Money Matters

Workbook 3
Borrowing Money

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ABC LifeLiteracyCanada

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Money Matters

Welcome to *Money Matters*!

We designed Money Matters to help you take better care of yourself by taking better care of your money. We'll talk about how to manage your money online and in your daily life.

No matter who you are or what your situation is, it can be hard to think and talk openly about money. It can be hard even with people you know well. Be patient with yourself as you get started. As you learn more, you'll get better and better at managing your money. Then you may even begin to feel more comfortable.

When you feel good about your money management, you're less stressed. You have more energy for the things that are important to you.

What will you learn?

Click here for ASL

In today's workshop you will learn about:

- What credit is
- How credit works
- What credit can do for you and how to manage it
- Ways to borrow money
- How interest affects the amount you owe
- How to build your credit history and why it's important

Do you know American Sign Language (ASL)?

You can watch ASL videos of the information from the workbook. The playlist of ASL videos for this workbook is at:

https://tinyurl.com/mb5pyvjz

You can also find the playlist by scanning this QR code on your mobile device.

Borrowing money

This workbook is about **credit**:

- what it is
- how to use it wisely
- how to get it under control when you have a lot of **debt**

You'll look at different kinds of credit and the cost of borrowing. You'll also learn about ways to plan ahead for when you need to borrow money.

Click here for ASL

Credit is when you buy now and pay later. You usually pay a fee when you use credit. The fee includes interest and often service charges.

Debt is the money you've borrowed and need to repay. The amount of debt usually includes the amount you borrowed plus **interest**.

Interest is a fee someone pays to borrow money. When you get a loan or use credit, you need to pay back the amount you borrowed plus interest. The amount of interest is usually shown as a percentage of the money borrowed.

Getting in touch with your money

Click here for ASL

Think about your money, your life, and your family. Have you ever bought something using credit? Did you find it hard to pay off your debt?

Check the box next to the statement that sounds most like you:

- ☐ I feel good about how I manage my money. I don't have any debt or I have a solid plan for paying off my debt.
- ☐ I don't worry too much about money. I could be better at managing my debt, but I usually make payments on time.
- ☐ I worry about my debt. I can't sleep and sometimes even feel anxious or stressed about it.
- ☐ None of the above apply to me. Here's my situation:

Let's talk about it

Lots of people have debt, and lots of people buy things using credit. Debt and credit are ordinary parts of how we manage our money. Sometimes debt and credit help us, and sometimes they can cause trouble.

Click here for ASL

- Do you think debt is bad?
- Do you think credit is bad?
- Do you think there is such a thing as "good debt" or "good credit"?
- Do you think you can use credit to improve your life?

Now let's think about how we manage our money.

- Have you ever made a spending plan?
- What did it show?
- What do you do if you spend more money than you make?

Spending more money than you make is a common way to build up debt. If you don't watch your money closely, debt can surprise you.

Meet Tenzin

Tenzin's local store had a "Buy Now, Pay Later" sale. He saw a big-screen TV in a flyer, and decided that he couldn't pass up such a good deal. Tenzin bought the TV using his **credit card**.

Click here for ASL

He also has another credit card from a department store. Sometimes he has to get a **cash advance** on one credit card to make the **minimum payment** on his other credit card. So far, he has managed to make all the payments.

A **credit card** is a card that lets you use credit to buy things now and pay later. If you don't pay your full bill each month, you'll have to pay a fee.

A **cash advance** is a loan that you get from a cash store, payday lender, or from your credit card.

A **minimum payment** is the amount you need to pay toward a credit card bill each month.

Bad debt, good debt

Think back to Tenzin's story. He is on the fast track to big money trouble. Do you see any warning signs?

Click here for ASL

Warning signs

1. _____

2. _____

3. _____

Have you ever bought something on a "Buy Now, Pay Later" offer?

What were the rules about when you had to pay?

Was the experience good or bad for you?

If you're having trouble paying for the things you need, avoid "Buy Now, Pay Later" offers. If you don't pay on time, the fees and high interest rates will make your debt even bigger.

