



# **MONEY SMART FOR YOUNG ADULTS**



## **MODULE 8**

# **Charge It Right**

**Instructor Guide**



FDIC-024-2022

The Federal Deposit Insurance Corporation is an independent agency created by Congress to maintain stability and public confidence in the nation's financial system. One way we do that is by providing free, nonbiased financial education materials, including this instructor guide. For more information about our family of Money Smart products, visit **[fdic.gov/moneysmart](https://www.fdic.gov/moneysmart)**.

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# Welcome

Welcome to the FDIC's Money Smart for Young Adults!  
This is the instructor guide for **Module 8: Charge It Right**.

## Module Purpose

This module helps participants understand how credit cards work and how to manage a credit card. Participants will be able to:

- Explain how credit cards work
- Define important credit card terms
- Choose a credit card based on their needs
- Find key information on a credit card statement
- Explain how different payment strategies affect the time needed to pay off a credit card and the costs of borrowing money
- List ways to manage a credit card effectively

## Module at a Glance

We estimate you will need 2 hours to cover the entire module, not including breaks. You can train on all sections or select sections based on the time you have available and the needs of participants.

SECTION	SUBSECTIONS AND ACTIVITIES	ESTIMATED TIME (MINUTES)
<b>Module Opening</b>	<ul style="list-style-type: none"><li>▪ Welcome Participants as They Arrive</li><li>▪ Pre-Training Survey (Optional)</li><li>▪ Parking Lot and Participant Guide</li></ul>	<b>10</b>
<b>Section 1: How Credit Cards Work</b>	<ul style="list-style-type: none"><li>▪ What is a Credit Card?</li><li>▪ Rates and fees</li><li>▪ Try It: Learning About Credit Card Fees</li><li>▪ Try It: Learning About Credit Card Fees-Answer Key</li><li>▪ Rewards</li><li>▪ Other Important Terms</li><li>▪ Try It: Choosing a Credit Card</li><li>▪ Apply It: My Credit Card Comparison Chart</li><li>▪ Unsecured and Secured</li><li>▪ Applying for a Credit Card</li></ul>	<b>55</b>



SECTION	SUBSECTIONS AND ACTIVITIES	ESTIMATED TIME (MINUTES)
<b>Section 2: Managing Your Credit Card</b>	<ul style="list-style-type: none"> <li>■ Reading a Credit Card Statement</li> <li>■ Try It: Finding Items in a Credit Card Statement</li> <li>■ Try It: Finding Items in a Credit Card Statement-Answer Key</li> <li>■ Steps for Managing Your Credit Card</li> <li>■ Apply It: Tips for Using My Credit Card</li> <li>■ Apply It: Tips for Using My Credit Card, as Included in the Participant Guide</li> </ul>	<b>40</b>
<b>Module Closing</b>	<ul style="list-style-type: none"> <li>■ Remember the Key Takeaways</li> <li>■ Take Action</li> <li>■ Post-Training Survey (Optional)</li> </ul>	<b>10</b>

The FDIC created Real-Life Money Situations for Young Adults to strengthen the financial knowledge, skills, and self-efficacy of young adults ages 16 to 24. The five scenarios can be used with the Money Smart for Young Adults financial education curriculum, with other financial education curricula, or as stand-alone activities. Each scenario features a young adult facing realistic financial decisions. Young adults reflect on the scenarios and consider how they might respond in similar situations. The scenario titled Reggie Takes a Trip with Friends features financial decisions that relate to the content of this module. Search [fdic.gov](https://www.fdic.gov) for Real-Life Money Situations for Young Adults.

# Module Opening

Time estimate for this section: 10 minutes

## Welcome Participants as They Arrive

### SHOW SLIDE 1



#### DO

- As participants arrive for the training, use this time to:
  - Welcome them and introduce yourself
  - Ask them to sign in for the training if you are using a sign-in sheet
  - Ensure that any requested reasonable accommodations are in place and make any necessary adjustments



## Pre-Training Survey (Optional)

See page 21 in the participant guide.

**Note to Instructor:** Before training starts, you can ask participants to complete the pre-training survey in the back of the participant guide. You may want to give participants copies of the survey so they do not have to tear pages out of their guides. The questions are repeated in the post-training survey.

The answer key is at the end of this instructor guide, but do not share the answers now.

Using the pre- and post-training surveys allow you to estimate knowledge gains and get other feedback on the training. You may decide to compare pre-training surveys to post-training surveys to estimate knowledge gains of the entire group or for individual participants. To estimate by participant, ask them to write their name or some other unique identifier on both their pre- and their post-training surveys.

### SHOW SLIDE 2



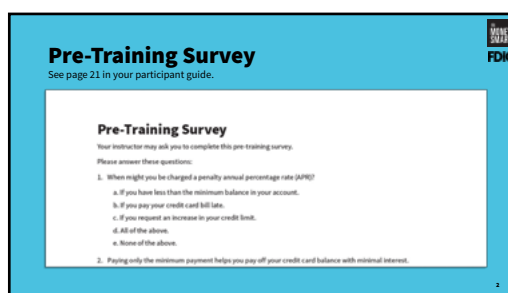
#### SAY

- Thank you for coming to this Money Smart training on “Charge It Right.”
- Please complete the pre-training survey on page 21 of your participant guide.
- It should take less than five minutes to complete.



#### DO

- Collect the completed surveys.



**Module 8: Charge It Right**  
MONEY SMART for YOUNG ADULTS

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# Parking Lot and Participant Guide



## SAY

- I will use a parking lot to capture questions, ideas, and other thoughts. We can add items anytime during the training. Time permitting, I will address them during breaks or at the end of training.
- You have a participant guide. You can write in it. It is yours to keep.



# Section 1: How Credit Cards Work

Training time estimate for this section: 55 minutes

See page 2 in the participant guide.

Participants will be able to:

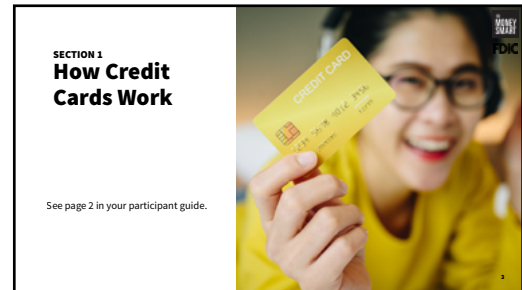
- Explain how credit cards work
- Define important credit card terms
- Choose a credit card based on their needs

## SHOW SLIDE 3



### SAY

- We will discuss how credit cards work and important credit card terms.



## SHOW SLIDE 4



### SAY

- The key takeaway for this section is: Know how credit cards work so you can shop around for one that meets your needs.



## SHOW SLIDE 5



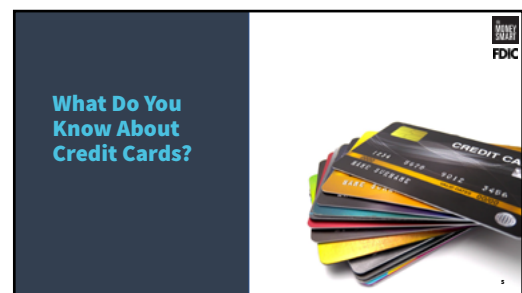
### ASK

- What do you know about credit cards?



### DO

- Write participant responses on a flip chart or whiteboard.





