

**Vocabulary**

Creditor	Person who loans money
Debtor	Person who borrows money
Debt	Amount of money owed

**Guided Notes**

**Guiding Question:** How can credit/debt be used to a consumer's advantage? How can it be used incorrectly?

<b>Questions</b>	<b>Credit Cards</b>
	<p>Not all forms of debt are _____</p> <p>People build debt by _____, etc.</p> <p>But sometimes...</p> <p>People also build debt when _____. Buying on credit is like _____.</p>



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"Hooked on Credit Cards"

- 1) What's happening in this cartoon?
- 2) Explain the title "Hooked on Credit Cards."
- 3) What message does this cartoonist want to deliver about credit?
- 4) What questions about credit do you have after viewing this cartoon?

*Discuss with your team, what are the "good" ways and "bad" ways to use credit?*

**Good ways to use credit**

**Bad ways to use credit**

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Watch the video: "Don't Buy Things You Can't Afford."

**Discuss with your team, what does this video say about how you should and shouldn't use credit?** (Write your conclusions from your team's discussion)

Watch the video: "Life Lesson #3: Credit Card Debt."

**Discuss with your team, what does this video say about paying your credit card bill?** (Write your conclusions from your team's discussion)

Watch the video: "Credit Card Debt Explained with a Glass of Water."

**Discuss with your team, what does this video say about paying your credit card bill?** (Write your conclusions from your team's discussion)

Watch the video: "Credit Scores and Reports 101 (Credit Card and Loan Basics 2/3)"

**Discuss with your team, what does this video say about credit scores and credit reports?** (Write your conclusions from your team's discussion)

### **Debt**

- Building debt is not always bad.
  - Most people will need to \_\_\_\_\_ during their lives.
  - Banks are more willing to \_\_\_\_\_, or \_\_\_\_\_, to people with \_\_\_\_\_.
  - You can build a good credit history/ credit score by \_\_\_\_\_.
  - Credit cards only help your credit score if \_\_\_\_\_.
- You can also build credit by \_\_\_\_\_ and \_\_\_\_\_.

## Building Wealth

There are many strategies you can use to make the money you make work for you.

1. Put money in \_\_\_\_\_ and \_\_\_\_\_: The money will grow \_\_\_\_\_, but it is \_\_\_\_\_.
2. Buy \_\_\_\_\_ and \_\_\_\_\_: Similar to a CD, when you buy a \_\_\_\_\_, you can \_\_\_\_\_ years later at a much higher price.
3. **Buy a home:** In most economic situations, house prices \_\_\_\_\_. When you buy a house, you should be able to \_\_\_\_\_.
4. **Invest in the Stock Market:** When you buy \_\_\_\_\_ you are buying \_\_\_\_\_. You can make money from stocks in two ways:
  - a. **Dividends:** You get a piece of the company's \_\_\_\_\_ for owning some of the company.  
Capital Gains: \_\_\_\_\_ your shares of stock \_\_\_\_\_.
  - b. Which wealth building strategies are safe? Which are risky? Why do people use the risky strategies?

## Summary