

LESSON PLAN

Using Your Credit Card

- IT'S A -
**MONEY
THING®**

INCLUDED IN THIS PACKAGE

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

COLLECT FROM YOUR LIBRARY

- **VIDEO 35** (*Using Your Credit Card*)
- **PRESENTATION 35** (*Using Your Credit Card*)
- **HANDOUT 35** (*Using Your Credit Card*)

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LESSON PLAN

Using Your Credit Card

GRADES

10 to 12

TIME

45 minutes



OVERVIEW

This lesson introduces students to the basics of credit card management, highlighting the importance of paying in full and on time. Students will also gain an understanding of credit card billing cycles and practice interpreting a sample credit card billing statement.

GOALS

- Help students recognize the importance of responsible credit card use
- Introduce students to the fundamentals of how credit card billing cycles work

OBJECTIVES

- Identify the credit card use strategy: “Pay it in full and on time”
- Identify the main components of credit card billing: billing cycle, balance, payment due date and grace period
- Read and interpret a monthly credit card statement
- Calculate a credit utilization ratio
- Discuss the financial consequences of paying only minimum balances

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?** This lesson plan explores concepts from Standard 5 (Managing Credit) from the **Council for Economic Education’s National Standards for Personal Financial Education**.*

MATERIALS

- ☐ **VIDEO 35**—Using Your Credit Card
- ☐ **PRESENTATION 35**—Using Your Credit Card
- ☐ **HANDOUT 35**—Using Your Credit Card
- ☐ **ACTIVITY**—Credit Card Statement and Answer Key
- ☐ **QUIZ**—Using Your Credit Card and Answer Key

PREPARATION

- Gather digital materials (video and presentation)
- Print one copy of the **ACTIVITY** for each student (or pair of students)
- Print **HANDOUT 35** for each student
- (Optional) Print **QUIZ** (Using Your Credit Card) for each student

Using Your Credit Card

- 10 minutes** Introduce topic and show **VIDEO 35** (*Using Your Credit Card*)
- 10 minutes** Go over **PRESENTATION 35** to review the different components of a credit card billing cycle
- 20 minutes** Distribute **HANDOUT 35** and facilitate the **ACTIVITY**
- 5 minutes** Wrap up
- (Optional)** Assessment: **QUIZ** (*Using Your Credit Card*)

- Allow 10 minutes for students to review the sample credit card statement and complete the worksheet
 - Review the answers together as a class, discussing key takeaways for each question
7. Ask students to name one new term or concept they learned during the lesson
 8. Wrap up by summarizing the main points from the lesson:
 - Pay your balance in full and on time to avoid debt and interest
 - Understand the billing cycle and grace period to manage payments effectively
 - Credit cards are tools for convenience, not extra income
 9. (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

1. Ask students:
 - Imagine you just got your first credit card. What would you use it for?
 - How would you make sure you didn't get into trouble with it?
2. Explain that today's focus is on understanding how credit cards work and the best ways to use them responsibly
3. Show **VIDEO 35**
4. Go over **PRESENTATION 35** to review key credit card terms and usage strategies
5. Distribute **HANDOUT 35** for students to use as reference material during the activity
6. Facilitate the **ACTIVITY**
 - Provide each student or group with a sample credit card statement and a worksheet with comprehension questions

NOTES

NOTES



ACTIVITY

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CREDIT CARD STATEMENT

Directions: Use the sample credit card statement below to answer the questions on page 2.



CREDIT CARD STATEMENT OF ACCOUNT

FASTERCARD GOLD REWARDS CARD

Account Number 1234-5678-1200-5009

Statement Closing Date 04/27/25

JEN YOUNG

1234 Main Street
Anytown, Anystate
12345

ACCOUNT SUMMARY

PREVIOUS BALANCE	\$593.43
PAYMENTS AND CREDITS	-\$593.43
PURCHASES	+\$1,316.80
BALANCE TRANSFERS	\$0.00
CASH ADVANCES	\$0.00
FEES CHARGED (Late Payment)	\$35.00
INTEREST CHARGED	\$0.00
NEW BALANCE	\$1,445.23
CREDIT LINE	\$5,000
CREDIT AVAILABLE	\$3,554.77
PAST DUE AMOUNT	\$0.00

PAYMENT INFORMATION

NEW REGULAR BALANCE **\$1,445.23**

PAYMENT DUE DATE 05/19/25

MINIMUM PAYMENT DUE \$25.00

Late Payment Warning: If we do not receive your minimum payment by the date listed above, you may have to pay a late fee of up to \$47.00.

