

Choosing a Credit Card

Extension Activity for *Credit & Paying for Post-Secondary* Presentation

Grade Level:

- Grade 12

Learning Objective:

This extension activity, along with the *Credit & Paying for Post-Secondary* presentation should help students:

- identify some of the major differences between credit cards
- learn to navigate the credit card selector tool on the FCAC website

Materials Needed:

- whiteboard
- whiteboard marker
- computer with internet access
- *Shopping for a Credit Card* worksheet (1 per student)
- pencil (1 per student)

Lesson Plan:

1. Explain to students not all credit cards are the same so it is important to find a card that is appropriate for you. A credit card should match your spending needs, payment habits and personal preferences
2. Ask students in what ways credit cards may differ from one another. Write the correct responses on the whiteboard
3. Explain to students credit cards differ in many ways including but not limited to:
 - annual fee: a fee charged for the convenience of having a credit card
 - annual percentage rate (APR): the yearly interest rate charged on a credit card. Some credit cards may offer an introductory APR, with a lower interest rate, to get new customers
 - rewards: credit cards may offer incentives such as air miles, cashback etc.
 - credit limit: the maximum amount of money a cardholder can borrow on their credit card
 - cash advance: credit cards allow cardholders to withdraw cash from an ATM or financial institution, up to a certain limit. The interest is often higher than with other credit card transactions and interest calculations usually start immediately. There may be a one-time fee for each cash advance on top of the amount borrowed

- secured credit card: a credit card backed with a deposit that must be provided before using the card. The amount of the deposit is usually the credit limit
 - unsecured credit card: a credit card that has no collateral associated with it
 - one-time service fee: credit cards have fees for late payments, cash advances, exceeding your credit limit and more
4. Share with students the FCAC (Federal Consumer Agency of Canada) is an independent agency of the Government of Canada that provides information to help consumers understand their rights and responsibilities. They have an online credit card selector tool that can be useful when selecting a credit card. They will be using the FCAC credit card selector tool to compare credit cards
 5. Demonstrate to students how to access the FCAC credit card selector tool:
 - i. access the website by going to www.fcac.gc.ca
 - ii. search credit card selector tool in the search engine (top right hand corner)
 - iii. click on the search result credit card selector tool
 6. Demonstrate to students how to use the FCAC Credit Card Selector Tool to compare credit cards:
 - i. select province on left side of the screen (Alberta)
 - ii. select general use and student under card type
 - iii. leave all other fields blank
 - iv. click apply (bottom of the screen)
 - v. select two credit cards and click compare
 7. Distribute the *Shopping for a Credit Card* worksheet and pencils to students
 8. Ask students to fill in the information based on the two credit cards selected in step #6
 9. Time permitting, students can fill out the worksheet a second time using two new credit cards

Shopping for a Credit Card

Instructions: Research information on two different credit cards using the FCAC credit card selector tool. Fill in the appropriate information in the table provided based on your findings and answer the questions on the back of the paper

Credit card costs or features	Card A	Card B
card name (product name)		
issuer		
annual fee		
annual interest rate (apr) - purchases		
annual interest rate (apr)- cash advance		
list rewards offered (e.g. cashback, travel, groceries etc.)		
secured card available: (yes/no)		
one-time service fee (dollar amount)	cash advance (in Canada):	cash advance (in Canada):
	over the limit fee:	over the limit fee:
other important information		