## What Is a Credit Card?

Present information (8 minutes)

See page 2 in the participant guide.

### SHOW SLIDE 6



#### SAY

- A credit card is a revolving line of credit—it is a form of borrowing money.
- That means the balance goes up as you make purchases and down as you make payments.
- Using credit cards can be a convenient way to buy goods and services without using cash.
- You buy now and agree to pay later.
- A credit limit is the maximum amount a lender will let you borrow. It can also be called a credit line. The creditor (the credit card company) will set your credit limit using several factors, such as your credit history.
- You must pay at least a part of the bill every billing cycle. This is called the minimum payment. That is usually a small part—5% or less—of the total amount you owe. You can always pay more than the minimum payment, and we will explore later why doing so can save you money.

Slide 6: What is a Credit Card? (FDIC logo in top right corner)

- Has a revolving line of credit
- Is a convenient way to buy goods and services
- Allows you to buy now, pay later
- Has a limit on how much you can borrow (credit limit or credit line)
- Requires you to pay at least a part of the bill every billing cycle (minimum payment)

### SHOW SLIDE 7



#### SAY

- A credit card can be an important financial tool.
- There are a few things to remember:
  - Paying your credit card bill regularly by the due date builds your credit history. Your credit history is your record of paying your debts. On time payments show you are creditworthy.
    - » This can increase your credit scores. Credit scores are numbers that predict the likelihood that you will pay your bills and debt payments as agreed. They are based on your credit history and other financial considerations. Lenders, landlords, employers, and others use your credit scores to make decisions about you.
  - The opposite is also true: You may damage your credit history and decrease your credit scores if the creditor does not receive at least the minimum payment by the due date.
  - Your payment will be late if you put it in the mail on the due date. We'll talk more about this in the next section.
  - A credit card can help you pay for emergency expenses when you cannot pay with cash. For example, you might need a car repair done as soon as possible so you can still get to work, but you might not have the money to pay for it until next month.
    - » You need to pay the credit card bill.

Slide 7: Important Financial Tools (FDIC logo in top right corner)

- Can show you are creditworthy
- Can help you pay for emergency expenses
- Is a convenient option for purchases online or by phone
- Gives you the right to dispute wrong credit card charges
- Gives you the right to dispute certain charges for goods and services that were not delivered as agreed

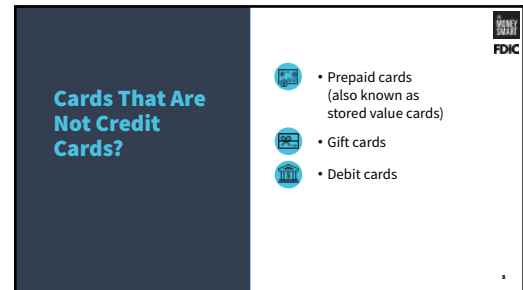
- Credit cards offer a convenient option for many types of purchases that cannot be made in cash. These can include purchases made online or by phone.
- You may dispute certain credit card charges. These include those that are errors. It also includes charges for goods and services that were not delivered as agreed.

## SHOW SLIDE 8



### SAY

- You may hear about other kinds of cards that are different from credit cards.
- Prepaid cards, sometimes called stored value cards, do not involve credit. You are not borrowing money when you use them.
  - You place money in the prepaid card account in advance, then use the card to access that money when you want to make purchases.
- Gift cards are loaded with a specific amount of money someone can use to make purchases until the card value is spent. Often, gift cards can be used only at a particular store, restaurant, or other business. You usually cannot add money onto a gift card. Expiration dates for using the card and other rules vary by card.
- Debit cards generally do not involve credit. They are linked to your checking or savings account. When you use them, the money is taken out of your checking or savings account.
  - Some retailers may allow you to process a transaction using your debit card as a “debit” or “credit” transaction. That simply refers to the network that processes the transaction.
  - Choosing a “credit” transaction with a debit card does not mean you are using credit. The money still comes out of your checking or savings account.
- This module focuses on credit cards and not these other products.



## Rates and Fees

Present information (5 minutes)

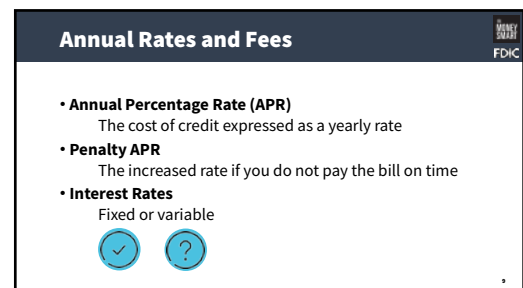
See page 4 in the participant guide.

## SHOW SLIDE 9



### SAY

- Let's review important terms related to credit cards.
- The **APR** (annual percentage rate) is the cost of borrowing money expressed as a yearly rate. It includes interest and other charges.
  - The APR is a key term to look at when you shop for a credit card.



- If you think you will carry a balance on your credit card account from month to month, look for a lower APR.
  - If you expect to pay your credit card bill in full each month, it may be more important to compare the annual fee or other charges, and rewards. However, you may still want to consider the APR if you use the card for unexpected expenses.
  - Credit cards likely have more than one APR. For example, credit cards may have different APRs for purchases, balance transfers from another card, and cash advances.
- Using your credit card to get cash is a type of **cash advance**.
    - This differs from using a debit or ATM card (ATM stands for “automated teller machine”). With a debit card or ATM card, you are withdrawing money from your checking or savings account. With a cash advance from a credit card, you are borrowing money.
    - When you get a cash advance on your credit card, you will likely pay a different—and probably higher—APR than you would for purchases. Interest will likely build up as soon as you take the cash advance.
  - Read your cardholder agreement to understand the creditor’s definition of a cash advance. For example, it likely includes using your credit card to:
    - Get cash from an ATM or in person from a provider of financial services.
    - Borrow against your credit limit using a convenience or access check.
    - Make a wire transfer.
    - Purchase foreign currency.
  - Another important term is the **penalty APR**. The creditor may increase the interest rate on your credit card by a large amount if it does not receive at least the minimum payment due by the due date. This is the penalty APR.
    - Penalty APRs may be double the regular APR.
    - For example, the penalty rate may apply if you are more than 60 days late.
    - If you pay your credit card bill late and trigger the penalty rate, make all your overdue payments when possible and pay your bill on time every month going forward. Creditors must reduce the penalty rate if they receive on-time payments for six months.
  - **Interest rates** can be fixed or variable.
    - A fixed rate means the interest rate will not change until the written credit card disclosure indicates it will change.
    - A variable rate means the interest rate will likely change more frequently. Variable rates for credit cards are tied to another interest rate called the index. If the interest rate on a credit card is a variable rate, it will go up and down as the index goes up and down.

## SHOW SLIDE 10



### SAY

- Creditors sometimes offer low introductory APRs—called **teaser rates**—for a limited time to attract new customers. The teaser rates may apply to balance transfers from another card, new purchases, or both.
  - Creditors must tell you how long these introductory rates will last.
  - They cannot impose new rates until after the advertised period, which must be at least six months.
  - Be sure you understand when the teaser rate ends and what the new rate will be or how it will be determined.
  - If you do not pay off the card in full before the teaser rate ends, you might have a much higher interest rate on your existing balance and any future purchases. For example, a card might offer no interest on purchases for the first 15 months. After the 15 months is over, the interest rate might be variable between 15.49% and 25.49%.

