



GRADE 6+

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 the reliability of a customer 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: Financial Literacy, Personal Finance, Life Skills

What You'll Need

- Video: [Ca\\$h Cour\\$e: Good vs. Bad Credit](#)



Scan to watch video.

- Worksheet: *Ca\$h Cour\$e: Good vs. Bad Credit* ([Download PDF](#))

Lesson Plan (45 mins.)

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

1. Distribute the *Ca\$h Cour\$e: Good vs. Bad Credit* Worksheet. Have students work on the application section independently. Define credit scores and loans if needed, but have the students focus on thinking about large purchases.
2. Ask volunteers to share what they wrote with the class.
3. Ask: *How much do you think you will need to purchase (use examples from the students)? Do you have that amount of money? How will you get it? Why would a bank loan you money? How do banks make these types of decisions?*

Watch and Apply: (20 mins.)

1. State: *We will watch this video and see what we can learn about credit, then answer some questions to see what we've learned!*
2. Watch the video, *Ca\$h Cour\$e: Good vs. Bad Credit* (have students put away the worksheet).
3. Have students bring out their worksheets and complete them as a no- or low-stakes assessment.

Wrap-Up: (10 mins.)

1. After the assessment (you may choose to collect or not), work through the questions as a class and discuss any areas where students needed help, still needed to complete it, or had questions.
2. Discuss: *What things will give you bad credit? What things will give you good credit? In what ways are grades and report cards like credit scores?*

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.