

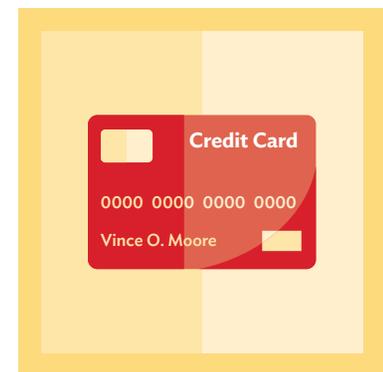
Building **Wealth**

In the Classroom

Interactive Lessons

Lesson 10

Build Credit and Control Debt—Use Credit Wisely



Instructional Objectives

Students will:

- Analyze the impact of purchases financed with debt on a balance sheet.
- Describe the effect of debt payments on a budget.
- Evaluate the advantages and disadvantages of financing various purchases.

The Liability Side



Adding Liability to the Balance Sheet



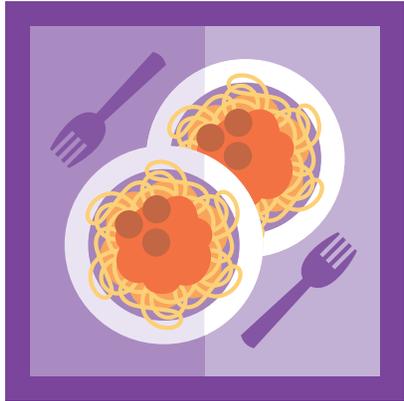
Obligated to Repay

Sources of income		Current income
	Part-time job (net pay)	\$ 580
	Total income	\$ 660
Spending categories		Current expenses
New	Car payment	\$ 120
	Movie night with friends (twice)	80
New	Furniture payment	50
New	Credit card payments	20
	Music purchases	140
	New clothing	90
	Gas	140
New	College debt	20
	Total expenses	\$ 660

Patrick's Prom Problem

Advantages

Disadvantages



Wealth-building assets	Amount
Savings account	
Checking account	
Liabilities	Amount
Credit card balance	

New

Debra's Degree Dilemma

Advantages

Disadvantages



Wealth-building assets		Amount
Savings account		
Checking account		
Liabilities		Amount
College debt		

New

Tony's Transportation Trouble

Advantages

Disadvantages



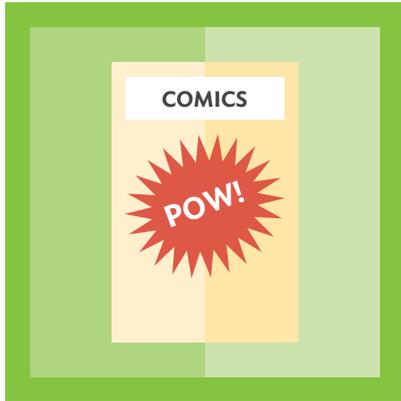
New

Wealth-building assets	Amount
Savings account	
Checking account	
Liabilities	Amount
Bank loan	

Carlos' Comic Conundrum

Advantages

Disadvantages



Wealth-building assets	Amount
Savings account	
Checking account	
Liabilities	Amount
Credit card balance	

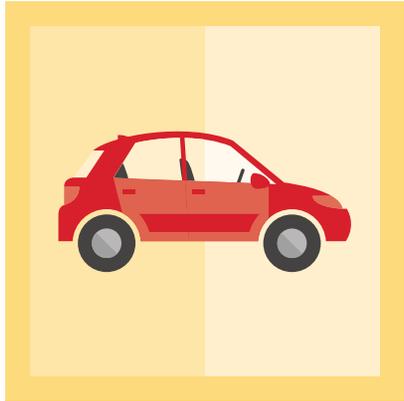
New



Veronica's Vehicle Vexation

Advantages

Disadvantages



Wealth-building assets

Amount

Savings account

Checking account

Liabilities

Amount

Credit card balance

New

Assessment