



# MASTER CREDIT & DEBT

Your guide to  
teaching how to  
build good habits  
and avoid pitfalls.

Facilitator  
guide



charles  
SCHWAB

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# I: MONEYWISE AMERICA PROGRAM OVERVIEW

## ABOUT MONEYWISE AMERICA

Moneywise America (MWA) is an innovative new financial literacy program designed to help level the economic playing field through high-quality financial education for teens across the country, with a focus on reaching youth in under-resourced communities and schools. It encompasses four core components:

- **Training: Internal training for Schwabbies to build their skills and confidence to teach financial literacy to teens.** All MWA volunteers will complete at least 35 minutes of training; for those who are interested, there will be opportunities to complete up to three levels of certification, all at your own pace.
- **Content: Original, proprietary, standards-based financial literacy curriculum designed specifically for use with teens.** MWA content can be used on its own or as a supplement to a community organization's existing financial literacy content.
- **Volunteerism: Trained Schwabbies can utilize MWA content to teach financial literacy in the community or use their training to deliver an organization's existing financial literacy content.** While some Schwabbies may already know where they want to volunteer, we will provide resources and support to help ensure anyone who wants to can get out there and volunteer in their community.
- **Partnerships: Nonprofits and community organizations help us reach teens where they are.** National partners include Boys & Girls Clubs of America, Junior Achievement, and SIFMA Foundation. Locally, Schwabbies will also partner with schools and other teen-serving organizations in their communities.

Moneywise America builds upon Schwab's position and legacy as a national financial literacy leader. For more than three decades, Charles Schwab Foundation has worked to advance financial literacy for people of all ages. Through MWA, Schwab is doubling down on our efforts to reach as many youth as possible with high-quality financial education.

## PARTICIPANT BENEFITS

Moneywise America is critical to Schwab's vision of preparing the next generation to achieve financial freedom. Financial literacy is an essential life skill, one that is especially important for teens, yet there is a stark lack of focus on financial literacy within our mainstream educational systems. Less than half of U.S. states require that students take a course in personal finance in order to graduate from high school, and only five states require that it be a standalone course.

This gap—between the need for quality financial education and access to it—is even more pronounced for teens from under-resourced communities and schools. According to the 2020–2021 [State of Financial Education Report](#), only 7.4% of Black and brown students, and 7.8% of low-income students, have access to a stand-alone personal finance course required for high school graduation.

Moneywise America is part of our effort to help fill that gap. It is designed to help teens develop both **comprehension** of key personal finance concepts and the **skills** to take informed action based on their personal goals and dreams. Participants will benefit from:

- Expertly created content designed to teach teens essential personal finance concepts including goal setting, budgeting and saving, managing money and unexpected costs, responsible credit and debt management, planning for college, and investing.

- A highly engaging and flexible program model designed to meet teens where they are.
- Interaction with impassioned and skilled Schwab volunteers, trained in delivering financial literacy content to a diverse teen audience.
- An enhanced understanding of key financial concepts and actionable takeaways, including how to apply them directly to their lives now in order to help them achieve their goals for the future.

## PRIMARY AUDIENCE

- **Age Range:** MWA content is designed to appeal to teens ages 13–18.
- **Group Size:** 15–30 attendees is ideal to allow full participation in the allotted time.
- **Community Partners:** MWA is designed to be delivered in partnership with teen-facing nonprofit organizations (e.g., Boys & Girls Clubs, Junior Achievement, etc.) and/or local schools.

## PROPRIETARY CONTENT

Moneywise America content includes 22 standards-based individual personal finance sessions, each designed to be used in a modular way.

- Each session\* can act as a stand-alone lesson if you have only one visit with a group of teens.
- Each session can be bundled with other sessions for a more extensive learning experience if you are meeting with the same group of teens multiple times. For information on session bundle recommendations, visit the Content page at *Jumpword: Moneywise America*.

\*Only one session, *Personal Goals & Decision Making*, is never used on its own.

This session, ***Master Credit & Debt: Build Good Habits and Avoid Pitfalls*** is the first session in Module 3 of the MWA framework, focused on understanding credit and debt.

Moneywise America Content at a Glance				
Foundational Sessions	Get Started: Intro to Money Basics			
	Personal Goals & Decision Making			
Module 1: The Basics	Module 2: Money Management	Module 3: Credit & Debt	Module 4: College & Career Planning	Module 5: Investing
1.0: Set Money Goals	2.0: Manage Your Money	3.0: Master Credit & Debt	4.0: Plan for the Future	5.0: Get Invested
1.1: Budgeting	2.1: Paycheck	3.1: Types of Debt	4.1: Career Path	5.1: Saving & Investing
1.2: Spending	2.2: Financial Products	3.2: Responsible Credit	4.2: Education Costs	5.2: Power of Investing
1.3: Saving	2.3: The Unexpected	3.3: Credit History		5.3: Investing Options
		3.4: Identity Protection		

## II: SESSION STRUCTURE—HOW IT WORKS

Moneywise America content and sessions are developed by expert educators. They are intentionally designed to create a positive learning environment and facilitate an easy flow. There is a consistency to the session structure which builds familiarity and comfort for teens when multiple sessions are used.

