

LESSON PLAN

Comparing Cards

- IT'S A -
**MONEY
THING®**

INCLUDED IN THIS PACKAGE

- **LESSON PLAN** (2 pages)
- **ACTIVITY** (4 pages)
- **QUIZ** (1 page)
- **ACTIVITY ANSWER KEY** (1 page)
- **QUIZ ANSWER KEY** (1 page)

COLLECT FROM YOUR LIBRARY

- **VIDEO 08** (*Comparing Cards*)
- **PRESENTATION 08** (*Comparing Cards*)
- **HANDOUT 08** (*Comparing Cards*)

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LESSON PLAN

Comparing Cards

GRADES

7 to 12

TIME

45 minutes



OVERVIEW

This lesson delves into the differences between debit cards, credit cards and prepaid debit cards. Students will learn to evaluate the costs and benefits of each method, applying their knowledge to select the appropriate payment option for various scenarios.

GOALS

- Help students understand the difference between popular card-based payment types
- Apply knowledge of payment methods to real-life scenarios

OBJECTIVES

- Compare different card-based payment types: debit cards, credit cards and prepaid debit cards
- Evaluate the benefits and drawbacks of using debit cards, credit cards and prepaid debit cards for various transactions

ASSESSMENT

Use the activity in this lesson plan to assess students' grasp of the topic. An optional quiz is also provided (the quiz is not factored into the lesson's 45-minute runtime).

***Did you know?** The magnetic stripe on the back of credit cards, which was developed by IBM in the 1960s, revolutionized card transactions.*

MATERIALS

- ☐ **VIDEO 08**—Comparing Cards
- ☐ **PRESENTATION 08**—Comparing Cards
- ☐ **HANDOUT 08**—Comparing Cards
- ☐ **ACTIVITY**—Card Choice Challenge and Answer Key
- ☐ **QUIZ**—Comparing Cards and Answer Key

PREPARATION

- Gather digital materials (video and presentation)
- Print and cut out a set of oversized payment cards from the **ACTIVITY** for each team of students participating
- (Optional) Prepare the **ACTIVITY** prompts for display
- Print **HANDOUT 08** for each student
- (Optional) Print **QUIZ** (Comparing Cards) for each student

Comparing Cards

10 minutes	Introduce topic and show VIDEO 08 (<i>Comparing Cards</i>)
10 minutes	Go over PRESENTATION 08
20 minutes	Facilitate the group ACTIVITY
5 minutes	Wrap up and distribute HANDOUT 08
(Optional)	Assessment: QUIZ (<i>Comparing Cards</i>)

1. Together as a class, brainstorm a list of payment methods; ask students about their experiences using different payment options:
 - What are your preferences and why?
 - How do you decide which payment method to use?
 - Why do you think it's important to choose the right payment method for a specific situation?
2. Introduce the topic by highlighting that today's focus will be on card-based payment methods; show **VIDEO 08**
3. Go over **PRESENTATION 08** to review the differences between debit cards, credit cards and prepaid debit cards
4. Facilitate the **ACTIVITY**
 - Divide students into small teams
 - Give each team a set of three paper payment cards
 - For each round, read out one prompt or scenario from the **ACTIVITY** and give teams a few moments to collectively decide which card—debit card, credit

- Instruct students to raise the corresponding paper card(s) to indicate their selection
- Ask students to explain their choice
- Reveal the correct response(s) and award a point to each team who answered correctly
- Continue playing until the time limit has been reached or until all prompts have been covered

- There are strategic advantages to using debit cards, credit cards and prepaid debit cards in different situations
- Understanding the differences between payment types helps us choose wisely and use payment methods responsibly

7. (Optional) Distribute **QUIZ** for individual assessment, or answer the questions together as a class; decide whether or not students can reference their notes/handouts during the quiz

NOTES

[illegible]



ACTIVITY

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CARD CHOICE CHALLENGE

Directions: Select which card—Debit Card, Credit Card or Prepaid Debit Card—is most suitable for each of the descriptions or scenarios below. Note that some descriptions may apply to multiple cards.

