



## Good vs. Bad Credit | Lesson Plan

How do I build great credit for the future?

---

Students learn about what credit is, what makes it good or bad, and how to build great credit for themselves in the future.

Learning Objectives:

- Understand why credit is important.
- Recognize credit score ranges.
- Define key terms associated with credit, including credit card, credit score, lender, and loan.
- Differentiate between good credit scores and bad credit scores.
- Identify things that hurt credit and things that help credit.

Key Vocabulary:

- **Credit:** The measure of trust given to a customer for future payment.
- **Credit Card:** A tool used to buy things now and pay them back later.
- **Credit Score:** The measure of a customer's reliability in making payments.
- **Lender:** The individual or institution that provides funds to borrowers.
- **Loan:** The money borrowed that is paid back over time.

**Educational Standards:** CCRA.R.7, CCRA.R.10, CCRA.W.2, CCRA.W.4, CCRA.W.7, CCRA.SL.1, CCRA.SL.2, CCRA.L.6

**Academic Subject Areas:** Financial Literacy, Personal Finance, Life Skills

### What You'll Need

- Video: *Ca\$h Cour\$e: Good vs. Bad Credit* (Watch [Here](#))
- Worksheet: *Ca\$h Cour\$e: Good vs. Bad Credit* (Click [Here](#))

### Lesson Plan (45 mins.)

Warm-Up: Thinking about big purchases. (15 mins.)

1. Begin by handing out the "Ca\$h Cour\$e: Good vs. Bad Credit Worksheet."
2. Instruct students to work on the application section independently, focusing on large purchases they might consider.
3. Briefly explain credit scores and loans to provide context, encouraging students to consider the financial aspects of significant purchases.
4. Invite students to volunteer and share their thoughts on the worksheet. Encourage them to discuss the cost of their desired purchases, whether they currently have the funds,



and their plans for acquiring the necessary amount. Delve into why a bank might lend money and how financial institutions make such decisions.

Watch and Apply: (20 mins.)

1. Introduce the video *Ca\$h Cour\$e: Good vs. Bad Credit* as a resource to deepen their understanding of credit. Ask students to put away their worksheets and focus on the video.
2. After watching the video, have students take out their worksheets again. They should complete them, using the video as a reference, either as a no-stakes or low-stakes assessment.

Wrap-Up: (10 mins.)

1. Following the worksheet activity, review the answers together as a class. Address any areas where students may need further explanation or have lingering questions.
2. Facilitate a discussion on the factors that contribute to good and bad credit. Explore how these concepts relate to everyday decisions and long-term financial health.
3. Draw parallels between credit scores and academic grades or report cards, examining how both reflect past performance and can influence future opportunities.

**Don't have time for the full lesson? Quick Activity (5-10 mins.)**

Distribute the worksheet and allow students to complete it while they follow along with the video. Or, have students watch the video at home and use the worksheet as a quick quiz the next day in class.