**Low Introductory APRs**

- **Teaser rates**  
Last for a limited time, at least six months
- **For example**  
0% interest on purchases for 15 months  
Then, variable APR of 15.49% to 25.49%

## SHOW SLIDE 11



### SAY

- Credit card rates and fees can vary greatly from card to card.
- The Truth in Lending Act (TILA) disclosure is a written disclosure that creditors must give prospective credit card customers. It contains important rate and fee information.
- The TILA disclosure is a helpful tool for comparing offers.

**TILA Disclosure**

- Credit card rates and fees vary greatly
- **The Federal Truth in Lending Act—or TILA—disclosure** is a written disclosure containing important rate and fee information
- **Creditors** must give the TILA disclosure to prospective credit card customers



## Try It: Learning About Credit Card Fees

Lead activity (12 minutes)—Exercise  
See page 5 in the participant guide.

## SHOW SLIDE 12



### SAY

- There are several different credit card fees.
- Turn to “Try It: Learning About Credit Card Fees” on page 5 in your participant guide.
- Working in pairs, take five minutes to match the fees with their definitions. Next to each fee in the table, write the number of the definition that best describes it from the definition list below the table.

**TRY IT**  
**Learning About Credit Card Fees**  
See page 5 in your participant guide.

**TRY IT:**  
**Learning About Credit Card Fees**  
Next to each fee, write the number of the definition that best describes it from the definition list.

Fee	Number	Definition
Late fees	_____	1. These fees are charged for transferring balances from one credit card to another credit card.
Annual fees	_____	2. These fees are charged for using a credit card to get cash.

**DO**

- Give participants five minutes to complete the exercise in pairs.
- After five minutes, provide the answers using the answer key and offer the additional information provided in the Answer column.
- Time permitting, ask participants to share their answers before you provide the correct answers.

**Try It: Learn About Credit Card Fees—Answer Key**

<b>FEE</b>	<b>ANSWER</b>
<b>Late fees</b>	<p><i>3. These fees are charged for not making payments on time.</i></p> <p>Late fees are flat amounts, rather than being based on the amount you owe. Creditors often charge one amount for the first late fee, and a different higher amount after that.</p>
<b>Annual fee</b>	<p><i>4. This is a fee charged every year to use the credit card.</i></p> <p>The annual fee is a key term to look at when you shop for a credit card. If you have a good credit history, you can probably find a credit card that does not charge you an annual fee.</p>
<b>Cash advance fees</b>	<p><i>2. These fees are charged for using a credit card to get cash.</i></p> <p>For example, you can use a credit card to get cash at an ATM or a bank branch. This fee can be significant, so know what the fee will be before you get a cash advance.</p>
<b>Foreign transaction fees</b>	<p><i>5. These fees are charged for making purchases using the credit card in a foreign currency.</i></p> <p>Typically, this fee will be a percentage of the purchases made outside of the United States.</p>
<b>Balance transfer fees</b>	<p><i>1. These fees are charged for transferring balances from one credit card to another credit card.</i></p> <p>Creditors sometimes offer low- or zero-interest rates to encourage you to pay off other debts with their credit card. However, they may add significant balance transfer fees, even if the offer is for a zero-interest rate. These fees are generally either a percentage of the balance you transfer or a fixed dollar amount, whichever is higher. Be sure you understand the rules to both obtain and keep the advertised interest rate.</p>
<b>Credit-limit increase fees</b>	<p><i>6. These fees are charged for asking for and receiving an increase in your credit limit.</i></p> <p>Most creditors do not charge credit-limit increase fees.</p>
<b>Overlimit fees</b>	<p><i>7. These fees are charged for borrowing more money than the creditor agreed in advance to lend to you (your credit limit).</i></p> <p>Creditors only charge overlimit fees if you agree to allow the company to process transactions that cause you to go over your credit limit, understanding that you will be charged a fee. Creditors are generally limited in the amount that they can charge for overlimit fees.</p> <p>These fees are not common.</p>





## Rewards

Present information (1 minute)

See page 6 in the participant guide.

### SHOW SLIDE 13



#### SAY

- Some credit cards offer rewards, such as:
  - Cash rebates on your purchases, which means getting some of the money you spend back.
  - Points to purchase other goods or services.
  - Airline miles you can exchange for plane tickets.
  - **Know what you need to do to qualify for rewards.** For example, you might have to spend a certain amount on the card. Make sure you understand how much you would have to spend to accumulate enough points or miles to get what you want.
  - Understand what you need to do to maintain your reward points. For example, they may expire if you do not use them within a set time.
- Think about whether the rewards will cause you to spend more than you would otherwise.
  - For example, if a card offers you a reward if you spend at least \$2,000 on it in the first 90 days and you were not planning to spend that much, it likely would not be a good fit for you.
- **Consider the fees** associated with the card when you look at the rewards.
  - For example, a credit card might offer seemingly terrific rewards, but also charge high fees.



## Other Important Terms

Present information (9 minutes)

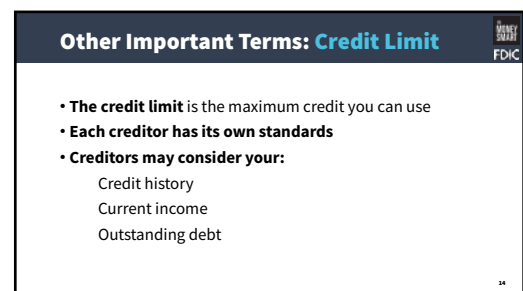
See page 6 in the participant guide.

### SHOW SLIDE 14



#### SAY

- There are also other credit card terms and features to understand.
- If you are approved for credit, the creditor will set a **credit limit** for the credit card.
  - This is the maximum credit you can use. Each creditor has its own standards for determining credit limits.
  - The creditor may consider your:
    - » Credit history.
    - » Current income.



» Outstanding debt.

## SHOW SLIDE 15



### SAY

- The **grace period** is the time between the date your credit card statement is issued and the date your payment is due. During the grace period, you will not be charged interest on new purchases if you pay your balance in full and your creditor receives your payment by the due date.
  - The Truth in Lending Act does not require creditors to provide a grace period for new purchases.
  - Creditors rarely provide a grace period for cash advances or balance transfers.
  - If the creditor provides a grace period, the law requires the creditor to mail or deliver your credit card bill at least 21 days before the payment is due. Delivery could be through an online statement.

**Grace Period**

- The time between when your statement is issued and when your payment is due
- Creditors do not have to give a grace period
- Applies to new purchases

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## SHOW SLIDE 16



### SAY

- The **balance computation method** is how interest on your account is calculated.
- There are different computation methods. You can find out which computation method a creditor uses by reviewing the credit card application before you apply. Or, if you already have a card, you can review your statement or your cardholder agreement.
- As an example, let's look at how an average daily balance method could work. A creditor might:
  - Add up the ending balances on your credit card account for each day in the period covered by the credit card statement.
  - Divide that total by the number of days in that period to get your average daily balance.
  - Calculate the interest you owe for that period based on that average daily balance.
- If you are comparing credit card offers that use different methods to calculate your balance, think about whether you will be carrying a balance, charging small amounts throughout the month, or making one or only a few large purchases.

**Balance Computation Method**

- The **balance computation method** is how interest on your account is calculated
- There are different methods
- The cardholder agreement will include which method is used
- The **average daily balance** method is one method

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## SHOW SLIDE 17



### SAY

- Credit cards can offer other features, products, and services too.