The *Master Credit & Debt: Build Good Habits and Avoid Pitfalls* 60-minute session includes the below components, and Section V of this Facilitator Guide offers a detailed script and clear prompts for each.

- **Welcome:** This is where you welcome participants, introduce yourself and establish rapport, including a welcome exercise, reviewing expectations for working collaboratively, and participant reflection related to the learning objectives.
- **Engage:** You will share a video to introduce the main content of the session. Typically, the video will be followed by a guided discussion or an exercise. In addition to the presentation slides, there may be worksheets in the Teen Guide to support the exercises.
- **Explore:** In many cases, you will introduce a second video to further expand upon and deepen the lesson. Following the video, you will reinforce the learning through a combination of guided discussion, individual, and/or group exercises that will enable participants to apply concepts to their own lives. In addition to the presentation slides, there may be worksheets in the Teen Guide to support the exercises.
- **Wrap-Up:** You will close the session with group and individual reflection on key takeaways. Participants will revisit the same prompt from the beginning of the session and record their updated response. Finally, you will ask participants to complete a brief session evaluation and thank them for participating.

## III: PREPARATION—WHAT YOU NEED TO KNOW IN ADVANCE OF YOUR SESSION

Prior to your session, work together with your Schwabbie co-volunteer(s) to confirm the **WHO, WHAT, WHERE, WHEN** and **WHY**. Doing so will ensure you're fully prepped and ready for a seamless program delivery.

We recommend a **total of two or three volunteers** and the roles can be shared in the following way:

- **Project lead:** delivers content as facilitator and plans the volunteer project with the community organization
- **Engagement lead:** guides the teen engagement process, works the room or monitors chat, may relay questions on behalf of teens if needed, watching for reactions or places where it looks like they are stuck or excited
- **Operations lead:** runs the technology, troubleshoots, and is there to support the overall event to make sure it runs smoothly

If you are delivering a session with two volunteers, we recommend that you combine the project and engagement lead into one role.

- **WHO:** Even though you'll be delivering the program virtually, it's still important for you to understand who will be attending—and how. Will the teens be in-person together, all virtual, or a mix of both? Confirm with your host the demographics of the participants, as well as their ages/grades so you can be intentional in how you're gearing the discussion to a younger or older audience. Are there any key challenges or unique aspects of the student group that you should be aware of? Since your host will be familiar with the group, you'll want to make sure they'll be available throughout the session—even if just through the chat feature—to help keep the students engaged and paying attention.
- **WHAT:** You'll want to make sure you're comfortable with the materials you're presenting prior to your session. Take time to review this entire Facilitator Guide, prepare a few personal or current event stories to use as examples where appropriate, and determine what supplies you'll need for the session, as noted in Section IV of this Guide, and how the teens will receive them.
- **WHERE:** Virtual program delivery brings with it additional considerations on how to best present the materials. First, confirm with your host if they have a preferred technology platform, like Teams, Zoom or WebEx. Then, depending on if the students will be virtual or in person, discuss with your host how to best manage the breakout groups. If they'll be in person, will the host be able to help coordinate? If participants will be virtual, does your technology platform have a breakout group feature?
  - **A/V:** Showing videos on virtual platforms can be tricky—you may experience buffering delays, sound issues, or pixilation. Test the video(s) leading up to the session, and create a backup plan should you experience any issues. Will the host be able to play the video locally, or the teens be able to play on individual devices, even if you must run the rest of the deck remotely? You'll also want to confirm if the students will have A/V capabilities, or if you'll need to rely exclusively on chat. Set expectations up front for how to leverage the chat feature (like using the hand raise function or emojis). We also recommend having a designated Schwabbie volunteer to manage the chat box.
- **WHEN:** Plan to give yourself at least 10-15 minutes to log in to the selected technology platform and troubleshoot any issues prior to your session start time. In the days leading up to the session, work with your host and Schwabbie volunteer partner to do a brief “tech check,” where you can practice running through the slides and playing the video to confirm they can see and hear you.
- **WHY:** It's important for you to understand why the teens are participating. Did they self-select to take this course, or is this a group with mixed interests? Is this part of a larger curricula, or are you being viewed as more of a one-time guest speaker or someone who is introducing the topic that will be explored further over time? Knowing the “why” behind the teens' attendance will help you estimate their potential engagement level, and prep accordingly.

## IV: HOW TO USE THIS FACILITATOR GUIDE

This Facilitator Guide is your step-by-step outline for how to facilitate the *Master Credit & Debt: Build Good Habits and Avoid Pitfalls* session, and includes a script, directions for delivery, and

helpful tips and reminders. This Guide is for your own use when preparing for and presenting the session; it is not to be shared with program participants. Before diving into the Facilitator Script (Section V), read the key information below.

