

 **BUILDING BLOCKS STUDENT WORKSHEET**

Avoiding debt

Borrowing money causes debt. Avoiding debt can make it easier to have control over your money and make choices that allow you to enjoy your life.

Instructions

- 1 Read the "What is debt?" handout and highlight information about the possible consequences of having debt.
- 2 Read the story below and answer the questions about J.J.
- 3 Answer the reflection question.

A story about debt

J.J. was the best baseball player on his college team. Major league scouts followed him, and it looked like there'd be a bidding war for him to join the majors. So he was surprised and disappointed when he found himself having to join an independent league team after graduating because he didn't yet have an offer from a major league team.

His family and friends told him it was just a matter of time before he got his big break, and he wanted to believe them. He was so confident he'd be making more money that he took out a big car loan to buy a brand-new SUV. He maxed out his credit cards to buy furniture, clothes, and gear to look the part of a professional ballplayer. As time went by, he was spending more money than he made each month. It was hard for him to make the minimum payments on his loans and credit cards. He was often late on bills and loan payments because he didn't have the money. Things got so bad, he lost track of what he owed. He even avoided going to the doctor when he hurt his knee at practice because he couldn't pay the bill. He tried to get another credit card to get by, but he couldn't because of his poor borrowing reputation.



Questions about J.J.

1. How could J.J. have avoided getting into debt?
 2. What might happen to J.J. if he doesn't figure out how to reduce or pay off his debt?
 3. What are some things J.J. could do to reduce or better manage his debt?

Reflection question

What choices could you make to avoid getting into debt in your own future?