**Other Features, Products, and Services**

- Customer service features
- Additional features for free
- Example: Extended warranty, free credit scores, rental car insurance
- Additional products and services for a fee
- Examples: Payment protection, credit monitoring

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- Cards may offer different **customer service features**, such as the ability to pay your bills online.
  - Some creditors may give you options for accessing customer service that include calling a toll-free number, visiting a local branch, using a smartphone app, or having access to your account on a secure website.
- Some credit cards may also offer you **additional features** for free. For example:
  - Some credit cards may extend the warranty period on certain products you purchase using the card.
  - Some credit cards may provide you with one or more of your credit scores for free.
  - Some credit cards may offer rental car insurance if you pay for the rental using the card.
- You may be able to choose **additional products and services**, for a fee. These can include:
  - Payment (or credit card) insurance products that may help you make payments if a specific hardship occurs, such as unemployment or hospitalization.
    - » Know the costs and the limitations.
  - Programs that will monitor your credit reports for signs that a thief may be attempting to use your name to commit fraud.
    - » Understand how much credit monitoring will cost.
    - » Remember that there are cost-effective ways to monitor your credit yourself.
    - » Consider ordering a free credit report. You are entitled by law to receive free annual credit reports from each of the three nationwide credit reporting agencies. [annualcreditreport.com](http://annualcreditreport.com) (**annualcreditreport.com**) is the only website authorized to provide these free credit reports.
- Creditors may offer additional products and services that are optional. Before agreeing to pay a fee for an additional product or service, ask for a written summary of product features and costs.
  - Consider checking whether you can receive the offered service somewhere else for less money or you already have it from another company.



## Try It: Choosing a Credit Card

Lead activity (10 minutes)—Scenario  
See page 7 in the participant guide.

### SHOW SLIDE 18




#### SAY

- Ask participants to turn to “Try It: Choosing a Credit Card” on page 7 in the participant guide.
- Read the scenario to participants or ask for a volunteer to do so.

**TRY IT**

**Choosing a Credit Card**

See page 7 in your Participant Guide.



**TRY IT:**


**Choosing a Credit Card**

Read the scenario and answer the question.

**Scenario: Siddharth Chooses a Credit Card**

Siddharth is a web designer employed by a local company. He is paid by the hour. While he is generally satisfied with how much he earns, his income is not steady. Some months he earns a lot. Other months, business slows down and he earns much less.

Siddharth has a disability that affects his balance and mobility, and he thinks it would help to shop online.



## Scenario: Siddharth Chooses a Credit Card

Siddharth is a web designer employed by a local company. He is paid by the hour. While he is generally satisfied with how much he earns and he wants to stay in this job, his income is not steady. Some months he earns a lot. Other months, business slows down and he earns much less.

Siddharth has a disability that affects his balance and mobility, and he thinks it would help to shop online for things he needs. For example, a grocery delivery service now serves his neighborhood. He can order and pay online and have groceries delivered to his door.

He decided to apply for a credit card and has collected information on several cards. Now he wants to choose one.



**DO**

- Give participants five minutes to discuss the question listed below the scenario in small groups.
- After five minutes, provide the answers in the answer key. Time permitting, first ask participants to share their answers before providing the correct answers.

## Try It: Choosing a Credit Card—Answer Key

**What should Siddharth consider?**

- Because Siddharth's income varies, he might need to occasionally keep a balance on his credit card. He might want to choose a card with a low APR.
- He may also want to compare reward offers and the length of grace periods.
- He could explore using a debit card online.



## Apply It: My Credit Card Comparison Chart

Present information (1 minute)

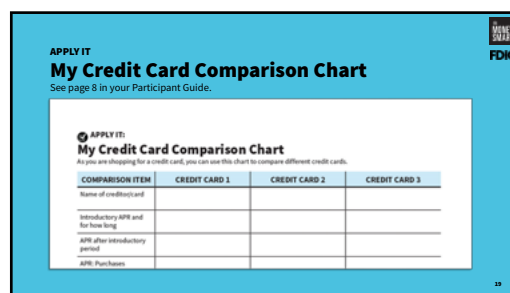
See page 8 in the participant guide.

### SHOW SLIDE 19



**SAY**

- Turn to “Apply It: My Credit Card Comparison Chart” on page 8 in your participant guide.
- You can use this chart after today's training to compare credit card offers.



COMPARISON ITEM	CREDIT CARD 1	CREDIT CARD 2	CREDIT CARD 3
Name of credit card			
Introductory APR and for how long			
APR after introductory period			
APR: Purchases			

**Note to instructor:** Time permitting, review “Apply It: My Credit Card Comparison Chart” with participants during training, using a copy from a participant guide.



**Module 8: Charge It Right**  
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# Unsecured and Secured Credit Cards

Present information (4 minutes)

See page 9 in the participant guide.

## SHOW SLIDE 20



### SAY

- Banks and other financial institutions offer both unsecured and secured credit cards with varying credit limits and rates.
- When people talk about credit cards, they generally mean unsecured credit cards. With unsecured credit cards, the creditor lets you borrow money using the card based on their expectation that you can and will repay what you owe. There is no collateral required.
- Another type of credit card, called a **secured credit card**.
- A secured credit card requires collateral. You keep money, as collateral, in a dedicated deposit account at the financial institution issuing the card. The credit card account is secured by the funds in the account.
  - For example, if you want a secured credit card with a \$250 limit, you may have to deposit \$250 into a dedicated savings account at the financial institution offering you the card.
    - » If you do not pay your credit card bill, the financial institution can use the deposit to pay your credit card bill.
  - The creditor will report your payments to one or more of the credit reporting agencies. If you regularly pay at least the minimum payment so the creditor receives it by the due date, you generally can improve your credit history and increase your credit scores.
    - » However, you can also damage your credit history and reduce your credit scores if you use too much of the credit limit on the card.
  - Just as with an unsecured credit card, using as little of your credit limit as possible on a secured credit card can help improve your credit history. We will talk more about this.
  - And, you may be able to obtain an unsecured credit card after a certain period of on-time payments on the secured card.
- A secured credit card is usually easier to qualify for than an unsecured card. As with any card, find out what fees you could be charged.

**Unsecured and Secured Credit Cards**

- **Unsecured credit cards**—do not require collateral
- **Secured credit cards**—require collateral
  - ✓ You keep money (collateral) in a dedicated deposit account; the amount may be equal to the card's credit limit
  - ✓ If you pay the balance regularly by the due date, you generally can improve your credit history and scores
  - ✓ These are usually easier to qualify for than unsecured cards

## SHOW SLIDE 21



### SAY

- Secured credit cards typically have lower credit limits than unsecured credit cards. Some people apply for secured credit cards if they cannot get an unsecured card. A secured credit card can help them build or improve their credit history.

**Secured Credit Cards**

- **Secured cards** typically have lower credit limits
- Some people apply for secured credit cards if they are unable to get unsecured cards
- The card can help them build their credit history



**Module 8: Charge It Right**  
MONEY SMART for YOUNG ADULTS



fdic.gov/moneysmart

- We will talk more in the next section about how to manage your use of a credit card, whether secured or unsecured, so you do not damage your credit history.