#### WHAT YOU WILL NEED FOR THE *MASTER CREDIT & DEBT: BUILD GOOD HABITS AND AVOID PITFALLS* SESSION:

- **Facilitator Guide:** Read through this full Guide prior to volunteering so you are prepared and confident before your session. Have a printed copy of this Guide accessible in case of technical difficulties.
- **Presentation Slides:** You will walk program participants through these slides during the session. They work hand in hand with the session outlined in the Facilitator Guide and are key to engaging program participants. In case of technical difficulties, download the presentation slides to your computer and send them to the host beforehand.
- **Video:** Each session has at least one video that corresponds with the lesson. The video(s) are embedded in the presentation and can also be found by visiting the Content page at *Jumpword: Moneywise America*. As with the presentation slides, download the video(s) to your computer and send them to the host as separate file(s) beforehand. Details on when to play the video(s) are included in the Facilitator Script (Section V).
- **Teen Guide:** Session worksheets and handouts should be distributed to program participants prior to the start of the session, either by you or your host. Teens will complete the worksheets during the lesson and keep them as a helpful takeaway. You can find the Teen Guide for this session (including the handouts below) by visiting the Content page at *Jumpword: Moneywise America*.
  - Pre/Post Session Self-Reflection Form
  - Credit Profile Analysis Worksheet
  - Credit Profiles Role-play Handout
  - Session Evaluation Survey (Note: Teens may complete the survey online using the link at the top of the form and in the presentation. For those who complete hard copies, please collect the surveys at the completion of the session and email responses to [SchwabCommunityServices@Schwab.com](mailto:SchwabCommunityServices@Schwab.com))

#### PRE-SESSION CHECKLIST

Details of each session (the **WHO, WHAT, WHERE, WHEN, and WHY**) will vary for each facilitator. For a seamless delivery, work together with your host and Schwabbie volunteer partner to make sure you've confirmed the following details. If you have any questions prior to your event, please email [SchwabCommunityServices@Schwab.com](mailto:SchwabCommunityServices@Schwab.com).

<input type="checkbox"/> Confirm Attendees (Ages/Grades of Teens)	<input type="checkbox"/> Confirm Participant Audio, Microphone and Chat Capability with Host (if Teens Will Be in a Computer Lab or Similar Space, Confirm Availability of Headphones)
<input type="checkbox"/> Confirm Interest/Experience Level of Teens	<input type="checkbox"/> Confirm Availability of Breakout Rooms
<input type="checkbox"/> Confirm Role of Host; Exchange Contact Information with Host	<input type="checkbox"/> Confirm Internet Access

<input type="checkbox"/> Confirm if Teens Are Attending in Person, Virtually, or Both and if They Are in a Common Room or Dispersed	<input type="checkbox"/> Brainstorm Personal Examples or Relevant Current Events to Share with Teens
<input type="checkbox"/> Confirm Preferred Presenting Platform (Zoom, Teams, etc.); Ensure Invitation is Created and Sent	<input type="checkbox"/> Conduct “Tech Check” With Your Host and Schwab Volunteer Partner Prior to Session
<input type="checkbox"/> Confirm Who Will Manage the Presenting Platform, Presentation Slides and Video(s) (You or Host)	<input type="checkbox"/> Review Facilitator Guide and Video Script
<input type="checkbox"/> Confirm with Host How Teens Will Receive Materials (Printed Copies or by Email)	<input type="checkbox"/> Log in to Platform 10-15 Minutes Before Session
<input type="checkbox"/> Confirm Role of Each Volunteer, Including Who Will Manage the Chat	<input type="checkbox"/> Remember to Have Your Cell Phone Handy to Help Track Time

## VOLUNTEER GUIDANCE—ENGAGING YOUR TEEN AUDIENCE

This Guide includes a script for your session and ideas for introductions. For more comprehensive information on working with students of different backgrounds and abilities, and group facilitation techniques, refer back to your Employee Training Modules.

- **Personalize the Session:** Personalize the session by including real-life examples and stories. Try to make examples relatable to the teens; for example, speaking about retirement or goals 20 years from now may not resonate as much as saving \$100 a week from a summer job. It may be hard for teens to conceptualize past a few years in the future.
- **Don’t Move Too Quickly:** Leave teens enough time to properly think through questions by taking pauses and stopping the video where necessary. Take breaks and allow for questions to ensure teens are following along with the session. And remember, silence in the group doesn’t necessarily signal disengagement—participants may be processing the information/concepts they’re hearing about.
- **Gauge the Personality of the Group:** For example, if the group is energetic, calling on people may be appropriate and an efficient way to encourage participation, but if the group is shy this may seem intimidating. Consider having the teens briefly practice using chat reactions such as raising hands to encourage engagement during the session.
- **Engage the Host:** Allow the host to assist, as they may know methods for engaging their groups.
- **Meet Teens Where They Are:** Remember, teens aren’t used to talking about financial concepts the way you and your colleagues, or even other adults might be. Use basic language and avoid complex financial, educational and/or Schwab-specific terminology that may confuse participants. Also be sure to present financial services and concepts objectively—do not “sell” Schwab to teens.
- **Use Proper Pronouns:** To personalize the experience and avoid accidentally offending someone by assuming gender identity, have the host ask each participant to add their preferred pronouns next to their name. Consider including your pronouns on your nametag as well to show inclusiveness.

Most importantly, remember to smile, use eye contact, and be friendly and conversational throughout the activity. Don’t forget to look into the camera!



