

LESSON PLAN

Breakdown of a Credit Score

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INCLUDED IN THIS PACKAGE

- **LESSON PLAN** (2 pages)
- **ACTIVITY** (7 pages)
- **QUIZ** (1 page)
- **ACTIVITY ANSWER KEY** (1 page)
- **QUIZ ANSWER KEY** (1 page)

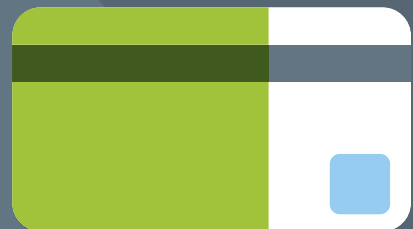
COLLECT FROM YOUR LIBRARY

- **VIDEO 02** (*Breakdown of a Credit Score*)
- **HANDOUT 02** (*Breakdown of a Credit Score*)
- **PRESENTATION 02** (*Breakdown of a Credit Score*)

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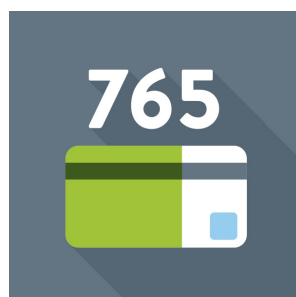


LESSON PLAN

Breakdown of a Credit Score

GRADES
7 to 12

TIME
45 minutes



OVERVIEW

In this lesson, students will explore the basics of credit scores and their significance in influencing future financial milestones. By examining real-world examples of good and poor use of credit, students will gain a clearer understanding of how these behaviors could impact their credit scores in the future.

GOALS

- Introduce students to the concept of credit scores, how they're calculated and why they're important
- Provide students with the knowledge to develop responsible credit habits

OBJECTIVES

- Define a credit score and explain its importance
- Identify the factors that influence credit scores, such as payment history and credit utilization
- Identify common behaviors that can impact a credit score

ASSESSMENT

Use the activity in this lesson plan to assess students' grasp of the topic. An optional quiz is also provided (the quiz is not factored into the lesson's 45-minute runtime).

***Did you know?** This lesson plan explores concepts from Standard 5 (Managing Credit) from the Council for Economic Education's National Standards for Personal Financial Education.*

MATERIALS

- VIDEO 02**—*Breakdown of a Credit Score*
- HANDOUT 02**—*Breakdown of a Credit Score*
- PRESENTATION 02**—*Breakdown of a Credit Score*
- ACTIVITY**—*Credit Score Board Game and Answer Key*
- QUIZ**—*Breakdown of a Credit Score and Answer Key*

PREPARATION

- Gather digital materials (video and presentation)
- Prepare the **ACTIVITY**: Decide whether students will play independently or in teams. For each gaming group, print one game board, one set of scenario cards, one set of player tokens and score sheets, and one answer key. Each gaming group will also need one die.
- Print **HANDOUT 02** for each student to take home
- (Optional) Print **QUIZ** (Breakdown of a Credit Score) for each student



LESSON PLAN

Breakdown of a Credit Score

TIMELINE

- 5 minutes** Introduce topic and show **VIDEO 02** (*Breakdown of a Credit Score*)
- 10 minutes** Go over **PRESENTATION 02**
- 20 minutes** Facilitate **ACTIVITY**
- 5 minutes** Post-activity discussion
- 5 minutes** Distribute **HANDOUT 02**
- (Optional)** Assessment: **QUIZ** (*Breakdown of a Credit Score*)

INSTRUCTIONS

1. Introduce and determine students' familiarity with the topic by asking:
 - What is a credit score?
 - How is it calculated?
 - Why does it matter?
2. Show **VIDEO 02**
3. Go over **PRESENTATION 02**
4. Facilitate the **ACTIVITY**
 - Divide the class into several small gaming groups; alternatively, divide the class into teams to play one large game
 - Distribute game components to each gaming group: a game board, a set of scenario cards, a die, player tokens, and score sheets for calculating credit scores
 - Designate one person to be the Credit Coach (either yourself as the instructor or one student in each gaming group); instead of playing the game, the Credit Coach will hold the answer key for the scenario cards
 - Inform all students that their starting credit score is 700; they will record this score on their score sheet before the game begins
5. Discuss the takeaways from the game:
 - Each player or team starts by rolling the die and moving their token accordingly; players must follow any instructions on the board to adjust their credit scores
 - When landing on a scenario card space, players read and answer the card; the Credit Coach then reveals the correct answer and awards any additional points
 - After all groups have reached the Finish space, the player or team with the highest credit score total is declared the winner
 - What did you learn about credit scores from playing the game?
 - Did any of the scenarios or outcomes surprise you? Why?
 - Were there any decisions you made that you would change if you played again?
6. Distribute **HANDOUT 02** for students to take home
7. (Optional) Distribute **QUIZ** for individual assessment, or answer the questions together as a class; decide whether or not students can reference their notes/handouts during the quiz

NOTES



ACTIVITY

Breakdown of a Credit Score

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CREDIT SCORE BOARD GAME

This engaging board game teaches students about credit scores through interactive gameplay. Players roll the die, follow instructions and answer scenario cards to adjust their credit scores, aiming to achieve the highest score by the end of the game.