## Applying for a Credit Card

Present information (5 minutes)

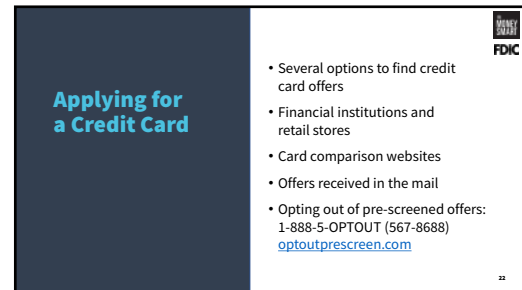
See page 10 in the participant guide.

### SHOW SLIDE 22



#### SAY

- When you are ready to apply for a credit card, you will have several options to find credit card offers.
- For example, many financial institutions offer credit card products. You can call or visit a local branch or review their offerings online.
- You can also apply for credit cards at many retail stores. Often, you can only use the cards for purchases at those stores.
- Some websites may present credit card offers from several creditors. Creditors often pay to advertise their products on these sites.
  - If you use these sites, consider reviewing credit card offers from creditors without ads on these sites. For example, you could visit the website of a local bank. This can help you make a more informed decision.
- You may get credit card offers in the mail. You may opt out of receiving certain mailed credit card offers.
- You can tell the credit reporting agencies not to share your information with creditors and insurers who use the information to decide whether to send you offers of credit or insurance.
  - You can opt out of receiving these prescreened offers by:
    - » Calling 1-888-5-OPTOUT (567-8688).
    - » Visiting [optoutprescreen.com](https://optoutprescreen.com).

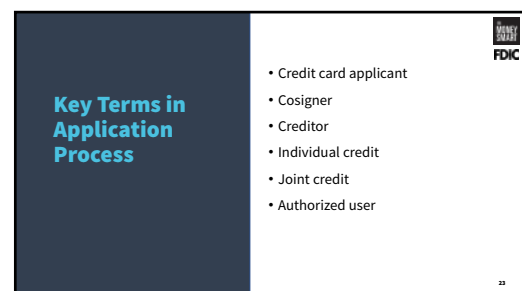


### SHOW SLIDE 23



#### SAY

- It is helpful to understand what key terms in the application process mean.
- **Credit card applicant:** When you apply for a credit card, you are called the credit card applicant.
  - Remember that providing false information about your income, or any other item on a credit application, is a crime.



- Anyone under age 21 who wants to obtain a credit card must have a qualified cosigner on the account **or** must prove he or she alone can repay any debt.
- **Cosigner:** This is a person—such as a parent, close family member, or friend—who commits to paying what is owed on a credit card if you do not.
  - Having a cosigner on your credit card application gives the credit card company additional assurance that amounts you owe them will be repaid. Credit card companies may be more willing to offer you a card and may offer better terms, such as a higher credit limit, if you have a cosigner
  - A cosigner takes full responsibility. If you do not pay what you owe, your cosigner will be responsible. Negative information about missed or late payments will appear on the cosigner's credit reports and may lower the cosigner's credit scores.
- **Creditor:** This is the company that issues the card. It may be called the credit card issuer.
- **Individual credit:** When you apply for a credit card on your own, you get individual credit, based on your own assets, income, ability to pay, and credit history. You are responsible for paying the credit card bill.
- **Joint credit:** When you apply for a credit card with another person, you get joint credit, which is based on the assets, income, ability to pay, and credit history of both people who apply. Couples often apply for joint credit. You might obtain more credit this way. Both applicants are responsible for the credit card bill, no matter which one uses the credit card.
  - Joint cardholders are different from cosigners. Joint cardholders can use the credit card account to make purchases and other transactions. Cosigners do not use the credit card account but are responsible for paying what is owed on the account if the cardholders do not pay.
- **Authorized user:** An authorized user is someone you allow to use your credit card account. You are legally responsible for paying all charges, interest, and fees that result from the authorized user's use of the credit card.
  - The authorized user may have his or her own card, and the card may even have the same number as your card.
  - Some creditors will report payment history on the credit card account to one or more credit reporting agencies for the authorized user, in addition to the primary cardholder.
    - » This can help build, or hurt, the credit history of both the authorized user and primary cardholder, depending on how well the credit card account is managed.

## SHOW SLIDE 24



### SAY

- Remember the key takeaway: Know how credit cards work so you can shop around for one that meets your needs.

SECTION 1

FDIC

Remember the key takeaway

“ Know how credit cards work so you can more effectively shop around for one that meets your needs.”

# Section 2: Managing Your Credit Card

Training time estimate for this section: 40 minutes

See page 11 in the participant guide.

Participants will be able to:

- Find key pieces of information on a credit card statement
- Explain how different payment strategies affect the time needed to pay off a credit card and the costs of borrowing
- List ways to manage a credit card effectively

## SHOW SLIDE 25



**SAY**

- We will discuss how to read a credit card statement and manage a credit card.

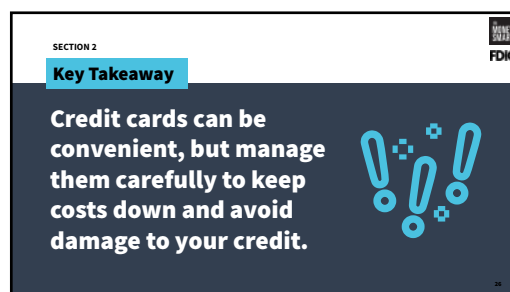


## SHOW SLIDE 26



**SAY**

- The key takeaway for this section is: Credit cards can be convenient, but manage them carefully to keep costs down and avoid damage to your credit.



## Reading a Credit Card Statement

Present Information (10 minutes)

See page 11 in the participant guide.

## SHOW SLIDE 27



**SAY**

- If you have a credit card, you will receive a monthly billing statement every billing cycle, either in the mail or online, or both.
  - Billing cycles are usually about a month.

Account Billing Cycle	Time Period Covered by Statement
Account Summary	Previous Balance
	New Balance
	Credit Limit
	Credit Available
Payment Information	New Balance
	Minimum Payment Due
	Payment Due Date
	Late Payment Warning
	Total Minimum Payment Warning

- If you select “paperless” statements, you will need to review your statement online. You can set up email or text alerts, so you know when the statement is available online.
- Reading and understanding the monthly billing statement is important.
- Information on the statement includes:
  - **Account billing cycle**, which is the period covered by the statement.
  - **Account summary**, including:
    - » **Previous balance**: The money you owed as shown on your last bill.
    - » **New balance**: What you owe now based on your previous balance, plus any purchases, cash advances, and late fees, minus any payments and credits.
    - » **Credit limit**: The maximum credit you can use.
    - » **Credit available**: The credit remaining on your account after your balance is subtracted from your credit limit.
  - Payment information, including:
    - » **New balance**: What you owe now.
    - » **Minimum payment due**: The minimum dollar amount you must pay so the creditor receives it by the due date on the statement, perhaps three or four percent of your new balance.
    - » **Payment due date**: The date your creditor must receive your payment. It must be on the same day each month (for example, always on the fifth day of the month).
    - » **Late payment warning**: An explanation of what will happen if you do not make your payment on time.
    - » **Minimum payment warning**: A table that shows:
      - » How long it will take to pay off the new balance if you only pay the minimum due each month.
      - » How much you would have to pay each month to pay off the new balance in 36 months (3 years).
      - » The total cost (payments and interest) of these options.