## SESSION ADAPTATIONS

We all know that technology isn't foolproof; things happen! If challenges arise while facilitating, try not to stress. Be flexible and adapt, as best you can, by continuing to deliver the session. Here are some ideas for addressing potential hiccups:

- **Video Issues:** As noted above, it is best to have the video(s) available in a few formats. While the video(s) will be embedded in the presentation, also download them to your computer before the event and send them to the host ahead of time. If the video(s) do not play on the device you're delivering the program on, have the host try to play the video(s). Prepare for the worst by coming with the session's video script(s) (Section VI of this Guide) so you can summarize the concepts if needed. Don't spend too much time fussing with the video(s); if they don't work, read the script(s) and move on to the next activity.
- **No Breakout Group Availability:** If breakout groups are not available on your virtual platform, do the activities together as one big group, encouraging participation from everyone. Or, get creative! Choose a way to "split" the group into teams without breakout rooms. For example, "if your birthday is between January-March, you're team A. What would everyone on team A choose for this question?"

## SHARE YOUR EXPERIENCE

We are proud of our Schwab volunteers for empowering the next generation with financial literacy skills through Moneywise America. As we continuously enhance this program, we want to hear from you about your volunteer experience. Following your session, please consider doing the following:

- Share your volunteer feedback by visiting *Jumpword*: Moneywise America and navigating to the Quicklinks section
- Join the conversation on the Moneywise America Teams channel
- Post on social media (*Jumpword*: Schwab4Good)

## V: FACILITATOR SCRIPT



### *Master Credit & Debt: Your guide to teaching how to build good habits and avoid pitfalls.*

#### Session Overview

The purpose of this session is to introduce the participants to the concept of credit and how our relationship with credit and debt impacts personal and financial goals. This includes an understanding of how the use of credit contributes to a credit history and credit score, and the costs of credit as a form of debt.

The first video creates an analogy to define credit: the simple act of borrowing things between a group of friends with one returning items promptly in good condition and the other returning items late and damaged. Related to the Latin root “cred”, having credibility with your friends so they are more likely to let you borrow items is akin to having good credit in the financial world. But...even with good credit, or being credible with your friends, there is still a cost that is associated with taking on debt or owing something (being indebted).

The second video will give participants an understanding of the components of a credit profile that are related to a credit score, and they will practice reviewing, comparing, and contrasting elements of the profiles.

Participants will take part in a multi-round role-play where they are given either a profile of an individual applicant, or a service provider evaluating candidates (such as a student loan provider). Individual profiles will have a summary of how they use and manage credit and debt, including a credit score. Service provider profiles will describe the criteria that is needed to obtain their service at various rates or price points. Assuming one of these two roles, participants will go through multiple scenarios to work towards reaching their goals by obtaining the services needed.

At the end of the role-play, the instructor and participants will determine who is on their way to achieving their goals through skillful use of credit and management of debt, and who needs help in adjusting the way they manage credit and debt. In the end, participants will address the question: How does my relationship with credit and debt affect my future goals?

#### Take Away:

Participants should take away the understanding that debt can take different forms, there is a cost to it, and it is directly related to credit. The ways that we use credit are translated into a credit report, which impacts how we can leverage our finances to achieve personal goals.

# Session Outline: Virtual Delivery



## Notes to the Facilitator:

- *Remember this is a guide, personalize your talking points so it doesn't feel like you're just reading to the participants.*
- *Be relatable! You're talking to teens so try not to use too much "industry" language.*
- *Remember not to push Schwab on the participants when talking about financial institutions or brokerage firms. Always say "through Schwab or similar companies, you can do XYZ."*
- *If you're meeting with the same group of teens multiple times, you can skip the "Collaborate" section after your first session.*

## Welcome

- Welcome: Thumbs Up or Down Exercise 6 minutes
- Collaborate 2 minutes
- Pre-Session Self-Reflection 3 minutes
- Objectives 2 minutes

## Engage

- Master Credit & Debt: Video 1 8 minutes

## Explore

- Master Credit & Debt: Video 2 6 minutes
- Practice: Credit Profile Analysis Worksheet 8 minutes
- Practice: Credit Profiles Role-play Handout 10 minutes
- Practice: Wildcard Situation 5 minutes

## Wrap-Up

- Discuss: Credit Profiles Role-play 6 minutes
- Post-Session Self-Reflection & Evaluation 3 minutes
- Close 1 minute

Total:  
60 minutes

## Materials Needed

### Facilitator

- **Presentation slides** (PPT)
- **Facilitator Guide** (PDF); printed copy of this document; includes:
  - Video Scripts 1&2
- **Videos 1&2** (these are embedded in the presentation slides, but you may want to download as back-up)

### For Participants

- **Teen Guide** (PDF), includes:
  - Pre/Post Session Self-Reflection Form
  - Credit Profile Analysis Worksheet
  - Credit Profiles Role-play Handout



# WELCOME

## Notes to the Facilitator:

*"Thumbs Up or Down" is a cooperative learning strategy that invites participants to express their opinions and take a position while incorporating movement and discussion. In an online setting, participants are still able to express their opinions when presented the following options:*

- *Thumbs Up: Agree*
- *Thumbs Down: Disagree*

*To begin, read a statement. Afterwards, give participants a chance to express their position on camera. You can call on a volunteer from each position to explain the reason for their selection. This helps the group understand each other's perspectives.*



Facilitation: **Welcome**  
6 minutes (Slides 2-7)

