NEW MEXICO 4-H

Aggie Next Step

Credit Cards & Scores



Post Secondary Pathways

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AGGIE NEXT Soar
Post Secondary Pathway Program
Prosper Empower Thrive

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Credit Cards & Scores

Lesson Focus

Credit cards are common, but they are not required – and they are not free money. In this lesson, participants will learn what credit scores are, how credit cards work, and why using credit too often or incorrectly can lead to long-term financial problems. The goal is to help participants understand credit, so they can make informed, cautious choices if and when they encounter it.

Supplies

- Worksheets
- Handouts
- Pens/Pencils

Objectives

Students will be able to:

- **Define** key credit terms and explain their importance.
- **Explain** what a credit score is and why it matters for financial decisions.
- **Analyze** credit card scenarios to determine potential consequences.
- **Evaluate** credit choices critically and explain how different decisions can affect a person's financial future and credit score.

Preparation

Review lesson materials and determine which worksheets and handouts you will use for the lesson. Print enough assessments, worksheets, and handouts for each participant.

Activities

1. Have participants complete the *Pre-Assessment*.

2. Activate prior knowledge with a whole-group discussion:
   Q: Why do you think credit cards are so easy to use?
   Q: Why do people get into trouble with credit cards?
   Q: If credit cards are risky, why do companies want people to use them?

3. Reinforce caution throughout this lesson: *You do not need a credit card to be successful. Many people use them, but many people also struggle because of them.*

This lesson is all about understanding credit and credit cards – not promoting the use of credit cards.

4. Distribute ***Credit & Credit Cards: Word Sort*** and review instructions. This activity can be completed in two ways. Participants can match each term to its definition by writing the correct number next to the term. Or they can cut apart terms and definitions and match them up.

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5. Distribute ***Credit Scores*** handout. Review and discuss:
   Q: What is a credit score actually measuring?
   Q: Which credit score factor surprised you the most?
   Q: Which part of a credit score seems most within your control right now? Why?

6. Group participants into small groups. Distribute ***Credit Choices Challenge***. Assign one scenario to each group. Assist groups through completion. Ask at least one group per scenario to share. Highlight across scenarios:
   Paying on time matters most.
   Interest makes purchases cost more.
   Credit is powerful – but risky without a plan.

7. ***Exit Ticket*** – Depending on time, this can be done as a class discussion, as an individual worksheet, as homework in class, or during the following class.

8. Have participants complete the *Post-Assessment*.

Reflection

Credit is a financial tool. Knowing how it works gives you control over your choices – even choosing not to use it. The goal isn't to use credit often – it's to use it thoughtfully, when you choose to.



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Extensions

Use the ***Credit Card Advertising*** Teacher Guide to guide participants through a discussion on how credit card companies make their products seem appealing. Discuss why it is important to think critically before using credit. (Note: This activity requires participants to watch video advertisements. Alternatively, you could print or display credit card print ads.)

Differentiation

Content Support: Provide a completed sample of the *Credit Choices Challenge* or a worked-out interest calculation so students understand expectations before making their own decisions.

English Language Learners: Allow students to respond verbally or with bullet points, rather than full sentences, when appropriate. Pair students with a supportive peer for discussions and collaborative activities.

Provide sentence starters such as:

1. A credit score is important because…
2. Using a credit card can be risky when…
3. Paying only the minimum can…
4. The best choice for this teen is…because…

Processing Time: Provide additional think time before students respond or share.

Advanced or Early Finishers: Ask students to research real credit card offers for teens: APR, limits, fees, rewards, and penalties.

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Resources

Optional Videos

Note: Please preview all videos before showing them to students to ensure they are age-appropriate, relevant, and aligned with your classroom needs.

Credit Cards 101 (Credit Card Basics 1/3)
https://youtu.be/0ddgrHehprk?si=JWdnWvRqNMvz68zY

Credit Scores and Reports 101 (Credit Card and Loan Basics 2/3)
https://youtu.be/71iaNlskCc0?si=sfGDbD3KSexWbecX

Credit Explained
https://youtu.be/HWPJUZItq5Q?si=EeRmwEY_IjYbEzwN

Debt
https://youtu.be/ZzdKI3ZY-Yw?si=pvV48hpmrU8NQ0EP

NM Standards:

NM PED Standards: Career and Technical Education (CTE):
3.1.1: Employ critical thinking skills to solve problems and make decisions

NM Social Studies Standards – Financial Literacy (Grades 9-12)
Econ.46 Explain how and why people make choices to improve their economic well-being
Econ.47 Compare the costs and benefits of saving, using credit, and or making certain types of financial investments
Econ.52 Evaluate options for payment on credit cards and the consequences
Econ.53 Describe how a credit score impacts the ability to borrow money and at what rate

Common Career Technical Core (CCTC) Standards: Career Ready Practices (CRP):
CRP-3: Attend to Personal Health and Financial Well-Being

Optional ELA Alignment (Grades 6-12)
SL1: Participate in a range of conversations and collaborations