This information is from the Financial Consumer Agency of Canada

Meet Riley

Riley's bank suggested that she get a credit card. They said it would help her start building a good **credit history**. Riley only uses the card to buy a few things each month. When she gets her bill, she pays the full amount she owes. Riley was glad she had the credit card when her mother got sick. She was able to buy a train ticket to visit her mother in the hospital.

Click here for ASL

Credit history is information about who you've borrowed money from, and how long it takes you to pay back the money you've borrowed.

How does Riley use her credit card compared to Tenzin?

1. _____

2. _____

3. _____

If you're careful, credit cards can be great tools. Only use them when you know you can pay off the bill at the end of the month.

Money challenge

Do you know the date when a credit card or another payment is due each month? Knowing this date helps you avoid interest and late fees. Check it out on your bill.

Money Matters

What's my situation?

Read the statements below. Check the answers that sound most like the way you think about your money. There are no right or wrong answers. This activity is about you and your life.

Click here for ASL

Statement	My situation		
	Yes	No	I don't know
1. I pay my bills on time	☐	☐	☐
2. I'm careful about the total amount of debt I have	☐	☐	☐
3. I know what happens if I make a late payment on the money I owe	☐	☐	☐
4. I've asked for my **credit report**	☐	☐	☐
5. I avoid using kinds of credit that charge high fees and interest	☐	☐	☐
6. I have a credit card to help me build a good credit history	☐	☐	☐
7. I've gone for a free appointment with a **credit counsellor**	☐	☐	☐
8. I have a debt **payment plan** for myself	☐	☐	☐

Money words

A **credit report** is a report about your credit history. It says who you've borrowed money from and whether you paid the money back on time.

A **credit counsellor** is a person who can help when you're having trouble managing your debt.

A **payment plan** is a schedule for paying back your debt. It can include information on when you'll make payments and the amount you'll pay.

Different kinds of credit

Work with a partner or group to write a list of different kinds of credit.

Click here for ASL

Work with a partner or group to answer these questions:

- Have you or any of your group members used any of these kinds of credit?
- How much interest did they pay on the money they borrowed?
- What happened if they were late paying the money back?

There are lots of different ways to borrow money. There are also lots of different amounts of time you can take to pay the money back. It all depends on the kind of **loan** you get.

Money words

A **loan** is money that you have borrowed. You agree to pay it back in a certain amount of time, sometimes in a few different payments. You'll also pay a fee on top of paying back the money you borrowed.

Compare your list of different kinds of credit to the "Ways to borrow" chart on the next pages. Did you learn about any new ways to borrow money?

Money Matters

Ways to borrow

Click here for ASL

Type of borrowing	What it is	Money notes
Payday loan	A short-term loan from a cash store	Fees are high. If you don't pay back the loan by the due date, you'll have to pay a lot of interest
Buy now, pay later	When a store sells you an item now, and you agree to pay for it by a certain due date	If you don't pay on time, you may have to pay a lot of interest. This interest usually starts from the date you got the item
Rent to own	You rent an item. After you make payments for a certain amount of time, you own it or can buy it. You don't own it while you're renting it	You usually end up paying a lot more in total than if you had bought the item at the start
Pawnshop	A place where you can get a loan by leaving behind an item you own, like a watch or TV	If you don't pay the loan back by a due date, the pawnshop keeps the item
Lease	You rent an item for a period of time but don't own it	At the end of the lease, there may be extra costs, like "wear and tear" on a car
Bank credit card	A credit card from a bank or other financial institution	Interest rates and fees are different from card to card, but there are low-interest options
Retail credit card	A credit card from a store	Interest rates are often much higher than a bank credit card

More ways to borrow money

Click here for ASL

Type of borrowing	What it is	Money notes
Line of credit	A pre-approved loan that lets you borrow money when you need it	Interest rates on lines of credit from a bank are often lower than on credit cards or other kinds of loans
Cash advance on a bank credit card	A cash loan from your credit card	Often, you'll pay more interest than you would on a line of credit, but less than on a payday loan
Overdraft	A way to withdraw more money than you have in your bank account	You pay interest on the amount you took out until you pay it back into your account plus the fees. An overdraft costs less than a payday loan
Secured credit card	A credit card where you make a payment before you use it	The credit limit is usually the same as the amount you pre-paid
Personal loan	A loan for you to use personally, not for a business. Also called a consumer loan	Interest rates change depending on your credit history
Mortgage	A personal loan to help you buy a home. It's often considered a "good" debt	Interest rates depend on things like your credit history and income. If you don't make payments on time, you can lose your home
Student loan	A government loan to help pay tuition and other costs. It's often considered a "good" debt	Interest rates are usually low. You start paying back the loan after you leave school

