

## Credit vs Debit

Unscramble the words and provide a definition of each word.

rCitde	Credit
reidCtadC r	Credit Card
l dCrimiiett	Credit limit
hCrgea	Charge
ater ntestIRe	Interest Rate
eytdeuaadtm n Pe	Payment due date
eniannc gtabtOaldsu	Outstanding balance
Fcerhnaeacg ni	Finance charge
Gap odercire	Grace period
efea etl	late fee
l aeanfune	annual fee
v acnadhessa	cash advance
av cminde shiacatl	cash advance limit
waehnces pusr	new purchases
sipnep yursveomta	previous payments
hcaiyn nfailgd racee	daily finance charge
tceadirb d	debit card
cTMd aAr	ATM card
nee raltneguranae actp	annual percentage rate
emmiu tpiymnnam	minimum payment

**BETTER MONEY HABITS MIDDLE SCHOOL LESSON:  
CREDIT AND DEBIT: TWO VERY DIFFERENT CARDS**

**HANDOUT 5.1**

**Venn Diagram: Costs and Benefits of Debit and Credit Cards**

**PART A**

Read the following statements about debit and credit cards. Based on what you learned in the video, decide if the statement applies to a debit card, to a credit card, or to both cards. Put an X in the appropriate column. Then decide if the statement is a cost (disadvantage) or a benefit (advantage) when using that card. Use a (-) for costs and a (+) for benefits.

Statement	Debit Card	Credit Card	Both	Cost/ Benefit
Money is borrowed and repaid at a later date.				NA
Money is automatically taken out of a checking or savings account.				NA
Great for emergency situations.				
Card declined if not enough money in account.				
Has extra perks.				
May pay interest.				
May receive cash from ATM.				
Convenient.				
Secure.				
May pay late fees.				
No interest.				
Replaces cash.				
Affects credit score.				
Has fraud protection.				
May cause unnecessary debt.				

## BETTER MONEY HABITS MIDDLE SCHOOL LESSON: CREDIT AND DEBIT: TWO VERY DIFFERENT CARDS

### HANDOUT 5.1 PART A ANSWERS

Read the following statements about debit and credit cards. Decide if the statement applies to a debit card, to a credit card, or to both cards. Put an X in the appropriate column. Then decide if the statement is a cost (disadvantage) or a benefit (advantage) when using that card. Use a (-) for costs and a (+) for benefits.

Statement	Debit Card	Credit Card	Both	Cost/ Benefit
Money is borrowed and repaid at a later date.		X		NA
Money is automatically taken out of a checking or savings account.	X			NA
Great for emergency situations.		X		+
Card declined if not enough money in account.	X			-
Has extra perks.		X		+
May pay interest.		X		-
May receive cash from ATM.	X			+
Convenient.			X	+
Secure.			X	+
May pay late fees.		X		-
No interest.	X			+
Replaces cash.			X	+
Affects credit score.*		X		+/-
Has fraud protection.			X	+
May cause unnecessary debt.		X		-

*\*Credit cards can have either a positive or negative impact on credit; it is positive for people who maintain low balances and pay their monthly bills on time; it is negative for those who max out credit and have late or skipped payments.*

