

Module 3 Financial Literacy

Worksheet 3.3

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

Date: \_\_\_\_\_

# Credit

Define the terms in the boxes below.

Credit	
Borrower	
Lender	
Interest	



## Module 3 Financial Literacy

### Worksheet 3.3

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

Date: \_\_\_\_\_

After learning about credit, brainstorm the benefits and risks of using credit:

Benefits of Using Credit	Risks of Using Credit
	

When do you think it makes the most sense to use credit for purchases?



Name: ANSWER KEY

Date: \_\_\_\_\_

# Credit

Define the terms in the boxes below.

Credit	Money that is borrowed in order to pay for goods or services and is supposed to be paid back to the lender.
Borrower	The person who borrows the money to purchase something and must pay it back.
Lender	The person who loans the money out, like a bank or a loan company.
Interest	A percentage of the money that is added onto the amount that must be paid back to the lender.



## Module 3 Financial Literacy

### Worksheet 3.3

Name: Answer Key

Date: \_\_\_\_\_

After learning about credit, brainstorm the benefits and risks of using credit:

Benefits of Using Credit	Risks of Using Credit
<p>Possible answers may include:</p> <ul style="list-style-type: none"><li>• receiving something that you need immediately</li><li>• it is impossible to build your credit rating when you pay back the money on time, which is important for buying a house and applying for jobs</li></ul>	<p>Possible answers may include:</p> <ul style="list-style-type: none"><li>• potentially be charged a late fee if you are unable to pay the money back on time</li><li>• you end up paying more in total because of the interest</li></ul>

When do you think it makes the most sense to use credit for purchases?

Answers may vary.

