



講求事實數據的新一代

Fact\$ & Figure\$
Generation



~ Module 6 & 7 ~

"Sucker Punch" & "Boxing Practice"

- Lesson:** An extensive look at credit cards
- Time:** 135-180 minutes (3 class periods). Due to the content and length of the "Sucker Punch" module, two class periods will be needed for the module and one class period for the "Boxing Practice." interactive in-school homework 'skills' module.
- Note:** This guide is, of course, only a suggestion. Feel free to modify it as needed, and please share with us your own teaching ideas for Facts & Figures Generation!
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How to use this guide

Lesson Overview & Objectives

What are the students supposed to learn? This section sets forth the goals of knowledge gained by the students.

Classroom Progression

Does it feel like students are taking too long to complete a task? Here's a general timeline to make sure students are staying on track.

Classroom Warm Up

It's time for class! Let's get the class motivated and in the right mindset. Along with a brief introduction to share with the class, there are some potential discussion points in the pre-test to get the students talking and engaged with the material.

Module Progression

What are the students seeing? Here are a few screenshots you can use to discuss key points from the module after the students complete their posttests.

Activity

Alright! The module is done, the posttests have been scored by the FoolProof system. Let's put that knowledge to use!

There's a short suggested script for you to introduce the activity and to set the students off to apply their knowledge learned.

Conclusion

Let's wrap this up and put a bow on it! Recap key concepts and thoughts for the students to take with them into life.

Evaluation

There are multiple data points throughout the module and activity. Want to know where? Find out here!

Glossary

What are these people talking about? The glossary has some key definitions that will come in handy.



Lesson Overview & Objectives

Core message: Use credit cards very carefully, or you will be hurt.

We take a tough look at the world of credit cards and their potential danger and value. The module and lessons teach your students about the hidden aspects of credit cards:

- ✿ The dangers of financing long-term debt with credit cards.
- ✿ The importance of a credit card's "fine print."
- ✿ The importance of timely payments.
- ✿ The danger of making minimum payments.

"Take a tough look at the world of credit cards, and their potential dangers..."

Knowledge Objectives

Students will be better able to:

1. Understand how credit cards (and other similar loans) work.
2. Define terms such as credit, loan, annual percentage rate, interest and principal.
3. Compare various credit offers to understand the ramifications of making purchases with credit.
4. Learn how to be a responsible credit consumer.
5. Compare and contrast credit offers.
6. Compare the real cost of purchasing on credit versus delaying a purchase until you have saved enough money to pay cash.

Skills Objectives

Students will be better able to:

1. Comprehend how credit cards may be used wisely to build credit.
2. Analyze the "grace period."
3. Analyze "fine print" in credit card ads.
4. Calculate credit limit and minimum payment.
5. Analyze a credit card statement.

Attitude Objectives

1. Students will feel they have a fundamental knowledge of credit cards.
2. Students will feel they have a thorough understanding of the importance of a credit card's grace period and a thorough understanding of the importance of paying on time.
3. Students will feel they have the ability to make informed choices among companies who offer credit cards.
4. Students will feel they have the ability to make informed choices when it comes to selecting the right credit card.

Classroom Progression

1. Warm Up – 5 minutes
2. “Sucker Punch” Module – 35 minutes
3. Module Test – 10 minutes
4. Classroom Discussion – 10 minutes
5. “Boxing Practice” Module – 35 minutes
6. Activity Discussion – 5 minutes
7. Activity – 45 minutes
8. Activity Presentations – 45 minutes
9. Conclusion – 5 minutes



Classroom Warmup

Credit impacts almost everything that you do.

Unlike debit cards which provide access to your own money, credit cards access loans from the card issuers. When you use a credit card to make a purchase, the merchant or service provider is paid for your purchase by the card issuer, and then you pay back the card issuer when you pay your monthly statement. If you don't pay off your entire balance each month, you'll pay interest on the unpaid balance. If you pay late, you will incur late fees.

Credit cards aren't ALL bad. They have some benefits such as convenience, flexibility and come with some consumer protections.

FoolProof's core messages about credit cards:

- ✿ "Credit cards should really be called 'debt' cards!"
- ✿ "Credit cards are the main reason many young people (and adults equally) mess up their financial lives."

Why?