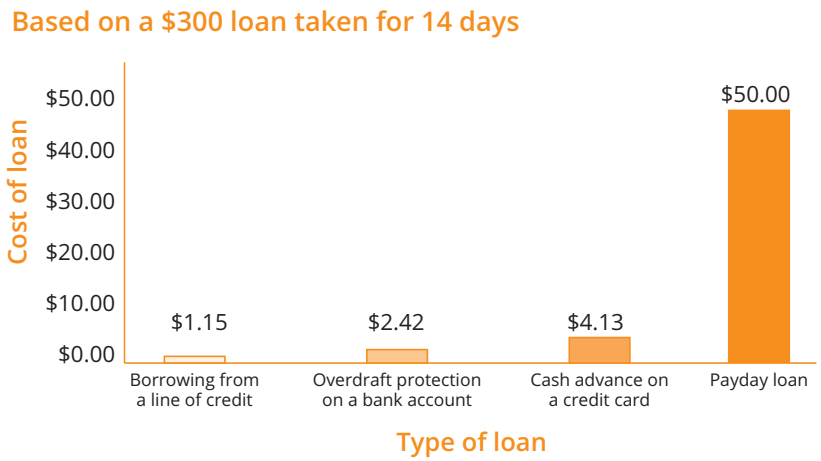
Let's talk about it

What do you think about the different ways to borrow money? Talk about your ideas with a partner or group.

Click here for ASL

- What are the good and bad things about the different ways of borrowing money?
- If you have to borrow money, what way would you choose first?
- If you're not sure which way is best for you, how can you get help?

Let's compare the cost of a payday loan with other types of short-term loans



This information is from the Financial Consumer Agency of Canada

Buyer beware

Many stores offer interest-free deals when you buy things using the store's retail credit card. This is a type of "Buy Now, Pay Later" deal. But if you don't pay back all the money you owe by the due date, you'll be charged interest from the date you made the purchase.

The interest rate for retail credit cards is higher than for bank credit cards. That means that this type of "deal" can end up costing you a lot of money.

How does interest work?

Click here for ASL

Let's say you borrow $100.

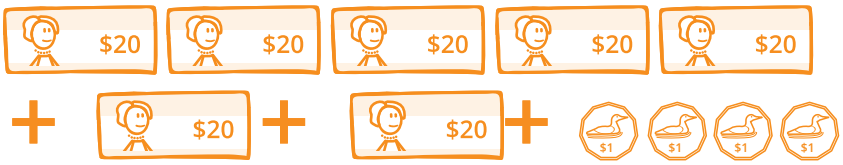
Your interest rate is 20% per year (**APR**).

Money words

APR is short for **A**nnual **P**ercentage **R**ate. It's the rate of interest charged on a loan each year.

If you don't pay back the amount you borrow on time, you'll have to pay back an extra 20% on top of what you already owe.

The amount you owe can keep getting bigger if you miss more due dates. That's because you'll pay interest on the whole amount you owe, including the interest. This is called **compound interest**.



Some credit cards have penalties when you miss payments. They might raise your APR, so you'll pay even more interest. Some cards also have service charges and annual fees. The amount of money you owe can grow very quickly.

Money Matters

Surprise expenses

Click here for ASL

Tenzin's cell phone has stopped working. He found a store that will repair his phone for $60. He needs his phone, but he doesn't have the cash to repair it. Sometimes we all have to borrow a little money to get the things we need.

How can he pay to get his phone fixed? Let's assume he'll pay back the money within one year. He could pay for the repair with a credit card, payday loan, or line of credit. Let's do some money math to decide which way to borrow money is best.

