



PRESENTS

# MONEY MOMENTS 2017

## USING CREDIT RESPONSIBLY

Lee Hartman

### Oklahoma PFL Standard 7

Today, getting what we want is just a swipe or smart chip insert away! For many, credit or debit cards have become a matter of convenience and safety. Credit and debit cards can be more convenient than cash or checks, and the transactions are often faster. Although credit and debit cards are similar in their appearance and convenience, they are actually quite different. Debit card purchases are conveniently taken directly from checking account funds. Credit card purchases are funds borrowed from one's credit line with the credit card issuer. These purchases must be paid back to the credit card company, along with applicable interest if not paid in full each month. With a credit card, it's important to have a responsible plan for repayment in place, and an understanding of all terms and conditions.



### Objectives

- Recognize that a credit card purchase is a loan, and the cardholder is borrowing money
- Read and understand a credit card disclosure form
- Understand the cost of carrying a credit card balance and the benefit of paying the entire credit card balance monthly
- See the benefit of paying more than the monthly minimum

### CLASS DISCUSSION

Begin a discussion of how your students spend their money. After several students have offered answers, tell them that you really want to know HOW they spend their money. Explain that some of us spend our money using cash and coins. Ask them to name other methods that are used to spend money. Hold the discussion until you or a student mention credit and debit cards. Explain that debit and credit cards, although similar, are very different. Lead a discussion on the differences, as well as advantages/disadvantages of the different payment methods. You may choose to split your students into groups to research a particular payment form.