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:

Minimum payment only

13 years

\$3,963

REGULAR TRANSACTIONS DETAILS

TRANSACTION NUMBER	TRANSACTION DATE	POSTING DATE	DESCRIPTION	AMOUNT
001	28 03	28 03	COFFEE CORNER	6.29
002	29 03	29 03	EVENT TICKETS	23.47
003	29 03	29 03	MARIO'S BOUTIQUE	35.21
004	31 03	01 04	REFUND - MARIO'S BOUTIQUE	-35.21
005	01 04	01 04	BANANAPHONE MOBILE	61.60
006	02 04	02 04	MOVIEFLIX SUBSCRIPTION	9.99
007	02 04	02 04	GROCERY STORE	21.47
008	02 04	02 04	WIRED CABLESYSTEMS	89.90
009	02 04	02 04	QUICKMART CONVENIENCE	3.11



ACTIVITY

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CREDIT CARD STATEMENT WORKSHEET

Directions: Use the information found on Jen's credit card statement to answer the following questions.

1. What is Jen's current balance? _____
2. What is Jen's credit limit? _____
3. Did Jen pay her balance in full last month? How can you tell?

4. When is Jen's credit card payment due? _____
5. What's the minimum amount Jen has to pay before the due date in order to avoid late fees?

6. What fees or interest charges were applied to Jen's account this month, and why?

7. If Jen only makes the minimum payment, how long will it take her to pay off the current balance?

8. What's the minimum amount Jen has to pay before the due date in order to not be charged interest?

9. What percentage of Jen's available credit has been used?



QUIZ

Using Your Credit Card

NAME: _____

TOTAL
/ 7 pts

MULTIPLE CHOICE

Directions: CIRCLE the best possible answer from the given options.

1. Which of the following is a good strategy for using credit cards responsibly?
 - a. Paying your balance in full each month
 - b. Treating your card like cash
 - c. Paying your bill before the due date
 - d. All of the above
2. Which of the following is **not** typically found on a credit card statement?
 - a. Credit score
 - b. Payment due date
 - c. Minimum payment amount
 - d. Credit line

/2 pts

TRUE OR FALSE

Directions: CIRCLE either true or false.

3. TRUE or FALSE A billing cycle is the period of time between billings.
4. TRUE or FALSE A billing cycle is always 30 days.
5. TRUE or FALSE The grace period is the span of time between the close of your billing cycle and the payment due date.
6. TRUE or FALSE Making the minimum payment every month will get you out of credit card debt.
7. TRUE or FALSE Paying your credit card balance on time every month will protect you from late fees.

/5 pts

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ACTIVITY ANSWER KEY

Using Your Credit Card

CREDIT CARD STATEMENT WORKSHEET

Directions: Use the information found on Jen's credit card statement to answer the following questions.

1. What is Jen's current balance? \$1,445.23

2. What is Jen's credit limit? \$5,000.00

3. Did Jen pay her balance in full last month? How can you tell?

Yes. The payments and credits equal the previous statement balance.

4. When is Jen's credit card payment due? May 19th, 2025

5. What's the minimum amount Jen has to pay before the due date in order to avoid late fees?
\$25.00

6. What fees or interest charges were applied to Jen's account this month, and why?

A late payment fee of \$35.00 was applied because Jen did not pay the full amount required by the previous due date (this would show in the transaction history, but it's omitted here).

7. If Jen only makes the minimum payment, how long will it take her to pay off the current balance?
13 years

8. What's the minimum amount Jen has to pay before the due date in order to not be charged interest?
\$1,445.23 (the full balance)

9. What percentage of Jen's available credit has been used?

Formula: (New Balance / Credit Line) x 100

Calculation: (\$1,445.23 / \$5,000.00) x 100 = 28.90%



QUIZ ANSWER KEY

Using Your Credit Card

MULTIPLE CHOICE

Directions: CIRCLE the best possible answer from the given options.

- | | |
|---|---|
| <p>1. Which of the following is a good strategy for using credit cards responsibly?</p> <ul style="list-style-type: none"> a. Paying your balance in full each month b. Treating your card like cash c. Paying your bill before the due date <input checked="" type="radio"/> d. All of the above | <p>2. Which of the following is not typically found on a credit card statement?</p> <ul style="list-style-type: none"> <input checked="" type="radio"/> a. Credit score b. Payment due date c. Minimum payment amount d. Credit line |
|---|---|

/2 pts

TRUE OR FALSE

Directions: CIRCLE either true or false.

- | | |
|--|---|
| <p>3. <input checked="" type="radio"/> TRUE or FALSE</p> | <p>A billing cycle is the period of time between billings.</p> |
| <p>4. TRUE or <input checked="" type="radio"/> FALSE</p> | <p>A billing cycle is always 30 days.</p> |
| <p>5. <input checked="" type="radio"/> TRUE or FALSE</p> | <p>The grace period is the span of time between the close of your billing cycle and the payment due date.</p> |
| <p>6. TRUE or <input checked="" type="radio"/> FALSE</p> | <p>Making the minimum payment every month will get you out of credit card debt.</p> |
| <p>7. <input checked="" type="radio"/> TRUE or FALSE</p> | <p>Paying your credit card balance on time every month will protect you from late fees.</p> |

/5 pts