



LifeSmarts U Personal Finance Lesson Credit: Dear Mr. Moneyman student activity

Directions: Mr. Moneyman gives advice to young adults about personal finance and money management. Using the knowledge you gained from this lesson about credit, help him answer the following letters. Your responses should be specific and show your knowledge about credit concepts and vocabulary.

1. Dear Mr. Moneyman:

I never thought I needed a credit card but it seems that if I want to order from an online store or reserve a hotel room, I don't have a choice. From the freshmen barbeque to the college bookstore, I have been bombarded with student credit card offers. What are the pros and cons of getting a credit card; do I really need one?

Sincerely,
Currently Cash and Carry

2. Dear Mr. Moneyman:

I am working hard at my first full-time job and recently applied for my first credit card. When I received my first statement in the mail the credit card company enclosed a flyer about preventing identity theft. The flyer seemed to be written in a foreign language—all this stuff about pretexting, phishing, skimming and dumpsters. HELP—I need an interpreter.

Yours truly,
Lost in the Translation

3. Dear Mr. Moneyman:

When my economics teacher finished her lecture on credit, she told us all to check out the terms of credit agreements. Then she went on about full disclosure and this guy Schumer, who she said is in a box. What's up with that?

Help me out here,
Credit Confused

4. Dear Mr. Moneyman

My Dad is helping me buy my first car by co-signing the loan. He was just starting to tell me something about open- and close-ended when my sister interrupted and began lecturing me about installment payments. Then my Uncle Eddy joined in with tips about revolving payments, and now the only thing spinning is my head. What are they talking about?

Your friend,
Dizzy

5. Dear Mr. Moneyman:

After I graduated from high school I moved out of my parents' home and into an apartment with two friends. I have a full-time job and I thought it would be cool to get a credit card. I have applied for two, but have been turned down because I have no "credit history." What can I do?

Yours truly,
Cardless in California