The cost of borrowing $60 for one year is:

- Payday loan: 25% + $10 service fee
- Line of credit: 5%
- Credit card: 20%

Payday loan

Loan:		$ 60.00
Interest: (0.25 on your calculator)	×	25%
Total interest:		$ 15.00
+ Service fee:	+	$ 10.00
Total cost of loan:		**$ 25.00**

Line of credit

Loan:		$ 60.00
Interest: (0.05 on your calculator)	×	5%
Total interest:		$ 3.00
+ Service fee:	+	$ 0.00
Total cost of loan:		**$ 3.00**

Credit card

Loan:		$ 60.00
Interest: (0.20 on your calculator)	×	20%
Total interest:		$ 12.00
+ Service fee:	+	$ 0.00
Total cost of loan:		**$ 12.00**

The cost of borrowing is:

Payday loan:	**$25**
Line of credit:	**$3**
Credit card:	**$12**

Money math: short-term loans

Click here for ASL

Imagine you're sleeping on a very lumpy mattress. You'd like to get a new one so you can sleep better. But you don't have the cash to replace it right now.

Assume a new mattress will cost $200. You could pay with a payday loan, line of credit, or credit card. If you plan to pay back the loan in one year, how much would it cost you to borrow $200 to buy a mattress?

A. Payday loan

Loan:		$200.00
Interest: (0.25 on your calculator)	×	25%
Total interest:		$
+ Service fee:	+ $	10.00
Total cost of loan:		**$**

B. Line of credit

Loan:		$200.00
Interest: (0.05 on your calculator)	×	5%
Total interest:		$
+ Service fee:	+ $	0.00
Total cost of loan:		**$**

C. Credit card

Loan:		$200.00
Interest: (0.20 on your calculator)	×	20%
Total interest:		$
+ Service fee:	+ $	0.00
Total cost of loan:		**$**

The cost of borrowing is:

Payday loan:
Line of credit:
Credit card:

You can check your answers on page 33.

When you need a loan, always compare the cost of borrowing money from different places. Doing the money math helps you save money by making a smart money choice.

Money math: interest

Click here for ASL

Imagine you're planning to spend $500 on a plane ticket. You want to get a new credit card to pay for it because you don't have enough cash right now and it's an emergency. You plan to pay off the **balance** in one year.

Which credit card would be the smarter money choice?

- ☐ Credit Card A, with an interest rate of 19% and no annual fee?
- ☐ Credit Card B, with an interest rate of 12% and an annual fee of $50?

The **balance** is the amount of money you owe the credit card company.

Hint

To figure out the interest you'll pay for a year, multiply the balance by the interest rate. Write the interest rate as a decimal. For example, 19% as a decimal is 0.19 and 12% as a decimal is 0.12.

Credit card A: interest rate of 19% with no annual fee

Balance owing	Interest	Annual fee	Annual cost (not including balance)
$500	($500 X 0.19) = $95	$0	$95

Credit card B: interest rate of 12% with an annual fee

Balance owing	Interest	Annual fee	Annual cost (not including balance)
$500	($500 X 0.12) = $60	$50	$110

Money math: interest

Use the math you learned on page 16 to calculate the cost of borrowing different amounts of money on different credit cards. Remember to check the interest rates and whether the cards have an annual fee. This will help you choose the credit card that is right for your situation.

Example:

Which card is better for a $1,000 balance: the credit card with an annual fee or the card with no annual fee?

Credit card C: interest rate of 19% with no annual fee

Balance	Interest	Annual fee	Annual cost (not including balance)
$1,000	($1,000 X 0.19) = $190	$0	$190

Credit card D: interest rate of 12% with an annual fee

Balance	Interest	Annual fee	Annual cost (not including balance)
$1,000	($1,000 X 0.12) = $120	$50	$170

You try it!

Which card is better for a $350 balance: the credit card with an annual fee or the card with no annual fee?

Click here for ASL

Credit card E: interest rate of 21% with no annual fee

Balance	Interest	Annual fee	Annual cost (not including balance)
$350	($350 X 0.21) = $	$0	$

Credit card F: interest rate of 18% with an annual fee

Balance	Interest	Annual fee	Annual cost (not including balance)
$350	($350 X 0.18) = $	$25	$

Which card is better for a $200 balance: the credit card with an annual fee or the card with no annual fee?