SETUP

Divide students into gaming groups of **4–6 players**, or form teams to play together.

Each gaming group will need:

- Game board (pages 2–3)
- Scenario cards (pages 5–7)
- A die
- Player tokens (page 4)
- Score sheets (page 4)

Designate one person to be the **Credit Coach** (typically the facilitator) and provide them with a copy of the Activity Answer Key. The Credit Coach won't play the game, but will reveal the correct answers to the scenario card questions and assign points.



Cut out the two game board pages and overlap them to assemble the game board.

HOW TO PLAY

Before the game begins, each player or team records a **starting credit score of 700** on their score sheet.

Players take turns rolling the die and moving their tokens accordingly. Players should read out and follow the instructions on each space they land on.

As players make their way across the board, they will add and subtract points from their credit scores.

If a player lands on a **Draw a Scenario Card** space, they must read and answer a randomly drawn scenario card. The Credit Coach then reveals the correct answer and awards any bonus points.

GAME END

The game ends when all players have arrived at the **Finish** space.

The player with the highest total credit score at the end of the game wins.

In the event of a tie, the first player to correctly answer a tiebreaker scenario card question wins.

CREDIT SCORE BOARD GAME

Directions: Trim and join pages 2–3 to assemble the game board.



CREDIT SCORE BOARD GAME

Directions: Trim and join pages 2-3 to assemble the game board.





ACTIVITY

Breakdown of a Credit Score

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CREDIT SCORE BOARD GAME

Directions: Cut out the score sheets and player tokens and distribute one of each to every player or team.

SCORE SHEET	
TOTAL	<input type="text"/>

SCORE SHEET	
TOTAL	<input type="text"/>

SCORE SHEET	
TOTAL	<input type="text"/>

SCORE SHEET	
TOTAL	<input type="text"/>

SCORE SHEET	
TOTAL	<input type="text"/>

SCORE SHEET	
TOTAL	<input type="text"/>





ACTIVITY

Breakdown of a Credit Score

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CREDIT SCORE BOARD GAME

Directions: Cut out the cards on pages 5–7 to create a deck of Scenario Cards.

SCENARIO CARD 1

You regularly max out your credit card but always pay it off in full. How does this affect your credit score?

A Your credit score remains the same.

B Maxing out can negatively affect your credit utilization ratio, even if you eventually pay off the credit card in full.

C It improves your credit score.

SCENARIO CARD 2

You disputed an error on your credit report and it was corrected. What's the outcome?

A Correcting an error can improve your credit score.

B It has no impact on your credit score.

C It lowers your credit score.

SCENARIO CARD 3

You don't have any credit history. What's the best way to start building credit?

A Apply for multiple credit cards at once.

B Open a starter or student credit card.

C Avoid using any credit until you're older.

Directions: Cut out the cards on pages 5–7 to create a deck of Scenario Cards.

SCENARIO CARD

4

You signed up for a store credit card to get a discount on your purchase. What impact does this have?

A

It improves your credit score immediately.

B

It has no effect on your credit score.

C

It can temporarily lower your credit score.

SCENARIO CARD

7

You missed a payment and it's now 30 days overdue. What happens?

A

Your credit score lowers significantly.

B

Nothing happens.

C

Your credit score improves.

SCENARIO CARD

5

You received a credit limit increase on your credit card without asking for it. What should you do?

A

Accept the increase, as it can improve your credit score.

B

Reject the increase, as it will lower your credit score.

C

Cancel the credit card to avoid higher spending limits.

SCENARIO CARD

8

You applied for multiple credit cards within a short period. How does this affect your credit score?

A

It improves your credit score by building your credit history.

B

It has no impact.

C

It can decrease your credit score due to multiple hard inquiries.

SCENARIO CARD

6

You've had the same credit card for several years and it has a high credit limit. Should you close it if you don't use it much anymore?

A

Yes, closing old accounts improves your credit score.

B

No, keeping old accounts open improves your credit score by extending your credit history.

C

Yes, because it won't make a difference if you close it.

SCENARIO CARD

9

You want to keep an eye on your credit throughout the year. How often should you request your credit report?

A

Every two weeks.

B

Every four to six months.

C

It doesn't matter. Any request for your credit report will lower your credit score.

