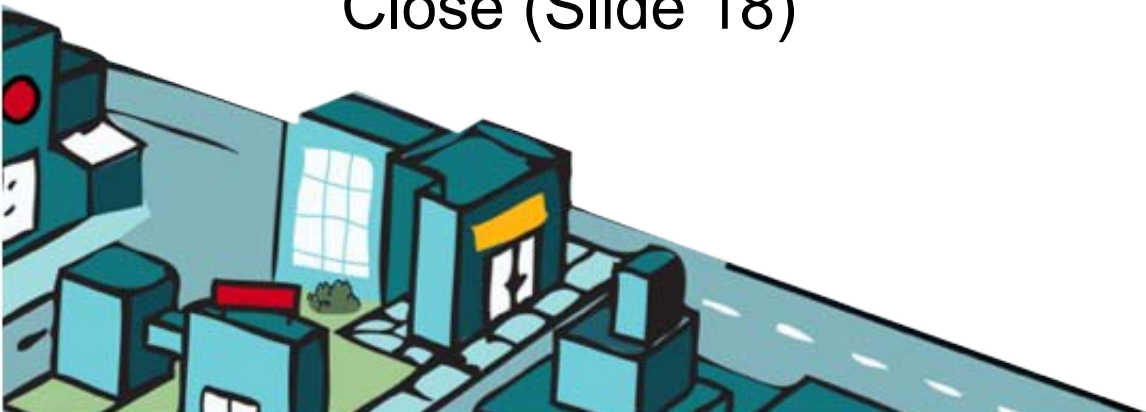
Activity (Slides 5-9)

Present (Slide 10)

Discuss (Slide 11)

Review and Evaluate (Slides 12-17)

Close (Slide 18)





Borrow Well

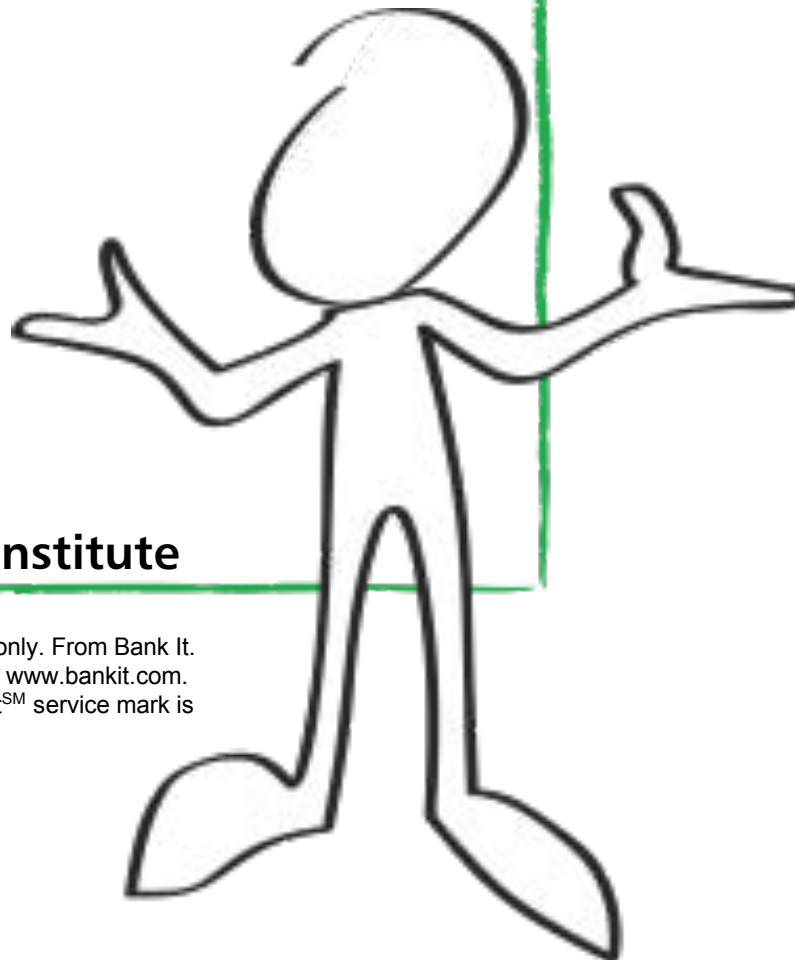
Welcome to Bank It

The Basics of Credit for Parents

1-BO-PT

Sponsored by Capital One and Search Institute

Permission to photocopy this handout granted for individual and educational use only. From Bank It. Copyright © 2010 by Capital One and Search Institute. For more information, visit www.bankit.com. Capital One® and Search Institute® are federally registered service marks. Bank ItSM service mark is pending. All rights reserved.



Welcome and Overview

What is Bank It?

Bank It delivers real-world topics and tools to help you:

- Understand,
- Talk about, and
- Manage your money.

From Capital One and Search Institute



1-BO-PT



Welcome and Overview

Three goals for today:

1. Explain what credit is and why it is important.
2. Identify at least one example of credit that adults commonly use.
3. Explain the differences between buying with credit and buying with cash.



1-BO-PT



Activity

Credit vs. Cash



1-BO-PT



Activity

Credit is the ability to borrow money that you must pay back later.



1-BO-PT



Activity

When you use credit well and responsibly:

- You can earn a higher credit score.
- Adults with higher credit scores are more likely to get more financial services at cheaper rates over time.
- You'll get peace of mind.



1-BO-PT



Activity

To use credit well, you must understand how it works. You also must be responsible so that you can pay back what you owe in a timely manner.



1-BO-PT



Activity

What is your experience with using credit cards?



1-BO-PT



Present

Five types of credit:

1. Service credit (telephone, electricity, water)
2. Credit card (Visa[®], MasterCard[®], store credit cards)
3. Installment credit (through a store, such as to buy furniture or an appliance)
4. Loans (mortgages, auto, personal)
5. Line of credit



1-BO-PT



Discuss

Turn to talk to someone near you.

1. Say your first name.
2. How often do you use a credit card? Why?



1-BO-PT



Review and Evaluate

What is credit?

Credit is the ability to borrow money that you must pay back later.



1-BO-PT



Review and Evaluate

Why is credit important?

When you use credit well and responsibly:

- You can earn a higher credit score.
- Adults with higher credit scores are more likely to get more financial services at cheaper rates over time.
- You develop peace of mind.



1-BO-PT



Review and Evaluate

What are examples of credit that adults commonly use?

- Service credit
- Credit cards
- Installment credit
- Loans
- Lines of credit



Review and Evaluate

Why is using a credit card a form of borrowing?

- You don't pay for the purchase at the time you buy it.
- You borrow the money through the credit card and then pay it back when the credit card bill is due.



1-BO-PT



Review and Evaluate

What is the difference between buying with credit and buying with cash?

Cash

- You physically feel the money leave your hands.
- You pay the entire amount immediately.
- It doesn't build your credit score.

Credit

- It may not feel like using money.
- You borrow and pay later.
- It builds your credit score if you use credit well.



Review and Evaluate

What is one benefit of using credit?

- You can earn a higher credit score if you use credit well.
- You can have access to more financial services, such as loans and credit cards, at cheaper rates over time if you use credit well.



1-BO-PT



Close

You decide how to use cash and credit.



1-BO-PT