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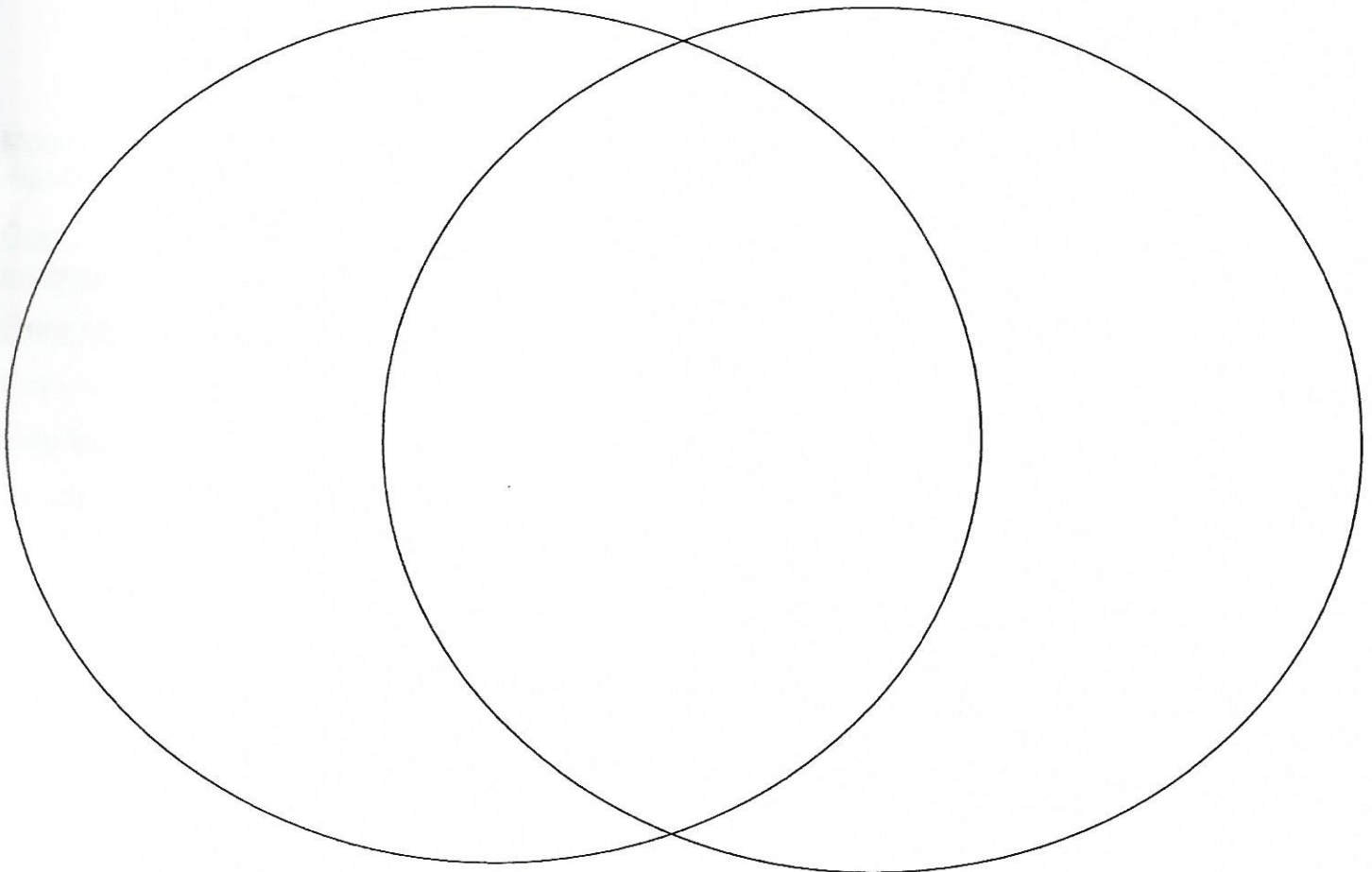
**PART B**

**Making a Venn Diagram**

After completing the table in Part A, use that information to create a Venn Diagram below. If the statement describes a credit card, write the statement in the left circle. If the statement describes a debit card, write the statement in the right circle. If the statement describes both a debit card and credit card, write the statement in the overlap between the two circles. If the statement is a benefit, draw a line under the statement. If the statement is a cost, circle the statement.