Credit card G: interest rate of 22% with no annual fee

Balance	Interest	Annual fee	Annual cost (not including balance)
$200	($200 X 0.22) = $	$0	$

Credit card H: interest rate of 12% with an annual fee

Balance	Interest	Annual fee	Annual cost (not including balance)
$200	($200 X 0.12) = $	$15	$

You can check your answers on page 33.

Let's talk about it

Work with a partner or group to answer these questions:

Click here for ASL

- Is it good to have a credit card?
- If so, what is the best kind of credit card? Is it the same for everyone?
- If you have a credit card now, is it the best one for you?

You have choices. When you're deciding which credit card is best for you, it helps to think about:

1. **Interest rates.** Interest rates are very different from card to card. Choosing a card with a lower interest rate can save you lots of money.

2. **Services charges and fees.** Some credit cards have an annual fee. Does the annual fee help you save money by giving you a lower interest rate?

3. **The cost of the rewards program.** Some credit cards offer rewards for using the card. Are the rewards worth more than your interest payments?

This is most important to me when choosing a credit card:

If you can't pay off your credit card balance, see if you can transfer it to a personal loan or a line of credit with a lower interest rate. You'll pay less interest on the money you owe.

Look for the information box

Make sure you know about the fees and interest rate before you sign a **contract** for a credit card.

Click here for ASL

One way to get these details is to read the **information box** on the credit card application. Check out the sample of an information box on the next page.

A signed **contract** is a legal document that shows an agreement between you and another person or a business. You are responsible for what you sign, so make sure you understand the terms of the contract.

An **information box** is the boxed area on your credit card agreement. It's also on the statement or bill you get each month. It tells you important details about your credit card.

"When you apply for a credit card, you agree to accept all of the terms and conditions, including interest rates and fees. Read the entire application carefully before submitting it."

This information is from the Financial Consumer Agency of Canada.

Let's talk about it

Work with a partner or in a group to answer these questions:

- What could you do if you have trouble reading or understanding a contract?
- Has a "pushy" salesperson ever rushed you to sign a contract?

Sample information box for a credit card agreement

Click here for ASL

Initial credit limit	**$5,000**
Annual interest rate or rates	These interest rates are in effect the day your account is activated. Promotional rate on purchases: **4.99%** for your first three monthly statements Purchases: **19.75%** following the promotional period Cash advances: **21.5%** Balance transfers: **21.5%** Your interest rate will increase to **24.75** on your next statement if you: • Make a late payment • Go over your credit limit • Make a payment that is returned • Fail to meet any of the terms in the cardholder agreement.
Interest-free grace period	**21 days** When you use the card to make purchases, you will benefit from an interest-free grace period of at least 21 days if you pay off your balance in full by the due date. There is no interest-free period on cash advances or balance transfers.
Determination of interest	If interest is charged, it is calculated on your daily average balance and charged monthly to your account on the last day of your billing cycle.

This table is from Credit Cards: Rights and Responsibilities *by the Financial Consumer Agency of Canada.*

Getting your money in order

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Paying off your full credit card balance each month saves you money, since you're not paying interest fees. Paying off other debt, like a line of credit, works the same way. Paying back the money you borrowed also helps you build a good credit history and get a better **credit score**.

If you can't pay off your full credit card balance each month, you still need to make the minimum payment to keep your credit history strong. Lowering the amount you owe, even a little, saves you money since you're paying less interest.

Your **credit score** or rating is a number between 300 and 900. It shows how likely you are to pay back a loan based on your credit history. A good credit score can help you get a lower interest rate when you need to borrow money.

A first step to pay off debt

If you're trying to pay off your debt, it can be tough to know where to start. Here are 2 strategies you could try. Does it seem like one would work for you?

Click here for ASL

Interest rate plan

Look at the interest rates on your different loans. Find the loan with the highest interest rate, and pay off that balance first.

Then start paying off the debt with the second-highest interest rate. Keep going until you pay off all your debt. This plan can help you save the most money over time.