DEBIT CARD, CREDIT CARD OR PREPAID DEBIT CARD?			
1	This card is linked to your checking account.	11	These cards have fees associated with them.
2	These cards do not affect your credit score.	12	This card can be owned by anyone.
3	This card can be used to help limit your spending.	13	You would likely use this card to withdraw cash from the ATM.
4	Every time you use this card, you are borrowing money.	14	This card is the most likely to offer attractive rewards and cash-back programs.
5	This card is a good option for travelers who fear their card may get lost or stolen.	15	Misusing this card can lead to an overdraft fee.
6	This card builds your credit score when used responsibly.	16	You would likely use this card to purchase an airline ticket.
7	You must have funds in your checking account to use this card.	17	This card makes it easy to overspend.
8	This card is the most similar to a gift card.	18	This card is like an instant personal check.
9	You would likely use this card to purchase a big-ticket item like a laptop or smartphone.	19	This card is a convenient gift idea.
10	In most cases, you have to be at least 18 to use this card.	20	Interest on this card can make purchases more expensive over time.



ACTIVITY

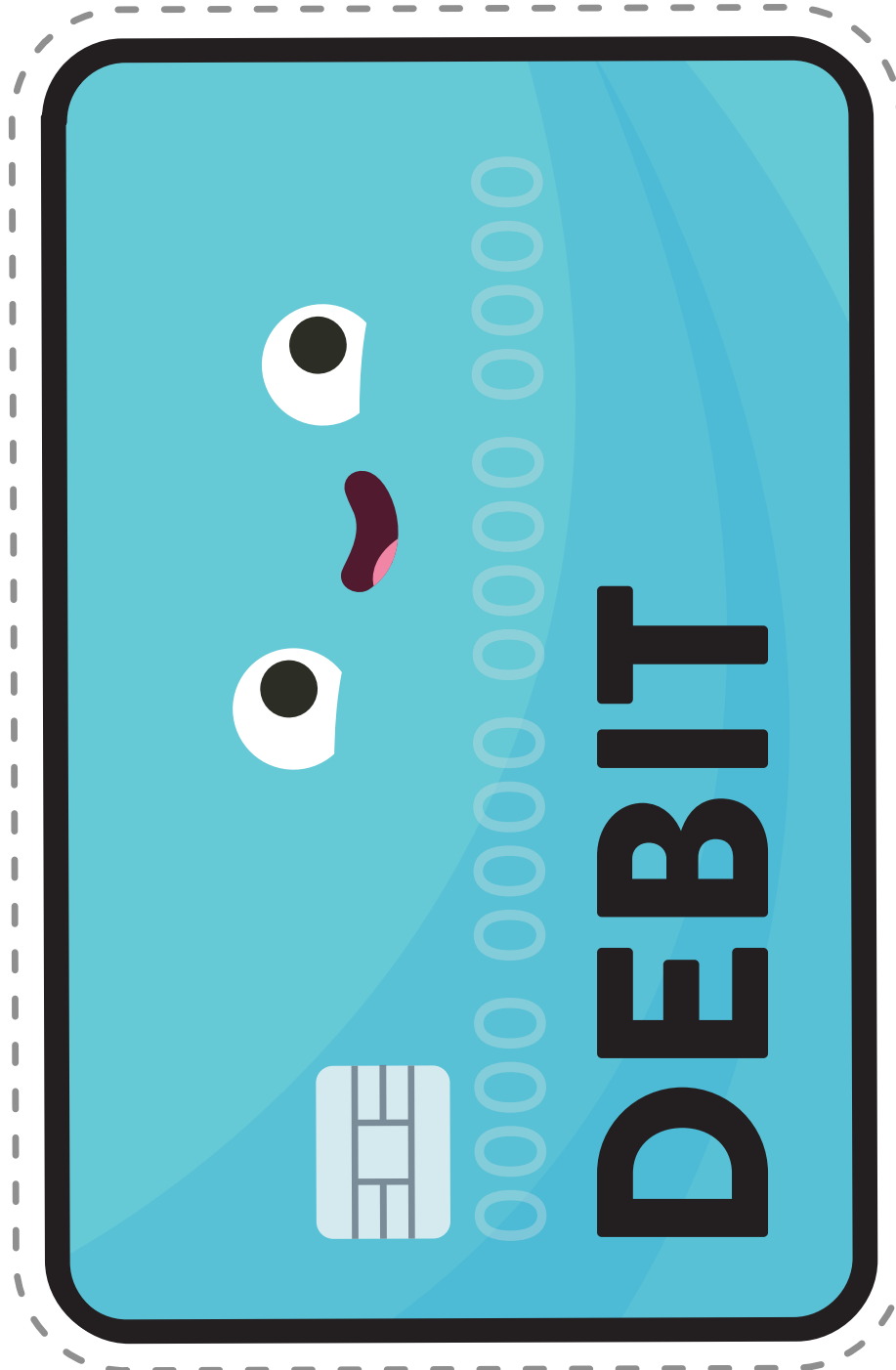
Comparing Cards

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CARD CHOICE CHALLENGE

Directions: Print and cut out the payment cards.