- ✿ **Running up debt.** Credit cards make it easy to buy items we want but can't really afford. Too often, our "buy now, pay later" mentalities foster impulse purchases. If you have control of your expenses, plan your purchases, and know how you will repay your loans, you will have no problems with credit cards. However, if you make too many of those impulse purchases, you could easily build up more debt than you can afford.
- ✿ **Interest and fees.** Credit card purchases are loans on which you pay interest if you carry a balance. Many cards have higher rates, particularly if your credit history is not good. If you pay a bill late, you will typically incur a late fee, the average is \$28 and often higher. And paying your bill late, even one day late, may trigger a higher interest rate. And there are other possible fees. It is vitally important to pay all your bills on or ahead of time to avoid fees and maintain or achieve good credit ratings.

Classroom Discussion

Ask the students:

How do credit cards work?

For example:

What is an Annual Percentage Rate (APR)? –How much it costs in interest and fees to borrow on a specific credit card.

What is a minimum monthly payment? –How much you need to pay to avoid a late fee.

What happens when you are late with credit card bills? –Get charged a fee, hurts your credit score, could raise interest rates, etc.

What are “over limit” fees? –When you charge more than your credit limit.

Potential Teacher Talking Points:

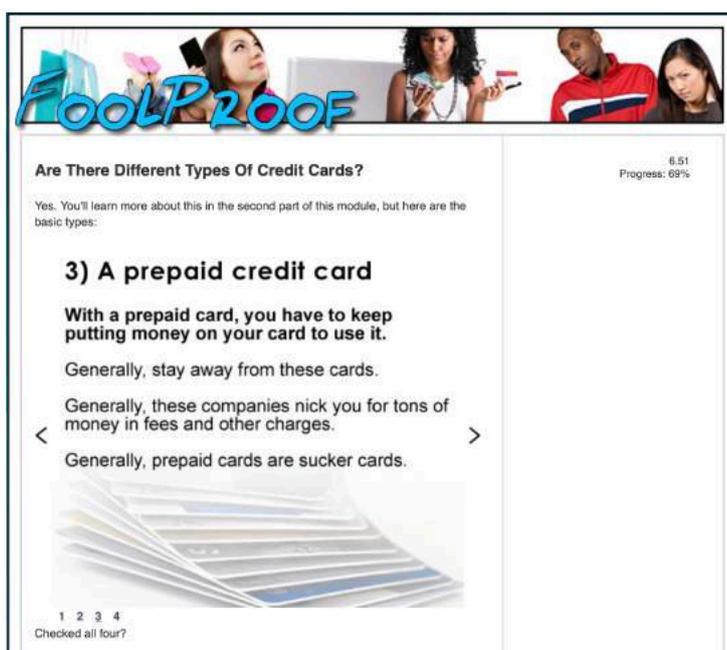
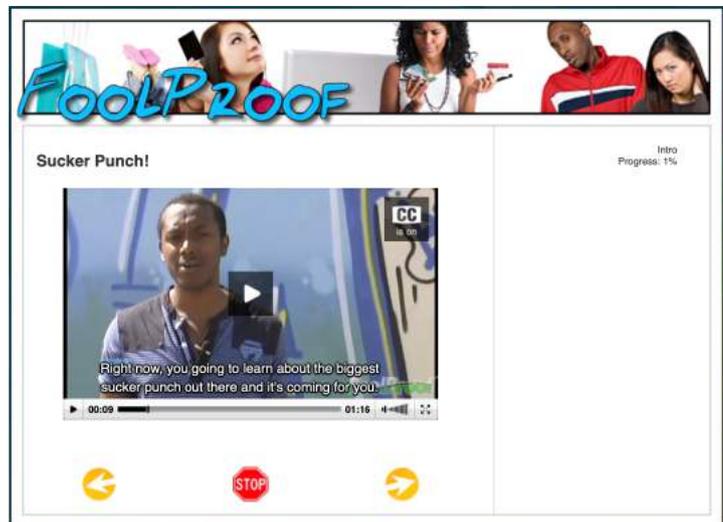
Credit cards come with a bunch of terms and conditions. Make sure you know what you’re signing up for!

Next: Instruct students to complete the “Sucker Punch” module.

Sucker Punch Module Progression

Years of research shows FoolProof that this module—“Sucker Punch”—connects with the great majority of our students. This module presents a look at the unpleasant consequences we all feel when life goes unexpectedly wrong—when figuratively someone unexpectedly punches you. We use videos, real life examples, quizzes and repetitive elements to show students how to avoid sucker punches when it comes to their money and their welfare.

The module starts by explaining how a credit card used wrong can be one of the biggest sucker punches a young person may ever experience.