## SHOW SLIDE 28



### SAY

- Information on the statement also includes:
  - **Credit counseling statement**: How to obtain information about credit counseling services.
  - **Notice of changes to your interest rate**: Changes in the interest rate (if any).
  - **Transactions or account activity**, including:
    - » Transactions made with the card.
    - » **Finance charges**: Interest, service charges, and transaction fees for the account billing cycle.
    - » **Annual fee and interest totals**: The amount you have paid in fees and interest during the calendar year.
  - **Interest charge calculation**: How the interest charge was calculated.

**More Items on a Credit Card Statement** MONEY SMART  
FDIC

- Credit counseling statement
- Notice of interest rate changes
- Transactions or account activity
  - Transactions, finance charges, annual fee, and interest totals
- Interest charge calculation

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## Try It: Finding Items in a Credit Card Statement

Lead activity (10 minutes) – Scavenger Hunt

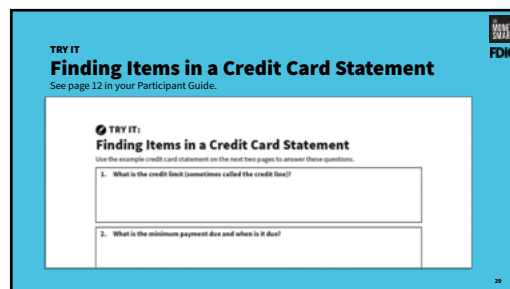
See page 12 in the participant guide.

### SHOW SLIDE 29



#### SAY

- Turn to “Try it: Finding Items in a Credit Card Statement” on page 12 in your participant guide.
- We are going on a scavenger hunt with an example credit card statement.
- Take five minutes to work in pairs to answer the questions.



#### DO

- After five minutes, use the answer key to share answers with participants.
- Time permitting, first ask participants to share their answers before providing the correct answers.

## Example Credit Card Statement

Account Number 123456789  
February 21, 2025 to March 22, 2025

Summary of Account Activity	
Previous Balance	\$100.00
Payments and Other Credits	-\$61.75
Purchases and Adjustments	+\$426.25
Balance Transfers	+\$0.00
Cash Advances	+\$0.00
Past Due Amount	+\$0.00
<b>Fees Charged</b>	<b>+\$35.00</b>
<b>Interest Charged</b>	<b>+\$0.50</b>
New Balance Total	\$500.00
Total Credit Line	\$2,000.00
Total Credit Line Available	\$1,500.00
Statement Closing Date	3/22/2020
Days in Billing Cycle	29

Payment Information		
New Balance	\$500.00	
Current Payment Due	\$20.00	
Minimum Payment Due	\$20.00	
Payment Due Date	4/21/25	
<b>Late Payment Warning:</b> If we do not receive your Minimum Payment by the date listed above, you may have to pay a late fee of up to \$35.00 and your APR may be increased up to the Penalty APR of 28.99%.		
<b>Minimum Payment Warning:</b> If you make only the Minimum Payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example:		
If you make no additional charges using this card and each month you pay	You will pay off the balance shown on this statement in about	And you will end up paying an estimated total of
Only the Minimum Payment	40 months	\$634.15
\$25	36 months	\$613.99
<b>If you would like information about credit counseling, call 800-555-5555.</b>		

Notice of Changes to Your Interest Rates
You have triggered the Penalty APR of 28.99%. This change will impact your account as follows:
<u>Transactions made on or after 4/9/25:</u> As of 5/10/25, the Penalty APR will apply to these transactions.
<u>Transactions made before 4/9/25:</u> Current rates will continue to apply to these transactions. However, if you become more than 60 days late on your account, the Penalty APR will apply to those balances as well.



Example Credit Card Statement (continued)

Transactions				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
Payments and Other Credits				
2340980TUH08	2/25	2/25	Payment Thank You	\$50.50-
<b>TOTAL PAYMENTS AND OTHER CREDITS FOR THIS PERIOD</b>				<b>\$50.50</b>
Purchases				
304958VIM345	2/27	2/28	Store 1	\$200.00
0980PCJ34590	3/5	3/7	Store 2	\$150.00
0880PKJ39870	3/5	3/7	Store 3	\$65.00
<b>TOTAL PURCHASES FOR THIS PERIOD</b>				<b>\$415.00</b>
Fees				
897263698VVO	2/23	2/23	Late Fee	\$35.00
<b>TOTAL FEES FOR THIS PERIOD</b>				<b>\$35.00</b>
Interest Charged				
Interest Charge on Purchases				\$0.50
Interest Charge on Cash Advances				\$0.00
<b>TOTAL INTEREST FOR THIS PERIOD</b>				<b>\$0.50</b>

2025 Totals Year-to-Date	
Total fees charged in 2025	\$70.00
Total interest charged in 2025	\$1.57

Interest Charge Calculation			
Your <b>Annual Percentage Rate (APR)</b> is the annual interest rate on your account.			
Type of Balance	Annual Percentage Rate (APR)	Balance Subject to Interest Rate	Interest Charge
Purchases	14.99%(V)	\$100	\$0.50
Balance Transfers	21.99%(V)	\$0.00	\$0.00
Direct Deposit and Check Cash Advances	21.99%(V)	\$0.00	\$0.00
Bank Cash Advances	21.99%(V)	\$0.00	\$0.00

APR Type Definitions Daily Interest Rate Type: V = Variable rate (rate may vary)



# Try It: Finding Items in a Credit Card Statement—Answer Key

**1. What is the credit limit?**

\$2,000 (also called the credit line)

**2. What is the minimum payment due and when is it due?**

\$20 by April 21, 2025

**3. How long will it take to pay off the credit card if the cardholder pays only the minimum payment each month?**

40 months

**4. How long will it take to pay off the credit card if the cardholder pays \$25 each month, which is more than the minimum payment?**

36 months

**5. What interest rate will be charged on purchases made after April 9?**

Starting May 10, 2025, the penalty rate of 28.99% will be charged.

**6. What interest rate applies to cash advances?**

21.99%, which is different from the interest rate charged on purchases

**7. What are some important things to review in your credit card statement when you access it online or receive it in the mail?**

- It is worthwhile to review the information.
- The Payment Information section is important to review so you know how much money you owe and when the creditor must receive your payment.
- The Notice of Changes to Your Interest Rates section is especially important because any changes may affect how much interest you pay on what you owe going forward.
- It may also be especially helpful to review the Transactions section to make sure you recognize the transactions. If you notice any errors, contact your creditor right away.



## Steps for Managing Your Credit Card

Present information (10 minutes)

See page 15 in the participant guide.


### SHOW SLIDE 30



#### SAY

- Credit card debt can accumulate quickly if you do not pay your balance in full each month. It can get costly if late payments result in fees or a higher APR.
- Here are basic steps for managing your credit card effectively.

### Steps to Managing Your Credit Card



- Keep good records
- Check statements for mistakes
- Pay on time and at least the minimum due
- Understand the impact of different payment strategies
- Try to limit what you owe compared to your credit limit

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■ **To start, keep good records.**

- Keep your credit card receipts to compare them with your monthly statements. You can store the paper receipts in a safe place, take pictures of your receipts and store them in a folder on your phone, or ask for email copies of your receipts (when available from stores).