ACTIVITY

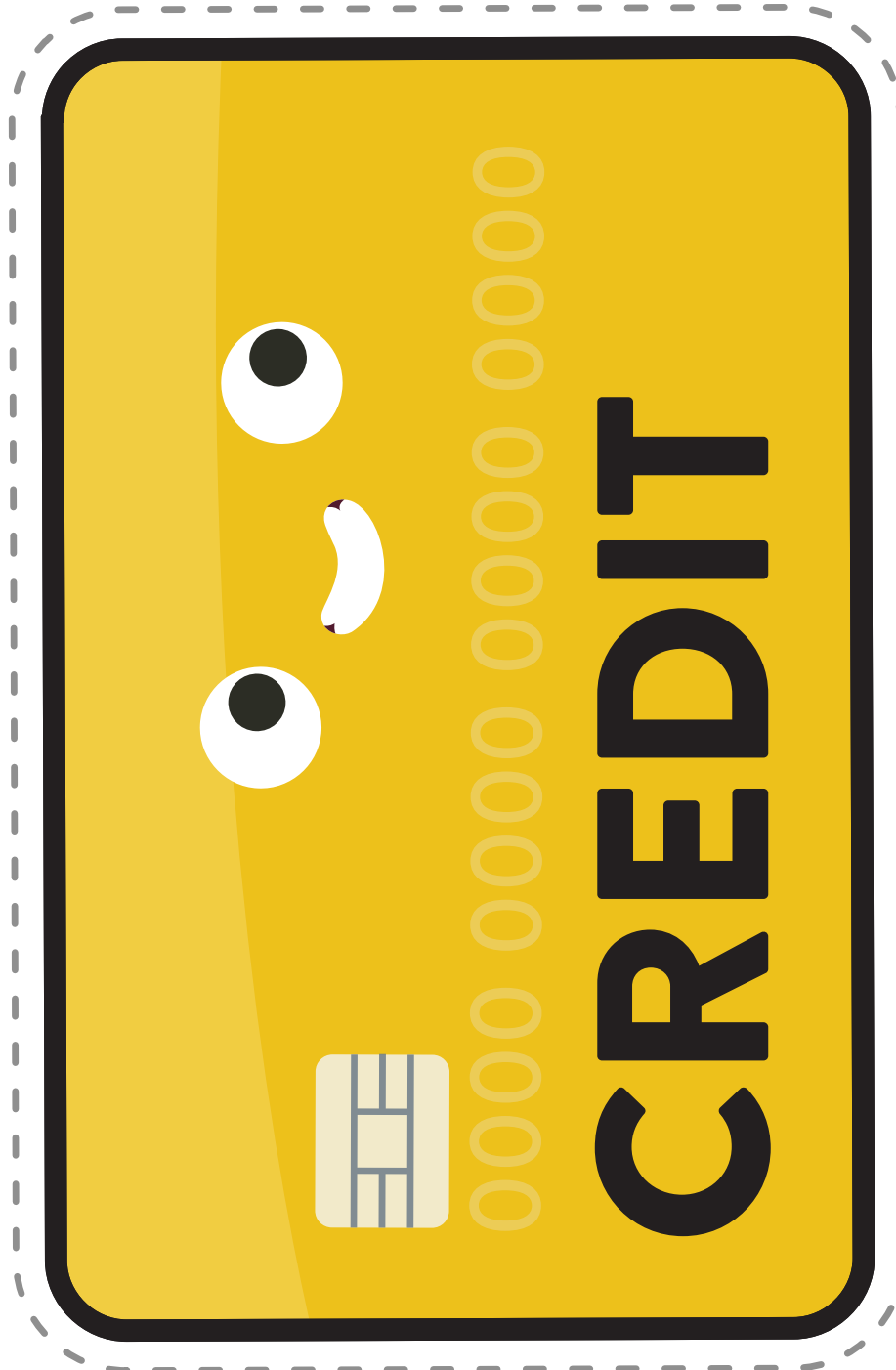
Comparing Cards

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CARD CHOICE CHALLENGE

Directions: Print and cut out the payment cards.