As participants join the session, greet them by introducing yourself. Take 6 minutes to guide participants through "Thumbs Up or Down." Provide participants the following directions:

- *"Good morning/afternoon. My name is \_\_\_\_\_ and I'm from Charles Schwab and I'm a Moneywise America volunteer. My job is \_\_\_\_\_ and I'm here today to start the conversation about what you can do with the money you have, receive, or earn as income from a job. (ADVANCE TO SLIDE 3) To begin, I'm going to make a statement and depending on your position, use your hand to give me a Thumbs Up if you Agree, or a Thumbs Down if you Disagree." (ADVANCE TO SLIDE 4)*

Share the following bolded statements. Ask one participant from each position to explain the reason for their opinion. Facilitator discussion tips are in parentheses.

- ***Credit cards are a substitute for an emergency fund.*** (Not a substitute for an emergency fund. Due to costs and credit limits, they are only appropriate to use if you know you can pay off the balance in full when it's due.) (Slide 4)
- ***Credit and debt are the same thing.*** (Credit and debt are not the same thing. Credit is a person's ability to borrow or get services based on their reputation. Debt is money borrowed.) (Slide 5)
- ***It's not a problem to use a credit card for most of your spending.*** (It's not a problem if all bills are paid in full when due. It would be a problem if balances are rolled over, and a balance is carried over from month to month.) (Slide 6)
- ***I know someone who has/had problems with too much debt.*** (Slide 7)

Thank participants and transition to Collaborate, SLIDE 8





# Collaborate

## Notes to the Facilitator:

*Setting norms within a group is essential to establish the expected behaviors of group members. As participants will be working collaboratively and cooperatively with both you and each other, the “4 P’s” are designed to promote the development of mutual respect and a collaborative spirit.*



Facilitation: **Collaborate**  
2 minutes (Slide 8)

Present participants with the group norms of collaboration, elaborating if needed.

- *“We will be working together as a group, so here are some guidelines that we can follow to help us succeed in our work together. Can I get a volunteer to help me read through the ‘4 P’s’?”*
  1. *Posing questions–If you’re unsure, ask! It’s the best way to learn.*
  2. *Putting ideas on the table–Sharing your ideas helps us all learn.*
  3. *Paying attention to self and others–Being attentive shows respect and encourages curiosity.*
  4. *Presuming positive intentions–Start with the assumption that people mean well–it will make us better listeners and communicators.”*

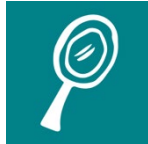
**Thank the participants that volunteered, by name, and transition to the Pre-Session Self-Reflection, SLIDE 9**



## Pre-Session Self-Reflection

### Notes to the Facilitator:

Participants will use the Pre/Post Self-Reflection Form (found in their Teen Guide) twice during the session. Here, they will be asked to respond briefly to a prompt before the lesson begins. Towards the end of the session, they will be asked to respond to the same prompt. This will help reinforce key lessons and how they apply to their lives.



Facilitation: **Pre-Session Self-Reflection**  
3 minutes (Slides 9-10)

Have participants access the **Pre/Post Self-Reflection Form** and give directions for completion:

- “Before we get started, I have a question that I’d like you to respond to. Once you access the Pre/Post Self-Reflection Form, please write a sentence or two to respond to this question. Don’t worry about writing a long paragraph, just focus on getting your general thoughts or ideas down in 1 to 2 sentences.
- **(ADVANCE TO SLIDE 10)** *How does my relationship with credit and debt affect my future goals? Take a moment to think about this question and let me know if you have any questions. Hold on to this form, as we will revisit this same question at the end of today’s learning experience.”*

Transition to Objectives, SLIDE 11



# Objectives

## Notes to the Facilitator:

*Learning objectives help provide a roadmap for the participants and give purpose to the learning.*



Facilitation: **Objectives**  
2 minutes (Slide 11)

Explain learning objectives to participants:

- “Today during our session, you will be able to:
  - Understand the difference between credit and debt
  - Learn how credit scores are created by credit bureaus
  - See how credit histories are used by employers, landlords, and creditors
  - Determine which credit behaviors will most affect a credit score
  - Predict how credit use affects your life outside of credit products”

Transition to show Master Credit & Debt: Video 1, SLIDE 12



## ENGAGE:

### Master Credit & Debt: Video 1

#### Notes to the Facilitator:

*Providing participants with a short introduction to the video will help set the stage for how they view the video.*

*This video begins with Cameron explaining how he let Eddie and Maya borrow some things from him and shows the conditions of return on two extremes. Cameron poses the question: "Who would you let borrow your stuff in the future?" After explaining his decision, he then makes the connection to borrowing money in the form of credit, and why it is important to be responsible with what you borrow. The premise of this video is to get participants thinking about what credit is, what it means to have a credit card, and the responsibilities that come along with it.*



Facilitation: [Engage: Video 1](#)  
8 minutes ([Slides 12-14](#))

Before showing **Master Credit & Debt: Video 1**, prompt participants with the following:

- *"Today we'll start our session with Eddie, Cameron, and Maya. Let's look at what happens when Cameron lets Maya and Eddie borrow some of his things and find out how that relates to the idea of how credit cards work."*