■ **Check your monthly statements for mistakes.**

- If you find a mistake, contact the creditor right away. To be fully protected, you must report a mistake in writing within 60 days after the statement was sent to you. Creditors must investigate and resolve billing errors you notify them about within specified timeframes.
- You may be asked to opt out of receiving paper statements and instead receive them electronically. Before choosing this option, consider if you expect to have internet access. For some people, receiving account statements on paper is a reasonable accommodation related to a disability. If so, ask the credit card company to waive any fee they charge for providing paper statements.

■ **Pay your credit card bill on time and pay at least the minimum amount due each month,** so the creditor receives your payment by the due date.

- If you do not, you will pay a late fee in addition to interest.
- Late payments and payments of less than the minimum amount due can affect your credit history and reduce your credit scores.
- Postmarks do not count. The creditor has to receive the payment by the due date. If you are mailing your payment, allow enough time for the payment to reach the creditor.
- If you think you cannot pay on time, call the creditor right away. They may be work out a plan to help you handle the debt.

■ **Try to limit keep your balance well under the credit limit.**

- Credit scores are generally higher for consumers who do not “max out” or otherwise use a large share of their available credit.
  - » The percentage of your credit limit you use is called the credit utilization rate.
  - » Using a large share of your credit limit at any point in the month may have a negative impact on your credit scores, even if you consistently pay your full balance each month.
  - » Some experts advise using no more than 30% of your credit limit, while others advise using no more than 20%. While keeping balances at or below those percentages may not always be realistic, it helps to use as little of your credit limit as possible.
  - » This can be especially important to remember for secured credit cards, which typically have lower credit limits than unsecured credit cards do.

■ **Understand the impact of different payment strategies,** including:

- Paying only the minimum payment by the due date.
- Over time, you will pay a lot more money if you just pay the minimum monthly payments. And, if you continue to use the card and your balance increases, those minimum required payments will increase.
- Paying more than the minimum payment, but less than the full balance, by the due date.
- Paying the full balance by the due date.

■ **Let’s now look more closely at different payment strategies.**



## SHOW SLIDE 31



**SAY**

- In the table, compare the price of items with how much you pay when you only make the minimum payment. This payment strategy can cause many years of payments and you paying lots of interest.
- If you paid for these items in cash, you would not be charged the amounts in the “Interest Paid” column.



**DO**

- Briefly review the information in the table.

Paying Only the Minimum Payment					
Item	Price	Credit Card APR	Interest Paid	How Much You Really Pay for the Item	Total Years to Pay Off
TV	\$500	18%	\$132	\$632	3
Repair	\$1,000	18%	\$863	\$1,863	8
Furniture	\$2,500	18%	\$5,363	\$7,863	23

## Paying Only the Minimum Payment

Item	Price	Credit Card APR	Interest Paid	How Much You Really Pay for the Item	Total Years to Pay Off
TV	\$500	18%	\$132	\$632	3
Car Repair	\$1,000	18%	\$863	\$1,863	8
Furniture	\$2,500	18%	\$5,363	\$7,863	23

All figures are rounded to the nearest dollar.

## SHOW SLIDE 32



**SAY**

- This next table shows the benefit of paying more than the required minimum payment.



**DO**

- Briefly review the information in the table.

Paying More Than the Minimum Payment					
Original Balance	Credit Card APR	Monthly Payments	Total Years to Pay Off	Interest Paid	Total Amount Paid
\$2,500	18%	Minimum Payment	23	\$5,363	\$7,863
\$2,500	18%	Minimum Payment + \$24	4	\$1,025	\$3,525
\$2,500	18%	Minimum Payment + \$41	3	\$754	\$3,254

## Paying More Than the Minimum Payment

Original Balance	Credit Card APR	Monthly Payments	Total Years to Pay Off	Interest Paid	Total Amount Paid
\$2,500	18%	Minimum Payment	23	\$5,363	\$7,863
\$2,500	18%	Minimum Payment + \$24	4	\$1,025	\$3,525
\$2,500	18%	Minimum Payment + \$41	3	\$754	\$3,254

All figures are rounded to the nearest dollar.



**Module 8: Charge It Right**  
MONEY SMART for YOUNG ADULTS

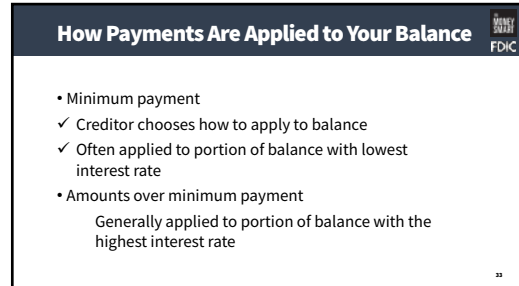
## SAY

- To save money and avoid paying interest charges, pay off your balance in full each month.
- If you cannot do that, pay as much as you can, as soon as you can.
- Your creditor will include a table that is similar but not necessarily identical to this one in your credit card statement. It is helpful to review that information as you decide whether to pay the minimum amount due or more.

### SHOW SLIDE 33

## SAY

- You may be wondering how your payments are applied to the different portions of your credit card balance.
  - This is important because the creditor may apply different interest rates to different portions of your balance. For example, the portion of your balance from purchases may have an interest rate lower interest than the portion of your balance from cash advances.
  - Likewise, any balance you transferred from another credit card may have an interest rate lower than other balances on the card.
- The more of your payment applied to the balances with the highest interest rates, the less interest you will pay.
- By law, creditors generally must apply any amount you pay over the minimum payment to the portion of your balance with the highest interest rate.



**How Payments Are Applied to Your Balance** FDIC

- Minimum payment
  - ✓ Creditor chooses how to apply to balance
  - ✓ Often applied to portion of balance with lowest interest rate
- Amounts over minimum payment
  - Generally applied to portion of balance with the highest interest rate

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## Apply It: Tips for Using My Credit Card

Present information (10 minutes)

See page 17 in the participant guide.

### SHOW SLIDE 34

## SAY

- Turn to “Apply It: Tips for Using My Credit Card” on page 17 in your participant guide.
- Take five minutes to review the list of tips for managing your credit card effectively. Check off tips from the list you want to start or continue doing. If you do not have time to read through the entire list now, you can finish after today’s training.



**APPLY IT**  
**Tips for Using My Credit Card**  
See page 17 in your Participant Guide.

**APPLY IT:**  
**Tips for Using My Credit Card**

You can use these tips to manage your credit card effectively. Check tips from the list you want to start or continue doing.

- ☐ Review your monthly statement when you receive it. Contact the creditor right away if you notice errors. For example, there may be a charge for an item you did not purchase.
- ☐ Pay off your balance in full each month to save money and avoid paying interest. If you cannot do that, pay as much as you can, as soon as you can.
- ☐ Pay on time to avoid late fees and avoid having late payments on your credit report. If you cannot pay on time, call the creditor right away. The creditor may waive the late fee or be willing to make other payment arrangements.

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## DO

- Invite participants to ask questions or share tips they found especially important.

### Apply It: Tips for Using My Credit Card, as Included in the Participant Guide

You can use these tips to manage your credit card effectively. Check tips from the list you want to start or continue doing.