Credit Card

Debit Card

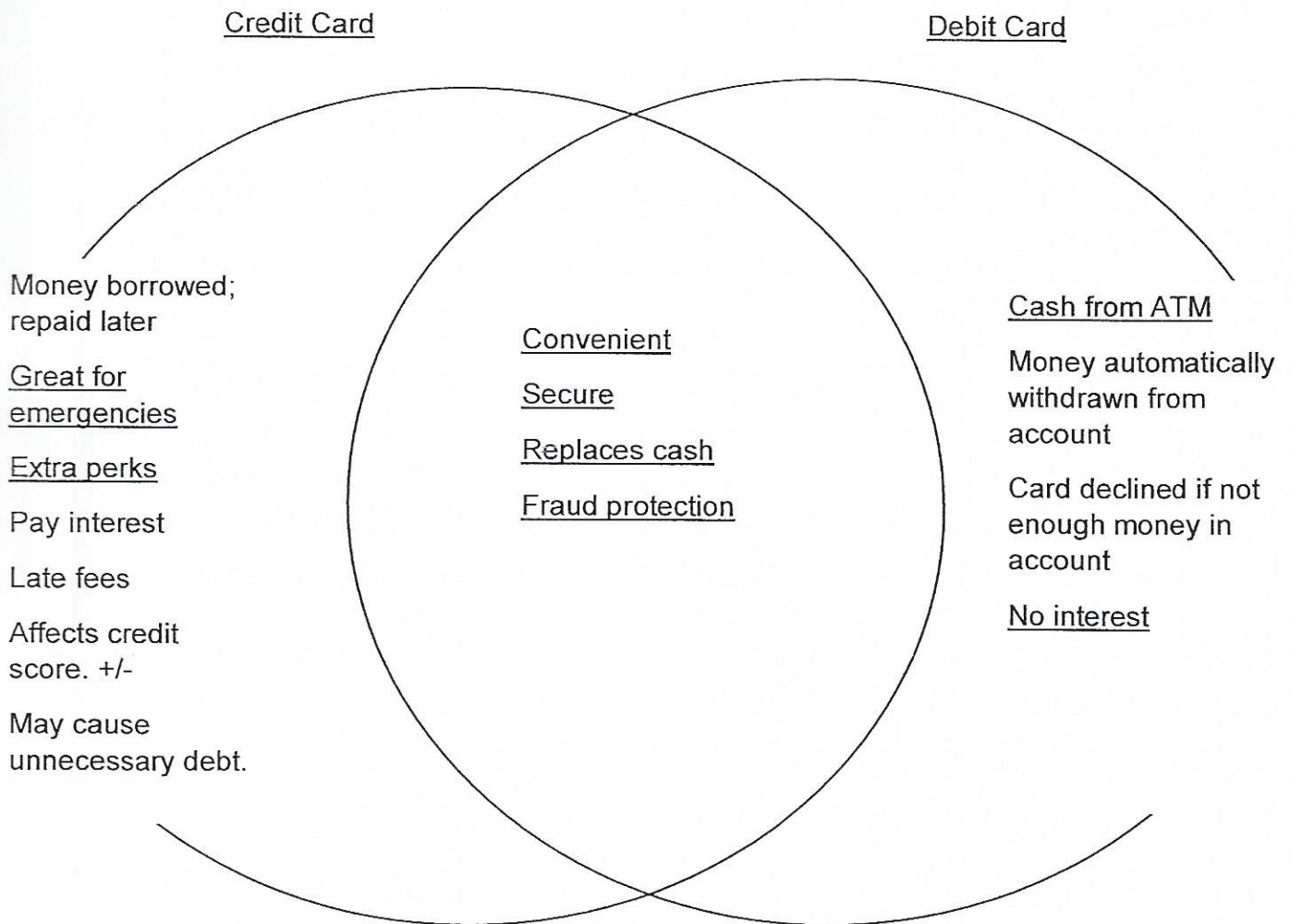


# BETTER MONEY HABITS MIDDLE SCHOOL LESSON: CREDIT AND DEBIT: TWO VERY DIFFERENT CARDS

## PART B

### Making a Venn Diagram

After completing the table in Part B, use that information to create a Venn Diagram below. If the statement describes a credit card, write the statement in the left circle. If the statement describes a debit card, write the statement in the right circle. If the statement describes both a debit card and credit card, write the statement in the overlap between the two circles. If the statement is a benefit, draw a line under the statement. If the statement is a cost, circle the statement.



Note: Answers underlined in this key are benefits; answers not underlined are costs.