



Personal Finance Virtual Learning

11th and 12th/ Lesson: Credit Cards for College Students



Lesson: 4/27/2020

Students will be able to:

- Identify important factors that determine credit eligibility for students
- Explore recommended credit cards and their benefits
- Explore ways to build credit and benefits of building credit for students

Question Starter:

What is a secured credit card?

What is at least one difference between a secured credit card and an unsecured credit card?

Background and Connection:

Some students will start to receive credit card offers in the mail after the age of 18. It is important to know what to look for in a credit card and how to determine what best fits your current financial situation and goals.

Click on the article link:
Best College Student Credit
Cards of April 2020

[Best College Student Credit Cards of April
2020](#)

Answer the following questions by referring to the article for answers

1. Is the interest APR for credit cards of students without prior credit history **higher or lower** than for credit cards for students with credit history?
2. Name something a credit issuer will ask you for when applying for a credit card.
3. Name five reasons the article lists of the importance of why it is wise to build credit as a student.
4. What is a co-signer? What age range would likely require a co-signer?
5. What is an authorized user?
6. Why would someone choose the authorized user option?

Questions continued:

7. Name two alternative credit building alternatives to student credit cards.
8. What are the three credit bureau reporting agencies? What do they do?
9. Name 6 ways they recommend you use your credit card to your advantage.

Exit Ticket and answer to Question Starter:

Secured Credit Card- A secured card requires a cash deposit. The deposit reduces the risk to the issuer, making these cards an option for people with bad credit or no credit.

There are many differences between a secured and unsecured card but the main differences are:

Needs cash deposit from applicant: Secured (Yes) Unsecured (NO)

Higher risk for credit issuer: Secured (Yes) Unsecured (NO)

For applicants with good credit: Secured (NO) Unsecured (Yes)

Both help applicants build and establish credit they just have some different qualifiers.

Exit Ticket:

Is having rewards for using credit cards important to you? Why or why not?