We help your students understand the pros and cons of different types of credit cards.

The rules of “safely using credit cards” is a constant message in Sucker Punch.

FoolProof

The Most Important Credit Card Rule

6.04
Progress: 5%

KNOW AND FOLLOW THE MOST IMPORTANT CREDIT CARD RULE:

DON'T USE A CREDIT CARD TO REGULARLY "FINANCE" PURCHASES.

HERE'S A QUICK DEFINITION OF "FINANCING:"

TO "FINANCE" MEANS TO MAKE PAYMENTS SPREAD OUT OVER TIME RATHER THAN PAYING IT ALL AT ONCE.

1 2 3

FoolProof

Take These Ads:

6.06
Progress: 7%

What do they all have in common?
Click the numbers below to see the ads.

citi

Citi® Driver's Edge® Card for College Students

School's hard. Getting this card is not.

- 0% APR* for 6 months on purchases, cash advances, and balance transfers
- Earn rebates towards any car, new or used**
- Build your credit history
- Free online account management
- \$0 liability on unauthorized purchases
- No annual fee

Apply Now

1 2 3 4

Using real advertisement examples, we show how credit card companies try to lure young people into using a card to impulse buy or to make small purchases, etc. The credit card companies' goal? To get the student to always be borrowing more money.

We ask the student to critically think about card usage, and figure out how they can use their card responsibly: We teach young people to try to never charge more than they can pay off each month.

Fun, Now Let's Have That Test!

Question:

When is the only time you get a short-term, interest-free loan with a credit card?

1. You get an interest-free loan as long as you pay the minimum payment on time every month.
2. You get an interest-free loan when you borrow money with your credit card.
3. You get an interest-free loan if and only if you pay off the entire amount of your bill before the end of the "grace" period.
4. None of the above.

Choose The Right One:

- Answer 1
- Answer 2
- Answer 3**
- Answer 4

Submit

6.15
Progress: 20%

FBG CREDIT CARD **LISA**

Statement of Account

A. PERSON
123 MONEY ST
BANKVILLE, XX

LISA CLASSIC 0101-0202-0101-0202

Your Card Activities:

Approved Credit Limit	Available Credit Limit	Statement Date	Payment Due Date	Interest Rate
18,300.00	15,253.00	JUL 21	AUG 09*	4.59%*

Your Balances:

Previous Balance	+	
Payments	-	
Credits	-	
Purchases	+	\$ 1,045.31
Cash Advance	+	
Finance Charges	+	
Outstanding Balance	=	\$ 1,045.31

Transaction Details:

Sale Date	Post Date	Description	Transaction Reference	Currency Amount	Local Currency Amount
JUL 08	JUL 08	HUPSA BAR & GRILL	734423352183148	\$ 73.66	\$ 73.66
JUL 08	JUL 10	LAX AIRPORT NEWS STAND	7382181207541126	\$ 13.44	\$ 13.44
JUL 19	JUL 20	BOLCO.COM	920104112	\$ 768.43	\$ 768.43
JUL 19	JUL 20	MERRIATT HOTELS	5678145310974501	\$ 175.89	\$ 175.89
JUL 20		SERVICE CHARGE CREDIT CARD	0101-0202-0101-0202	\$ 13.00	\$ 13.00

Can you find the grace period on the following credit card statement?

We ask the student to analyze credit card statements to let them discover that many credit card companies make their statements (and thus the grace period) hard to understand.



New credit card holders don't know that charging too much on a credit card—even if you are within your credit limit—can hurt your credit. We teach students this critical lesson. How much you can safely charge on your card, whether you plan to pay off your bill in full every month, or not. As you know, the difference is night and day: 80% versus 20%.

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How Much Money Can I Borrow On My Credit Card?

6.26
Progress: 34%

CC
is on

*YOU CAN NOT BORROW ANY MORE
UNTIL YOU PAY DOWN YOUR BALANCE
BELOW A \$1,000.*

You can not borrow any more until you pay down your balance below a \$1,000.

01:12 01:18

Navigation icons: back, stop, forward.

FoolProof

Here's A Quick Question:

6.31
Progress: 41%

This time, you tell me the max amount you should owe on this card!

Your credit limit is \$1,000. What is the max you should ever owe on this card?

\$ 800

Your credit limit is \$2,500. What is the max you should ever owe on this card?

\$ 2,000

Submit

Navigation icons: back, stop, forward.

Practice makes perfect!
We ask the student to calculate exactly how much they can safely charge on each card situation with using the 80-20 rule.



