

# NEWS BREAK

**Sunday's News Break selects an article from Sunday, March 20, 2016** of The Seattle Times e-Edition for an in-depth reading of the news. Read the selected story and answer the attached study questions.

**Mistakes millennials make when it comes to credit cards** (Business, page D3)

## Pre-Reading and Vocabulary

1. What is credit? What mistakes do you think someone could make when using a credit card to purchase items?
2. **Vocabulary: Match the words to the numbered definitions below.**

- A. balance
- B. consumer
- C. credit limit
- D. credit score
- E. factor
- F. interest rate
- G. loan
- H. maxed out
- I. millennials
- J. penalties
- K. prone to
- L. waived

1. something that helps produce or influence a result; one of the things that cause something to happen
2. punishment for breaking a rule or law
3. an amount of money that is given to someone for a period of time with a promise that it will be paid back; an amount of money that is borrowed
4. the maximum amount of money one is allowed to borrow from a financial institution or other lender
5. to officially say that you will not use or require something that you are allowed to have or that is usually required
6. a person reaching young adulthood around the year 2000 and born between the years 1980 and 1995
7. a person who buys goods and services
8. how much is paid for the use of money, as a percent; the cost of borrowing money
9. likely to do, have, or suffer from something
10. the amount of money that still needs to be paid
11. to spend all of the money that your credit card allows you to borrow; to use up all available credit on (a credit card)
12. a score or grade that a company or organization gives to a possible borrower and that indicates how likely the borrower is to repay a loan

## Comprehension

1. If you pay off your credit card bill in full each month what will you avoid?
2. What is the single most important factor when determining a person's credit score?
3. According to the article, more than 50 percent of millennials surveyed did not know what \_\_\_\_\_ was being charged on their credit cards. **(Fill in the blanks)**
4. What do most banks charge cardholders who miss their payment due dates?
5. Late payments that are made within 30 days of the due date do not show up on your credit report – **true or false?**
6. What percent of millennials said they had maxed out their credit card?
  - a) 10 percent
  - b) 30 percent
  - c) 50 percent
7. Most consumers who asked to have what waived by their credit card companies have their requests granted?
8. Carrying a high balance on a credit card is good for your credit score – **true or false?**

## Additional Activities

1. Have students read page 5 of the NIE special section "Credit and Identity Theft", in partnership with the Department of Financial Institutions, to learn about the five factors influence a person's credit score.
2. Have students survey an adult family member about how many credit cards they have and how many of those credit cards they actually use. Also have students ask the adult they are surveying if they know what interest rate the bank charges them and what their credit limit is. This should be reported as a "yes" or "no" answer. Students should not ask for any confidential information. Have each student report back and then tally the results to see what percentage of adults surveyed knew the interest rate, knew their credit limit, and what the average number of credit cards held was vs the average number used was.

News Break is posted to the Web on Wednesday and Friday. Please share this NIE News Break program with other teachers. To sign-up for the electronic edition for your class, please register on-line or call 206/652-6290 or toll-free 1-888/775-2655.

### **Answer Key to Vocabulary**

- A. 10
- B. 7
- C. 4
- D. 12
- E. 1
- F. 8
- G. 3
- H. 11
- I. 6
- J. 2
- K. 9
- L. 5

### **Answer Key to Comprehension Questions**

- 1. You will avoid interest charges.
- 2. Payment history is the single most important factor.
- 3. Interest rate
- 4. They charge late payment penalties.
- 5. True
- 6. b) 30 percent
- 7. Late payment fees.
- 8. False