



Moneywise  
America™



# RESPONSIBLE CREDIT

*How to use credit  
wisely to help  
achieve your  
goals.*

*Teen  
guide*



## *Pre/Post Self-Reflection*

First Name: \_\_\_\_\_

Age: \_\_\_\_\_



### **Pre-Session**

Before beginning the session “Responsible Credit,” please respond to the following question:

What is the opportunity cost of using debt and how does it impact my ability to reach my personal goals?



### **Post-Session**

After finishing the session “Responsible Credit,” please respond to the following question:

What is the opportunity cost of using debt and how does it impact my ability to reach my personal goals?



## Cameron's Opportunity Cost of Credit

**Directions:** Look at Cameron's options for purchasing a car. Then, select which option you think is best and explain why. After learning the actual cost of each option, revisit your choice to revise if necessary.

### Which option should Cameron choose to buy a car?

<u>Option A</u>	<u>Option B</u>	<u>Option C</u>	<u>Option D</u>
Car Type: <b>USED</b>	Car Type: <b>NEW</b>	Car Type: <b>NEW</b>	Car Type: <b>NEW</b>
Total Cost: <b>\$10,000</b>	Total Cost: <b>\$20,000</b>	Total Cost: <b>\$20,000</b>	Total Cost: <b>\$20,000</b>
Down Payment: <b>\$6,000</b>	Down Payment: <b>\$6,000</b>	Down Payment: <b>\$6,000</b>	Down Payment: <b>\$6,000</b>
Loan Amount: <b>\$4,000</b>	Loan Amount: <b>\$14,000</b>	Loan Amount: <b>\$14,000</b>	Additional Savings Needed: <b>\$14,000</b>
Interest Rate: <b>5.5%</b>	Interest Rate: <b>5%</b>	Interest Rate: <b>5%</b>	Interest Rate: <b>N/A – no loan taken</b>
Length of Loan: <b>36 months (3 years)</b>	Length of Loan: <b>60 months (5 years)</b>	Length of Loan: <b>72 months (6 years)</b>	Purchase delay to save for car: <b>40 months (3.3 years)</b>



#### Part A:

Based on the table, which option do you think Cameron should choose?

Why do you think this is the best option?



#### Part B:

With the NEW information provided on the presentation slide, which option do you think Cameron should choose?

Did you change your mind? If so, why?



## My Opportunity Cost of Credit

**Directions:** Read through the situation about your cell phone below. After reading, fill out the chart in **PART A** and think about the financial cost and other trade-offs of each option. Then, make your own decision and answer the questions in **PART B**.

### Situation

While hanging out with some friends you take out your phone to snap a picture, but the phone slips out of your hand and falls. Your whole screen is cracked! Carefully consider your following three options:

Option A		Option B		Option C	
What you do now:	Buy a new phone along with an upgrade using your credit card	What you do now:	Immediately repair the screen using your credit card	What you do now:	Use the phone with its cracked screen
Cost:	\$600 to pay for remaining contract \$100 upgrade fee	Cost:	\$200 for screen repair	Cost:	\$0
How you pay:	Charge everything to your credit card (18% interest) and pay \$24 each month towards the balance.	How you pay:	Charge a \$200 repair to your credit card (18% interest) and pay \$35 each month towards the balance.	How you pay:	N/A
Total cost:	\$927.51 (including interest, assuming no other charges)	Total cost:	\$210.67 (including interest, assuming no other charges)	Total cost:	\$0
Time to pay costs:	39 months (3 years, 3 months)	Time to pay costs:	7 months	Time to pay costs:	None, but you must use a broken phone

## PART A:



What is the opportunity cost or trade-off of each choice?

	<b>PROS</b> What do you get with this choice?	<b>CONS</b> What do you give up with this choice?
<b>Option A</b>		
<b>Option B</b>		
<b>Option C</b>		

## PART B:



What choice would you make? Why?



How could you have prepared for these types of expenses?





# Session Evaluation Survey

Thank you for your participation in today's session! We appreciate you taking a couple of minutes to provide your feedback. **Your response is important to us and is completely anonymous.** Your input will help us continue to improve our programs supporting teens on their journey to financial freedom.

## How to Complete this Survey

You can access and [complete the survey online here](#). If you prefer, you can complete a hard copy of the survey below, and hand it in to your Schwab facilitator at the end of your session. Either way, please make sure to submit your survey at the close of your session.

## Survey Questions

1. What Moneywise America session did you participate in? **(REQUIRED)**
  - a. Get Started: Intro to Money Basics
  - b. Personal Goals and Decision Making
  - c. Session 1.0: Set Money Goals
  - d. Session 2.0: Manage Your Money
  - e. Session 3.0: Master Credit & Debt
  - f. Session 4.0: Plan for the Future
  - g. Session 5.0: Get Invested
  
2. I feel more confident about my understanding of money and how to manage it. **(REQUIRED)**
  - a. Strongly Agree
  - b. Agree
  - c. No Change
  - d. Disagree
  - e. Strongly Disagree
  
3. How likely are you to use information from this session to make decisions to help you reach your future financial goals? **(REQUIRED)**
  - a. Highly Likely
  - b. Likely
  - c. Neutral
  - d. Unlikely
  - e. Highly Unlikely

4. I have a clear understanding of the key personal finance topics that were presented during the session. **(REQUIRED)**

- a. Strongly Agree
- b. Agree
- c. No Change
- d. Disagree
- e. Strongly Disagree

If you selected Disagree or Strongly Disagree for Question 4, please explain specifically what components of the lesson were unclear or confusing.

5. Why is it important for teens to learn about personal finance? **(OPTIONAL)**

6. Is there any other feedback that you'd like to share about the session or the content covered? **(OPTIONAL)**

#### Thank You

Thank you for taking the time to provide your feedback. We appreciate your input as we continue to support teens on their journey to financial freedom.