Does It Matter If You're Late Even One Time On Your Payment?

6.41
Progress: 56%

Can it really make a difference if you're even one day late on one bill? You tell me: click each number to find out.

Your interest rate on your credit card loans is normally 9.9 percent.

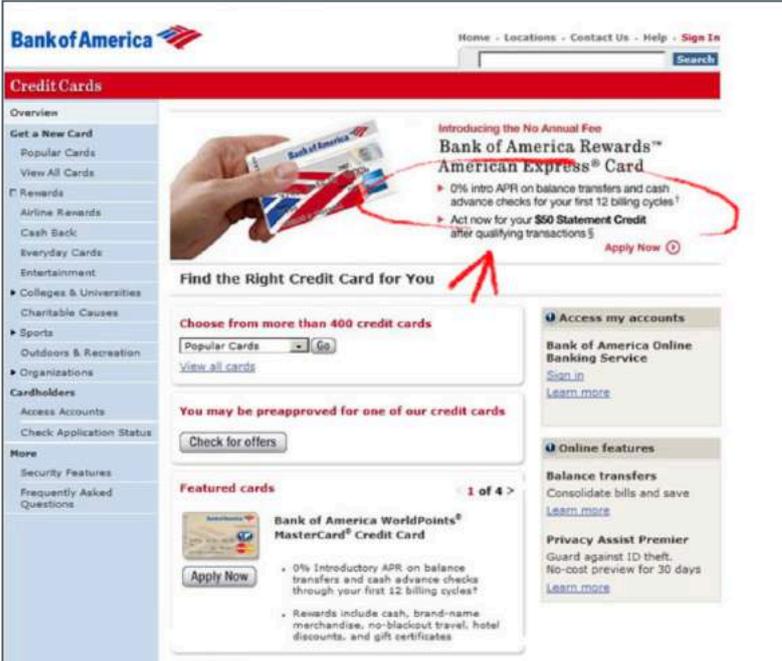
For five years, you have made all your credit card payments on time.

1 2 3 4 5 6

Students will learn to understand the different APR's associated with cards, and how these can quickly change if they mess up (late payments, going over the limit, etc). We show sneaky (real life) tricks credit card companies use to get this to happen...

- Zero Percent!*
- Free Airline Tickets!*
- Earn Money!*
- Free Postcard Option!*
- No Annual Fee!*
- Free Rewards!*
- Free Bonus Points!*
- Redeem Up To \$5000 On Your Next Vehicle!*
- We Send You Two Cards, Not One!*
- Up To \$1Million In Travel Accident Services!*
- Guaranteed Date With The Person Of Your Dreams!*
- Guaranteed Lifetime Of Financial Prosperity!*
- Guaranteed Lifetime Of Happiness!*

Why are cash advances on a credit card usually a very bad idea? Why are credit card checks usually a very bad idea? We use ever- day examples from credit card companies and banks to make our points.



Bank of America

Home - Locations - Contact Us - Help - Sign In

Credit Cards

Overview

- Get a New Card
- Popular Cards
- View All Cards
- Rewards
- Airline Rewards
- Cash Back
- Everyday Cards
- Entertainment
- Colleges & Universities
- Charitable Causes
- Sports
- Outdoors & Recreation
- Organizations
- Cardholders
- Access Accounts
- Check Application Status
- More
- Security Features
- Frequently Asked Questions

Introducing the No Annual Fee Bank of America Rewards™ American Express® Card

- 0% intro APR on balance transfers and cash advance checks for your first 12 billing cycles!
- Act now for your \$50 Statement Credit after qualifying transactions!

Apply Now

Find the Right Credit Card for You

Choose from more than 400 credit cards

Popular Cards Go

[View all cards](#)

You may be preapproved for one of our credit cards

Featured cards 1 of 4 >

Bank of America WorldPoints® MasterCard® Credit Card

Apply Now

- 0% Introductory APR on balance transfers and cash advance checks through your first 12 billing cycles!
- Rewards include cash, brand-name merchandise, no-blackout travel, hotel discounts, and gift certificates

[En Español](#)

Access my accounts

Bank of America Online Banking Service

[Sign in](#)

[Learn more](#)

Online features

Balance transfers

Consolidate bills and save

[Learn more](#)

Privacy Assist Premier

Guard against ID theft.

No-cost preview for 30 days

[Learn more](#)



Here's A 0% Credit Card Trick Explained:

6:43
Progress: 58%

YOU BUY A \$1,200 FLAT SCREEN TV. AT \$0.00 PER MONTH.

