

GRADE 9-12

LESSON

What is Credit?

Time: 45 mins,

Updated: February 17 2021,

Author: [Council for Economic Education](#)

TEACHER VERSION

Objective

Students will be able to:

- Identify and explain the meaning of key terms such as credit, interest, and risk.
- Explain the advantages and disadvantages of using credit.
- Identify types of financial institutions that offer credit.
- Explain that most credit transactions are voluntary ones in which both sides expect to gain.

Standards

[National Standards in Financial Literacy](#)

[State Standards](#)

[Common Core State Standards](#)

Concepts

[Credit](#), [Interest](#), [Risk and Return](#)

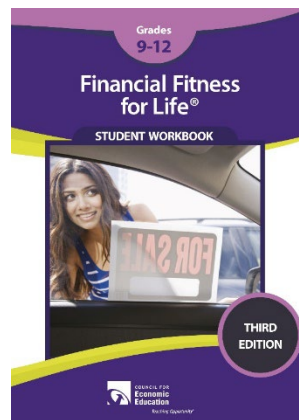
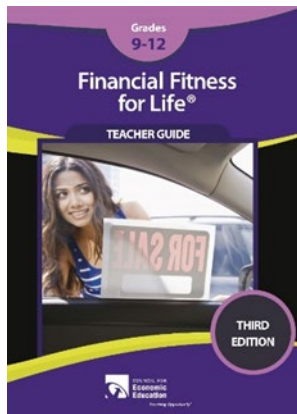


In this personal finance lesson, students will learn the advantages and disadvantages of using credit.

Book Info

This lesson is part of Financial Fitness for Life 9-12, 3rd Edition and provides the slides and activities with educational technology tools. For full access to the book, shop the teacher guide and student workbook below.

Teacher Guide and Student Workbook



Available as e-Book

Description

Decisions about credit loom large in the lives of adults as they consider buying big-ticket items such as a home or a new car. Adults often use credit by using credit cards to buy goods and services or taking out loans to pay for college expenses. The decisions they make in these cases can have important consequences. This lesson introduces the concept of credit, with special attention paid to the advantages and disadvantages of using credit. It also describes particular types of loans including home mortgage loans, car loans, college loans, personal loans, and credit card loans.

Resources

- Quizlet – What is Credit?