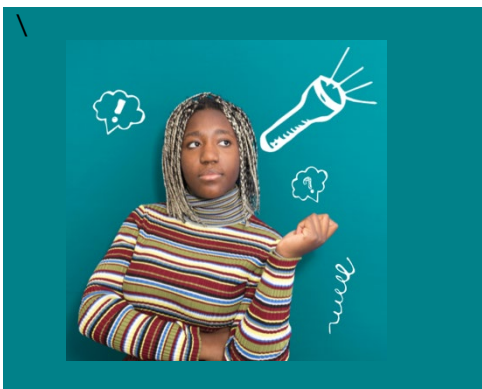
**(ADVANCE TO SLIDE 13, play Master Credit & Debt: Video 1)**

After showing the video, ask participants one or more of the following questions (**ADVANCE TO SLIDE 14**), calling on one or two participants for answers:

- *"How would a company that doesn't know you be able to figure out whether or not they should lend you money, or extend you credit?"*
- *"What kinds of responsibilities do you have when you borrow money?"*
- *"What comes to mind when you think about credit?"*

**Transition to show Master Credit & Debt: Video 2, SLIDE 15**





## EXPLORE: Master Credit & Debt: Video 2

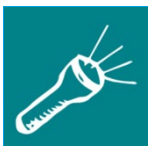
### Notes to the Facilitator:

*Video 2 is designed to inform participants about the following five parts of a credit score:*

- *Payment History*
- *Amount Owed*
- *Length of Credit History*
- *Types of Credit*
- *New Credit*

*Just as they are given progress reports or report cards in school, it is important to know there is a “report card” that indicates how well an individual manages their credit and debt. The video emphasizes that paying your bills on time is an important part to developing good credit.*

*The check for understanding gives participants the opportunity to ask any questions they may have about the concepts that were presented. Although it can be uncomfortable, make sure to give the appropriate amount of wait time to participants so they may think of their questions. Then, move on to the next part of the session.*



Facilitation: [Explore: Video 2](#)  
6 minutes (Slides 15-16)

Introduce the informational video to participants:

- *“Before we get started with our activities today, I want to give you more information about something called a credit score. You will need this information for the next activity, so make sure to ask any questions you may have after watching the video.”*

**(ADVANCE TO SLIDE 16, Play Master Credit & Debt: Video 2)**

After showing the video, solicit questions from participants and provide clarifying answers to check for understanding.

- *“What questions do you have about the information from the video?”*

**Transition to have participants access the Credit Profile Analysis Worksheet, SLIDE 17**



## Practice: Credit Profile Analysis

### Notes to the Facilitator:

*This activity is designed to reinforce the understanding of the elements of a credit score. While reviewing Part A with participants, make sure to show the nuances between the two credit profiles. When participants complete Part B of the worksheet, they should work independently. To ensure enough time for the role play, take a quick poll of the participants in whether they think Credit Profile A or Credit Profile B is stronger.*



Facilitation: **Practice: Analysis**  
8 minutes (Slide 17)

Have participants access the **Credit Profile Analysis Worksheet** and complete **Part A** as a whole group.

- “Let’s take a look at **Part A** of the **Credit Profile Analysis Worksheet**. I’ll go through each part of the profiles, and then it will be your turn to compare the information to determine the strength of each profile. How are they different?”  
(Review information in Part A)

After reviewing the information, have participants work independently on **Part B**.

- “Now I’d like you to take a few minutes to complete **Part B** of the **Credit Profile Analysis Worksheet**. You will answer 3 short questions, but make sure to look at the profiles carefully and think about what you notice.”  
(Review information in Part B together as a group. If it doesn’t come up in discussion, mention “In addition to having access to more credit opportunities, Profile B would likely pay lower rates for products than Profile A.”)

Transition to SLIDE 18 and have participants access the **Credit Profiles Role-play Handout**. If possible, assign participants to pairs or small groups. The number of groups should be appropriate to the overall number of participants.



## Practice: Credit Profiles Role-play

### Notes to the Facilitator:

#### **Credit Profiles Role-Play:**

*This activity can be done in pairs or small groups. Have participants select a role, and then go through the steps of the role-play. In the end, the lender/business will decide whether to give them access to the product or service based on the information given by the customer. When a round is completed, they can select new roles or new profiles within each role.*

*After 10 minutes of role-play time, bring the group back together.*



Facilitation: **Practice: Role-play**  
10 minutes (Slide 18)

Call the attention of participants to explain how to conduct the role-play.

- “Now we are going to go through a bit of a role-play. You will either be a lender/business, or a customer. You can select any lender/business or customer profile from the worksheet (Lender/Business A does not have to work with Customer A). Here are the steps:
  - First: The lender/business greets the customer by saying, ‘Hello, I see you are coming to apply for \_\_\_\_.’
  - Second: The customer replies yes and reads their credit profile information.
  - Next, the lender/business asks additional questions and the customer answers to the best of their ability. The answers to these questions aren’t in the profiles—the customer will have to make up their answers using the information they have.
  - Last, the lender/business makes a decision if they would accept the customer’s application and explains why.”