CC IS ON

00:07 01:17

Does this happen a lot? Definitely. And you don't want it to happen to you.

So think and budget carefully before you even get close to signing up for a 0% credit card and definitely read the fine print!

We show credit card tricks, that generally are not very good for most consumers: 0% financing on a credit card (most people don't qualify, but won't find out until after signing up, or the 0% is for limited time only) and signing up for a credit card based on a gift is a terrible idea (read: costly).

We love you! And you can trust us to handle that. But please don't ask funny questions. And please sign the contract...

CC IS ON

Obey and send.

Great! Thank you... Sucker! Errr... I mean... We love you! We really, really do.

Great! Thank you... Sucker! Errr, I mean, we love you! We really, really do.

00:44 01:31

Then, we conclude "Sucker Punch!" by showing your students examples of items never to charge on a credit card. (You personally may find this interesting...)

Here Are Some Potentially Terrible Things To Charge On Your Credit Card:

6:68
Progress: 94%

A credit card can be helpful if you're shopping online, etc. It can also help you build credit, if you charge stuff and then pay it off "as agreed."

But remember that credit card companies always want you to charge more than you can pay off in full each month. That's the main way they make money.

That's why you shouldn't charge these three things because you'll probably have a hard time paying off the charge in full when the bill arrives.

1. Taxes charge a fee

1.87 - 2.35%

CC IS ON

that 2.95% fee is costing you an additional \$70.

00:27 01:30

Classroom Warmup, Continued

Review what was learned in “Sucker Punch.”

Classroom Discussion

Ask the students:

What surprised you about credit cards? Or, what new piece of information did you learn about credit cards?

Potential Teacher Talking Points:

Credit cards are an expensive way to finance a purchase. They also make it SUPER EASY to spend money. So you have to be careful before using a credit card.

Next: Instruct students to complete the “Boxing Practice” module.

Boxing Practice Module Progression

To see FoolProof in action, review examples of our teaching methods from within the guided practice for the credit card module. Students learn a skill or a smart technique, on which we test them as they learn. Get a question wrong, and we'll take them through it again.

Here is an example of a grace period, students demonstrate their understanding by selecting the correct answer.

Special "No-Brainer" Training Session:

7.01
Progress: 10%

NO-BRAINER: Don't get a credit card if the card doesn't have a grace period.

- Remember the definition of a grace period: The time you have to pay off your whole credit card bill before you have to begin paying interest.
- The grace period gives you a short-term, interest-free loan if you pay off your whole bill in time.
- Why give up your short-term, interest free loans?
- Find a card that has a grace period.

1. Which of the following statements defines "grace period:"

- The grace period is the day your payment is due.
- The grace period is the number of days you have to pay at least a part of your bill before you have to pay interest.
- The grace period is the number of days you have to pay off your total bill before you must begin paying interest.

Which statement is true?

Statement 1
 Statement 2
 Statement 3

Concept based learning is used and

No-Brainers:

7.02
Progress: 11%

Click the numbers to see the "No-Brain" examples.

YOU DON'T WANT A CREDIT CARD THAT CHARGES EITHER AN APPLICATION FEE OR A YEARLY FEE.

If you haven't done anything stupid to your credit, you should qualify for a card without an application fee or a yearly fee.

1 2 3 4 5 6 7 8

displayed in banner form to draw the student's attention to the material.

We use the definition of the term “balance transfers”, and we show the reality of what happens with a balance transfer if you do not pay it off in the time stated in the fine print.



Balance Transfers:

You hopefully won't be needing to make a balance transfer any time soon, but you need to understand balance transfers, so here's the scoop.

The Definition: paying off one credit card in total by charging the debt to another credit card.

The Theory: if you're paying rip-off rates at one credit card company, why not pay off that debt by moving it to a much cheaper credit card?

The Joke: you'll see "balance transfer" ads everywhere, and thousands of people use them, dreaming of huge savings. And why shouldn't they be excited?

- The ads promise "zero" percent transfer rates.

But here's the truth: many of these "balance transfer" ads don't offer you help, they offer you trouble!

- The ad might say, "0 percent interest on your balance transfers!"
- But when you read the fine print, you learn the 0 percent is only for up to six months or less.
- If you don't pay off the entire amount you transferred within six months, the interest you pay on the balance can skyrocket with some companies.

Sucker punch!

