

# J MP2,4-Credit And Debt Copied from: 7th Grade Technology , Copied on: 12/05/22

Content Area: **Technology**  
Course(s): **Financial Literacy 7, 21st Century Skills**  
Time Period: **MP2,4**  
Length: **Twice Weekly**  
Status: **Published**

## Essential Questions

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- What is credit?
- In what instances should I use credit?
- What are some strategies to maintain good credit?
- How does having good credit result in other positive benefits?

## Big Ideas

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- Vocabulary: credit, credit card, debit card, credit report, debt, apr.
- Borrowing costs money.
- The two most common forms of credit are installment loans and revolving credit.
- What you do will either build good credit or hurt your credit.
- There are advantages and disadvantages of having debt and credit.
- Credit scores and credit reporting play a role in personal finances.

## Enduring Understandings

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### 9.1 B. Money Management

9.1.8.B.1 Distinguish among cash, check, credit card, and debit card.

9.1.8.B.9 Determine the most appropriate use of various financial products and services (e.g., ATM, debit cards, credit cards, check books).

### 9.1.C. Credit and Debt Management

9.1.8.C.1 Compare and contrast credit cards and debit cards and the advantages and disadvantages of using each.

9.1.8.C.2 Compare and contrast the financial products and services offered by different types of financial institutions.

9.1.8.C.3 Compare and contrast debt and credit management strategies.

9.1.8.C.4 Demonstrate an understanding of the terminology associated with different types of credit (e.g.,

credit cards, installment loans, mortgages) and compare the interest rates associated with each.

9.1.8.C.5 Calculate the cost of borrowing various amounts of money using different types of credit (e.g., credit cards, installment loans, mortgages).

9.1.8.C.6 Determine ways to leverage debt beneficially.

9.1.8.C.7 Determine potential consequences of using “easy access” credit (e.g. using a line of credit vs. obtaining a loan for a specific purpose.)

9.1.8.C.8 Explain the purpose of a credit score and credit record, and summarize borrowers’ credit report rights.

### **9.1 E. Becoming a Critical Consumer**

9.1.8.E.5 Analyze interest rates and fees associated with financial services, credit cards, debit cards, and gift cards.

## **Activities and Assessments**

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- Money Smart for Grades 6-8 Lesson 9: Give Credit Where Credit is Due (approx. 55 min.)
- Money Smart for Grades 6-8: Parent/Caregiver Guide – THEME 4: BORROW (Connects with Lessons 9)