

Name: _____

Date: _____

Activity: So you want to get a credit card huh?

Read the scenarios below and answer these four questions:

1. Do they need a credit card?
2. Why do you think so? What evidence or assumptions led you to that decision?
3. What information do you feel is missing if any which you feel would help lead to a decision?
4. Assuming they choose a credit card, what should they focus on managing?

Scenario A:

Jonathan has just graduated high school. He decides to take a year off before college and backpack across Europe with some friends. While there, he overdraws money from his checking account so he can try new things and live an exciting care free lifestyle. Running dangerously low on funds Jonathan needs his parents to purchase his plane ticket back home. While home he begins to place himself on a stricter budgeting plan. He has just started his first semester at his local community college and is looking to get a credit card.

1.

2.

3.

4.

Scenario B.

Jessica has just graduated high school and she's attending her first-choice college. Her parents agreed to pay for her room and board and she pays for the rest with grants, scholarships and student loans. She holds an on-campus part time job as a tutor and has her own savings and checking accounts. She has no credit cards but is considering getting one.

1.

2.

3.

4.

Scenario C:

Samantha is finishing her third year of law school. She is extremely busy but she manages to work a minimum wage job at Starbucks. She's been living off her wages from work and money she had in her savings account prior to working. She's also still paying off student loans from her undergraduate degree. Luckily, Samantha will be working at a law firm near where she lives after she graduates. She holds a credit card to Macy's but she can only use it there. She is considering opening a new credit account.

1.

2.

3.

4.

Scenario D

Andrew graduated from college 3 years ago and has a steady job with a good middle income. He has almost paid off his student loans, rent, and all other expenses on time and in full. He currently has 5 credit card accounts open due to special offers like 0% APR first year, airline miles, and cash back. He pays off his monthly budgets and begins to stop using the card when the initial benefits expire. Andrew has just come across a new credit card which is advertising free one way flights to the United Kingdom. Andrew has saved enough money for the ticket back, and other travel expenses for when he is there. Should he open this new account?

1.

2.

3.

4.