



## 12. Invisible Money

### Learning Objectives

To:

- investigate how credit cards can be used for payment
- better understand how credit card repayments operate

### Learning Outcomes

By the end of this lesson students will:

- have sequenced events in a credit transaction including purchase and repayment
- have examined the potential benefits and drawbacks of credit card use

### Links to pfeg Financial Education Planning Framework 3-11 years

#### Vocabulary

- credit
- credit card
- loan
- borrowing
- bill
- interest
- fee
- debt

#### Age 7-9

##### How to manage money

Ways to pay  
Keeping records

##### Becoming a critical consumer

Choices about spending and saving  
Spending and saving priorities

##### Managing risks and emotions associated with money

Lending and borrowing

##### Understanding the important role money plays in our lives

Earning money

#### Age 9-11

##### How to manage money

Simple financial records and budgets

##### Becoming a critical consumer

Influences on spending and saving

##### Managing risks and emotions associated with money

Borrowing and saving

##### Understanding the important role money plays in our lives

Links between work and money

#### TIMING

10 MINS

#### STARTER ACTIVITY

In small groups ask students to list all the things they might want for an end of term/year class party and then ask them to come up with an estimated overall cost. Do not comment on anything chosen or the amount estimated at this stage.

#### RESOURCES



## TIMING

## MAIN ACTIVITIES

## RESOURCES

10 MINS

- 1) Play the video and raise the following questions:
  - a) What are two different ways that Cha Ching pay for things? (Cash from their bank account and using credit cards)
  - b) What is the difference between the two (They have already earned the money in the bank account but the credit card money is a loan; it is being borrowed and they have to pay it back)
  - c) What happens when they are late paying back the credit card money? (They have to pay interest - a fee for borrowing the money from the bank to pay off their credit card debt)

Video: Invisible Money

15 MINS

- 2) Examine the credit card bill. How does this compare with the lists the students drew up in the starter? Remind the students that Cha Ching also used cash to buy things as well. They took £200 from the bank account and had £15 left over = £185. Plus £150 on the credit card brings the total to £335. How does this compare with student estimates? Take the time also to explain what a minimum charge is (the amount that MUST be paid by a certain date otherwise interest starts to be charged). There is a lot to absorb here so it is worth going through things carefully and perhaps replaying the video

Credit card bill

20 MINS

- 3) Use story board to reinforce the sequence of events. Give small groups a set of stills from the video and a blank storyboard. Ask them
  - a) to sequence the stills in the right order and
  - b) provide captions/commentary about what is happening. This will help to demonstrate understanding. Suggested captions are provided on the teacher sheet.

Story board

## PLenary

5 MINS

Short role play in pairs. Advise a friend what to do if you discover they are overspending on their credit card and owe money.

## EXTENSION WORK WITH PARENT /CARER ENGAGEMENT

Ask students to come up with some positives about using credit cards (they are convenient; you don't have to carry cash around which is safer; they can be used in foreign countries without exchanging money; purchases can be made online and on the phone as well as in stores; they offer some insurance if a purchase goes wrong; they help to build a good credit history). Parent/carer can talk to student about the pros and cons of using credit and why they, personally, choose to use (or, indeed, not use) a credit card for purchases.