Grade 8 Math Personal Finance

Credit Cards – Perks, Look Fors and Choice

Name: ___________________________________ Class: ______ Date: ______________________

At this point, you should know how a credit card works – you are borrowing money from a company and paying it back. It is a short-term loan. If you pay it back each month, you are not charged interest but you still might pay fees. If you do not pay it back each month, you will get more fees and have to pay very high interest.

Look up what age you have to be to get your own credit card.

Ontario: ___________________

With so many companies trying to get your ~~money~~ business, it can sometimes be a bit difficult to find the best card. This first website has a number of options for student credit cards. Look over the website and list three cards that you think would be good for you when you can get your first credit card.

https://www.moneysense.ca/spend/credit-cards/best-student-credit-cards-in-canada/

1. ____
2. ____
3. ____

What do you notice about the annual fee? Why do you think this is?

Which cards have the highest annual fee?

What are some of the welcome bonuses? Why do you think companies offer these?

How can you get the most Rewards? Why do companies give you Rewards for using credit?

How can you get the most Perks? Why are there Perks for using credit?

Fill in the missing words and learn these tips – they are really important for us all!!

Credit card tips for students

You know you need to be responsible in how you use your credit card—but what, exactly, does that mean? Read on for tips on using your credit card to beef up your credit score, and avoiding any problems.

1. **Check your payment due dates**
   You probably know that credit card bills arrive every _____________, but that doesn't mean the due date for your payment is on the first day. The date that begins your billing cycle depends on when you are approved for the account, and it could be any day of the month. Make note of the due date and make sure you pay ________________.

2. **Pay off your balance in full**
   If you're going to be __________________ with your credit card, you won't use it to spend money you don't have. Do not go into debt. It's best practice to pay off your bill in full, on time, every month. Not only will this boost your credit score, but it will also help you avoid costly ______________________.

3. **Heed the minimum balance**
   If you do overspend, you will still need to _______________ some of your balance. Your bill will show a total balance and a minimum payment. You must pay at least the minimum payment, on time and every month, no matter what. Missing payments is one of the worst things you can do for your _________________. Paying only the minimum means that you're accumulating interest on the unpaid balance. At an average of around 20%, this can add up quickly.

4. **Don't overspend**
   In case it's not clear: Don't overspend! Credit is _____________ money, and a credit card isn't a debit card. All the money you charge to your card must be paid back. If you don't or can't, you'll find yourself racking up interest charges in addition to wrecking your credit rating.

5. **Don't max out your credit card**
   Your credit card will have a _________________; that's the amount of money you can technically borrow on it. But spending all the way up to your limit—that is, maxing out your card—is reckless. It will be harder to pay off your balance. Use your card selectively for smaller purchases, at least initially, and consider using debit for almost everything else.