Snowball plan

Look at the size of your loans. Find the smallest loan, and pay off that balance first.

Then start paying off the second smallest loan. Keep going until you pay off all of your debt. This plan can help you stay motivated as you watch the number of debts go down.

Take a first step

Write down all the money you've borrowed, including how much you owe and the interest rate. What should you pay off first?

Click here for ASL

Who you owe money to	How much you owe	Interest rate	Other fees

Protect your money

When we use credit and debit cards, we need to be careful to make sure no one steals from us by buying things with our cards.

Click here for ASL

These are some steps you can take to protect your money. Do you use any of them?

Check your monthly credit card statements to make sure that you made all the transactions	☐
Cover the keypad with your hand or body when you enter your **PIN** to make sure no one can see it	☐
Choose a PIN that's hard for someone else to guess	☐
Keep your PIN secret	☐
Never tell anyone your credit card information over the phone or through email	☐
Know how to contact your credit card company right away if your credit card is stolen or you see transactions that you didn't make on your statement	☐

PIN is is short for **Personal Identification Number**. This is the code you use at bank machines or when paying for something at a store.

Let's talk about it

Work with a partner or in a group to answer these questions:

Click here for ASL

- Have you ever been a victim of **credit card fraud**?
- If so, what happened? How did someone steal your personal information or credit card?
- Is there anything you do differently now to protect your money?

Credit card fraud is when someone steals your credit card or personal information and uses the card to spend money.

Why credit is important

Your credit history gives information about how you have used credit in the past. Having a good credit history can help you in a few different ways. These four groups might use your credit history:

1. **Lenders**, like banks and credit card companies, may use it to decide if they'll give you a loan, credit card, or mortgage
2. **Landlords** may use it to decide if they'll rent you an apartment
3. **Insurance companies** may use it to decide if they'll sell you insurance for your car or home
4. **Employers** may use it to decide if they'll hire you

Do you think any of these groups will look at your credit history soon?

Tips to build good credit history

Click here for ASL

Use credit
You can't build a credit history without using credit. Just make sure that when you use it, you follow these tips so that you build a good credit history.

Pay your bills on time
Late payments hurt your credit history. Keep track of your due dates and manage your money so you can pay your bills on time.

Pay your balance in full
This is a good way to keep your debt under control. If you can't pay your balance in full, pay as much as you can by the due date. Try to at least make the minimum payment.

Pay off your debt as fast as you can
Being in debt for a long time will cost you a lot in interest and can be hard to manage.

Watch out for your credit limit
Try to keep your balance well below your **credit limit**.

Credit cards and lines of credit have a maximum amount you can borrow. The total amount of money you can borrow from a lender is your **credit limit**.

Let's talk about it

Sometimes debt can feel overwhelming. Talk with a partner or group about how to handle it.

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- What can you do if you feel overwhelmed?
- What kinds of help are available?

Non-profit **credit counselling** services are organizations that help people manage their debt at no cost. Find out the contact information of non-profit credit counselling services in your community.

Call your **creditor** if you can't pay your bill. Explain your situation. Most of the time, they'll work with you to make a payment plan. This can make it easier for you to pay off your debt.

A **creditor** is a person or business that lent you money, like the bank or the credit card company.

Credit counselling can help you when your debt is too big for you to manage. This help might include calling your creditors to reduce your interest rates and late fees.

How to learn more

Click here for ASL

Did you learn anything from this workbook that might change how you use your credit card? Do you feel like you can make better borrowing decisions? What else would you like to know?

"Managing debt" is an online tool from the Government of Canada to help you understand your debt and how to pay it off. Check it out at: www.canada.ca/en/financial-consumer-agency/services/debt.html

Credit Counselling Canada has a list of non-profit credit counselling agencies in communities across Canada: https://creditcounsellingcanada.ca/

Money challenge

Set up a family meeting to talk about ways to save money and reduce your debt. When your family meets a goal, like paying off a debt, celebrate in a fun and inexpensive way.

Congratulations

You've completed *the Money Matters* Borrowing Money workbook.
You learned about:

- different ways to borrow money
- how to calculate interest
- how credit cards work
- why it's important to manage your debt and build a good credit history

For the last activity we hope you will make a **pledge**.

