

Promoting global credit practices

Students write a social marketing advertisement in the language they're studying to promote good practices for building credit.

Learning goals

Big idea

When lenders determine eligibility for a loan, they consider a person's credit history and credit score.

Essential questions

- How are credit scores determined?
- What results in high or low credit scores?

Objectives

- Understand what a credit score is and why it's important
- Recognize what factors are used to calculate credit scores

What students will do


- Become familiar with the concept of social marketing.
- Review information about how credit scores are calculated.

NOTE

Please remember to consider your students' accommodations and special needs to ensure that all students are able to participate in a meaningful way.

KEY INFORMATION

Building block:

 Financial knowledge and decision-making skills

Grade level: High school (9-12)

Age range: 13-19

Topic: Borrow (Getting loans, Managing credit)

School subject: CTE (Career and technical education), World languages

Teaching strategy: Direct instruction

Bloom's Taxonomy level: Remember, Understand, Apply

Activity duration: 75-90 minutes

National Standards for Personal Financial Education, 2021

Managing credit: 12-7, 12-8, 12-9, 12-10

These standards are cumulative, and topics are not repeated in each grade level. This activity may include information students need to understand before exploring this topic in more detail.

- Select a specific financial habit or practice that may lead to a high credit score.
- Write a social marketing advertisement or a public service announcement that promotes that financial practice in the language they're studying.

Preparing for this activity

- While it's not necessary, completing the "[Reading about credit scores](#)" activity first may make this one more meaningful.
- Print copies of all student materials for each student, or prepare for students to access them electronically.
- Optional: Provide students with computers or tablets with Internet access so they can conduct research about credit scores.

What you'll need

THIS TEACHER GUIDE

- [Promoting global credit practices \(guide\)](#)
[cfpb_building_block_activities_promoting-global-credit-practices_guide.pdf](#)

STUDENT MATERIALS

- [Credit scores: An infographic \(handout\)](#)
[cfpb_building_block_activities_credit-scores-infographic_handout.pdf](#)
- [Computers or tablets with Internet access \(optional\)](#)

Exploring key financial concepts

Your credit report, which details your credit history, helps lenders determine whether they will lend to you. Lenders may also view your credit score, which is a mathematical prediction of how likely you are to repay debt based on the information in your credit report. A credit score reveals a snapshot of your current financial life and may change as your financial habits and financial decisions play out. Since credit reports and credit scores play an important role when you choose to borrow money, it's wise to get to know what's in your credit report and how credit scores work.

TIP

Because financial products, terms, and laws change, students should be encouraged to always look for the most up-to-date information.

Credit scores are calculated using the information in your credit report, and many lenders use them when they decide whether to lend you money and how much interest to charge. Typically, five categories are used to determine an individual's credit score: your payment history, balances/amounts owed, length and depth of credit history, new or recent credit, and the mix of credit types used. Each category represents a percentage of the score. (See the "Credit scores: An infographic" handout for a breakdown of these categories.)

Teaching this activity

Whole-class introduction

- Ask students if they or someone they know has ever lent someone money.
- Ask students what kinds of things people consider before lending someone money.
 - Examples may include whether and when the borrower can pay the money back or how much the lender would be willing to lend.
- Ask students to share what they think a credit score is.
- Read the "Exploring key financial concepts" section to students to explain credit scores.
- Introduce the concept of social marketing and public service announcements.
 - Explain that social marketing is when marketing methods are used to change people's behavior, rather than to get them to buy a product.
- Provide a few examples of social marketing campaigns from the United States such as:
 - The National Highway Traffic Safety Administration's (NHTSA) Click It or Ticket campaign
 - The U.S. Forest Service's Smokey Bear Wildfire Prevention campaign
- Then introduce students to social marketing campaigns in a country speaking the language this class is learning.
- Have students brainstorm other social marketing campaigns or public service announcements.
- Be sure students understand key vocabulary:
 - **Credit:** Borrowing money, or having the right to borrow money, to buy something. Usually it means you're using a credit card, but it might also mean that you got a loan.

- **Credit report:** A summary of your credit activity and current credit situation such as loan paying history and the status of your credit accounts. Lenders use these reports to help them decide if they will loan you money and what interest rates they will offer you. Other businesses might use your credit reports to determine whether to offer you insurance; rent a house or apartment to you; or provide you with cable TV, Internet, utility, or cell phone service. If you agree to let an employer look at your credit report, it may also be used to make employment decisions about you.
- **Credit score:** A number created from a scoring model that uses information from your credit history.
- **Lender:** An organization or person that lends money with the expectation that it will be repaid, generally with interest.
- **Loan:** Money that needs to be repaid by the borrower, generally with interest.

TIP

Visit CFPB's financial education glossary at consumerfinance.gov/financial-education-glossary/.

Individual or group work

- Distribute the "Credit scores: An infographic" handout to each student.
- Give students a few minutes to read through the handout quietly to get a general understanding of what credit scores are and what practices may lead to a high credit score.
 - Students can also do Internet research to find additional information about credit scores.
- Ask students to identify one habit or practice that may help increase a person's credit score.
- Have students work individually or in pairs to write a simple social marketing advertisement or a public service announcement to help people adopt this practice, writing all content in the language they're studying.

Wrap-up

Ask for volunteers to share their advertisement with the class.

Suggested next steps

Consider searching for other CFPB activities that address the topic of borrowing, including getting loans and managing credit. Suggested activities include “Describing credit scores” and “Identifying the missing credit score category”.

You also may consider having students get an estimated credit score at the FICO Score Estimator¹ at <https://www.myfico.com/fico-credit-score-estimator/estimator>.

Measuring student learning

Students’ advertisements and responses during discussion can give you a sense of their understanding. **Keep in mind that students’ advertisements may vary, as there may not be only one approach.** The important thing is for students to have reasonable justification for their approaches.

If you choose to use the scoring rubric below to grade this activity, be sure to share it with all students so they know what criteria matter most and they can plan accordingly.

SCORING RUBRIC

| Key elements | Possible points | Points earned |
|--|-----------------|---------------|
| The ad clearly communicates one habit or practice people can adopt to increase their credit score. | 25 | |
| The ad uses words or phrases to help build understanding of the importance of credit scores. | 25 | |
| The ad uses words or phrases creatively to engage the audience. | 25 | |
| The ad correctly uses the language students are studying. | 25 | |
| Total points | 100 | |

¹ The CFPB does not endorse this third party or guarantee the accuracy of this third-party information.