



LESSON PLAN

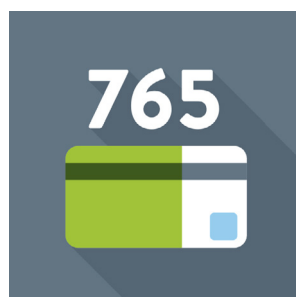
Understanding Credit Scores

GRADES

7 to 12

TIME

45 minutes



OVERVIEW

As young people begin to create their credit history, it's easy for a lack of knowledge and experience to create long-term financial detriments. The mindset of 'buy now, pay later' can be addictive for youths, and influence their financial trajectory for years to come. By learning how credit scores work, and the various factors that are used to calculate them, young people can empower themselves to make better financial decisions.

GOALS

- Introduce students to the concept of credit scores, how they're calculated and why they're important
- Provide students with the knowledge to form good credit habits

OBJECTIVES

- Define a credit score and identify its contributing factors
- Demonstrate both positive and negative practices that influence credit scores
- Read and interpret a monthly credit card statement
- Read and interpret a credit report

ASSESSMENT

Activities A and B can be used to gauge student understanding. An optional quiz has been provided with this lesson plan (the quiz is not factored into the lesson's 45-minute runtime).

***Did you know?** This lesson plan explores concepts from Standard 4 (Using Credit) from the Council for Economic Education's National Standards for Financial Literacy.*

MATERIALS

- VIDEO 02**—Breakdown of a Credit Score
- VIDEO 04**—Boost Your Credit Score
- HANDOUT 02**—Breakdown of a Credit Score
- HANDOUT 04**—Boost Your Credit Score
- PRESENTATION 02**—Breakdown of a Credit Score
- ACTIVITY A**—Credit Score Match and Answer Key
- ACTIVITY B**—Spot the Bad Credit Choices and Answer Key
- QUIZ**—Understanding Credit Scores and Answer Key

PREPARATION

- Gather digital materials (videos and presentation)
- Print **HANDOUT 02** and **HANDOUT 04** for each student
- (Optional) Print **QUIZ** (Understanding Credit Scores) for each student
- Print and cut out cards for **ACTIVITY A**
- Prepare **ACTIVITY B** by either printing out physical copies for students or by preparing a copy for in-class display



LESSON PLAN

Understanding Credit Scores

TIME LINE

- 5 minutes** Introduce topic and show **VIDEO 02** (*Breakdown of a Credit Score*)
- 10 minutes** Go over **PRESENTATION 02**
- 10 minutes** Distribute **ACTIVITY A**
- 5 minutes** Show **VIDEO 04** (*Boost Your Credit Score*)
- 10 minutes** Divide students into small groups and distribute **ACTIVITY B**; go over correct answers together as a class
- 5 minutes** Wrap up and distribute **HANDOUT 02** and **HANDOUT 04**
- (Optional)** Assessment: **QUIZ** (*Understanding Credit Scores*)

6. Distribute **ACTIVITY B**
- Have students break into small groups and give each group a copy of the provided sample credit card statement
 - Allow students time to fill out their activity sheets
 - Go over the answers together as a class
7. Wrap up by sharing the following:
- Monitoring your credit score is important—you are entitled to one free credit report per year from each of the major credit bureaus
 - Contact the credit bureau if you spot any inaccuracies or suspicious activity on your credit report
8. Distribute **HANDOUT 02** and **HANDOUT 04** as take-home materials
9. (Optional) Distribute **QUIZ** for individual assessment, or answer the questions together as a class

INSTRUCTIONS

1. Introduce and determine students' familiarity with the topic by asking:
 - What is a credit score?
 - How is it calculated?
2. Show **VIDEO 02**
3. Go over **PRESENTATION 02**
4. Distribute **ACTIVITY A**
 - Hand out cards with different behaviors to students
 - Create a 'Positive Impact' and a 'Negative Impact' pile and have students place their card in the pile they deem appropriate
 - Go over each card and confirm whether it was placed in the appropriate pile; discuss any misplaced cards with the class before moving them to the correct pile
5. Show **VIDEO 04**

NOTES

Notes section with horizontal lines for writing, enclosed in a dotted border.