**(Provide groups with 10 minutes of role-play time. When they complete a round, they can select another role to begin another round. Encourage participants to get through three rounds before coming back together).**

**Transition by calling the group to attention for the Wild Card Situation, SLIDE 19**



## Practice: Wild Card Situation

### Notes to the Facilitator:

#### *Wild Card Situation:*

*This is the last part of the role-play for the whole group. Participants will be shown a single scenario and then each type of credit score profile. The intention is for participants to see the difference in how their use of credit and the development of a strong credit score can be advantageous for the future and in reaching their personal goals.*



Facilitation: **Practice: Wild Card Situation**  
5 minutes (Slide 19)

Bring the group together to present the “Wild Card” situation and profile graphic.

- “I now have a wild card situation: The car you use to get to school breaks down and you’ll have to get a new one ASAP. That means you need a new or used car AND will need to get a loan—you won’t have the funds saved to buy a new car for a few more years.
- What is the likelihood you’d be approved for each of the following credit profiles: Exceptional, Very Good, Good, Fair, and Poor?” (ADVANCE TO SLIDE 20)

Show the graphic of credit profiles to participants and review what outcomes are likely for each. Ask the following question.

- “Why does the way you manage your credit matter?”

Transition by calling the group to attention for the Wrap-Up, SLIDE 21





## **WRAP-UP:**

### **Discuss: Credit Profiles**

### **Role-play**

#### **Notes to the Facilitator:**

*These questions are designed to review the Credit Profiles Role-play activity. When asking wrap up questions make sure to ask participants to elaborate or clarify their responses to promote critical thinking about the content. Use the following prompts to solicit more detailed responses:*

- *“Can you elaborate on...”*
- *“What makes you say...”*

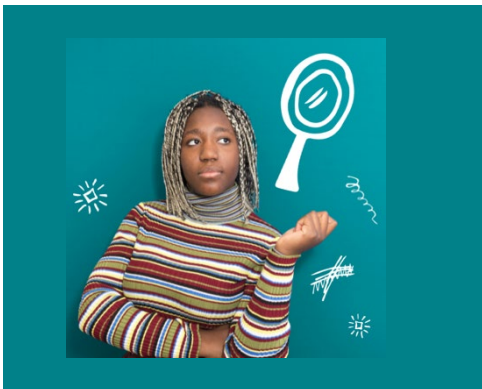


Facilitation: **Discuss: Role-play**  
6 minutes **(Slides 21-22)**

After participants have completed the role-play, ask several of the following questions:

- *“Let’s take a minute to reflect together on the work we did.”*  
**(ADVANCE TO SLIDE 22)**
  - *How does having and/or repaying debt affect your credit?*
  - *How does a decision you make today about how you spend and save money affect your future?*
  - *How and why is it less expensive when you have good credit?* (You will have lower interest rates and pay less over time, put down less money for deposits, qualify for more financial opportunities.)
  - *Why would you sacrifice now for future outcomes?*
  - *How can you build and manage credit responsibly?*
  - *How do your decisions give you choice and freedom for the future?*

**Transition to the Post-Session Self-Reflection & Evaluation,  
SLIDE 23**

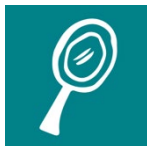


## Post-Session Self-Reflection & Evaluation

### Notes to the Facilitator:

Participants will complete the rest of the Pre/Post Self-Reflection Form by answering the same question posed in the beginning of the session. If participants ask why they are answering the same question, prompt them by asking if there are any new understandings or perspectives they could add to their original response.

After completing the Self-Reflection, participants should follow the link on the slide to complete a brief session evaluation.

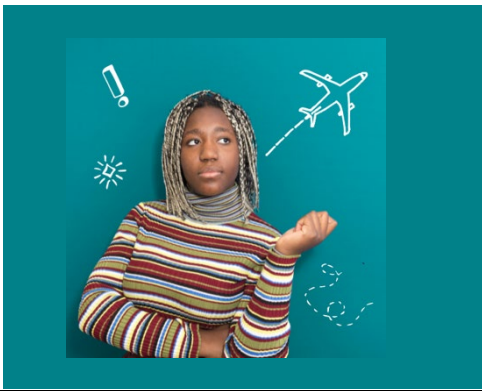


Facilitation: **Post-Session Self-Reflection & Evaluation**  
3 minutes (Slide 23)

Have participants access their **Pre/Post Self-Reflection Form**.

- “Before we end our time together, I want you to go back to the very first question that I asked you: **How does my relationship with credit and debt affect my future goals?** Take a moment to think about how you would respond to this question after the information and activities from this session. You can write a sentence or two to respond to this question
- When you are finished, please go to the evaluation link provided to complete a very brief survey on your experience with this session.

Transition to Close, SLIDE 24



## Close

### Notes to the Facilitator:

*This part of the session provides closure to the participants' learning experience. It gives a last opportunity to connect the participants to the content through a personal reason or anecdote from the facilitator related to their initial misconceptions or ideas about credit and how to use it.*



Facilitation: **Close**  
**1 minute (Slide 24)**

Thank participants for their time, attention, and engagement.

