

Strategies to Build Your Credit

SUBJECT(S): Personal Finance

GRADE LEVEL(S): 9, 10, 11, 12

≡ OVERVIEW:

As a teenager, it is important to learn how to build good credit. No credit is just as harmful to you as bad credit!

≡ NBEA STANDARD(S):

- Personal Finance, VII. Using Credit

≡ RELATED ARTICLES:

- [“Zina Kumok: ‘Getting My First Credit Card Was So Exciting’”](#)
- [“Take Command of Your Credit Score”](#)
- [“Preparing Students for the Hard Reality of Post-college Debt”](#)
- [“Credit Alert: The Dangers of Overspending and Underpaying”](#)
- [“College Decisions Sometimes Require Sacrifice”](#)
- [“Budgeting Basics: Spending Less than You Earn”](#)
- [“Blogger Zina Kumok: Saving Money Helped Me Prepare for My Future and Even Find Love”](#)
- [“A Bank Account Is Your First Step to Financial Freedom”](#)
- [“3 Financial Priorities to Get You Ready for College”](#)

TOPIC/COMPETENCY: Credit and Debt

CEE National Standard:

IV Using Credit

Jump\$tart National Standard: Credit and Debt

Standard 2. *Explain the purpose of a credit record and identify borrowers' credit report rights*

Common Core State Standard:

CCSS.ELA-Literacy.RST.9-10.4

CCSS.ELA-Literacy.RST.11-12.2

ESTIMATED TIME: 50 minutes

MATERIALS NEEDED: Internet access, computer, mobile device

KEY VOCABULARY/TERMS: [credit agency](#), [credit bureau](#), [credit report](#), [soft inquiry](#), [hard inquiry](#), [secured credit card](#), [cosign](#), [checking account](#), [credit card authorized user](#), [credit mix](#)

WHY THIS MATTERS TO YOU NOW: As a teenager, it is important to learn how to build good credit. No credit is just as harmful to you as bad credit!

Motivational activity

Facilitate a class discussion with students to determine which students may have already established a credit history. Questions may include:

- How many students currently have a checking account?
- How many students currently have a credit card?
- How many students currently have a bill that is paid on a monthly basis, like car insurance or cell phone?

Comprehension

Have students read the article [Building a Credit Score From Scratch: 5 Easy Steps](#) and then work in small groups to come up with their top three tips on how to establish good credit as teenagers. When students have come up with their recommendations, they should share them with their classmates to see which strategies are most recommended and feasible for students their age.

Practice

For students to see how their actions can help them establish a good credit history and build their credit scores, have them use the [Credit Score Simulator](#) on credit.com. This simulator will allow them to make selections for various types of activities and will calculate an estimated credit score. Give students ample time to test several scenarios to see how their credit score can change according to what their credit history looks like. Ask students to share their experience with the simulator.

Apply / Assessment

After students have completed their credit simulations, facilitate a friendly competition using Kahoot (<https://play.kahoot.it/#/k/8b4f562d-37e4-44a8-bbc6-c289d240e267>). Students may work individually or in groups to compete. The faster they respond to a question, the more points they earn. A leader board will be displayed after each question has been completed.

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