

## NEWS BREAK

Article: **Credit card debt's easy to rack up, but paying it off is another story**

Section: **Business, C5**

Sunday's News Break selects an article from **Sunday, September 29, 2024** of The Seattle Times print replica for an in-depth reading of the news. Read the selected article and answer the attached study questions.

You are encouraged to modify this lesson to fit the needs of your students. For example, some teachers might use this as a take-home assignment and others might read and answer the questions in a small group or larger, class discussion.

***\*Please be sure to preview all NIE content before using it in your classroom to ensure it is appropriate for your students.***

### Standards:

#### **CCSS.ELA-Literacy.RI.4.1**

- Refer to details and examples in a text when explaining what the text says explicitly and when drawing inferences from the text.

#### **CCSS.ELA-Literacy.RI.4.2**

- Determine the main idea of a text and explain how it is supported by key details; summarize the text.

### Objectives:

Students will learn about American consumer overspending and credit card debt and how it perpetuated economic inequality. They will discuss when should students start learning about financial literacy skills and what roles school and family play in this education. Students will talk about what factors might contribute to overspending and how online shopping might play a role.

### Pre-Reading Discussion:



- What do you think the article will be about, using this picture?
- Are there any clues? What can you infer?

### Vocabulary Building:

Read this sentence, what do you think the highlighted words mean using *context clues*? A **context clue** is a word or words that are hints and refers to the sources of information outside of words that readers may use to predict the identities and meanings of unknown words.

Credit card rates are expected to decline only modestly with the **Federal Reserve's** recent move to cut the short-term federal funds rate.

### **Federal Reserve Guess:**

### **Federal Reserve Definition:**

### Comprehension Questions:

1. Since COVID, outstanding credit card debt nationwide has been on the rise, primarily driven by what factors?
2. Interest rates on credit cards are also near record highs at more than \_\_\_\_\_%.
3. With delinquencies also increasing, the higher balances are concerning, particularly for whom?
4. Seattle's high \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_ makes it easier to accumulate credit card debt and more difficult to pay down balances.

5. "Sometimes people are just making \_\_\_\_\_, \_\_\_\_\_, and the higher your interest rate, the less traction your payments have toward paying down your debt and you're just spinning your wheels."
6. Washington ranks \_\_\_\_\_th in average credit card debt per consumer among states.
7. The average balance per consumer in Washington hit \$\_\_\_\_\_ as of July, up 4.8% in a year.
8. Which state carries the highest credit card debt (and amount) and which state carries the least (and amount)?
9. Bank cards held about 93% of the \$\_\_\_\_\_ trillion in outstanding credit card debt in the U.S. as of August.
10. The slogan "\_\_\_\_\_ " \_\_\_\_\_ is a good rule to live by to avoid spiraling into debt, he said.
11. High credit card usage rates can lower your what?

**Discussion Questions (small/large groups), Journal Prompts or Essay Questions:**

**Class Discussion Questions:**

- What surprised (or stood out to) you in the article?
- At first, I thought \_\_\_\_\_, but now I think \_\_\_\_\_?
- What things did you already know from prior experience?
- What kind of spending do you see in your household? Spending a lot and less saving? Frugal spending and more saving?
- Why is it important to have knowledge about credit cards and personal finance?
- What are some strategies mentioned in the article to help people reduce their credit card debt?
- How does the high cost of living in Seattle make it more difficult to pay down credit card debt?

***"Amazon can be so addicting because they ship it the next day and you're like, I can have it now and pay for it later," she said.***

- How do you think companies like Amazon factor into American overspending?

**Diving Deeper-Journal, Essay Prompts & Discussion Questions:**

***Ethical Considerations:*** Is it ethical for credit card companies to offer high-interest rates and aggressive marketing tactics to young people who may not fully understand the financial implications?

***Economic Inequality:*** How does rising credit card debt contribute to economic inequality, and what can be done to address this issue?

**Financial Literacy Education:** At what age should students be taught about personal finance and credit card management? What role should schools and families play in this education?

**Psychological Factors:** What psychological factors might contribute to people's tendency to overspend on credit cards? How can these factors be addressed?

**Societal Norms:** How do societal norms and values influence people's attitudes towards debt and consumerism (spending)? Can these norms be changed to promote more responsible financial behavior?

**Role of Technology:** How has the rise of technology and online shopping made it easier for people to accumulate credit card debt? What measures can be taken to address this issue?

News Break is posted to the Web on Tuesday. Please share this NIE News Break program with other teachers. To sign-up for the print replica for your class, please [register online](#) or call 206/652-6290 or toll-free 1-888/775-2655.  
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