### Single Session Closing:

- *“Before we end, I want to thank you for your time today. Being here to talk to you about credit, and what it means to have “good credit” is important to me because... [offer a personal reason here, e.g. ‘I wish I’d had this information when I was your age,’ or ‘I hope you can avoid some of the pitfalls I’ve had.’] I appreciated the way that you worked through the role-play and listening to the thoughts and ideas that you shared. So once again, thank you.”*

### Alternate Closing if coming back for additional sessions:

- *“Before we end, I want to thank you for your time today. Being here to talk to you about credit, and what it means to have “good credit” is important to me because... [offer a personal reason here, e.g. ‘I wish I’d had this information when I was your age,’ or ‘I hope you can avoid some of the pitfalls I’ve had.’] I appreciated the way that you worked through the role-play and listening to the thoughts and ideas that you shared, and when I come back, I look forward to sharing more about how managing your money can help you achieve your goals.”*

## VI: VIDEO SCRIPTS (1&2)

### Master Credit & Debt: Video 1 Talking Points

- Video 1 starts with Cameron checking in with Maya and Eddie—he lent Maya a phone charger and Eddie a food storage container, and he wants to see how responsible they were with the items.
- Maya returns the phone charger to Cameron in a timely manner and in perfect condition; but Eddie gives the food storage container back to Cameron weeks later, dirty and broken.
- Cameron then poses a question to the audience: who would you be more likely to let borrow your stuff in the future?
- Based on the conditions of the returned items, Cameron chooses Maya, who returned the charger in good condition and on-time. Cameron then explains how using a credit card is similar to the responsibility of borrowing from a friend.
- For example, pretend you get a brand-new credit card with a \$1,000 spending limit and purchase a new set of food storage containers for \$14.95. This means you're essentially borrowing \$14.95 from the credit card company, and at the end of the billing cycle you have to pay it back.
- While \$14.95 may be manageable, if you also bought a new video game, a new backpack, and a new phone case that same month, your bill will be a lot higher than \$14.95.
- If you don't have enough money to pay off your entire bill, whatever is leftover becomes debt, and the credit card companies charge you interest on that debt. And, those same companies will start to pile on interest charges to anything new you buy if you didn't start the month with zero balance.
- Cameron then tells Eddie and Maya that, in addition to interest, there are other important things to keep in mind before getting a credit card, like that you can get charged late fees for not paying your bill on time, and those late fees are subject to interest as well. Also, things like getting too close to your spending limit each month or not paying your bill on time can negatively impact your credit score.
- Just like no one wants to lend their food storage container to someone who will return it broken and dirty, credit card companies don't want to lend money to someone who is irresponsible and doesn't manage debt very well.
- Cameron closes the video by reminding the audience that in the end, how responsible you are with your credit directly affects your ability to reach your goals like getting a car, renting an apartment, buying a house, or even getting hired for a job.



## Master Credit & Debt: Video 2 Talking Points

- This video introduces the concept of a credit score and credit report. Similar to a report card, a credit report shows how responsible you are with your use of credit and debt.
- A credit report includes your borrowing history, including debt and repayment activity. Many companies such as banks use this history when deciding whether to extend credit.
- Your credit history is used to create an overall number, which is your credit score. This score can have a large range:

300-579	580-669	670-739	740-799	800-850
Poor	Fair	Good	Very Good	Excellent

- Your credit score is the overall indicator of how well you manage your credit and debt. The higher the score, the more favorably you are viewed by lenders and companies when it's time to rent an apartment, get a car loan, or even apply for internet service. The lower the score, the more difficult it can be to get approved for loans, the higher down payment or security deposit you may have to make, or the more interest you may end up paying.
- Credit scores are typically made up of the following 5 major factors: payment history, amount owed, credit length, types of credit, and new credit.
- *#1-Payment History*: 35% of your credit score is determined by your payment history. This looks at all types of credit accounts and shows if payments are made on time, if they are past due (not paid on time), or delinquent (unpaid past a certain amount of time). Paying your bills on time is the best way to keep up a solid credit score and to avoid paying fees and interest to financial companies.
- *#2-Amount Owed*: 30% of your credit score is determined by the amount that you owe on your credit accounts. Having a large balance on a car loan is reasonable, but having large balances on credit card or retail accounts is a sign that you may be using too much credit. Make sure to determine your wants vs. needs, keep balances low, pay off as much of the balance as you can, and continue to pay your bills on time!
- *#3-Length of Credit History*: 15% of your credit score is determined by how long your credit accounts have been open. Generally, the longer you've maintained your accounts in good standing, the better your credit may be. Using credit and paying your bills on time help build that credit history. Keeping accounts open and current are also helpful.
- *#4-Types of Credit*: 10% of your credit score is determined by the various types of credit accounts you have. These can be revolving accounts that have a set limit such as a credit card or retail store card, or installment accounts that have a set monthly payment such as car loans, student loans, or even mortgages. Having a mix of credit types, and paying them on time, shows that you can be responsible and manage different debt.
- *#5-New Credit*: 10% of your credit score is determined by the number of new accounts you have and the time between opening those accounts. Whenever you apply for any type of credit account, an inquiry is made on your credit report. Too many inquiries can lower your credit score, and too many new accounts can make you look risky to lenders.
- In the end, understanding the ways a credit score is determined will put you in a better position to manage your credit and reach your personal and financial goals.