

## **Debit & Credit Cards**

### **Extension Activity for *Money & Payment Options* Presentation**

#### Grade Level:

- Grade 5

#### Learning Objective:

This extension activity, along with the *Money & Payment Options* presentation should help students:

- define debit and credit card through classroom discussions and worksheets
- identify whether a debit or credit card transaction occurred based on given information
- identify some of the advantages/disadvantages of using debit and credit cards

#### Materials Needed:

- whiteboard
- whiteboard marker
- *Debit or Credit?* worksheet (1 per student)
- *Debit & Credit Cards* worksheet (1 per student)
- pencil (1 per student)

#### Lesson Plan:

##### Part I: debit card

1. Write the words debit card on the whiteboard
2. Ask students what they know about debit cards and allow them to share their responses aloud. Write correct responses on the whiteboard
3. Share with students the following information about debit cards:
  - a debit card (also called a bank card) is a plastic card that is linked to your bank account
  - to use a debit card, you need a PIN (Personal Identification Number). You will be able to select your own PIN - this number makes sure you are the only one to use your debit card
  - a debit card can be used to deposit and withdraw money from your bank account. This can be done at the counter of a bank or at an ABM (Automated Banking Machine)
  - a debit card can also be used to make purchases at stores – your card is swiped through a machine and money is transferred from your bank account to the store

##### Part II: credit card

1. Write the words credit card on the whiteboard

2. Ask students what they know about credit cards and allow them to share their responses aloud. Write correct responses on the whiteboard
3. Share with students the following information about credit cards:
  - a credit card is a plastic card that can be used to pay for things. When people pay with a credit card they are borrowing money from the credit card company and will need to pay it back
  - you will receive a bill each month from the credit card company. If you do not pay your bill in full and on time you will need to pay extra money to the credit card company. This extra money is called ‘interest’
  - to use a credit card, you need a PIN (Personal Identification Number). This number makes sure you are the only one to use your credit card
  - to get a credit card you need to be at least eighteen years’ old
  - all credit cards have a credit limit. This is the maximum amount of money you can borrow from the credit card company
  - a credit card offers theft protection. If your credit card is ever lost or stolen it is very important to report it to the credit card company. If you do this, you will not be charged for any purchases you did not make

Part III: worksheets

1. Distribute the *Debit or Credit?* and *Debit & Credit Cards* worksheets for students to complete
2. Review answers with students after they have completed the worksheets

## *Debit or Credit?*

**Instructions:** look at the information in the first column. Decide whether a debit card or a credit card was used and put an X in the correct column.

TRANSACTION	CREDIT CARD	DEBIT CARD
Sally goes to the bank machine and withdraws \$50 from her bank account using her card.		
Your aunt takes you out for pizza and pays with a card. The money comes out of her bank account.		
Your mom takes you to get your haircut. She pays with a card and tells you she'll pay for it at the end of the month when she gets her bill.		
Your mom takes you shopping for back to school clothes. She pays with a card and tells you she will pay for it at the end of the month when she gets her bill.		
You go to the dentist and your dad pays with a card. The payment comes out of his bank account.		
You and your family are going to the movies. Your dad buys the movie tickets and snacks with a card. The money comes out of his bank account.		
Michael received a monthly bill for his card. He has used the card a lot this month and is unable to pay off the total bill. He is very unhappy because he is going to have to pay interest.		
Your dog has heartworms. Your dad pays for the visit to the vet and the medicine with his card. He knows the payment will be accepted because there is enough money in his bank account to cover the costs.		
Your mom buys you school supplies with a card. The bill for your school supplies shows up on her monthly card statement. She can pay the bill in full and does not have to pay interest.		

## *Debit or Credit?: Answer Key*

**Instructions:** look at the transaction in the first column. Decide whether a debit card or a credit card was used for the transaction and put an X in the correct column.

TRANSACTION	CREDIT CARD	DEBIT CARD
Sally goes to the bank machine and withdraws \$50 from her bank account using her card.		<b>X</b>
Your aunt takes you out for pizza and pays with a card. The money comes out of her bank account.		<b>X</b>
Your mom takes you to get your haircut. She pays with a card and tells you she'll pay for it at the end of the month when she gets her bill.	<b>X</b>	
Your mom takes you shopping for back to school clothes. She pays with a card and tells you she will pay for it at the end of the month when she gets her bill.	<b>X</b>	
You go to the dentist and your dad pays with a card. The payment comes out of his bank account.		<b>X</b>
You and your family are going to the movies. Your dad buys the movie tickets and snacks with a card. The money comes out of his bank account.		<b>X</b>
Michael received a monthly bill for his card. He has used the card a lot this month and is unable to pay off the total bill. He is very unhappy because he is going to have to pay interest.	<b>X</b>	
Your dog has heartworms. Your dad pays for the visit to the vet and the medicine with his card. He knows the payment will be accepted because there is enough money in his bank account to cover the costs.		<b>X</b>
Your mom buys you school supplies with a card. The bill for your school supplies shows up on her monthly card statement. She can pay the bill in full and does not have to pay interest.	<b>X</b>	

## *Debit & Credit Cards*

**Instructions:** Use the words in the word bank to fill in the blanks in the sentences below

bank card	theft protection	eighteen
ABM (Automated Banking Machine)	PIN (Personal Identification Number)	
interest	deposit	
bank account	withdraw	
credit limit	borrowing	

### **Debit Cards**

A debit card is sometimes called a \_\_\_\_\_ because it is connected to your bank account. A debit card can be used to \_\_\_\_\_ money (put money into) and \_\_\_\_\_ money (take money out of) from your bank account. This can be done at an \_\_\_\_\_ or at the counter of a bank. A debit card can also be used to make purchases at a store. To make a purchase at a store you need to make sure you have enough money in your \_\_\_\_\_. To use a debit card, you need a \_\_\_\_\_. This number makes sure you are the only person who can use your account.

### **Credit Cards**

You need to be at least \_\_\_\_\_ years old to have a credit card. Whenever you use a credit card, you are \_\_\_\_\_ money from the credit card company and will need to pay it back. All credit cards have a \_\_\_\_\_. This is the maximum amount of money you can borrow on the credit card. Credit cards offer \_\_\_\_\_ - if your credit card is lost or stolen it is very important to report it to the credit card company. If you do this, you will not be charged for purchases you did not make. If you do not pay your balance in full each month, you will need to pay \_\_\_\_\_ to the credit card company.

## Debit & Credit Cards: *Answer Key*

**Instructions:** Use the words in the word bank to fill in the blanks in the sentences below

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ABM (Automated Banking Machine)	PIN (Personal Identification Number)	
interest	deposit	
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### Debit Cards

A debit card is sometimes called a *bank card* because it is connected to your bank account. A debit card can be used to *deposit* money (put money into) and *withdraw* money (take money out of) from your bank account. This can be done at an *ABM (Automated Banking Machine)* or at the counter of a bank. A debit card can also be used to make purchases at a store. To make a purchase at a store you need to make sure you have enough money in your *bank account*. To use a debit card, you need a *PIN (Personal Identification Number)*. This number makes sure you are the only person who can use your account.

### Credit Cards

You need to be at least *eighteen* years old to have a credit card. Whenever you use a credit card, you are *borrowing* money from the credit card company and will need to pay it back. All credit cards have a *credit limit*. This is the maximum amount of money you can borrow on the credit card. Credit cards offer *theft protection* - if your credit card is lost or stolen it is very important to report it to the credit card company. If you do this, you will not be charged for purchases you did not make. If you do not pay your balance in full each month, you will need to pay *interest* to the credit card company.