

 BUILDING BLOCKS STUDENT WORKSHEET

# Angela builds her credit

Building good credit can have a positive effect on your life and career. Many lenders use credit scores when they decide whether to lend you money and how much interest to charge.

## INSTRUCTIONS

- 1 Complete the “Debit, credit & credit scores” topic at <https://mimm.gov/>.
- 2 Complete the “Learning from Angela’s experience” questions below.
  - If you’re working with another person or in a group, discuss the questions and answer them together.
  - If you’re working alone, answer the questions on your own.
- 3 Read the “Understand your credit score” handout and use it to answer the “Digging deeper” questions independently.
- 4 Answer the reflection questions on your own.

## Learning from Angela’s experience

Reflect on what you’ve learned from Angela’s story and write your answers below.

1. What are some important things Angela learned about building good credit?
  
  
  
  
  
  
  
  
  
  
2. Angela learns about secured credit cards. What are they and why might they be a good option for people who are just starting to build their credit?



3. Part of building good credit is building good financial habits and norms. When could you use your credit card and when is your debit card more appropriate?

## Digging deeper

Use the information from the “Understand your credit score” handout to answer the questions below.

4. In the Angela story, Angela learns that trust is earned. How do lenders use credit scores to determine whether to let someone borrow money or use credit from their institution?
5. Name two factors that affect your credit score.
6. What can a person do to increase their credit score?

## Reflection questions

7. Angela’s spending decisions affected how well she was able to build her credit. How would you describe the way you make decisions about spending money?
8. What things are easy for you to spend money on? What things are hard for you to spend money on?
9. How could you change your spending habits to help you get a higher credit score?