Have you seen your parents use a credit card? Do you know what it means to use a credit card?
Learn more about credit cards and borrowing by watching [this video](#) and then expand your knowledge by completing this worksheet by yourself or with an adult!

**Try It Yourself!**

Each person on the chart below represents a future borrower. Rank each borrower from 1-6 (1 being the least risky, 6 being the most risky). Then write down your explanation for why you would or would not lend something to them. Afterwards, then answer the three questions at the bottom.

<table>
<thead>
<tr>
<th>Name</th>
<th>Description</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jamal</td>
<td>Is the kind of kid who writes down every single assignment in his planner. He never turns in projects late and always returns things that he borrows. You can always count on him to do what he promises.</td>
<td></td>
</tr>
<tr>
<td>Becca</td>
<td>Is your best friend in the whole world. You've known her since you were three years old. She is like a sister to you. But, she's often forgetful. You are always afraid she will lose your things when she borrows them.</td>
<td></td>
</tr>
<tr>
<td>Colby</td>
<td>Is new to your school and is really quiet. You've tried talking to him but he's still pretty shy. You worked on a project together in science class. You two worked well together, but you still don't feel like you know him very well.</td>
<td></td>
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<tr>
<td>You and Ashanti</td>
<td>Borrow things from each other all the time. You know you can always count on her to return your things to you in great condition and on time. You do the same with everything you borrow from her.</td>
<td></td>
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<tr>
<td>Cameron</td>
<td>Is always losing stuff. Last month he used your soccer ball at practice because he forgot his own. At the end of practice, he accidentally took it home with him. He keeps saying he will bring it to practice but you still haven't seen it and wondering if you will ever see it again.</td>
<td></td>
</tr>
<tr>
<td>Ali and Alex</td>
<td>Are twins, the most popular kids in school and known for being really nice to classmates. Their mom is the principal at a nearby high school, and everyone loves when she comes to volunteer.</td>
<td></td>
</tr>
</tbody>
</table>
Vocabulary:

- **Credit**: A tool that allows a person to buy something now and pay for it later
- **Credit card**: A card issued by a financial institution or bank that gives the cardholder access to credit for purchases and other transactions
- **Interest**: Money paid at a specified rate for money that is borrowed, deposited in a bank, or owed to a lender
- **Interest rate**: The rate at which a lender charges a borrower or that a financial institution or bank offers a person who deposits money there

**Please select the correct answer for each of the following questions.**

1. Which of the following definitions of credit describes using a credit card?
   a. Money that a bank or business will allow a person to use and then pay back in the future
   b. A record of how well you have paid your bills in the past
   c. An amount of money that is subtracted from the amount that must be paid
   d. The amount of points earned for work done on a test, exam, project, etc.

2. People who are considered very risky borrowers are likely to pay more ______ when they borrow money.
   a. attention
   b. commission
   c. credit
   d. interest

3. Which of the following people are likely to be charged the **LOWEST** amount of interest?
   a. A person who has never borrowed money before.
   b. Someone who borrows money all the time from many different sources
   c. A person who has a history of borrowing money and paying it back on time
   d. Someone who borrows money and rarely returns it
Answer key

1. A - Money that a bank or business will allow a person to use and then pay back in the future
2. D - interest
3. C - A person who has a history of borrowing money and paying it back on time