

Credit Cards, Debit Cards and ATM Cards

New words to remember

- ✓ charging
- ✓ minimum payment
- ✓ credit limit
- ✓ interest
- ✓ PIN
- ✓ check register

What is a Credit Card?

A credit card is a thin plastic card that can be used to buy items. A credit card might be used to buy food or restaurant meals. A credit card allows you to pay later for the items you bought. This is called *charging*. It means that you have paid for the items with your credit card. You promise to pay when you sign the credit card receipt in the store. Credit cards can be issued from a store, a bank or a company.

You will be billed monthly for the items you have *charged*. You can pay the entire amount owed. Or, you can pay a part of the bill each month. Your monthly bill will tell you the *minimum payment* you must pay each month. Minimum payment is the smallest amount you can pay each month. You will be charged *interest* on the total amount you owe. Interest is the amount of money credit card companies charge for using a credit card. Interest is figured in percentages. If you pay only the *minimum payment*, the amount you owe will continue to grow. If you do not pay your bill on time you can be charged a late fee. If you pay late, you will pay more. If your card charges high interest, you will end up paying much more than the price of the item. Each credit card has a maximum amount you are allowed to charge. The maximum amount is called the *credit limit*.

What is a Debit Card?

A debit card is also known as a check card. A debit card looks like a credit card but works like a check. When you use a debit card to pay, the money is taken right away from your checking or savings account. You must be sure that you have enough money in your bank account to cover the cost of the items you buy. You will have a *PIN* or Personal Identification Number that you must remember to use a debit card. You can use a debit card to pay at most stores and restaurants. Be sure to record the cost of the items you buy with your debit card in your *check register*. Then subtract the amount spent from your balance. A *check register* is a record of the money that is put into a checking account. It is also a record of the money taken out of the account.

What is an ATM Card?

An Automatic Teller Machine card or ATM card looks like a credit card. But an ATM card is different. It is only used to get cash. An ATM card has your name

Over →

Credit Cards, Debit Cards and ATM Cards

Materials needed:

- Wipe board and wipe board markers
- Pencils
- Highlighters
- Index cards
- Example Credit, Debit and ATM cards

Finanza materials:

- *Credit Cards, Debit Cards and ATM Cards* (Toolbox Topic, Skills Practice Worksheet, Pre/Post-Survey)

Elements	Activities	Notes
Pre-Set	<p>Introduce topic</p> <p>Conduct Pre-Survey</p> <p>Introduce new vocabulary</p>	<p>What are these? (Hold up examples of credit, debit and ATM cards.)</p> <p>Do any of you have one?</p> <p>Students complete (oral or written) survey.</p> <p>Instructor writes vocabulary words on wipe board. Instructor and students repeat vocabulary words.</p>
Instruction	<p>Read <i>Credit Cards, Debit Cards and ATM Cards</i> (if appropriate)</p> <p>Identify vocabulary words in reading</p> <p>Explain how cards work and pros and cons of cards</p> <p>Explore decisions regarding use of credit cards</p>	<p>Provide Toolbox Topic – <i>Credit Cards, Debit Cards and ATM Cards</i>. Instructor leads guided reading of topic.</p> <p>Students highlight definitions of new words.</p> <p>Instructor explains the process of using the cards and the responsibilities of the use.</p> <p>Provide Skills Practice Worksheet. Instructor guides the students through scenarios on worksheet. Students work independently or in pairs (if appropriate).</p>
Concept Check	<p>Play “Which card is it?” game</p> <p>Conduct Post-Survey</p>	<p>Each student writes words Credit Card, Debit Card or ATM Card on an index card. Instructor reads a fact from the topic sheet and students identify the type of card by holding up the index card with the correct answer.</p> <p>Students complete (oral or written) Post-Survey.</p>

Workshop Guidelines:

- Complete attendance/sign-in document
- Record Pre/Post-Survey results if completed orally
- Time estimate – 1 hour for adults... less for children depending on grade (K – 12)

Credit Cards, Debit Cards and ATM Cards
Tarjetas de crédito, tarjetas de débito y tarjetas de cajero automático (ATM)

Name/Nombre _____ Date/Fecha _____

1. Juan lost his job last month and has not found a new job yet. He had a little money saved in his savings account at the bank and he has a bank credit card. Juan's son really wants a television for his birthday next week. Juan decided to buy the television using his credit card. Is this a good idea? _____

1. Juan perdió su trabajo el mes pasado y no ha encontrado otro. Tenía algún dinero ahorrado en su cuenta de ahorros en el banco y tiene una tarjeta de crédito del banco. El hijo de Juan quiere una televisión para su cumpleaños la próxima semana. Juan decidió comprar la televisión con la tarjeta de crédito. ¿Es una buena idea? _____

Why or why not?

¿Por qué o por qué no? _____

2. Maria has been working at the same job for 6 months. She has \$2,000 in her checking account at the bank. She just moved into an apartment that does not have a refrigerator. She is thinking about buying a new refrigerator with her debit card. Is this a good idea?

2. María ha estado trabajando en el mismo trabajo por 6 meses. Tiene 2,000 dólares en su cuenta de cheques en el banco. Acaba de mudarse a un apartamento que no tiene refrigerador. Está pensando en comprar un nuevo refrigerador con su tarjeta de débito. ¿Es un buena idea?

Why or why not?

¿Por qué o por qué no? _____

Over/Continúa al reverso



3. Thomas is at the grocery store. He needs to buy some milk, onions and chicken. He has a credit card, a debit card and an ATM card in his pocket, but he has no cash. Which card should he use to buy the food he needs?

3. Tomás está en el supermercado. Necesita comprar leche, cebollas y pollo. Tiene una tarjeta de crédito, una tarjeta de débito y una tarjeta de ATM en el bolsillo, pero no tiene dinero en efectivo. ¿Qué tarjeta debe usar para comprar la comida que necesita? _____

Why?

¿Por qué? _____



Credit Cards, Debit Cards and ATM Cards
Pre-Assessment

Date: _____

Name: _____

Circle the correct answer.

1. Can you use a credit card to buy items?

Yes

No

2. Credit card companies can charge you which of the following?

a. interest

b. a late fee

c. an annual fee

d. all of the above

3. What happens when you use your credit card?

You borrow money.

You save money.

4. You must remember your *Personal Identification Number* (PIN).

True

False

5. Do you need to have money in the bank to use an ATM Card?

Yes

No

Total Correct: _____



Credit Cards, Debit Cards and ATM Cards
Post-Assessment

Date: _____

Name: _____

Circle the correct answer.

1. Can you use a credit card to buy items?

Yes

No

2. Credit card companies can charge you which of the following?

a. interest

b. a late fee

c. an annual fee

d. all of the above

3. What happens when you use your credit card?

You borrow money.

You save money.

4. You must remember your *Personal Identification Number* (PIN).

True

False

5. Do you need to have money in the bank to use an ATM Card?

Yes

No

How are debit cards and credit cards different? (not scored)

Total Correct: _____