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# *Handout B*

## Proceed with Caution

1. What is credit?
  - a. When you are recognized for doing a good job
  - b. When you borrow money from someone and promise to pay them back later
  - c. When you are able to use cards to make purchases
2. What is interest?
  - a. Extra money you have to pay back to the lender
  - b. Something that you like to do on your free time
  - c. The amount of money you borrow from a lender
3. What is the process known as “credit solicitation”?
  - a. When people contact the credit card companies and ask about getting a credit card
  - b. When people spend too much on their credit card and receive a notice in the mail
  - c. When applications for credit cards are sent to your home through the mail
4. What percentage of people in their late teens and early 20s have credit cards?
  - a. 40%
  - b. 60%
  - c. 80%
5. Of the people in their late teens and early 20s who have a credit card, what percentage of these people have four (4) or more credit cards?
  - a. 15%
  - b. 25%
  - c. 35%
6. What is the credit card balance held by the average young person?
  - a. \$2,700
  - b. \$3,700
  - c. \$4,700