Directions: Cut out the cards on pages 5–7 to create a deck of Scenario Cards.

SCENARIO CARD

10

You got a part-time job and now have some extra money. What should you do with the money?

A

Pay off your current credit card balance.

B

Save the money because it's more important to have cash on you at all times.

C

Spend the money since it doesn't affect your credit score anyway.

SCENARIO CARD

13

You switched from a monthly cellphone plan to a prepaid plan. What is the impact on your credit score?

A

It improves your credit score.

B

It decreases your credit score.

C

It has no effect on your credit score.

SCENARIO CARD

11

You recently got your first credit card. How should you use it to build a good credit score?

A

Max out the card to show you can handle debt.

B

Use it for small purchases and pay off the balance in full each month.

C

Only use it occasionally to keep the balance low.

SCENARIO CARD

14

You have two credit cards but no other types of credit. What could improve your mix of credit?

A

Apply for another credit card.

B

Take out a student loan or car loan if needed.

C

Close one of the credit cards.

SCENARIO CARD

12

You applied for a personal loan. What is the impact on your credit score?

A

It improves your credit score.

B

It has no effect because it is not a credit card.

C

It decreases slightly due to a hard inquiry, but can improve with timely payments.

SCENARIO CARD

15

You apply for a personal loan. If your current score in the game was your actual credit score, what would happen?

A

You could be denied the loan due to a low score.

B

You might be approved for a loan, but at a higher interest rate.

C

Your loan would be approved at the best rate due to your high score.



QUIZ

Breakdown of a Credit Score

NAME: _____

TOTAL / 5 pts

MULTIPLE CHOICE

Directions: CIRCLE the best possible answer to each question.

- A credit score is a number used by financial institutions and credit card companies to determine:
 - Employment status
 - Risk level
 - Approval time
 - Recent purchases
- A credit score of 740 or more is considered:
 - Poor
 - Average
 - Good
 - Very Good to Excellent
- Which of the following can be influenced by your credit score?
 - Loan approvals
 - Rental applications
 - Car payments
 - All of the above
- What is the largest contributing factor to your credit score?
 - Mix of credit
 - New credit
 - Length of credit
 - Payment history
 - Capacity

/4 pts

TRUE OR FALSE

Directions: CIRCLE either true or false.

- TRUE or FALSE You are entitled to one free credit report per year from each of the major credit bureaus.

/1 pt

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ACTIVITY ANSWER KEY

Breakdown of a Credit Score

CREDIT SCORE BOARD GAME

Directions: Below are the answers to the scenario cards used in the game. Each correct response adds 10 points to the player's or the team's credit score.

CARD	ANSWER	REASON
1	B	Maxing out a credit card can negatively affect your credit utilization ratio, even if you pay off the credit card later.
2	A	Correcting an error can improve your credit score.
3	B	Starter or student cards are specifically designed for people with little to no credit history and can be used to develop responsible credit habits early on.
4	C	It can temporarily lower your credit score because of a "hard inquiry," which happens when a lender checks your credit report. However, if you make your payments on time, that can improve your credit score over time.
5	A	Accept the increase, as it can lower your credit utilization ratio—the amount of credit you're using compared to your total credit limit—and improve your credit score.
6	B	No—keeping old accounts open can help your credit score by maintaining a longer credit history.
7	A	Your credit score lowers significantly. A missed payment affects your payment history and can stay on your credit report for up to seven years.
8	C	Applying for multiple credit cards in a short time can signal risk to lenders.
9	B	By spacing out your credit report requests to every four months or so, you can monitor your credit without affecting your score.
10	A	Paying off the credit card balance improves your credit score and ensures you're not losing money to high interest rates.
11	B	Use it for small purchases and pay off the balance in full each month.
12	C	When you apply for a loan, your credit score might drop a bit because of a hard inquiry. However, it can improve if you make your payments on time.
13	C	Since there's no borrowing involved, this phone plan has no impact on your credit score.
14	B	Take out a student loan or car loan if needed. Having different types of credit can positively impact your credit score
15	It depends	If the player's current score is <580, the answer is A . If their score is in the 580–740 range, the answer is B . If their score is >740, the answer is C .

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MULTIPLE CHOICE

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1. A credit score is a number used by financial institutions and credit card companies to determine:
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 - c. Good
 - d. Very Good to Excellent
3. Which of the following can be influenced by your credit score?
 - a. Loan approvals
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 - c. Car payments
 - d. All of the above
4. What is the largest contributing factor to your credit score?
 - a. Mix of credit
 - b. New credit
 - c. Length of credit
 - d. Payment history
 - e. Capacity

/4 pts

TRUE OR FALSE

Directions: CIRCLE either true or false.

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/1 pt