ACTIVITY

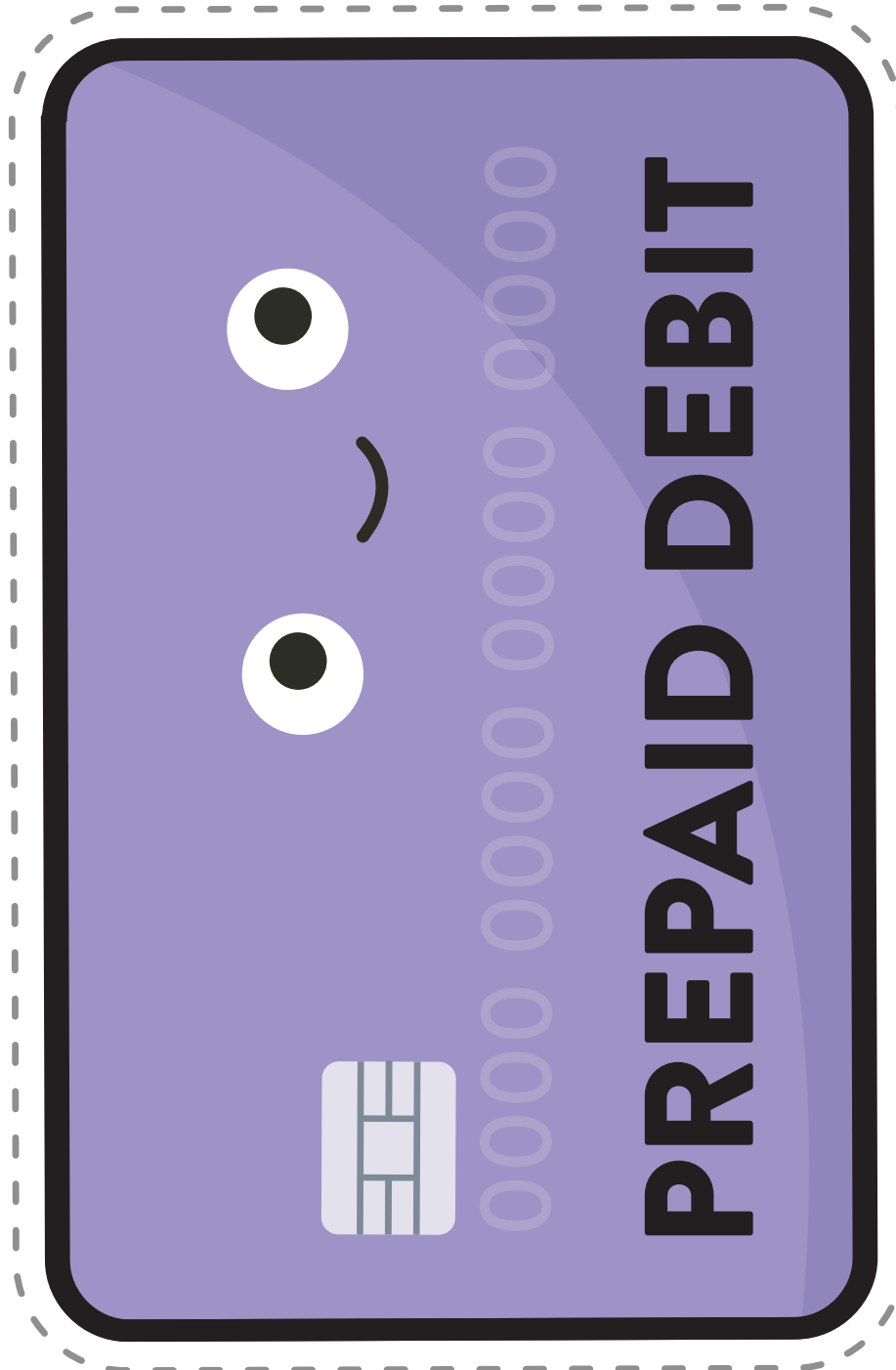
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CARD CHOICE CHALLENGE

Directions: Print and cut out the payment cards.