- ☐ **Review your monthly statement when you receive it.** Contact the creditor right away if you notice errors. For example, there may be a charge for an item you did not purchase.
- ☐ **Pay off your balance in full each month to save money and avoid paying interest.** If you cannot do that, pay as much as you can, as soon as you can.
- ☐ **Pay on time to avoid late fees and avoid having late payments on your credit report.** If you cannot pay on time, call the creditor right away. The creditor may waive the late fees or be willing to make other payment arrangements.
- ☐ **Keep your balance well under your credit limit.** This is your credit utilization rate. Some experts advise using no more than 30% of your credit limit, while others advise using no more than 20%. While keeping balances at or below those percentages may not always be realistic, it helps to use as little of your credit limit as possible.
- ☐ **Know that using a high percentage of your credit limit at any point in the billing cycle can negatively affect your credit scores.** This is true even if you regularly pay off your entire balance every month.
- ☐ **Keep a record of important information about your credit cards.** This includes keeping your account numbers, expiration dates, and the website address and telephone numbers of each creditor in a safe place, separate from your credit cards, so you can report a loss quickly.
- ☐ **Carry only the credit cards you expect to use.** This can save you time if you lose your wallet or purse because you would have fewer cards to cancel.
- ☐ **Consider technologies that let you leave your physical card at home.** Mobile wallets allow you to load your credit card information onto your phone so you can leave the plastic card at home in a safe place. You pay for an item by holding your phone over the card reader. Not all businesses accept payment using this technology, but many do. Biometric technology allows you to associate your palm print with your credit card. Some businesses allow you to show your palm, rather than swipe your card, to pay for items.
- ☐ **Think about the cost difference if you purchase an item with cash compared to if you purchase an item with credit and do not pay the credit card bill in full.** For example, if you purchase a \$500 television using a credit card with a 20% APR, it could cost you \$1,084 and take three years to pay off your debt.
- ☐ **Read the rules that govern your account (the cardholder agreement).** You can access the information online or ask your creditor for a paper copy if you do not already have one.
- ☐ **Read all notices and information you receive from the creditor.** They may be telling you about an important change to your account.
- ☐ **Ask the creditor to lower the interest rate after you have established a good record of making payments on time.** Creditors are not required to do so, but they may do so to keep you as a customer.



- ☐ **Think carefully before accepting a balance transfer offer.** Often, a balance transfer can be a good way to get your debt under control and pay it off faster. However, before you move your balance, you need to know what you are getting into. For example, while a balance transfer may offer a low APR, you may have a higher APR than what you were originally paying after the introductory period ends. This becomes important if you cannot pay off your balance during the introductory period. Also consider any fees associated with the balance transfer. Fees are often a percentage of the amount being transferred.
- ☐ **Be careful with blank convenience checks that your creditor may send you as a quick way to write yourself a loan.** Expect to pay a transaction fee of several percent of each check. In addition, the interest rate can be much higher than the rate on your card purchases, perhaps twice as high. Even if you are offered a low interest rate at first, find out what interest rate you will pay when the introductory period is over. Most creditors also start charging interest when the check transaction is applied to your account, even if they give you a grace period to repay your credit card for purchases.
- ☐ **Remember that minor and unplanned purchases can add up.** When the bill comes, you have to pay what you owe. If you are in the habit of regularly using your credit card, consider checking how much you owe on the card before you make a new purchase to make sure you can pay the balance in full when due. You may check your current balance online or with a mobile app. You can also keep your own record of your purchases.
- ☐ **Think carefully before closing a credit card account.** Closing a credit card account can lower your credit scores, particularly if it is an account you have held for a long time. It can also lower your credit scores if closing an account means you use a larger percentage of your credit limits on other accounts.
- ☐ **If your card is lost or stolen, or if you suspect that your information may be used to make fraudulent purchases on your credit card account, immediately contact the creditor.**
- ☐ **Ask the creditor about activating free security features.** You may be able to sign up for alerts online. As an example, those alerts can notify you whenever your card is used without the credit card being physically present.
- ☐ **If you need help with a debt challenge, consider contacting a credit counselor for personalized guidance.** Look on your credit card statement for a toll-free number you can call to get help in finding one.

### SHOW SLIDE 35



#### SAY

- Remember the key takeaway: Credit cards can be convenient, but manage them carefully to keep costs down and avoid damage to your credit.

SECTION 2

**Remember the key takeaway**

“

**Credit cards can be convenient, but manage them carefully to keep costs down and avoid damage to your credit.”**

”

# Module Closing

Time estimate for this section: 10 minutes

## Remember the Key Takeaways

**Note to Instructor:** Only mention key takeaways for sections you included in the training.



### SAY

- Remember the key takeaways. These are also listed on page 19 in your participant guide. Let me know if you have questions about any of them.

SECTION	KEY TAKEAWAY
1: How Credit Cards Work	Know how credit cards work so you can shop around for one that meets your needs.
2: Managing Your Credit Card	Credit cards can be convenient, but manage them carefully to keep costs down and avoid damage to your credit.

## Take Action

See page 19 in the participant guide.

### SHOW SLIDE 36



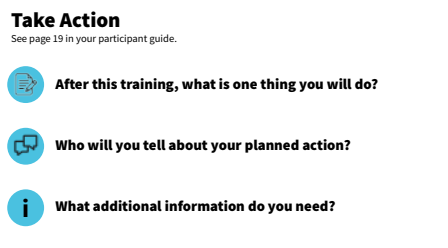
### SAY

- You are more likely to act if you commit to acting now.
- Consider writing down what you intend to do based on today's training.
- Take a few minutes to answer the questions under "Take Action" on page 19 in your participant guide.






### DO

- If time permits, ask a few participants to share what they wrote.
- Remind participants about the activities in their participant guide they can complete after today's training.
- Refer participants to "Where to Get More Information or Help" on page 20 in their participant guide for a list of online resources.
- If this is the end of your training, thank participants for attending and administer the post-training survey.



**Take Action**  
See page 19 in your participant guide.

-  After this training, what is one thing you will do?
-  Who will you tell about your planned action?
-  What additional information do you need?

36



# Post-Training Survey (Optional)

See page 22 in the participant guide.

## SHOW SLIDE 37



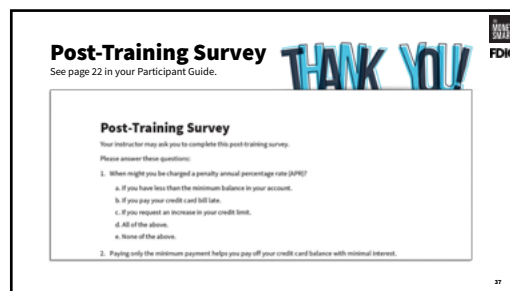
### SAY

- Thank you for coming to this Money Smart training.
- Please complete the post-training survey on page 22 of your participant guide.
- It should take less than five minutes to complete.



### DO

- Collect the completed surveys.



## Answer Key for the Pre- and Post-Training Survey

1. When might you be charged a penalty annual percentage rate (APR)?

- If you have less than the minimum balance in your account.
- If you pay your credit card bill late.
- If you request an increase in your credit limit.
- All of the above.
- None of the above.

The answer is **b. You pay your credit card bill late.**

2. Paying only the minimum payment helps you pay off your credit card balance with minimal interest.

The answer is **false.**

3. The annual fee, if any, and the APR are key terms to look at when you shop for a credit card.

The answer is **true.**

4. A good strategy for improving your credit history is to keep a balance on your credit card that is close to your credit limit.

The answer is **false.**

**Note to instructor:** There are no “right” or “wrong” answers to the remaining questions, which appear in the post-training survey and not in the pre-training survey.