Click here for ASL

A **pledge** is a serious promise to yourself or to others.

The **pledge** can be personal, or you can share it with others.

My pledge

I pledge to use my new borrowing and credit knowledge by:

Sometimes a pledge needs an action plan: a list of steps you'll take to make your pledge happen.

My action plan

What do I need to do first?

Who will support me?

How will I overcome setbacks and obstacles?

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APR	The rate of interest charged on a loan each year. Short for Annual Percentage Rate
Balance	The money you owe on a loan or credit card. It's also the name for the money you have in a personal chequing or savings account
Cash advance	A loan that you get from a cash store, payday lender, or from your credit card
Contract	A legal document of agreement between you and another person or a business
Credit	Buying now and paying later. You usually pay a fee when you use credit. The fee includes interest and often service charges
Credit card	A card that lets you buy things now and pay later, usually for a fee
Credit counsellor	A person who can help you manage your debt
Credit fraud	When someone steals your credit card or personal information and uses the card without your permission
Credit history	Information about who you've borrowed money from, and how long it takes you to pay back the money you've borrowed
Credit limit	The total amount of money you can borrow from a lender. Credit cards and lines of credits have a maximum amount you can borrow.

Credit report	A report about your credit history. It says who you've borrowed money from and whether you paid the money back on time
Credit score	A score or rating that predicts how likely you are to pay back a loan based on your credit history
Creditor	The person or business lending you money
Debt	The money you've borrowed and need to repay. The amount of debt usually includes the amount you borrowed plus interest
Information box	A boxed area on your contracts, bills, and statements that tells you important details, such as how much interest you pay
Interest	A fee someone pays to borrow money. When you get a loan or use credit, you need to pay back the amount you borrowed plus interest. The amount of interest is usually shown as a percentage of the money borrowed
Loan	Money you have borrowed and agree to pay back by a due date. There's usually a fee or interest
Minimum payment	The minimum amount you have to pay on a credit card bill each month
Payment plan	A schedule for paying back your debt. It can include information on when you'll make payments and the amount you'll pay
PIN	A secret number you use with your credit card or debit card. Short for Personal Identification Number

Answers: page 15

A. Payday loan

Loan:		$200.00
Interest: (0.25 on your calculator)	×	25%
Total interest:		**$ 50.00**
+ Service fee:	+ $	10.00
Total cost of loan:		**$ 60.00**

B. Line of credit

Loan:		$200.00
Interest: (0.05 on your calculator)	×	5%
Total interest:		**$ 10.00**
+ Service fee:	+ $	0.00
Total cost of loan:		**$ 10.00**

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C. Credit card

Loan:		$200.00
Interest: (0.20 on your calculator)	×	20%
Total interest:		**$ 40.00**
+ Service fee:	+ $	0.00
Total cost of loan:		**$ 40.00**

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Credit card E:

Balance	Interest	Annual fee	Annual cost (not including balance)
$350	($350 X 0.21) = **$73.50**	$0	**$73.50**

Credit card F:

Balance	Interest	Annual fee	Annual cost (not including balance)
$350	($350 X 0.18) = **$63.00**	$25	**$88.00**

Which card is better? **The card with no annual fee**

Credit card G:

Balance	Interest	Annual fee	(not including balance)
$200	($200 X 0.22) = **$44.00**	$0	**$44.00**

Credit card H:

Balance	Interest	Annual fee	Annual cost (not including balance)
$200	($200 X 0.12) = **$24.00**	$15	**$39.00**

Which card is better? **The card with an annual fee**

Money Matters

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Thank you!

Thank you for completing Workbook 3 of ***Money Matters***, a program designed to help you make your money work for you.

You've taken an important step toward taking better care of yourself by taking care of your money. This is called financial literacy.

We hope you've learned things that you can put to practice in your life. We also hope you feel more comfortable going to a bank or another financial institution to ask questions, get advice, and choose the best money option for you.

We'd appreciate your feedback on this workbook!

Please take the time to fill out the workshop evaluation form.

This will help us to improve the workshop and make changes you need.

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