7.08
Progress: 40%

We give the student examples of fees that credit card companies use—and that are not (always) fully disclosed. Students learn about all these hidden fees.

How many different APRs and fees can one card have?

Would *thirteen* different fees and APRs on one card bother you? Happens all the time. Here are the thirteen different rates and fees charged by one very reputable national credit card company—on *one card*.

12. Minimum finance charge.



We ask the students to show their understanding, by bringing up concepts that were discussed throughout the modules. If the students miss any of the questions, they are prompted on the next screen on what exactly they missed.

Brain Teaser Section: 7.23
Progress: 80%

8. Which of the following statements shows the mind of a fool when it comes to credit cards?

Check all the answers that may apply:

- You get six credit card offers in the mail, and are stoked! You get all the cards.
- When you finally get a credit card, you plan on getting only one credit card. Max two. Period.
- You see a bunch of kids passing out free tee shirts at a school function. All you have to do to get the shirt is sign up for a "free" credit card. You sign up on the spot!
- You find a radical website that promises you the cheapest credit cards for students, and believe everything you read on the site.
- You decide to get your first credit card from the same place that gave you your checking account.
- You decide to get your first credit card from an online bank with no local office.
- You get a credit card without checking how long the "grace period" is.
- You plan on making online payments on your credit card when you get it—and plan to pay early every month.

Submit

The Game Plan: 7.25
Progress: 95%

And here's a game plan to use with that financial institution when you are ready to get your first credit card.

Review this plan with your parent or guardian:

1. Make sure your parent or guardian thinks it makes sense for you to get a card.
2. Make an appointment to see someone at the place you have your checking account.
3. Tell them you want to know the length of their "grace period."
4. Tell them you want to know their "ongoing" interest rate.
5. Tell them you want to know your interest rate and "credit limit" before you agree to get the card.
6. Ask them if they have a binding mandatory arbitration clause in their credit card contract. If they say yes, don't get a card with them.
7. If you decide to get the card, make sure you sign it up for online banking!
8. Link your credit card to your savings account.
(You did get a savings account when you opened your checking account, right?)

That's almost it, hang in there just a little longer...

Print or download the [Game Plan!](#)

Navigation buttons: back, stop, forward

Students are given a checklist within the modules, giving them a solid "game plan" for moving forward to safely navigate credit cards in their life.

Classroom Activity

Once students have completed the module, move into the classroom activity.

Set up:

So, you've learned about credit cards. Great! Now what?

Your project is to research credit cards and find the best one for you!

Once you've found the card that works for you, you'll present it to the class.

Your project presentation must include:

- ★ What terms were important to you and why.*
- ★ Two alternative cards that aren't as good with an explanation of why.*
- ★ An example of a credit card advertisement with your evaluation of what terms are missing.*

Conclusion

Share with your students:

Credit cards are a primary driver of debt for young consumers. It's up to you to arm yourself with the knowledge on how to use a credit card responsibly.

Remember—if you can't pay off your balance in full every month, you'll start paying interest. Once you start paying interest, you need to work those extra payments into your budget or you'll be racking up debt harder and harder to pay off.

Evaluation

“Sucker Punch” starts with a pretest to set a baseline of knowledge. The module concludes with a posttest for evaluation of knowledge gained.

This knowledge gained is then enhanced by the “Boxing Practice” module.

After the “Boxing Practice” module, students will apply their knowledge through a class project to be evaluated by the instructor.

Glossary

Annual Percentage Rate: (APR):	The actual yearly cost of funds over the term of a loan.
Balance transfer:	Paying off one credit card in total by charging the debt to another credit card.
Cash advance:	Using a line of credit, usually via credit card, to withdraw cash.
Credit Card:	A transactional card where loans can be borrowed by one's credit limit. The cardholder (borrower) agrees to pay back the credit loan amount and additional interest.
Credit Score:	A number representing a person's creditworthiness based on their history using credit.
Credit limit:	The maximum you can charge via a line of credit.
Finance:	To make payments spread out over time rather than paying it all at once.
Grace period:	The time you have to pay off your whole credit card bill before you have to begin paying interest.
Prepaid card:	A card requiring payments prior to usage.
Secured card:	A card requiring a savings account with enough funds to cover the line of credit.
Store charge card:	A type of payment card offered by (large) retailers. The interest rates on store credit cards tend to be higher than you would have on a traditional card. Stores may offer discounts if you use the credit card to make a purchase.

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FoolProof
FOUNDATION
Use Caution. Question Sellers. Rely on Research.