

## Case Study: #6B The Credit Card Conundrum - Balancing Convenience and Control

### Introduction

Meet David, a 12th grader who's just received his first credit card. He's excited about the newfound financial freedom and the ability to buy things he couldn't afford with just cash. David sees the card as a ticket to a world of possibilities - online shopping, concert tickets, the latest tech gadgets. However, he's also heard cautionary tales of credit card debt and identity theft. Can David navigate the credit card landscape responsibly and avoid falling into financial pitfalls?

### The Problem

David's situation reflects the challenges faced by many young adults when they first encounter credit cards:

- **Temptation & Instant Gratification:** Credit cards offer the allure of buying now and paying later, making it easy to overspend and accumulate debt.
- **Lack of Experience:** David has limited experience managing credit and might underestimate the impact of interest rates and fees.
- **Identity Theft Risk:** Sharing card information online or in stores increases the risk of identity theft and fraud.
- **Impact on Future Finances:** Irresponsible credit card use can damage credit scores, making it difficult to qualify for loans or favorable interest rates in the future.

### Questions for Students:

1. **Budgeting & Credit:** How can David incorporate credit card spending into his budget to ensure he doesn't overspend?
2. **Interest & Fees:** What are the key credit card terms David needs to understand, such as APR, minimum payments, and late fees? How can these impact his finances?
3. **Identity Theft Prevention:** What steps can David take to protect his personal and financial information when using his credit card online and in stores?
4. **Credit Score & Financial Future:** How does responsible credit card use contribute to building a good credit score? Why is a good credit score important for David's future financial goals?
5. **Alternative Payment Options:** What are some alternative payment options David can consider for certain purchases to avoid credit card debt?