QUIZ

Comparing Cards

NAME: _____

TOTAL
/ 10 pts

FILL IN THE BLANKS

Directions: Fill in the blanks using either DEBIT CARD, CREDIT CARD or PREPAID DEBIT CARD.

1. A _____ is like an instant personal check.
2. A _____ is like cash, but in card form.
3. A _____ is a convenient way to borrow money.

/3 pts

SHORT ANSWER

Directions: Answer the following question in a few words.

4. What is the main difference between a debit card and a credit card?

/2 pts

TRUE OR FALSE

Directions: CIRCLE either true or false.

5. TRUE or FALSE Prepaid debit cards are linked to a checking account.
6. TRUE or FALSE Understanding each payment type allows you to make smarter financial decisions.
7. TRUE or FALSE Using a debit card at an ATM allows you to withdraw cash directly from your checking account.
8. TRUE or FALSE Credit cards can be used for online purchases.
9. TRUE or FALSE Most credit cards charge an annual fee.

/5 pts

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ACTIVITY ANSWER KEY

Comparing Cards

CARD CHOICE CHALLENGE

Directions: Select which card—Debit Card, Credit Card or Prepaid Debit Card—is most suitable for each of the descriptions or scenarios below. Note that some descriptions may apply to multiple cards.

DEBIT CARD, CREDIT CARD OR PREPAID DEBIT CARD?			
1	DEBIT CARD Debit cards allow you to make purchases or withdraw funds directly from your account.	11	ALL CARDS Fees can apply to all three payment card types.
2	DEBIT CARD and PREPAID DEBIT CARD These cards are not forms of credit and do not affect your credit score.	12	PREPAID DEBIT CARD Prepaid debit cards do not require an application process.
3	PREPAID DEBIT CARD This card limits your spending because you can only spend the amount loaded onto the card.	13	DEBIT CARD It lets you access cash directly from your bank account without borrowing or paying interest.
4	CREDIT CARD When you use a credit card, you are borrowing money from the card issuer or financial institution.	14	CREDIT CARD Credit cards offer a variety of benefits, including rewards and other perks.
5	PREPAID DEBIT CARD A prepaid debit card cannot be used to gain access to your account or your line of credit.	15	DEBIT CARD An overdraft fee is a charge for spending more money than you have in your account.
6	CREDIT CARD Responsible credit card use can build a positive credit history and improve your credit score.	16	CREDIT CARD Credit cards sometimes offer travel insurance, cancellation protection and other benefits.
7	DEBIT CARD Debit cards allow you to make purchases using the funds in your checking account.	17	CREDIT CARD A credit card lets you buy things even if you don't have the money right now.
8	PREPAID DEBIT CARD A gift card and a prepaid debit card both come with a set amount of money loaded at purchase or activation.	18	DEBIT CARD A personal check and a debit card allow you to make payments directly from your checking account.
9	CREDIT CARD Credit cards typically offer purchase protection and other perks when making large purchases.	19	PREPAID DEBIT CARD It is more versatile than giving cash because it can be used both in-store and online.
10	CREDIT CARD You have to be at least 18 years old to apply for your own credit card.	20	CREDIT CARD You are charged interest when you don't pay off the full amount you owe on your credit card.



QUIZ ANSWER KEY

Comparing Cards

FILL IN THE BLANKS

Directions: Fill in the blanks using either DEBIT CARD, CREDIT CARD or PREPAID DEBIT CARD.

1. A DEBIT CARD is like an instant personal check.
2. A PREPAID DEBIT CARD is like cash, but in card form.
3. A CREDIT CARD is a convenient way to borrow money.

/3 pts

SHORT ANSWER

Directions: Answer the following question in a few words.

4. What is the main difference between a debit card and a credit card?

A DEBIT CARD USES FUNDS DIRECTLY FROM YOUR CHECKING ACCOUNT;

A CREDIT CARD ALLOWS YOU TO BORROW MONEY.

/2 pts

TRUE OR FALSE

Directions: CIRCLE either true or false.

5. TRUE or FALSE Prepaid debit cards are linked to a checking account.
6. TRUE or FALSE Understanding each payment type allows you to make smarter financial decisions.
7. TRUE or FALSE Using a debit card at an ATM allows you to withdraw cash directly from your checking account.
8. TRUE or FALSE Credit cards can be used for online purchases.
9. TRUE or FALSE Most credit cards charge an annual fee.

/5 pts