

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

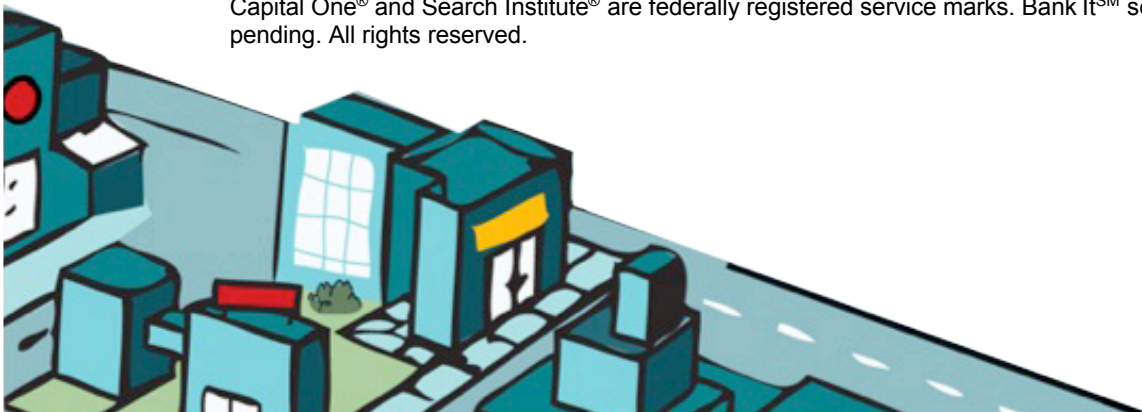
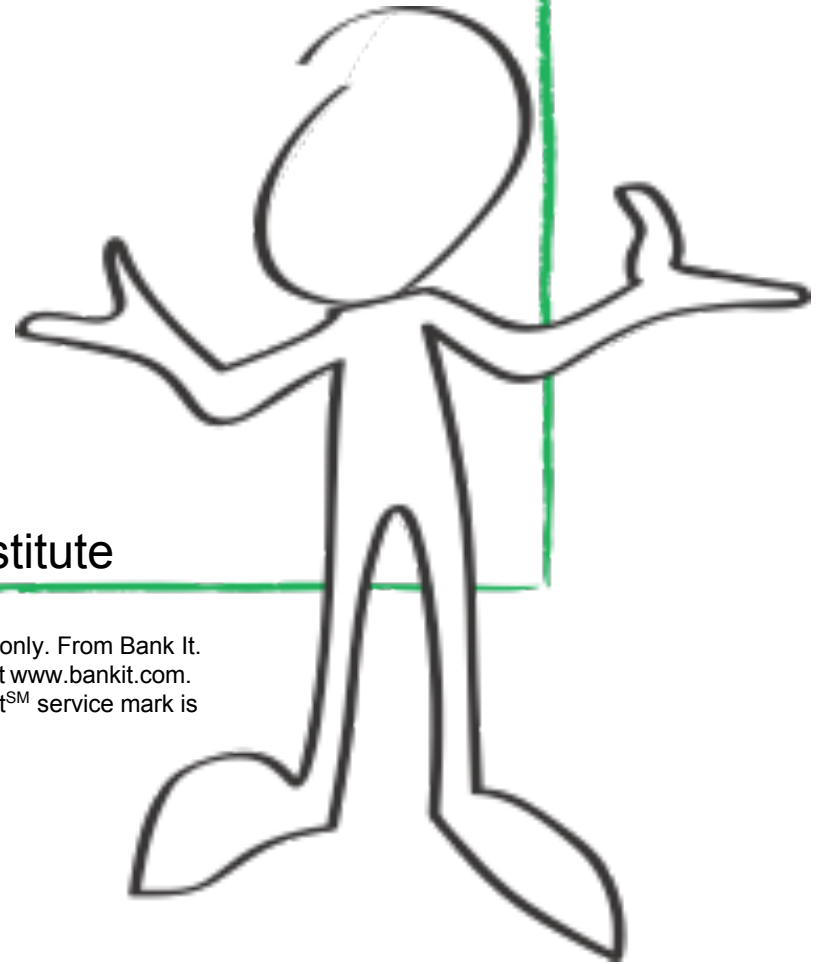
Welcome to Bank It

The Basics of Credit for Teenagers

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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.

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Welcome and Overview

Three goals for today:

1. Explain what credit is.
2. Explain why using a credit card is a form of borrowing.
3. Name at least one benefit of using credit.



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Activity

Credit vs. Cash



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Activity

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



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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, such as loans and credit cards, at cheaper rates over time.
- You'll get peace of mind.



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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.



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Activity

When you become an adult, will you use a credit card? Why or why not?



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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



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Discuss

Turn to talk to someone near you.

1. Say your first name.
2. What have you learned about credit cards from your family?



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Review and Evaluate

What is credit?

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



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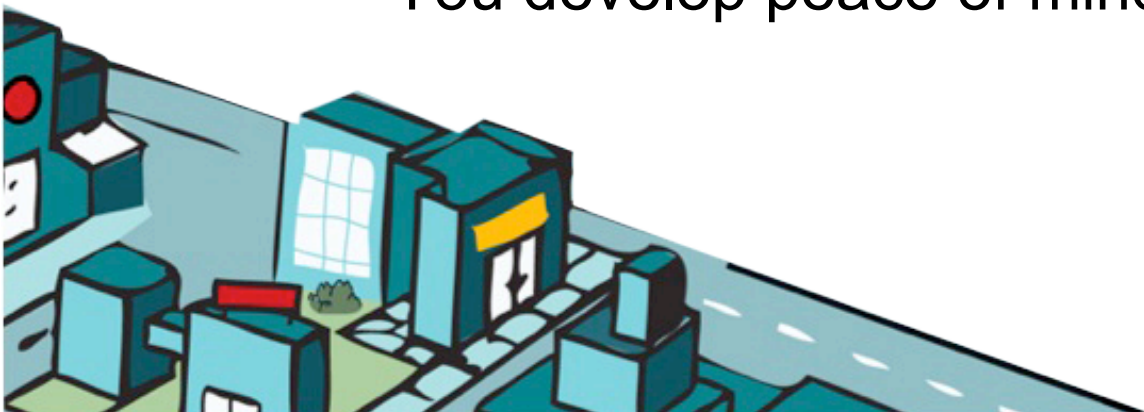


Review and Evaluate

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, such as loans and credit cards, at cheaper rates over time.
- You develop peace of mind.



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Review and Evaluate

What are examples of credit that adults commonly use?

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



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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.



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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.



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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.



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Close

You decide how to use cash and credit.



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